

A close-up photograph of a person's hand wearing a grey work glove, gently holding a small, young evergreen tree sapling. The background is a blurred forest floor with dry leaves and twigs. In the top left corner, there are decorative white and yellow geometric lines and dots.

Three values. One trust.

The Triglav Group and Zavarovalnica
Triglav d.d. Annual Report

2021

Three values. One trust.

Responsiveness, reliability and simplicity. Triglav Group's values are the force behind its operations. By implementing these values in the unpredictable year of 2021, the following key objectives were achieved:


- The Group operated at a profit and recorded high profit growth.
- The Group strengthened the trust of its key stakeholders and sustainable development orientation in both core activities, i.e. insurance and asset management.
- The Group strengthened its position in the region and set ambitious goals for 2022–2025.

→ Address by the President of the Management Board

→ Share and shareholders

→ Strategy and plans

→ Sustainable development



Employees of the Triglav Group joined Slovenski državni gozdovi's initiative for forest restoration. In the context of the Wholehearted Woods campaign, we contributed 2,500 tree seedlings to be replanted on the slope below Uršlja gora, after much of the forest was destroyed by storms. At the same time, public virtual reforestation took place, in which participants dedicated tree seedlings to their loved ones.

“Corporate social responsibility investments are not just a niche market, but reflect a changing social environment, changes to consumer habits, lifestyle and even legislation. We are also aware of the importance of corporate social responsibility investing at Triglav Group, so we created the Triglav Zeleni fund and committed ourselves to invest only in companies that have positive and measurable sustainability characteristics. In managing other funds and investor portfolios, reviewing the sustainability characteristics of financial instruments has also become an integral part of our investment process.”

Sašo Ivanović

Director of Investment Fund Management
at Triglav Skladi



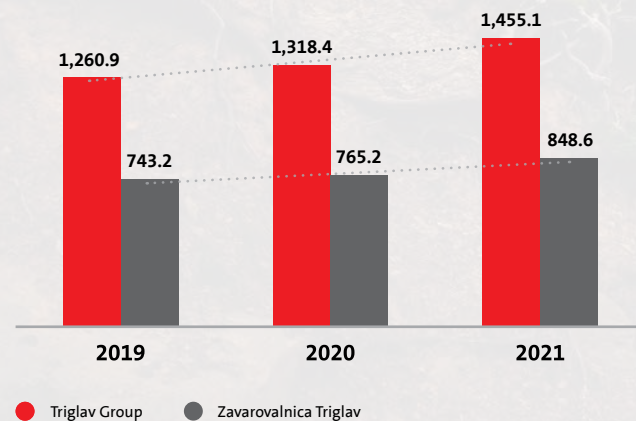
Credit rating

'A'

with a stable
medium-term
outlook

Leading
position in
the Adria region

Total revenue in EUR million



Financial highlights of the Triglav Group in 2021

45

companies

5,264

employees

EUR 1,70

dividend per share

56.9%

share of highly committed employees

EUR 3,668.5 million

investment portfolio

68.5%

debt and other fixed return securities

EUR 1,353.0 million

gross written premium from insurance,
coinsurance and reinsurance contracts

72

NPS index, satisfaction of
Zavarovalnica Triglav's clients

EUR 1,539.3 million

mutual funds and
discretionary mandate assets

> 1,700

contract sales partners and
well developed own sales network

219%

capital adequacy of the Triglav Group

12.5%

return on equity

8%

share of social impact, green and
sustainable bonds in debt securities

95%

of electricity for Zavarovalnica Triglav
from renewable sources

Revised strategy 2022–2025

Responsiveness.

EUR **1,539.3** million

↑
+33%

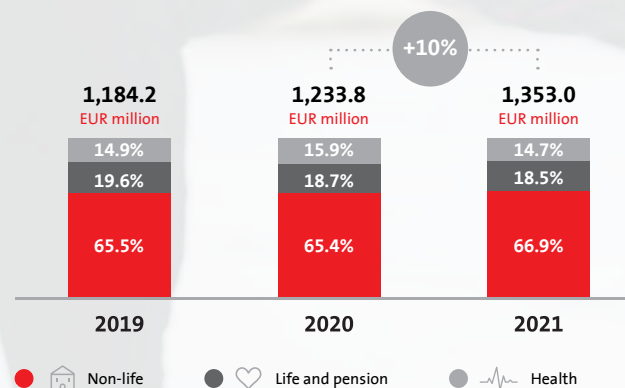
Mutual funds and
discretionary mandate assets

22.2%

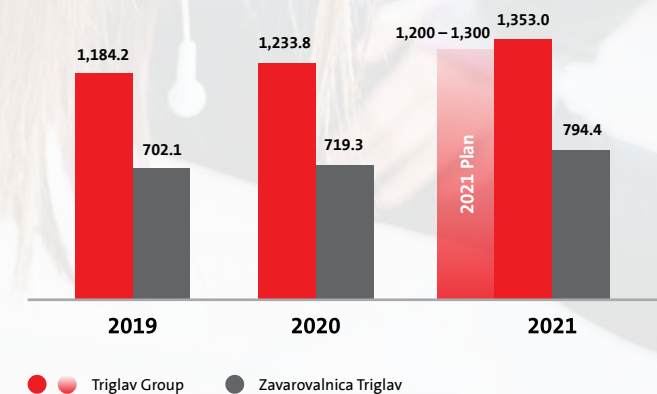
The proportion of operating expenses
of the insurance business in
gross written premium

The organisers of the Triglav Run provided free training courses
for runners in nine Slovenian towns.

Consolidated gross written premium of the Triglav Group
by segment



Gross written premium from insurance, coinsurance and
reinsurance contracts



Simplicity.

>70

simplified products and services

+50.3%

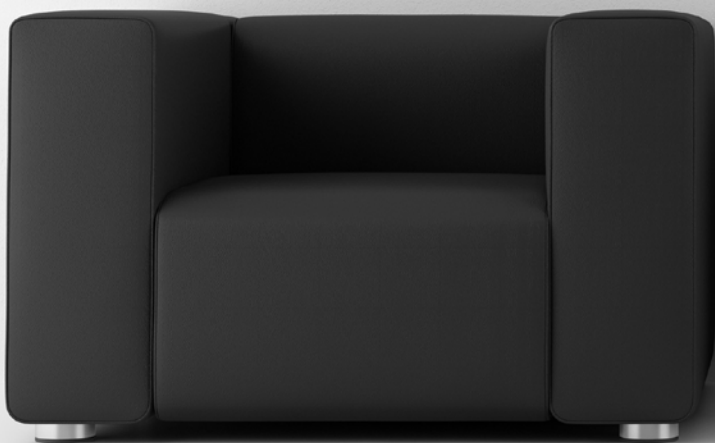
users of the i.triglav web office



1 > 17

new
home insurance

17 insurance products
combined and simplified
into one.



Asset
management

18 investment
policies within
mutual funds



Non-life

100
insurance products
in Slovenia



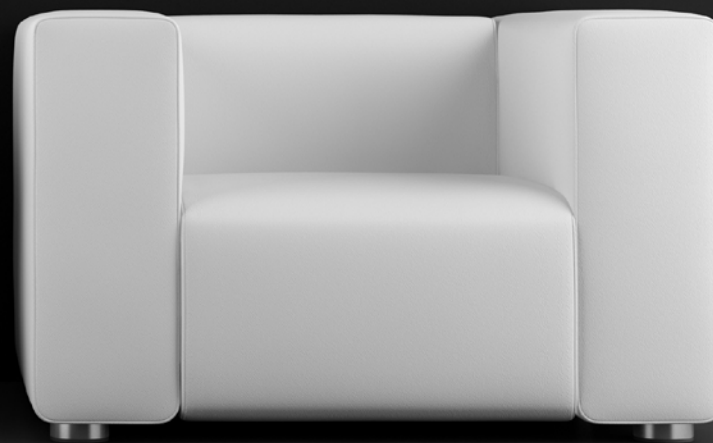
Life

20
insurance products
in Slovenia



Health

32
insurance products
in Slovenia



Reliability.

EUR **4.4** billion

Balance sheet total of the Triglav Group

↑
+6%

219%



Capital adequacy of the Triglav Group

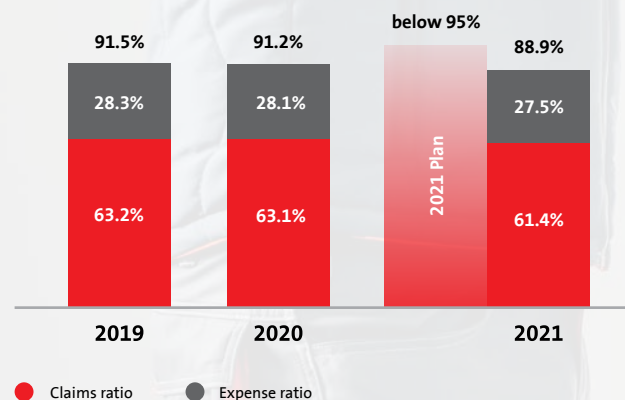
12.5%

↑
+3.7 p.p.

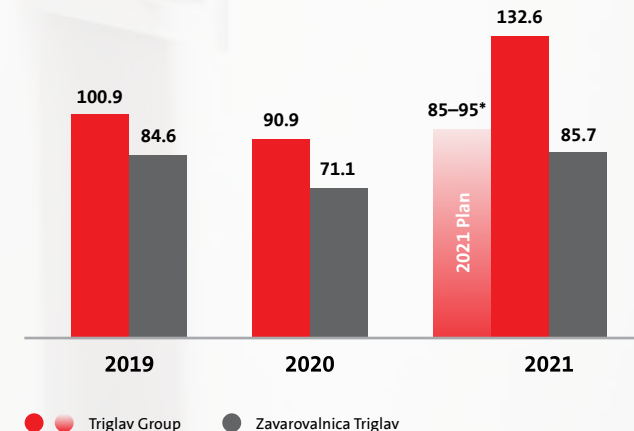
Return on equity of
the Triglav Group

In the *Carefree and safe living* business ecosystem,
we work with partners who provide reliable assistance
services for our clients (Marijan Radoš, Teslamont).

Combined ratio of the Triglav Group



Net profit before tax in EUR million



* Interim estimate of profit before tax of EUR 115-125 million.

About the report

This PDF version of the report is unofficial. Pursuant to Commission Delegated Regulation (EU) 2019/815 and paragraph one of Article 134 of the Market in Financial Instruments Act (ZTFI-1), the official version of the report is the one designed in the ESEF format and published on the SEOnet of Ljubljanska borza d.d., the Company's official announcement site.

The Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021 is integrated and describes the balance and plans as at 31 December 2021. When compiling the report, the aim was to present a comprehensive overview of the main financial and non-financial (ESG) aspects, results and plans. You can read more about the report in Section [2.4 About the report](#).

Navigation

You can access the contents of the report through interactive indexes and quick links to related or additional content, for example: [Section 4 Triglav Group strategy and plans](#).

Keep updated about our activities and offers

Detailed information for investors and existing shareholders is available at:

Information for shareholders:
Zavarovalnica Triglav d.d., Ljubljana,
Miklošičeva cesta 19, 1000 Ljubljana,
Helena Ulaga Kitek
Head of Investor Relations
T: ++386 (1) 47 47 331
E: investor.relations@triglav.si



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1.

Address by the President of the Management Board¹

Dear Shareholders,
Business Partners and
Colleagues,

In 2021, we operated in an environment of persisting COVID-19 pandemic and fierce competition as well as under the influence of trends in the capital markets, which remained unfavourable in terms of interest income. Even under such circumstances, we achieved very good results – better than expected. The Group consolidated its position in most markets, maintained its financial strength and again received “A” credit ratings from S&P Global Ratings and AM Best with a stable medium-term outlook.

The consolidated profit before tax, amounting to EUR 132.6 million, was 46% higher than in the previous year. Net return on equity was 12.5%. With prudent cost management, primarily acquisition costs, digitalisation expenses and investments in information technology increased. We achieved very good results in both underwriting activities and the management of clients’ assets, while investment portfolio returns continued to be affected by the low interest rate environment. Several factors contributed to

underwriting results. Along with growth in the volume of business, they were positively affected by the relatively lower frequency of claims and the favourable development of claims provisions created in past years. They were further affected by the formation of insurance technical provisions in 2021, which was prudently conservative as always. To a lesser extent, additional insurance technical provisions were created in the health, life and pension insurance segments.

Good results in insurance and asset management

The Group’s total revenue increased by 10% to EUR 1,455.1 million, and the volume of gross written premium increased at the same growth rate to EUR 1,353.0 million. The Group’s underwriting discipline and client focus resulted in premium growth in all three insurance segments and in all our markets. In Slovenia it stood at 4%, which is one percentage point above the market, reaching 15% in markets outside Slovenia. Premium written in



The consolidated profit before tax, amounting to EUR 132.6 million, was 46% higher than in the previous year.



Business Report

Address by the President of the Management Board

Risk Management

Accounting Report



¹ GRI GS 102-14

The Group's underwriting discipline and client focus resulted in premium growth in all three insurance segments and in all our markets.



the international market based on the principle of free movement of services and inward reinsurance premium grew by 40%. The non-life insurance premium increased by 12%, life and pension insurance premium by 8% and health insurance premium by 1%.

The volume of gross claims paid of EUR 736.6 million did not deviate significantly from the previous two years. They were affected by the growth of the insurance portfolio over several years and major CAT events, which were even lower than the year before. As we observed during the year, the claims segment continued to be affected by the COVID-19 pandemic, resulting in a lower frequency of claims in some insurance classes and an increased volume of claims in others due to last year's disruption in some services. The combined ratio in non-life and health insurance reached a very favourable 88.9%. Its improvement is the result of the improved claims ratio and the expense ratio or higher growth in net premium income than growth in net claims incurred, backed by the rise in other insurance income and the decline in net expenses for bonuses and discounts.

The Group's investment portfolio – together with investment property and investments in associates – amounted to EUR 3,668.5 million, which is 5% more than the year before. Its structure was not significantly changed, but we continued to pursue the goal of achieving a high credit rating of the entire portfolio in our investing activities. We also began to incorporate environmental, social and governance (ESG) factors in our investment processes. We are satisfied with the results in asset management, in which the volume of clients' assets in mutual funds and discretionary mandate assets increased by 33% to EUR 1,529.3 million due to the situation on the financial markets and net inflows. By holding a 31.8% market share, the Group is one of the leading managers of assets in mutual funds in Slovenia.

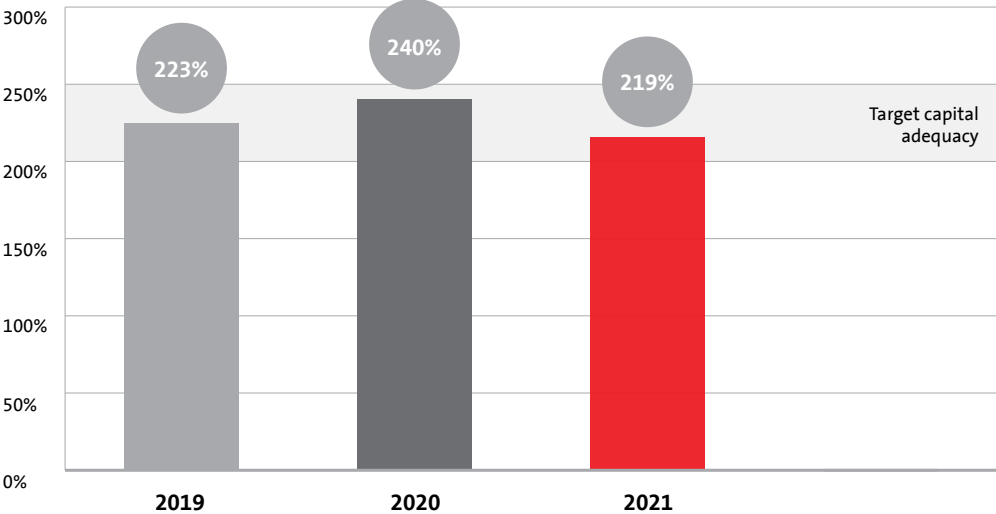
Implementation of the dividend policy by paying out dividends

We strive to make the ZVTG share a profitable, safe and stable investment for investors. Our dividend policy is sustainable in terms of the Group's financial stability, growth and development, and interesting in terms of paying attractive dividends to shareholders. We aim to implement it as such, but in 2021 it was again influenced by the COVID-19 pandemic and related requirements of the insurance regulator. We are pleased to have met its requirements and to have been able to pay dividends in 2021. A total of 53% of Zavarovalnica Triglav's consolidated net profit for 2020 was allocated for dividend payments, which represented a 5% dividend yield.

Focused on growth and development

The Group's operations continued to be development-oriented in 2021. In both activities, insurance and asset management,

Capital adequacy ratio of the Triglav Group as at 31 December 2021



we have strengthened client focus and user experience, with the aim of making it outstanding and uniform across all channels and processes, products and Group companies. This remains our main strategic guideline in the future.

The Group's long-term competitive advantage is the upgrading of insurance and financial products with assistance and related services, which are supported by advanced information and digital solutions. In such business ecosystems, we work together with a partner network of contractors and upgrade them in several areas (healthcare services, pet health, safe and sustainable mobility, carefree and safe living/home and financial services). In 2021, new, simple and flexible products (e.g. modular insurance) were launched, which provide clients with an even greater selection of insurance scope and coverage to choose from, further expanding the range of assistance services.

Development processes continued to be carried out in order to facilitate policy underwriting, claim reporting and the digitalisation of back-office processes. In line with our omni-channel approach, traditional distribution

We aim to play a leading role in our region in integrating the best global ESG practices into our operations.





channels were connected with new channels (digital sales, strengthened bank channels, mobile operators), in addition to implementing a hybrid sales method (remote selling and personal contact). Due to the unstable situation caused by the COVID-19 pandemic, the sales network as the Group's main sales channel focused on remote selling.

The client relationship management information system was upgraded in terms of function and data, while the functionalities of the i.triglav digital office and online applications intended for clients in both core activities were expanded. Our contact with clients was maintained through a variety of communication channels (including live/web chat and a chat operated by a digital assistant, i.e. a chatbot), which will be upgraded with the project of establishing a central entry communication point.

In accordance with the planned geographical diversification of operations, we entered into new strategic partnerships, launching operations in Poland and Denmark and expanding our current presence in Greece, Italy, Norway and the Netherlands. These forms of business, which are insignificant in terms of premium volume, are considered material in terms of development.

Sustainability orientation (ESG) is a part of us

Sustainability is integrated into our operations and expressed in our mission of *building a safer future*. By pursuing sustainable development, the Group is creating a long-term stable basis for its profitable and safe operations, promoting the transition to a sustainable society and reducing its impact on climate change. We aim to play a leading role in our region in integrating the best global ESG practices into our operations. We have defined our sustainable (ESG) ambitions by 2025 in four key areas, which include improvements in communication about our sustainable business practices. Therefore, in this annual report, at the request of investors and shareholders, disclosures according to Sustainability Accounting Standards Board (SASB) were added to the long-term application of the Global Reporting Initiative (GRI) criteria and standard.

Development-oriented revised strategy to 2025

The new financial year has begun with a revised strategy to 2025, which has set ambitious strategic objectives on a solid foundation. These objectives were upgraded in terms of development and highlight our continued efforts to focus on the client. We will continue with the digital transformation and, together

with our partners, we will develop service-oriented business models and ecosystems. The Group's operations are planned to remain profitable and safe. The Group, with its sustainability-oriented operations, continues to provide a development-oriented and friendly environment to its employees.

It means a great deal to us that clients are satisfied with our work by rating the Group the highest to date. A high level of satisfaction was also expressed by our employees, which is the foundation of our success. On behalf of the Management Board, I sincerely thank all employees for their efforts.

Andrej Slapar
President of the Management Board of Zavarovalnica Triglav

Business Report

Address by the President of the Management Board

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2. Triglav Group and Zavarovalnica Triglav in 2021

- The Triglav Group and its parent company operated at a profit and achieved high profit growth.
- The Group strengthened its dominant position in both the Adria region and the Slovenian insurance market.
- Premium growth was achieved in all insurance markets and all insurance segments. The value of assets under management increased.
- The Group continues to be financially sound, its capital adequacy is within the target range and the “A” credit rating has a stable medium-term outlook.
- By revising its strategy to 2025, the Group defined its future growth and development.

2.1 Financial highlights of the Triglav Group²

in EUR million

	2021	2020	2019	Index	
				2021/2020	2020/2019
Total revenue	1,455.1	1,318.4	1,260.9	110	105
Gross written premium from insurance, coinsurance and reinsurance contracts	1,353.0	1,233.8	1,184.2	110	104
Net premium income	1,119.8	1,066.8	1,027.6	105	104
Gross claims paid	736.6	697.4	716.7	106	97
Net claims incurred	715.0	683.6	684.1	105	100
Gross operating expenses	333.4	306.7	305.3	109	100
Profit before tax	132.6	90.9	100.9	146	90
Net profit	113.0	73.7	83.9	153	88
Net profit attributable to the controlling company	112.8	73.5	83.7	153	88
Combined ratio	88.9%	91.2%	91.5%	98	100
Insurance technical provision as at 31 December	3,198.7	3,033.2	2,878.9	105	105
Equity as at 31 December	933.0	870.2	792.0	107	110
Equity attributable to the controlling company as at 31 December	930.5	867.6	789.5	107	110
Return on equity	12.5%	8.9%	10.9%	141	81
Return on equity attributable to the controlling company	12.5%	8.9%	10.9%	141	81
Book value per share (in EUR)	40.93	38.16	34.73	107	110
Net earnings per share (in EUR)	4.97	3.24	3.69	153	88
Number of employees as at 31 December	5,264	5,316	5,281	99	101

2.2 Financial highlights of Zavarovalnica Triglav³

in EUR million

	2021	2020	2019	Index	
				2021/2020	2020/2019
Total revenue	848.6	765.2	743.2	111	103
Gross written premium from insurance, coinsurance and reinsurance contracts	794.4	719.3	702.1	110	102
Net premium income	598.8	583.9	573.6	103	102
Gross claims paid	408.9	408.3	425.2	100	96
Net claims incurred	365.1	375.3	376.8	97	100
Gross operating expenses	195.0	180.0	180.5	108	100
Profit before tax	85.7	71.1	84.6	121	84
Net profit	73.4	58.0	70.6	127	82
Combined ratio	81.8%	86.1%	85.6%	95	101
Insurance technical provisions as at 31 December	2,280.5	2,199.0	2,149.0	104	102
Equity as at 31 December	675.2	644.0	580.5	105	111
Return on equity	11.1%	9.5%	12.4%	117	77
Book value per share (in EUR)	29.70	28.33	25.53	105	111
Net earnings per share (in EUR)	3.23	2.55	3.11	127	82
Number of employees as at 31 December	2,246	2,244	2,253	100	100



The calculation of indicators and the chosen terms are explained in the glossary enclosed to the Annual Report.

[See page 325.](#)

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Triglav Group
and
Zavarovalnica
Triglav
in 2021

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2.3 Environmental, social and governance (ESG) aspects of the Triglav Group's operations

	2021	2020	2019	Index	
				2021/2020	2020/2019
1. Environmental aspects					
Scope 1–2 carbon footprint (tonnes of CO2 equivalent)*	10,997	10,258	11,127	107	92
Scope 1 and 2 carbon footprint per employee (tonnes of CO2 equivalent)*	2.09	1.93	2.11	108	91
Electricity consumption (MWh)	14,087	12,841	13,382	110	96
Share of electricity consumption from renewable sources (%)	60.1	2.7	0.9	2,234	306
Total amount of waste per employee (tonnes)	0.12	0.12	0.11	99	114
Average daily consumption of office paper per employee**	14	45	53	31	85
Number of insurance products promoting environmental responsibility	5	4	2	125	200
Investments in social impact, green and sustainable bonds (EUR million)	204.5	104.3	n.p.	196	
2. Social aspects					
Employee satisfaction (ORVI)	4.00	3.99	3.88	100	103
Average employee age	44.67	44.38	44.06	101	101
Women employees to total employees ratio (%)	53.9	53.50	53.49	101	100
Proportion of women at first and second management levels under the management board (%)	42.0	42.1	43.5	100	97
Employee turnover (number of leavers/average number of employees; %)	13.2	11.7	14.4	113	81
Average number of training hours per employee	31	24	31	130	77
Lost time incident rate – LTIR (number of work-related incidents/total number of hours of all employees x 200,000)	0.24	0.21	0.38	117	54
Client satisfaction at Zavarovalnica Triglav (NPS)***	72	68	60	106	113
Number of insurance products and services sold online	21	20	18	105	111
Number of insurance products promoting prevention	61	62	62	98	100
Proportion of employees allowed to work from home (%)	58.3	n.p.	n.p.		
Number of suppliers checked against ESG criteria	375	311	140	121	222
Investments into the community (prevention, donations, sponsorships) (EUR million)	8.7	7.8	7.4	111	105
3. Governance aspects					
Proportion of women in the management board/supervisory board/at the first management level under the management board (%)	33.3/0/45.3	33.3/0/45.8	33.3/11.1/46.9		
Average age of Zavarovalnica Triglav Management Board members	48.7	47.7	46.7	102	102
Independence of Zavarovalnica Triglav Supervisory Board members, shareholder representatives (% of members)	100	100	100	100	100
President of the Management Board salary to the average employee salary ratio (factor x)****	5	5	5	100	100
Term of office of the current President of the Management Board (years)	8	7	6	114	117
Policies adopted: equal opportunities policy, anti-corruption policy, employee protection/whistleblower protection policy	YES	YES	YES		
Fair business practices (number of fraud cases investigated)	1,517	1,134	1,040	134	109
Internationally renowned audit firm (Big 4)	YES	YES	YES		
Period of cooperation with the existing auditor (years)	3	2	1.0	150	200
Investor relations when publishing results	YES	YES	YES		
Economic value generated (EUR million)	1,378.8	1,274.9	1,292.4	108	99
Economic value distributed (EUR million)	1,281.8	1,179.2	1,245.6	109	95
Economic value retained (EUR million)	96.9	95.7	46.8	101	204

- * Includes Scope 1 and 2 emissions under the location-based method. A more detailed calculation of Scope 1, 2 and 3GHG emissions is shown in Section [12.3.2](#).
- ** Includes A4 paper consumption for internal purposes.
- *** NPS shows the share of promoters who would recommend the Company to their acquaintances, friends and others based on experience.
- **** Pursuant to the ZPPOGD, the base salary of the President of the Management Board is determined in relation to the average gross salary in the Group members which are headquartered in Slovenia and whose data are included in the consolidated annual report in the previous financial year.



For additional information about this report please contact:⁴ Zavarovalnica Triglav, d.d., Ljubljana, Miklošičeva cesta 19, 1000 Ljubljana
Tomaž Žust, Director of Strategic Planning and Controlling Department | Telephone: ++386 (1) 47 47 449 | Fax: ++386 (1) 23 16 456 | E-mail: tomaz.zust@triglav.si

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2.4 About the report⁵

The Annual Report of the Triglav Group and Zavarovalnica Triglav was compiled in accordance with **International Financial Reporting Standards (IFRS)**, the **Companies Act (ZGD-1J)** and the **Insurance Act (ZZavar-1)**.

In line with the strategic ambitions relating to sustainable development, the Group is making constant progress in reporting by expanding the scope of identified indicators of various global standards. For non-financial reporting, **GRI** standards (Global Reporting Initiative) and their specific guidelines for the financial sector as well as **SASB** standards (Sustainability Accounting Standards Board) were used. The range of topics and disclosures used is presented in the GRI and SASB content index at the end of the Annual Report and the materiality matrix. Progress in environmental, social and governance (ESG) areas is presented mainly in the section on sustainable development at the Triglav Group, but because the report is integrated, it is also incorporated in various other sections, as evident from the GRI and SASB references.

An overview of the areas where the Group contributes to the achievement of the Sustainable Development Goals adopted by the United Nations is included in Section [12.1 Implementation of strategic guidelines and sustainable development goals of the Triglav Group and Zavarovalnica Triglav](#).

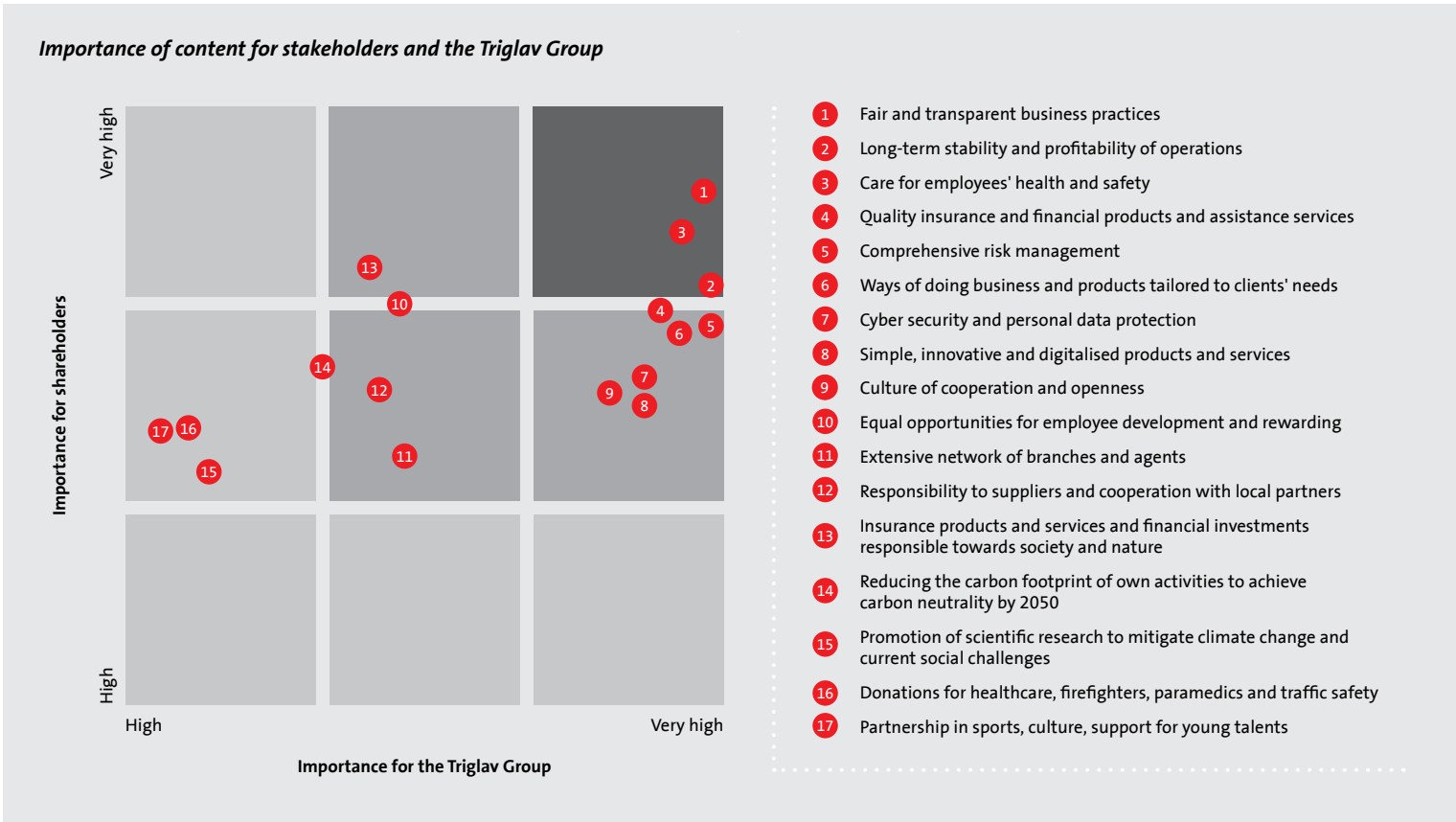
The content of the annual report and the data on the Group's sustainable operations are collected by the competent departments of the Company, which is responsible for reporting, in cooperation with the competent departments in subsidiaries. Reporting refers to a particular financial and calendar year.

The financial reporting for the Group comprises all companies included in the consolidated financial statements (See Section [2.1.4 of the Accounting Report](#) for more information). In the previous period, non-financial data according to the GRI standards were disclosed for the parent company and the Group. With the gradual integration of ESG aspects into the Group's operations, the scope of companies included in ESG disclosures in accordance with GRI and SASB is also increasing. The notes to individual disclosures indicate which companies are included.

The calculation methodology for individual indicators is given in the text and the notes.⁶

Key stakeholders are always involved in determining the content and scope of non-financial disclosures. The procedure of analysing stakeholders and the materiality of content for them was repeated in 2021. The result of the analysis and the scope of key ESG topics can be seen from the updated double materiality matrix. It was verified by a quantitative and a qualitative survey. The first included more than 1,000 policyholders of Zavarovalnica Triglav and other insurance companies and

almost 1,400 employees of the Triglav Group. The qualitative survey with in-depth interviews was conducted with representatives of three stakeholder groups: non-governmental organisations, local communities and Zavarovalnica Triglav's corporate clients and by capturing institutional investors' data.⁷ More about stakeholders and their engagement is reported in Section [12. Sustainable development at the Triglav Group](#).



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Triglav Group and Zavarovalnica Triglav in 2021

Risk Management

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⁵ GRI GS 102-46 | ⁶ GRI GS 102-48, 102-49, 102-50, 102-52 | ⁷ GRI GS 102-44

Good business results

Already in the third quarter of 2021, the Triglav Group raised the estimate of the originally planned annual profit. Premium growth was achieved in all insurance markets and all insurance segments. The value of assets under management increased.

The “A” credit rating affirmed

The credit rating agencies S&P Global Ratings and AM Best again confirmed the Group’s “A” credit rating with a stable medium-term outlook. See Section [6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav](#) for more information.

A revised strategy

In its revised strategy for 2025, the Triglav Group maintained its key guidelines and upgraded them in terms of development activities, highlighting the Group’s ambitions in sustainable development. See Section [4 Strategy and plans of the Triglav Group](#) for more details.

Dividend payment

Zavarovalnica Triglav met the Insurance Supervision Agency’s requirements for dividend payment related to uncertainties in the markets due to the pandemic. At the General Meeting of Shareholders held in May, the shareholders passed the resolution proposed by the Management Board and the Supervisory Board to allocate 53% of the Company’s consolidated net profit for 2020 for dividend payment, representing a 5% dividend yield. See Section [6.4 Dividends and dividend policy](#) for more information.

Changes in the Management Board and the Supervisory Board of Zavarovalnica Triglav

The Supervisory Board reappointed Marica Makoter as the Management Board member, Worker Director, at the proposal of the Works Council. The General Meeting of Shareholders reappointed Andrej Andoljšek a Supervisory Board Member, shareholder representative, and appointed Tomaž Benčina, Branko Bračko, Jure Valjavec and Peter Kavčič new Supervisory Board members, shareholder representatives. The Supervisory Board appointed Andrej Andoljšek as its Chairman. See Section [5.3.3 Supervisory Board](#) for more information.

2.5
Major events
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2.6 The Triglav Group's operations during the COVID-19 pandemic

The epidemic situation caused by COVID-19, which occurred in waves of various strength, continued to affect the Group's operations in 2021. Compared to the preceding year, the region's economies recovered as growth in economic activity, also stimulated by government policy measures, was seen in all countries where the Group operates. High economic growth slowed down towards the end of the year due to disruptions in supply chains and production, as well as persistently rising inflation. The epidemic situation also affected the volatility of financial markets (see Section [7.1 The general economic environment worldwide and in Slovenia](#) and Section [7.2 Environmental impact on the Triglav Group's operations](#) for more information).

The Group continuously adapted to the changing circumstances and ensured business continuity by taking further measures to prevent infections and protect the health of employees, clients and other stakeholders and by adjusting the organisation of work (see Section [12.4.2.4 Occupational safety and health](#) for more information). The wide accessibility and availability of the Group's services to its clients was ensured through various ways of doing business, while keeping in contact with clients via different communication channels. Innovations that further strengthened digital

sales communication and distribution channels and tools were implemented at a rapid pace (see Section [11.1 Client-centric approach](#) for more details).

Favourable economic growth stimulated the growth of insurance premiums, but the reduced demand for some insurance products and services was caused by restrictive measures and related lower population mobility and disruptions in supply chains and production. Greater price sensitivity of clients was also identified (see Section [7.5 Gross written insurance, coinsurance and reinsurance premiums](#) for more information). The pandemic also affected the claims segment. In some insurance classes, a lower claims ratio was still observed, while for other insurance classes the claims increased slightly, mainly as a result of payments due to increased mortality in life insurance and the unavailability of healthcare services in supplemental health insurance in the preceding year. Nevertheless, the COVID-19 pandemic had a positive impact on the Group's profit due to the lower frequency of claims (see Section [7.6 Gross claims paid](#) for further information). To cover not yet incurred or future loss events arising from the shortfall in supplemental health insurance claims in 2020 and 2021 due to the impact of the pandemic, other insurance technical provisions were

created (see Section [7.8 Risk equalisation](#) for more information).

Due to the changed business conditions, the Company tested the adequacy of accounting policies, estimates and assumptions used in 2021 and assessed the impact of changes on its financial position, cash flows and profit or loss (see Section [2.7.2 The impact of the COVID-19 epidemic on individual items in the financial statements in the Accounting Report](#) for more information).

Risks and their impact on operations were regularly tested with scenario tests. Market and credit risks were assessed as the most material risks. In the context of market risks, higher inflation and future measures taken by central banks to curb excessive inflation will pose a great challenge in the future. With respect to credit risks, special attention will continue to be paid to the payment discipline of receivables and the credit quality of major partners (see Section [2.9 Future risks as a result of the pandemic in Risk Management](#) for more information). It is assessed that the Group's insurance and investment portfolios are sufficiently resilient and that the capital position is appropriate to further effectively cope with any increased risks due to the COVID-19 pandemic.

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2.7 Financial calendar 2022

Calendar of financial announcements for 2022

Date of announcement*	Type of announcement	Quiet period**
Wednesday, 2 March 2022	Preliminary key figures for 2021	From Wednesday, 9 February 2022
Thursday, 31 March 2022	Audited annual report for 2021	From Thursday, 17 March 2022
Thursday, 21 April 2022	Call notice of the General Meeting of Shareholders to decide on the distribution of accumulated profit	
Thursday, 19 May 2022	January–March 2022 interim financial report	From Thursday, 5 May 2022
Tuesday, 24 May 2022	General Meeting of Shareholders and announcement of its resolutions	
Thursday, 18 August 2022	January–June 2022 interim financial report	From Thursday, 4 August 2022
Thursday, 17 November 2022	January–September 2022 interim financial report	From Thursday, 3 November 2022

* Announcement dates as planned. The actual dates may differ from the above-stated planned dates.

** The quiet period denotes a period preceding the announcement of a financial report, during which Zavarovalnica Triglav does not disclose any information on current operations to the public.

The financial calendar as well as any amendments to the dates of publication will be published on the Ljubljana Stock Exchange website via the SEOnet system (www.seonet.ljse.si) and on the Company's website (www.triglav.eu).



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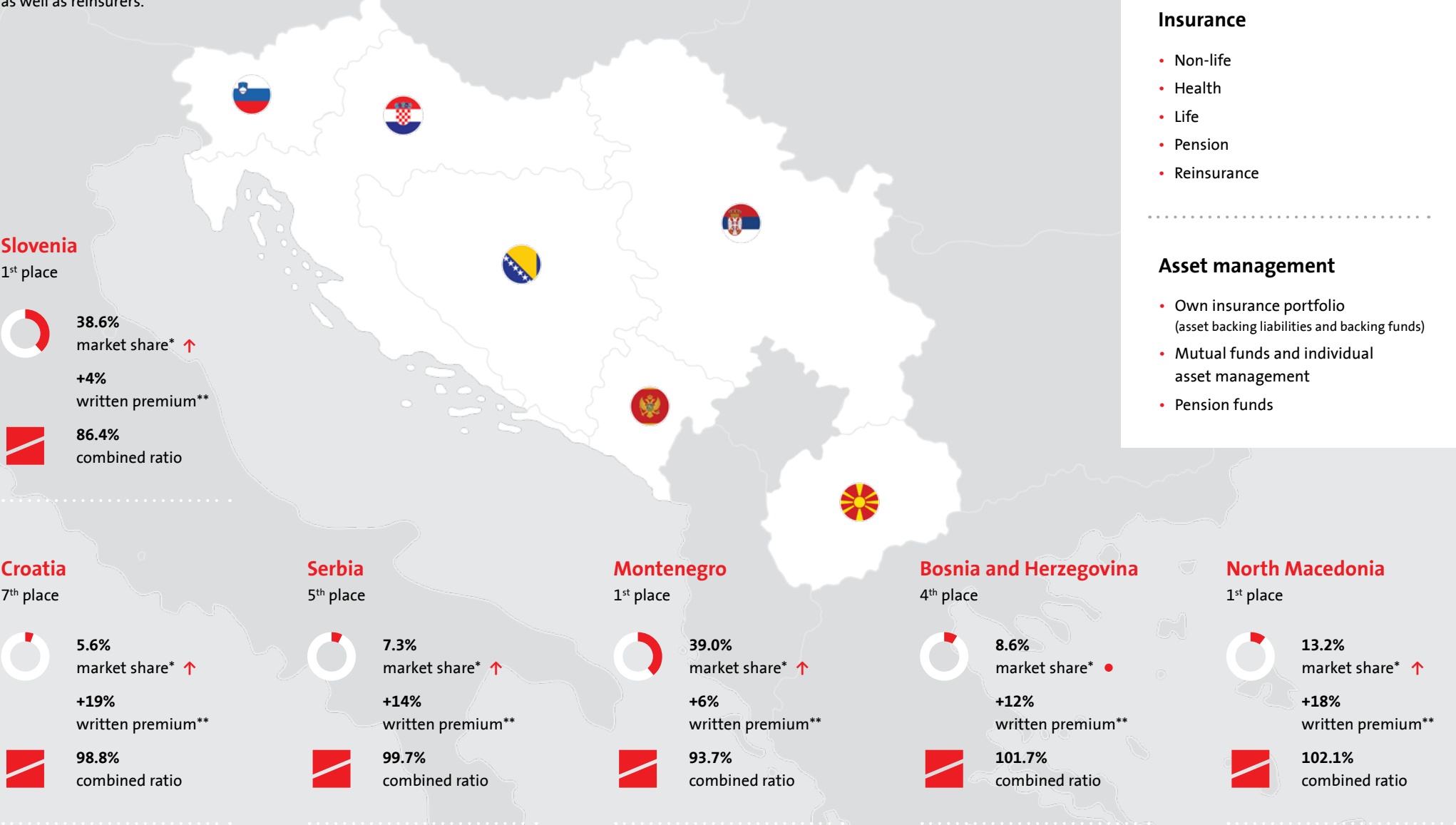
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2.8 Activities, markets and position of the Triglav Group⁸

The Triglav Group is the leading insurance/financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe. The Group operates in seven markets in six countries. Furthermore, it operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as reinsurers.



* The data show the market share of the Triglav Group by an individual market. Data shown for Serbia is for January–September 2021.
** The data show the growth of the Triglav Group's gross written premium by an individual market.

⁸ GRI GS 102-2, 102-4, 102-6



2.8.1 The Triglav Group business model

Resources used to generate value

Economic/governance

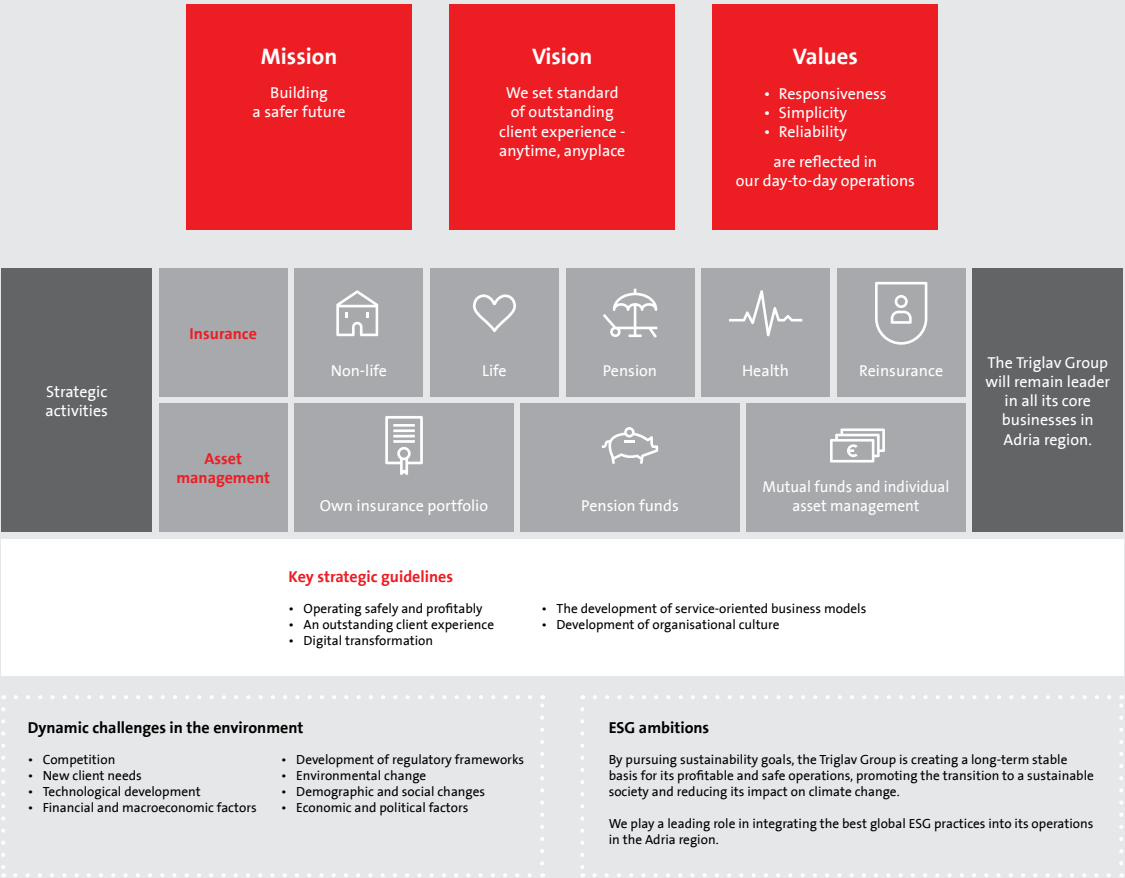
- EUR 933 million: total equity
- EUR 1,455 million: Triglav Group's total revenue
- EUR 3,668 million: total financial investments
- 31 training hours per employee
- 5,264 employees in the Adria region
- 53.9%: percentage of female employees, 33.3% in the Management Board and 45.3% at the first management level under the Management Board
- Extensive own sales network and more than 1,720 contractors in the Adria region

Social

- EUR 3.5 million in investments in prevention and EUR 4.4 million in sponsorships in the Adria region
- Partnerships in the social environment and local communities
- 61: the number of insurance products that promote prevention
- 375: the number of suppliers checked against ESG criteria

Environmental

- Protection of the environment in work processes
- Promotion of environmentally responsible management of insurance and investment products and premium policies
- Raising environmental awareness of the general public



2.8.2 Insurance

Insurance is the Triglav Group’s most extensive strategic activity, which includes non-life, health, life and pension insurance as well as reinsurance.

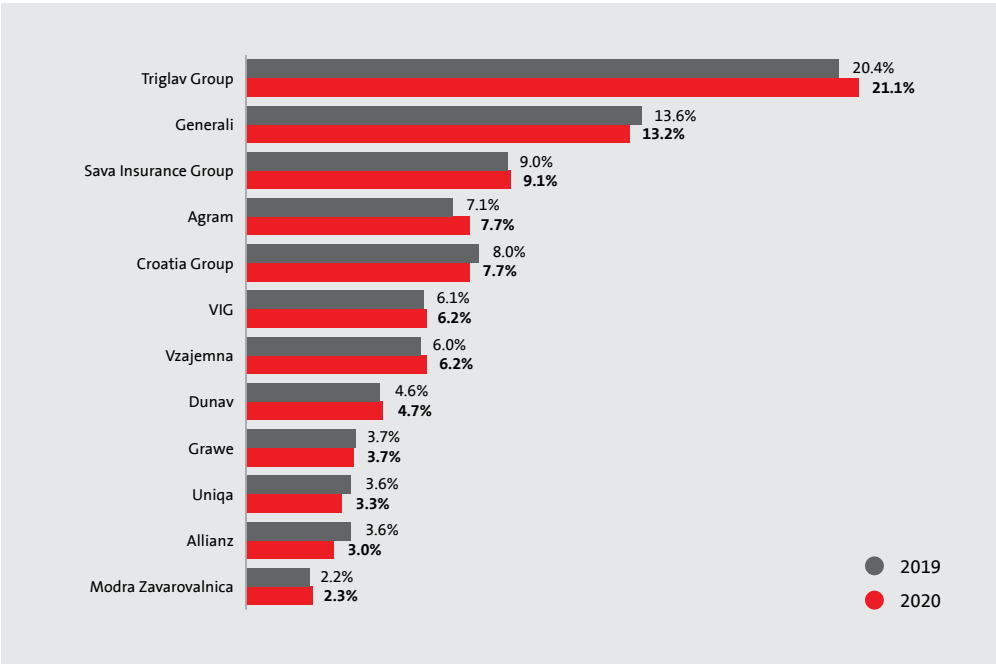
The Group’s insurance business comprises:

- **in Slovenia:** Zavarovalnica Triglav d.d., Triglav, Zdravstvena zavarovalnica d.d., Pozavarovalnica Triglav Re d.d. and Triglav, pokojninska družba d.d.;
- **abroad:** eight insurance undertakings in Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia.

Position in the regional insurance market

In 2020, the Triglav Group again consolidated its dominant market position in the **Adria region** (Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia) by increasing its market share by 0.6 percentage point to 21.1%.

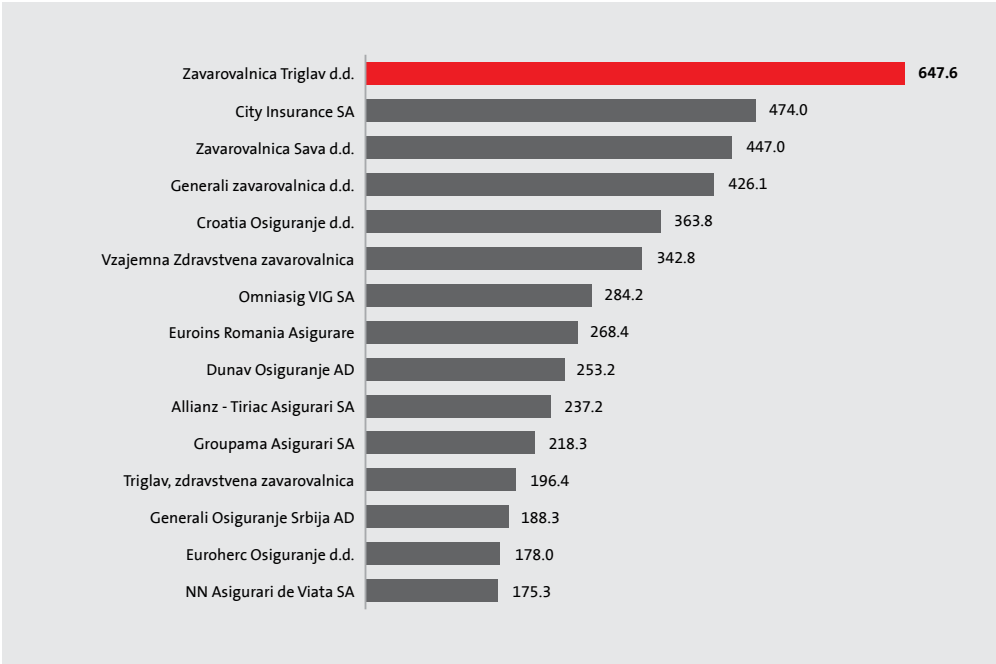
The market share of the insurance undertakings in the Adria region in 2020 and 2019 (%)*



* Data for 2021 not yet available.
Source: Zavarovalnica Triglav’s calculation based on the data of national insurance supervision agencies and insurance associations.

In 2020, Zavarovalnica Triglav remained the leading insurer in **South-East Europe** (Albania, Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Kosovo, Moldova, Romania, North Macedonia, Serbia and Slovenia). According to a SeeNews survey, 7 insurance companies of the Triglav Group and 14 Slovenian insurers (three Slovenian insurers are among the largest five) rank among the top 100 insurers in South-East Europe in terms of gross written premium. With high premium growth, the Romanian insurer City Insurance ranked second, followed by Zavarovalnica Sava (second place the year before). Among the top 100 insurers, Zavarovalnica Triglav again saw the highest profits, with Zavarovalnica Sava coming in second in this category. Total profit of all one hundred insurance companies declined by 4%. Due to the COVID-19 pandemic and low interest rates, 40% of insurance companies achieved a lower profit compared to the preceding year. Insurance companies collected a total of EUR 8.1 billion in written premium, which is the same as the preceding year, and almost half of them recorded a drop in written premium.

The largest insurers in South-East Europe by written premium in 2020 (million EUR)



Source: SeeNews 2021.





2.8.3 Asset management

Asset management at the Triglav Group, which is performed by Zavarovalnica Triglav, the Group’s life insurance and pension insurance companies, Triglav Skladi d.o.o., Triglav, Upravljanje nepremičnin d.o.o. and Trigal d.o.o., includes saving via the Group’s insurance services and investing in the Group’s mutual, pension and private equity funds.

2.8.4 Composition of the Triglav Group

The Triglav Group consisted of 45 companies as at 31 December 2021. In addition to the parent company, it included 28 subsidiaries and 16 associates.

The Triglav Group members directly involved in or supporting the Group’s strategic business lines

	Zavarovalništvo	Upravljanje premoženja	Drugo
Slovenija	<ul style="list-style-type: none">• Zavarovalnica Triglav d.d.• Pozavarovalnica Triglav Re d.d.• Triglav, Zdravstvena zavarovalnica d.d.• Triglav, pokojninska družba d.d.	<ul style="list-style-type: none">• Triglav Skladi d.o.o.• Triglav, Upravljanje nepremičnin d.o.o.• Trigal d.o.o	<ul style="list-style-type: none">• Triglav INT d.o.o.• Triglav Svetovanje d.o.o.• Triglav Avtoservis d.o.o.• Triglavko d.o.o.• Diagnostični center Bled d.o.o.• Alifenet, d.o.o.
Croatia	<ul style="list-style-type: none">• Triglav Osiguranje d.d., Zagreb		<ul style="list-style-type: none">• Triglav Savjetovanje d.o.o.
Serbia	<ul style="list-style-type: none">• Triglav Osiguranje a.d.o., Belgrade		<ul style="list-style-type: none">• Triglav Savetovanje d.o.o.
Montenegro	<ul style="list-style-type: none">• Lovćen Osiguranje a.d., Podgorica• Lovćen životna osiguranja a.d., Podgorica		<ul style="list-style-type: none">• Lovćen auto d.o.o.
Bosnia and Herzegovina	<ul style="list-style-type: none">• Triglav Osiguranje d.d., Sarajevo• Triglav Osiguranje a.d., Banja Luka	<ul style="list-style-type: none">• PROF-IN d.o.o.• Društvo za upravljanje Evropskim dobrovoljnim penzijskim fondom a.d, Banja Luka	<ul style="list-style-type: none">• Triglav Savjetovanje d.o.o.• Autocentar BH d.o.o.
North Macedonia	<ul style="list-style-type: none">• Triglav Osiguruvanje a.d., Skopje• Triglav Osiguruvanje Život a.d., Skopje	<ul style="list-style-type: none">• Triglav penzisko društvo a.d., Skopje	

Changes in the structure of the Triglav Group in 2021⁹

- Through in cash contribution of EUR 3.3 million in the first quarter of 2021, Zavarovalnica Triglav increased the capital of ZTSR d.o.o. jointly controlled with Sava Re d.d., thereby maintaining its 50% participating interest in said company. In the third quarter of 2021, ZTSR d.o.o. was merged with its subsidiary Diagnostični center Bled d.o.o. and stricken off the Companies Register, while Zavarovalnica Triglav acquired a 50% participating interest in Diagnostični center Bled. Through the in-cash contribution of EUR 1.25 million in the last quarter of 2021, Zavarovalnica Triglav increased the capital of Diagnostični center Bled d.o.o., thereby maintaining its 50% participating interest in said company.

- Diagnostični center Bled d.o.o. increased its strategic investment portfolio by acquiring a 100% participating interest in Kirurški sanatorij Rožna dolina d.o.o.
- Triglav Svetovanje d.o.o. and Triglav Osiguranje a.d.o, Belgrade increased the capital of their subsidiary Triglav Savetovanje d.o.o., Belgrade proportional to their participating interests. The capital increase was raised by in cash contributions of RSD 7.9 million or EUR 67 thousand, through which the two companies retained their participating interests in said company of 51% and 49% respectively.
- Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Zagreb increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Zagreb proportional to their participating interests. The capital increase was raised by in-cash contributions of HRK 1.1 million or EUR 145 thousand. As a result, the two companies retained their participating interests in said company of 51% and 49% respectively.
- Lovćen Osiguranje a.d., Podgorica increased the capital of its subsidiary Lovćen auto d.o.o., Podgorica through in cash contributions totalling EUR 700 thousand, thereby remaining its 100% owner.
- Zavarovalnica Triglav made subsequent capital contributions of EUR 194 thousand to its subsidiary Triglav Avtoservis d.o.o., thereby remaining a 100% owner of said company.
- Triglav Svetovanje d.o.o., Domžale sold a 51% participating interest in Triglav Savjetovanje d.o.o., Sarajevo to Triglav Osiguranje d.d., Sarajevo. As a result, Triglav Osiguranje d.d., Sarajevo became a 100% owner of said company. Due to the sale of the participating interest, the Triglav Group’s participating interest in said company decreased by 1.13 percentage points.
- With the in-cash contribution of BAM 30 thousand or EUR 15 thousand, Triglav Osiguranje d.d., Sarajevo established Triglav, upravljanje nekretninama d.o.o., Sarajevo, thereby becoming its 100% owner.
- Zavarovalnica Triglav made subsequent capital contributions of EUR 2.3 million to its associate Trigal d.o.o., thereby remaining a 49.9% owner of said company.
- Triglav INT d.o.o. acquired a 0.50% participating interest from non-controlling interest holders of Triglav Osiguruvanje a.d., Skopje in the amount of MAK 3.2 million or EUR 52 thousand, thereby increasing its participating interest to 81.32%.
- Triglav INT d.o.o., Ljubljana acquired a 0.12% participating interest from non-controlling interest holders of Triglav Osiguruvanje a.d., Belgrade, thereby becoming its 100% owner. The consideration totalled RSD 3.7 million or EUR 33 thousand.
- Triglav INT, holdinška družba d.d. was transformed into Triglav INT, holdinška družba d.o.o.
- Based on its strategic plans, Zavarovalnica Triglav’s associate Nama d.d., Ljubljana carried out a spin-off of its retail business and transferred it to its newly established subsidiary Nama IN d.o.o., Ljubljana.

The changes in the Triglav Group are discussed in greater detail in Section [2.1.4 of the Accounting Report](#).

Business Report

Triglav Group and Zavarovalnica Triglav in 2021

Risk Management

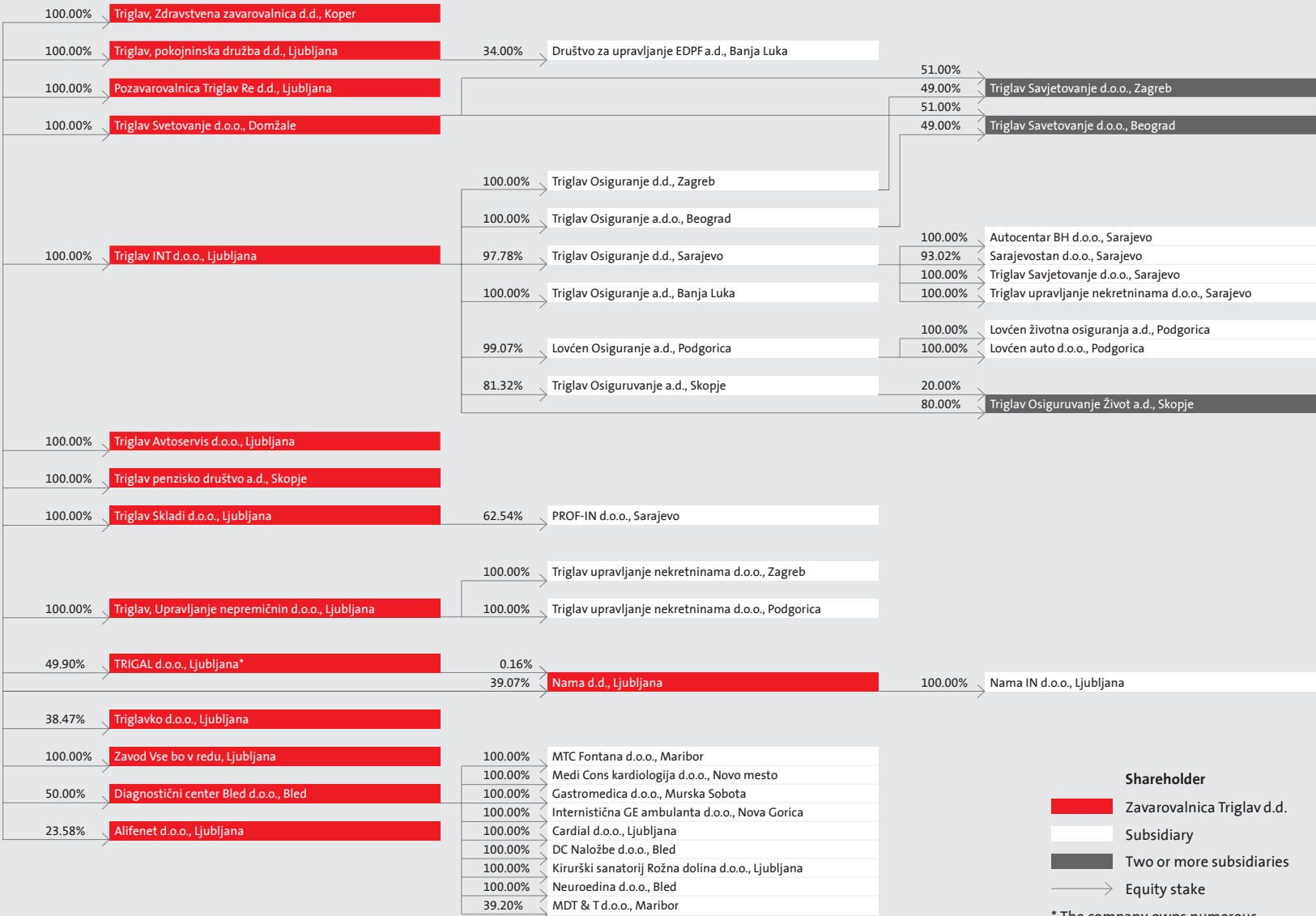
Accounting Report



⁹ GRI GS 102-10



Subsidiaries and associated companies of the Triglav Group as at 31 December 2021 and their participating interests



Shareholder

Subsidiary

Two or more subsidiaries

Equity stake

* The company owns numerous project companies.



2.9 Management of Zavarovalnica Triglav

As at 31 December 2021, the Management Board of Zavarovalnica Triglav was comprised of the following members:



Andrej Slapar
President

First appointment to the office and end of term of office:
2013–2024
Employed at the Triglav Group:
1997



Uroš Ivanc
Member

First appointment to the office and end of term of office:
2014–2024
Employed at the Triglav Group:
2001



Tadej Čoroli
Member

First appointment to the office and end of term of office:
2014–2024
Employed at the Triglav Group:
2001



Barbara Smolnikar
Member

First appointment to the office and end of term of office:
2017–2022
Employed at the Triglav Group:
2017



David Benedek
Member

First appointment to the office and end of term of office:
2019–2024
Employed at the Triglav Group:
2014, except from 1 April 2018 to 28 February 2019



Marica Makoter
Member

First appointment to the office and end of term of office:
2011–2026
Employed at the Triglav Group:
2001

3.

Report of the Supervisory Board

Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021 and Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2021

In 2021, the Supervisory Board of Zavarovalnica Triglav carried out the responsible and proper supervision of the operations of Zavarovalnica Triglav d.d. and the Triglav Group. It oversaw different aspects of their operations and development, and on that basis took appropriate decisions and followed up on their implementation. Individual areas were first discussed within the framework of the Supervisory Board's committees. Based on their findings, proposals and careful assessment, the Supervisory Board passed appropriate resolutions. The Supervisory Board monitored the implementation and effectiveness of the Triglav Group's strategy.

The Supervisory Board performed its work within the scope of its powers and competencies set out by law, the Company's Articles of Association and its own Rules of Procedure.



Andrej Andoljšek
Chairman



Branko Brečko
Vice Chairman



Peter Kavčič
Member



Igor Stebernak
Member



Tomaž Benčina
Member



Jure Valjavec
Member



Peter Celar
Member, Representative of employee



Branko Gorjan
Member, Representative of employee



Igor Zupan
Member, Representative of employee

3.1 Introduction

Pursuant to Article 282 of the Companies Act and Article 69 of the Insurance Act, the Supervisory Board hereby presents its Report on the verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021 (hereinafter: the report) and its Opinion on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2021.

The findings are based on the supervision of operations of Zavarovalnica Triglav d.d. (hereinafter: the Company, the controlling company or the parent company) in 2021 and on the verification of the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021, including the report of the non-life insurance actuarial function holder and the life insurance actuarial function holder for 2021.

An integral part of the report is also the opinion of the Supervisory Board on the work of the Internal Audit Department in 2021 and the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2021.

3.2 General Information

The Supervisory Board and its committees in 2021

The composition of the Supervisory Board in 2021 is described in Section 5 Corporate Governance Statement (Supervisory Board) of the Business Report. In 2021, the Supervisory Board held eight sessions and had four committees: the Audit Committee, the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee. The composition of the Supervisory Board committees in 2021 as

well as the more important duties and powers of individual committees are described in Section [5 Corporate Governance Statement](#) (Composition of Supervisory Board committees and their activities in 2021) of the Business Report.

Audit Committee

In 2021, the Audit Committee held six meetings, at which it, among other things:

- monitored and discussed financial reporting procedures and the external audit of the annual financial statements of the Triglav Group and Zavarovalnica Triglav d.d.;
- assessed the content of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2020 and the 2021 interim reports;
- took note of the management representation letter for Zavarovalnica Triglav d.d. and the Triglav Group;
- discussed the Solvency and Financial Condition Report of Zavarovalnica Triglav d.d. as at 31 December 2020 and the Solvency and Financial Condition Report of the Triglav Group as at 31 December 2020, including the independent auditor's assurance reports;
- monitored and discussed the risk management systems, the functioning of internal controls, the Internal Audit Department's interim reports, recommendations, annual work plan for 2022 and guidelines for the 2023–2025 period;
- supervised and discussed the conclusion of agreements with audit firms, the independence of the certified auditor, the quality of auditing, the audit plan for 2021 and the auditor's report following the pre-audit of Zavarovalnica Triglav d.d. for 2021;

- considered the selection of candidates for the provision of audit services for the 2022–2024 financial years;
- discussed the selection of the provider of an external quality assessment of the work of the Internal Audit Department of Zavarovalnica Triglav d.d. and took note of the remuneration of the Director of Internal Audit Department for 2020;
- discussed risk reports of Zavarovalnica Triglav d.d. and the Triglav Group;
- took note of the comparative analysis of capital adequacy of (re)insurance groups in the European Union and (re)insurers in Slovenia;
- took note of the proposal for stress and scenario tests, which show the potential risks of the Group to be addressed within the own risk and solvency assessment (ORSA) process;
- discussed the investment report;
- discussed the Compliance Office Annual Report for 2020 and risk and investment reports;
- discussed the Statement of Compliance with the Slovenian Corporate Governance Code;
- adopted amendments to the Rules of Procedure of the Audit Committee;
- monitored the operation of the IT Division;
- submitted a proposal to the Supervisory Board for the appointment of a new Audit Committee member, Luka Kumer.

The external expert Jernej Pirc provided his expertise and support to the work of the Audit Committee in relation to information technology issues. The Audit Committee carried out a performance self-assessment with the aim of ensuring the continued improvement

and quality of its work and adopted an action plan for the improvement of its performance.

Appointment and Remuneration Committee

The main activities of the Appointment and Remuneration Committee in 2021 included:

- drawing up draft periodic fit and proper assessments of the members of the Management Board and the Supervisory Board and of the two bodies as a whole;
- drawing up draft fit and proper assessments of the candidates for the members of the Supervisory Board and of the body collectively;
- drawing up a draft fit and proper assessment and a proposal to appoint Marica Makoter to Management Board Member – Worker Director at Zavarovalnica Triglav d.d.;
- reviewing the calculation and amount of the average gross salary for 2021 in the Group members which are headquartered in the Republic of Slovenia and were fully consolidated by the Group pursuant to the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities (ZPPOGD);
- discussing the adjustment of the base salary of Management Board members and the calculation of the Group's performance factor on which the variable part of remuneration of Management Board members depends;
- taking note of the change in the employee pension scheme and verification of the use of the right to pension insurance premium payment for Management Board members;



- discussing the report on the development of key promising staff at Zavarovalnica Triglav d.d.;
- reviewing amendments to the Fit and Proper Policy for the Management Board and Supervisory Board Members of Zavarovalnica Triglav d.d. and the Remuneration Policy of Zavarovalnica Triglav d.d.;
- considering the proposal to amend the Supervisory Board rules on electric vehicles;
- reviewing the onboarding programme and additional training programme for the Supervisory Board members in 2021;
- considering the proposals to issue an approval to the authorisation of key function holders.

The Committee met eleven times in 2021.

Strategy Committee

The Strategy Committee, which held three meetings in 2021, devoted special attention to the implementation of the Triglav Group strategy and the proposal of the Triglav Group strategy for 2022–2025 and starting points for the development of the Triglav Group business plan for 2022.

Nomination Committee

The Nomination Committee was established on 12 November 2020 with the aim of carrying out the nomination procedure for the appointment of candidates for Supervisory Board members – shareholder representatives to replace Andrej Andoljšek, Žiga Škerjanec, Mario Gobbo and Milan Tomažević, whose terms of office expired on 13 June 2021. The Nomination Committee held ten meetings in 2021.

3.3 Work of the supervisory board and scope of supervision of the company's operations in 2021

The description of the Supervisory Board's operations and the scope of monitoring and supervision of the governance of the Company and the Group in 2021 are based on the supervision of the Company's and the Group's operations performed by the Supervisory Board in 2021, acting within its powers. The Supervisory Board held eight sessions in 2021.

The Supervisory Board's duty is to supervise how the Company conducts its business and to perform other tasks in accordance with the Companies Act, the Insurance Act, the Company's Articles of Association, the Rules of Procedure of the Supervisory Board and the Slovenian Corporate Governance Code. The methods and organisation of its work are set out in the Rules of Procedure of the Supervisory Board, which are published on the Company's website.

a) With regard to its core competences, in 2021 the Supervisory Board:

- approved the Solvency and Financial Condition Report (SFCR) of Zavarovalnica Triglav d.d. and the Triglav Group for 2020 and the annual capital adequacy as at 31 December 2020 and took note of the independent auditor's assurance report;
- adopted the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2020, the Report by the Supervisory Board of Zavarovalnica Triglav d.d. on the verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2020 and the Opinion of the Supervisory Board of Zavarovalnica Triglav

d.d. on the Annual Internal Audit Report for 2020 of the Internal Audit Department of Zavarovalnica Triglav d.d.;

- discussed unaudited interim financial reports of the Triglav Group and Zavarovalnica Triglav d.d. for the periods from 1 January to 31 March 2021, from 1 January to 30 June 2021 and from 1 January to 30 September 2021;
- discussed the Solvency and Financial Condition Reports (SFCR) of Zavarovalnica Triglav d.d. and the Triglav Group for 2020 and the annual capital adequacy as at 31 December 2020;
- discussed the Annual Internal Audit Report of the Internal Audit Department for 2020;
- approved the Triglav Group's business policy and business plan for 2022 and took note of the key findings of ORSA;
- participated in the drafting of the new Triglav Group strategy for 2022–2025 and approved it;
- approved the Internal Audit Department's work plan for 2022 and its guidelines for 2023–2025;
- proposed to the 46th General Meeting of Shareholders of Zavarovalnica Triglav d.d. to grant a discharge to the Management Board for 2020, submitted a proposal regarding the payment of accumulated profit and proposed to appoint Andrej Andoljšek, Branko Bračko, Tomaž Benčina, Peter Kavčič and Jure Valjavec as new Supervisory Board members;
- appointed Luka Kumer a new external member of the Audit Committee;
- discussed the findings of the Insurance Supervision Agency and other supervisory bodies in supervision procedures and was

briefed on procedures related to these findings or requirements;

- discussed the Insurance Supervision Agency's call to not pay out dividends and to not undertake any irrevocable commitments to pay out dividends;
- approved the amendments to the Governance System and Policy of Zavarovalnica Triglav d.d., the Remuneration Policy of Zavarovalnica Triglav d.d., the Outsourcing Policy, the Compliance Policy of Zavarovalnica Triglav d.d., the Policy on Insurance Product Governance and Oversight and the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. and
- approved individual transactions in accordance with the law and the Rules of Procedure of the Supervisory Board.

b) With regard to the supervision of the management of the Company's operations, in 2021 the Supervisory Board:

- discussed the reports of the Audit Committee, the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee, and was briefed on the financial reports of Zavarovalnica Triglav d.d., the Triglav Group and Zavarovalnica Triglav's subsidiaries;
- took note of the implementation of the Triglav Group strategy;
- monitored the assessed performance indicators of the Company in each period, capital adequacy, the implementation of the business plan and potential measures;
- took note of risk reports, the Risk Underwriting and Management Strategy, the Risk Appetite Statement, the Capital Management Policy and the Policy of the

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- oversaw the work of the Internal Audit Department and was briefed on its internal audit reports as well as on the Compliance Office Annual Report for 2020 and its work plan for 2021;
- took note of the Report of the Life Insurance Actuarial Function Holder in Zavarovalnica Triglav d.d. and the Report of the Non-Life Insurance Actuarial Function Holder in Zavarovalnica Triglav d.d.;
- was briefed on insurance products;
- took note of the report on the development of key promising staff at Zavarovalnica Triglav d.d. in 2020;
- took note of the assessment of the benefits and effects of the planned investments of the Triglav Group and the comparative analysis of the composition of the profit or loss before tax of the Triglav Group in relation to selected insurance groups;
- discussed the Statement of Compliance with the Slovenian Corporate Governance Code and took note of the positions on the Corporate Governance Code for Companies with Capital Assets of the State and the Recommendations and Expectations of the Slovenian Sovereign Holding and
- was briefed on other information regarding Zavarovalnica Triglav d.d., the Triglav Group and its subsidiaries.

c) Other major actions taken by the Supervisory Board in 2021:

- adopting fit and proper assessments of the candidates for members of the Supervisory Board and the Supervisory Board as a collective body;

- discussing periodic fit and proper assessments of the members of the Management Board and the Management Board as a collective body as well as the members of the Supervisory Board and the Supervisory Board as a collective body;
- approving the Group's performance factor and determining the annual performance bonus for the Management Board of Zavarovalnica Triglav d.d. for 2020;
- discussing the report of the Works Council of Zavarovalnica Triglav d.d.;
- appointing the Chairman and Vice Chairman of the Supervisory Board, members and a chair of the Supervisory Board's Appointment and Remuneration Committee, Audit Committee and Strategy Committee;
- approving the powers of key function holders;
- approving the proposal to appoint the provider of an external quality assessment of the Internal Audit Department of Zavarovalnica Triglav d.d.;
- adopting amendments to the Rules of Procedure of the Supervisory Board of Zavarovalnica Triglav d.d. regarding conflict of interest management in accordance with regulatory changes and internal documents;
- adopting the labour costs plan of the Supervisory Board for 2022 and the timetable for the meetings of the Supervisory Board and its committees in 2022;
- performing other activities related to the supervision and work of the Supervisory Board or its committees.

The costs in connection with the Supervisory Board's work other than the remuneration paid to its members and committees (disclosed in Section [5.6 Management and](#)

[supervisory bodies and their remuneration in the Accounting Report](#) and in Section [5.3.3 Supervisory Board in the Business Report](#))

mostly included translation costs of materials for Supervisory Board sessions and meetings of its committees, interpreting costs and the rental costs of interpretation equipment for smooth execution of its sessions, training costs of the members of the Supervisory Board and its committees, and the outsourced IT services for the Audit Committee. These costs amounted to EUR 331,669 in 2021.

3.4 Self-assessment

Specific topics were discussed in advance by the Supervisory Board's committees, which drafted resolutions to be adopted by the Supervisory Board and meticulously carried out other tasks within the scope of their powers. The committee chairs regularly reported on their work at the sessions of the Supervisory Board, which discussed the adopted decisions, submitted recommendations and opinions and passed appropriate resolutions after due consideration.

All members were involved in the work of the Supervisory Board and its committees. With their attendance at its sessions and active participation in discussions and decision-making, they contributed to the effective discharge of duties within the powers of the Supervisory Board and its committees. The work of the Supervisory Board is well managed and supported, whilst the planning and frequency of its sessions is adequate. Both the Rules of Procedure of the Supervisory Board and the Rules of Procedure of the Audit Committee include clear rules of conduct in the event of a conflict of interest. The Supervisory Board members and the Audit Committee's external

member signed and submitted statements of independence in accordance with the Slovenian Corporate Governance Code, which are published on the Company's website. All Supervisory Board members (except employee representatives Branko Gorjan and Peter Celar) declared themselves independent in accordance with the Slovenian Corporate Governance Code criteria (all statements of independence are published on the Company's website). In 2021, to the knowledge of the Supervisory Board, there was no case of conflict of interest with an individual Supervisory Board member in the discussions and decisions of the Supervisory Board and its committees, or appropriate action was taken to manage it. The Supervisory Board and its committees follow the highest standards of conflict of interest management.

The Supervisory Board is of the opinion that its cooperation with the Management Board was adequate, in accordance with the applicable legislation and good practices. To the best of its knowledge, the Supervisory Board was informed of all events of material significance to the assessment of the situation and its consequences, and to the effective supervision of the Company's operations. The documents provided as materials for the Supervisory Board's sessions were of good quality and information was accurate, relevant, reliable, comparable and exhaustive. The Supervisory Board regularly followed the implementation of its resolutions. The Governance System and Policy of Zavarovalnica Triglav d.d. sets out main corporate governance guidelines, taking into account the set long-term objectives and the defined role and work of the Supervisory Board and its committees.

In 2021, the Supervisory Board actively participated in drafting the new Triglav Group

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strategy for 2022–2025 and also approved it, with special emphasis placed on sustainable development. With respect to the latter, clear guidelines and goals were set in line with the vision of creating a long-term stable basis for profitable and safe operations and promoting the transition to a more sustainable society.

The fit and proper criteria as set out in the Fit and Proper Policy for the Management Board and Supervisory Board Members of Zavarovalnica Triglav d.d. apply to both the Supervisory Board as a collective body and to Supervisory Board members as individuals. Fitness and propriety were assessed before new Supervisory Board members took office. In addition, the Appointment and Remuneration Commission's periodic assessment was performed. The Supervisory Board as a collective body was assessed as fit and proper, taking into account the adequate range of qualifications, knowledge and experience in view of the circumstances and requirements under which the Company operates. A fit and proper assessment is also performed for the Audit Committee's external member.

The Supervisory Board regularly carries out the self-assessment procedure. Based on its findings, it adopts an action plan containing a series of proposals and measures aimed at improving its future performance. The implementation of the action plan is monitored on an ongoing basis. By implementing the self-assessment procedures, the quality of the Supervisory Board's work is improved, which is reflected in a higher quality of supervision of the operations and the areas material for the Company and the Group.

In 2021, the onboarding programme for Supervisory Board members was implemented, as part of which were presented the governance system, key areas and reports

of Zavarovalnica Triglav d.d., key functions and operation of the Management Board and the Supervisory Board as well as obligations of the Supervisory Board members.

The Supervisory Board believes that its composition in 2021 corresponded to the size, activities and set objectives of both the Company and the Group, which enabled it to make quality decisions.

Despite the persisting difficult circumstances related to the COVID-19 pandemic, the Supervisory Board carried out its duties and powers smoothly. The sessions of the Supervisory Board and its committees were held in person and, in exceptional cases, also virtually.

In view of the above, the Supervisory Board is of the opinion that its work and the work of its committees in 2021 were successful.

3.5 Opinion on the annual internal audit report for 2021

In accordance with paragraph three of Article 165 of the Insurance Act (ZZavar-1), the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2021 was submitted to the Supervisory Board, which took note of it at its session on 30 March 2022. The report contains an overview of the implementation of the Internal Audit Department's (hereinafter: IAD) planned activities in 2021 and a summary of material audit findings, including an assessment of the adequacy and effectiveness of risk management and the internal control system of the audited areas, the assessment of the adequacy of the IAD's funds for its work, the IAD's quality assurance and improvement programme and its results, and the statement of independence and impartiality of the IAD and its employees.

The Internal Audit Department conducted the planned internal audits in the Company and other companies of the Group and presented its internal audit findings to the relevant persons in charge and made recommendations for improving risk management and the internal control system of audited areas. Based on the performed internal audits and the follow-up of implementation of recommendations, the IAD assessed that risk management and the internal control system of the audited areas within the Company and at the Group level were overall appropriate and were constantly improving. The IAD also carried out advisory activities, followed up on the implementation of recommendations made by external auditors, and carried out tasks related to quality assurance and improvement of the IAD and the internal audit departments of other Group members. The IAD reported on the implementation of its work plan, material audit findings and the implementation of recommendations on a quarterly basis to the Audit Committee and on a semi-annual basis to the Supervisory Board.

In 2021, an external quality assessment of the IAD's work was performed, which confirmed that the IAD operates in accordance with the internal auditing rules defined in binding legal regulations, standards and codes.

Based on the monitoring of the IAD's work and the submitted Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2021, the Supervisory Board is of the opinion that the IAD operated in line with its work plan for 2021, which was adopted by the Management Board with the approval of the Supervisory Board, and the expectations of the Supervisory Board and that its work contributed to the better functioning of the internal control system and improved risk

management both in the Company and the Group. The Supervisory Board has no objection to the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2021.

3.6 Findings of the supervisory board regarding the operations of Zavarovalnica Triglav in 2021

Based on its monitoring and supervision of the Company's operations in 2021 and the examination and verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d., the Supervisory Board hereby establishes that the Company performed well and consistently pursued its set strategic objectives.

The Group generated EUR 132.6 million in consolidated profit before tax (index 146) and EUR 113.0 million in consolidated net profit (index 153). The parent company's net profit amounted to EUR 73.4 million (index 127).

The Group's insurance companies generated insurance and coinsurance premiums of EUR 1,353.0 million in the preceding year (index 110), of which EUR 794.4 million (index 110) was earned by the parent company. Premium growth was achieved in all insurance segments and in all markets where the Group operates.

The Group recorded gross claims paid of EUR 736.6 million, an increase of 6% relative to 2020. Gross claims paid by the parent company amounted to EUR 408.9 million (index 100).

Total consolidated gross operating expenses incurred by the Group in the amount of EUR 333.4 million rose by 9% and those of the Company totalled EUR 195.0 million (index 108).

The Group's total equity amounted to EUR 933.0 million as at 31 December 2020 and



was 7% higher relative to the preceding year. Return on equity stood at 12.5%.

The Group's financial stability, high capital adequacy and high profitability in 2021 were again confirmed by the two renowned rating agencies S&P Global Ratings and AM Best by assigning an "A" rating to the Group. Both credit ratings have a stable medium-term outlook.

The findings of the Supervisory Board are also based on the following:

- Report of the non-life insurance actuarial function holder for 2021,
- Report of the life insurance actuarial function holder for 2021,
- Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2021.

The Supervisory Board has no objection to the aforementioned reports.

3.7 Annual report

The Management Board submitted the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021 to the Supervisory Board.

The Supervisory Board hereby ascertains that the Annual Report was compiled within the statutory deadline and submitted to the appointed auditor. The Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021 was audited by the audit firm Deloitte revizija d.o.o., Ljubljana, which on 10 March 2022 expressed an unmodified opinion on the separate and consolidated financial statements in the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021. In their report as an independent auditor, they took a stance on key audit issues regarding

the assessments which are the basis for the calculation of insurance technical provisions and the liability adequacy test (LAT) and expressed their opinion on other information contained in the Annual Report as to their consistency with the separate and consolidated financial statements and their compliance with the applicable legislation and other regulations.

The certified auditor, a key audit partner, was present at the session of the Supervisory Board and the Audit Committee regarding those items where the Annual Report was discussed and provided the requested additional explanations to the Audit Committee and the Supervisory Board. The Audit Committee discussed the report after the pre-audit and the final audit and the letter to the Management after the audit, which was also discussed by the Supervisory Board.

On the basis of a detailed verification, the Supervisory Board established that the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2021, which was prepared by the Management Board and verified by a certified auditor, was compiled in a clear and transparent manner and that it was a true and fair presentation of the assets, liabilities, financial position, and profit or loss of the Triglav Group and Zavarovalnica Triglav d.d. The Supervisory Board is of the opinion that the Corporate Governance Statement, which is included in the Annual Report, is appropriate and has no objections to it.

In accordance with the aforementioned findings, the Supervisory Board expresses no objection to the unmodified opinion of the certified audit firm Deloitte revizija d.o.o., Ljubljana, which found that in all material respects the consolidated and separate financial statements presented a true and fair

presentation of the financial position of the Triglav Group and Zavarovalnica Triglav d.d. as at 31 December 2021, their profit or loss, comprehensive income and cash flows for the year then ended, in accordance with the International Financial Reporting Standards as approved by the EU.

In view of the above, the Supervisory Board approves the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for the Year Ended 31 December 2021.

At its session, the Supervisory Board also discussed the Remuneration Report for 2021, which was verified by the authorised audit firm Deloitte revizija d.o.o., Ljubljana, and in accordance with paragraph six of Article 294b of the Companies Act (ZGD-1) issued the auditor's report confirming that the Remuneration Report contains all the information required by paragraphs two and three of Article 294b of the ZGD-1. The review of the company's report was performed by a certified auditor in accordance with the International Standard on Assurance Engagements 3000 – Assurance Engagements, except for audits or investigations of past accounting information.

3.8 Proposal for the distribution of accumulated profit

At its 2nd/2022 session, the Supervisory Board examined the Management Board's proposal for the distribution of accumulated profit as at 31 December 2021, which will be subject to a final decision by the General Meeting of Shareholders of Zavarovalnica Triglav d.d., and approved the following draft resolution on the distribution of accumulated profit to be proposed by the Management Board to the General Meeting of Shareholders:

"The accumulated profit totalling EUR 87,660,380.45 as at 31 December 2021 shall be distributed as follows:

- A part of the accumulated profit amounting to EUR 84,120,047.60 shall be distributed for dividend payments. The dividend in the amount of EUR 3.70 gross per share shall be paid to the shareholders appearing in the Share Register as at 7 June 2022. On 8 June 2022, the Company shall ensure funds for the payment of all dividends on the account of KDD – Centralno klirinška depotna družba d.d., intended to execute the corporate action of paying out dividends to the shareholders in accordance with the common European standards for corporate actions.
- The distribution of the remaining accumulated profit of EUR 3,540,332.85 shall be decided on in the coming years and remain undistributed."

The Supervisory Board hereby proposes to the General Meeting of Shareholders to grant a discharge to the Management Board for its work in 2021.

Andrej Andoljšek,
Chairman of the Supervisory Board

Ljubljana, 30 March 2022

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- The Triglav Group’s performance in 2021 was sound and the business result exceeded plans.
- The Triglav Group implemented its strategic guidelines and projects at a high pace, focusing on clients. Employee and client satisfaction reached the highest levels ever measured.
- In its revised strategy for 2025, the Triglav Group maintained its key guidelines and upgraded it in terms of development activities, highlighting the Group’s ambitions in sustainable development.
- In 2022, profit before tax of the Triglav Group is planned to reach EUR 120–130 million and gross written premium over EUR 1.4 billion.

4.1 Strategy of the Triglav Group in the period 2022–2025¹⁰

The Triglav Group has revised its strategy for 2025. The Group continues to pursue its existing key strategic guidelines, while upgrading them in terms of growth and development activities and an improved client-centric approach. By focusing on these goals, the Group continues to carry out its digital transformation process and develop service-oriented business models and ecosystems which address interrelated client needs. The Group's planned operations remain profitable and safe. Through its sustainable operations, the Group continues to provide a development-oriented environment for its employees, maintain ties with its partners and be a stable, safe and profitable investment for investors.

Triglav Group’s mission	We build safer future <ul style="list-style-type: none">• We are client-centred.• We support development of our partners. <ul style="list-style-type: none">• We provide development-oriented environment for our employees.• We are stable, safe and profitable investment for our investors.		
	Triglav is leading Insurance and financial group in Adria region, synonymous with the best user experience. Through our operations we are creating above-average value for our key stakeholders and promote transition to sustainable company.		
Triglav Group’s vision	We set standards of outstanding client experience - anytime, anyplace.		
Triglav Group’s values	Responsiveness, simplicity and reliability are reflected in our day-to-day operations.		
	Triglav Group will remain leader in all its core businesses in Adria region.		
Triglav Group’s core businesses	<table><tr><td>Insurance<ul style="list-style-type: none">• Non-life• Health• Life• Pension• Reinsurance</td><td>Asset management<ul style="list-style-type: none">• Own insurance portfolio (asset backing liabilities and backing funds)• Mutual funds and individual asset management• Pension funds</td></tr></table>	Insurance <ul style="list-style-type: none">• Non-life• Health• Life• Pension• Reinsurance	Asset management <ul style="list-style-type: none">• Own insurance portfolio (asset backing liabilities and backing funds)• Mutual funds and individual asset management• Pension funds
Insurance <ul style="list-style-type: none">• Non-life• Health• Life• Pension• Reinsurance	Asset management <ul style="list-style-type: none">• Own insurance portfolio (asset backing liabilities and backing funds)• Mutual funds and individual asset management• Pension funds		

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¹⁰ GRI GS 103-1, 103-2, 103-3

Long-term stable operations

Development of organizational culture

Strategic guidelines

An outstanding client experience

Development of service-oriented business models

Digital transformation

Operating safely and profitably

The Triglav Group is an independent insurance and financial group with high credit ratings, holding a dominant market position in the Adria region. Its strategic guidelines are aimed at achieving a high profit and profitable growth.

An outstanding client experience

- Creating a unique client experience across all channels, processes and products.
- A client-tailored range of insurance and financial products and services.
- Focusing on assistance and related services aimed at developing interrelated ecosystems.

Digital transformation

The Triglav Group continues with its digital transformation process with the aim of becoming the leading digitalised insurance and financial group in the Adria region. By developing digital services, automating processes and implementing advanced digital technologies, it will ensure the best digital user experience to its clients.

The development of service-oriented business models

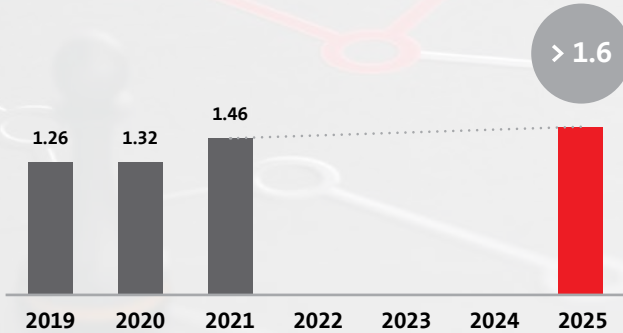
The Triglav Group is gradually transitioning from an insurance-oriented business model to a mostly service-oriented business model and ecosystem, which address many interrelated client needs in terms of insurance products and assistance and related services.

Development of organisational culture

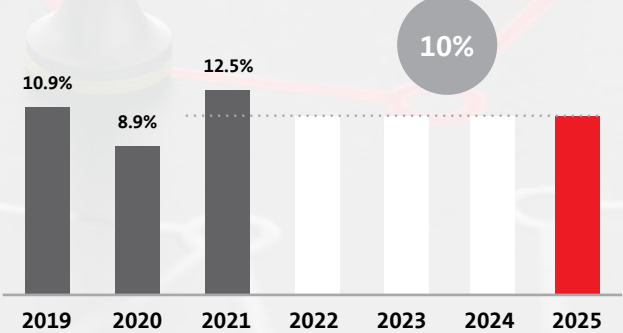
The Triglav Group continues to create a highly effective and service-oriented organisational culture, which supports strategic business guidelines, and an organisational environment, which enables the Group to attract, develop and retain competent, engaged, healthy and satisfied employees.

Triglav Group’s strategic performance indicators for 2022–2025

Triglav Group’s total revenue (in EUR billion)



Triglav Group’s return on equity (ROE)





The Triglav Group's strategic ambitions in sustainable development (ESG)

By pursuing sustainability goals, the Triglav Group is creating a long-term stable basis for its profitable and safe operations, promoting the transition to a sustainable society and reducing its impact on climate change.

The Group realises its mission of creating a safer future based on a sustainability orientation using environmental, social and governance factors. The Group aims to play a leading role in integrating the best global ESG practices into its operations in the Adria region and knows how to identify the opportunities and risks of sustainable development. Its sustainable (ESG) ambitions for 2025 are divided into four key areas¹¹.

1. Insurance and asset management

In both strategic activities, insurance and asset management, the Group's activities will be focused on the transition to a climate-neutral and climate-resilient circular economy. In carrying out its insurance and investment activity, the Group will promote sustainable economic activity, energy efficiency and energy from renewable sources with an aim to reduce greenhouse gas emissions.

The ESG aspects will be integrated into the development of insurance and investment products and services. In **asset management**, the Group will not only double the share of its green and sustainable investments but also reduce its exposure to Coal Exit List issuers to less than one per cent of total investment value by 2025. In its **insurance activity**, the Group will develop new and increase the presence of existing parametric insurance products for droughts, floods and other climate risks. The Group will promote its range of insurance products related to sustainable mobility and provide effective risk protection for companies

involved in the production of energy from renewable sources (solar power plants, wind farms and others). The Group will design the policy on insurance for coal mines and thermal power plants by taking into account national strategies to phase out coal and transition to a climate-neutral economy.

2. Triglav Group's business processes

The Group is implementing an assessment of suppliers by ESG criteria and comprehensive carbon footprint measurement and management (Scopes 1, 2 and 3). A 15% reduction in location-based (Scopes 1 and 2) carbon footprint per employee is planned by 2025, thereby pursuing the 2050 carbon neutrality target in line with the European Green Deal.

Furthermore, by 2025 the Group will increase the share of electricity from renewable energy sources, reduce energy and paper consumption per employee and total waste generated per employee, and increase the share of electric and hybrid vehicles in its fleet to at least 30%.

3. Responsible stakeholder engagement

The Group acts with responsibility towards its employees, clients, partners and community at large. It aims to maintain high levels of client (NPS) and employee satisfaction. The concept of flexible working will be implemented by 2023 with the aim of improving employees' work-life balance, while expanding programmes promoting health and well-being. The focus will continue to be on multidimensional diversity, intergenerational cooperation, and employee development and training.

The Group will continue to participate in social responsibility and environmental projects, enter into partnerships and give donations. In parallel, the Group will promote environmental and social responsibility projects that

contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

4. Effective corporate governance

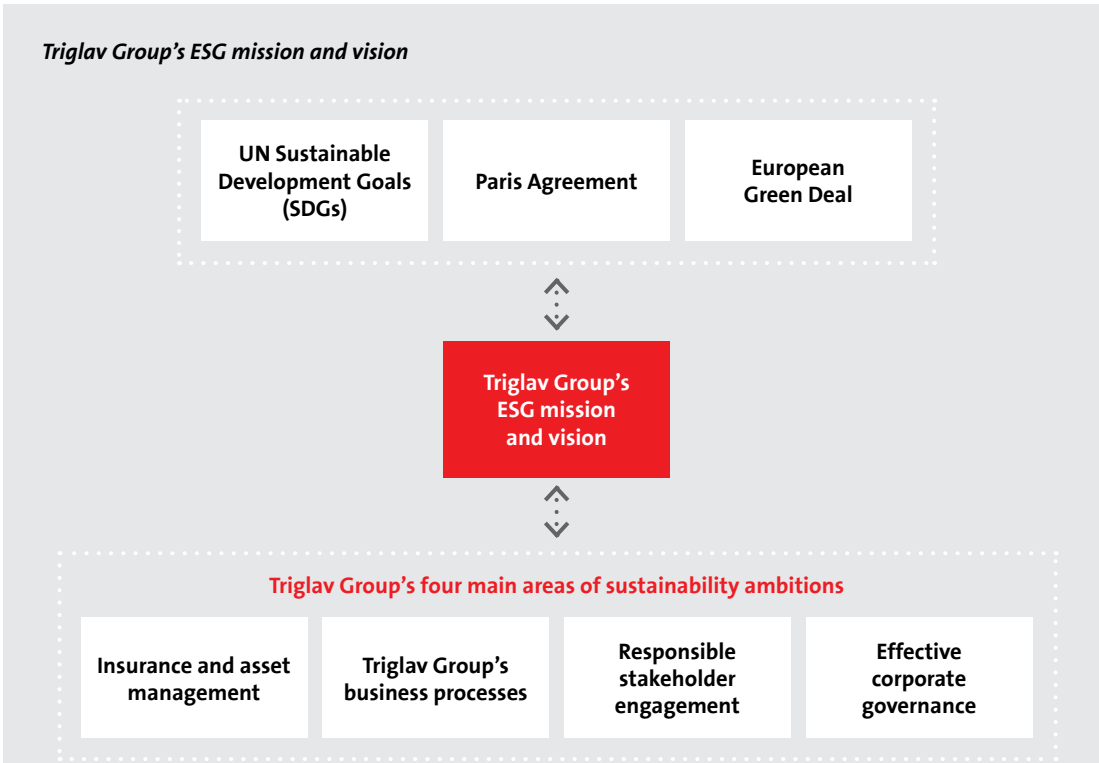
The Group attains high standards of corporate governance and adheres to its code of ethics in the performance of its business operations. By incorporating environmental, social and governance factors, the Group plans to upgrade succession, diversity and remuneration policies for the members of the management and strive to improve the diversity of the Group's management and supervisory bodies in terms of gender, education and experience.

The Group will also increase the scope of public disclosures on its sustainable operations by 2025. In addition to using Global Reporting Initiative (GRI) criteria, which it has done for

several years, the Group will include reporting according to Sustainability Accounting Standards Board (SASB), implement disclosures according to CDP questionnaire on climate change and TCFD metrics and targets (Task Force on Climate-related Financial Disclosures) and begin using the United Nations Principles for Sustainable Insurance (UN PSI).

At Group level, sustainability-related activities are coordinated and directed by the Sustainable Development Coordinator, monitored by the Compliance and Sustainable Development Committee and decided on by the parent company's Management Board.

See Section [12 Sustainable development](#) for more information about key ESG topics in the Triglav Group and related disclosures.



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¹¹ The baseline year for comparison is 2019.

4.2 Implementation of the Triglav Group strategy in 2021¹²

The Triglav Group consistently pursued its strategic guidelines as a modern and dynamic insurance and financial group, which is the leader in both Slovenia and in Adria region. In a still uncertain and volatile business environment, the Group regularly assessed impacts on its operations according to various scenarios and effectively coped with any increased risks arising from the COVID-19 pandemic.

The year 2021 was again marked by intense development activities at Group level. In this respect, important innovations for further business digitalisation were introduced and the completion of several strategic projects was accelerated. An overview of what was achieved shows that, despite the extremely changed business environment, the foundations of the

Group's operations were further consolidated, their flexibility, adaptability and resilience increased and the set strategic goals were achieved. Among the achievements stands out **stable remote business**, which together with modern and innovative ways of working and business processes is an important milestone in the digital transformation of the Group's

operations. The Group is satisfied with the response and the results achieved and so are its clients, who rated the Group the highest to date. The new financial year has begun with a revised strategy to 2025, which has again set high strategic goals on a solid foundation.

“The business transformation and digitalisation of the Triglav Group’s operations are fully intertwined processes guided by our focus on the client. The speed at which client needs and expectations are changing, as well as the dynamics of technological development, is rapidly increasing. The urban environments in our markets also follow these trends. Everything we do must therefore be based on a deep understanding of our clients and their experience with us. We build their trust with a hybrid business model, which allows them to choose how they do business with us. Our job is to know our clients and offer them what they need – with modularly designed products, automated claim reporting processes and other advanced digital services available anywhere. We have built solid data warehouses, which we will use together with back office functions for the mutual benefit of both our clients and the Group. We have therefore adopted an approach to digitalisation, which enables a seamless, fluid transition between the physical and digital worlds.”



Gregor Kovačič

Executive Director at Zavarovalnica Triglav

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¹² GRI GS 103-1, 103-2, 103-3



1. Long-term stable and profitable operations and increased value of the Triglav Group

- **Profitable operations**
 - Profit before tax: EUR 132.6 million.
 - Return on equity (ROE): 12.5%.
- **Growth in business volume**
 - Gross written premium: +10%.
 - Total market share of Slovenian insurance companies: +2.1 percentage points.
 - Seized opportunities of new business models and partnerships for doing business outside the region.
 - The Triglav Group remains the largest insurance company in South-East Europe (SEE) in terms of written premium.
- **Increased value of the Triglav Group**
 - Market capitalisation growth: +23%.
 - Market position: strengthened through capital investment management (capital increase of subsidiaries and increase of participating interest in the subsidiaries of strategic importance, integration of an acquired company, increased investment in healthcare service providers).
 - Credit rating: reaffirmed “A” credit rating with a stable medium-term outlook.
- **Capital adequacy and optimal capital allocation by Group segment/ subsidiary**
 - Achieved target capital adequacy and its monitoring.
 - Monitoring the movement of market capital by individual activities (insurance, investment management, capital management) in order to effectively achieve capital adequacy.
 - Investment processes: upgraded in terms of the Group’s sustainable commitments and ambitions.
- **Comprehensive risk management**
 - Checking the adequacy of the risk management system at Group level.
- **A high degree of automation, optimisation and cost-effectiveness of business processes**
 - The proportion of operating expenses of the insurance business in gross written premium lower: 22.2%.
 - Business digitalisation and optimisation: numerous technological solutions were implemented.
- **Efficient use of data (internal and external) in making business decisions**
 - Better quality of data to understand business and make effective decisions.
- **Developed multi-matrix organisation, business productivity growth and utilisation of synergies within the Group**
 - Business productivity: increased by 9%; average gross written premium per Company employee is EUR 292 thousand.
 - Transfer of good practices among Group companies and exploitation of internal potential.



2. Client focus and development of related services

- **Comprehensive and responsible client relationship management and omni-channel communication with clients**
 - Enhanced communication with existing and potential clients via all communication channels to achieve high responsiveness, reliability and transparency.
 - Improving the user experience to speed up underwriting and claim settlement
 - Increased client registration in the i.triglav application and a higher number of clients who gave their consent to receive information electronically.
- **Increased client satisfaction and loyalty**
 - Higher client satisfaction rating (NPS) compared to the preceding year: an increase of 4 percentage points.
 - Adaptation of products and services to changed client needs and rewarding of their loyalty.
- **Growth in the number of active clients, better understanding of the Group’s services and higher insurance coverage of individual clients**
 - Diverse and innovative marketing and sales approaches.
 - Measurements and analyses of user experience, activities to improve understanding of the Group’s products and services.
- **Insurance products with a high degree of related services**
 - Expanded scope of assistance services, optimisation of the assistance process.
 - Strengthening of existing and establishment of new business partnerships in related services.
- **Modern business models**
 - Upgraded remote underwriting and remote claim settlement.
 - A central entry point for client communication: better tracking of client communication and claim processing in one place.
 - Implementation of key insurance processes remotely.
 - Motivating the sales network for remote resale of insurance products and electronic delivery of insurance documentation.

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3. Developing a cooperative and agile organisation and culture

- **Transformation of organisational culture**
 - Realisation of the Group's key values in relation to all its stakeholders.
 - Promotion of teamwork, intergenerational cooperation, a healthy lifestyle and work practices, and a focus on relationships (this year's key competence).
 - Enhanced agility of employees and their orientation towards change.
 - Promotion of the development of leaders as important drivers of organisational culture changes through the implementation of the Leadership License.
 - Enhanced cooperation and improvement of constructive behavioural styles by 17% (Zavarovalnica Triglav) and 13% (Triglav Group), as shown by the repeated measurement of organisational culture.
 - Recognition for the best HR&M project of the year.
- **Appropriate number, structure and engagement of employees for revised and optimised processes**
 - Exceeded planned shares of employee engagement and satisfaction.
 - Adaptation of the organisation and main processes to changed circumstances and market needs.
 - Established framework for the implementation of innovations (collection of employee ideas and their classification according to implementation processes: simple improvement, innovation, project).
- **Adequate competences and digital skills of employees**
 - Empowered employees with digital competences for working remotely.
 - The management-by-objectives system and annual and quarterly interviews: a simplified process in line with the value of simplicity.
- **Stability and appropriate structure of key promising employees and employee mobility**
 - Maintaining stable and adequate occupation of key posts.
 - Enhanced cooperation, knowledge transfer and mobility of employees within the Group.

4.3 Implementation of the Triglav Group's business plans in 2021

The Triglav Group performed well and in the third quarter even raised the estimate of the originally planned annual profit. **Profit before tax amounted to EUR 132.6 million**, up by 46% relative to the year before (see Section 8 Financial result of the Triglav Group and Zavarovalnica Triglav for more details).

Despite the challenging market situation, which was marked by fierce competition, the Group **increased the written premium volume by 10%, exceeding the planned figures**. Premium growth was recorded in all insurance markets and in all insurance segments. In the Slovenian market it was 4%, in the regional markets outside Slovenia it stood at 15% and in the international market it reached 40%. See Section [7.5 Gross written insurance, coinsurance and reinsurance premiums](#) for further information on insurance premium.

The Group's **combined ratio** reached a favourable 88.9%, which is in the lower end of its average target strategic value range (the company's performance indicator in the core non-life and health insurance business excluding return on investment). Compared to the preceding year, it was lower by 2.3 percentage points due to an improvement in both the claims ratio and the expense ratio. See Section 8 Financial result of the Triglav Group and Zavarovalnica Triglav for more details.

The credit rating agencies S&P Global Ratings and AM Best re-affirmed the Group's **"A" credit rating with a stable medium-term outlook**, thereby confirming the Group's **strong financial stability, capital adequacy and profitability**.

Achievement of the "A" credit rating is in line with the Group's strategy. It ensures an appropriate competitive position of the Group in insurance, reinsurance and financial markets as it confirms its financial strength and sound performance. See Section [6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav](#) for more information.

4.4 Plans of the Triglav Group for 2022

The basis for developing the Triglav Group business plan for 2022 were strategic starting points and goals, the performance assessment and implementation of the business plan in 2021, market potential, competitive conditions, and forecasts of trends in the macroeconomic environment and the financial markets.

Expected business conditions: It is estimated that the macroeconomic environment will improve in 2022 compared to the previous year. The economic recovery is expected to continue and unemployment to fall. The biggest risks remain the uncertain epidemic situation and higher inflation that could result from a faster recovery in demand and a prolonged persistence of current global supply constraints. The consequences of current events in Ukraine also pose an additional risk.

Triglav Group Business Plan for 2022

Profit before tax: Profit before tax of EUR 120–130 million is planned. The planned profit is based on the projected performance of both of the Group's activities, taking into account the anticipated conditions in the financial markets that will affect the rates of return on investment.

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Premium: In the insurance business, written premium is planned to exceed EUR 1.4 billion. Premium growth is expected both in the existing markets in the Adria region and in those EU markets where the Group operates under the principle of free movement of services. Through continued underwriting discipline, the Group plans to maintain the profitability of its insurance business. Client focus remains the Group’s most important guideline, therefore it will continue to develop innovative products, services and bonus programmes and ensure their effective sales. The innovative development of sales processes based on modern and digital technologies will be at the forefront.

Claims: An increase in the volume of claims paid is expected due to the growth of the insurance portfolio and other factors. With regard to major CAT events, trends typical of previous years are expected to continue, therefore the prudently selected reinsurance protection will be maintained.

Combined ratio: The Triglav Group’s combined ratio is planned at below 93%.

Cost-effectiveness: Cost streamlining measures predominantly focused on the types of costs not directly related to insurance acquisition will continue to be implemented. Higher costs are expected in insurance acquisition, expanding digitalisation and investing in information technology. The planning of staffing levels and labour costs, which account for the bulk of the Group’s total operating expenses, will comply with the strategic guidelines, changes in business processes and the requirements of individual work areas.

Profit from financial investments: Given the expected continuation of low interest rates, the Group plans a further decline in rates of return on investment, excluding unit-linked assets. The main elements of the Group’s investment policy thus remain unchanged and include ensuring security, liquidity and diversification of investments while achieving adequate profitability. The Group will maintain

a conservative investment structure with an emphasis on fixed-income investments, while slightly increasing the share of alternative investments, which will result in higher expected returns at lower liquidity.

Asset management: The Group will pursue the strategic guideline of increasing the volume of clients’ assets under management from non-compulsory saving and the effective management of assets at Group level. The key guidelines will be active asset management with high investment beliefs, which in the long run provide adequate profitability and portfolio risk management.

Maintaining high credit ratings: The Group will maintain its high financial stability and security by ensuring the amount of capital that, in accordance with strategic guidelines, adequately exceeds the set level of underwritten risks. This and profit earned will be the bases to retain high credit ratings assigned by the renowned credit rating agencies S&P Global Ratings and AM Best.

Disclaimer

The planned figures for 2022 are based on the outlook, expectations about events and circumstances, and forecasts available to the Company when drafting the plan. The actual results, performance and events may significantly deviate from those taken into account in the plan. When publishing the interim results of the Triglav Group in 2022, the Company will each time comment on the Group’s planned annual profit before tax.

Financial highlights of the Triglav Group business plan for 2022

	2019	2020	2021	2022 plan
Profit/loss before tax	100.9	90.9	132.6	120-130
Gros written premium from insurance, co-insurance and reinsurance contracts	1,184.2	1,233.8	1,353.0	over 1,400
Combined ratio in non-life insurance	91.5%	91.2%	88.9%	below 93%

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5. Corporate Governance Statement

- Marica Makoter, Management Board Member and Worker Director, commenced her new five-year term of office.
- New Supervisory Board members, shareholder representatives, began their terms of office.
- The Triglav Group’s corporate governance system continued to operate responsively and effectively in the second year marked by unforeseen pandemic-related conditions. In addition to monitoring the operations of subsidiaries, it continued to promote the identification of business opportunities and challenges in their environment.

5.1 Governance policy

The Company’s reliable governance system, which is based on effective risk management, enables it to implement its business strategy. The main governance guidelines take into account the set long-term objectives. They are defined in the Company’s Governance System and Policy, adopted by the Management and Supervisory Boards. The document is published on SEOnet, the Ljubljana Stock Exchange information system, and on the Company’s official website (www.triglav.eu).

5.2 Statement of Compliance with the Slovene Corporate Governance Code¹³

In its operations in 2021, Zavarovalnica Triglav abided by the Slovenian Corporate Governance Code (hereinafter: the Code), which was adopted on 27 October 2016 and published in Slovenian and English on the Ljubljana Stock Exchange website at (www.ljse.si). Zavarovalnica Triglav’s statement of compliance with the Code for 2021 is published on SEOnet and the Company’s official website (www.triglav.eu).

Zavarovalnica Triglav adheres to the provisions of the Code. For well-grounded reasons, the Company deviated from or did not comply with the following provisions of the Code as clarified by specific points of the Code:

- Point 5.7 of the Code relating to an external assessment of the appropriateness of the Corporate Governance Code by an independent institution:
The Corporate Governance Statement, as part of the annual report, is reviewed annually by an independent external auditor. Zavarovalnica Triglav is a regulated company whose operations are supervised by the Insurance Supervision Agency. In addition, one of its key functions is internal audit, which performs continuous and comprehensive supervision of the Company’s operations in order to verify and assess whether the processes of risk management, control procedures and management of the Company are appropriate.
- Point 14.4 of the Code stipulating that at least once in every three years the supervisory board should ensure an external assessment in which it cooperates with an institution or external experts:

Each year, the Supervisory Board, with the assistance of competent departments, carries out self-assessment of its work and the work of its committees and draws up a report. It takes a position on this and adopts an action plan to improve its functioning. At its discretion, the Supervisory Board also performs external assessment, in which it cooperates with relevant external experts.

- Point 19.6 of the Code relating to the prior approval of the Supervisory Board before the appointment of the members of the Management Board to the management or supervisory bodies in other companies:
Pursuant to the resolution of the Supervisory Board, the members of the Management Board do not require the approval of the Supervisory Board prior to their appointment to the management or supervisory bodies of Zavarovalnica Triglav’s direct and indirect subsidiaries and associates; however, the Management Board members promptly inform the Supervisory Board in writing about their appointment in accordance with point 1 of paragraph two of Article 62 of the Insurance Act (ZZavar-1).
- Point 23 of the Code stipulating that all supervisory board and committee members are independent:
Two members of the Supervisory Board, both employee representatives, are not independent in accordance with point g) of Appendix B3 of the Code, as they have served on the Supervisory Board for more than three terms.

In its operations, the Company abides by the principles of the Insurance Code, available on the website of the Slovenian Insurance Association (www.zav-zdruzenje.si).

Zavarovalnica Triglav also has its own code, which presents its fundamental values and business principles in order to achieve its business objectives, strategic guidelines and competitive advantages in a fair and transparent manner and in compliance with the law and ethics. It is published on the Company’s official website (www.triglav.eu).

The Statement of compliance with the Slovenian Corporate Governance Code is available both on SEOnet and the Company’s official website (www.triglav.eu).



¹³ GRI GS 102-12

5.3 Management bodies of Zavarovalnica Triglav¹⁴

The Company uses a two-tier governance system. Its management and supervisory bodies are as follows: **General Meeting of Shareholders**, **Management Board** and **Supervisory Board**. They operate in compliance with the primary and secondary legislation, the Articles of Association and adopted rules of procedure. Zavarovalnica Triglav's Articles of Association are published on its official website (www.triglav.eu).

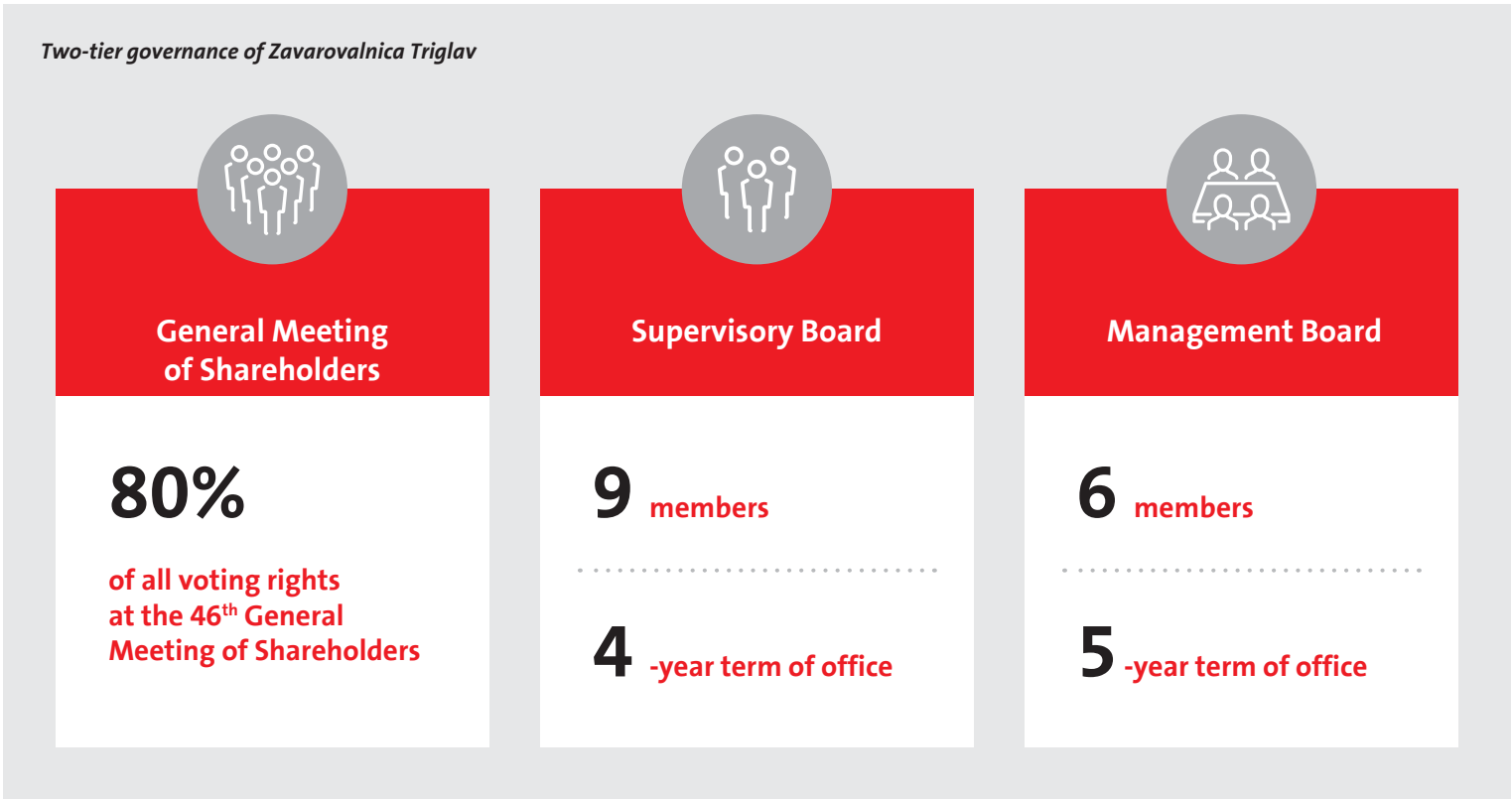
5.3.1 General Meeting of Shareholders

Shareholders of Zavarovalnica Triglav exercise their rights in respect of matters concerning the Company through the General Meeting of Shareholders, which is convened at least once a year, by the end of August at the latest. The General Meeting of Shareholders may also be convened in other circumstances provided by law and the Articles of Association, and when it is in the interest of the Company.

The powers and operation of the General Meeting of Shareholders are set out in the Companies Act and the Articles of Association. The latter does not lay down any specific provisions for the adoption of amendments.

Each share of Zavarovalnica Triglav gives its holder the right to:

- one vote at the General Meeting of Shareholders,
- proportional dividends from the profit intended for the dividend payment and
- a proportional share from the remaining bankruptcy or liquidation estate in the event of bankruptcy or liquidation.



All shareholders who are entered in the share register managed by KDD – Centralno klirinška depotna družba d.d. not later than by the end of the seventh day before the date of the General Meeting of Shareholders have the right to attend the General Meeting. They may exercise their voting right provided that they register their attendance not later than by the end of the fourth day before the date of the General Meeting of Shareholders.

The rights and obligations attached to the shares as well as the notes on the restriction of transfer of shares and on reaching a qualifying holding are described in Section [6.2 Equity](#) herein. See the Insurance Act for further details.

In accordance with the Financial Instruments Market Act, the following three shareholders of Zavarovalnica Triglav hold a qualifying holding (as at 31 December 2021):

- Zavod za pokojninsko in invalidsko zavarovanje Slovenije (Institute of Pension and Invalidity Insurance of Slovenia; hereinafter: ZPIZ) is the direct holder of 7,836,628 shares or 34.47% of the Company's share capital. Its stake remained unchanged in 2021. On behalf and for the account of ZPIZ, the shareholder's rights attached to the shares were managed by Slovenski državni holding d.d. (hereinafter: SDH).

- SDH is the direct holder of 6,386,644 shares or 28.09% of the Company's share capital. Its stake remained unchanged in 2021.
- Erste Group Bank – PBZ Croatia Osiguranje OMF account – a fiduciary account, Vienna, holds 1,526,190 shares or 6.71% of the Company's share capital.

According to the data available, as at the reporting date Zavarovalnica Triglav had no other shareholders whose interests exceeded 5.00% of the share capital, nor any issued securities that would grant their holders special control rights.

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¹⁴ GRI GS 102-18

General Meeting of Shareholders in 2021

Zavarovalnica Triglav's shareholders met once in 2021, i.e. on 25 May 2021, at the 46th General Meeting of Shareholders. The total number of shares and voting rights represented at the General Meeting of Shareholders was 18,198,597 or 80.05% of all shares to which the voting rights are attached. The General Meeting of Shareholders was briefed on:

- Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2020,
- the opinion given by the audit firm,
- Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2020,
- Report of the Supervisory Board of Zavarovalnica Triglav d.d. on the Verification of the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2020,
- Opinion of the Supervisory Board on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2020.

The shareholders adopted a resolution on the following distribution of the accumulated profit of EUR 89,624,175.26 as at 31 December 2020:

- A part of accumulated profit in the amount of EUR 38,649,751.60 shall be allocated for dividend payments. The dividend of EUR 1.70 gross per share shall be paid to the shareholders appearing in the share register as at 9 June 2021. As at 10 June 2021, the Company provided funds for the payment of all dividends to the account of KDD – Centralno klirinška depotna družba d.d.
- The distribution of the remaining accumulated profit of EUR 50,974,423.66 shall be decided in the next few years.

The shareholders granted a discharge for the 2020 financial year to both the Management Board and the Supervisory Board of Zavarovalnica Triglav d.d. and adopted amendments to the Company's Articles of Association.

The General Meeting of Shareholders took note of the resignation of the Supervisory Board member Nataša Damjanovič, dated 18 June 2020, and of the expiry of the term of office as of

13 June 2021 of four Supervisory Board members, shareholder representatives: Andrej Andoljšek, Milan Tomažević, Žiga Škerjanec and Mario Gobbo.

Andrej Andoljšek, Tomaž Benčina, Branko Bračko, Peter Kavčič and Jure Valjavec were appointed new Supervisory Board members, shareholder representatives, for the four-year term of office, starting as of 14 June 2021.

At the General Meeting of Shareholders, the Pan-Slovenian Shareholders' Association (VZMD) announced an action to set aside resolution No. 3.1. The Company did not receive any lawsuit.

5.3.2 Management Board

The Management Board manages the Company independently and at its own responsibility, and presents and represents the Company without limitations. In legal transactions, the Company is always jointly presented and represented by two members of the Management Board, one of whom is its President.

Any person fulfilling the requirements stipulated by the Insurance Act, the Companies Act and the applicable documents of the Company may be appointed to the Management Board as its President or member. The fit and proper criteria, which the Management Board members and other individuals are required to meet, are clearly defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d., which sets out the fit and proper assessment procedure for Management Board members to be performed before the appointment, periodically, extraordinarily or after the appointment of an individual Management Board member. Furthermore, the policy determines the fit and proper assessment criteria and procedures for the Management Board as a collective body. With respect to the latter, the Supervisory Board takes into account the diversity of knowledge and competences, which not only allow comprehensive functioning of the Management Board, but also contribute to an appropriate variety of skills, knowledge and experience for professional management of the Company. All members are required to collectively possess the relevant knowledge and experience relating to insurance and financial markets, the business strategy and business models, governance systems, financial and actuarial analyses, risk management, and

the regulatory and legal environment in which Zavarovalnica Triglav operates.

In February 2021, a preliminary fit and proper assessment was conducted for Marica Makoter as a candidate for the Management Board member, Worker Director, for a new five-year term of office. In November 2021, the other members of the Management Board (Andrej Slapar, Tadej Čoroli, Uroš Ivanc, Barbara Smolnikar and David Benedek) and the Management Board as a collective body were subject to periodic assessment. All members individually and the Management Board as a collective body were assessed as fit and proper.

The Diversity Policy is also taken into account when appointing an individual member of the Management Board. Its aim is to ensure complementarity and diversity in the Management Board by taking into account various qualifications, experiences and knowledge as defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. as well as to achieve gender balance and representation of various age groups. The gender balance in the Management Board, which is appropriate to the Company's size, the objectives it pursues and the procedures for selecting management body members and other procedures in the Company, is not predetermined. If several candidates meet the fit and proper criterion, the candidate who will contribute more to greater diversity of the Management Board will have priority. One of the important goals is that both genders are represented in the management body. A comprehensive approach enables prudent and careful management of the Company, thus achieving strategic objectives and ensuring long-term values for all key stakeholders. The Diversity Policy was taken into account in the reappointment of Marica Makoter as a Management Board member.

On 2 March 2021, the Supervisory Board reappointed Marica Makoter as the Management Board member, Worker Director, at the proposal of the Works Council. Her new five-year term began on 23 December 2021.

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In accordance with the Company’s Articles of Association, the Management Board has no less than three and no more than six members, one of whom one is the president. The number of the Management Board members, their powers, the manner of representation and presentation, and the delegation of the Management Board’s powers are determined by the Supervisory Board in the Management Board Rules.

The Management Board is appointed by the Supervisory Board. The term of office of individual Management Board members is up to five years, with the possibility of reappointment without limitation. Zavarovalnica Triglav has one Worker Director, who is a member of the Management Board.

The appointment or recall of an individual member or all members of the Management Board is proposed to the Supervisory Board by the President of the Management Board. Any individual member or President of the Management Board may be dismissed by the Supervisory Board if legal grounds for their dismissal have been established.

5.3.2.1 Management Board’s powers to increase the share capital

In accordance with the Company’s Articles of Association, the Management Board is authorised to increase the share capital of Zavarovalnica Triglav by up to EUR 14,740,278.36 through new shares issued for cash contributions within five years of 28 May 2021. The issue of new shares, the amount of capital increase, the rights attached to the new shares and the conditions for issuing new shares are decided upon by the Company’s Management Board with the consent of the Supervisory Board. Following a share capital increase, the Supervisory Board is authorised to amend the Company’s Articles of Association.



5.3.2.2 Presentation of the Management Board, its functioning and powers

Composition of the Management Board in 2021¹⁵

First and last name	Function	Area of work in the Management Board (as at 31 December 2021)	Start of term of office (the first)	End of term of office	Gender	Nationality	Date of birth	Education	Professional profile	Membership in the supervisory and/or management bodies of other companies
Andrej Slapar	President	Manages and directs the work of the Management Board and head office support departments (the Management Board Office, the Legal Office, the Internal Audit Department, the Corporate Communication Department and the Compliance Office). In charge of the Corporate Accounts Division, the Non-Life Insurance Division, the Triglav Group Subsidiary Management Division (excluding the subsidiaries outside Slovenia), HR matters related to the employees with special powers, arbitration, Nuclear Pool and the economic interest grouping of Slovenian insurance companies. Also responsible for the drawing up and implementation of the strategy of Zavarovalnica Triglav and the Triglav Group.	22 May 2013	12 November 2024	Male	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance and reinsurance, actuarial science	
Uroš Ivanc	Member	In charge of the Risk Management Department and the Strategic Planning and Controlling Department, the Non-Life Insurance Development and Actuarial Department, and the Accounting and Finance divisions, excluding the Investment Department, and the Triglav Group Subsidiary Management Division – the subsidiaries outside of Slovenia. Also responsible for investor relations (IR) and relations with credit rating agencies, as well as for environmental, social and corporate sustainable development (ESG) activities.	14 July 2014	15 July 2024	Male	Slovenian	1975	MSc in business and organisation	Management and organisation, strategic management, insurance, financial management, financial markets and analyses, asset management, risk management	Triglav, upravljanje naložb in svetovalne storitve d.o.o. Triglav, Zdravstvena zavarovalnica d.d. Triglav INT d.o.o.
Tadej Čoroli	Member	In charge of the Marketing Division, the Business Intelligence and Client Relationship Management Division, the Non-Life Insurance Claims Division, the Insurance Sales Division and the Digitalisation, Processes and Technology Division.	29 July 2014	30 July 2024	Male	Slovenian	1975	LL.M.	Management, strategic management, commercial law, insurance, marketing	Pozavarovalnica Triglav Re d.d.
Barbara Smolnikar	Member	In charge of the Life Insurance Division and the Life Insurance Development and Actuarial Department. Also responsible for money laundering prevention and bancassurance.	17 October 2017	17 October 2022	Female	Slovenian	1967	PhD in management	Management, strategic management, banking, bancassurance, financial markets and analyses, risk management	Triglav, pokojninska družba d.d.
David Benedek	Member	In charge of the Strategic Procurement Department, the IT Division and the Investment Department. Also responsible for mergers and acquisitions (M&A).	29 August 2019	29 August 2024	Male	Slovenian	1973	MSc in business and organisation	Management, strategic management, banking, insurance, financial markets and analyses, corporate governance	Triglav Osiguranje, Zagreb d.d. Triglav, upravljanje naložb in svetovalne storitve d.o.o. Triglav, Upravljanje nepremičnin d.o.o. Triglav Skladi d.o.o. Diagnostični center Bled d.o.o.
Marica Makoter	Member and Worker Director	Represents the workers' interests as set out in the Worker Participation in Management Act. In charge of the Fraud Prevention, Detection and Investigation Department and the Change and Project Portfolio Management Department. Responsible for the Back Office Division and the Human Resource Management Division (excluding HR matters related to the employees with special powers).	21 December 2011	23 December 2026	Female	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance, human resources and organisation, worker representation	Triglav Skladi d.o.o.

Andrej Slapar took over the position of the President of the Management Board eight years ago, and in 2021 all members of the Management Board (together) performed their function for an average of six years.

¹⁵ GRI GS 405-1, SASB: FN-AC-330a.1

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Data on the remuneration of the Management Board members are also disclosed in Section 5.6 of the Accounting Report. The basis for the remuneration of the Management Board is the Remuneration Policy of Zavarovalnica Triglav d.d., which is based on Directive 2009/138/EC – Solvency II, as amended by Directive 2012/23/EU, and Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC.

The Remuneration Policy of Zavarovalnica Triglav d.d. is designed to ensure the maintenance of appropriate capital strength of the Company, encourage reliable and effective risk management, limit the assumption of risks exceeding the allowed risk limits of the Company, and provide for the acquisition and retention of appropriately professionally qualified, competent, responsible and engaged employees. The policy is the foundation for implementing a robust and reliable governance system, ensuring responsible long-term development and business integrity and transparency. In 2021, it was amended in accordance with the requirements of the Regulation on sustainability-related disclosures in the financial services sector and taking into account the Triglav Group’s commitment to sustainability (ESG).

Composition and remuneration of the Management Board in 2021 (EUR)

Name and surname	Function	Variable remuneration – gross				Deferred remuneration – gross (3)	Severance pay (4)	Benefits and SVPI (5)	Claw-back (6)	Total gross (excluding deferred income, bonuses and SVPI) (1+2+4-6)	Total net (excluding deferred income, bonuses and SVPI) (1+2+4-6)
		Fixed remuneration – gross (1)	based on quantitative criteria	based on qualitative criteria	Total variable remuneration (2)						
Andrej Slapar	President	197,563	53,634	0	53,634	60,261	0	78,139	0	251,197	81,935
Uroš Ivanc	Member	188,487	50,953	0	50,953	57,248	0	49,819	0	239,440	83,244
Tadej Čoroli	Member	188,487	50,953	0	50,953	57,248	0	54,167	0	239,440	81,796
Barbara Smolnikar	Member	187,763	47,095	0	47,095	57,248	0	54,402	0	234,858	79,124
David Benedek	Member	187,798	26,652	0	26,652	35,211	0	55,352	0	214,450	72,253
Marica Makoter	Member	187,798	50,953	0	50,953	57,248	0	53,991	0	238,751	79,998
Benjamin Jošar	Member until 2 November 2017	0	3,857	0	3,857	0	0	0	0	3,857	2,254
Total		1,137,896	284,097	0	284,097	324,464	0	345,870	0	1,421,993	480,604

The disclosure does not include travel expenses, accommodation costs and daily allowance as, by their nature, they are not considered remuneration of the Management Board.
The data under item (2) contain the third portion of the bonus for 2017, the second portion of the bonus for 2018 and the first portion of the bonus for 2020, which were paid in 2021.
The data under item (3) contain the third portion of the bonus for 2018, the second and third portions of the bonus for 2019 and the second and third portions of the bonus for 2020, which will be paid out in the coming years.
The data under item (5) contain the benefits and the supplemental voluntary pension insurance premium.



5.3.3 Supervisory Board

The Supervisory Board is composed of six shareholder representatives and three employee representatives. As a supervisory body, it supervises the Company’s management with full responsibility. The Supervisory Board members’ term of office is four years, and they can be re-elected without term limits.

Shareholder representatives are elected by the General Meeting of Shareholders and employee representatives by the Company’s Works Council. The Chairman and Vice Chairman of the Supervisory Board are elected from among its members representing shareholders. Their appointment and dismissal are made in accordance with the applicable legislation and the documents of the Company. The General Meeting of Shareholders may dismiss any elected Supervisory Board member before the expiry of their term of office, while each Supervisory Board member may resign from their position under the conditions and in the manner laid down by the Articles of Association.

The fit and proper criteria as set out in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. also apply to both the Supervisory Board as a collective body and to Supervisory Board members as individuals. Fit and proper assessments are made before the appointment, periodically, extraordinarily or after the appointment of an individual Supervisory Board member. In accordance with said policy, in the spring months of 2021 preliminary fit and proper assessment of the candidates for Supervisory Board members, shareholder representatives, was carried out. Several candidates were assessed in accordance with the applicable legislation and internal documents. Andrej Andoljšek, Peter Kavčič, Tomaž Benčina, Branko Bračko and Jure Valjavec were appointed Supervisory Board members based on their fitness and propriety. In November 2021, the periodic fit and proper assessment of other Supervisory Board members (Igor Stebernak, Peter Celar, Branko Gorjan and Igor Zupan) and the Supervisory Board as a collective body was performed. All individual members and the Supervisory Board as a collective body were assessed as fit and proper.

In assessing the composition and performance of the Supervisory Board as a collective body along with a diverse gender and age structure, the Supervisory Board takes into account diversity particularly in such a manner that all members possess the relevant knowledge, skills and experience relating to insurance and financial markets, the business strategy and business models, governance systems, financial and actuarial analyses, risk management, and the regulatory and legal environment in which the Company operates. In addition to the above, if several candidates meet the fit and proper criterion, the Diversity Policy is taken into account in the appointment of an individual Supervisory Board member. Its goal is to ensure complementarity and diversity in the Supervisory Board by taking into account various qualifications, experience and knowledge defined in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. This enables prudent and careful supervision of the Company, thereby achieving strategic objectives and ensuring long-term values for all key stakeholders, representation of both genders and representation of different age groups. The gender balance in the supervisory body, which is appropriate to the Company’s size, the objectives it pursues and the procedures for selecting

supervisory body members and other procedures in the Company, is not predetermined. The criteria for selecting the candidates for Supervisory Board members, shareholder representatives, determine that in the event of a large number of candidates who meet all the requirements and possess in-depth knowledge in the specified areas women have priority due to meeting the diversity criteria. The Diversity Policy was taken into account both in the candidacy procedure and in the appointment of new Supervisory Board members, because their knowledge and experiences contribute to the greater diversity of the Board’s membership.

At its session on 18 June 2021, the Supervisory Board appointed Andrej Andoljšek its Chairman and Branko Bračko its Vice Chairman.

5.3.3.1 Powers of the Supervisory Board

The powers and operation of the Supervisory board are set out by the applicable legislation, the Company’s Articles of Association and the Rules of Procedure of the Supervisory Board (available at www.triglav.eu). Besides the powers specified in the Companies Act and the Insurance Act, the Supervisory Board has the power to give consent to the decisions of the Management Board where the value or an investment exceeds the amount set out in the Rules of Procedure of the Supervisory Board, i.e. in the event of:

- the founding of limited companies in Slovenia and abroad;
- the acquisition or sale of Zavarovalnica Triglav’s participating interests in domestic or foreign companies, except in the case of participating interests for which the conventional portfolio management approach is used;
- the issue of debt securities and long-term borrowing from domestic or foreign banks;
- the acquisition and sale of real property and investment in real property of Zavarovalnica Triglav.

In accordance with the law and the Rules of Procedure, the Supervisory Board holds at least one session per quarter, or more if necessary.

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5.3.3.2 Supervisory Board in 2021

Composition of the Supervisory Board in 2021¹⁶

First and last name	Function	Start of term of office (the first)	End of term of office	Attendance of sessions of the Supervisory Board / total number of Supervisory Board sessions	Gender	Nationality	Year of birth	Education	Professional profile	Independence pursuant to Article 23 of the Corporate Governance Code	Existence of conflict of interest in 2021	Membership in the supervisory and/ or management bodies of other companies while serving on the Supervisory Board in 2021	Membership in Supervisory Board committees	Function in Supervisory Board committees	Attendance of meetings of Supervisory Board committees / total number of meetings of Supervisory Board committees
Andrej Andoljšek	Member Vice Chairman Chairman Member Chairman	13 June 2017 21 June 2017 18 August 2020 14 June 2021 18 June 2021	13 June 2021 17 August 2020 13 June 2021 14 June 2025 14 June 2025	8 of 8	Male	Slovenian	1970	BSc in Economics	Financial and general management, financial markets and analyses, banking, corporate governance, business and financial restructuring of companies	YES	NO	/	Strategy Committee	Member until 13 June 2021 and from 18 June 2021	4 of 4
Branko Bračko	Member Vice Chairman	14 June 2021 18 June 2021	14 June 2025 14 June 2025	3 of 8	Male	Slovenian	1967	BSc in Mechanical Engineering	Business strategy and business models, governance system	YES	NO	Supervisory Board member at Stanovanjsko podjetje Konjice d.o.o.	Strategy Committee	Chairman from 18 June 2021	2 of 4
Tomaž Benčina	Member	14 June 2021	14 June 2025	3 of 8	Male	Slovenian	1965	BSc in Economics and BSc in Metallurgy	Financial markets, business strategy and business models, governance system, financial analyses	YES	NO	/	Appointment and Remuneration Committee	Chairman from 18 June 2021	2 of 11
Peter Kavčič	Member	14 June 2021	14 June 2025	3 of 8	Male	Slovenian	1969	MSc in International Business	Financial markets, business strategy and business models, governance system, financial analyses			A Supervisory Board member and chair of the Audit Committee at Mladinska knjiga založba d.d.	Audit Committee Strategy Committee	Chairman from 18 June 2021 Member	2 of 6 2 of 4
Igor Stebernak	Chairman Member	18 August 2016 3 June 2020	2 June 2020 3 June 2024	8 of 8	Male	Slovenian	1968	BSc in Electrical Engineering, MBA	Banking, insurance, strategic management, financial markets and analyses, controlling, accounting and business process reengineering	YES	NO	/	Appointment and Remuneration Committee Nomination Committee Audit Committee	Chairman until 13 June 2021 Chairman Member until 13 June 2021 and from 18 June 2021	9 of 11 10 of 10 6 of 6
Jure Valjavec	Member	14 June 2021	14 June 2025	3 of 8	Male	Slovenian	1975	Master of Science	Business strategy and business models, governance system	YES	NO	/	Appointment and Remuneration Committee	Member	2 of 11
Milan Tomažević (former President of the Management Board of Zavarovalnica Triglav d.d.)	Member Vice Chairman	13 June 2017 18 August 2020	13 June 2021 13 June 2021	5 of 8	Male	Slovenian	1946	BSc in Economics	Insurance and reinsurance, informatics, management and actuarial science	YES	NO	/	Strategy Committee	Chairman until 13 June 2021	2 of 4
Žiga Škerjanec	Member	13 June 2017	13 June 2021	5 of 8	Male	Slovenian	1978	LL.B.	Corporate law and finance and the operation of supervisory boards	YES	NO	/	Strategy Committee Appointment and Remuneration Committee Nomination Committee	Member until 13 June 2021 Member until 13 June 2021 Member	2 of 4 9 of 11 10 of 10
Mario Gobbo	Member	12 June 2013	13 June 2021	5 of 8	Male	Italian	1953	PhD in Economics	Banking, financial management, financial markets and analyses, investment banking, investment, restructuring, acquisition of financial assets and privatisation	YES	NO	/	Audit Committee	Chairman until 13 June 2021	4 of 6
Peter Celar	Member	29 May 2007 1 June 2019	31 May 2019 2 June 2023	8 of 8	Male	Slovenian	1958	BSc Economics	Insurance	NO	NO	/	Appointment and Remuneration Committee Nomination Committee	Member until 13 June 2021 and from 18 June 2021 Member	11 of 11 10 of 10
Branko Gorjan	Member	14 March 1995 1 June 2019	30 May 2015 1 June 2023	8 of 8	Male	Slovenian	1960	Economic technician	Insurance	NO	NO	/	Strategy Committee	Member until 13 June 2021 and from 18 June 2021	4 of 4
Igor Zupan	Member	27 September 2019	1 June 2023	8 of 8	Male	Slovenian	1972	BSc in Administrative Organisation – IT Specialist	Insurance	YES	NO	/	Audit Committee	Member until 13 June 2021 and from 18 June 2021	6 of 6

External members of Supervisory Board committees in 2021

First and last name	Supervisory Board committee	Attendance of meetings of Supervisory Board committees / total number of committee meetings	Gender	Nationality	Education	Year of birth	Professional profile	Membership in the supervisory bodies of other companies while serving on a Supervisory Board committee in 2021
Simon Kolenc	Audit Committee (member until 13 June 2021)	4 of 6	Male	Slovenian	BSc in Economics	1977	Finance, accounting, audit	/
Luka Kumer	Audit Committee (member from 18 August 2021)	1 of 6	Male	Slovenian	BSc in Economics	1981	Financial markets, business strategy and business models, governance system, financial analyses	/
Boštjan Koler	Nomination Committee	10 of 10	Male	Slovenian	LL.B.	1961	Law	/

By signing the Statement of Independence and Loyalty (www.triglav.eu), the members of the Supervisory Board undertook to adhere to the principles of independence laid down in item B of the Annex to the Slovenian Corporate Governance Code.

Data on the remuneration of the Supervisory Board members are disclosed in Section [5.6 of the Accounting Report](#). Their remuneration was in line with the resolution passed by the 42nd General Meeting of Shareholders of Zavarovalnica Triglav.



¹⁶ GRI GS 405-1, SASB: FN-AC-330a.1

Composition and remuneration of the Supervisory Board members and committees in 2021 (EUR)

Name and surname	Function (Chairman, Vice Chairman, member, external committee member)	Remuneration for performing the function – gross per year (1)	Attendance fees for SB sessions and committee meetings – gross per year (2)	Total gross (1+2)	Total net	Gross travel expenses	Net travel expenses
Andrej Andoljšek	Chairman	26,125	2,981	29,106	21,169	278	202
Branko Bračko	Vice Chairman	12,028	1,265	13,293	9,668	555	403
Tomaž Benčina	Member	11,224	1,265	12,489	9,083	317	231
Peter Kavčič	Member	12,229	1,705	13,934	10,134	1,275	927
Igor Stebernak	Member	20,406	7,557	27,963	20,090	337	245
Jure Valjavec	Member	10,219	1,265	11,484	8,352	0	0
Milan Tomažević	Member	10,018	1,716	11,734	8,534	278	202
Žiga Škerjanec	Member	10,188	5,852	16,040	11,666	278	202
Mario Gobbo	Member	9,339	2,156	11,495	7,572	0	0
Peter Celar	Member	20,210	6,721	26,931	19,587	730	531
Branko Gorjan	Member	18,708	2,981	21,689	15,775	0	0
Igor Zupan	Member	18,708	3,421	22,129	16,095	278	203
Simon Kolenc	External committee member	3,396	1,045	4,441	3,230	0	0
Boštjan Koler	External committee member	1,504	2,200	3,704	2,694	0	0
Luka Kumer	External committee member	2,782	275	3,057	2,224	0	0
Total		187,084	42,405	229,489	165,873	4,326	3,146

The amount paid to an individual's account as the payment after deducting the income tax prepayment, which does not take into account any subsequent payments of an individual's personal income tax.

5.3.3.3 Composition of Supervisory Board committees and their activities in 2021

In 2021, the Company had the following committees: the Audit Committee, the Appointment and Remuneration Committee, the Strategy Committee and the Nomination Committee as an ad-hoc committee. Supervisory Board committees prepare draft resolutions for the Supervisory Board, assure their implementation and carry out other tasks.

The duties and powers of the committees are set out in the Companies Act, the Rules of Procedure of the Supervisory Board, Supervisory Board resolutions and the rules of procedure of individual committees. The main committees are presented in the next diagram.

In 2021, the **Audit Committee** was composed of Dr Mario Gobbo as its chair until 13 June, Peter Kavčič as its chair from 18 June, Igor Stebernak (until 13 June and from 18 June), Igor Zupan (until 13 June and from 18 June), Simon Kolenc, an independent external expert until 13 June, and Luka Kumer, an independent external expert from 18 August, as its members.

The Supervisory Board committees and their main tasks

Audit Committee

- monitors the financial reporting process, draws up reports and proposals for ensuring its comprehensiveness;
- monitors the efficiency and effectiveness of internal controls, internal audit and risk management systems;
- monitors the mandatory audit of annual and consolidated financial statements and reports on the audit findings to the Supervisory Board;
- is in charge of the auditor selection procedure, proposes a candidate to the Supervisory Board to audit the Company's annual report and participates in the drafting of an agreement between the auditor and the Company;
- monitors the quality of the auditor's audit in accordance with the Guidelines for audit committees for monitoring the quality of external auditing adopted by the Agency for Public Oversight of Auditing and the Slovenian Directors' Association;
- supervises the integrity of financial information provided by the Company, evaluates the drafting of the annual report and draws up a proposal for the Supervisory Board;
- cooperates with the Internal Audit Department, monitors its interim reports, examines the internal documents of the Internal Audit Department, the Rules of the Internal Audit Department and the annual plan of the Internal Audit Department;
- discusses decisions on the appointment, dismissal and remuneration of the head of the Internal Audit Department.

Strategy Committee

- discusses and draws up proposals for the Supervisory Board regarding the Triglav Group strategy;
- monitors the implementation of the strategy;
- discusses and draws up proposals and opinions for the Supervisory Board related to the strategic development or planning of the Triglav Group.

Appointment and Remuneration Committee

- proposes criteria for membership in the Management Board;
- proposes the policies of remuneration, reimbursement and other benefits for the Management Board members;
- preliminary considers the proposals of the President of the Management Board related to the management of the Company;
- performs fit and proper assessments of the Management Board and Supervisory Board members;
- provides support and makes proposals on matters related to the Supervisory Board (e.g. conflicts of interest, design and implementation of a remuneration system for the Supervisory Board members, assessment of the Supervisory Board's work pursuant to the Code of Corporate Governance).

Nomination Committee (an ad-hoc committee established to carry out a nomination procedure for the candidates for members of the Supervisory Board, shareholder representatives)

- prepares criteria for the selection of candidates for members of the Supervisory Board, shareholder representatives, unless the Supervisory Board determines otherwise;
- registers the candidates for members of the Supervisory Board;
- instructs the Appointment and Remuneration Committee to carry out a fit and proper assessment of the candidates;
- submits to the Supervisory Board a proposal to nominate one or several candidates for Supervisory Board members – shareholder representatives, including the draft fit and proper assessment of the candidates for members of the Supervisory Board.

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The Appointment and Remuneration Committee had the following composition: Igor Stebernak as its chair until 13 June, Tomaž Benčina as its chair from 18 June, and Žiga Škerjanec (until 13 June), Jure Valjavec (from 18 June) and Peter Celar (until 13 June and from 18 June) as its members.

The Strategy Committee was composed of Milan Tomažević as its chair until 13 June, Branko Bračko as its chair from 18 June, and Andrej Andoljšek (until 13 June and from 18 June), Žiga Škerjanec (until 13 June), Peter Kavčič (from 18 June) and Branko Gorjan (until 13 June and from 18 June) as its members.

The Nomination Committee as an ad-hoc committee was established by the Supervisory Board on 12 November 2020 due to the expiry of the four-year term of office of the Supervisory Board members Žiga Škerjanec, Andrej Andoljšek, Mario Gobbo and Milan Tomažević. The committee existed until the election of Supervisory Board members, shareholder representatives, on 25 May 2021. The committee was composed of: Igor Stebernak as chair, Žiga Škerjanec and Peter Celar as members, and Boštjan Koler as the external member.

5.4 Governance and management of subsidiaries¹⁷

The Triglav Group is comprised of Zavarovalnica Triglav as the controlling company and its subsidiaries and associates. The subsidiaries operate as independent legal entities in accordance with the applicable legislation, resolutions passed by the general meetings and the management and supervisory bodies of subsidiaries, business cooperation agreements (if any) and other adopted internal documents implemented by individual subsidiaries.

The governance policy of the Triglav Group's subsidiaries, which was updated in 2021, is the basis for the establishment and implementation of a robust and reliable governance system. The policy is designed to establish an internally consistent governance system of the Group by standardising and harmonising the rules and procedures in individual business segments within Zavarovalnica Triglav's subsidiaries. The main objective of the Group's governance system is to implement uniform minimum standards for core business activities, reporting and supervision at Group level. The governance policy takes into account both the Group's internal environment and its strategic objectives as well as external environment factors, such as local legislation and regulatory requirements, the business environment of subsidiaries and good business practices.

Corporate governance is used to govern the Group's subsidiaries. By actively exercising the management rights in compliance with the law applicable to individual subsidiaries, taking into account their internal regulations. Corporate governance includes business management with mechanisms for effective business supervision and cooperation in all business segments, harmonisation of business standards and mutual information of the Group's subsidiaries. This approach also comprises business and professional coordination of activities within the Group, as well as holding various training courses with an aim to unify business processes, coordinate key functions and transfer know-how, corporate culture and good business practices at Group level.

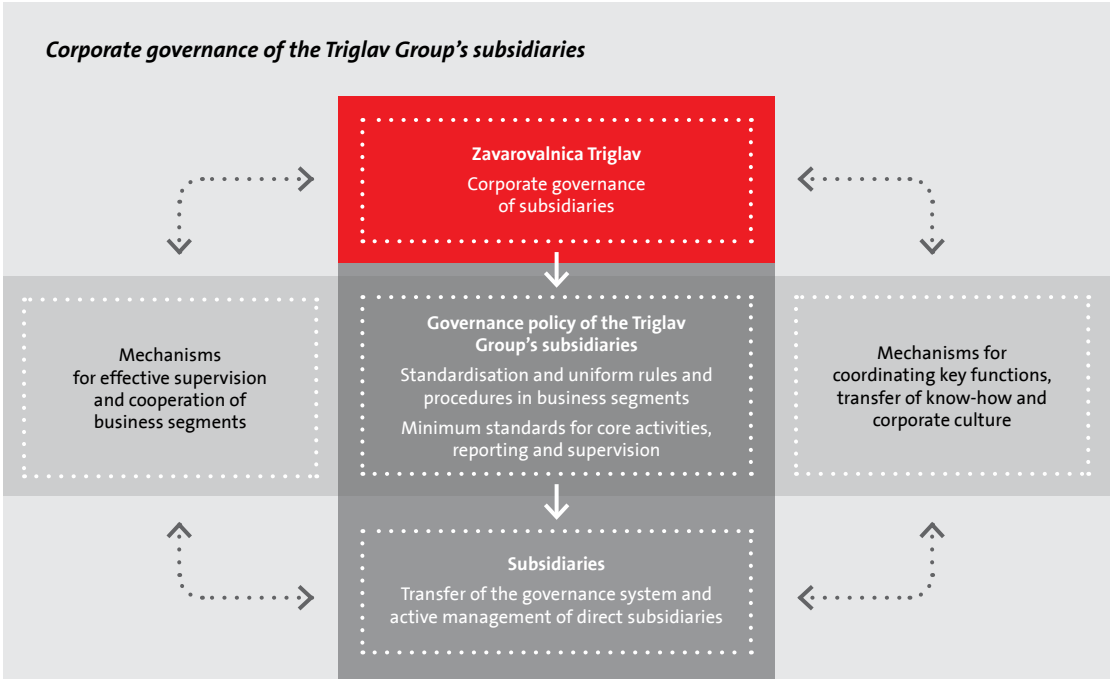
Zavarovalnica Triglav as the controlling company actively manages its direct subsidiaries in accordance with the Governance Policy of the Triglav Group's Subsidiaries.

Direct subsidiaries assume responsibility for the transfer of the governance system and active management of their subsidiaries. The detailed methods of transferring the system and carrying out the activities are defined in the minimum standards for individual business segments. Their implementation in individual subsidiaries is monitored in a coordinated manner by the competent business areas of the parent company, which enables a comprehensive overview at Group level.

Based on experience in achieving strategic objectives, it was estimated that the governance system of the Group's subsidiaries functioned appropriately even during the pandemic in the past two years. A responsive and effective subsidiary governance system continued to ensure ongoing monitoring of the business environment, the operations of subsidiaries and the implementation of the

outlined strategy. Furthermore, identification of business opportunities and challenges both in the local and wider environment was encouraged to achieve the optimal development of individual subsidiaries and the whole Group.

With a unified approach and a higher level of integration of subsidiaries into the system, a tighter connection of the subsidiaries' business functions with Zavarovalnica Triglav's business segments is achieved, which proved to be effective even in the unpredictable pandemic-related situation.



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¹⁷ GRI GS 102-10, 102-18

The composition of governance and management bodies as at 31 December 2021

Subsidiary	Management	Supervisory function
Slovenia		
Pozavarovalnica Triglav Re d.d., Ljubljana	Gregor Stražar – President Tomaž Rotar – Member Stanislav Vrtunski – Member	Supervisory Board: Tadej Čoroli – Chairman, Tomaž Žust, Katja Modec, Janko Šemrov
Triglav, Zdravstvena zavarovalnica d.d., Koper	Meta Berk Skok – President Simon Vidmar – Member	Supervisory Board: Uroš Ivanc – Chairman, Nataša Veselinovič, Tomaž Krevatin
Triglav, pokojninska družba, d.d. Ljubljana	Aljoša Uršič – President Peter Krassnig – Member Vida Šeme Hočevar – Member	Supervisory Board: Barbara Smolnikar – Chairman Nataša Veselinovič, Miha Grilec, Blaž Kmetec, Miran Kalčič, Vesna Vodopivec, Borut Simonič, Tomaž Jontes
Triglav Skladi, družba za upravljanje d.o.o., Ljubljana	Benjamin Jošar – President Andrej Petek – Member Miha Grilec – Member	Supervisory Board: David Benedek – Chairman, Jaka Kirn, Marica Makoter, Nataša Veselinovič, Matej Runjak
Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale	Edvard Kranjčič – Director	Supervisory Board: Jasna Kajtazovič – Chairman, Jana Polda, Matjaž Novak, Lidija Breznik
Triglav INT, holdinška družba d.o.o., Ljubljana	Tedo Djekanovič – Director	Supervisory Board: Uroš Ivanc – Chairman, Nataša Veselinovič, Saša Kovačič
Triglav Avtoservis d.o.o., Ljubljana	Edvard Zabukovnik – Director Boris Kuhelj – Director	Supervisory Board: Janez Obaha – Chairman, Nataša Novak Priveršek, Aleš Klement, Boštjan Molan
Triglav, Upravljanje nepremičnin d.o.o., Ljubljana	Mitja Selan – Chief Executive Officer Rok Pivk – Director	Supervisory Board: David Benedek – Chairman, Ksenija Zajc, Nataša Novak Priveršek, Nataša Veselinovič
Croatia		
Triglav Osiguranje d.d., Zagreb	Marin Matijaca – President Denis Burmaz – Member Darko Popovski – Member	Supervisory Board: David Benedek – Chairman, Tomaž Žust, Gorazd Jenko, Iztok Cimperman, Pave Srezovič-Pušić
Serbia		
Triglav Osiguranje a.d.o., Belgrade	Dragan Marković – President of the Executive Committee Blaž Jakič – Member of the Executive Committee	Supervisory Board: Tedo Djekanovič – Chairman, Fejsal Hrustanović, Vuk Šušić, Gorazd Jenko, Milan Tomažević
Montenegro		
Lovćen Osiguranje a.d., Podgorica	Matjaž Božič – Executive Director	Board of Directors: Tedo Djekanovič – Chairman, Tomaž Žust, Alenka Vrhovnik Težak, Marjeta Gorinšek
Lovćen životna osiguranja a.d., Podgorica	Zorka Milić – Executive Director	Board of Directors: Stanko Mugoša – Chairman, Slobodanka Vukadinović, Danilo Pavličić
Bosnia and Herzegovina		
Triglav Osiguranje d.d., Sarajevo	Edib Galijatović – President Edin Muftić – Member	Supervisory Board: Tedo Djekanovič – Chairman, Janko Šemrov, Uroš Cvetko, Aleš Levstek, Matej Gostiša
Triglav Osiguranje a.d., Banja Luka	Janez Rožmarin – Director Dejan Vujičić – Member of the Executive Committee Dragan Berić – Member of the Executive Committee	Management Board: Darko Popovski – President, Iztok Šekoranja, Blaž Jakič
North Macedonia		
Triglav Osiguruvanje a.d., Skopje	Gjorgje Vojnović – Chief Executive Officer Vojdan Jordanov – Executive Director	Board of Directors: Tedo Djekanovič – Chairman, Darko Popovski, Matej Ferlan, Blaž Kmetec, Gjorgje Vojnović, Vojdan Jordanov, Gjorgji Jančevski
Triglav Osiguruvanje Život a.d., Skopje	Vilma Učeta Duzlevska – Chief Executive Officer	Board of Directors: Tedo Djekanovič – Chairman, Ivan Sotošek, Vilma Učeta Duzlevska, Gjorgji Jančevski, Vladimir Mišo Čeplak
Triglav penzisko društvo a.d., Skopje	Tihomir Petreski – President Marijan Nikolovski – Member	Supervisory Board: Aljoša Uršič – Chairman, Rok Pivk, Blaž Kmetec, Miroslav Vujič

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5.5 External and internal audit

On 28 May 2019, the General Meeting of Shareholders appointed the audit firm Deloitte revizija d.o.o. the auditor of Zavarovalnica Triglav for the 2019, 2020 and 2021 financial years.

The report on the work of the Internal Audit Department is included in Section [1.1 Risk management](#).

5.6 Internal controls and risk management in relation to financial reporting¹⁸

The integrated internal control and risk management system established within the Group is continuously adapted to the development, organisational changes and good practices, thereby maintaining its effectiveness. The system exceeds the basic statutory requirements for insurance undertakings set out in the Companies Act and the Insurance Act, as well as special implementing regulations of the Insurance Supervision Agency on the establishment and maintenance of a suitable internal control and risk management system.

The characteristics and operation of the risk management system is discussed in detail in the first section of [Risk management](#). The internal control system was set up in all organisational levels, units and processes of the Triglav Group and includes:

- a clear organisational structure with a precisely defined and transparent system of duties and powers;
- efficient procedures for an ongoing control, error prevention, and identification, assessment, management and monitoring of risks to which the insurance undertakings are or may be exposed in the course of their operations;
- an adequate internal control system that includes appropriate administrative and accounting procedures (reporting, working procedures, risk exposure limits and physical controls);
- ensuring compliance with the applicable regulatory requirements.

The Internal Audit Department is an independent organisational unit, set up in compliance with the law. It regularly reviews the effectiveness of the internal control and risk management system and offers upgrade proposals as well as reports to the Management Board, the Audit Committee and the Supervisory Board.

Internal controls are guidelines and procedures established by the parent company Zavarovalnica Triglav and implemented within the Group at all levels. Their purpose is not only to manage the risks relating to financial reporting, but also to ensure reliability of financial reporting and compliance with the applicable laws and other external and internal regulations.

Accounting controls are based on the principles of truthfulness and an appropriate sharing of responsibilities, checking the performance of transactions, keeping of up-to-date records, compliance of books of account with the actual situation, separation of the records from the execution of transactions, professionalism of accountants and their independence. Accounting controls are closely linked to IT controls, which, inter alia, restrict and control access to the data and applications and ensure completeness and accuracy of data capturing and processing.

5.7 Notes on the takeover legislation

Zavarovalnica Triglav is subject to the Takeover Act (hereinafter: ZPre-1).

The share capital structure of Zavarovalnica Triglav, the rights and obligations attached to the shares, the restriction on transfer of shares and the absence of shares that would grant their holders special control rights are described in detail in Section [6 The share and shareholders of Zavarovalnica Triglav](#).

5.8 Disclosure of existence of any agreements or authorisations regarding shares or voting rights

Zavarovalnica Triglav is not aware of any shareholder agreements that could cause a restriction on the transfer of shares or voting rights.

The Company's Management Board is not authorised by the General Meeting of Shareholders to buy its own shares. The Management Board's authorisation to increase the share capital is described in Section [5.3.2.1](#). The issue of new shares, the amount of capital increase, the rights attached to new shares and the conditions for issuing new shares are decided on by the Company's Management Board with the consent of the Supervisory Board.

Zavarovalnica Triglav has no employee share scheme.

The Company is not aware of any agreements that would become effective, change or expire on the basis of a changed control of the Company or as a consequence of a takeover bid as defined by the ZPre-1.

Zavarovalnica Triglav has not entered into any agreements with the members of its management or supervisory bodies or employees which would provide for remuneration if a takeover bid in line with the Zpre-1 caused them to resign, be dismissed without justified grounds, or caused their employment to be terminated in some other manner.

Andrej Slapar
President of the Management Board

Uroš Ivanc
Member of the Management Board

Tadej Čoroli
Member of the Management Board

Barbara Smolnikar
Member of the Management Board

David Benedek
Member of the Management Board

Marica Makoter
Member of the Management Board

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¹⁸ GRI GS 103-1, 103-2

6.

The share and shareholders of Zavarovalnica Triglav

- Zavarovalnica Triglav’s share, which in December marked 10 years since its listing on the Ljubljana Stock Exchange Prime Market, achieved a total return of 27.3% and a dividend yield of 4.6% on an annual basis.
- The General Meeting of Shareholders approved the proposal of the Management Board and the Supervisory Board for the payment of a dividend of EUR 1.70 gross per share, which represented 53% of consolidated net profit for 2020.
- The Triglav Group was again assigned the high credit rating of “A” with a stable medium-term outlook.
- There were no significant changes in the shareholder structure of Zavarovalnica Triglav.

6.1 Share of Zavarovalnica Triglav

As at 31 December 2021, the **annual total return** on Zavarovalnica Triglav’s share (ZVTG) was **27.3%**, with a 4.6% dividend yield. The price-to-book ratio was 0.90.

With EUR 836.6 million in market capitalisation (index 123), Zavarovalnica Triglav is **the fourth largest Slovenian listed company**. The ZVTG share generated a stock market turnover of EUR 24.2 million (of which EUR 3.9 million in block trades), which ranks it among the **five most liquid shares on the Ljubljana Stock Exchange**. A quarter of its stock market turnover (excluding block trades) was performed by **the liquidity provider**, which has been cooperating with the Company since 2019, when it started to provide its services on the Ljubljana Stock Exchange. According to the data available, the ZVTG share is included in indices of STOXX, S&P, Bloomberg and the Ljubljana, Vienna, Zagreb and Warsaw stock exchanges.

Key figures relating to the Zavarovalnica Triglav share

Items	31 December 2021	31 December 2020	31 December 2019
Maximum closing price	37.20	36.00	35.40
Minimum closing price	29.80	23.20	29.50
Closing price	36.80	30.00	33.30
Book value per share (parent company)	29.70	28.33	25.53
Book value per share (consolidated data)	40.93	38.16	34.73
Net earnings per share (consolidated data)	4.97	3.24	3.69
Market capitalisation	836,653,446	682,054,440	757,080,428
Average daily trading volume (excluding block trades)	80,554	131,945	135,518
Payed dividend per share for the previous business year	to be defined	1.70	0.00
No. of shares	22,735,148	22,735,148	22,735,148
The percentage of floating stock	30.73%	30.73%	30.87%
Traded on	Ljubljana Stock Exchange - LJSE		
ISIN code	SI0021111651		
Ticker symbol	ZVTG		
Bloomberg	ZVTG SV		
Reuters	ZVTG.LJ		
Credit rating (S&P Global Ratings, AM Best)	»A«, stable medium term outlook	»A«, stable medium term outlook	»A«, stable medium term outlook

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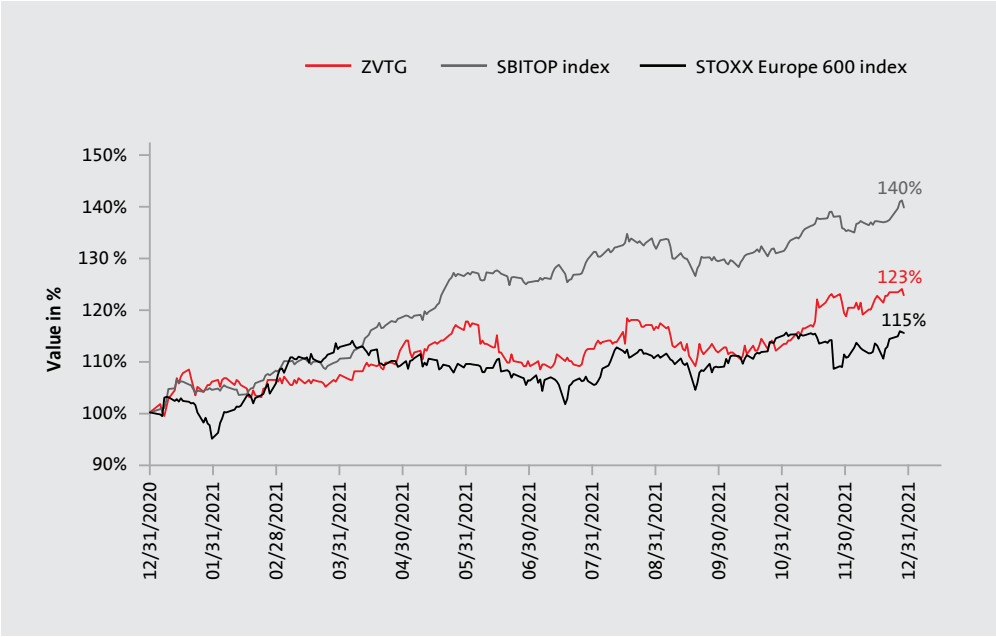
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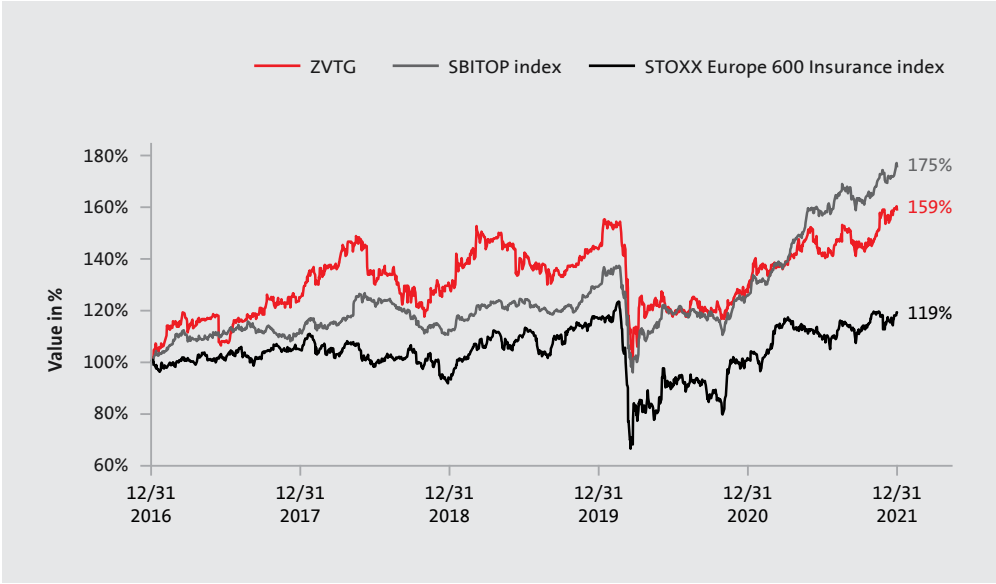


The trading volume and ZVTG share price movements were influenced by several factors in 2021. In addition to the good results of the Triglav Group, they were affected by the COVID-19 pandemic, the conditions of and restrictions on the implementation of Zavarovalnica Triglav’s dividend policy, and the impact of the performance of the insurance sector’s stocks in stock markets. In the first quarter, there was some uncertainty regarding the payment of Zavarovalnica Triglav’s dividend due to the sector-wide positions of the Slovenian insurance sector regulator. In the months that followed, the share price was influenced by the proposal of the Management Board and the Supervisory Board regarding the dividend payment and its adoption by the regular General Meeting of Shareholders held in May. The dividend payment cut-off date was 8 June 2021 (see Section [5.3.1 General Meeting of Shareholders](#) for more information). As seen in the figure, ZVTG share growth outperformed the STOXX Europe 600 Insurance sectoral index of 35 shares of European insurance companies by 7 percentage points on an annual basis. In the same period, the Ljubljana Stock Exchange SBITOP index, in which the ZVTG share holds an 11% share, grew by 40%.

Movement in the ZVTG share price in 2021 compared to the Ljubljana Stock Exchange SBITOP index and the sectoral index of European insurance companies STOXX Europe 600 Insurance (the baseline date: 31 December 2020 = 100)



Movement in the ZVTG share price in the last five years compared to the Ljubljana Stock Exchange SBITOP index and the sectoral index of European insurance companies STOXX Europe 600 Insurance (31 December 2016 = 100)



6.2 Equity

As at 31 December 2021, Zavarovalnica Triglav’s share capital amounted to EUR 73,701,391.79. It was divided into 22,735,148 ordinary registered no-par value shares of the same class. All shares are issued in a dematerialised form and are freely transferable. Each share represents the same stake and corresponding amount in share capital, and all have been fully paid up. Each share gives its holder the right to one vote at the General Meeting of Shareholders and a proportionate share of profit allocated for dividend payment. In addition, in the event of bankruptcy or liquidation the shareholders are entitled to a proportionate share of residual bankruptcy or liquidation estate after the payoff of preference shareholders.

In acquiring shares, the existing and potential shareholders of Zavarovalnica Triglav are required to comply with the Insurance Act (ZZavar-1). An authorisation of the Insurance Supervision Agency is a prerequisite for:

- the acquisition of shares of an insurance undertaking by which a person acquires or exceeds a qualifying holding (i.e. a direct or indirect holding of shares or other rights that gives the holder a minimum 10% share of voting rights or capital, or that gives the holder a share of voting rights or capital lower than 10%, but nevertheless allows the holder to significantly influence the management of the company). In its decision on issuing an authorisation to acquire a qualifying holding, the Insurance Supervision Agency determines the level of the share in the voting rights or capital of the insurance undertaking for which the authorisation is issued as one of the following ranges:
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than a qualifying holding and less than 20%;
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than 20% and less than one third;
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than one third and less than 50%;
 - the share of the voting rights or capital of the insurance undertaking that is equal to or greater than 50%;
 - the share on the basis of which the future qualifying holder becomes the parent company of the insurance undertaking;
- before any subsequent acquisition of shares by the qualifying holder that would result in the qualifying holding exceeding the range subject to the already issued authorisation for acquisition of a qualifying holding;
- for the entities that agree to a concerted acquisition of the shares of the insurance undertaking or a concerted exercising of management rights arising from the shares (joint qualifying holders) and intend to acquire a holding by which they would jointly reach or exceed a qualifying holding of the undertaking;
- before any subsequent acquisition of shares by the joint qualifying holders that would result in their joint qualifying holding exceeding the range subject to the already issued authorisation for acquisition of a qualifying holding.

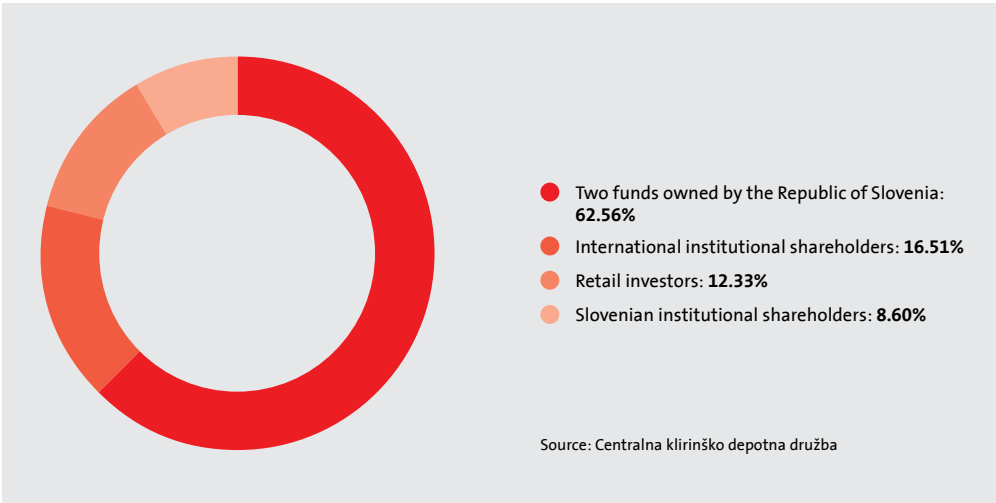
The holder of shares of an insurance undertaking that were acquired or are being held in contravention of the ZZavar-1 have no voting rights with respect to those shares. See the ZZavar-1 for further information.

6.3 Shareholder structure¹⁹

There were no significant changes in the shareholder structure of Zavarovalnica Triglav in 2021. The stakes of the two largest shareholders, owned by the Republic of Slovenia (ZPIZ Slovenije and SDH d.d.), and the third largest shareholder, the Croatian pension fund, which appears in the Company’s share register on the fiduciary account of its custodian bank, remained unchanged.

The Company is pleased to note that in recent years natural persons have been actively trading in the ZVTG shares and gradually increasing their stake, which exceeded 12% as at the 2021 year-end. The stake of **international institutional shareholders**, which originate from more than 16 countries, mostly Europe and the United States, remained stable at around 16%.

The shareholder structure of Zavarovalnica Triglav as at 31 December 2021



As at the reporting date, 12,000 shareholders and custodian bank accounts were entered in Zavarovalnica Triglav’s share register. In early 2022, the number of subscribers declined by a third, which did not affect the Company’s shareholder structure. The decrease was due to the activities of Centralna klirinško depotna družba (KDD) provided by law regarding shares from the time of the ownership transformation of Slovenian companies, which later were not transferred to the trading accounts of stock exchange members or KDD.

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The share and shareholders of Zavarovalnica Triglav

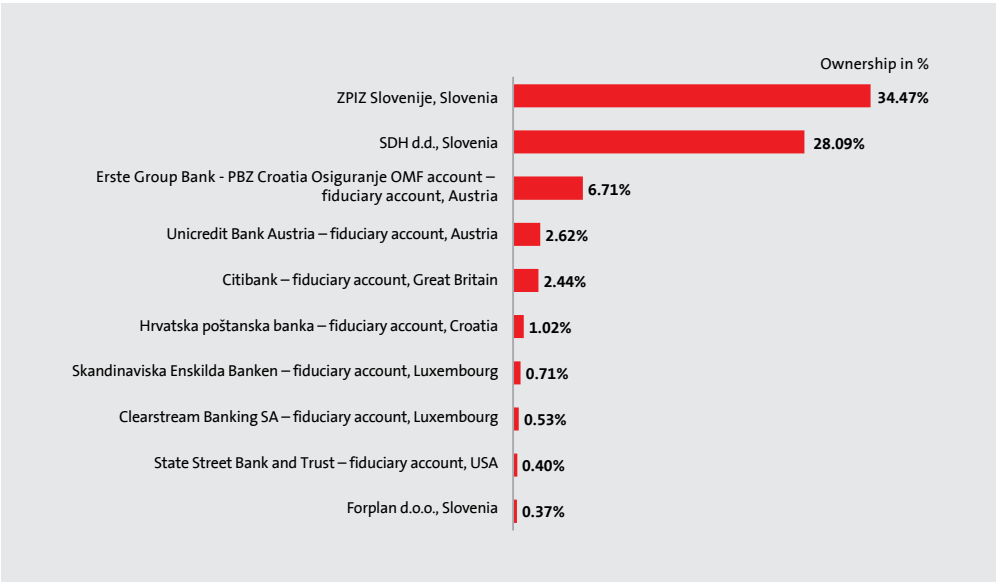
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¹⁹ GRI GS 102-5, 102-10

The ten subscribers in Zavarovalnica Triglav’s share register holding the largest number of shares as at 31 December 2021



Source: Centralna klirinško depotna družba

In 2021, members of the Management Board and the Supervisory Board bought ZVTG shares on the Ljubljana Stock Exchange. The Company informed the public about these transactions in accordance with the law. The number of shares owned by the members of the Management Board and the Supervisory Board of Zavarovalnica Triglav as at the reporting date is shown in the table below.

The number of shares owned by members of the Management and Supervisory Boards as at 31 December 2021

Name and surname	Post	Number of shares	Equity stake
Management Board		2,605	0.01%
Andrej Slapar	President	900	0.00%
Uroš Ivanc	Member	475	0.00%
Tadej Čoroli	Member	150	0.00%
Barbara Smolnikar	Member	180	0.00%
David Benedek	Member	750	0.00%
Marica Makoter	Member	150	0.00%
Supervisory Board		1,884	0.01%
Shareholders representatives		280	0.00%
Andrej Andoljšek	President	0	0.00%
Branko Bračko	Deputy Chairman	0	0.00%
Tomaž Benčina	Member	0	0.00%
Peter Kavčič	Member	0	0.00%
Igor Stebernak	Member	0	0.00%
Jure Valjavec	Member	280	0.00%
Employee representatives		1,604	0.01%
Peter Celar	Member	400	0.00%
Branko Gorjan	Member	1,204	0.01%
Igor Zupan	Member	0	0.00%
Management and Supervisory Board combined		4,489	0.02%

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The share and shareholders of Zavarovalnica Triglav

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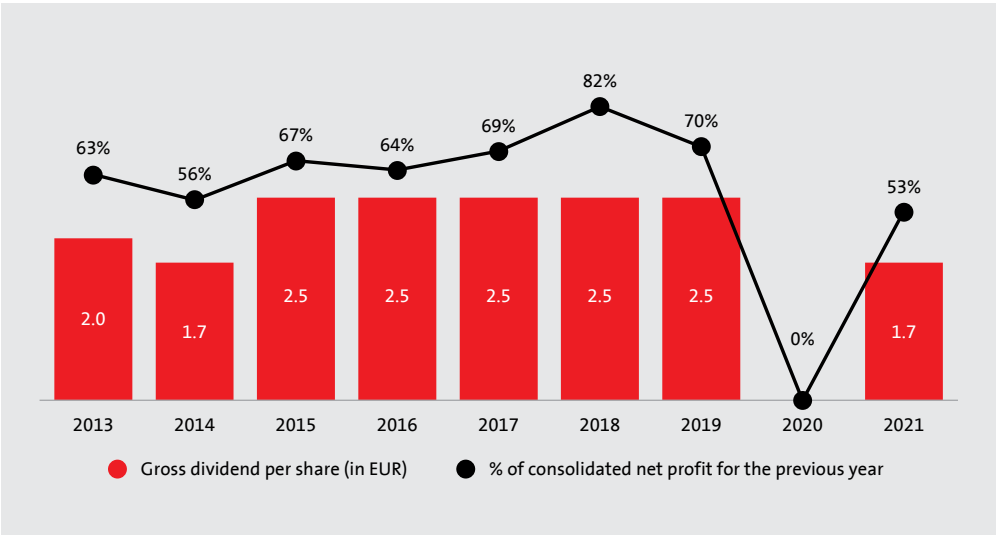
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6.4 Dividends and dividend policy

The Company considers its dividend policy to be a firm commitment to its shareholders and implements it as it is defined. In 2020 and 2021, it was impacted by the COVID-19 pandemic and related positions of the Slovenian insurance sector regulator, which applied to the whole Slovenian insurance sector. The Management Board and the Supervisory Board had to take this into account in their proposal for the distribution of accumulated profit. The General Meeting of Shareholders supported their proposals in both years. See Section [2.5 Major events](#) and [5.3.1 General Meeting of Shareholders](#) for more information about the 2021 General Meeting of Shareholders.

Gross dividend per share by year (EUR) and its share of consolidated net profit for the preceding year in 2013–2021



Zavarovalnica Triglav’s dividend policy, which was revised in March 2018, sets out as follows: *“The Company pursues an attractive and sustainable dividend policy. The part of consolidated net profit of the preceding year which is to be allocated to dividend payment accounts for at least 50%. The Company will strive to pay out a dividend no lower than the dividend paid out in the preceding year. As thus far, the future implementation of the dividend policy will be subordinated to achieving the medium-term sustainable target capital adequacy of the Triglav Group. The proposal of the Management Board and the Supervisory Board as regards the annual distribution of accumulated profit of the Company will therefore take into account the following three objectives in a balanced manner: to ensure prudent capital management of the Triglav Group and its financial stability, to reinvest net profit in the implementation of the strategy of growth and development of the Triglav Group and to pay out attractive dividends to its shareholders.”*

The strategic objectives of capital management and the dividend policy are described in Section [1.3 Risk management](#).

6.5 Investor relations management²⁰

Through the active management of relations with investors, shareholders and analysts, the Company **promotes the attractiveness of its financial instruments**. In doing so, the Company follows best international practices and, as one of the largest companies listed on the Ljubljana Stock Exchange (in December 2021 the Company marked 10 years since its listing on the prime market), strives to co-create the standards of this market.

The Company is committed to transparent information. All key information about the Company’s operations, position and outlook is regularly published in Slovenian and English on the SEOnet information system of the Ljubljana Stock Exchange and on the Company’s website www.triglav.eu.

In 2021, the Company **communicated with investors** predominantly via videoconferencing meetings, conference calls and by email. Communication with institutional investors followed the calendar of activities published on the Company’s website together with the presentation material. The Company participated in seven online investor conferences organised by stock exchange members and the stock exchange. In addition, the Company held four meetings with institutional investors immediately following the publication of its annual and interim results. Special attention was paid to shareholders who are private individuals and the Company made sure it was available to them via the call centre, direct lines and by email.

For any information for shareholders, investors and analysts, please use the contact information below.

Information for shareholders:
Zavarovalnica Triglav, d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
Ms Helena Ulaga Kitek, Head of Investor Relations
Telephone: ++386 (1) 47 47 331
E-mail: investor.relations@triglav.si

6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav

The credit ratings of the Triglav Group – and thus its parent company Zavarovalnica Triglav and its subsidiary Pozavarovalnica Triglav Re – are assigned by two renowned credit rating agencies: S&P Global Ratings (hereinafter: S&P) and AM Best. The Triglav Group was assigned an **“A” stand-alone credit rating with a stable medium-term outlook** by both.

In 2021 both credit rating agencies rated all individual elements of the overall credit rating **as high as the year before** and substantiated them in a similar way. In its report, **S&P** again assessed the business risk profile of the Triglav Group as strong, its financial risk profile as very strong and its risk profile as stable. Furthermore, the Group’s investment portfolio is of high quality and well-diversified, with most assets invested across the euro area. The risks related to life insurance products



²⁰ GRI GS 102-42, 102-43



Credit ratings of Zavarovalnica Triglav since 2008

Year	Credit rating	Medium-term outlook	Rating agency
2021	A	Stable →	AM Best S&P Global Ratings
2020	A	Stable →	AM Best S&P Global Ratings
2019	A	Stable →	AM Best S&P Global Ratings
2018	A	Stable →	AM Best S&P Global Ratings
2017	A	Stable →	AM Best S&P Global Ratings
2016	A	Stable →	AM Best S&P Global Ratings
2015	A-	Positive ↑	AM Best S&P Global Ratings
2014	A-	Positive ↑	AM Best
	A-	Stable →	S&P Global Ratings
2013	A-	Stable →	S&P Global Ratings
	A-	Stable →	AM Best
	BBB+	Positive ↑	S&P Global Ratings
	A-	Negative ↓	S&P Global Ratings
2012	A-	Negative ↓	S&P Global Ratings
2011	A	Negative ↓	S&P Global Ratings
2010	A	Stable →	S&P Global Ratings
2009	A	Stable →	S&P Global Ratings
2008	A	Stable →	S&P Global Ratings

with a guaranteed return are limited and mitigated by proper management of life provisions. The dominant position in the Slovenian market enables the Group to implement economies of scale, complemented by its strong brand, diversified product range and extensive sales network in the region. By maintaining its client-centric approach, the Group ensures profitable operations in both activities, insurance and asset management. Its underwriting discipline is the central foundation for its successful performance in the challenging situation caused by the pandemic. The medium-term outlook reflects S&P’s expectations that the Group will continue to effectively implement its business strategy at least over the next two years, focusing on growth and further diversifying its operations. The agency expects that, despite the pandemic and the change of the economic cycle, the Group will sustain strong, stable earnings and very strong capitalisation at least in the “AA” range over the next two to three years.

The latest credit rating report, i.e. the announcement of the credit rating agency from 2021, is available on the website www.triglav.eu under the Investor Relations tab.

6.7 Bonds of Zavarovalnica Triglav

Zavarovalnica Triglav has one issued subordinate bond, which is included in its capital adequacy. The bond was issued in 2019 as part of the Group’s regular capital management to ensure its optimal composition and cost efficiency and to replace the bond that matured on 21 March 2020. See the table below for more information.

Bond of Zavarovalnica Triglav

ISIN	XS1980276858
Type	Subordinated bond (Tier 2) pursuant to the Solvency II regulations
Issue size in EUR	50,000,000
Currency	EUR
Coupon rate and payment	fixed at 4,375% annually until first call date, payable annually thereafter variable at 3-month Euribor plus 4.845% (equal to the original initial credit spread + 1 percentage point), payable quarterly
First call date	22 October 2029
Maturity date	22 October 2049
Maturity in years	30.5
Regulated market	Luxembourg Stock Exchange
Issue rating	BBB+ (S&P)



7.

Operations of the Triglav Group and Zavarovalnica Triglav

- Economic growth has driven a positive trend in written premium in the Triglav Group markets.
- Premium growth was recorded in all insurance markets and in all insurance segments.
- The Triglav Group maintained its dominant market position in Slovenia, Montenegro and North Macedonia and improved its market share in most insurance markets.
- High profit growth due to higher business volume and lower claim frequency as a result of the COVID-19 pandemic.
- Low interest rates continued to reduce rates of return on investment.

7.1 The general economic environment worldwide and in Slovenia

In 2021, the global economy began noticeably, albeit unevenly, emerging from the grip of the COVID-19 pandemic. The speed of the recovery was largely determined by the strength of the epidemic waves and economic adaptability to the new situation. The more responsive US economy recovered rapidly in early 2021, followed by the economies of the rest of the developed world. In the summer, economic indicators began to slow down and with them economic activity. Its expansion was increasingly slowed by disruptions to supply chains and production, and towards the end of the year by a surge in energy prices and a renewed wave of infections, accompanied by the spread of the highly contagious Omicron variant.

Extensive stimulus measures for economic policies maintained favourable labour market conditions, and the healthy financial position of households and businesses strengthened aggregate demand. Production prices began to rise more visibly and soon spilled over into consumer prices. Year-on-year inflation rose to 7% in the United States in December, reaching its highest level in 31 years. In the euro area, it rose slightly less, by 5%, but the most since the introduction of the euro. According to estimates by international institutions, average inflation in the euro area in 2021 was 2.6% and will remain close to this level next year, while economic growth – projected at 5.1% – will slow to just over 4%. Analysts warn of great uncertainty due to the steady rise in inflation, but at the same time express confidence in the continued above-average economic growth.

In 2021, the Slovenian economy recovered quickly and above average. In the third quarter, its activity already exceeded the pre-epidemic level and outpaced the

recovery rate in the euro area. Growth was driven by private consumption and gross investment, supported by government measures and increasingly favourable labour market conditions. With slightly faster growth in imports compared to exports, international trade, and with it industrial production, flourished throughout the year. Towards the end of the year, economic activity began to slow down, while inflation began to rise more markedly.

For the second year in a row, Slovenia's relatively high gross government debt was maintained with a high budget deficit. According to the latest December estimate of the Bank of Slovenia, gross government debt will stand at 77.6% of GDP in 2021. According to planned public finance statistics, it will not change significantly in the next two years and will remain below the euro area average. Based on the Bank of Slovenia's forecast, Slovenia's GDP growth in 2021 will be 6.7%, and next year, despite slowing down to 4%, it will still be above average. Inflation will also remain high, averaging 1.9% in 2021 despite a 4.9% year-on-year in December, and is projected to rise to 3.8% in 2022. The projected inflationary trend is accompanied by a number of uncertainties, among which the epidemic situation is one of the key factors in future economic growth and inflation.

Epidemic and health conditions also significantly shaped the sentiment in capital markets. In the second half of the year, financial market participants paid increasing attention to persistently high inflation and speculated on how central banks would respond. At the beginning of the year, the positive sentiment was reinforced by the new US administration. The required yields on government bonds began to rise relatively quickly due to speculation that the US Federal Reserve (FED) would

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start reducing bond purchases. The adverse effect of rising interest rates was repeatedly highlighted by the European Central Bank (ECB), which committed itself to accelerated bond purchase in February. In July, it announced a new monetary strategy with a symmetrical 2% inflation target and consolidated its commitment to meeting it. At the end of the year, the two central banks officially announced that they would start reducing bond purchases, and FED analysts already announced a twofold increase in its key interest rate by 2022.

Bond markets recorded relatively large year-on-year fluctuations. The required yield on a 10-year German government bond fell from a high of close to -0.10% in May and October to -0.50% in August and -0.39% in December, ending the year at -0.18%, which is 0.39 percentage point more than at the beginning of the year. The yield on the similar Slovenian government bond reached 0.41% at the year-end, which is 0.58 percentage point more than at the beginning of the year. Government and corporate bond spreads remained virtually unchanged for most of the year, but grew slightly upon the latest wave of infections due to a new coronavirus variant.

For the stock markets of developed economies, the year 2021 was extremely good. New highs were reached by some of the most well-known stock indices, such as the US S&P and the German DAX. The former recorded 27.2% growth and the latter 15.8% on an annual basis. The Slovenian SBITOP index recorded accelerated growth and ranked among the most profitable at 39.8%. Emerging market indices fared worse on average, including China's Hang Seng, which even recorded a 14.1% loss.

7.2 Environmental impact on the Triglav Group's operations²¹

Premium growth was driven by favourable economic trends, while the challenging market situation continued, as did the aggressive price competition characteristic of insurance markets. Zavarovalnica Triglav and its subsidiaries are increasing the flexibility of their operations and managing the demanding market situation through their marketing, sales and pricing policies, by launching new products and redesigning existing ones, through the digitalisation and upgrading of business processes and by taking measures to improve underwriting results. See Section [11 Development and sales activities](#) for more details.

The above-average return on capital markets in 2021 resulted from a strong economic recovery following the first responses to the COVID-19 pandemic. The European asset management market recorded high net inflows, while money market funds recorded net outflows. See Section [7.11 Asset management](#) for more information. The unfavourable situation continued in the financial markets due to low interest rates and resulted in lower rates of return on investment.

In terms of extent and impact of major CAT events on the Group's business results, 2021 was more favourable than the year before. The effects of major CAT events reached a total estimated value of 23.6 million euros. In Slovenia, frost and storms in April as well as hail and flood storms in August and September led to EUR 15.3 million in claims, while in North Macedonia hailstorms resulted in EUR 150,000 in claims. It is estimated that Triglav Group incurred EUR 8.2 million in reinsurance claims due to frost, hailstorms and floods in certain

European countries, China and India. Profit was also positively affected by the lower claim frequency in some insurance classes as a result of the COVID-19 pandemic.

7.3 Global insurance market

The global insurance market collected USD 6.3 trillion in written premium in 2020. According to Swiss Re reinsurance company, written premium fell by 1.3% in real terms (nominally it remained at last year's level), with non-life insurance premium rising by 1.5% in real terms and life insurance premium declining by 4.4%. The US, which remained the market leader, accounted for 44.6% of total global premium and reached a low, 0.7% growth. The largest drop in written premium, 5.7%, was recorded by the advanced markets of Europe, which contribute 24.5% of global premium (compared to 25.3% in 2020). The countries of Middle East and Africa represent 1.7% of the global insurance market, recording a 5.2% decline in premium volume. The premium of

developing countries of Europe and Central Asia, including Slovenia, remained at last year's level, while maintaining a 1.3% share of the global insurance market. The countries of Asia (Pacific) recorded a 0.3% decline in premium volume but increased their share in the global insurance market by 0.5 percentage point to 27.9%. Advanced markets account for 81.4% of global premium (a 1.8% drop in premium volume) and the rest is contributed by emerging markets (0.8% premium growth).

Swiss Re estimates that the economic recovery and greater risk awareness will drive demand for insurance and affect global premium growth. In 2021, global premium is expected to grow by 3.3%, with life insurance premium rising by 3.8% and non-life insurance premium by 2.8%. According to forecasts, premium growth will be slightly higher in 2022 and will reach 3.9% growth. Emerging markets will outperform advanced markets in both years, mainly due to China.

Global premium growth in 2020, estimates for 2021 and forecasts for 2022 (in %)

	Total written premium			Non-life insurance			Life insurance		
	2020	2021 estimate	2022 forecast	2020	2021 estimate	2022 forecast	2020	2021 estimate	2022 forecast
Advanced markets	-1.8	2.7	3.0	1.5	2.2	2.8	-5.7	3.3	3.2
Emerging markets	0.8	5.6	7.4	1.4	5.8	8.2	0.3	5.7	6.8
World	-1.3	3.3	3.9	1.5	2.8	3.7	-4.4	3.8	4.0

Source: Swiss RE, SIGMA 3/2021

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²¹ GRI GS 201-2, SASB: FN-IN-450a.2

7.4 Operations of the Triglav Group in the Adria region (South-East Europe)²²

7.4.1 South-East Europe

The Triglav Group sells insurance in seven insurance markets in six countries: Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia. The Group operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as with reinsurers.

The Slovenian insurance market, where Zavarovalnica Triglav and the specialised insurers Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba are active, is well developed. Other insurance markets in the Adria region remain relatively underdeveloped but with great potential for growth. They continue to be dominated by motor vehicle insurance. Pozavarovalnica Triglav Re operates throughout the region and in the wider international environment.

As a consequence of the moderate or significant economic growth, all insurance markets also grew. The North Macedonian and Croatian markets recorded the highest relative premium growth. The Serbian insurance market and the market of Bosnia and Herzegovina strengthened significantly, whereas lower growth was recorded by the Montenegrin and Slovenian insurance markets.

Main macroeconomic indicators for 2021 by Triglav group insurance market and in the EU

Macroeconomic indicators	Slovenia	Croatia	Serbia	Montenegro	Bosnia and Herzegovina	North Macedonia	European Union
Population (in million)	2.1	4.0	6.9	0.6	3.3	2.1	445.5
GDP growth (estimate in %)	6.3	6.3	6.5	7.0	2.8	4.0	5.1
2021 GDP (estimate in USD million)	60.9	63.4	60.7	5.5	21.7	13.9	17,078.4
2021 GDP per capita (estimate in USD)	28,939	15,808	8,794	8,838	6,648	6,712	48,305
2021 inflation rate (estimate in %)	1.9*	2.0	3.0	2.0	1.8	3.1	2.4
2021 unemployment rate (estimate in %)	4.5	8.4	9.3	14.8**	15.8	15.9	n/a

Source: International Monetary Fund (IMF), World Economic Outlook, October 2021, * Statistical Office of the Republic of Slovenia
** Agency for Statistics of Montenegro (Q3 2021)

The Group maintained its dominant market position in Slovenia, Montenegro and North Macedonia. It not only increased its market share in all markets (with the exception of the Federation of Bosnia and Herzegovina), but also the volume of premium written in all markets. More information is provided below and in Section [7.5 Gross written insurance, coinsurance and reinsurance premiums](#).

Market shares and market position of the Triglav Group insurance companies in 2021

Market	Market share	Market share trend	Ranked in 2021	Ranked in 2020
Slovenia	38.6%	↑ + 2.1-percentage point	1	1
Croatia	5.6%	↑ + 0.3-percentage point	7	8
Serbia*	7.3%	↑ + 0.4-percentage point	5	5
Montenegro	39.0%	↑ + 0.3-percentage point	1	1
Bosnia and Herzegovina	8.6%	● 0.0-percentage point	4	4
- Federation of BiH	9.6%	↓ - 0.1-percentage point	5	5
- Republic of Srpska	6.6%	↑ + 0.4-percentage point	7	7
North Macedonia	13.2%	↑ + 0.3-percentage point	1	1

* Data for January–September 2021
** Including the market shares of Triglav Osiguranje, Banja Luka and the branch of Triglav Osiguranje, Sarajevo in Banja Luka.

Presented below are the characteristics of individual markets and the market position of Group members.

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²² GRI GS 102-4, 102-6

7.4.1.1 Slovenian insurance market

Although relatively small, the Slovenian insurance market is well developed. On a global scale, in 2020 Slovenia ranked 27th by premium per capita (three ranks higher than the preceding year) and 28th by insurance penetration (premium as percentage in GDP), which is a rank higher than the year before. The Slovenian insurance market again ranked 54th by written premium, accounting for 0.05% of the global insurance market and 0.9% of the largest European insurance market – UK (Swiss Re data for 2020).

Premium per capita and market penetration for Slovenia and some other European countries in 2020

	Premium per capita		Insurance penetration	
	(in EUR)	World rank	(% of GDP)	World rank
Slovenia*	1,226	27	5.6%	28
Croatia	349	46	2.9%	44
Serbia	135	62	2.0%	63
Switzerland	6,329	4	8.4%	15
United Kingdom	3,962	12	11.1%	7
Austria	2,025	24	4.8%	32
Czech Republic	592	35	2.9%	45
Poland	358	45	2.6%	47
Turkey	112	66	1.5%	72
European union	2,046	-	6.9%	-
Euro area	2,386	-	7.2%	-

Source: Swiss RE, SIGMA 3/2021
*Data for Slovenia: Slovenian Insurance Association (SZZ)

In 2020, the average premium per capita in Slovenia increased to EUR 1,226, reaching its peak value since 2007. Premium as percentage of GDP increased to 5.6% (compared to 5.2% in 2019).

A total of 13 insurance companies, four foreign branches and two reinsurance companies were active in the Slovenian insurance market in 2021, all members of the Slovenian Insurance Association (hereinafter: the SZZ). As of 1 January 2021, SOP insurer is no longer a member of the SZZ, while AVRIO zavarovalnica obrtnikov in podjetje d.d. has become its new member. In October 2021, Prva osebna zavarovalnica transferred part of its activities (supplemental pension insurance and pension annuities) to the newly established Prva pokojninska družba d.d.

There were eight composite and nine specialised insurers (life, health and non-life insurance) operating in Slovenia, not taking into account the direct insurance business of insurers from other EU Member States (FOS). Even though their share is growing, it is still negligible.



Premium as percentage
in GDP
(data for 2020)

5.6 %

Premium per capita
(data for 2020)

1,226 EUR

Insurance market
growth index in 2021

102.5

Source: Slovenian Insurance Association (SZZ)

The insurance companies recorded gross written insurance, coinsurance and reinsurance premiums of **EUR 2.7 billion**, up by 2.5% relative to 2020. **Non-life insurance premium** achieved a 3.1% growth and a 73.8% share. Other damage to property insurance and comprehensive car insurance contributed the most to the increase in non-life insurance premium. **Life insurance premium** increased by 0.9%, with unit-linked life insurance recording high growth and capital redemption insurance experiencing a steep decline. **Health insurance premium**, which is taken into account in non-life insurance premium, was 1.5% lower than the year before.

The Slovenian insurance market continues to be highly concentrated, with the four largest insurers holding a 75.4% market share. With a 29.8% market share (compared to 27.7% in 2020), **Zavarovalnica Triglav** is the market leader, followed by Zavarovalnica Sava (a 17.0% market share). **The Triglav Group** (the parent company, Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba) increased its market share by 2.1 percentage points to 38.6% in all insurance segments.

The market shares of the **Triglav Group** by segment:

- non-life insurance (excluding health insurance): 45.9% (an increase of 2.3 percentage points);
- life insurance: 31.9% (an increase of 1.9 percentage points);
- health insurance: 31.0% (an increase of 0.8 percentage point).

The market shares of **Zavarovalnica Triglav** by segment:

- non-life insurance: 30.8% (an increase of 2.2 percentage points);
- life insurance: 27.0% (an increase of 1.8 percentage points).

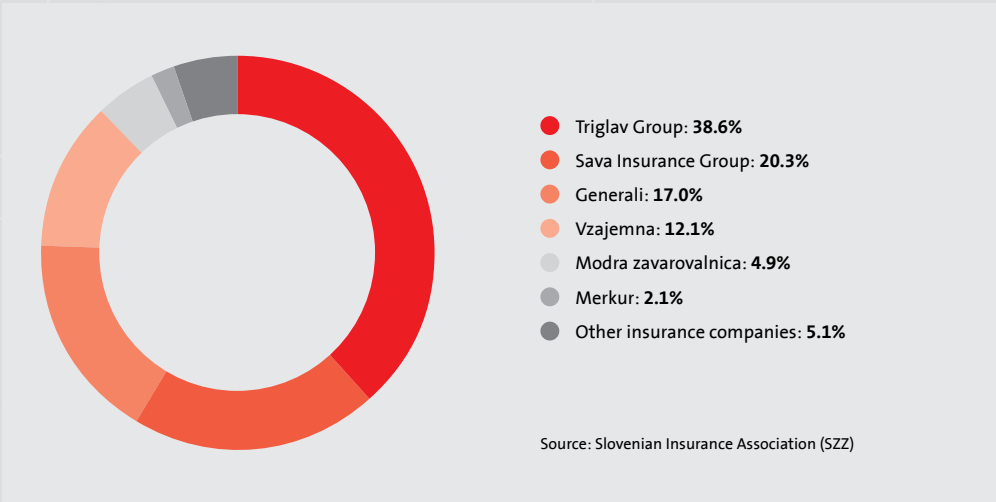
The market share of **Triglav, Zdravstvena zavarovalnica**:

- health insurance: 30.8% (an increase of 0.9 percentage point).

The market share of **Triglav, pokojninska družba**:

- supplemental voluntary pension insurance (SVPI): 19.3% (the dominant position).

The market shares of insurance companies in Slovenia in 2021



7.4.1.2 Croatia

According to the International Monetary Fund (IMF), Croatia achieved 6.3% GDP growth in 2021. The unemployment rate is estimated at 8.4%, and inflation rose to 2.0% in line with global trends.

Tourism returned to the pre-pandemic level of successful tourist seasons and remained Croatia’s main strategic guideline and foundation of its economic success. Key challenges for maintaining economic growth in the future will include managing public spending, supporting investment and fostering the business climate.

Through the Recovery and Resilience Facility, Croatia received EUR 6.3 billion in grants from the European Union, representing 12% of its GDP. Croatia’s accession to the euro area will remain the goal until the beginning of 2023, and the transition to the euro will also require adjustments from the private sector and financial institutions.

Insurance market

A total of 15 insurance companies (nine composite, four non-life and two life insurers), one fewer than the year before, were active in the Croatian market, as the whole portfolio of Izvor osiguranje was transferred to Generali osiguranje. Total written premium grew by 11.9% and reached HRK 11.7 billion (EUR 1.6 billion). Non-life insurance premium increased by 12.7% and life insurance premium by 9.4%. In total written premium, non-life insurance premium increased to 75.3% (compared to 74.7% in 2020), while life insurance accounted for the rest.

Market concentration continued to be high, with top three insurers controlling 47% of the market. With a 24.3% market share, Croatia osiguranje maintained its dominant position (1.5 percentage points less than in the preceding year). By increasing its market share by 0.3 percentage point to 5.6%, **Triglav Osiguranje, Zagreb** ranked seventh (a rank higher than the year before). Its premium growth stood at 19%, which is 7.2 percentage points more than the growth of the Croatian insurance market.



Premium as percentage
in GDP
(data for 2020)

2.9 %

Premium per capita
(data for 2020)

349 EUR

Insurance market
growth index in 2021

111.9

Source: Swiss RE, SIGMA 3/2021, Croatian Insurance Bureau

7.4.1.3 Serbia

The Serbian economy recovered rapidly due to a recovery in private consumption, investment growth and a new package of fiscal stimulus. According to forecasts, Serbia recorded a 6.5% GDP growth in 2021, the inflation rate rose to 3.0% and the unemployment rate fell to 9.3%.

The government’s priorities remain to reduce public debt relative to GDP, increase public investment in infrastructure and privatise state-owned enterprises. It is also necessary to address the structural problems of the labour market and the tax system in order to realise the country’s further growth potential.

Following the fulfilment of technical preconditions, the fourth thematic cluster of negotiations with the European Union was opened in December, marking the first move in two years. At the end of December, Serbia signed an additional six agreements with North Macedonia and Albania on the way to establishing a zone of free movement of people, goods and services, i.e. Open Balkan.

Insurance market

The Serbian insurance market was characterised by high market concentration, where 16 insurance companies were active (six composite, six non-life and four life insurers). The top three insurers (Dunav, Generali Osiguranje and DDOR) control 58% of the market. Total written premium increased by 9.7% in the first nine months of 2021 to RSD 88.6 billion (EUR 753 million). Non-life insurance premium recorded a 10.6% growth, while life insurance premium grew by 6.8%. In total written premium, non-life insurance accounted for the bulk (78.2%).

Triglav Osiguranje, Belgrade increased its market share to 7.3% (compared to 6.9% in Q1-3 2020) and maintained its fifth place. Its growth was higher than the Serbian insurance market growth by 7.1 percentage points.



Premium as percentage
in GDP
(data for 2020)

2.0 %

Premium per capita
(data for 2020)

135 EUR

Insurance market
growth index in Q1-3 2021

109.7

Source: Swiss RE, SIGMA 3/2021, National Bank of Serbia



7.4.1.4 Montenegro

According to estimates, Montenegro recorded a 7.0% growth in GDP, driven by growth in industrial production, retail and exports of goods, and the revival of the extremely important tourism sector. The inflation rate rose to 2.0% due to global economic developments.

Investments in one of Montenegro’s main development goals will continue, i.e. the construction of the Bar–Boljare motorway. An additional EUR 460 million will be invested in the project between 2022 and 2024, and the European Bank for Reconstruction and Development (EBRD) also expressed its willingness to support the financing.

Public debt and budget deficits are declining but remain high, which limits fiscal policy. In the accession process to the European Union, Montenegro fulfilled a great deal of requirements and opened all negotiating chapters, but improvements in the rule of law will be crucial in the future.

Insurance market

A total of nine insurance companies were active in the Montenegrin insurance market in 2021 – five non-life insurers and four life insurers, which together collected EUR 98.8 million in written premium, up by 5.5% relative to the preceding year. Non-life and life insurance premiums increased by 6.6% and 1.5% respectively. In total written premium, non-life insurance accounted for the bulk (79.7%).

The Triglav Group operates on the Montenegrin market with the companies **Lovćen Osiguranje** and its subsidiary **Lovćen životna osiguranja**. The Group maintained its first place in the market and achieved a 39.0% market share (compared to 38.7% in 2020). Lovćen Osiguranje is followed by Sava Osiguranje and Grawe (non-life and life insurance together) with a 14.6% and 14.3% market share respectively. The Group achieved 6.4% premium growth, which is 0.9 percentage point more than the growth of the Montenegrin insurance market.



Premium as percentage
in GDP
(data for 2020)

2.2 %

Premium per capita
(data for 2020)

151 EUR

Insurance market
growth index in 2021

105.5

Source: Insurance Supervision Agency of Montenegro

7.4.1.5 Bosnia and Herzegovina

The second year of the COVID-19 pandemic was relatively unfavourable for Bosnia and Herzegovina, as vaccination was slow and difficult due to a vaccine shortage, and the country was also hit by forest fires and devastating floods. Its GDP is projected to grow by 2.8%, the negative inflation rate rose to 1.8% in the preceding year, and the unemployment rate remained high at 15.8%.

Bosnia and Herzegovina’s economic priorities include accelerating integration into the European Union, strengthening the fiscal system, reforming public administration, becoming a member of the World Trade Organization and promoting a dynamic and competitive private sector.

In August 2021, the International Monetary Fund approved a loan of EUR 300 million. To achieve further economic growth, it will be necessary to foster a business environment conducive to private investment, supporting small and medium-sized enterprises, and enabling the growth of large enterprises with important jobs.

Insurance market

A total of 25 insurance companies were active on the very small but highly competitive insurance market of Bosnia and Herzegovina, of which 11 were domiciled in the Federation of BiH and 14 in Republika Srpska, including branches. The insurance companies operating in the insurance market of Bosnia and Herzegovina as a whole collected BAM 817 million (EUR 418 million) in written premium, up by 8% relative to the year before. Premium written in the Federation of BiH grew by 7.9% and in Republika Srpska by 8.3%. In total written premium, non-life insurance premium accounted for 78.8%, slightly less than in the preceding year (79.3%).

In the Federation of BiH, the Agram corporate group (Adriatic osiguranje and Euroherc) remained the market leader with a 22.0% market share in 2021. **Triglav Osiguranje, Sarajevo** reached a 9.6% market share (compared to 9.7% in 2020) and maintained its fifth place.

Holding a 13.8% market share, Grawe osiguranje was the market leader in Republika Srpska. With a 4.5% market share, which was 0.2 percentage point less than the year before, **Triglav Osiguranje, Banja Luka** ranked eighth (ninth in 2020). **The branch of Triglav Osiguranje, Sarajevo**, which sells only life insurance, increased its market share to 2.1% (compared to 1.4% in 2020).

The Group maintained its 8.6% market share and fourth place in Bosnia and Herzegovina, achieving 8.6% premium growth, which is 0.6 percentage point more than the growth of the insurance market.



Premium as percentage
in GDP
(data for 2020)

2.3 %

Premium per capita
(data for 2020)

109 EUR

Insurance market
growth index

108.0

Source: FBiH Insurance Supervision Agency, RS Insurance Agency

7.4.1.6 North Macedonia

The economic situation in North Macedonia is normalising. The economy grew by 4.0% in 2021, the inflation rate rose to 3.1% and the unemployment rate fell slightly to 15.9% due to the improved economic situation.

Deep-rooted structural problems, issues faced by the automobile industry worldwide and weak state support are challenges that need to be overcome to ensure faster recovery. Future growth will depend primarily on the effective implementation of structural reforms to increase productivity and competitiveness, and investment in the green and digital transformation.

North Macedonia is constantly striving for regional integration, and the normalisation of relations with Bulgaria is crucial for the next step in the accession negotiations with the European Union. At the end of 2021, North Macedonia signed six agreements with Serbia and Albania to establish a zone of free movement of people, goods and services, i.e. Open Balkan.

Insurance market

A total of 16 insurance companies were active in the North Macedonian insurance market as at the 2021 year-end (11 non-life insurers and five life insurers), of which Osiguruvanje Makedonija also holds a licence to conduct reinsurance business. The insurance companies booked MKD 11.6 billion (EUR 189 million) in written premium, or 15.5% more than the year before. Non-life insurance premium, representing 82.8% of total written premium, grew by 15.6% and life insurance premium by 15.0%. The five largest insurers booked 43% of total written premium. Market concentration was particularly high in the life insurance segment, with Croatia život and Grawe život controlling 60% of the market.

The Triglav Group operates with two companies on the Macedonian market. Holding an 11.5% market share (0.8 percentage point less than in 2020), **Triglav Osiguruvanje, Skopje** continues to remain the leader in the North Macedonian insurance market. The insurer specialises in non-life insurance, holding a 13.8% market share (compared to 14.8% in 2020). In this insurance segment, it is followed by Eurolink with an 11.7% market share and Uniqa with a 10.6% market share. **Triglav Osiguruvanje Život, Skopje** increased its market share in the life insurance market by 6.3 percentage points. **Both insurers taken together** held a 13.2% market share, up by 0.3 percentage point compared to the year before. They achieved 18.3% premium growth, which is 2.8 percentage points more than the growth of the Macedonian market.



North Macedonia
1st place

Premium as percentage
in GDP
(data for 2020)

1.5 %

Premium per capita
(data for 2020)

79 EUR

Insurance market growth
index in 2021

115.5

Source: Insurance Supervision Agency of North Macedonia

7.5 Gross written insurance, coinsurance and reinsurance premiums

The Group’s total revenue amounted to 1,455.1 million, an increase of 10% relative to the previous year. In addition to gross written premium, which accounts for the bulk (93%) of total revenue, it is composed of other insurance income in the amount of EUR 48.8 million (index 119) and other income in the amount of EUR 53.3 million (index 122).

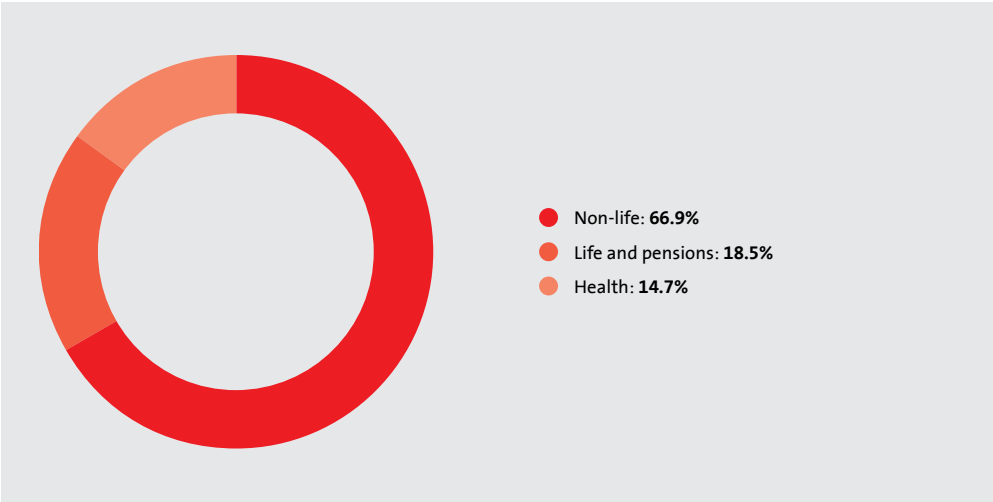
The Triglav Group continued to record high premium growth resulting in EUR 1,353.0 million in consolidated gross written insurance, coinsurance and reinsurance premiums, up by 10% relative to the year before. Total written premium increased in all insurance segments:

- **non-life insurance:** EUR 904.5 million (index 112),
- **life and pension insurance:** EUR 250.2 million (index 108),
- **health insurance:** EUR 198.3 million (index 101).

The proportion of non-life insurance premium in total consolidated gross written premium increased, whereas the proportions of life insurance premium and pension and health insurance premium decreased:

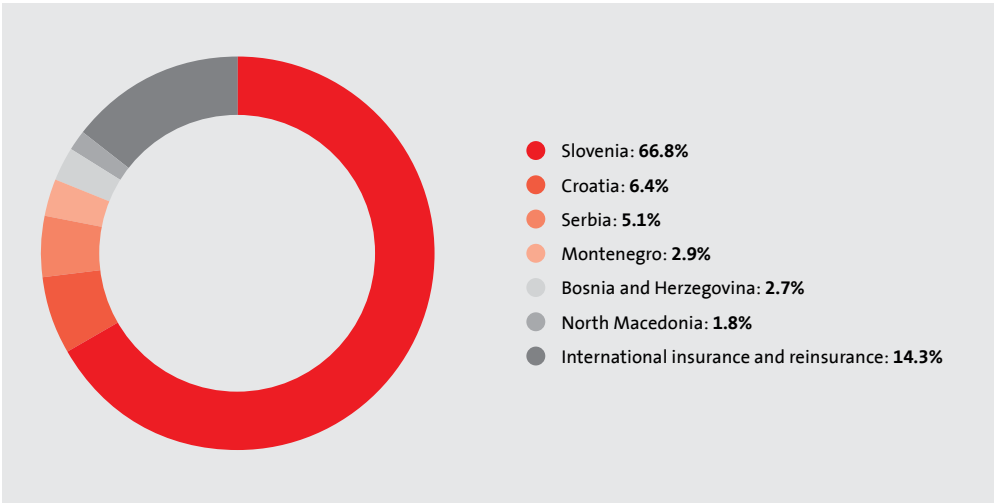
- **non-life insurance:** a 66.9% share (vs. 65.4% in 2020),
- **life and pension insurance:** an 18.5% share (vs. 18.7% in 2020),
- **health insurance:** a 14.7% share (vs. 15.9% in 2020).

The structure of consolidated insurance, coinsurance and reinsurance premiums of the Triglav Group by segment



The Group continues to increase the share of insurance premium written in markets outside Slovenia, which again grew by 0.8 percentage point compared to the year before. A total of 66.8% of consolidated gross written premium was earned in the Slovenian insurance market, while 19.0% of the premium was charged in markets outside Slovenia. International reinsurance premium accounted for 14.3%.

The structure of consolidated insurance, coinsurance and reinsurance premiums of the Triglav Group by market



Consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group by market

Country	Gross written premium			Index		Share		
	2021	2020	2019	2021/2020	2020/2019	2021	2020	2019
Slovenia	903,429,648	872,398,259	860,025,699	104	101	66.8%	70.7%	72.6%
Croatia	86,805,041	72,871,040	65,827,865	119	111	6.4%	5.9%	5.6%
Serbia	69,274,521	60,770,184	58,052,569	114	105	5.1%	4.9%	4.9%
Montenegro	38,578,564	36,249,030	36,627,953	106	99	2.9%	2.9%	3.1%
Bosnia and Herzegovina	37,189,884	33,220,348	30,460,993	112	109	2.7%	2.7%	2.6%
North Macedonia	24,847,107	20,976,376	23,738,156	118	88	1.8%	1.7%	2.0%
International insurance and reinsurance*	192,850,785	137,290,128	109,440,872	140	125	14.3%	11.1%	9.2%
Total	1,352,975,550	1,233,775,365	1,184,174,107	110	104	100.0%	100.0%	100.0%

* Premium written outside the Adria region, collected according to the principle of free movement of services (FOS), and inward reinsurance premium.

Premium growth was recorded in all insurance markets; in the Slovenian market, premium grew by 4%, in other markets in the Adria region outside Slovenia by 15% and in the international market by 40%. The Group insurance companies (excluding Pozavarovalnica Triglav Re) earned EUR 1,285.2 million in non-consolidated gross written premium, up by 10% relative to the preceding year.

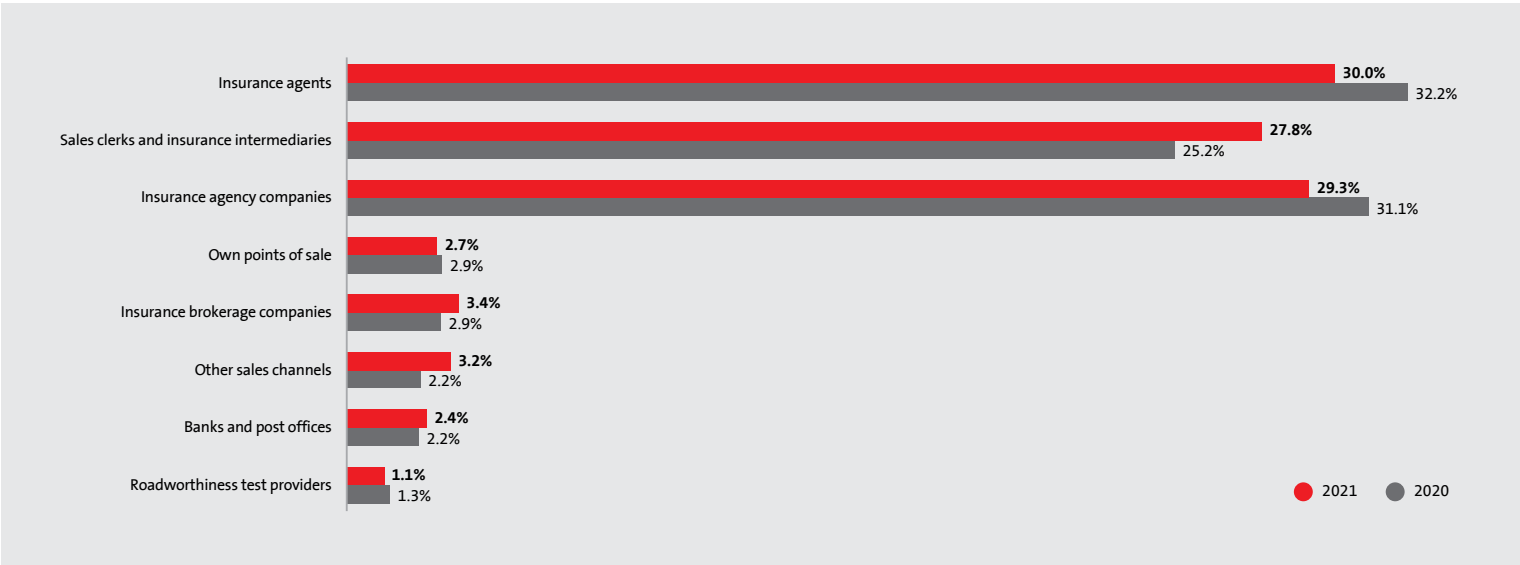
Non-consolidated gross written premium of retail clients amounted to EUR 781.5 million, up by 5%. Its share in total written premium was 60.8%, down by 2.8 percentage points relative to the year before. The rest, 39.2%, was accounted for by corporate clients' written premium, which reached EUR 503.7 million, up by 18% relative to the preceding year.

The structure of non-consolidated gross written insurance, coinsurance and reinsurance premiums in 2021 of the Triglav Group (excluding Pozavarovalnica Triglav Re) by policyholder type



In terms of sales channels, the Group increased the share of non-consolidated gross written premium, which was collected via own sales channels (agents, sales clerks, own points of sale, online and other own sales channels). This premium amounted to EUR 819.5 million, which is 1.2 percentage points higher than the year before, and represented 63.8% of total written premium. The remaining share (36.2%) of gross written premium of EUR 465.7 million was collected via external sales channels (insurance agency and brokerage companies, banks, post offices and roadworthiness test providers).

Non-consolidated gross written insurance, coinsurance and reinsurance premiums in 2021 by sales channel of the Triglav Group (excluding Pozavarovalnica Triglav Re)



Gross written insurance, coinsurance and reinsurance premiums in 2021 by Triglav Group insurance company

Insurance company	Gross written premium			Index			Share
	Non-life	Life and pensions	Total	Non-life	Life and pensions	Total	2021
Zavarovalnica Triglav*	606,012,099	188,834,407	794,846,506	111	108	111	61.8%
Triglav, Zdravstvena zavarovalnica	199,383,889	1,505	199,385,394	101	0	101	15.5%
Triglav, pokojninska družba		34,198,642	34,198,642	0	104	104	2.7%
Triglav Osiguranje, Zagreb	78,679,653	8,126,021	86,805,674	121	102	119	6.8%
Triglav Osiguranje, Sarajevo	17,202,096	14,149,277	31,351,373	103	130	114	2.4%
Lovćen Osiguranje, Podgorica	33,949,652		33,949,652	106	0	106	2.6%
Triglav Osiguranje, Belgrade	62,704,801	6,570,254	69,275,055	115	103	114	5.4%
Triglav Osiguranje, Banja Luka	5,891,730		5,891,730	103	0	103	0.5%
Triglav Osiguruvanje, Skopje	21,629,084		21,629,084	108	0	108	1.7%
Lovćen životna osiguranja, Podgorica		4,628,912	4,628,912	0	108	108	0.4%
Triglav Osiguruvanje Život, Skopje		3,236,126	3,236,126	0	316	316	0.3%
Total	1,025,453,004	259,745,144	1,285,198,148	110	109	110	100.0%
Pozavarovalnica Triglav Re	202,282,034		202,282,034	112	0	112	
Consolidation eliminations	-124,920,433	-9,584,199	-134,504,632	110	136	112	
Total consolidated	1,102,814,605	250,160,945	1,352,975,550	110	108	110	

* The data already include pre-consolidation adjustments.



7.5.1 Non-life insurance

In the **non-life insurance** segment, the Group's insurance companies harged EUR 1,025.5 million in non-consolidated written premium, a 10% increase compared to the preceding year. Growth was achieved in all insurance groups, except in the accident insurance group.

With a 25.9% share, **motor vehicle insurance** remained the largest insurance group in total written premium. At EUR 332.6 million, premium increased by 1%, whereas its share decreased by 2.2 percentage points. A total of EUR 177.2 million was generated in **motor vehicle liability** insurance, up by 1% relative to the preceding year. Most insurance companies increased their written premium volume, except for Triglav Osiguranje, Belgrade and Triglav Osiguranje, Banja Luka. High, 12% growth in written premium was recorded by Triglav Osiguruvanje, Skopje, primarily due to a higher number of concluded insurance contracts by both retail and corporate clients. The 18% decline in premium written by the Serbian insurance company was mainly a result of its strategic decision to maintain the portfolio's profitability through a selective choice of risks. At Triglav Osiguranje, Banja Luka, the lower number of concluded insurance contracts resulted in lower written premium.

Comprehensive car insurance premium totalled EUR 155.4 million, up by 1% compared to the year before. The increase in premium was recorded by all insurance companies, except Lovćen Osiguranje, Podgorica, which recorded a loss of premium of some major policyholders, and Triglav Osiguranje, Zagreb due to a loss of premium on fronting and rent-a-car policies. The highest growth (15%) was achieved by Triglav Osiguranje, Banja Luka, predominantly by increasing the number of insurance policies

taken out and acquiring a major policyholder – a car dealer. Zavarovalnica Triglav achieved a 1% premium growth and represented 83% of total written premium.

Real property insurance premium (fire and natural disaster insurance and other damage to property insurance) grew by 23% to EUR 293.1 million. Its share in total written premium rose to 22.8%. A 31% premium growth was recorded in other damage to property insurance and a 7% premium growth in fire and natural disaster insurance. By attracting new policyholders and increasing the scope of insurance coverage with existing policyholders, good results were achieved by Triglav Osiguranje, Belgrade (index 173), Triglav Osiguranje, Zagreb (index 150) and Zavarovalnica Triglav (index 120). The Croatian insurer recorded high premium growth mainly in animal insurance and crop insurance. The volume of the latter was also increased by the Serbian insurance company, which achieved a significant improvement due to the insurance of a major infrastructure project. The parent company has a 77% share in total written premium and recorded high premium growth in combined non-life insurance, computer and cyber insurance, and construction insurance.

In **health insurance**, EUR 208.3 million was collected in premium, up by 2%. The bulk (EUR 199.4 million) of premium was written by Triglav, Zdravstvena zavarovalnica, which recorded a 1% increase. Supplemental health insurance accounts for the majority of premium written by this insurance company, while high growth was also recorded by complementary health insurance as a result of effective marketing. Furthermore, by acquiring new policyholders, especially corporate clients, high growth was achieved by Triglav Osiguranje, Belgrade, Triglav Osiguruvanje, Skopje, Triglav Osiguranje, Zagreb and Triglav Osiguranje, Sarajevo.

In **general liability insurance**, the Group booked EUR 54.2 million in written premium, up by 12% relative to the year before. Zavarovalnica Triglav, accounting for 79% of total written premium, saw 11% growth. This increase was predominantly the result of high premium growth in product liability insurance, directors and officers liability insurance and freight forwarder liability insurance in international traffic. Furthermore, by acquiring new policyholders, high growth was recorded by Lovćen Osiguranje, Podgorica, Triglav Osiguranje, Zagreb and Triglav Osiguranje, Belgrade.

Accident insurance premium amounted to EUR 37.8 million, down by 1% compared to the preceding year (representing 2.9% of total written premium). Lower premium volume was recorded by Triglav Osiguruvanje, Skopje (non-renewal of policies or their renewal with a lower sum insured because insurance no longer covers the risk of death due to legislative changes), Triglav Osiguranje, Sarajevo (a decline in group accident insurance premium of some major policyholders) and Zavarovalnica Triglav (a decrease in premium of accident insurance for guests and tourists due to the COVID-19 pandemic, accident insurance for consumers and subscribers due to the termination of cooperation with a major policyholder and a lower premium for the largest insurance subclasses, i.e. group accident insurance and AO-plus insurance). Other insurance companies saw an increase in written premium.

Credit insurance premium amounted to EUR 30.2 million, up by 19% compared to the year before (representing 2.3% of total written premium). Zavarovalnica Triglav's written premium, which accounted for 72% of total written premium, grew by 14%. The main reasons for such favourable trend are

mainly the high growth of commodity credit insurance premium due to the acquisition of new policyholders and the increase in consumer credit insurance premium due to extremely favourable interest rates on housing loans, which led to higher demand for this insurance. High growth in credit insurance premium is also characteristic of most other insurance companies, the highest being recorded by Lovćen Osiguranje, Podgorica (high premium for new consumer credit insurance) and Triglav Osiguranje, Sarajevo (acquisition of new policyholders).

Premium from **other non-life insurance**, accounting for 5.4% of total written premium, increased by 32% to EUR 69.2 million. With the exception of Lovćen Osiguranje, Podgorica, all other insurance companies significantly increased the volume of written premium. The most successful was Zavarovalnica Triglav, followed by Triglav Osiguranje, Banja Luka, Triglav Osiguruvanje, Skopje and Triglav Osiguranje, Zagreb. The parent company recorded high premium growth in marine insurance (high growth of international comprehensive marine insurance), goods in transit insurance (fronting insurance premium growth in international transport insurance) and aircraft insurance (premium growth resulting from effective cooperation with an agent). At Triglav Osiguranje, Banja Luka, high growth resulted from higher assistance insurance premium, while at Triglav Osiguruvanje, Skopje high premium growth was seen in goods in transit insurance by acquiring major policyholders and expanding the scope of insurance coverage with existing policyholders. At Triglav Osiguranje, Zagreb, significant premium growth was recorded in marine insurance (acquisition of major policyholders) and aircraft insurance (drone insurance).



7.5.2 Life and pension insurance

Favourable premium trends were recorded in the Group's **life and pension insurance** segment. Non-consolidated gross written premium totalled EUR 259.7 million, a 9% increase relative to the preceding year. Life and pension insurance represented 20.2% of total gross written premium, down by 0.1 percentage point compared to 2020.

Life insurance premium (traditional life, annuity, pension annuity and voluntary pension insurance) grew by 5% to EUR 112.3 million, representing 43.2% in the life and pension insurance group. Strong premium growth was seen in Triglav Osiguruvanje Život, Skopje (effective sales via banks and the sale of new group insurance in the event of death caused by an illness), Triglav Osiguranje, Sarajevo (effective sales via the bank sales channel) and Lovćen životna osiguranja, Podgorica (premium growth of group credit life insurance). Zavarovalnica Triglav's written premium, which represents 71% of this group, remained at the level of the preceding year (index 100).

The premium generated by **unit-linked life insurance** (life insurance linked to the units of investment funds) rose by 13% to EUR 127.2 million. This insurance class accounted for 49.0% of total written life and pension insurance premium. Zavarovalnica Triglav achieved 17% growth as a result of effective sales via own sales network and banks, while Triglav Osiguranje, Zagreb recorded 10% growth due to increased sales via own agency and payments due to surrenders and maturities. A high increase was recorded at Triglav Osiguruvanje Život, Skopje. Moreover, a higher volume of written premium (index 104) was achieved by Triglav, pokojninska družba, mainly due to higher premium payments into lifecycle guarantee funds.

In **capital redemption insurance**, written premium totalled EUR 20.3 million, an 8% increase relative to the year before. Its share in the life and pension insurance group was 7.8%. The growth stemmed from higher regular premium payments and transfers of supplemental voluntary pension insurance assets from other insurance companies.

Non-consolidated gross written insurance, coinsurance and reinsurance premiums of the Triglav Group insurance companies (excluding Pozavarovalnica Triglav Re) by insurance class

Insurance class	Gross written premium			Index		Share
	2021	2020	2019	2021/2020	2020/2019	2021
Accident insurance	37,801,508	38,181,300	40,143,471	99	95	2.9%
Health insurance	208,329,989	204,060,344	184,488,230	102	111	16.2%
Comprehensive car insurance	155,404,424	153,459,390	150,648,365	101	102	12.1%
Real property insurance	293,121,568	237,408,204	213,086,928	123	111	22.8%
Motor liability insurance	177,177,660	175,732,026	174,254,220	101	101	13.8%
General liability insurance	54,208,387	48,408,488	48,981,728	112	99	4.2%
Credit insurance	30,194,983	25,453,099	29,437,207	119	86	2.3%
Other non-life insurance	69,214,485	52,465,305	49,014,062	132	107	5.4%
Non-life insurance	1,025,453,004	935,168,156	890,054,211	110	105	79.8%
Life insurance	112,261,447	106,799,922	103,963,662	105	103	8.7%
Unit-linked life insurance	127,167,633	112,206,228	116,014,370	113	97	9.9%
Capital redemption insurance*	20,316,064	18,880,523	17,655,904	108	107	1.6%
Life and pension insurance	259,745,144	237,886,673	237,633,936	109	100	20.2%
Total	1,285,198,148	1,173,054,829	1,127,688,147	110	104	100.0%

* According to the definition of the Insurance Supervision Agency, premium written by Triglav, pokojninska družba is included in the unit-linked life insurance class.

Gross written insurance, coinsurance and reinsurance premiums of Zavarovalnica Triglav by insurance class

Insurance class	Gross written premium			Index		Share
	2021	2020	2019	2021/2020	2020/2019	2021
Accident insurance	25,235,448	25,696,568	26,948,216	98	95	3.2%
Health insurance	787,154	926,557	728,634	85	127	0.1%
Comprehensive car insurance	129,298,413	127,536,357	124,555,111	101	102	16.3%
Real property insurance	225,822,878	188,545,816	171,195,183	120	110	28.4%
Motor liability insurance	109,621,258	106,754,958	102,352,357	103	104	13.8%
General liability insurance	42,719,369	38,619,888	39,134,048	111	99	5.4%
Credit insurance	21,883,871	19,137,654	22,962,440	114	83	2.8%
Other non-life insurance	50,641,101	37,569,379	34,351,972	135	109	6.4%
Non-life insurance	606,009,492	544,787,177	522,227,961	111	104	76.3%
Life insurance	79,238,943	79,466,230	82,300,599	100	97	10.0%
Unit-linked life insurance	88,785,604	76,121,938	79,947,507	117	95	11.2%
Capital redemption insurance	20,316,064	18,880,523	17,655,904	108	107	2.6%
Life and pension insurance	188,340,611	174,468,691	179,904,010	108	97	23.7%
Total	794,350,103	719,255,868	702,131,971	110	102	100.0%



7.5.3 Gross written reinsurance premium of Pozavarovalnica Triglav Re

Pozavarovalnica Triglav Re booked a total of EUR 202.3 million in gross written reinsurance premium, up by 12% relative to 2020. It recorded the highest growth in fire and natural disaster insurance, goods in transit insurance in transactions outside the Group, general liability insurance and motor vehicle liability insurance in transactions within the Group.

In transactions within and outside the Group, Pozavarovalnica Triglav Re recorded an 11% and 13% premium growth, respectively. Premium growth in transactions outside the Group resulted from organic growth of renewed transactions from the preceding year and the increase in shares in some contracts. The highest premium growth was recorded in the markets of Southeast Asia (Thailand), Central America (Mexico), Central Europe (Austria, Germany and Switzerland) and Portugal.

7.6 Gross claims paid

Consolidated gross claims paid of the Triglav Group in the amount of EUR 736.6 million were 6% higher. They increased in all insurance segments. In the largest segment, i.e. **non-life insurance**, gross claims paid amounted to EUR 393.3 million, up by 3%. In the **health insurance** segment, they increased by 10% to EUR 157.7 million. In the **life and pension insurance** segment, growth was 7%, with claims paid amounting to EUR 185.7 million. Gross claims paid include claim handling expenses less income from collected subrogation receivables.

Non-consolidated gross claims paid of the Group insurance companies (excluding Pozavarovalnica Triglav Re) were also higher, totalling EUR 707.8 million, up by 6% relative to the preceding year. Gross claims paid grew in all insurance companies, except Zavarovalnica Triglav, where they remained at approximately the same level as last year (index 100). The highest growth was recorded at Triglav Osiguranje, Banja Luka (index 205), followed by Triglav Osiguruvanje Život, Skopje (index 167), Triglav, pokojninska družba (index 139), Triglav Osiguranje, Zagreb (index 131) and Lovćen životna osiguranja (index 118).

Gross claims paid in 2021 by Triglav Group insurance company

Insurance company	Gross claims paid			Index			Share
	Non-life	Life and pensions	Total	Non-life	Life and pensions	Total	2021
Zavarovalnica Triglav*	252,725,830	156,142,551	408,868,381	98	104	100	57.8%
Triglav, Zdravstvena zavarovalnica	157,639,914		157,639,914	110	0	110	22.3%
Triglav, pokojninska družba		17,436,165	17,436,165	0	139	139	2.5%
Triglav Osiguranje, Zagreb	43,175,810	7,134,797	50,310,607	132	124	131	7.1%
Triglav Osiguranje, Belgrade	23,021,290	5,088,264	28,109,554	111	125	113	4.0%
Lovćen Osiguranje, Podgorica	14,990,913		14,990,913	108	0	108	2.1%
Triglav Osiguranje, Sarajevo	8,796,123	4,421,921	13,218,044	96	136	107	1.9%
Triglav Osiguranje, Banja Luka	3,287,553		3,287,553	205	0	205	0.5%
Triglav Osiguruvanje, Skopje	9,886,955		9,886,955	103	0	103	1.4%
Lovćen životna osiguranja, Podgorica		3,710,611	3,710,611	0	118	118	0.5%
Triglav Osiguruvanje Život, Skopje		378,727	378,727	0	167	167	0.1%
Total	513,524,388	194,313,036	707,837,424	105	108	106	100.0%
Pozavarovalnica Triglav Re	88,241,310		88,241,310	116	0	116	
Consolidation eliminations	-50,859,510	-8,639,174	-59,498,684	123	137	125	
Total - consolidated	550,906,188	185,673,862	736,580,050	105	107	106	

* The data already include pre-consolidation adjustments.

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7.6.1 Non-life insurance

Non-consolidated gross claims paid in **non-life insurance** amounted to EUR 513.5 million, an increase of 5% compared to the preceding year. Some major CAT events also incurred, which is described in greater detail in Section [7.2 Environmental impact on the Triglav Group's operations](#).

The movement of gross claims paid by insurance class is presented below. The increase in claims was characteristic of most insurance classes, with the exception of general liability insurance and credit insurance, which recorded a decline. Gross claims paid in comprehensive car insurance remained at approximately the same level as the year before.

In **health insurance**, gross claims paid rose by 10% to EUR 163.0 million, representing a 23.0% share in total gross claims paid by the Group. The majority (EUR 157.6 million) was accounted for by gross claims paid by Triglav, Zdravstvena zavarovalnica. Their 10% growth primarily resulted from the lack of availability of healthcare services due to the pandemic last year. The majority of the remaining insurance companies selling these insurance products also recorded a high growth in gross claims paid. Equalisation scheme expenses declined by 9% to EUR 7.2 million.

Gross claims paid in **motor vehicle liability insurance** totalled EUR 96.2 million, a 2% increase relative to the year before. They represented 13.6% of the Group's total gross claims paid. Growth was recorded by Triglav Osiguranje, Banja Luka, Lovćen Osiguranje, Triglav Osiguranje, Belgrade and Triglav Osiguranje, Zagreb. Claims paid by these insurance companies increased mainly due to a higher number of reported or settled claims,

at Triglav Osiguranje, Banja Luka also due to the payment of a large claim. Gross claims paid by the parent company remained at approximately the same level as in 2020 (index 100), while those at other insurance companies fell.

In **real property insurance**, gross claims paid increased by 7% compared to the preceding year. They amounted to EUR 95.5 million and accounted for 13.5% of total gross claims paid. Insurance companies recorded high growth: growth at Triglav Osiguranje, Zagreb resulted from growth in claim payouts due to earthquakes in 2020 and large payouts in animal insurance; at Triglav Osiguranje, Belgrade, growth was a result of payouts of two large claims due to fire and a higher number of reported claims in other damage to property insurance due to the larger size of the portfolio; at Triglav Osiguranje, Banja Luka, a large claim was paid in fire and natural disaster insurance, while at Lovćen Osiguranje the number of reported claims and the payout of large claims increased. Gross claims paid by the parent company, representing 68% of real property insurance claims, decreased by 4% predominantly due to a lower number of reported claims resulting from major CAT events.

Gross claims paid in **comprehensive car insurance** of EUR 92.6 million remained at approximately the same level as the year before (index 100), representing 13.1% of the Group's total gross claims paid. Due to the smaller number of reported claims, their decline was recorded by the parent company and Triglav Osiguruvanje, Skopje. At the Serbian insurance company, gross claims paid remained at approximately the same level as in the preceding year, while the remaining insurance companies recorded growth due to the payment of large individual claims and higher population mobility.

Gross claims paid from **accident insurance** increased by 10% to EUR 22.7 million. Their growth was mostly influenced by higher amounts of claims at Zavarovalnica Triglav due to larger payments in group and individual accident insurance. Due to the pandemic, the 2020 reviews by medical examiners were postponed to 2021, which led to higher disability payments. Triglav Osiguruvanje, Skopje also saw a high growth in claims resulting from higher payments due to death, and Lovćen Osiguranje due to a significant increase in payments related to accident insurance for pensioners.

Gross claims paid in **general liability insurance** amounted to EUR 13.3 million, down by 27% compared to the year before. This decrease was primarily a result of a 33% decline in gross claims paid by the parent company due to the payment of a large claim in directors and officers liability insurance and lower payments related to general liability insurance. Gross claims paid by the parent company represented 81% of the Group's total gross claims paid in this insurance class. The remaining insurance companies recorded growth in gross claims paid.

Gross claims paid from **credit insurance** decreased by 21% to EUR 4.8 million. Zavarovalnica Triglav, accounting for the majority of claims in this insurance class (84%), experienced a high decline of 14%. The decline in claims paid by the parent company resulted mainly from lower payments in consumer loan insurance and overdraft insurance due to a smaller number of reported claims. Triglav Osiguranje, Belgrade recorded a significant increase in claims. The 68% decrease was primarily the result of the payment of a large claim in the past year. Triglav Osiguranje, Zagreb recorded 43% lower gross claims paid.

Gross claims paid in **other non-life insurance** rose by 22% and amounted to EUR 25.3 million. The parent company, which accounts for 79% of other non-life insurance claims, recorded 25% higher gross claims paid. The growth is mainly due to a larger volume of car assistance claims (more claims and rising prices of petroleum products), miscellaneous financial loss insurance (an out-of-court settlement for damage caused in 2017 as a result of business interruption due to fire) and railway insurance. In addition, strong growth was recorded by Triglav Osiguranje, Zagreb (a significant increase in marine insurance claims due to a larger portfolio) and Triglav Osiguruvanje, Skopje (payment of damages based on a court decision related to liability insurance for the use of aircraft).

7.6.2 Life and pension insurance

Non-consolidated gross claims paid in the **life and pension insurance** group grew by 8% to EUR 194.3 million. Their share in total non-consolidated claims paid increased to 27.5% (2020: 26.8%).

The bulk of total claims paid was accounted for by **life insurance** (traditional life, annuity, pension annuity and voluntary pension insurance), totalling EUR 119.4 million, up by 7% relative to the preceding year. Triglav Osiguranje, Sarajevo achieved high growth as a result of higher payouts due to surrenders, Triglav Osiguruvanje Život, Skopje as a result of higher payouts due to a significant increase in the portfolio, Triglav Osiguranje, Belgrade as a result of higher payouts due to death related to the COVID-19 pandemic, Lovćen životna osiguranja as a result of higher payments of claims due to death and Triglav Osiguranje, Zagreb as a result of capitalised policies and



related payouts of mathematical provisions and payouts due to maturity. The 4% growth in gross claims paid by the parent company (a 84% share in total gross claims paid) predominantly resulted from higher payouts due to maturity.

Gross claims paid in **unit-linked life insurance** rose by 12% to EUR 70.4 million. High growth was recorded by Triglav Osiguranje, Zagreb and Triglav, pokojninska družba. In the Croatian insurance company, the 53% growth was influenced by higher payments due to maturity, while Triglav, pokojninska družba saw a 39% rise due to an increase in retirements and related transfers to annuity funds and due to increased transfers to other pension insurance providers. The parent company recorded a 4% increase in claims paid, mainly as a result of higher payments due to surrenders and advances.

Gross claims paid in **capital redemption insurance** (supplemental voluntary pension insurance) decreased by 5%, primarily as a result of lower payouts due to withdrawals from insurance contracts and retirements at the parent company.

Non-consolidated gross claims paid of Triglav Group insurance companies (excluding Pozavarovalnica Triglav Re) by insurance class

Insurance class	Gross claims paid			Index		Share
	2021	2020	2019	2021/2020	2020/2019	2021
Accident insurance	22,740,003	20,727,007	23,673,861	110	88	3.2%
Health insurance	163,043,285	147,911,003	143,785,330	110	103	23.0%
Comprehensive car insurance	92,636,703	92,882,937	98,799,095	100	94	13.1%
Real property insurance	95,514,391	89,057,583	91,798,667	107	97	13.5%
Motor liability insurance	96,226,864	94,229,264	95,003,851	102	99	13.6%
General liability insurance	13,276,964	18,212,366	17,589,035	73	104	1.9%
Credit insurance	4,832,669	6,079,260	6,012,228	79	101	0.7%
Other non-life insurance	25,253,513	20,706,410	21,731,247	122	95	3.6%
Non-life insurance	513,524,392	489,805,830	498,393,314	105	98	72.5%
Life insurance	119,439,876	111,595,230	109,763,192	107	102	16.9%
Unit-linked life insurance*	70,447,230	62,944,570	71,885,180	112	88	10.0%
Capital redemption insurance	4,425,926	4,656,031	5,050,338	95	92	0.6%
Life and pension insurance	194,313,032	179,195,831	186,698,710	108	96	27.5%
Total	707,837,424	669,001,661	685,092,024	106	98	100.0%

* According to the definition of the Insurance Supervision Agency, gross claims paid by Triglav, pokojninska družba are included in unit-linked life insurance.

Gross claims paid of Zavarovalnica Triglav by insurance class

Insurance class	Gross claims paid			Index		Share
	2021	2020	2019	2021/2020	2020/2019	2021
Accident insurance	12,755,919	11,259,216	13,732,622	113	82	3.1%
Health insurance	232,436	425,255	252,787	55	168	0.1%
Comprehensive car insurance	76,216,318	77,548,159	81,388,346	98	95	18.6%
Real property insurance	64,751,034	67,698,027	68,522,847	96	99	15.8%
Motor liability insurance	64,001,235	64,244,617	63,861,193	100	101	15.7%
General liability insurance	10,761,352	16,143,731	15,188,764	67	106	2.6%
Credit insurance	4,045,904	4,709,310	5,217,685	86	90	1.0%
Other non-life insurance	19,961,633	16,009,493	17,220,406	125	93	4.9%
Non-life insurance	252,725,831	258,037,808	265,384,650	98	97	61.8%
Life insurance	100,677,756	96,431,879	96,566,196	104	100	24.6%
Unit-linked life insurance	51,038,868	49,152,423	58,203,197	104	84	12.5%
Capital redemption insurance	4,425,926	4,656,031	5,050,338	95	92	1.1%
Life and pension insurance	156,142,550	150,240,333	159,819,731	104	94	38.2%
Total	408,868,381	408,278,141	425,204,381	100	96	100.0%



7.6.3 Gross claims paid of Pozavarovalnica Triglav Re

Gross claims paid by Pozavarovalnica Triglav Re totalled EUR 88.2 million, or 16% more compared to the preceding year. A 33% growth in gross claims paid was seen in transactions within the Group and a 2% rise in gross claims paid in transactions outside the Group. The increase in gross claims paid in transactions **within the Group** predominantly resulted from settled claims in fire and natural disaster insurance based on a contract with the parent company, which covers the annual claims aggregate, payment of a claim for damages to a Group member from 2007 and higher settled claims in other damage to property insurance incurred due to earthquakes in Croatia. In transactions **outside the Group**, the increase was mainly a result of the payment of claims in fire and natural disaster insurance due to floods in Germany and the payment of large claims in comprehensive car insurance under the French non-life insurance contract.

7.7 Gross operating expenses

Total consolidated gross operating expenses of the Triglav Group amounted to EUR 333.4 million, up by 9%. **Expenses from insurance operations** grew by 10% to EUR 299.8 million. Due to higher volume of business and lower operating expenses due to the impact of the pandemic in 2020, the highest growth was recorded mainly in acquisition costs, costs of representation, advertising and trade shows, and labour costs. The share of operating expenses of insurance operations in gross written premium rose by 0.1 percentage point to 22.2%. Operating expenses increased in all insurance segments; by 14% in the **life and pension insurance segment** (EUR 45.2 million),

by 10% in the **non-life insurance segment** (EUR 238.8 million) and by 7% in the **health insurance segment** (EUR 15.8 million). **Expenses from non-insurance operations** fell by 2% and totalled EUR 33.5 million.

Acquisition costs (fees and commissions) rose by 23% to EUR 66.4 million, predominantly as a result of their increase at Zavarovalnica Triglav, Triglav Osiguranje, Zagreb, Triglav Osiguranje, Belgrade and Triglav Osiguranje, Sarajevo. Increased acquisition costs mainly resulted from the higher number of underwritten insurance policies and the increased volume of written premium from insurance policies taken out via external sales channels (contracted points of sale, brokers, agencies and banks). In contrast, a large decline in acquisition costs was recorded at Triglav, Zdravstvena zavarovalnica due to the change in the rewarding scheme.

Depreciation costs rose to EUR 22.6 million (index 103). Their increase resulted from higher amortisation costs of intangible fixed assets at the parent company, higher amortisation at Triglav Osiguranje, Belgrade due to the implementation of IFRS 16 – Leases and higher depreciation at Triglav, Zdravstvena Zavarovalnica due to investments in hardware and software.

At 47.2%, labour costs accounted for the largest portion of total expenses and amounted to EUR 166.2 million, up by 6% compared to the year before. This increase is mainly a result of the higher number of employees at Triglav, Zdravstvena zavarovalnica and Triglav Osiguruvanje Život, Skopje, as well as higher labour costs at Zavarovalnica Triglav. At the parent company, the latter were mainly influenced by an increase in employees’ basic salaries and higher payments to insurance

agents due to increased sale of insurance products as well as additional payments due to taking out insurance remotely. Costs of services provided by natural persons other than sole proprietors (contract work and services of the student work service) rose by 27%. They amounted to EUR 1.5 million and represented only 0.4% of total expenses.

Other operating expenses increased by 8% to EUR 95.3 million. Among them, the highest growth was recorded by costs of representation, advertising and trade shows (higher costs of advertising and organisation of events and sponsorships at the parent company and higher costs of advertising at Triglav Osiguranje, Belgrade), costs of payment transactions and banking services (higher costs of distribution at Triglav Skladi), costs of intellectual and personal services (higher costs of advisory services at the parent company and higher costs at Triglav, pokojninska družba for the joint contact centre services, insurance processing and services) and rent and lease costs (especially higher costs of leasing computer equipment and services at the parent company).

Acquisition costs represented 61.7% (the largest share) of total gross operating expenses of insurance operations broken down by functional group. Other operating expenses represented 27.3%, claim handling expenses 9.5% and asset management costs 1.5%.





Gross operating expenses of the Triglav Group by nature

Operating expenses by nature	Gross operating expenses			Index		Share
	2021	2020	2019	2021/2020	2020/2019	2021
Acquisition costs (fees and charges)	66,422,411	54,124,019	56,219,931	123	96	18.9%
Costs of goods sold	130,008	11,179	48,845	1.163	23	0.0%
Depreciation of operating assets	22,591,303	22,001,097	19,694,948	103	112	6.4%
Labour costs	166,208,923	157,524,456	154,621,686	106	102	47.2%
- wages and salaries	115,443,711	110,229,227	107,324,972	105	103	32.8%
- social security and pension insurance costs	26,163,907	24,559,378	24,289,499	107	101	7.4%
- other labour costs	24,601,305	22,735,851	23,007,215	108	99	7.0%
Costs of services provided by natural persons other than SPs, including related taxes	1,535,695	1,208,769	1,317,788	127	92	0.4%
Other operating expenses	95,345,836	87,942,602	90,018,718	108	98	27.1%
- costs of entertainment, advertising, trade shows	20,704,813	17,181,444	19,394,377	121	89	5.9%
- costs of material and energy	7,916,541	8,426,457	8,261,184	94	102	2.2%
- maintenance costs	15,368,460	15,181,848	15,575,036	101	97	4.4%
- reimbursement of labour-related costs	3,456,616	3,202,363	5,690,278	108	56	1.0%
- costs of intellectual and personal services	6,724,017	5,560,110	5,781,460	121	96	1.9%
- non-income related costs, excluding insurance	3,490,300	3,241,068	3,391,165	108	96	1.0%
- costs of transport and communication services	5,510,075	5,360,314	5,584,949	103	96	1.6%
- costs for insurance premiums	1,132,762	1,159,846	1,121,622	98	103	0.3%
- payment transaction costs and banking services	11,921,424	9,495,754	8,470,561	126	112	3.4%
- rents	5,683,599	4,847,443	4,062,029	117	119	1.6%
- costs of professional training services	1,303,829	1,099,790	1,354,981	119	81	0.4%
- other costs of services	12,124,181	13,183,530	11,310,828	92	117	3.4%
- long-term employee benefits	9,219	2,635	20,248	350	13	0.0%
Total	352,234,176	322,812,122	321,921,916	109	100	100.0%
Consolidation eliminations	-18,842,729	-16,065,703	-16,653,191	117	96	
Total consolidated	333,391,447	306,746,419	305,268,725	109	100	

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Gross operating expenses of Zavarovalnica Triglav by nature

Operating expenses by nature	Gross operating expenses			Index		Share
	2021	2020	2019	2021/2020	2020/2019	2021
Acquisition costs (fees and charges)	34,375,142	28,550,727	28,759,114	120	99	17.6%
Depreciation of operating assets	13,173,274	12,145,270	11,167,744	108	109	6.8%
Labour costs	106,607,468	101,313,635	99,873,831	105	101	54.7%
- wages and salaries	75,208,360	72,334,018	70,238,081	104	103	38.6%
- social security and pension insurance costs	12,778,998	12,000,752	11,837,017	106	101	6.6%
- other labour costs	18,620,110	16,978,865	17,798,733	110	95	9.5%
Costs of services provided by natural persons other than SPs, including related taxes	309,753	289,970	349,916	107	83	0.2%
Other operating expenses	40,582,438	37,651,247	40,343,368	108	93	20.8%
- costs of entertainment, advertising, trade shows	8,647,852	7,607,576	8,598,847	114	88	4.4%
- costs of material and energy	3,443,255	3,782,544	3,425,880	91	110	1.8%
- maintenance costs	8,699,049	8,823,036	9,627,759	99	92	4.5%
- reimbursement of labour-related costs	2,426,737	2,175,475	3,360,635	112	65	1.2%
- costs of intellectual and personal services	2,754,338	2,072,025	1,963,379	133	106	1.4%
- non-income related costs, excluding insurance	1,457,614	1,380,668	1,628,366	106	85	0.7%
- costs of transport and communication services	2,929,987	2,978,697	3,072,649	98	97	1.5%
- costs for insurance premiums	305,143	379,318	327,304	80	116	0.2%
- payment transaction costs and banking services	1,135,155	1,218,983	1,698,171	93	72	0.6%
- rents	3,688,633	3,024,699	2,216,058	122	136	1.9%
- costs of professional training services	895,727	764,945	902,200	117	85	0.5%
- other costs of services	4,198,948	3,443,281	3,522,120	122	98	2.2%
Total	195,048,075	179,950,849	180,493,973	108	100	100.0%

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7.8 Risk equalisation

7.8.1 Insurance technical provisions

The Triglav Group equalised 84% of the risks within its own equalisation capacities. The Group was able to equalise risks that exceeded its own equalisation capacities by reinsurance and, to a lesser extent, by coinsurance arrangements. Claims were covered with the current annual inflow of technical premium by insurance class and the insurance technical provisions formed.

Gross insurance technical provisions ensure not only well-balanced operations but also the long-term safety of policyholders. As at 31 December 2021, **the Group** allocated EUR 3,198.7 million to gross insurance technical provisions, up by 5%. The volume of gross insurance technical provisions increased in all insurance segments: by 7% in **non-life insurance**, by 4% in **life insurance** and by 23% in **health insurance**. **Zavarovalnica Triglav** allocated EUR 2,280.5 million to gross insurance technical provisions, up by 4% relative to 2021.

Provisions by type as at 31 December 2021 relative to 31 December 2020:

- **Gross provisions for unearned premium** were 7% higher and amounted to EUR 370.0 million. Unearned premium for non-life insurance increased by 7% to EUR 366.1 million, while unearned premium for health insurance grew by 3% to EUR 3.5 million. In contrast, unearned premium for life and pension insurance dropped by 1% to EUR 455,000. The movement of gross unearned premium corresponds to the movement and duration of gross written premium and the nature of underwritten risks.
- **Gross claims provisions** rose by 8% to EUR 694.5 million. Gross claims provisions are created for covering claims incurred but not settled by the end of the accounting period. Claims provisions for non-life insurance totalled EUR 655.3 million or 8% more than in the preceding year, mainly due to their increase in transactions outside the Group at Pozavarovalnica Triglav Re and Zavarovalnica Triglav. Claims provisions for life and pension insurance amounted to EUR 23.1 million (index 108) and those for health insurance equalled EUR 16.1 million (index 110).
- **Mathematical provisions** grew by 4% to EUR 2,054.9 million. Mathematical provisions for the guarantee fund backing life insurance totalled EUR 1,432.6 million (index 98), while insurance technical provisions for unit-linked life insurance contracts amounted to EUR 622.3 million (index 122). They increased due to the growth in the price of fund units. Zavarovalnica Triglav's mathematical provisions of EUR 1,548.5 million accounted for the bulk (index 104), of which mathematical provisions for the guarantee fund backing life insurance amounted to EUR 1,008.3 million (index 97) and insurance technical provisions for unit-linked life insurance contracts equalled EUR 540.1 million (index 120).
- **Provisions for bonuses and discounts** declined by 3% to EUR 27.5 million.
- **Other insurance technical provisions** totalled EUR 51.7 million, up by 8%, primarily as a result of additional provisions for unexpired risks due to the pandemic at Triglav, Zdravstvena zavarovalnica.

Gross insurance technical provisions of the Triglav Group as at 31 December 2021

	Gross insurance technical provisions			Index	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	2021/2020	2020/2019
Unearned premium	370,043,725	344,760,927	332,510,935	107	104
Mathematical provisions	2,054,917,059	1,967,008,673	1,889,382,583	104	104
Claims provisions	694,498,311	645,331,168	615,398,744	108	105
Provisions for bonuses and discounts	27,464,185	28,195,354	19,683,771	97	143
Other insurance technical provisions	51,748,503	47,917,732	21,894,138	108	219
Total	3,198,671,783	3,033,213,854	2,878,870,171	105	105

Gross insurance technical provisions of Zavarovalnica Triglav as at 31 December 2021

	Gross insurance technical provisions			Index	
	31 Dec. 2021	31 Dec. 2020	31 Dec. 2019	2021/2020	2020/2019
Unearned premium	246,017,850	235,190,816	232,791,056	105	101
Mathematical provisions	1,548,454,207	1,490,283,181	1,455,824,397	104	102
Claims provisions	446,567,255	430,259,621	428,320,763	104	100
Provisions for bonuses and discounts	23,724,069	23,837,107	19,065,148	100	125
Other insurance technical provisions	15,744,857	19,470,754	13,012,868	81	150
Total	2,280,508,238	2,199,041,479	2,149,014,232	104	102

7.8.2 Reinsurance

The Triglav Group strives for optimum coverage terms and conditions, which was achieved in all reinsurance and coinsurance contracts in 2021. The Group operates in the global reinsurance market via Pozavarovalnica Triglav Re and Zavarovalnica Triglav.

The Group allocated EUR 213.3 million of reinsurance premium to external equalisation, which was 38% more than the year before. Ceded reinsurance premium accounted for 15.8% of total gross written premium or 3.2 percentage points more than the year before. Reinsurance premium growth was mainly the result of the increased volume of non-life insurance premium, primarily those policies underwritten based on the principle of freedom of movement of services (FOS) and inward reinsurance. Higher reinsurance prices in the global reinsurance market also contributed to growth.

Changes in unearned premium related to the reinsurance portion totalled EUR 15.5 million (compared to EUR 4.6 million in 2020). The reinsurers' share in gross claims of EUR 41.9 million (index 132) was received from reinsurance. The change in gross claims provisions for the reinsurance portion amounted to EUR 26.1 million (index 150). The Group also received EUR 38.8 million in reinsurance fees and commissions (index 127). The reinsurance result was negative and amounted to EUR -90.9 million (compared to EUR -70.2 million in 2020).

The reinsurance result of Zavarovalnica Triglav was EUR -89.5 million (compared to EUR -73.0 million in 2020).



7.9 Investment structure of the Triglav Group and Zavarovalnica Triglav²³

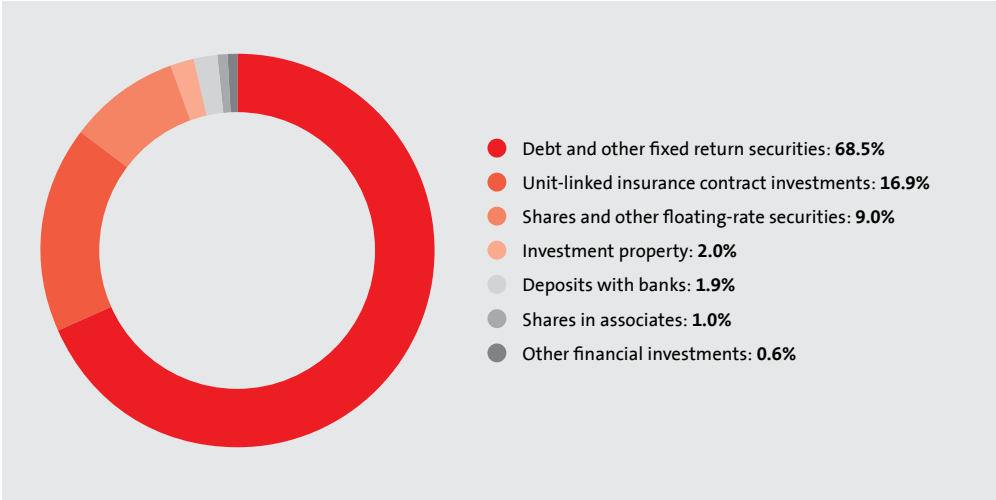
The Triglav Group continues to pursue a relatively conservative investment policy in order to achieve an adequate return on its investment portfolio, with an emphasis on the security and liquidity of investments. In its investing activities, the Group pursues the goal of achieving a high credit rating of the entire portfolio and incorporates environmental, social and governance (ESG) factors in its investment process.

In 2021, the portfolio structure did not significantly change, but adjustments were made to some shares of individual asset classes. **The Group's financial investments** including investment property and investments in associates totalled EUR 3,668.5 million or 5% more compared to the 2020 year-end. Their share in total assets of the Group was down by 0.6 percentage point to 83.9%.

Financial investments (including investment property) of the Triglav Group as at 31 December 2021 and 31 December 2020

	Financial investments		Index	Share	
	31 Dec. 2021	31 Dec. 2020	2021/2020	31 Dec. 2021	31 Dec. 2020
Investment property	75,110,973	78,977,800	95	2.0%	2.3%
Shares in associates	36,031,343	28,237,714	128	1.0%	0.8%
Shares and other floating-rate securities	330,960,660	220,367,991	150	9.0%	6.3%
Debt and other fixed return securities	2,512,569,818	2,572,533,950	98	68.5%	73.6%
Loans given	4,525,184	4,218,279	107	0.1%	0.1%
Deposits with banks	70,472,827	72,474,217	97	1.9%	2.1%
Other financial investments	5,810,984	6,462,139	90	0.2%	0.2%
Financial investments of reinsurance companies in reinsurance contracts with cedents	13,340,360	11,210,682	119	0.4%	0.3%
Derivatives	20,317	113,301	18	0.0%	0.0%
Unit-linked insurance contract investments	619,617,488	501,808,980	123	16.9%	14.4%
Total	3,668,459,954	3,496,405,053	105	100.0%	100.0%

Investment structure of the Triglav Group as at 31 December 2021



The bulk of the investment portfolio, 68.5%, is represented by bonds invested in developed markets, most of which have a high credit rating. Compared to the 2020 year-end, the investment portfolio shrunk by 5.1 percentage points and its value decreased by 2% to EUR 2,512.6 million, which is primarily a result of the negative bond yield due to rising interest rates in this period and, to a lesser extent, due to tactical portfolio adjustment.

In contrast, the share of equity investments in the investment portfolio grew by 2.7 percentage points to 9.0% and the share of unit-linked life insurance contract investments went up by 2.5 percentage points to 16.9%. In addition, the value of both asset classes increased due to the rise in share prices. The volume of equity investments thus increased by 50% to EUR 331.0 million and the volume of unit-linked life insurance contract investments by 23% to EUR 619.6 million. The majority of the latter is accounted for by assets invested in mutual funds of the policyholders' choice and mostly in funds managed by Triglav Skladi.

In other asset classes, the volume of deposits with banks and investment property decreased slightly, whereas the volume of investments in associates somewhat increased; there were no other significant changes in the reporting period. In 2021, the Group did not lend securities from its portfolios, nor did it receive other securities as collateral for such loans.²⁴

The detailed structure of the Group's bond and equity portfolio is presented below, and the data for the Company are presented at the end of this section.

²³ SASB: FN-AC-410a.1 | ²⁴ SASB: FN-IN-550a.2

The Group's bond portfolio is of **high quality** and globally diversified. A total of 90.9% of bond investments have an investment grade credit rating of at least "BBB" (compared to 89.6% as at 31 December 2020) and 59.4% have at least the "A" credit rating (compared to 61.3% as at 31 December 2020).

Debt securities of the Triglav Group by credit rating in 2021 and 2020

Credit rating	Debt securities		Index	Share	
	31 Dec. 2021	31 Dec. 2020	2021/2020	31 Dec. 2021	31 Dec. 2020
AAA	438,921,752	463,012,284	95	17.5%	18.0%
AA	376,763,744	383,681,511	98	15.0%	14.9%
A	677,949,441	729,748,691	93	27.0%	28.4%
BBB	789,294,818	728,788,550	108	31.4%	28.3%
Below BBB	185,667,718	200,940,476	92	7.4%	7.8%
Not rated	43,972,345	66,362,438	66	1.8%	2.6%
Total	2,512,569,818	2,572,533,950	98	100.0%	100.0%

Unit-linked life insurance contract investments data are excluded.

The shares of bonds in the Group's bond portfolio did not change significantly in terms of **issuer sector**. Government bonds continue to account for the bulk (65.2%), while the rest of the portfolio is represented by financial and corporate bonds in a balanced manner. Presented below is additional information on the bond portfolio structure by issuer sector/activity.

Debt securities of the Triglav Group by issuer sector in 2021 and 2020

Issuer sector	Debt securities		Index	Share	
	31 Dec. 2021	31 Dec. 2020	2021/2020	31 Dec. 2021	31 Dec. 2020
Government	1,637,292,470	1,682,830,112	97	65.2%	65.4%
Financial	450,896,480	461,605,954	98	17.9%	17.9%
Corporate	423,363,902	427,038,594	99	16.8%	16.6%
Structured	1,016,966	1,059,291	96	0.0%	0.0%
Total	2,512,569,818	2,572,533,950	98	100.0%	100.0%

Unit-linked life insurance contract investments data are excluded.

Debt securities of the Triglav Group by issuer sector/activity in 2021 and 2020²⁵

Issuer sector	Debt securities		Index	Share	
	31 Dec. 2021	31 Dec. 2020	2021/2020	31 Dec. 2021	31 Dec. 2020
EMU bonds	1,204,550,177	1,313,398,957	92	47.9%	51.1%
Finance	451,913,446	462,665,245	98	18.0%	18.0%
Bonds of other countries	227,890,193	203,605,284	112	9.1%	7.9%
EU bonds (excluding EMU)	204,852,100	165,825,871	124	8.2%	6.4%
Non-cyclical sectors	106,676,738	97,441,635	109	4.2%	3.8%
Public goods	74,478,500	74,216,355	100	3.0%	2.9%
Communications	47,049,094	68,905,946	68	1.9%	2.7%
Cyclical sectors	46,995,262	49,437,417	95	1.9%	1.9%
Technology	39,255,888	29,837,298	132	1.6%	1.2%
Industry	37,525,233	36,803,162	102	1.5%	1.4%
Energy sector	36,662,200	32,799,111	112	1.5%	1.3%
Raw materials	34,720,987	37,597,670	92	1.4%	1.5%
Total	2,512,569,818	2,572,533,950	98	100.0%	100.0%

In terms of **issuer country**, the majority of the portfolio is accounted for by debt securities of issuers from the countries with a high credit rating, which ensures adequate security and liquidity. Certain changes in exposure to individual countries are a result of price fluctuations and tactical adjustments of some positions.

Debt securities of the Triglav Group by issuer country in 2021 and 2020

Country of issuer	Debt securities		Index	Share	
	31 Dec. 2021	31 Dec. 2020	2021/2020	31 Dec. 2021	31 Dec. 2020
Germany	371,741,005	399,195,893	93	14.8%	15.5%
Slovenia	312,387,021	394,525,822	79	12.4%	15.3%
France	202,916,739	191,067,434	106	8.1%	7.4%
Spain	154,859,010	139,353,731	111	6.2%	5.4%
International financial institutions	153,800,111	106,856,495	144	6.1%	4.2%
Italy	133,591,273	123,487,125	108	5.3%	4.8%
USA	132,660,828	123,650,851	107	5.3%	4.8%
Croatia	113,080,581	106,124,399	107	4.5%	4.1%
Netherlands	90,155,239	117,712,265	77	3.6%	4.6%
Austria	66,664,263	85,172,491	78	2.7%	3.3%
Other	780,713,748	785,387,446	99	31.1%	30.5%
Total	2,512,569,818	2,572,533,950	98	100.0%	100.0%

Unit-linked life insurance contract investments data are excluded.

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The Company incorporates **environmental, social and governance (ESG) factors** in its investment process. It pursues the social corporate responsibility guidelines developed by the Organisation for Economic Co-operation and Development (OECD) and the principles for responsible investment, supported by the United Nations. In March 2021, in accordance with the requirements of the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, the Company defined the sustainability aspect of its investment policy, which is available at <https://www.triglav.eu/en/sustainable-development/sustainable-business>. In line with the latter and the Group's strategic ambitions (see Section 4 *Triglav Group strategy and plans*), the Group defined how to include sustainability factors in the management of its investments, the strategy of investing in sustainable asset classes (e.g. green bonds, social impact bonds and sustainable bonds) and to actively exercise its management rights when making decisions related to sustainable development with those issuers in its portfolio where this is possible.²⁶

The Group's **sustainable fixed-income investments** are shown in the table below. Compared to 2020, their volume has almost doubled and reached EUR 204.5 million. Their share in the bond portfolio stands at 8.1% (compared to 4.1% in 2020).

Sustainable (ESG) fixed-income investments of the Triglav Group as at 31 December 2021 and 2020

	Sustainable fixed-income investments		Index	Share in debt securities	
	31 Dec. 2021	31 Dec. 2020	2021/2020	31 Dec. 2021	31 Dec. 2020
Social impact bonds*	83,630,721	33,278,595	251	3.3%	1.3%
Green bonds**	104,433,167	67,424,385	155	4.2%	2.6%
Sustainable bonds***	16,448,265	3,629,090	453	0.7%	0.1%
Total ESG bonds	204,512,153	104,332,071	196	8.1%	4.1%

* Bonds with a social impact are an instrument for funding social services.

** Green bonds are an instrument for funding environmental projects, the funds of which are intended for ecologically efficient products, technologies and processes, pollution prevention and control, sustainable management of natural resources, sustainable management of water resources, renewable energy use, energy efficiency and clean transport.

*** Sustainable bonds are an instrument for funding sustainability projects and a combination of green and social impact bonds. Funding is often conditional on achieving sustainability goals.

Equity investments, which comprise shares and other variable-income securities and investments in associates, represent 10.0% of the Group's total portfolio (up by 2.9 percentage points compared to the 2020 year-end). Their value increased by 48% to EUR 367.0 million predominantly due to share price growth. Equity investments also include the category *other funds*, which comprises mostly alternative funds, among which the alternative fund managed by the associate Triglav holds a significant share.

The structure of equity investments of the Triglav Group in 2021 and 2020

	Equity investments		Index	Share	
Equity investment type	31 Dec. 2021	31 Dec. 2020	2021/2020	31 Dec. 2021	31 Dec. 2020
Shares	128,582,339	91,531,483	140	35.0%	36.8%
Equity funds	85,330,024	58,121,021	147	23.3%	23.4%
Bond funds	62,836,072	30,288,800	207	17.1%	12.2%
Money market funds	4,177,739	3,436,410	122	1.1%	1.4%
Other funds	86,065,829	65,227,991	132	23.5%	26.2%
Total	366,992,003	248,605,705	148	100.0%	100.0%

Equity investments of the Triglav Group by geographic area in 2021 and 2020

	Equity investments		Index	Share	
Geographic area	31 Dec. 2021	31 Dec. 2020	2021/2020	31 Dec. 2021	31 Dec. 2020
Slovenia	103,490,296	80,365,862	129	28.2%	32.3%
Developed markets	244,542,137	150,493,047	162	66.6%	60.5%
Developing markets	13,588,353	13,244,477	103	3.7%	5.3%
Balkans	5,371,218	4,502,320	119	1.5%	1.8%
Total	366,992,003	248,605,705	148	100.0%	100.0%

Equity investments of the Triglav Group by issuer sector/activity in 2021 and 2020²⁷

	Equity investments		Index	Share	
Issuer sector	31 Dec. 2021	31 Dec. 2020	2021/2020	31 Dec. 2021	31 Dec. 2020
Highly diversified activities	222,711,485	150,241,659	148	60.7%	60.4%
Non-cyclical sectors	75,540,556	58,681,613	129	20.6%	23.6%
Finance	25,015,182	18,231,869	137	6.8%	7.3%
Technology	12,932,690	1,221,316	1,059	3.5%	0.5%
Energy sector	12,679,131	0		3.5%	0.0%
Cyclical sectors	8,477,152	6,113,712	139	2.3%	2.5%
Public goods	3,428,188	11,245,578	30	0.9%	4.5%
Industry	3,399,847	2,245,004	151	0.9%	0.9%
Communications	2,210,403	424,418	521	0.6%	0.2%
Raw materials	597,371	200,535	298	0.2%	0.1%
Total	366,992,003	248,605,705	148	100.0%	100.0%

At **Zavarovalnica Triglav**, financial investments, including investment property, amounted to EUR 2,725.5 million as at the 2021 year-end, up by 3%.

Financial investments of Zavarovalnica Triglav as at 31 December 2021 and 31 December 2020

	Financial investments		Index	Share	
	31 Dec 2021	31 Dec 2020	2021/2020	31 Dec 2021	31 Dec 2020
Investment property	43,840,055	44,451,276	99	1.6%	1.7%
Investments in subsidiaries and associates	173,618,679	163,675,415	106	6.4%	6.2%
Shares and other floating rate securities	204,009,208	113,586,570	180	7.5%	4.3%
Debt and other fixed return securities	1,736,539,693	1,837,372,253	95	63.7%	69.8%
Loans given	5,155,689	9,294,087	55	0.2%	0.4%
Deposits with banks	19,660,793	19,567,302	100	0.7%	0.7%
Other financial investments	3,278,363	3,654,860	90	0.1%	0.1%
Derivatives	20,317	113,301	18	0.0%	0.0%
Unit-linked insurance contract investments	539,417,972	442,292,488	122	19.8%	16.8%
Total	2,725,540,769	2,634,007,552	103	100.0%	100.0%

7.10 Investment in own-use real property and equipment

The Triglav Group invested EUR 5.6 million in property, plant and equipment and EUR 17.1 million in intangible assets (software and property rights). The parent company invested EUR 2.6 million in property, plant and equipment and EUR 15.4 million in intangible fixed assets.

The value of own-use property is increased through active management and prudent investing in it, while making the best use of the existing capacity, increasing its functionality and achieving high standards that are in line with advanced technological and functional guidelines. Renovation works are carried out in accordance with the Group’s sustainable development guidelines, which include a better spatial use of the premises, improved energy efficiency and a lower carbon footprint. Previous investments in digital channels in client service, IT equipment and employees’ skills and the implementation of new methods of working from home contributed to the rationalisation and optimisation of premises, which was accelerated not only by technological and IT investments but also by the epidemic.

In 2021, special attention was paid to measures designed to protect health and ensure the safe use of real property for employees, clients, tenants and other users. The energy and functional renovation of strategic real property, both for own use and investment, continued.

At Group level, minimum standards for flexible arrangement of workplace and points of sale were adopted, which comply with the international examples of good practice to modernise operations

and make them more effective. Some business premises were already renovated based on these standards. In the coming years, these standards will be revised according to new findings and guidelines and as a result of changes in the method of working in the post-pandemic period.

IT support for real property management enables secure and complete record keeping, reporting and the implementation of various administration processes. In 2021, the software version was upgraded by including applications for investment management, cost management and energy accounting. The upgrades will be rolled out in 2022.

The Group’s real property portfolio continued to be improved by seizing good market opportunities. The value of real property, the excellent occupancy of investment property and its profitability were maintained, which is also a result of systematic investment in real property of strategic importance and the sale of non-strategic real property. In 2021, several strategically uninteresting real properties were sold (business premises, land, holiday facilities). The sales process of one of the most important real properties in the Company’s portfolio was completed, i.e. the development land “Linhartov dvor” in Bežigrad, owned by Triglav, Upravljanje nepremičnin. The positive effects of development and sale will be seen in 2022.

7.11 Asset management

Asset management comprises the management of the parent company’s own insurance portfolios (assets backing liabilities and guarantee funds), saving of clients through the Group’s life and pension insurance companies, asset management by Triglav and the management of clients’ assets in mutual funds and discretionary mandates by Triglav Skladi. The value of assets under management of the Triglav Group as at 31 December 2021:²⁸

- own insurance portfolio: EUR 3,048.8 million (index 102),
- mutual funds and discretionary mandate assets at Triglav Skladi: EUR 1,539.3 million (index 133),
- investment management at Triglav: EUR 91.7 million (index 168).

Asset and investment fund management market

Capital markets were profitable above average in 2021, reflecting a strong economic recovery from the COVID-19 pandemic. **The asset management market in the European industry** (UCITS funds) recorded high net inflows – a total of EUR 670 billion by the end of October 2021. Inflows were evenly distributed over the months, indicating a relatively stable positive trend in capital markets. Half of net inflows was attributed to equity funds and the other half was divided between mixed and bond funds. Money market funds recorded net outflows of almost EUR 30 billion.

At the end of October 2021, the European investment fund industry (UCITS funds) managed EUR 13.6 trillion, of which 44% were equity funds, 25% bond funds, 19% mixed funds and around 10% were money market funds. The UCITS fund market is rather concentrated, managing more than 80% of all assets in five European countries.

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²⁸ SASB: FN-AC-000.A



As at the 2021 year-end, a total of five management companies operated in **Slovenia**, which managed the net asset value of EUR 4.3 billion in 79 **mutual funds**, up by 34% relative to the year before. They recorded net inflows of EUR 483 million, of which EUR 309 million in equity funds, EUR 162 million in mixed funds and just over EUR 27 million in bond funds. As in Europe, money market funds in Slovenia recorded net outflows. **As at 31 December 2021, Triglav Skladi held a 31.8% market share** (vs. 32.9% in 2020) and is therefore one of the leading managers of assets in investment funds in Slovenia. More than 120 foreign management companies also sell their funds, mainly via banks.

The structure of assets managed by mutual funds did not change significantly over the last decade. About two-thirds of assets are in equity funds, a quarter in mixed funds and just over 5% in bond funds. Mutual fund assets per capita in Slovenia amounted to EUR 2,065 as at the end of September 2021.

A total of six companies provided **discretionary mandate** services, of which four were asset management companies. As at 31 December 2021, the latter managed EUR 1.9 billion in discretionary mandate assets, up by 46% relative to the year before. Triglav Skladi increased its market share in the discretionary mandate segment to 9.0% (vs. 7.5% in 2020).

Triglav Skladi is one of the main asset managers in Slovenia; its range of products and services includes the management and sale of mutual funds, discretionary mandate services and investment advisory services. All assets under management are under the custody of Skrbniška banka Nova KBM d.d. or NLB d.d. and under the supervision of the Securities Market Agency.²⁹ With respect to mutual funds, the company offers 18 different investment policies: conservative investments (two bond funds and a money market fund), moderately risky investments (flexible, mixed and defensive funds) and dynamic equity investments (equity funds). In as many as eight categories, the company has the largest fund among Slovenian mutual fund providers in terms of assets under management. In addition to mutual funds, the company also offers six investment combinations as predefined structured mutual fund baskets, which correspond to the risk profiles of six different client segments.

As at 31 December 2021, the company managed the portfolio of 110,000 investors worth **EUR 1.4 billion in mutual funds**, which is 29% more than the year before. The value of net assets under management increased by EUR 124.8 million due to net inflows and by EUR 186.7 million due to the situation in capital markets. In the market of Bosnia and Herzegovina, Triglav Skladi holds a participating interest in PROF-IN asset management company, which obtained a license to manage open-end mutual funds.

Triglav Skladi's **discretionary mandate assets** amounted to EUR 167.2 million, an increase of EUR 71.6 million or 75% on the preceding year. Net inflows amounted to EUR 47.7 million, while the effect of capital markets increased their value to EUR 23.9 million.

Triglav Skladi also manages the unit-linked life insurance assets of the Triglav Group. For 14 years, it has been pursuing the Financial Objectives investment strategy, which enables clients to actively adjust their portfolios according to the lifecycle principle, and Active Investment Packages, which correspond to different client segments according to the risk profile. It also manages guarantee funds backing supplemental voluntary pension insurance in five portfolios: Triglav Drzni, Triglav Zmerni, Delniški Skupni pokojninski sklad, Mešani Skupni pokojninski sklad and Obvezniški Skupni pokojninski sklad.

Integration of environmental, social and governance (ESG) aspects into asset management

Asset management may help to achieve higher returns in the long run by taking into account the key risks associated with sustainability. Triglav Skladi regularly reviews sustainability risks in its investment decisions. The Triglav Zeleni equity fund is a dedicated sustainability fund, which, with around EUR 40 million assets under management, is committed to taking sustainability factors into account in investment decisions. In financial instrument management, the company aims to expand its range of products and provide better help to clients who want to comply with sustainability principles in their portfolios.³⁰

Triglav Skladi integrates ESG factors in the management process in addition to the assessments of an external independent assessor. The methodology for assigning ratings is tailored to the characteristics within each sector as defined by the Global Industry Classification Standard (GICS). The methodology used is intended to assess the company's resilience to long-term financial risks arising from sustainability features. The assessment includes both risk assessment and management of these risks in the company.³¹

The assessment is based on three pillars: **environmental, social and corporate governance**. All three pillars together, however, consist of ten areas addressing 35 key ESG factors.

Active ownership³²

As part of the investment process, Triglav Skladi has the opportunity to influence the corporate governance of companies in the portfolio, when ownership rights and the size of the participating interest allow it. Active ownership is thus crucial for the adoption of better policies and practices of companies (or issuers of financial instruments) and consequently improves their performance.

Active ownership is exercised through communication with the issuer or through the exercise of rights deriving from financial instruments, which includes participation, voting and proposing agenda items at issuers' general meetings.

See Section [11.3 Development activities related to asset management](#) for more information on strengthening the asset management activity.

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²⁹ SASB: FN-AC-000.B | ³⁰ SASB: FN-IN-410a.1 | ³¹ SASB: FN-IN-410a.2 | ³² SASB: FN-AC-410a.3

8.

Financial result of the Triglav Group and Zavarovalnica Triglav

- The Triglav Group generated profit before tax of EUR 132.6 million and achieved a 12.5% return on equity.
- Compared to the preceding year, the Triglav Group’s combined ratio improved to 88.9% as did both the claims ratio and the expense ratio.
- The lower rates of return on investment are primarily a result of lower interest income due to low interest rates and lower realised capital gains.

8.1 The Triglav Group

The Triglav Group performed well in 2021. Compared to the preceding year, consolidated **profit before tax** grew by 46% and amounted to EUR 132.6 million and **net profit** amounted to EUR 113.0 million, up by 53%. The good financial result was driven by growth in business volume, prudent underwriting discipline, relatively lower claim frequency as a result of the pandemic and the favourable development of claims provisions created in past years. **Net return on equity** was 12.5%, up by 3.7 percentage points.

The Group’s **combined ratio** was within the favourable long-term target range and stood at 88.9%, down by 2.3 percentage points relative to the preceding year. The combined ratio shows the profitability of operations in the non-life and health insurance segments. Any value of this ratio below 100 means that the non-life and health insurance portfolios of the core business (excluding return on investment) are earning a profit. Lower combined ratio is a result of both the improved *claims ratio* (the growth of net premium income was higher than the growth of net claims incurred) and *expense ratio* (growth in other insurance income and reduction in net expenses for bonuses and discounts).

The combined ratios in the Triglav Group and individual insurance companies in 2021 compared to 2020

Insurance Group	2021	2020	Change
Zavarovalnica Triglav	81.8%	86.1%	-4.3 p.p.
Triglav, Zdravstvena zavarovalnica	96.0%	97.0%	-1.0 p.p.
Pozavarovalnica Triglav Re	90.5%	94.9%	-4.4 p.p.
Triglav Osiguranje, Zagreb	98.8%	108.6%	-9.8 p.p.
Triglav Osiguranje, Belgrade	99.7%	92.0%	7.7 p.p.
Lovćen Osiguranje, Podgorica	93.7%	82.1%	11.6 p.p.
Triglav Osiguranje, Sarajevo	98.0%	92.4%	5.6 p.p.
Triglav Osiguranje, Banja Luka	112.1%	102.5%	9.6 p.p.
Triglav Osiguruvanje, Skopje	102.1%	103.8%	-1.8 p.p.
Triglav Group	88.9%	91.2%	-2.3 p.p.

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8.1.1 Total revenue, net premium income, claims incurred and operating expenses

Total revenue increased by 10%, amounting to EUR 1,455.1 million. It is composed of gross written insurance, reinsurance and coinsurance premiums in the amount of EUR 1,353.0 million (index 110), other insurance income in the amount of EUR 48.8 million (index 119) and other income in the amount of EUR 53.3 million (index 122). The majority of other income represents income from asset management, amounting to EUR 30.2 million (index 127).

Net premium income rose by 5% to EUR 1,119.8 million. Net premium income from life and pension insurance grew by 8%, from non-life insurance by 5% and from health insurance by 1%. Net premium income comprises gross written premium in the amount of EUR 1,353.0 million less written premium ceded to reinsurance and coinsurance in the amount of EUR 220.9 million (index 138) and adjusted by the change in net unearned premium of EUR –12.2 million (compared to –7.0 million in 2020).

Net claims incurred rose by 5% to EUR 715.0 million. The highest growth (10%) was recorded in health insurance due to higher gross claims paid (see Section [7.6 Gross claims paid](#) for more details). Net claims incurred increased by 8% in life and pension insurance and by 1% in non-life insurance. Net claims incurred are composed of gross claims paid in the amount of EUR 736.6 million (index 106), reduced by the reinsurers' and coinsurers' shares in gross claims paid in the amount of EUR 44.9 million (index 131), adjusted by the change in net claims provisions of EUR 16.2 million (index 129) and increased by equalisation scheme expenses for supplemental health insurance in the amount of EUR 7.2 million (index 91).

Operating expenses (acquisition costs and other operating expenses) amounted to EUR 266.9 million, up by 11%. *Acquisition costs* rose by 13% predominantly due to premium growth. *Other operating expenses* went up by 6%. The share of *operating expenses from insurance operations* (all functional cost groups) in gross written premium was 22.2%, up by 0.1 percentage point. See Section [7.7 Gross operating expenses](#) for more information on operating expenses.

8.1.2 Income and expenses from financial assets

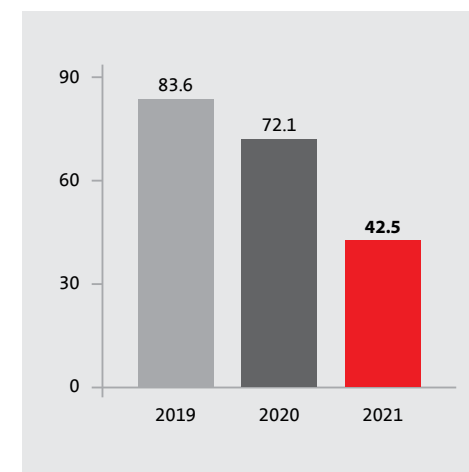
Income from investments, including income from investments in associates, grew by 27% and reached EUR 156.8 million. *Income from investments in associates* amounted to EUR 1.4 million, up by 231%, and *income from investments* totalled EUR 155.3 million, up by 26%. Interest income was down by 18% and reached EUR 34.3 million, while gains on disposal of investments declined by 59% to EUR 16.3 million primarily as a result of lower volume of trading in financial instruments. Other income from investments rose to EUR 104.8 million (compared to EUR 40.9 million in 2020). Other income from investments comprises changes in the fair value of EUR 14.8 million (index 100), other income from investments of EUR 8.6 million (index 262), dividends of EUR 6.1 million (index 135) and net unrealised gains on unit-linked life insurance assets of EUR 75.2 million (compared to EUR 18.2 million in 2020). The latter were higher mainly due to share prices, to which the majority of policyholders' assets under these insurance contracts are tied (increase in prices of fund units).

Expenses from investments, including expenses from investments in associates, decreased by 22% to EUR 32.0 million. *Expenses from investments in associates* amounted to EUR 146 thousand (index 104) and *expenses from investments* totalled EUR 31.8 million (index 78). Losses on disposal totalled EUR 7.1 million (index 103), impairments of equity investments amounted to EUR 34 thousand (compared to EUR 2.0 million in 2020) and other expenses from investments equalled EUR 24.7 million (index 77). Other expenses from investments comprise changes in the fair value of EUR 13.3 million (index 224), other expenses from financial investments in the amount of EUR 8.5 million (index 55) and net unrealised gains on unit-linked life insurance assets of EUR 2.9 million (compared to 10.7 million in 2020).

Return on investment of the Triglav Group (excluding unit-linked life insurance contract investments) represents the difference between income and expenses from financial assets. They amounted to EUR 42.5 million, down by 41%. The main reasons for the lower rates of return on investment are mainly lower interest income due to low interest rates and lower realised capital gains.

The rates of return on investment also impact the amount of insurance technical provisions and net profit of the Group. See Section [8.1.3](#) (the table [The structure of profit before tax of the Triglav Group](#)) for the impact of return on investment on profit before tax.

Return on investment of the Triglav Group (excluding unit-linked life insurance contract investments) in 2019–2021 (in EUR million)



8.1.3 Change in other insurance technical provisions and other income and expenses

Change in other insurance technical provisions amounted to EUR –2.1 million and was lower than in the preceding year (EUR 62.6 million) as a result of the decline in mathematical provisions and other insurance technical provisions for health insurance. **Expenses from the change in insurance technical provisions for unit-linked insurance contracts** totalled EUR 112.7 million (compared to EUR 25.5 million in 2020) due to the increase in the price of fund units. **Expenses for bonuses and discounts** fell by 47% to EUR 11.4 million as a result of additional provisions created in the preceding year due to the COVID-19 pandemic by the parent company and Triglav, Zdravstvena zavarovalnica.

Other insurance income, excluding fees and commissions, totalled EUR 9.9 million, down by 5% predominantly due to lower interest income from subrogation receivables and lower income from the sale of green cards. **Other insurance expenses**, excluding fees and commissions, dropped by 21% to EUR 16.8 million primarily as a result of lower expenses due to impairment of receivables from insurance operations (premiums and subrogations) at the parent company. **Net fee and commission income** increased to EUR 3.8 million (compared to EUR 389 thousand in 2020) mainly due to the high growth of written premium ceded to reinsurance.

Other income was up by 22%, reaching EUR 53.3 million. This increase relates in particular to a larger volume of management fees due to a larger volume of assets under management at Triglav Skladi and due to the repayment of receivables from reinsurance operations impaired in past years at Triglav Osiguranje, Belgrade. The 2% growth in **other expenses** (EUR 58.4 million) mainly resulted from their movement at the parent company.

Income statement of the Triglav Group for 2021 – according to IFRS

	2021	2020	Index
Net premium income	1,119,846,051	1,066,754,825	105
- gross written premium	1,352,975,550	1,233,775,365	110
- ceded written premium	-220,949,875	-160,022,349	138
- change in unearned premium reserve	-12,179,624	-6,998,191	174
Income from investments in associates	1,444,054	436,610	331
- profit on equity investments accounted for using the equity method	1,444,054	436,610	331
- other income from investments in associates	0	0	0
Income from investments	155,339,171	123,079,449	126
- interest income calculated using the effective interest method	34,281,279	42,055,802	82
- gains on disposals	16,301,340	40,162,889	41
- other income from investments	104,756,552	40,860,758	256
Other income from insurance operations	48,794,300	41,006,993	119
- fee and commission income	38,916,088	30,649,757	127
- other income from insurance operations	9,878,212	10,357,236	95
Other income	53,334,060	43,613,977	122
Net claims incurred	715,028,788	683,631,775	105
- gross claims paid	736,580,050	697,443,568	106
- reinsurers' share	-44,884,460	-34,278,930	131
- changes in claims provisions	16,152,394	12,541,034	129
- equalisation scheme expenses for supplemental health insurance	7,180,804	7,926,103	91
Change in other insurance technical provisions (excluding ULI)	-2,113,408	62,636,590	-3
Change in insurance technical provisions for unit-linked insurance contracts	112,661,349	25,492,453	442
Expenses for bonuses and discounts	11,404,143	21,350,276	53
Operating expenses	266,857,908	240,912,735	111
- acquisition costs	184,911,170	163,528,966	113
- other operating expenses	81,946,738	77,383,769	106
Expenses from investments in associates	145,632	139,422	104
- loss on investments accounted for using the equity method	145,632	139,422	104
- other expenses from financial assets and liabilities	0	0	0
Expenses from investments	31,832,786	40,993,211	78
- loss on impairment of investments	33,628	1,971,302	2
- loss on disposal of investments	7,122,739	6,941,490	103
- other expenses from investments	24,676,419	32,080,419	77
Other insurance expenses	51,915,940	51,523,388	101
Other expenses	58,379,653	57,308,722	102
- financial expenses	2,729,286	2,937,501	93
- other expenses	55,650,367	54,371,221	102
Profit before tax	132,644,845	90,903,282	146
Income tax expense	19,679,152	17,238,584	114
Net profit for the period	112,965,693	73,664,698	153
Net profit/loss attributable to the controlling company	112,761,816	73,504,373	153
Net profit/loss attributable to the non-controlling interest holders	203,879	160,325	127

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Financial result ratios of the Triglav Group

Financial result ratios	2021	2020	2019
Claims ratio	61.4%	63.1%	63.2%
Expense ratio	27.5%	28.1%	28.3%
Combined ratio	88.9%	91.2%	91.5%
Operating expenses from insurance operations in gross written premiums	22.2%	22.1%	23.2%
Gross written premium per company employee* (in EUR)	292,282	267,485	260,516

* Only the employees of the insurance companies and the reinsurance company of the Triglav Group were taken into account.

The structure of profit before tax of the Triglav Group*

	2021				2020			
	Non-life	Life and pension	Health	Total	Non-life	Life and pension	Health	Total
Profit before tax from underwriting activities	79,745,847	13,457,141	7,197,026	100,400,014	55,436,285	14,408,524	6,649,783	76,494,592
Profit before tax from investment activities	17,490,477	6,171,883	788,554	24,450,914	23,584,921	-11,307,315	701,493	12,979,099
Profit before tax from insurance operations	97,236,324	19,629,024	7,985,580	124,850,928	79,021,206	3,101,209	7,351,276	89,473,691
Profit before tax from non-insurance operations				7,793,918				1,429,591
Total profit before tax				132,644,845				90,903,282

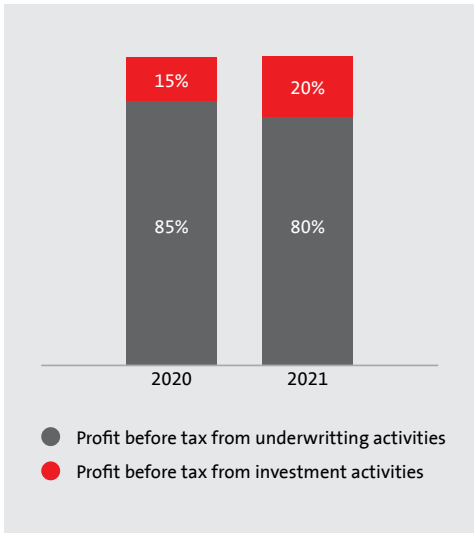
* Profit from return on investment is reduced by the return guaranteed by the Group's insurance companies to life insurance policyholders in the form of a guaranteed return determined in insurance contracts. In addition, return on investment is reduced by the increase in mathematical provisions due to lower internally set maximum interest rate used for the valuation of life insurance liabilities.

Profit before tax of the Group's **non-life and health insurance** segments amounted to EUR 105.2 million, up by 22% or EUR 18.8 million relative to the preceding year. The improved result was primarily due to higher profit before tax from underwriting activities as a result of more favourable current claims experience and favourable development of claims incurred in previous periods as well as higher net premium income. Lower expenses for bonuses and discounts and lower other insurance technical provisions than in the preceding year also contributed to the improved underwriting result. Profit before tax from investments was lower due to lower interest income and lower realised capital gains.

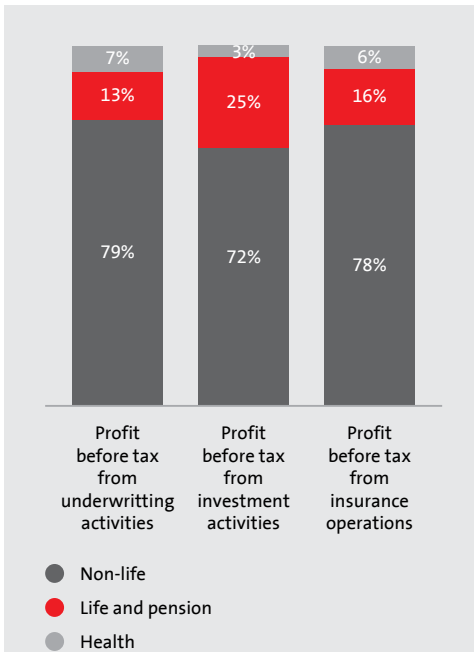
Profit before tax of the Group's **life and pension insurance** segments amounted to EUR 19.6 million, an increase of EUR 16.5 million relative to the year before. The parent company had a EUR 0.8 million higher profit before tax, but due to EUR 13.4 million lower return on investment it created EUR 14.8 million lower additional provisions on account of the liability adequacy test and lower internally set maximum interest rate compared to the preceding year. The required return on mathematical provisions decreased by EUR 1.6 million, while profit before tax from underwriting activities of the life and pension insurance segment decreased by EUR 2.8 million. Other sources contributed EUR 0.5 million to the result. The result of other Group companies improved by EUR 15.7 million

mainly due to the release of provisions based on the LAT for Triglav, pokojninska družba in the amount of EUR 8.7 million. These were created in 2020 due to the reduction of the interest rate curve, and when it rose in 2021, the LAT no longer showed a deficit.

The structure of profit before tax of the Triglav Group in 2020 and 2021



The structure of profit before tax of the Triglav Group by segment in 2021



8.2 Zavarovalnica Triglav

Zavarovalnica Triglav also performed well, ending the 2021 financial year with a high profit. **Profit before tax** amounted to EUR 85.7 million, a 21% increase compared to the year before. **Net profit** grew by 27% to EUR 73.4 million. **Net return on equity** increased by 1.7 percentage points to 11.1%.

Combined ratio in non-life insurance stood at favourable 81.8%, down by 4.3 percentage points relative to the preceding year. Higher growth in net premium income than the growth in net claims incurred resulted in a lower claims ratio (by 4.3 percentage points), whereas higher operating expenses and other insurance expenses increased the expense ratio (by 0.1 percentage point).

8.2.1 Total revenue, net premium income, claims incurred and operating expenses

Total revenue amounted to EUR 848.6 million, up by 11% relative to the preceding year. It is composed of gross written insurance and coinsurance premiums in the amount of EUR 794.4 million (index 110), other insurance income in the amount of EUR 45.4 million (index 119) and other income in the amount of EUR 8.8 million (index 112).

Net premium income rose by 3% to EUR 598.8 million. Net premium income from non-life insurance remained at approximately the same level as in 2020 (index 100), while net income from life insurance premium grew by 8%. Net premium income is composed of gross written insurance and coinsurance premiums in the amount of EUR 794.4 million less written premium ceded to reinsurance and coinsurance in the amount of EUR 188.0 million (index 136)

and adjusted by the change in net unearned premium of EUR –7.6 million (compared to EUR 2.5 million in 2020).

Net claims incurred in the total amount of EUR 365.1 million dropped by 3%; in non-life insurance they fell by 8% and in life insurance they increased by 5%. Net claims incurred comprise gross claims paid in the amount of EUR 408.9 million (index 100) less the reinsurers’ and coinsurers’ shares in claims in the amount of EUR 35.8 million (index 113) and adjusted by the change in net claims provisions of EUR –7.9 million (compared to EUR –1.3 million in 2019).

Operating expenses (acquisition costs and other operating expenses) totalled EUR 170.3 million (index 109). Acquisition costs and other operating expenses increased at the same growth rate. The growth of total operating expenses (all functional cost groups) was behind gross written premium growth, which resulted in a 0.5 percentage point lower ratio of expenses to written premium (24.6%).

8.2.2 Income and expenses from financial assets

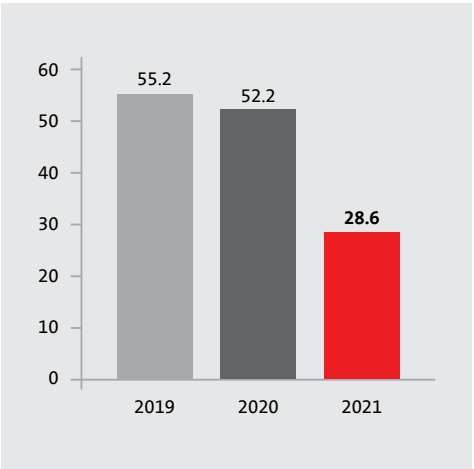
Income from investments, including income from investments in associates, rose by 38% to EUR 123.8 million. *Income from investments in associates* totalled EUR 8.2 million (compared to EUR 303 thousand in 2020) mainly as a result of dividends paid. *Income from investments* climbed by 30% to EUR 115.6 million. Interest income was down by 24% and reached EUR 19.7 million, while gains on disposal of investments declined by 60% to EUR 14.9 million primarily as a result of lower volume of trading in financial instruments. Other income from investments totalled EUR 81.0 million (index 312). They comprise changes in the fair value of EUR 1.9 million (index 56), other income from

financial investments of EUR 2.7 million (index 276), dividends of EUR 4.8 million (index 127) and net unrealised gains on unit-linked life insurance assets of EUR 71.6 million (compared to EUR 17.8 million in 2020). The latter rose predominantly due to the growth of share prices, to which the majority of policyholders’ assets under these insurance contracts are tied (increase in prices of fund units).

Expenses from investments, including expenses from investments in associates, declined by 34% to EUR 19.5 million. *Expenses from investments in associates* amounted to EUR 1.1 million (index 28), while *expenses from investments* totalled EUR 18.4 million (index 72). Losses on disposal totalled EUR 6.9 million (index 120), there was no impairment of equity investments (compared to EUR 1.6 million in 2020) and other expenses from investments equalled EUR 11.5 million (index 63). Other expenses from investments comprise net unrealised losses on unit-linked life insurance assets totalling EUR 2.8 million (compared to EUR 10.7 million in 2020), changes in the fair value of EUR 3.3 million (compared to EUR 653 thousand in 2020) and other expenses from financial investments in the amount of EUR 5.4 million (index 77).

Return on investment (excluding unit-linked life insurance contract investments) declined by 45% to EUR 28.6 million. The reasons for the lower rates of return on investment are primarily lower interest income and lower realised capital gains.

Return on investment of Zavarovalnica Triglav (excluding unit-linked life insurance contract investments) in 2019–2021 (in EUR million)



8.2.3 Change in other insurance technical provisions and other income and expenses

Change in other insurance technical provisions was lower than in the preceding year and amounted to EUR –14.0 million (compared to EUR 13.4 million in 2020), predominantly due to reductions in mathematical provisions.

Expenses from the change in insurance technical provisions for unit-linked insurance contracts amounted to EUR 91.9 million (compared to EUR 13.3 million in 2020) due to the increase in the price of fund units. **Expenses for bonuses and discounts** declined by 35% to EUR 10.5 million as a result of additional provisions created in 2020 due to the COVID-19 pandemic.

Other insurance income, excluding fees and commissions, totalled EUR 7.2 million, down by 10% mainly due to lower interest income from subrogation receivables. **Other insurance expenses**, excluding fees and commissions, fell by 16% to EUR 10.9 million primarily as a result of lower expenses due to impairment of receivables from insurance operations (premiums and subrogations). **Net fee and commission income** grew by 27% predominantly due to the increased volume of reinsurance business. They totalled EUR 23.8 million.

Other income in the amount of EUR 8.8 million was 12% higher mainly due to an increase in other income from services which mostly relate to services provided to Group companies and cancelled provisions for legal actions. **Other expenses** in the amount of EUR 22.5 million increased by 10% relative to the year before.

Income statement of Zavarovalnica Triglav for 2021 – according to IFRS

	2021	2020	Index
Net premium income	598,755,000	583,867,846	103
- gross written premium	794,350,103	719,255,868	110
- ceded written premium	-187,969,749	-137,934,204	136
- change in unearned premium reserve	-7,625,354	2,546,182	
Income from investments in associates	8,179,885	302,643	2,703
- profit on equity investments accounted for using the equity method	0	0	0
- other income from investments in associates	8,179,885	302,643	2,703
Income from investments	115,612,898	89,181,634	130
- interest income calculated using the effective interest method	19,685,884	25,933,800	76
- gains on disposals	14,888,504	37,288,158	40
- other income from investments	81,038,510	25,959,676	312
Other income from insurance operations	45,387,033	38,110,029	119
- fee and commission income	38,196,377	30,080,891	127
- other income from insurance operations	7,190,656	8,029,138	90
Other income	8,825,846	7,872,585	112
Net claims incurred	365,137,225	375,336,947	97
- gross claims paid	408,868,382	408,278,140	100
- reinsurers' share	-35,818,958	-31,689,089	113
- changes in claims provisions	-7,912,199	-1,252,104	632
- equalisation scheme expenses for supplementary health insurance	0	0	0
Change in other insurance technical provisions (excluding ULI)	-13,989,227	13,449,956	
Change in insurance technical provisions for unit-linked insurance contracts	91,860,583	13,270,367	692
Expenses for bonuses and discounts	10,490,736	16,029,498	65
Operating expenses	170,334,866	155,904,617	109
- acquisition costs	124,268,560	113,568,435	109
- other operating expenses	46,066,306	42,336,182	109
Expenses from investments in associates	1,087,047	3,930,396	28
- loss on investments accounted for using the equity method	0	0	0
- other expenses from financial assets and liabilities	1,087,047	3,930,396	28
Expenses from investments	18,366,687	25,675,273	72
- loss on impairment of investments	0	1,632,351	0
- loss on disposal of investments	6,870,017	5,719,183	120
- other expenses from investments	11,496,670	18,323,739	63
Other insurance expenses	25,298,497	24,308,038	104
Other expenses	22,485,637	20,359,679	110
- financial expenses	2,277,892	2,578,946	88
- other expenses	20,207,745	17,780,733	114
Profit before tax	85,688,611	71,069,966	121
Income tax expense	12,273,062	13,072,327	94
Net profit for the period	73,415,549	57,997,639	127

Financial result ratios of Zavarovalnica Triglav

Financial result ratios	2021	2020	2019
Return on equity	11.1%	9.5%	12.4%
Claims ratio	50.4%	54.8%	55.1%
Expense ratio	31.4%	31.3%	30.5%
Combined ratio	81.8%	86.1%	85.6%
Operating expenses of insurance business in gross written premiums	24.6%	25.0%	25.7%

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9. Financial position of the Triglav Group and Zavarovalnica Triglav

- Balance sheet total of the Triglav Group as at 31 December 2021 stood at EUR 4.4 billion, up by 6% relative to the preceding year.
- Total equity grew by 7% primarily as a result of higher net profit for the year and increased reserves from profit.
- The Triglav Group's return on equity stood at 12.5%, up by 3.7 percentage points.
- The Triglav Group's financial investments rose by 2%.

9.1 The Triglav Group

9.1.1 Equity and liabilities

The Group's **total equity** as at 31 December 2021 amounted to EUR 933.0 million, up by 7% relative to the preceding year, primarily as a result of higher net profit for the year and increased reserves from profit. Total equity represented 21.3% of total balance sheet liabilities, an increase of 0.3 percentage point. Equity attributable to the controlling company rose by 7% to EUR 930.5 million, while non-controlling interest holders had EUR 2.5 million, down by 1%. The share capital of EUR 73.7 million remained unchanged and was divided into 22,735,148 ordinary shares. As a result of a decrease in the value of available-for-sale financial assets, **fair value reserves** declined by 13% to EUR 77.8 million. **Share premium** of EUR 50.3 million remained at a level approximately equal to the 2020 year-end (index 100).

Reserves from profit amounted to EUR 421.6 million, a 10% increase relative to the preceding year. They comprise legal and statutory reserves in the amount of EUR 20.3 million, contingency reserves of EUR 640 thousand and other reserves of EUR 400.7 million. Other reserves from profit rose by EUR 36.8 million due to the allocation of net profit for the year.

Accumulated profit amounted to EUR 310.0 million and recorded a 13% increase. In addition to net profit for the year, accumulated profit includes EUR 234.6 million of net profit brought

forward (index 102). Net profit brought forward increased by EUR 44.1 million due to the transfer of net profit for the preceding year and decreased by EUR 36.8 million due to the payment of dividends and by EUR 205 thousand due to the transfer to reserves. Net profit for the year disclosed in the balance sheet totalled EUR 75.4 million due to the allocation to reserves from profit and was EUR 37.3 million lower than net profit disclosed in the income statement (see Section [9.2.1](#) for further information).

Subordinated liabilities amounted to EUR 49.5 million and were at a level approximately equal to the 2020 year-end (index 100).

Gross insurance technical provisions were 5% higher, totalling EUR 3,198.7 million. They represented 73.1% of total balance sheet liabilities, down by 0.2 percentage point relative to the preceding year. Mathematical provisions and insurance technical provisions for unit-linked life insurance contracts amounted to EUR 2,054.9 million, up by 4%. An increase was also seen in claims provisions (index 108), provisions for gross unearned premium (index 107) and other insurance technical provisions (index 104). The Group's insurance technical provisions are discussed in greater detail in Section [7.8 Risk equalisation](#).

Operating liabilities fell by 10% to EUR 63.3 million and represented 1.4% of total balance sheet liabilities. They declined mostly on account of liabilities from reinsurance and coinsurance operations, which dropped by 16% to EUR 41.2 million.



Lease liabilities amounted to EUR 11.3 million, up by 12%. They comprise long-term lease liabilities of EUR 10.0 million (index 104) and short-term lease liabilities of EUR 1.2 million (index 317).

Other financial liabilities increased by 7% to EUR 3.1 million (a 0.1% share in total balance sheet liabilities), mainly due to higher liabilities arising from deposits with cedants from inward and outward reinsurance at Pozavarovalnica Triglav Re.

Employee benefits of EUR 17.7 million declined by 1% and **other provisions** by 11% to EUR 2.5 million. **Deferred tax liabilities** fell by 36% to EUR 9.4 million primarily due to the lower fair value reserves for which deferred tax is calculated.

Other liabilities increased by 26% mainly due to higher short-term trade payables of the parent company, reaching EUR 86.0 million and accounting for 2.0% of total balance sheet liabilities.

9.1.2 Assets

Financial investments, representing 67.2% of total assets, amounted to EUR 2,937.7 million, up by 2% relative to the 2020 year-end. Available-for-sale financial investments accounted for the bulk, reaching EUR 2,137.6 million as at 31 December 2021. Furthermore, financial investments measured at fair value through profit or loss amounted to EUR 544.4 million, held-to-maturity financial investments to EUR 157.6 million and deposits and loans to EUR 98.1 million. **Unit-linked insurance assets** amounted to EUR 619.6 million, up by 23%. See Section [7.9 Investment structure of the Triglav Group and Zavarovalnica Triglav](#) for more information on the structure of financial investments.

The Group's financial investments in associates rose by 28% to EUR 36.0 million mainly due to the capital increase of Diagnostični center Bled (ZTSR) and Triglav. **Investment property** declined by 5% and amounted to EUR 75.1 million.

Receivables, representing 4.9% of total balance sheet assets, grew by 5% compared to the preceding year and amounted to EUR 212.4 million, of which receivables from direct insurance operations of EUR 116.9 million (index 111) accounted for the bulk. Receivables from reinsurance and coinsurance operations reached EUR 67.2 million (index 93), other receivables stood at EUR 24.2 million (index 103) and current tax receivables at EUR 4.1 million (index 212).

Insurance technical provisions transferred to reinsurance contracts increased by 39% and amounted to EUR 174.8 million. Assets from reinsurance contracts from claims provisions rose to EUR 116.1 million (index 140), assets from unearned premium increased to EUR 53.1 million (index 130) and assets from mathematical provisions grew by 181% to EUR 5.6 million.

Property, plant and equipment totalled EUR 108.7 million, down by 4%. **Intangible assets** grew by 6%, totalling EUR 107.2 million.

Right-of-use assets increased by 11% to EUR 10.9 million. They comprise the right to use land and buildings of EUR 8.6 million (index 106), the right to use vehicles of EUR 2.2 million (index 139) and the right to use equipment and other assets of EUR 85,000 (index 93).

Non-current assets held for sale rose to EUR 3.8 million (index 416). Due to the planned sale of investment property, Triglav, Upravljanje nepremičnin reclassified real property in the amount of EUR 3.1 million.

Cash and cash equivalents amounted to EUR 82.3 million (index 101) and **other assets** totalled EUR 4.8 million (index 77).

Financial position ratios of the Triglav Group

Financial position ratios	2021	2020	2019
Equity to total liabilities ratio	21.3%	21.0%	20.1%
Average equity balance as % of gross written premium	66.6%	67.4%	65.0%
Return on equity	12.5%	8.9%	10.9%
Gross insurance technical provisions to total liabilities ratio	73.1%	73.3%	73.1%
Average balance of gross insurance technical provisions as % of gross written premium	230.3%	239.6%	236.1%
Financial assets to total assets ratio	81.3%	81.9%	81.8%
Financial assets to gross insurance technical provisions	111.2%	111.7%	111.9%

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Financial position of the Triglav Group and Zavarovalnica Triglav

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Balance sheet of the Triglav Group as at 31 December 2021 – according to IFRS

	31 December 2021	31 December 2020	Index	Share 2021	Share 2020
ASSETS	4,374,353,616	4,139,441,072	106	100.0%	100.0%
Intangible assets	107,184,415	100,975,475	106	2.5%	2.4%
Property, plant and equipment	108,655,212	113,291,036	96	2.5%	2.7%
Non-current assets held for sale	3,812,044	915,851	416	0.1%	0.0%
Deferred tax assets	927,425	778,589	119	0.0%	0.0%
Investment property	75,110,973	78,977,800	95	1.7%	1.9%
Right-of-use assets	10,933,109	9,821,211	111	0.2%	0.2%
Investments in associates	36,031,346	28,237,714	128	0.8%	0.7%
Financial investments	2,937,700,150	2,887,380,559	102	67.2%	69.8%
- loans and deposits	98,104,537	97,971,079	100	2.2%	2.4%
- held to maturity	157,560,733	162,824,686	97	3.6%	3.9%
- available for sale	2,137,609,082	2,101,914,068	102	48.9%	50.8%
- recognised at fair value through profit or loss	544,425,798	524,670,726	104	12.4%	12.7%
Unit-linked insurance assets	619,617,488	501,808,980	123	14.2%	12.1%
Reinsurers' share of technical provisions	174,839,890	125,873,637	139	4.0%	3.0%
Receivables	212,376,909	203,183,851	105	4.9%	4.9%
- receivables from direct insurance operations	116,855,207	105,484,939	111	2.7%	2.5%
- receivables from reinsurance and coinsurance operations	67,200,932	72,355,133	93	1.5%	1.7%
- current tax receivables	4,127,384	1,950,631	212	0.1%	0.0%
- other receivables	24,193,386	23,393,148	103	0.6%	0.6%
Other assets	4,843,025	6,296,705	77	0.1%	0.2%
Cash and cash equivalents	82,321,630	81,899,664	101	1.9%	2.0%
EQUITY AND LIABILITIES	4,374,353,616	4,139,441,072	106	100.0%	100.0%
Equity	932,986,869	870,151,947	107	21.3%	21.0%
Controlling interests	930,511,224	867,648,574	107	21.3%	21.0%
- share capital	73,701,392	73,701,392	100	1.7%	1.8%
- share premium	50,283,747	50,271,107	100	1.1%	1.2%
- reserves from profit	421,633,959	384,106,692	110	9.6%	9.3%
- treasury share reserves	364,680	364,680	100	0.0%	0.0%
- treasury shares	-364,680	-364,680	100	0.0%	0.0%
- fair value reserve	77,834,278	89,293,484	87	1.8%	2.2%
- net profit brought forward	234,588,994	229,284,048	102	5.4%	5.5%
- net profit for the year	75,439,847	44,131,955	171	1.7%	1.1%
- currency translation differences	-2,970,993	-3,140,104	95	-0.1%	-0.1%
Non-controlling interests	2,475,645	2,503,373	99	0.1%	0.1%
Subordinated liabilities	49,471,831	49,423,693	100	1.1%	1.2%
Insurance technical provisions	2,576,368,384	2,523,229,144	102	58.9%	61.0%
- unearned premiums	370,043,725	344,760,927	107	8.5%	8.3%
- mathematical provisions	1,432,613,660	1,457,023,963	98	32.8%	35.2%
- claims provisions	694,498,311	645,331,168	108	15.9%	15.6%
- other insurance technical provisions	79,212,688	76,113,086	104	1.8%	1.8%
Insurance technical provisions for unit-linked insurance contracts	622,303,399	509,984,710	122	14.2%	12.3%
Provisions for employee benefits	17,672,133	17,781,153	99	0.4%	0.4%
Other provisions	2,512,536	2,809,101	89	0.1%	0.1%
Deferred tax liabilities	9,377,034	14,539,515	64	0.2%	0.4%
Other financial liabilities	3,085,647	2,895,834	107	0.1%	0.1%
Operating liabilities	63,341,658	70,313,038	90	1.4%	1.7%
- liabilities from direct insurance operations	19,450,557	16,801,856	116	0.4%	0.4%
- liabilities from reinsurance and coinsurance operations	41,241,465	48,940,738	84	0.9%	1.2%
- current tax liabilities	2,649,636	4,570,444	58	0.1%	0.1%
Lease liabilities	11,274,806	10,025,532	112	0.3%	0.2%
Other liabilities	85,959,319	68,287,405	126	2.0%	1.6%

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9.2 Zavarovalnica Triglav

9.2.1 Equity and liabilities

Zavarovalnica Triglav's **total equity** amounted to EUR 675.2 million, up by 5% compared to the preceding year. Its share in the balance sheet total increased by 0.2 percentage point to 21.6%. **The share capital** of EUR 73.7 million remained unchanged and was divided into 22,735,148 ordinary registered no-par value shares. **Share premium** of EUR 53.4 million also remained unchanged. **Reserves from profit** grew by 10% to EUR 404.6 million and comprise legal and statutory reserves in the amount of EUR 4.7 million and other reserves from profit in the amount of EUR 399.9 million, which rose by EUR 36.7 million due to the allocation of net profit.

As a result of a decrease in the value of available-for-sale financial assets, **fair value reserves** declined by 6% to EUR 55.9 million.

Accumulated profit amounted to EUR 87.7 million (index 98), including net profit for the year (index 84) and net profit brought forward of EUR 50.9 million. Net profit brought forward increased by EUR 29.1 million due to the transfer of net profit for the preceding year and decreased due to the payment of dividends of EUR 38.6 million. Net profit for the year disclosed in the balance sheet totalled EUR 36.7 million, which was EUR 36.7 million less than net profit disclosed in the income statement. In accordance with the Management Board's decision, the Company used a portion of net profit to form other reserves from profit.

Subordinated liabilities amounted to EUR 49.5 million and were at a level approximately equal to the 2020 year-end (index 100).

Gross insurance technical provisions totalled EUR 2,280.5 million, up by 4%. They represented 73.1% of total balance sheet liabilities, down by 0.3 percentage point. Mathematical provisions grew by 4% to EUR 1,548.5 million. Provisions for gross unearned premium increased by 5% and gross claims provisions by 4%. Other insurance-technical provisions declined by 9%.

Operating liabilities grew by 3% to EUR 34.9 million and accounted for 1.1% of total balance sheet liabilities. Their growth was mainly influenced by 24% increase in liabilities from reinsurance and coinsurance operations.

Lease liabilities amounted to EUR 4.6 million, up by 26% relative to the 2020 year-end. The majority of lease liabilities was accounted for by long-term lease liabilities, while short-term lease liabilities amounted to only EUR 15,000 (index 196).

Deferred tax liabilities offset against deferred tax assets amounted to EUR 4.2 million. They fell by 56% primarily due to the lower fair value reserves for which deferred tax is calculated.

Other liabilities increased by 37% to EUR 55.1 million, mainly due to higher short-term trade payables. They represented 1.8% of total balance sheet liabilities.

9.2.2 Assets

Financial investments totalled EUR 1,968.7 million and were slightly lower compared to 2020 (index 99). Their share in total assets was 63.1%. In total financial investments, EUR 1,588.4 million was accounted for by available-for-sale investments, EUR 206.8 million by investments measured at fair value through profit or loss, EUR 140.9 million by held-to-maturity investments and EUR 32.5 million by loans and deposits. **Unit-linked insurance assets** increased by 22% to EUR 539.4 million.

Investments in subsidiaries and associates rose by 6% and totalled EUR 173.6 million, representing 5.6% of total balance sheet assets. Their increase is the result of the capital increase of Diagnostični center Bled (ZTSR), Triglav and Triglav Avtoservis in the amount of EUR 9.9 million (see Section [2.8.4 Composition of the Triglav Group](#) for more information).

Investment property amounted to EUR 43.8 million, down by 1%.

Receivables grew by 10% to EUR 105.2 million and represented 3.4% of total balance sheet assets. Receivables from direct insurance operations, which went up by 9% and amounted to EUR 73.5 million, accounted for the bulk. Receivables from coinsurance and reinsurance operations increased by 19% to EUR 23.5 million, other receivables dropped by 10% to EUR 7.6 million and current tax receivables amounted to EUR 564,000 (there were none as at 31 December 2020).

Insurance technical provisions transferred to reinsurance contracts grew by 28% and amounted to EUR 136.1 million. Assets from reinsurance contracts from claims provisions were 34% higher and totalled EUR 94.5 million, while assets from unearned premium rose by 17% to EUR 41.6 million.

Intangible assets increased by 7% due to investments in computer equipment and amounted to EUR 67.0 million. **Property, plant and equipment** of EUR 65.1 million fell by 4%, predominantly due to the calculation of current depreciation.

Right-of-use assets amounted to EUR 4.5 million (index 127). They comprise the right to use land and buildings of EUR 3.2 million (index 135), the right to use vehicles of EUR 1.3 million (index 110) and the right to use other assets of EUR 47,000 (index 220).

Balance sheet of Zavarovalnica Triglav as at 31 December 2021 – according to IFRS

	31 December 2021	31 December 2020	Index	Share 2021	Share 2020
ASSETS	3,118,944,094	2,995,518,165	104	100.0%	100.0%
Intangible assets	67,022,027	62,397,579	107	2.1%	2.1%
Property, plant and equipment	65,143,307	67,775,451	96	2.1%	2.3%
Investment property	43,840,055	44,451,276	99	1.4%	1.5%
Right-of-use assets	4,548,298	3,587,916	127	0.1%	0.1%
Investments in subsidiaries	131,924,683	132,337,466	100	4.2%	4.4%
Investments in associates	41,693,997	31,337,951	133	1.3%	1.0%
Financial investments	1,968,679,979	1,983,588,373	99	63.1%	66.2%
- loans and deposits	32,521,523	36,951,085	88	1.0%	1.2%
- held to maturity	140,946,233	143,908,512	98	4.5%	4.8%
- available for sale	1,588,390,263	1,595,002,429	100	50.9%	53.2%
- recognised at fair value through profit and loss	206,821,960	207,726,347	100	6.6%	6.9%
Unit-linked insurance assets	539,417,972	442,292,488	122	17.3%	14.8%
Reinsurers' share of technical provisions	136,077,958	105,903,438	128	4.4%	3.5%
Receivables	105,169,567	95,800,206	110	3.4%	3.2%
- receivables from direct insurance operations	73,516,574	67,632,214	109	2.4%	2.3%
- receivables from reinsurance and coinsurance operations	23,522,340	19,797,094	119	0.8%	0.7%
- current tax receivables	564,166	0	0	0.0%	0.0%
- other receivables	7,566,487	8,370,898	90	0.2%	0.3%
Other assets	1,513,260	3,741,799	40	0.0%	0.1%
Cash and cash equivalents	13,912,991	22,304,222	62	0.4%	0.7%
EQUITY AND LIABILITIES	3,118,944,094	2,995,518,165	104	100.0%	100.0%
Equity	675,221,933	644,003,173	105	21.6%	21.5%
Controlling interests	675,221,933	644,003,173	105	21.6%	21.5%
- share capital	73,701,392	73,701,392	100	2.4%	2.5%
- share premium	53,412,884	53,412,884	100	1.7%	1.8%
- reserves from profit	404,562,643	367,862,643	110	13.0%	12.3%
- fair value reserve	55,884,634	59,402,079	94	1.8%	2.0%
- net profit/loss brought forward	50,944,831	60,526,536	84	1.6%	2.0%
- net profit/loss for the year	36,715,549	29,097,639	126	1.2%	1.0%
Subordinated liabilities	49,471,831	49,423,693	100	1.6%	1.6%
Insurance technical provisions	1,740,373,185	1,750,315,382	99	55.8%	58.4%
- unearned premiums	246,017,849	235,190,816	105	7.9%	7.9%
- mathematical provisions	1,008,319,155	1,041,557,084	97	32.3%	34.8%
- claims provisions	446,567,255	430,259,621	104	14.3%	14.4%
- other insurance technical provisions	39,468,926	43,307,861	91	1.3%	1.4%
Insurance technical provisions for unit-linked insurance contracts	540,135,052	448,726,097	120	17.3%	15.0%
Provisions for employee benefits	12,842,304	13,073,364	98	0.4%	0.4%
Other provisions	358,980	769,957	47	0.0%	0.0%
Deferred tax liabilities	4,212,732	9,531,162	44	0.1%	0.3%
Other financial liabilities	1,690,586	1,633,896	103	0.1%	0.1%
Operating liabilities	34,861,554	33,977,772	103	1.1%	1.1%
- liabilities from direct insurance operations	10,182,945	10,636,904	96	0.3%	0.4%
- liabilities from reinsurance and coinsurance operations	24,678,609	19,824,185	124	0.8%	0.7%
- current tax liabilities	0	3,516,683	0	0.0%	0.1%
Lease liabilities	4,643,844	3,675,805	126	0.1%	0.1%
Other liabilities	55,132,093	40,387,864	137	1.8%	1.3%

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Cash flow statement

- The Triglav Group and Zavarovalnica Triglav generated a positive cash flow from operating activities and negative cash flows from investing and financing activities.
- The closing balance of cash and cash equivalents of the Group was EUR 82.3 million, up by 1% relative to the preceding year.

10.1 The Triglav Group

A positive **cash flow from operating activities** of the Group increased by 15% to EUR 137.4 million primarily as a result of the higher volume of net written premium.

Cash flow from investing activities decreased to EUR –93.9 million (index 112), which was influenced by a larger volume of investing activities due to cash flow from operating and financing activities and changes in cash in the period. The reason for lower absolute income and expenses from investing activities compared to the preceding year is mainly the lower volume of trading in financial instruments as part of the tactical adjustment of portfolios.

Summary cash flow statement of the Triglav Group

		2021	2020	Index
A.	Operating cash flow			
	Income statement items	144,641,397	125,392,511	115
	Changes in net current assets—operating balance sheet items	-7,283,265	-6,336,992	115
	Net cash from/ (used in) operating activities	137,358,132	119,055,519	115
B.	Cash flows from investing activities			
	Cash inflows from investing activities	1,093,015,888	1,361,243,567	80
	Cash outflows from investing activities	-1,186,871,319	-1,445,191,950	82
	Net cash from/ (used in) investing activities	-93,855,431	-83,948,383	112
C.	Cash flows from financing activities			
	Cash inflows from financing activities	0	0	0
	Cash outflows from financing activities	-43,097,819	-29,035,063	148
	Net cash from/ (used in) financing activities	-43,097,819	-29,035,063	148
D.	Closing balance of cash and cash equivalents	82,321,630	81,899,664	101
E1.	Net cash flow for the period	404,882	6,072,073	7
E2.	External acquisition	0	0	0
E3.	Currency differences	17,084	-42,184	
F.	Opening balance of cash and cash equivalents	81,899,664	75,869,775	108

Cash flow from financing activities was negative and stood at EUR –43.1 million (compared to –29.0 million in 2020). There were no income from financing activities in 2021. Financing expenses include dividend payments, interest on treasury bonds, and expenses for interest and principal payments from leases. Most expenses in 2021 were related to dividend payments and in the preceding year to the maturity of the bond.

The closing balance of cash and cash equivalents totalled EUR 82.3 million, a 1% increase relative to the year before.

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10.2 Zavarovalnica Triglav

A positive cash flow from operating activities of Zavarovalnica Triglav totalled EUR 54.0 million, up by 40% compared to the year before. Its increase, as in the case of the Group, is mainly due to a higher volume of net written premium.

Cash flow from investing activities equalled EUR –20.3 million (compared to EUR –17.1 million in 2020). Its decrease is a result of a larger volume of investing activities due to the higher cash flow from operating and financing activities and changes in cash during the period. Due to higher net expenses from financial investments, cash balances with banks further declined. Absolute income and expenses from investing activities decreased compared to the preceding year, mainly due to lower volume of trading in financial instruments as part of the tactical adjustment of portfolios.

Cash flow from financing activities was negative and stood at EUR –42.2 million (index 167). As in the preceding year, there was no income from financing activities in 2021. Financing expenses include dividend payments, interest on treasury bonds, and expenses for interest and principal payments from leases. Their increase is related to the payment of dividends in 2021, because they were not paid out in the preceding year.

The closing balance of cash and cash equivalents of EUR 13.9 million was lower by 38% relative to the preceding year.

Summary cash flow statement of Zavarovalnica Triglav

	2021	2020	Index
A. Operating cash flow			
Income statement items	57,377,294	43,160,418	133
Changes in net current assets—operating balance sheet items	-3,345,436	-4,635,089	72
Net cash from/ (used in) operating activities	54,031,858	38,525,329	140
B. Cash flows from investing activities			
Cash inflows from investing activities	945,312,942	1,132,256,197	83
Cash outflows from investing activities	-965,578,127	-1,149,365,270	84
Net cash from/ (used in) investing activities	-20,265,184	-17,109,073	118
C. Cash flows from financing activities			
Cash inflows from financing activities	0	0	0
Cash outflows from financing activities	-42,157,904	-25,224,146	167
Net cash from/ (used in) financing activities	-42,157,904	-25,224,146	167
D. Closing balance of cash and cash equivalents	13,912,991	22,304,222	62
E. Net cash flow for the period	-8,391,231	-3,807,890	220
F. Opening balance of cash and cash equivalents	22,304,222	26,112,112	85

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11. Development and sales activities

- In a year that was again very development-oriented, the focus in both core activities of the Triglav Group was on clients and their user experience.
- The traditional sales method continued to be transformed into a hybrid method and new technological solutions were incorporated into traditional distribution channels.
- In order to further grow its business in the region, the Group entered into new strategic partnerships and started operating in Poland and Denmark via contractual partners.
- The full flexibility of the scope and amount of coverage is an advantage of the redesigned home insurance and new modular insurance products.
- Development processes continued to be carried out in order to facilitate policy underwriting, claim reporting and the digitalisation of back-office processes.
- The client relationship management information system was upgraded in terms of function and data, while the functionalities of the i.triglav web office and online applications intended for clients in both core activities were expanded.
- The centralisation of asset management was increased and the analysis of ESG aspects was integrated into the investment process.

The planned development projects were successfully completed. The Group's efforts remain focused on flexible products and services based on proactive risk identification and comprehensive risk management. In this way, the Group strives to improve its clients' financial security in all stages of their life and business development, adapt to trends in society, especially demographic and technological, and support changes to reduce climate impacts.

The holders of development activities for the whole Triglav Group are the relevant divisions and departments at the parent company. In their work, they research the dynamic and growing needs of clients, monitor developments in other industries and sectors and ensure the transfer of processes, products and services, which they adapt to the specifics of particular markets. Sustainable aspects and regulatory changes are incorporated into the development of products and services, which is presented in greater detail in [Section 12 Sustainable development](#).

11.1 Client-centric approach

A client-centric approach is the Group's key focus. It is placed alongside business success and stability, digitalisation and the introduction of new forms of business, and the development of an open culture of cooperation. Its implementation had a positive impact on the Group's business results even before the onset of the pandemic in 2020, when it became clear that such policy was the right one and therefore its implementation was further accelerated. It will maintain its **key role** in the new strategy period. It is supported by the continued comprehensive digitalisation of business and the development of a multichannel approach, organisational culture and a flexible range of modern insurance and investment products and services, which are provided with existing and newly established business ecosystems.

At the strategic level, **the concept of client focus** was expanded to simultaneously achieve an outstanding and uniform user experience. The establishment of a central entry point and the upgrade of the client relationship management (CRM) system will contribute to achieving this goal.

With flexible products, such as modular insurance, the Group strives to offer clients a wide range of insurance scope and coverage, and by digitalising processes and focusing on a uniform and outstanding user experience enable clients to choose the most appropriate form of cooperation at any stage.





After the first pandemic year, in which the highest level of employee and client satisfaction was achieved to date, the clients' changing needs and the increased use of digital tools continued in 2021. Once again, very high client satisfaction was recorded. See Section [12 Sustainable development](#) for more information.

The share of remote business remained high despite the easing of measures, which shows that clients accepted it and want it in the future. In the second year, marked by measures related to limiting the spread of the COVID-19 pandemic, traditional distribution channels continued to be integrated with new technological solutions for more effective **remote business** and even more **targeted client satisfaction**.

Digital business solutions were optimised and adapted throughout the year, which are *presented below*. At the forefront were:

- development of client-tailored products and services,
- digitalisation of back-office processes,
- digital sales expansion,
- digitalisation of claim processes and
- upgrading the functionality of the i.triglav web office, which is becoming the central contact point between clients and Zavarovalnica Triglav and whose number of users is constantly growing.

A high level of accessibility of the Group's services was maintained while expanding communication channels. Responsiveness is key to building and strengthening client relationships. This aspect is also realised by ensuring our availability on toll-free telephone numbers (general information and technical assistance: 080 555 555, info@triglav.si; and assistance services: 080 2864 in Slovenia, 080 2222 2864 abroad). In 2021, nearly 500,000 calls were answered and nearly 80,000 written client requests were received. The toll-free telephone number 080 2664 of Triglav, Zdravstvena zavarovalnica, is available for information on health insurance, and the toll-free telephone number 080 1019 of

Triglav Skladi is available for information on investment solutions.

To complement the its diverse selection of communication channels, the Group developed a **live/web chat** and chat operated by a digital assistant, i.e. a chatbot. An online application for booking appointments with an insurance agent is also available to clients, which allows them to make an appointment, use a video call and includes the online presentation of agents.

The range of assistance services was further expanded. In addition to car, home and computer assistance as well as assistance for microvehicles and watercraft, **assistance for small animals** is now available. The organisation of work was adapted to ensure the effective and client-friendly settlement of mass claims, while simple property damage claims can be reported by calling the toll-free telephone number, online or via the Triglav Asistenca mobile application. In terms of the accessibility and availability of the Group's solutions, public calls and instructions on what steps to take in the event of a pandemic and major CAT events are published.

In 2021, many activities in Group subsidiaries focused on upgrading client relationships. In addition to upgrading the operation of call centres in Croatia and Serbia, the call centre was launched in North Macedonia. Many processes were perfected in order to take out insurance with ease, helping to increase the responsiveness of back-office departments.

11.1.1 Development of sales processes and channels

Sales and after-sales processes are being upgraded by **transforming the traditional way of selling insurance into a hybrid way, which enables both remote selling and personal contact**. Due to the unstable epidemic situation, the sales network as the Group's main sales channel focused on remote selling. Contact with clients was maintained via various communication channels, including personal contact, depending on the available options.

Clients were encouraged and assisted in taking out insurance and reporting claims remotely, while the opening hours of points of sale and the assistance centre were adapted to client needs. The operation of the contact and call centre at Zavarovalnica Triglav was strengthened.

The sales competencies of the most important sales channel, i.e. own sales network, were improved through regular and extensive training, while cooperation with the external sales network was strengthened via various forms of networking. A lot of effort was invested in upgrading the sales competencies for bank sales channels, while simplifying the procedures for attracting new clients. Through education and training, the sales staff learnt about changes in the environment, especially new purchasing habits of insurance service users and risks and digitally supported sales processes, while facilitating intergenerational cooperation and knowledge transfer, as reported in [Section 12 Sustainable development](#).

- In **Slovenia**, an advanced digital uniform platform began to be implemented to support the sales process at the Group for non-life, life and health insurance in one place. With regard to life insurance, single

premium unit-linked life insurance and complementary serious illness insurance products sold via the bank channel were redesigned in the single digital platform.

- In **Croatia**, an application solution for the more systematic use of sales opportunities in the Group's own sales network was upgraded and the conclusion of selected insurance policies was enabled via a more advanced application in other sales channels.
- In **Serbia**, business processes for cross-selling and even more systematic processing of sales opportunities were upgraded.
- In the market of **Bosnia and Herzegovina**, the Group's own sales network continued to be strengthened and branches in Posušje and Livno opened their doors. Cooperation with bank sales channels with respect to non-life insurance was expanded in terms of process and products, the conclusion of life insurance policies was improved and simplified, and travel health insurance with assistance was offered via online sales channels.
- In **North Macedonia**, the sale of insurance products was promoted via own and external sales networks, and the application for taking out insurance and reporting claims was upgraded. Cooperation with Komercijalna banka Skopje was strengthened with respect to loan protection insurance covering unemployment, disability, accident, illness and death.
- In **Montenegro**, in addition to the Group's own sales network, cooperation with bank sales channels was strengthened. Due to legislative changes applying to insurance for the default of consumer loans, a cooperation agreement was entered into with three banks. Online conclusion of insurance

for micromobility vehicles and accident insurance for children was also enhanced.

11.1.2 New forms of partnerships

The Group is increasing its volume of business by entering into strategic alliances or partnering with **companies and other partners in its markets and beyond**. In this way, it is reducing business uncertainties, overcoming its geographical limitations and improving the expertise and content of services provided to its clients. In 2021, it offered a number of new forms of insurance protection to its partners and clients. Thanks to the high level of automation and digitalisation of cooperation, they also experienced an enriched and friendlier sales experience.

- In **Slovenia**, the Company built strategic partnerships with banks and other financial institutions as well as sales networks for the sale of insurance services. It strengthened its cooperation with Nova KBM, Gorenjska banka, Sberbank and Delavska hranilnica, as well as with partners for insurance agency and brokerage activities. It entered into new alliances with mobile operators to sell insurance for the protection of mobile phones and other portable devices.
- In **other markets in the region**, the Group expanded its business practices and alliances, such as new partnerships in selling extended vehicle warranty in Serbia, making strategic commitments with Halkbank and NLB and establishing a long-term strategic partnership in life insurance with Rade Končar in North Macedonia.
- The Group is conquering **the markets where it is not directly present** by entering into contractual partnerships as an insurance provider that co-creates a full range of

various products and services. Its presence in this segment in 2020 included cross-border services in more than 15 EU Member States. In 2021, the Group's presence was significantly enhanced, both in terms of new markets and insurance groups provided to foreign clients. In addition to business partnerships in Greece, Italy, Norway and Netherlands, new operations were launched in Poland and Denmark.

In parallel with upgrading existing partnerships and entering into new ones, **the Group increased information connectivity with its partners and the number of joint marketing campaigns**. Information support was provided to the non-life (motor vehicle) insurance sales process in Poland, while partnering with the sales network of Gorenje and Big Bang in Slovenia. Joint marketing activities with some partners, such as Petrol, were strengthened. See [Section 12 Sustainable development](#) for more information.



11.1.3 Business ecosystems

Products and services that generate **new value** for clients and other stakeholders are designed by developing business ecosystems, thereby expanding the Group’s market presence and creating new sales opportunities. The Group’s main long-term competitive advantage is the upgrading of insurance and financial products with assistance and related services, which are provided together with a partner network. In this way, a comprehensive solution to clients’ needs is ensured in addition to their financial security. The main building blocks of any ecosystem are assistance services expanded by related services, which are supported by advanced information and digital solutions.

Ecosystems are built in five main areas:

- care for people’s health,
- care for small animals’ health,
- safe and sustainable mobility,
- carefree and safe living and
- financial services.

The Triglav Komplet bonus system connects and rewards client loyalty and uniformly completes all main areas.

New providers were included in the **well-developed business ecosystem in the field of healthcare services**, while upgrading existing partnerships for comprehensive medical treatment of clients. The range of specialist outpatient treatment services was expanded with pulmonary services for adults. Cooperation with primary healthcare service providers was enhanced and two additional consultative committees were established – the

Consultative Committee on Comprehensive Care and the Consultative Committee on Prevention and Rehabilitation in Sport.

The services provided by the Company’s partners is complemented by the range of Company’s insurance services, thereby giving potential policyholders what they need at the right time. The Company works with providers of home, car, computer, micromobility and small animal assistance.

“Development innovations, such as flexible insurance products and the guidelines adopted for the further development of business systems, reflect the direction of development in which the Group is gradually moving from a business model focused on traditional insurance products to a predominantly service-oriented model. These solutions are comprehensive in their internal structure, easy to use and adaptable to the client’s needs. This is, for example, is evidenced by our new home insurance product, which achieves high flexibility in guarantees and the scope of coverage, and which also includes assistance services. In the future, we will expand these products within business ecosystems in five key areas, and will continuously support them with information and digital solutions and a joint bonus system. In addition to financial security, we want to provide clients with effective solutions to their problems and offer them an excellent comprehensive experience. Our clients’ trust and satisfaction are closely connected, and in the past year both were rated very high, the highest precisely in the field of assistance services.”



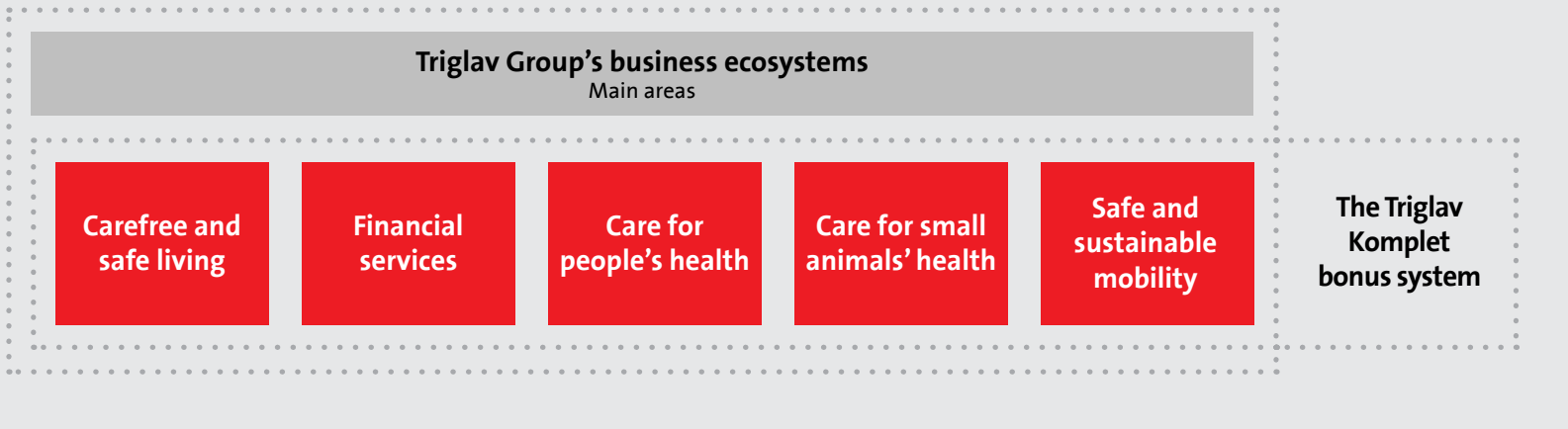
Janko Šemrov

Executive Director at Zavarovalnica Triglav

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Five main development areas of Triglav Group’s business ecosystems



Significant progress was made in the **insurance of electronic devices**, targeting clients in the partner sales network during the purchasing process via a simple and fast solution.

With regard to **the asset management activity**, Triglav Skladi is developing an agile digital ecosystem, which is reflected in the advanced functionalities of its digital platforms.

11.1.4 Development of insurance products and services

Identification of client needs and expectations of individual markets was reflected in the development and redesign of insurance products and services. As in previous years, the focus in 2021 was on their simplicity, comprehensiveness and transparency, as well as on strict compliance with legal and other regulatory requirements (see Section [12.5 Governance aspects, Adjustment to regulatory changes](#) for more information). Regular adjustment of insurance terms and conditions,

such as tariffs, conditions and guidelines for underwriting, remains crucial for improving underwriting results.

Good practices continued to be transferred from Slovenia to other Group markets, while taking advantage of synergies in the development of uniform regional solutions. Special attention was paid to the transfer of sales practices and experiences in the training of sales staff, in addition to the continued implementation of a modern human resource information system and portal for employees at subsidiaries. See Section [12 Sustainable development](#) for more information about the latter and the high level of client satisfaction achieved by developing processes and products designed to provide a better user experience.

Development innovations by insurance group

- **Property and interest in property insurance:** By redesigning its home insurance product, transparency was increased and full

flexibility in the scope and amount of insurance coverage for residential buildings was achieved. A new and important step was taken in focusing on diverse client needs. With a wide range of options, the home insurance product captures the growing expectations of clients, ranging from quick and easy online purchases to advice from insurance agents on tailoring the product to clients' wishes.

- **Online platform for reporting non-life claims:** The online environment was upgraded to automatically inform clients about the status of their claim settlement, in addition to expanding and simplifying online reporting options.
- **Motor vehicle insurance:** The insurance terms and conditions of motor vehicle insurance were adjusted to the needs of the market and the focus on simple, profitability-oriented and claim-balanced products. With adjustments to the coverage, "mini" car assistance, insurance solutions for leasing

service providers and vehicle importers (e.g. a multi-year policy for leasing-financed vehicles) were made available.

- **Agricultural insurance:** The products were harmonised with the Decree on co-financing of insurance premiums. With regard to insurance of fruit against the risk of spring frost, the start of insurance guarantee was redefined.
- **Small animal insurance:** A new insurance product was launched and automatic changes to perpetual insurance policies were implemented.
- **Accident insurance:** Group accident insurance for hotel guests, visitors and day trippers as well as cable car users (combined tariffs, optimised claim payout process for individual risks) was simplified. Additional accident insurance for the elderly was upgraded with covers, such as monthly accident annuity and a surgery rider.
- **Health insurance:** With the upgraded range of group insurance products, businesses are able to provide their employees with quick and easy access to healthcare services. The terms and conditions of these insurance products were unified within a modular product, which sets out the common general terms and conditions for several group insurance products – *Zobje Kolektivno* (Group Teeth), *Drugo mnenje Kolektivno* (Group Second Opinion) and *Zdravstveni nasvet Kolektivno* (Group Medical Advice). Additional covers are also available.
- **Transport insurance:** With respect to drone insurance, the terms and conditions of hull and liability insurance were updated in view of legislative changes and the new classification. Preparations were made to accommodate potential future legislative

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changes (compulsory liability insurance for drones with a take-off weight of over 250g) and online underwriting. The insurance terms and conditions were adjusted to the requirements of reinsurers (inclusion of a cyber risk exclusion clause and a renewed clause on the exclusion of radioactive contamination, chemical, biological, biochemical and electromagnetic weapons).

- **Accounts receivable insurance:** Unemployment insurance was redesigned as a modular insurance product, which enables the inclusion of various covers and target groups. It can also be concluded for

employees abroad and natural persons carrying out a business activity. Due to a legislative change (Article 22 of the Consumer Credit Act on the consumer's eligibility to reduce total credit costs), the terms and conditions for consumer and housing credit insurance products were updated.

- **Life insurance:** Complementary critical illness and injury insurance was expanded to include covers such as stress, anxiety, depression and

burnout. Group life insurance was redesigned to enable legal entities to include employees and their family members. The covers of existing insurance for travel abroad were expanded with risks related to COVID-19 (e.g. cover of costs of trip interruption or extended stay due to ordered quarantine). The single premium unit-linked life insurance product was adapted for sale via bank sales channels, and the life insurance product with partial

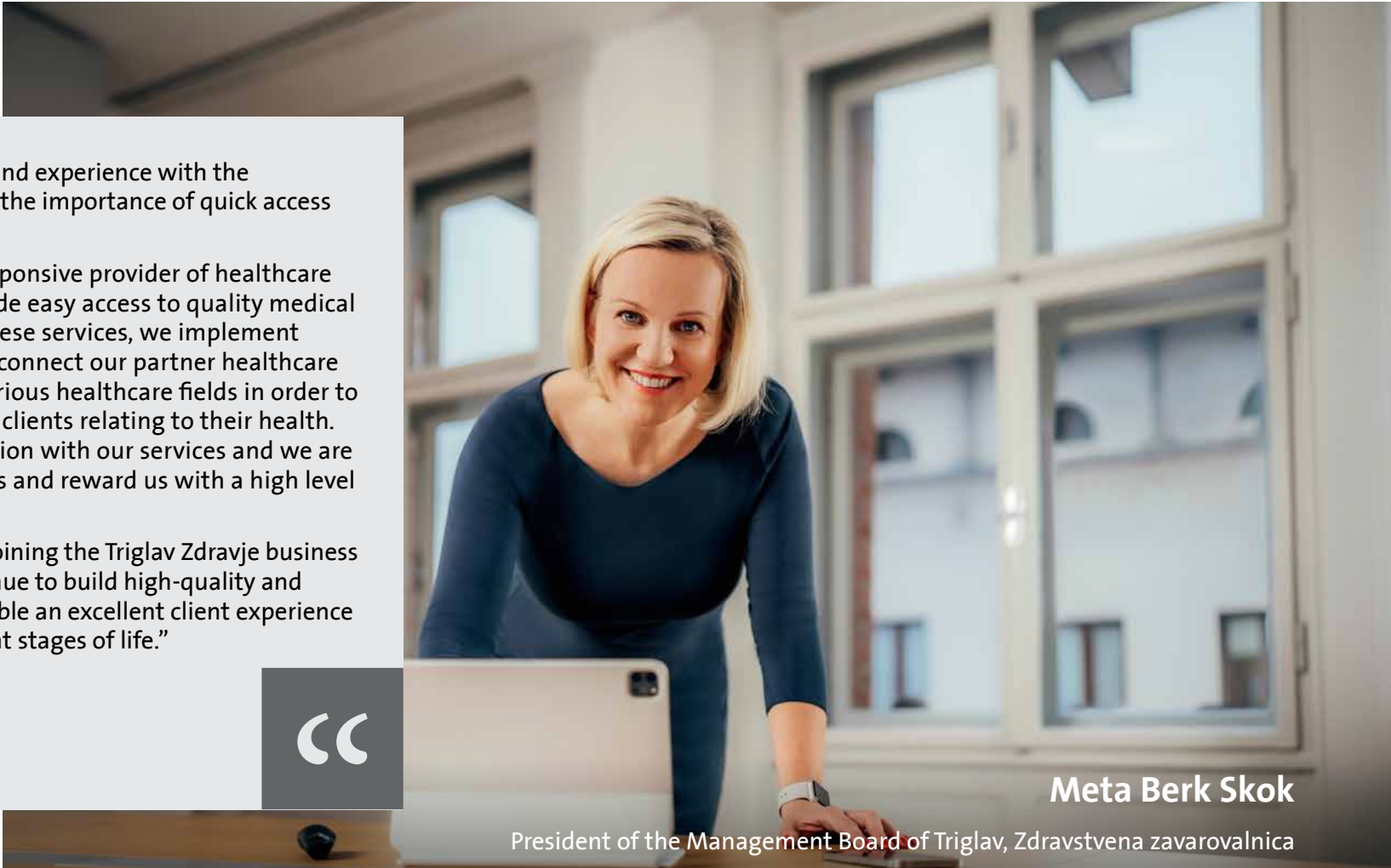
premium refund was upgraded with the option of being taken out by legal entities.

- **Pension insurance:** The bonus system of voluntary pension insurance for the entire Group was modified, while automating the registration process. The implementation of supplemental voluntary pension insurance processes for the portfolios of Zavarovalnica Triglav and Triglav, pokojninska družba d.d. was consolidated.

“We focus on the client, their needs and experience with the Company’s services. We are aware of the importance of quick access to healthcare services.

That is why we are a reliable and responsive provider of healthcare and assistance services, which provide easy access to quality medical treatment. In the development of these services, we implement advanced technologies and actively connect our partner healthcare providers and other experts from various healthcare fields in order to meet the needs and expectations of clients relating to their health. We carefully monitor client satisfaction with our services and we are proud that they recognise our efforts and reward us with a high level of trust.

New, reliable partners are regularly joining the Triglav Zdravje business ecosystem, with which we will continue to build high-quality and comprehensive services that will enable an excellent client experience in caring for clients’ health in different stages of life.”



Meta Berk Skok

President of the Management Board of Triglav, Zdravstvena zavarovalnica

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Main development activities in the Group's insurance markets

Slovenia

- The launch of a redesigned (non-life) home insurance, which with a wide range of options meets the current and future expectations of clients.
- Simplified underwriting procedures for i.triglav users with automated data transfer from publicly available databases (the Slovenian Surveying and Mapping Authority – GURS).
- Renewal of motor vehicle insurance through the DRAJV application with the use of related bonuses.
- Automatic notification of legal entities about the status of property claim settlement by text messages or email.
- Online reporting of claims from general and professional liability insurance and death or disability.
- Simplified online reporting of claims in the case of a major CAT event.
- Real-time monitoring of car assistance services based on the integrated capture of data on the provision of services and the movement of the contractor selected to provide these services.
- Short-term auctions of assistance services for fast and cost-effective implementation of more demanding emergency services in the transport of damaged vehicles from abroad.
- The upgraded “report – eliminate” system for the elimination of damage to property provides the option of selecting appropriate contractors, supervision and settlement of repair costs instead of paying compensation.
- Referral for a medical examination to Zavarovalnica Triglav's contractor through

- Triglav, Zdravstvena zavarovalnica's health information office (Zdravstvena točka) with improved processes, especially in relation to the payment of claims and cost reimbursement.
- Remotely determining a medically justified indication under the *Zdravstveni nasvet Kolektivno* (Group health advice) insurance product to facilitate the availability of family physicians during the COVID-19 epidemic for specialist outpatient treatment policyholders.

Croatia

- New products and additional covers in several insurance groups were launched, such as motor vehicle liability insurance, home insurance, marine hull insurance and health insurance. The liability of owners or drivers of assisted mobility vehicles was introduced in motor vehicle liability insurance. Home assistance, extended warranty insurance, the Triglav plus complementary health insurance package and extended packages for small businesses and sole traders were launched.

Serbia

- Redesigned home insurance.
- A customised truck tyre insurance product for Goodyear partners was launched.

Bosnia and Herzegovina

- New insurance products: drone insurance, corporate receivables insurance and bonus insurance in motor vehicle liability insurance.
- Harmonisation of tariffs of motor vehicle liability with regulatory requirements, promotion of insurance for additional covers of comprehensive insurance and car windows.

North Macedonia

- Home insurance with revised tariffs.
- New assistance insurance for goods vehicles.
- Enhanced life insurance sales channels.

Montenegro

- Life insurance: the launch of scholarship insurance and endowment insurance for the elderly, revised group insurance for company employees.
- Non-life insurance: the launch of micromobility vehicle insurance and assistance services for goods vehicles.

11.2 Business transformation and digitalisation

The dynamic needs of clients and changes in the environment are taken into account by adapting the internal organisation and business processes. Some business processes were automated. In addition to intense promotion of knowledge transfer among employees and the acquisition of digital and communication skills, the option to work from home and working in hybrid teams was made available to even more employees. See Section [12 Sustainable development](#) for more information.

The Company focused on developing a communication platform that provides a process and technical starting point to ensure a uniform and sophisticated client experience. The basis for the continuous upgrading of comprehensive client relationship management and the achievement of an outstanding user experience is being upgraded with the project of establishing a **central entry communication point**. In this context, the client relationship management (CRM) information system was upgraded in terms of functionality and

data. The processes for resolving client claims through various contact points were expanded, greater responsiveness and a shorter time for responding to clients and resolving individual claims were ensured, and the module for conducting marketing campaigns was upgraded.

In relation to **non-life insurance sales**, IT support was provided to underwriting processes in pet insurance and redesigned home insurance. With regard to **life and pension insurance**, IT support was upgraded for several products, such as supplemental voluntary pension insurance, group voluntary pension insurance, complementary accident insurance for the elderly and single premium unit-linked life insurance for the elderly, while IT support was provided to some new products, including the single premium unit-linked life insurance product with partial guarantee – *Preudarna naložba* (Prudent Investment). In the pension insurance segment, IT support was provided for the consolidation between Zavarovalnica Triglav and Triglav, pokojninska družba, and technical frameworks for obtaining GDPR consent and facilitating the design of marketing campaigns were redesigned.

In order to speed up clients' access to **healthcare services**, additional providers were included in the system for direct appointments, in addition to expanding the range of services that may be requested electronically regardless of healthcare providers' working hours.

The centralisation of information technologies (IT infrastructure) was completed at Triglav Osiguranje, Zagreb and Triglav Osiguranje, Banja Luka, whereas it continued in other subsidiaries. A modern digital platform for the sale of life insurance in the Croatian market began to be implemented. The i.triglav digital office for business users (B2B) was redesigned,

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while its related functionalities were upgraded and its use expanded to business users in the pension insurance segment.

As part of the systematic monitoring of technological development, the bases were prepared for the selection of a more modern platform as a cloud solution to support the data warehouse. The **reporting and analytical system** was further developed, and relevant departments were given access to data so as to facilitate the business decision-making process as well as optimise and automate business processes. For a higher level of transparency, new data types were introduced in the data warehouse, including those that enable a better understanding of client needs and expectations. Furthermore, the data model in the Group's central data warehouse was upgraded, while the reporting and analytical system was updated at the level of individual subsidiaries.

In **back-office operations**, several processes and methods of work were improved and upgraded. The dunning procedure was shortened from five to three levels, thereby reducing the number of notices of overdue payment and increasing the probability of payment of overdue premiums. In addition, the process of sending notices about overdue premiums and the termination of insurance contracts was simplified and shortened. When dealing with claims from financial loans, the Company was able to get everyone involved to report a claim on the website. The subrogation claim process was digitalised in the part relating to e-report of subrogations and the claim settlement process was improved.

11.2.1 Business digitalisation

The development of business digitalisation is directly related to business transformation. In 2021, it continued to be largely influenced by the COVID-19 epidemic. Development processes continued to be carried out in order to facilitate policy underwriting, claim reporting and the digitalisation of back-office processes. Focus was on fostering paperless operations.

The key upgrades in business digitalisation for a better user experience included:

- upgraded applications for online non-life and life insurance underwriting;
- faster and easier way to register and identify new users in the i.triglav web office and simplified registration for existing clients using the received QR code;
- upgraded functionality of the i.triglav web office (access to documentation received through other communication channels, new content such as a presentation of mutual funds);
- upgraded functionality of the online application for remote inspection of the object insured;
- remote reporting of life insurance claims and the implementation of an electronic claim file at Triglav, pokojninska družba;
- digital insurance check during the vehicle registration process;
- extended functionalities of the DRAJV application, such as informing about the geographical position of the client to provide assistance, the option to renew motor vehicle insurance with ease and the conclusion of insurance for travel abroad;
- introduction of artificial intelligence in back-office and information connectivity processes and in processes that simplify

dealing with clients (e.g. identification of damage to vehicles in the process of remote damage inspection, identification of a client's registration number in the valuation process with automatic claim recording);

- upgraded mobile and online applications Moj račun (My Account) and Triglav Skladi and marketing tools for greater transparency and usability of data;
- numerous activities in companies operating in the markets outside Slovenia, including an upgraded digital signing functionality, increased range of insurance products in the online store and upgraded functionality of the B2B portal in Croatia; implemented solution for digital communication and digitalised underwriting of life insurance in Serbia.

11.3 Development activities related to asset management

The Triglav Group's client-centric approach also plays a key role in asset management in achieving competitive advantages over other investment solution providers. Due to the market concentration of asset management services within larger banking and insurance groups, more attention is paid to developing a recognisable brand. The Group identified these changes and responded to them through the active and targeted adjustment of its range of products and services.

Development of products and services

As part of the financial objectives strategy, Triglav Skladi updated all five of its investment policies. Two packages of investment opportunities were prepared for dynamic and moderate investors to be marketed in 2022. Savings plans as a scheme of regular monthly

payments into mutual funds were upgraded, with an emphasis on greater simplicity and a better user experience.

Clients were addressed via various marketing channels, our presence on social networks and the use of digital platforms were strengthened, and a **call centre** was established.

In 2021, **Triglav Skladi**, which is also active on the market of Bosnia and Herzegovina, initiated the procedures for launching two new open-end investment funds – *Triglav Obveznički* and *Triglav Globalni dionički*.

Triglav, pokojninska družba obtained all licences to provide insurance under the new pension schemes offered by Triglav, pokojninska družba and Zavarovalnica Triglav. The new pension schemes (for group and individual insurance) are implemented by a new group of guarantee funds of the Triglav Pokojnine+ life cycle, consisting of the *Delniški kritni sklad Triglav Pokojnine+ (equity guarantee fund)*, *Mešani kritni sklad Triglav Pokojnine+ (mixed guarantee fund)* and *Zajamčeni kritni sklad Triglav Pokojnine+ (guaranteed guarantee fund)*. Both companies harmonised their pension schemes, management rules and investment policy statements with the new legislation and obtained the consent of the supervisory authorities for these changes.

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Process development

Partnerships to achieve synergy effects were also strengthened in the field of asset management both at Group level and between its companies.

The centralisation of asset management and the transfer of management of some portfolios to specialised companies within the Group continued at Group level. The procedures for developing common investment bases for individual investment classes were upgraded, and with regard to the investment portfolio **an analysis of ESG aspects was included** in the

investment process. In this way, the Company aims to reduce the risk of investments in terms of sustainable business, while pursuing long-term stable profitability.

The platform for investing in alternative investments continued to be developed and the range of alternative investment classes was further expanded in cooperation with Triglav. In order to increase the return on portfolios, the exposure of alternative

investment classes in relation to the risks assumed was slightly increased, while **maintaining high portfolio liquidity**.

In 2021, Triglav Skladi completed **the final phase of Alta Skladi's business integration**. The umbrella fund *Krovni sklad* Triglav is composed of all subfunds of the Alta umbrella fund as reflected in its expanded offering, which consists of 18 mutual funds, thereby comprehensively addressing and

targeting client needs. The successful merger contributed to the strengthening of the investor base and enhancing the sales team to obtain new clients and achieve the planned results, which is already showing success. The migration of databases and the unification of data in back-office systems were also effectively completed, thereby achieving all strategic objectives of integration.

“We upgraded our approach to clients with revised investment solutions and a personalised range of products and services, which is even more tailored to their needs. We have opened a new, information-supported call centre and expanded the range of channels where information, advice and advanced services are provided to clients. Asset management services are also included in the expanded i.triglav web office. We are pleased to have successfully completed the integration of Alta Skladi with the migration and unification of databases. Furthermore, we are proud to have attracted new clients to invest in mutual funds and use our discretionary mandate services. We are strengthening the brand and positioning it wisely in the asset management activity, which is a strong factor of trust in a period of market concentration. We pursue agility and digitality not only in the development of products and services for clients, but are also equally committed to them in building an open and cooperative culture. Good data management and strengthening business digitalisation will enable us to get even closer to our clients and meet their expectations.”



Benjamin Jošar

President of the Management Board of Triglav Skladi

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Non-financial statement

The Triglav Group implements its mission and strategic guidelines by integrating ESG aspects into its operations, promoting the transition to a sustainable society and carrying out activities in the internal and external environments, thereby joining efforts and commitments to mitigate climate change. In 2021, the Group upgraded its sustainability commitment, adopted the Triglav Group’s strategic ambitions in sustainable development (ESG) and defined several key management processes.

For non-financial reporting, the Group uses Global Reporting Initiative (GRI) standards and their specific guidelines for the financial sector, Sustainability Accounting Standards Board (SASB) standards and an overview of the Group’s progress in contributing to the achievement of the United Nations Sustainable Development Goals (SDGs). The integrated Annual Report of Zavarovalnica Triglav and the Triglav Group for 2021 is thus in line with the requirements of the Companies Act (ZGD-1), which requires public interest entities with an average number of employees greater than 500 on the balance sheet cut-off date to include a non-financial statement in their business report. This content is presented in an integrated way throughout the whole annual report.

- The information, the description of policies and results of the policies on environmental, social and human resource matters, respect for human rights, and anti-corruption and bribery matters are presented in Section [12 Sustainable development at the Triglav Group](#).
- The main risks related to the above-mentioned areas are presented in the context of [Risk Management](#), Section [11 Development and sales activities](#) and Section [12 Sustainable development at the Triglav Group](#).
- A description of the business model and the Group’s value generation model is presented in Section 2 Triglav Group and Zavarovalnica Triglav in 2021.
- A description of the diversity policies implemented in relation to administrative, management and supervisory bodies is presented in Section [5 Corporate governance Statement](#).
- The disclosures required by the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 concerning the proportion of exposures to taxonomy non-eligible and taxonomy-eligible economic activities are described in Section [12 Sustainable development at the Triglav Group](#).

Andrej Slapar
President of the Management Board

Uroš Ivanc
Member of the Management Board

Tadej Čoroli
Member of the Management Board

Barbara Smolnikar
Member of the Management Board

David Benedek
Member of the Management Board

Marica Makoter
Member of the Management Board



¹⁸ GRI GS 103-1, 103-2

12. Sustainable development at the Triglav Group

- The Triglav Group’s strategic ambitions in sustainable development (ESG) were adopted.
- Sustainability factors are included into the investment processes of own insurance portfolio with the aim of achieving long-term profitable investments.
- The Triglav Zeleni fund invests in shares of companies that are among the leaders in corporate social responsibility within their industry.
- The Group’s organisational culture is more cooperative, inclusive, development-oriented, transparent, open and creative. The progress made is one of the greatest in the region.
- The spread of COVID-19 was curbed with a number of measures designed to protect the health of clients and employees, including by working from home and strengthening preventive health activities.
- By upgrading mobile applications and launching new digital solutions, the Group increased the availability of its services and simplified claim settlement and asset management processes.
- The Group started to calculate and monitor its carbon footprint in a more comprehensive manner. As many as 95% of electricity for the parent company was obtained from renewable energy sources.
- The Triglav Group Code was revised.

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

The implementation of the Group’s mission was closely linked with its pursuit of sustainability goals, with which the Group is creating a long-term stable basis for its profitable and safe operations, promoting the transition to a sustainable society and reducing its impact on climate change. In 2021, the Group upgraded its sustainability orientation in environmental, social and governance areas and adopted **the Triglav Group’s strategic ambitions in sustainable development (ESG)**.

At Group level, sustainability-related activities are coordinated and directed by the Sustainable Development Coordinator, monitored by the Compliance and Sustainable Development Committee and decided on by the parent company’s Management Board.

The ambitions regarding the ESG goals for 2025 are divided into four key areas:

- Insurance and asset management
- Triglav Group’s business processes
- Responsible stakeholder engagement
- Effective corporate governance

See Section [4 Strategy and plans of the Triglav Group](#) for more details about the strategic ambitions in sustainable development (ESG).










Zavarovalnica Triglav became a signatory to the United Nations Principles for Sustainable Insurance (UN PSI) in February 2021, and thereby a member of the global community of banks, insurers and investors joining the United Nations Environment Programme Finance Initiative (UNEP FI). In addition, the Company joined the Partnership for Carbon Accounting Financials (PCAF). The PCAF’s mission is to enable financial institutions to measure the climate impact of their loans and investments. It also established a working group that is developing a methodology to measure insurance-related GHG emissions.



Sustainability highlights

<div><div>Transition to a climate-neutral and resilient circular economy</div><div><div></div><div><div>2.09</div><div>tCO₂ is the carbon footprint per employee in the Group and 2.14 tCO₂ in Zavarovalnica Triglav (Scope 1 and 2)</div></div></div><div><div><div>95%</div><div>of electricity consumed at Zavarovalnica Triglav comes from renewable sources (60% at Group level)</div></div><div><div>↑57%</div><div>more premium written by the Group from products with environmental and social impacts</div></div></div><div><div>To integrate ESG aspects into product development and execute own business processes. By 2025, to reduce the carbon footprint per employee using the location-based method by 15%. To implement the European Green Deal on carbon neutrality by 2050.</div></div></div>	<div><div>Responsible stakeholder and community engagement</div><div><div></div><div><div>↑72</div><div>NPS index, high satisfaction of Zavarovalnica Triglav's clients</div></div></div><div><div><div>↑4.00</div><div>ORVI index, high employee satisfaction</div></div><div><div>190,000,000</div><div>km driven with the DRAJV safe driving application</div></div></div><div><div>To maintain high employee and client satisfaction. To develop an open culture of diversity and cooperation. To promote projects that contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).</div></div></div>	<div><div>Effective corporate governance</div><div><div></div><div><div>42%</div><div>share of women at first and second management levels under the Management Board</div></div></div><div><div><div></div><div>Policies adopted to integrate ESG aspects into operations</div></div><div><div>Engagement</div><div>of the Compliance and Sustainable Development Committee and the Sustainable Development Coordinator in sustainability risk management</div></div></div><div><div>To upgrade high corporate governance standards by integrating ESG aspects and effectively manage sustainability risks. To increase the scope of public disclosures related to main aspects of sustainable business (according to GRI GS, SASB, CDP and TCFD methodologies).</div></div></div>	<div><div>Sustainability aspects of asset management</div><div><div></div><div><div>8%</div><div>share of social impact, green and sustainable bonds in debt securities</div></div></div><div><div><div></div><div>Adopted key principles for integrating ESG factors into the investment policy (The sustainability aspect of the investment policy)</div></div></div><div><div>To double the share of green and sustainable investments in asset management by 2025.</div></div></div>
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Presentation of key ESG factors and main SDGs at the Triglav Group:³³

	Area	Activities	Main SDGs
Environmental aspect (E)	<ul style="list-style-type: none"> Energy consumption and carbon footprint Paperless operations Activities for a cleaner environment Environmental responsibility with insurance products Waste  <p>GRI GS 302, 305, 306, G4 F58 SASB: FN-IN-410b.1, FN-IN-410b.2</p>	<ul style="list-style-type: none"> More comprehensive carbon footprint monitoring within the Triglav Group. Carbon footprint per employee was 2.09 tCO₂ (Scopes 1 and 2). Electric vehicles account for 18% of Zavarovalnica Triglav's vehicle fleet. Employees may use company bikes and electric scooters. Promoting the use of less packaging and consistent waste separation. Reduced average daily paper consumption per employee at the Triglav Group from 45 paper sheets in 2020 to 14 paper sheets per day in 2021. Responsive and streamlined mass claim management using mobile applications and mobile appraisal units in the field at the time of natural disasters. A free Triglav Vreme (Triglav Weather) mobile application for weather alerts. Support for projects such as City as a Lab, which establishes and develops modern and environmentally friendly forms of mobility, and the Sustainable Mobility project. Paperless operations at Triglav Lab. Reducing the number and scope of issues and focusing on digital forms in the preparation of marketing materials (brochures, leaflets, folders, operational printed material, etc.). Selection and purchase of products made of environmentally friendly materials for promotional purposes. A stimulative premium policy for less intensive animal production, which is more environmentally friendly. Strengthening digital communication with clients. Promoting a low-carbon society by providing insurance solutions that support renewable energy sources and energy efficiency (solar power plant insurance). Reducing the pollution of mountains and raising awareness of responsible hiking in the hills/mountains and waste management in the mountains in the context of the Let's Clean the Mountains drive. Promotion of mountain pasture by providing insurance of livestock during grazing on mountain pastures, which helps to preserve mountain ecosystems. 	     
Social aspect (S)	<ul style="list-style-type: none"> Preventive activities aimed at reducing risks in the social environment Responsibility to clients Employee safety, health and satisfaction Responsibility to suppliers and contractors Investing in the local community and supporting sports, culture, education and health Diversity and equal opportunity  <p>GRI GS 203, 204, 401–405, 413, 414, 417, 418, G4 F57, F513, F514 SASB: FN-IN-270a.4, FN-AC-270a.3</p>	<ul style="list-style-type: none"> 140 speed display signs and light signalling systems installed on dangerous road and railway sections, co-financed by Zavarovalnica Triglav. The DRAJIV application and driving simulator to promote safe driving. Global client assistance 24/7, free mobile applications for claim reporting and ordering assistance services. Alternative sales channels such as the sale of insurance products via banks and leasing companies. Promotion of investing in pension funds, health insurance and health systems. Points of sale equipped with aids for partially sighted and hard of hearing, most points of sale also provide independent access to people with different types of disabilities. Microhealth insurance that facilitates access to medical advice and a comprehensive range of health and life insurance services and products. Improved net promoter score (NPS). The Young Hopes project to support young talented athletes and artists. Improved organisational climate. A total of 1,600 motorcyclists attended safe driving workshops at the AMZS Safe Driving Centre in Vransko over eight years. Two free workshops were held in 2021. Planned employee training. Gaining knowledge about information security, personal data protection and the prevention of money laundering and terrorist financing through online training. The women employees to total employees ratio at the Group is 53.9%. Equal remuneration of employees for equal work regardless of gender. Full Family-Friendly Enterprise Certificate at Zavarovalnica Triglav. Active identification, reduction and management of risks in occupational health and safety. A programme for raising employees' awareness about a healthy lifestyle is carried out and preventive health examinations are provided. Partnerships with local suppliers in the Adria region. A wide range of insurance products for micro, small and medium-sized enterprises. A stimulative premium policy for young farmers, which contributes to the promotion of young farmers setting up an agricultural holding, the preservation of settlement and larger land cultivation in the countryside. Agricultural insurance products with municipal and state premium co-financing are available to a broad range of farmers. Development partnerships with the start-up environment and entrepreneurs. Increasing the level of insurance coverage in the emerging insurance markets in the Adria region. 	
Governance aspect (G)	<ul style="list-style-type: none"> Stable and profitable operations High standards of corporate governance Diversity and sustainability aspect of remuneration policy Effective risk management Active investor relations policy Fair business practices Non-discrimination and respect for human rights in operations  <p>GRI GS 201, 202, 205, 206, 406, 412, 419 SASB: FN-IN-270a.2</p>	<ul style="list-style-type: none"> The governance system and policy of Zavarovalnica Triglav and the governance policy of the Triglav Group's subsidiaries. The diversity policy, which ensures gender balance and representation of various age groups in the Management Board, in addition to appropriate qualifications, experience and know-how. The sustainability aspect of remuneration policy at Zavarovalnica Triglav serves as a foundation for implementing a robust and reliable governance system and ensures business integrity and transparency. Corporate Governance Code for Companies with Capital Assets of the State. Consistent implementation of the anti-corruption policy and the revised Triglav Group Code in order to implement the principles of fair and ethical conduct, prevent corrupt practices, manage conflicts of interest and insurance fraud, prevent money laundering and terrorist financing, and ensure consumer protection and competition. Transparent, active, equal and open cooperation with investors at events held for institutional investors in Europe and the US, meetings, conference calls and other contacts. 	

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Key guidelines for sustainable operations of the Triglav Group for 2022

Aspect	Area	Guidelines
Environmental aspect	Reduction of environmental impact	<ul style="list-style-type: none">• Raising employees' awareness on the importance of waste separation, energy efficiency and water saving• Reducing the Group's carbon footprint• Lower paper consumption through a higher share of digital communication channels• Increasing the share of e-vehicles in the fleet• Purchase of environmentally friendly promotional products• Optimal energy management of commercial buildings where own activities are performed• Further development of covers for risks arising from climate change• Development of a comprehensive risk management system by integrating sustainability risks, with a focus on climate change risks• Increasing the share of social impact, green and sustainable bonds• Raising awareness of the importance of preserving the natural environment
Social aspect	Responsible recruitment and work practices	<ul style="list-style-type: none">• Strengthening the importance of developing a cooperative organisational culture• Maintaining a high level of employee engagement and satisfaction• Introduce the concept of flexible work for employees• Further strengthening activities to promote the health and well-being of employees• Development of employees' competences and knowledge• Active management of psychosocial risks among employees• Activities and training in intergenerational cooperation• Unification of activities for employee development in the Group
	Responsibility to clients and suppliers	<ul style="list-style-type: none">• Digitalisation of communication channels with the client• Preparation of a wide range of quality content, focusing on raising insurance and financial literacy and providing useful tips• Improving user experience and increasing client satisfaction• Ensuring personal, information and data security and managing other risks of modern times• Providing accessible services to people with disabilities• Expansion and upgrade of cooperation with contractors• Maintaining locally-oriented procurement
	Responsible management of the insurance service portfolio and assets/investments	<ul style="list-style-type: none">• Integrating sustainability aspects in the design and processing of insurance and investment products and services and in asset management• Depending on the form of investment, active exercising of management rights with portfolios by promoting sustainable development-related decisions and commitments to achieve sustainability goals
	Engagement in the community and its development	<ul style="list-style-type: none">• Development of prevention programmes and promotion of preventive practices in traffic safety, health, fire safety, etc.• Strengthening key partnership projects in sports, culture, education and health• Balanced donation activities
Governance aspect	Effective governance of the organisation	<ul style="list-style-type: none">• Compliance with legislation, internal rules and commitments made, thus ensuring fair and legal practices and operations• Ensuring a high level of corporate governance and following codes, recommendations and good practices• Improving the diversity of the Group's management and supervision bodies in terms of gender, education and experience• Upgrading public disclosures in sustainable business operations• Quality public information on the operations, financial position and plans of the Group• Proactive cooperation with analysts, institutional investors and shareholders• Maintaining professionalism and independence of external audit of operations• Upgrade of succession policy for the members of the management and of diversity and remuneration policies by incorporating ESG factors.• Comprehensive fit and proper assessment of members and candidates for the members of the Management Board and the Supervisory Board and business and key function holders
	Fair business practices	<ul style="list-style-type: none">• Further development of the culture of ethical business practices of the Group members• Zero tolerance to criminal offences, money laundering and terrorist financing, prevention of corruption, management of conflicts of interest• Proactive communication and employee training in compliance and corporate ethics• Participation in compliance and fair business external working groups and transfer of best practices• Strengthening and transfer of best practices in insurance fraud investigation and prevention in the Group• Encouraging employees to identify insurance fraud cases and participating in the relevant training
	Respect for human rights	<ul style="list-style-type: none">• Strengthening the awareness of the importance of respecting and preserving human rights and fundamental freedoms among employees and partners• Protection of employees' dignity with zero tolerance to discrimination, harassment and mobbing in the workplace

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12.2 Stakeholder engagement³⁴

The Company proactively engages the main identified stakeholders in its activities: **clients/ policyholders, employees, shareholders/ investors, state and supervisory authorities, local communities, suppliers and the media.** In this way, mutual trust and understanding are strengthened.

The Company monitors the needs and interests of its stakeholders through mutual relationships at the strategic and operational levels. In doing so, the Company measures reputation, satisfaction and Net Promoter Score (NPS), monitors regulatory changes and implements their requirements and recommendations, analyses complaints and compliments, maintains daily contact with investors and clients, regularly communicates with the media and so on.

In addition, the Company regularly monitors interests, opinions and proposals by **analysing the needs and interests of stakeholders**, which is also used to examine the desired disclosures. In 2021, as part of the inclusive process for the modernisation of the double materiality matrix, extensive research on stakeholder interests was carried out, which is presented together with the matrix in Section [2.4 About the report](#).

As a result of the described processes, knowledge and guidelines are gained, which are taken into account as much as possible in the operations and development of products and services.

“In an extensive review involving almost 2,500 employees and representatives of other key stakeholders, we found that we enjoy their great trust, even when it comes to evaluating sustainability aspects in both of our core businesses. We confirmed that they expect a lot from us, also in the future. The trust that stakeholders place in us is a valuable capital, which we wish to preserve and consolidate. The year was very full of activities related to integrating sustainability aspects into operations. We adopted strategic guidelines and objectives relating to sustainable development, expanded disclosures and management processes, included ESG aspects in the investment policy, renewed carbon footprint measurements, and began to develop new and upgrade existing products and projects that bring environmental and social progress. We are aware that our progress will continue to be full of opportunities and challenges, and will be seen gradually, continuously and at Group level.”



Nina Kelemen

Sustainable Development Manager at the Triglav Group

³⁴ GRI GS 102-40, 102-42, 102-43, 102-44

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Highlighted topics and methods of stakeholder engagement

Stakeholders	Key interests	Engagement method	Engagement results
Clients/policyholders	<ul style="list-style-type: none"> Understanding the needs of clients Rapid claim settlement Innovative financial/insurance products and services Client-tailored insurance products – throughout the entire lifecycle Profitability in economic stability of Company Clear terms and conditions Quality insurance and financial products and services A broad range of quality assistance services Socially and environmentally responsible operations of the Company Financial literacy New digital ways of doing business and an easy-to-use online presentation of products/services Raising awareness of users about risky behaviour 	<ul style="list-style-type: none"> Personal contact with insurance experts, asset managers Recording complaints and compliments and responding thereto Email Telephone conversations Opinion polls and surveys Websites, blogs and e-newsletters Social networks Mobile applications Marketing communication 	<ul style="list-style-type: none"> 499,627 telephone conversations in Zavarovalnica Triglav's call centres. 196,055 replied electronic messages in Zavarovalnica Triglav. More than 36 thousand subscribers to the newsletters Vozim se (I'm driving) and Vse bo v redu (Everything Will Be Alright). 58,840 users of the i.triglav web office More than 100 thousand regular users of the Vse bo v redu portal and more than 39 thousand regular users of the Vozim se portal. Improved client satisfaction in all Group members, improved NPS of Zavarovalnica Triglav by 4 percentage points. 283,738 processed claim files by Zavarovalnica Triglav, of which 248,032 were newly registered in 2021. 2,698 complaints and 69 compliments in Zavarovalnica Triglav (according to the number of claims at Zavarovalnica Triglav and Triglav, pokojninska družba, the rate of complaints was 1.30% compared to 1.46% in 2020).³⁵
Employees	<ul style="list-style-type: none"> Internal culture of cooperation Rewarding of performance Personal and professional development Career advancement system Information about important milestones and changes in the Company Business strategy Work-life balance Education and additional training Safety and health at work Employee loyalty 	<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 Email Telephone conversations 	<ul style="list-style-type: none"> ORVI index at 4.00 – an improvement of 0.01%. 22% of employees are members of the Triglav Group mountaineering and sports clubs. Complementary pension insurance for 59% employees of the Group and 96% of the Company. The group insurance package Comprehensive Medical Care (Celostna zdravstvena oskrba – CZO), in which 50% of all employees of the Group and 82% of the parent company are included. 31 training hours per employee at Group level.
Shareholders/investors	<ul style="list-style-type: none"> Clear business strategy In-depth information on the operations, financial position and plans of the Group Financial efficiency, capital adequacy Implemented growth and development activities Dividend policy and return Situation on markets and outlook Comprehensive management of all risks Corporate governance and sustainable operations Achievement of target credit rating Efficient organisation and internal processes within the Group 	<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 Active contact with institutional investors (investor conferences, individual meetings, conference calls) Contact for shareholders natural persons (email and telephone) Opinion polls and surveys 	<ul style="list-style-type: none"> 80% of all voting rights at the regular General Meeting of Shareholders. 11 online events for institutional investors organised either by the Company or by the stock exchange and stock exchange members. 30 publications of controlled information (simultaneously in Slovenian and English). Available financial calendar of announcements and calendar of events for investors.
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 	<ul style="list-style-type: none"> 5 launched and 3 continued inspections in the field of personal data protection at the Triglav Group. 878 insurance fraud cases confirmed out of 1,517 reported cases of suspected insurance fraud (up by 15% relative to 2020).
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 Email and electronic operations Telephone conversations Assessment of suppliers according to ESG criteria 	<ul style="list-style-type: none"> 375 assessments of suppliers according to sustainability criteria, which confirmed that they respect employees' rights, human rights and environmental legislation.
Local and broader community	<ul style="list-style-type: none"> Traffic safety Fire safety Health protection and care Co-development of projects in the areas of culture, sport, prevention, health, art, charity Infrastructure investments Access to insurance services for people with various disabilities Insurance and financial literacy Fair business practices Disaster relief 	<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 Funds allocation system for sponsorships and donations Cooperation with local decision-makers Email Telephone conversations 	<ul style="list-style-type: none"> 12 speed display signs and 11 signalling systems for pedestrians installed on dangerous road sections, co-financed by Zavarovalnica Triglav in 2021. Support for 114 young talents in nine years of the Young Hopes project, to which EUR 451,000 was allocated. 1,600 motorcyclists attended safe driving workshops in eight years. A total of 80 events, training courses, workshops, seminars and video recording sessions to promote insurance literacy, risk awareness, presentation of products and services were held, which were attended by over 2,000 participants in person or virtually. 24 sponsored top athletes in Slovenia. EUR 3.5 million for prevention activities, EUR 4.4 million for sponsorships and EUR 781 thousand for donations.
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 Professional insurance and financial topics 	<ul style="list-style-type: none"> Press releases and statements Meetings with media representatives Answers and explanations Email Telephone conversations Websites 	<ul style="list-style-type: none"> 63 press releases by Zavarovalnica Triglav. 171 answers to the questions of the press by Zavarovalnica Triglav. 6,208 publications related to key topics about the Triglav Group in the media.

³⁵ SASB: FN-IN-270a.2Business
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12.3 Environmental aspects

12.3.1 Protection of the environment in business processes³⁶

In accordance with the adopted strategic ambitions, the Group is incorporating sustainable development principles into the Group’s internal processes and upgrading them. In realising its responsibility to the natural environment, the Group focuses on areas on which it, as an insurance and financial institution, has a more significant influence. Priority is given to improving energy efficiency and reducing greenhouse gas emissions, in addition to reducing the quantity of waste generated and the consumption of water and other resources; the employees are reminded of these goals on a regular basis. The Group has also encouraged its users for many years to behave responsibly in the natural environment.

The amount of plastic waste at the Company is reduced by using office cups and water bottles. The Group’s employees are encouraged to use the DRAJV application to reduce fuel consumption and ride safely, providing them with training in safe driving courses and making them aware of the benefits of using a bicycle. When buying new company vehicles, the lower release of carbon dioxide into the atmosphere is taken into account; vehicles with a small engine size and electric and hybrid vehicles are purchased, and a GPS system is used to track company cars.



The Triglav Group has 23 electric vehicles, 25 company bicycles and 15 electric scooters.

At Group level, employees used 25 company bicycles to travel to 1,000 business obligations, 15 electric scooters and 23 electric vehicles. The share of business trips at the parent company where electric vehicles are used is increasing, reaching 14% in 2021. Vans were used four times a day for **organised regular transport between three locations** in Ljubljana, and in cooperation with an external partner employees can use **an electric car sharing service**. This is a pilot sustainable mobility project, with which Company vehicles with low mileage are available for sharing in Ljubljana.

The Group companies are reducing paper consumption with network printers and double-sided printing, support applications and electronic archiving, digital business processes and e-business. They took **steps to move towards paperless operations** and encourage employees not to use the printer if not necessary. The decrease in paper consumption was also influenced by the increased volume of work from home due to the COVID-19 epidemic.

The sustainable business criteria are part of the supplier selection process (see [Procurement practices](#) in Section [12.4.4 Responsibility to suppliers](#)).

12.3.2 Carbon footprint³⁷

In 2021, a more comprehensive approach to calculating the Group’s carbon footprint was taken, defining the targets and measures to reduce it. The calculation was prepared in accordance with the methodology for calculating Zavarovalnica Triglav’s carbon footprint, defining in greater detail the scope and limits, the method of data collection and analysis, and emission factors.

For year-on-year comparisons and setting targets to reduce the carbon footprint, 2019 was set as the base year, when the epidemic situation had not yet affected the total volume of greenhouse gas emissions (GHG). According to the location-based method, all Group companies were included in the calculation of the carbon footprint which are fully consolidated and have office space or employees and therefore meet the materiality criterion.

The methodology follows the guidelines of the internationally recognised Greenhouse Gas Protocol and takes into account the emission factors of the international database, which classifies emissions into three scopes (Scopes 1, 2, 3). The calculation of the Group’s carbon footprint included the following scopes and categories of emissions.

- **Scope 1:** direct emissions from sources owned or controlled by the company (e.g. boilers, stoves, painting chambers, company vehicles).
- **Scope 2:** indirect emissions from energy resulting from purchased district heating and electricity.
- **Scope 3:** indirect emissions resulting from business trips by air, train, bus and car not owned or leased by the company, from purchases of IT equipment, generated waste, employee commuting, consumption of paper and water.

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³⁶ GRI GS 103-1, 103-2, 103-3 | ³⁷ GRI GS 305-1, 305-2, 305-3

Based on an independent verification carried out in accordance with ISO 14064-3, the verifier, SIQ Ljubljana, gave a positive opinion on the carbon footprint report of Zavarovalnica Triglav d.d. and the Triglav Group and confirmed that the report:

- was prepared in accordance with the GHG protocol and GHG emission reporting (Scope 1 and 2 emission reporting guidelines),
- was correct in terms of content and fairly presents GHG data (Scope 1 and 2) from 1 January 2021 to 31 December 2021 for Zavarovalnica Triglav d.d. and the Triglav Group.

The Group's largest source of greenhouse gas emissions are Scopes 1 and 2 (a 60% share). They are created by the consumption of electricity, heating and fuel for cars owned or leased by the companies included in the calculation.

Overview of the carbon footprint of the Triglav Group by scope

Quantities of specific activities	GHG emissions in tCO ₂ e			Index	
	2021	2020	2019	2021/2020	2020/2019
Triglav Group					
Scope 1.1 – Consumption of energy products from own capacities	458	557	810	82	69
Scope 1.2 – Fuel consumption of company cars	1,766	1,332	1,687	133	79
Scope 1 – Direct GHG emissions	2,224	1,889	2,497	118	76
Scope 2 – Indirect GHG emissions (location-based)	8,773	8,369	8,630	105	97
Scope 2 – Indirect GHG emissions (market-based)	5,849	8,243	7,986	71	103
Business travel (plane, train, bus, car)	1,101	1,125	1,963	98	57
Purchase of computer equipment	917	909	705	101	129
Waste management	195	172	47	113	366
Employee commuting to work	4,501	4,207	6,565	107	64
Paper consumption – internal	93	338	431	27	78
Paper consumption – external	526	254	364	207	70
Water consumption	9	23	24	39	95
Scope 3 – Other direct GHG emissions	7,342	7,028	10,098	104	70
Total Scope 1–2 GHG emissions	10,997	10,258	11,127	107	92
Total Scope 1–3 GHG emissions	18,339	17,286	21,225	106	81
Carbon footprint (Scope 1–2) per employee	2.09	1.93	2.11	108	91

With the adoption of the internal methodology for calculating the carbon footprint in 2021, the data capture for Zavarovalnica Triglav and the Triglav Group changed, thus data for 2019 and 2020 were also adjusted.

Overview of the carbon footprint of Zavarovalnica Triglav by scope

Quantities of specific activities	GHG emissions in tCO ₂ e			Index	
	2021	2020	2019	2021/2020	2020/2019
Zavarovalnica Triglav					
Scope 1.1 – Consumption of energy products from own capacities	187	178	393	105	45
Scope 1.2 – Fuel consumption of company cars	115	159	252	72	63
Scope 1 – Direct GHG emissions	301	337	645	89	52
Scope 2 – Indirect GHG emissions (location-based)	4,503	4,351	4,379	103	99
Scope 2 – Indirect GHG emissions (market-based)	1,589	4,173	4,318	38	97
Business travel (plane, train, bus, car)	861	886	1,369	97	65
Purchase of computer equipment	602	398	315	151	126
Waste management	85	68	20	125	340
Employee commuting to work	2,791	2,393	3,463	117	69
Paper consumption – internal	27	49	69	55	71
Paper consumption – external	229	209	322	110	65
Water consumption	3	8	8	34	99
Scope 3 – Other direct GHG emissions	4,598	4,013	5,565	115	72
Total Scope 1–2 GHG emissions	4,805	4,689	5,023	102	93
Total Scope 1–3 GHG emissions	9,403	8,701	10,588	108	82
Carbon footprint (Scope 1–2) per employee	2.14	2.09	2.23	102	94

With the adoption of the internal methodology for calculating the carbon footprint in 2021, the data capture for Zavarovalnica Triglav and the Triglav Group changed, thus data for 2019 and 2020 were also adjusted.

The Scope 1 carbon footprint increased by 18% at Group level in 2021 as a result of higher fuel consumption for company vehicles, while at Zavarovalnica Triglav it decreased by 11% due to lower fuel consumption for company vehicles.

The Scope 2 carbon footprint increased by 5% at Group level according to the location-based method and by 3% at Zavarovalnica Triglav. In 2021, the Company only purchased electricity from renewable sources, therefore the Group's Scope 2 carbon footprint decreased by 29% according to the market-based method, which takes into account emission factors obtained from the energy supplier, and that of the Company by 62%. The share of green electricity for the premises owned by the Company was 100%.

Scope 3 carbon footprint was higher by 4%, of which the largest share of emissions is accounted for by employees commuting to work, business trips and purchases of computer equipment. The Company reduced emissions from business trips by almost 3%. A significant share of Scope 3 emissions is attributed to employees commuting to work. These emissions increased by 7% at Group level and by 17% at the parent company as there was no closure of the economy in 2021. Due to the severe epidemic situation, employees used public transport to a lesser extent.

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The guidelines aimed at reducing the consumption of energy products used for heating and cooling as well as electricity were taken into account in each renovation of the Group’s business premises. LED lighting is installed in all new business premises and on advertising signs.

Use of energy products

The Group consumed 1,829 tonnes of oil equivalent (TOE) of energy on heating, cooling, lighting and electrical and electronic equipment, up by 8% relative to 2020, while the Company increased its energy consumption by 7%. Consumption of heating oil and hot water increased the most at the parent company. The increase is due to the smaller scope of closure of the economy and the consequent greater presence of employees in the office. Comparison with 2020 is difficult due to the challenging epidemiological situation.

Use of energy products at the Triglav Group and Zavarovalnica Triglav in energy product unit³⁸

Triglav Group	Energy product unit			Index		
	Quantities	2021	2020	2019	2021/2020	2020/2019
Heating water	kWh	4,967,025	4,359,684	4,411,103	114	99
Fuel oil	l	27,388	57,342	89,790	48	64
Gas	kWh	1,656,589	1,660,892	2,581,140	100	64
Wood pellets	kg	51,810	47,000	26,000	110	181
Electricity	kWh	14,086,990	12,841,319	13,382,997	110	96
Green electricity	kWh	8,466,599	345,961	117,659	2,447	294
Green electricity	%	60.10	2.69	0.88	2,231	306

Zavarovalnica Triglav	Quantities	2021	2020	2019	2021/2020	2020/2019
Heating water	kWh	4,045,257	3,629,474	3,741,053	111	97
Fuel oil	l	7,760	6,126	23,414	127	26
Gas	kWh	879,589	843,736	1,732,335	104	49
Electricity	kWh	8,890,970	8,438,062	8,404,232	105	100
Green electricity	kWh	8,446,421	345,961	94,123	2,441	294
Green electricity	%	95.00	4.10	1.40	2,317	293

With the adoption of the internal methodology for calculating the carbon footprint in 2021, the data capture for Zavarovalnica Triglav and the Triglav Group changed, thus data for 2019 and 2020 were also adjusted.

Use of energy products at the Triglav Group and Zavarovalnica Triglav in tonne of oil equivalent (TOE)

Triglav Group	TOE (ton equivalent)			Index	
	2021	2020	2019	2021/2020	2020/2019
Hot water	427	375	379	114	99
Fuel oil	24	49	77	48	64
Gas	146	147	228	127	64
Wood pellets	21	19	11	110	181
Electricity	1,211	1,104	1,151	110	96
Green electricity	728	30	10	2,447	294
Total	1,829	1,694	1,846	108	92

Zavarovalnica Triglav	2021	2020	2019	2021/2020	2020/2019
Hot water	348	312	322	111	97
Fuel oil	7	5	20	127	26
Gas	78	74	153	104	49
Electricity	764	726	723	105	100
Green electricity	726	30	8	2,441	368
Total	1,197	1,117	1,217	107	92

With the adoption of the internal methodology for calculating the carbon footprint in 2021, the data capture for Zavarovalnica Triglav and the Triglav Group changed, thus data for 2019 and 2020 were also adjusted.



³⁸ The calculation for a tonne of oil equivalent (toe) is based on the assumption that 10 kWh of electricity are generated from one litre of fuel oil and 9.5 kWh from a m3 of natural gas. GRI GS 302-1.



Waste disposal

Waste separation and disposal depends on the waste management system at the local level or at the level of the country in which the Group members operate. Full waste separation is carried out in Slovenia, whereas in other countries waste separation and disposal is not yet fully regulated, therefore the quantity and type of waste are often not available. In commercial buildings in Slovenia, employees are encouraged in various ways to use less packaging and better separate waste.

The total quantity of waste generated in 2021 decreased by 2% at Group level and by 12% at the Company. The share of recycled waste was 23.8% at Group level and 28.3% at the Company. As the share of non-recycled waste increased slightly at Group level, in 2022 awareness will continue to be raised about the importance of appropriate waste separation and disposal.

The average daily consumption of office paper (A4 format) in sheets per employee fell to 14 at Group level (compared to 45 in 2020) and to 10 at the Company (compared to 18 in 2019), which was also due to working from home.

The quantity of disposed waste at the Triglav Group and Zavarovalnica Triglav³⁹

	Unit	Triglav Group			Index		Zavarovalnica Triglav			Index	
		2021	2020	2019	2021/2020	2020/2019	2021	2020	2019	2021/2020	2020/2019
Paper	kg	71,139	113,209	85,443	63	132	35,806	65,319	38.818	55	168
Biological waste	kg	24,669	12,968	12,567	190	103	20,727	10,059	9.849	206	102
Packaging	kg	57,883	43,677	53,328	133	82	37,120	24,851	29.929	149	83
Glass	kg	1,438	11,093	5,396	13	206	651	7,546	971	9	778
Mixed waste	kg	431,965	346,780	415,353	125	83	174,971	137,730	180.327	127	76
Electrical equipment and other	kg	64,455	135,026	5,861	48	2,304	64,000	134,958	5.852	47	2.306
Total recycled waste	kg	155,129	180,946	156,734	86	115	94,303	107,775	79.566	87	135
Total waste intended for removal	kg	496,420	481,805	421,213	103	114	238,971	272,687	186.179	88	146
Total waste generated	kg	651,549	662,752	577,947	98	115	333,274	380,463	265.745	88	143
Water consumption	m³	58,659	65,700	68,847	89	95	19,116	23,342	23.071	82	101
Waste in ton/employee		0.12	0.12	0.11	99	114	0.15	0.17	0.12	88	144

With the adoption of the internal methodology for calculating the carbon footprint in 2021, the data capture for Zavarovalnica Triglav and the Triglav Group changed, thus data for 2019 and 2020 were also adjusted.

Paper consumption at the Triglav Group and Zavarovalnica Triglav

Triglav Group	Paper consumption in kg			Index	
	2021	2020	2019	2021/2020	2020/2019
Total paper consumption*	686,969	629,639	817,114	109	77
Paper consumption by employees (A4)**	94,998	312,769	369,200	30	85
Average daily office paper consumption per employee (sheets)	14	45	53	30	85

Zavarovalnica Triglav	2021	2020	2019	2021/2020	2020/2019
Total paper consumption*	278,571	280,839	409,710	99	69
Paper consumption by employees (A4)**	29,128	53,214	72,090	55	74
Average daily office paper consumption per employee (sheets)	10	18	25	55	74

With the adoption of the internal methodology for calculating the carbon footprint in 2021, the data capture for Zavarovalnica Triglav and the Triglav Group changed, thus data for 2019 and 2020 were also adjusted.

* Includes paper consumption for internal and external purposes, including envelopes, promotional material, printed material, insurance documentation, etc.

** Includes A4 paper consumption for internal purposes.

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³⁹ GRI GS 306-2

12.3.3 Care for the wider natural environment

The pandemic changed the needs of stakeholders in work processes, so the use of certain types of material and services considerably decreased (paper, brochure printing services, cards, etc.). This had a direct impact on the reduction of waste in the environment, and the need for digitalisation of processes greatly increased. In procurement procedures, the focus was on using recycled paper for printing information materials and products from recycled and more environmentally friendly materials and services where applicable. In 2021, the Company bought 95% of electricity generated from renewable sources. Employees’ children received wooden toys and products made of recyclable material (paper, wood, glass) from Dedek Mraz (Grandpa Frost). Due to the pandemic, the purchase of materials to ensure a healthy and safe working environment (protective masks, disinfectants, tests) increased significantly in the last two years, but they were not recyclable.

Nature conservation projects

Project	Impact
<ul style="list-style-type: none">Planting of indigenous Slovenian tree species Gozd srčnosti (Wholehearted Woods), partner Slovenski državni gozdovi d.o.o.	<ul style="list-style-type: none">Raising awareness of the importance of restoring Slovenian forests. The result of the Triglav Skladi project is a young forest on Uršlja gora, where seedlings of indigenous Slovenian tree species are planted.Raising awareness of the importance of investing in green and socially responsible funds. They invest in shares of companies that are among the leaders in corporate social responsibility and the green transition within their industry.
<ul style="list-style-type: none">Selection of the Best Mountain Trail, partner Planinska zveza Slovenije (Alpine Association of Slovenia)	<ul style="list-style-type: none">Selection of the best mountain trail – from Kranjska koča na Ledinah to Koroška Rinka – which will be renovated with Zavarovalnica Triglav’s funds.Raising awareness of mountaineers about the importance of safe mountain trails and the work of trailblazers and co-financing the training of new trailblazers.



The aim of the Wholehearted Woods project was to raise awareness in Slovenia about investing in green and socially responsible funds, while helping to restore Slovenian forests at the same time.

12.3.4 Services and products promoting social and environmental benefits⁴⁰

Sustainability criteria are also taken into account when designing insurance products, and each product is properly assessed in accordance with the internal methodology of sustainability impact assessment. The development of insurance products thus takes into account sustainability factors and criteria already in the process of their approval. Described below are the most important services and products that promote social and environmental benefits.

- Solar power plant insurance and micromobility insurance products, which include insurance for small electric means of transport, are designed to promote the use of energy from renewable sources and the use of means of transport with zero emissions. In 2021, home insurance was further upgraded with the option of insuring solar power plants for own needs, thereby providing adequate insurance cover to all owners and users of energy from renewable sources.
- With the option of liability insurance and assistance to e-vehicle and microvehicle users (bicycles, e-bikes, e-scooters), the Company promotes the use of environmentally friendly means of transport.
- By offering co-financed agricultural insurance products, the Company promotes the supply of locally produced food and its consumption, thereby helping shorten food supply chains. More attention is paid to plant production insurance, which is less burdensome for the environment than intensive animal farming.

- With respect to animal production insurance, the Company uses premium policy to promote less intensive animal production, which is not only environmentally friendlier, but also involves fewer insurance risks. Cattle insurance products were adapted to the local geography and small and medium-sized livestock farms in order to maintain agricultural production in areas less favoured for agricultural activity.



The premium policy is designed to encourage farmers to invest in active protection from adverse weather conditions by using irrigation and sprinkler systems, anti-hail nets, greenhouses and tunnels.

- By promoting insurance for crops in protected areas (greenhouses), food production using a smaller quantity of phytopharmaceuticals is encouraged.
- Through premium policy and participation in prevention programmes, policyholders are encouraged to set up sustainability-oriented food production. Specifically, policyholders are encouraged to invest in active protection from adverse weather conditions by using irrigation and sprinkler systems for spring frost protection, anti-hail nets, greenhouses and tunnels.

⁴⁰ GRI G4-FS7, G4-FS8, SDG 2, SDG 7, SDG 9, SASB: FN-IN-410b.1, FN-IN-410b.2



Solar power plant insurance products are designed to promote the use of energy from renewable sources.

- In partnership with the Slovenian Rural Youth Association, the Company raises awareness of **young farmers** about risk management in agriculture and forestry and encourages innovation (the IMK project = Innovative Young Farmer of the Year).
- Remote sensing technology with satellite-based soil moisture measurement was added to index **crop insurance against drought**, which was upgraded with the Opti-crop application. Its general, freely accessible part is intended for all farmers (meteorological data, weather forecast, NDVI growth indices, etc.), and the other (closed) part is intended for farmers who have taken out an insurance policy. In this way, they can monitor the growth of their crops and the state of drought exposure on a daily basis. This insurance product is also being launched in subsidiaries outside Slovenia (Croatia, Serbia and North Macedonia).
- Triglav Skladi's **Triglav Zeleni equity socially responsible fund** invests in the shares of leading companies in the field of sustainable development and corporate social responsibility. It is intended for anyone who believes in a sustainable future and wishes to accumulate part of their savings by investing in innovative and socially responsible companies.

Total written premium from insurance and investment products in the Group that promote social and environmental benefits amounted to EUR 65.9 million, a 57% increase compared to the preceding year. Of this, written premium related to energy efficiency and low-carbon technology amounted to EUR 2.9 million, up by 25% relative to the year before.

Written premium from the Triglav Group's insurance products that promote social and environmental benefits and Triglav Zeleni fund's assets under management

	2021	2020	Index
Animal insurance	7,720,199	3,925,759	197
Crop insurance	13,392,760	11,140,631	120
Electric vehicle insurance	1,920,092	1,429,155	134
Micromobility insurance	484,875	475,136	102
Solar power plant insurance	537,912	459,248	117
Triglav Zeleni Fund	41,833,991	24,556,690	170
Total	65,889,829	41,986,619	157

* Assets under management

Integration of ESG factors into investment management and strategy⁴¹

In accordance with the requirements of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, the Company published in March a document entitled *Sustainability Aspect of Investment Policy*, which includes a description of sustainability risks and an overview of adverse sustainability impacts. The Company makes investment decisions responsibly and takes into account the sustainability aspect, in addition to focusing on maximum security and long-term growth of assets under management. Thus, environmental, social and governance factors (ESG) are included in the Company's investment processes with the aim of ensuring long-term profitable investments. Sustainability risk means an environmental, social or governance event or condition that could have a material negative impact on the value of investment. In the investment process, the Company pursues the social corporate responsibility guidelines developed by the Organisation for Economic Co-operation and Development (OECD) and the principles for responsible investment, supported by the United Nations.

Voluntary and mandatory disclosures of proportions of exposure of taxonomy-eligible and taxonomy non-eligible economic activities

Presented below are some of the proportions of exposure to taxonomy-eligible and taxonomy non-eligible economic activities according to the EU Taxonomy Regulation in total assets and non-life insurance activities. The proportions presented partially comply with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852.

⁴¹ SASB FN-IN-410a.2



Proportions and values of individual categories in Triglav Group’s total assets as at 31 December 2021 (voluntary disclosure)

Triglav Group	Proportion	Value in EUR
The proportion in total assets of exposures to taxonomy non-eligible economic activities, except exposures to central governments, central banks and supranational issuers excluded from the calculation of the numerator and denominator	85%	2,025,967,171
The proportion in total assets of exposures to taxonomy eligible economic activities, except exposures to central governments, central banks and supranational issuers excluded from the calculation of the numerator and denominator	15%	346,600,213
The proportion in total assets of exposures to taxonomy eligible economic activities of financial undertakings	4%	88,379,241
The proportion in total assets of exposures to taxonomy eligible economic activities of non-financial undertakings	11%	255,924,963
Exposures to central governments, central banks and supranational issuers and derivatives	58%	1,382,189,062
Exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU	41%	1,521,997,653

Estimates of the Bloomberg information system were used for the calculation.
Derivatives are excluded from the numerator for calculating non-eligible and eligible exposures.
Exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU are excluded from the numerator of key performance indicators of financial undertakings.
Exposures to investments held in respect of life insurance contracts where the investment risk is borne by the policyholders are excluded from the calculation of the numerator and denominator of all exposure calculations.

The proportion of taxonomy-eligible and taxonomy non-eligible non-life insurance economic activities at the Triglav Group as at 31 December 2021 (mandatory disclosure)

Triglav Group	Proportion
Taxonomy eligible non-life insurance economic activities	91%
Taxonomy non-eligible non-life insurance economic activities	9%

The Group’s strategic ambitions in sustainable development (ESG) fully follow the goals adopted in the context of the Paris Agreement to limit global warming and the European Green Deal on reducing greenhouse gas emissions by 2030 and reaching carbon neutrality by 2050.

The Group will pursue goals for the transition to a climate neutral and circular economy resilient to climate change in both activities (insurance and asset management). In carrying out its activities, the Group will promote sustainable economic activity, energy efficiency and energy from renewable sources with an aim to reduce greenhouse gas emissions.

See Section [12.1 Implementation of strategic guidelines and sustainable development goals of the Triglav Group and Zavarovalnica Triglav](#) for more information.



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12.4 Social aspects

12.4.1 Responsibility to clients⁴²

Responsibility to clients and client focus remain one of the main strategic guidelines of the Triglav Group. A lot of effort is invested in good long-term relationships with clients and contractors, monitoring developments in the insurance markets, determining the requirements and needs of clients, and professionally and properly addressing their comments and requirements. On this basis, the Company adapts its operations, improves business models and processes, and develops new products and services.

In the process of developing insurance products, procedures are set up for approving and testing an insurance product before it is sold or distributed to clients. Each product must meet the defined client needs and goals in its lifetime and correspond to their characteristics. The adequacy of distribution strategies is checked and tested on a regular basis, thereby maintaining client focus and product satisfaction. When any deviations are identified, the respective product or its distribution is appropriately adjusted.

Informing clients⁴³

The Company informs clients in a professional and transparent manner, enabling easy access to all the necessary information about the Company’s products and services. The Company aims to ensure that its insurance and other general terms and conditions are appropriate and fair and that clients are treated in a proper and equal manner. Transparency, comprehensibility and availability of products and services is ensured already during their development, in addition to paying a lot of attention to after-sales services. Promotional

materials and documents are prepared in a transparent and comprehensive manner.

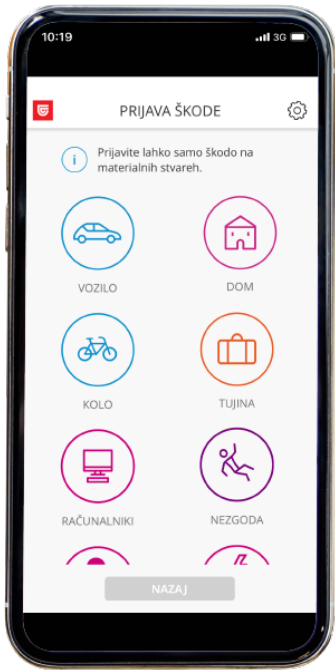
No misleading, aggressive, insulting, shocking or other inappropriate practices are used in promotional activities and the marketing of products and services. The Company also follows the recommendations of the Slovene Consumers’ Association for improving financial literacy.

Any complaints are resolved quickly within the prescribed procedures. The Company fully complies with consumer protection legislation and the special requirements with regard to client information when concluding financial and insurance contracts remotely. It follows the guidelines of supervisory bodies and adopted the policy of management and control of insurance services and products and their distribution. Every care is taken that clients are informed about all insurance products. The protection of personal data and client rights is one of the most important principles to which an insurance company adheres in its operations.

Availability of services

Digitalisation, the use of new technologies, continuous business optimisation and upgrading facilitated access to products and services and resulted in simplified client operations. Continuous improvements and numerous activities in this area are also described in Section [11.1.4 Development of insurance products and services](#).

- **DRAJV mobile application:** The existing functionalities were improved and a number of new ones were added (see Section [11.2.1 Business digitalisation](#) for more details). The application, which promotes safe driving, is already used regularly by more than 62,000 drivers (11% more than in 2020), who in 2021 recorded almost 8 million journeys and drove almost 190 million kilometres. By driving



Using the mobile application to inspect the object insured via the mobile phone, claims are settled faster and with greater ease.

safely, users can get up to a 25% DRAJV discount when taking out motor vehicle insurance or insurance for young drivers.

- **A mobile application for claim reporting and ordering assistance services:** Using the Triglav Asistenca (Triglav Assistance) mobile application, clients can report a claim, monitor the progress of claim settlement and order assistance services.
- **An application for remote inspection of the object insured:** It makes it easier and faster to settle claims remotely, as the inspection is done via the client’s smartphone.
- **Mobile appraisal units in the event of mass claims:** Mobile appraisal centres are set up

in the affected areas, thereby facilitating the appraisal of damage. In 2021, four mobile appraisal units were set up after four major hail storms in Slovenia, which carried out a total of over 2,200 appraisals of damaged vehicles.

- **Triglav Skladi mobile application and Moj račun (My Account) online application:** The two applications enable comprehensive online service, the management of mutual funds and remote investment solutions. The **Zaslužite si več** (Earn More) communication platform provides educational video content, guides (tutorials) and e-manuals, thereby supporting learning about and becoming aware of alternative investment solutions and helping to raise awareness and financial literacy.
- **Triglav Vreme (Triglav Weather) mobile application for weather alerts:** The application provides reliable weather information and forecasts for specific locations and the whole Slovenia. The data are provided by the Slovenian Environment Agency.
- **Remote consultation with a doctor under the Zdravstveni nasvet (Medical Advice) insurance product:** As part of *Zdravstveni nasvet* insurance, clients can consult with a specialist doctor by telephone, email or video call.
- **Digital campaign for a higher level of seismic safety of residential buildings in Croatia:** Policyholders were encouraged to simply expand their home insurance after the earthquakes in Zagreb and Petrinja.
- **A safe driving simulator at Triglav Lab:** Young drivers can take a practical driving test on a simulator to obtain a 10% discount when concluding a young driver’s insurance policy. They can also get another 10% discount by attending a safe driving workshop.

⁴² GRI GS 103-1, 103-2, 103-3 | ⁴³ GRI GS 103-1, 103-2, 103-3, 417-1, SASB: FN-IN-270a.4, FN-AC-270a.3





In 2021, mobile appraisal units were set up after four major hail storms in Slovenia, which carried out a total of over 2,200 appraisals of damaged vehicles.

Access to insurance services for people with various disabilities⁴⁴

Zavarovalnica Triglav: improving the services provided to persons with disabilities and ensuring their social integration
<ul style="list-style-type: none">As many as 70% of the Company's points of sale provide independent access to people with different types of disabilities. In 2021, access and toilets in two buildings on the Dunajska cesta location in Ljubljana were renovated (new toilets for people with disabilities in the lobby and on the 2nd floor at Dunajska cesta 22 and a new lift that allows people with disabilities access to the basement at Dunajska cesta 20).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.Awareness about the needs of people with disabilities is raised in cooperation with the Sports Federation for the Disabled of Slovenia and the Vozim Institute, as well as through volunteer work of employees at school sports days.

12.4.1.1 Client satisfaction⁴⁵

Client satisfaction is systematically monitored by measuring and researching clients' experience. In this way, feedback is obtained so as to improve our services. The results obtained are also helpful in designing employee training, upgrading claim applications and monitoring sales.

In 2021, client satisfaction measurement according to the Net Promotor Score (NPS) methodology was extended to include additional contact points, e.g. the Client Support Centre and booking an online appointment with an agent. Client satisfaction at the Client Support Centre is monitored via various communication channels.

In 2021, the NPS index for Zavarovalnica Triglav rose to 72% (4 percentage points more than the year before), reaching the highest score to date. The result is mainly due to improved satisfaction with taking out insurance, which grew by 7 percentage points. Assistance services again reached the highest score. Measuring satisfaction with the NPS index is carried out in all Group insurance and financial companies in Slovenia, Croatia and North Macedonia. In 2021, it was introduced at Triglav Osiguranje, Sarajevo and Triglav Osiguranje, Belgrade. NPS measurement related to taking out insurance and reporting, paying and rejecting claims was established in Serbia and North Macedonia. In Bosnia and Herzegovina, it takes place after paying out a claim. The introduction of NPS measurement in other subsidiaries will continue in 2022.

Employees are informed about the results of client satisfaction measurement, breaking down the data in detail. Particular focus is placed on identifying and resolving negative client experiences, as this improves not only client satisfaction but also work processes,

services and products. In 2021, the features of tracking the settlement of an individual claim, uniform recording of individual critical events, submitting to competent departments and monitoring the settlement process and measures were added.

Client satisfaction is also measured at the **Zdravstvena točka** health information office and healthcare service providers. Client feedback and scores exceed target values. All clients who left negative feedback are contacted. The range of products and services is adapted based on the feedback, which is also communicated to partner healthcare providers. Every year, the best rated partner healthcare institutions are awarded special awards of excellence; in 2021, the special title of *Ambassador of Excellence* was introduced for providers who were awarded five years in a row.

In **asset management**, a recognisable brand was built and client satisfaction was improved through active and targeted tailoring of the product range. Clients were addressed via various marketing channels, our presence on social networks and the use of digital platforms were strengthened, a call centre was set up and client satisfaction measurement according to the NPS methodology was established.

In order to increase the loyalty of existing clients and gain new ones, a redesigned client loyalty programme (Triglav Klub) was launched in **Croatia**. In **Bosnia and Herzegovina**, client experience was improved by setting up additional client communication and information channels. In **Montenegro**, responsiveness in resolving client requests was increased, especially with regard to complaints.

Client feedback is also obtained through an anonymous survey when reporting a claim, mail and electronic complaints, responses on various social networks and own websites, as



⁴⁴ GRI G4-FS14 | ⁴⁵ GRI GS 103-1, 103-2, 103-3, 102-44

well as directly from agents in the field. A book of complaints and compliments is available at **points of sale**, which are also recorded in an application. A total of 2 such complaints and 11 compliments were received in 2021.

Complaints and compliments are regularly monitored, resolved and examined. Zavarovalnica Triglav received 2,698 complaints (8% less than the year before), the majority (93%) in relation to non-life insurance. A total of 4% of complaints related to life insurance, and the remaining (3%) to other areas. Complaints are classified into substantive and general complaints and complaints resolved according to a fast-track procedure. Substantive complains in which clients express their dissatisfaction with the handling of their claims are the most common (94%). A total of 9% of all complaints were founded and 14% were partly founded. In addition, 69 compliments were received (compared to 50 in 2020). In the Group members outside Slovenia, complaints are handled in accordance with complaint committee's rules, while their records are kept in the prescribed form, mostly digital.

The client retention rate in the Slovenian insurance companies of the Triglav Group in 2021 was 0.44% (compared to 0.41% in 2020), which means that the number of clients rose by approximately 3,900.⁴⁶ The rate of complaints in relation to the number of claims at Zavarovalnica Triglav and Triglav, pokojninska družba was 1.30% compared to 1.46% in 2020.⁴⁷

12.4.1.2 Assessment of effectiveness and market research

Twice a year, the Management Board reviews the report on outsourcers' satisfaction. The effectiveness of marketing and communication

campaigns and events is assessed with key performance indicators (KPIs). In 2021, measurements of visibility, likeability, understanding and purchase decisions were carried out for marketing and communication campaigns AvtoMobilno, accident insurance for children and youth, life insurance and the analysis of knowledge and satisfaction of the ninth Triglav Run. For the needs of the development of insurance products and services, quantitative research was carried out using the CAWI method for small animal insurance. The suitability of the product for sole traders, the user experience of the application for reporting claims remotely, the satisfaction of agents with the rewarding methods and system and the Naj prodajnik (Top Agent) event were checked.

The shopping habits of consumers of insurance are monitored with a quantitative analysis of shopping factors (All insurance), which takes place in the entire insurance market and provides a view of the market and end consumer.

Zavarovalnica Triglav is one of the most reputable brands in the Slovenian market and ranks among the top five brands in terms of reputation on markets outside Slovenia, which is quite an achievement. The Group members are recognised as reputable companies with a distinctive, transparent style of communication with their clients. The Group is known well for its comprehensive range of insurance products and efficient claim settlement, including the payment of indemnities and benefits. The recall of the Triglav Skladi brand and its first selection set improved significantly in 2021.

12.4.1.3 Brand management and marketing communication

The reputation of the Triglav brand and the Triglav Group is built using an in-depth knowledge of client behaviour and needs, together with examining upcoming trends. Brand strength is increased through a comprehensive approach to branding at corporate and product levels. Brand identity is implemented on all target markets. Marketing approaches and campaigns are implemented in compliance with statutory and other consumer protection regulations. No proceedings for violations related to marketing communication were initiated against Zavarovalnica Triglav and its subsidiaries in 2021.⁴⁸ In the **non-life insurance segment**, the sale of the redesigned home insurance product and the AvtoMobilno campaign were promoted.

A brand new marketing strategy for small animal insurance (insurance for dogs and cats) was developed. In the **life insurance segment**, communication focused on whole life insurance and redesigned complementary serious illness insurance products. The key advantages of the **i.triglav** digital office were presented with strategically and comprehensively designed creative solutions that also attracted new users. Agricultural insurance, insurance for motorcyclists and tractor operators, Pazi name! (Watch Out for Me!) accident insurance, travel insurance, insurance for young drivers and DRAJV challenges were actively promoted.



Two extensive campaigns were designed to increase the visibility of health insurance products and the *Zdravstvena točka* assistance centre.

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⁴⁶ SASB: FN-IN-270.3 | ⁴⁷ SASB: FN-IN-270a.1 | ⁴⁸ GRI GS 417-2, 417-3, SASB: FN-IN-270a.1, FN-AC-270a.2

In the **health insurance segment**, two major marketing and communication campaigns were implemented with the aim of raising the recognisability of health insurance and Triglav Zdravje. In addition to product benefits, the benefits of related services, such as the *Zdravstvena točka* assistance centre and the wide network of partners – top healthcare providers, were presented.

In **asset management**, the comprehensive Gozd srčnosti (Wholehearted Woods) campaign was designed for the promotion of the Triglav Zeleni mutual fund (see Section [12.3.3 for further details](#)). The whole campaign was designed emotionally and with several messages: by planting trees we help to restore forests, while dedicating trees to those who mean the world to us.

In other Group markets, various types of insurance products were promoted. In **North Macedonia**, health insurance products were promoted by launching, among others, the SOS package for voluntary health insurance, **#BeFit#BeHealthy#BeSecure** prize contest and the **Fit Kit** mobile exercise application.

In **Montenegro**, the promotion of new insurance for microvehicles, which is a new product in this insurance market, was at the forefront. In December, home insurance was promoted with the Praznični Dome moj (My Festive Home) corporate campaign. Over 1,776 children's drawings of their home were received, increasing the reach of insurance literacy activities.

12.4.1.4 Corporate identity building

Triglav Lab, the technological centre and training ground of the Group's digital business, continues to play an important and dynamic role in strengthening the brand in the field of innovation and advanced solutions. It enables the Company to act as a trusted partner in several areas, such as preventive actions, financial literacy and cooperation with athletes. A total of 80 events (in-person and virtual), training courses, workshops, seminars and video recording sessions to promote insurance literacy, risk awareness, presentation of products and services were held in 2021, which were attended by over 2,000 participants.

Young people were addressed primarily through digital content about **saving, traffic safety, sports, health**, etc. For other target groups, several **preventive and awareness-raising events** related to the Company's products were held in cooperation with partners LIT Hekaton, AmCham

Summer School, Fanfara, specialist doctors, mountain rescuers, Alfakan and others.

As a partner of the Matica mountaineering society, Zavarovalnica Triglav developed the conceptual design and carried out the first phase of branding on **Kredarica**, which included a number of solutions.

A virtual tour of ski jumping in **Planica** is only part of the results of many years of cooperation between Zavarovalnica Triglav and the organisers of this internationally renowned sporting event. Despite the situation marked by COVID-19-related measures, the Company remained true to tradition and provided free and safe watching of ski jumps in a virtual environment. To boost the sports enthusiasm for ski jumping on the giant hill, a campaign was designed to promote the remote cheering for the best ski jumpers at the World Cup hosted by Planica.

Z nami bodo

Uroš Kuzman

Betka Šuhel Mikolič

Gregor Hvalc,
dr. med.

Torek, 22. 6. ob 18. uri
Prijave na lab.triglav.si.

Digitalni posvet:

**Z otroki v hribe –
prigode in nezgode**

OČISTIMO
NAŠE GORE
POLEG LEPIN
DOZIVETIJ
ODNESIMO
V DOLINO
TUDI SVOJE
SMETI

TriglavLab

12.4.1.5 Awards and prizes received

Awards and prizes of Zavarovalnica Triglav in 2021

- **Most reputable employer:** the most reputable employer in the insurance industry for 2020 according to a survey carried out by the Moje delo employment portal.
- **e2grow Exceptional Workplace Award 2020:** an international award for the successful and efficient shaping of the Triglav Group's organisational culture and values.
- **HRM Conference 2021:** HRM&M 2021 award in the Large Companies category for the project of renovating the Triglav Group's organisational culture.
- **Beep Institute:** the Ambassador of Human Potential Sustainable Development plaque.
- **Trusted Brand 2021:** the award for the most trusted brand in the Insurance Companies category for the fifteenth consecutive year.
- **WEBSI 2021:** first place in the Use of Advanced Technologies category and the Web Champions WEBSI award for the redesigned DRAJV mobile application.
- **Best online user experience:** first place among the websites of Slovenian insurance companies based on the analysis of the Slovenian digital insurance market carried out by E-laborat.
- **Effie Slovenia 2020:** a special recognition as the finalist of Effie Slovenia 2020 for long-term integrated communication in the campaign for the promotion of life insurance in the Services – Finance and Insurance category.
- **Best TV ad of the past thirty years:** the People's Choice Award at the Slovenian Advertising Festival for Zavarovalnica Triglav's advertisement entitled Čistilka (Cleaning Lady).

- **Arc Awards:** two Gold awards in the Interactive Annual Report and Cover/Home Page categories for the 2020 annual report of the Triglav Group and Zavarovalnica Triglav.
- **IADA:** the Diamond award in the Overall Presentation category for the online version of the 2020 annual report of the Triglav Group and Zavarovalnica Triglav and two Golden awards for the PDF version in the Photography and Integrated Presentation categories.
- **Best Annual Report:** award for the best annual report among financial institutions for 2020 selected by the Finance business daily and four awards in the following categories: the best annual report in business analysis and planning; introduction, risk management and corporate governance among financial institutions; communication.

12.4.2 Responsibility to employees⁴⁹

Healthy, satisfied and engaged employees are key to achieving the Group's high strategic and business objectives. For this purpose, numerous **employee management** activities are carried out, taking care for a stimulating environment that provides employees with the possibility of continuous development, training and career and personal growth. Special attention is paid to prudent selection of new employees and their onboarding. The Company values new knowledge, digital skills and cooperation, as well as promotes innovation, multiculturalism, and transfer of experience and knowledge through intergenerational cooperation.

Strategic employee management guidelines and the recruitment policy

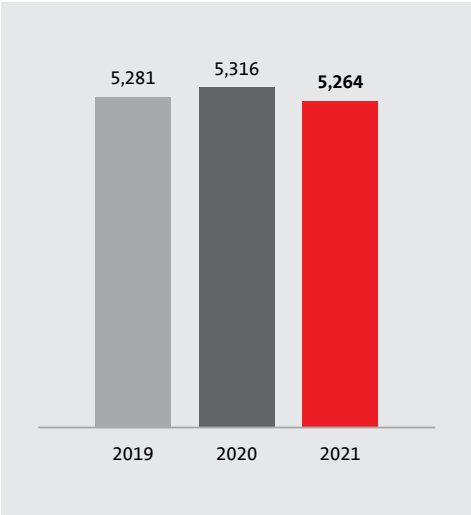
- A uniform organisational culture is being created at Group level based on constructive behaviour, teamwork,

- initiative, responsibility and cooperation. A uniform organisational culture supports the achievement of strategic objectives by pursuing corporate values, rules, methods of implementing processes, behaviour and methods of work of employees. The desired organisational culture helps to build a reputable employer brand.
- Standardised employee management processes are introduced within the Group by implementing minimum standards and transferring good practices.
- The Company acquires, develops and retains the best employees, improves selection processes and promotes mobility both within an individual Group member and at Group level. Onboarding mentoring for new hires and development mentoring for promising employees are carried out, in addition to fostering intergenerational cooperation.
- Know-how is being upgraded in all areas of work and the competencies necessary for the effective achievement of individuals' goals are developed on an ongoing basis. Employees are constantly trained in digital technologies and sales skills. In 2021, the main competence – relationship orientation – was strengthened at Group level.
- A lot of attention is paid to key and promising employees and all leaders. Zavarovalnica Triglav implemented a system for obtaining a leadership license, which encourages leaders to continuously improve their knowledge and upgrade their leadership skills.
- The Company's human resource and information system (Gecko HRM) is being introduced in all Group companies. In 2021, it was implemented in most companies outside Slovenia, and in the last two companies it will be implemented in 2022.

12.4.2.1 Recruitment and employee structure

The Triglav Group had 5,264 employees as at 30 December 2021, down by 52 compared to the preceding year. The number of employees decreased the most at Triglav Osiguranje, Belgrade as a result of the decline in the number of fixed-term employees due to the COVID-19 pandemic.

The number of Triglav Group employees as at 31 December 2021⁵⁰

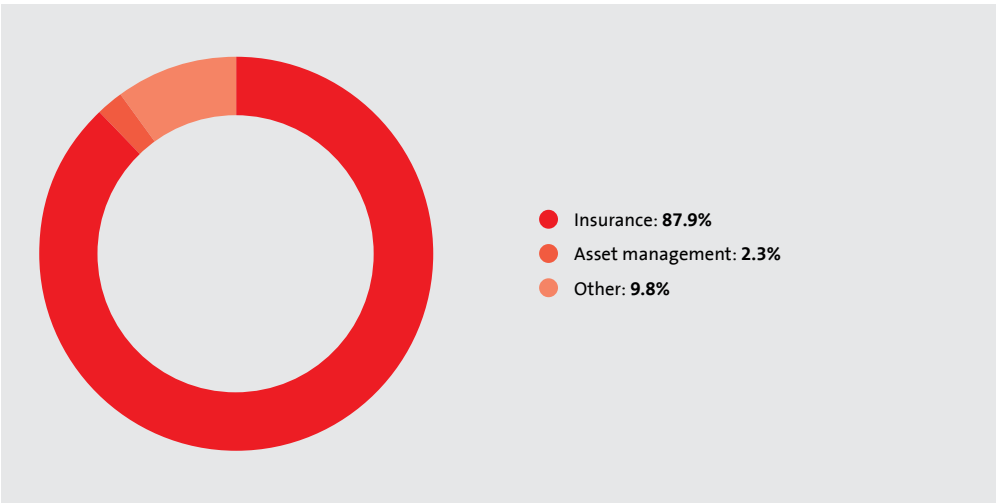


The share of employees in strategic activities increased. The majority, i.e. 87.9%, of all employees worked in the insurance activity, up by 0.7 percentage point compared to the year before. Employees in asset management activity, whose share increased by 0.1 percentage point, represented 2.3% of all employees; the share of employees in other activities decreased by 0.8 percentage point.

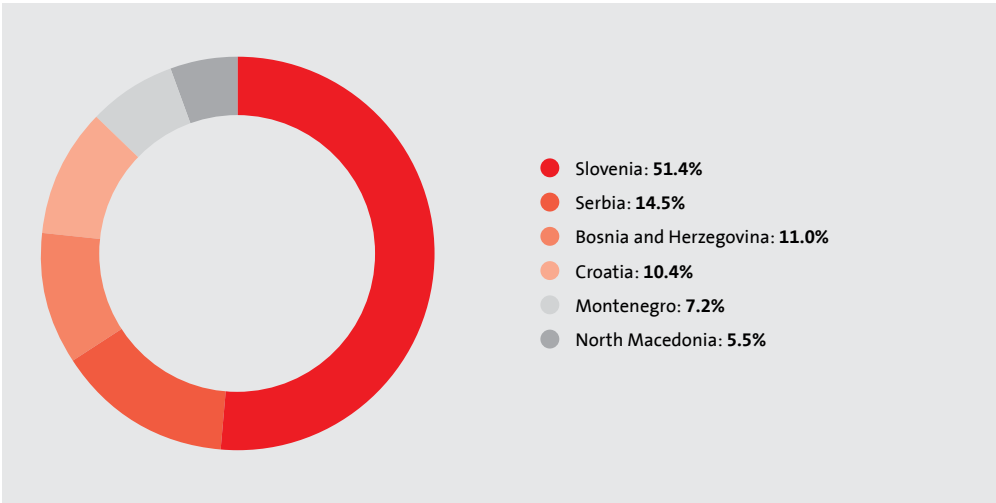


⁴⁹ GRI GS 103-1, 103-2, 103-3 | ⁵⁰ GRI GS 102-7

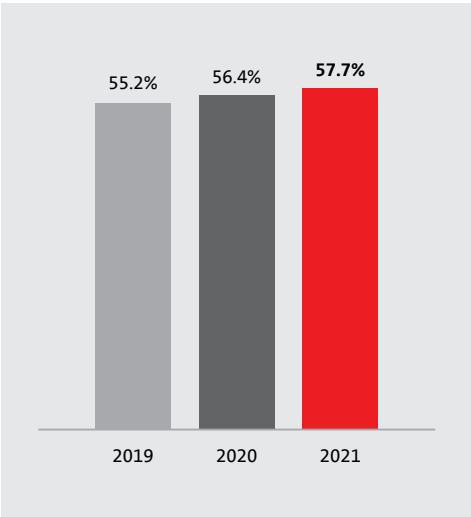
Employees by Triglav Group activity as at 31 December 2021



Employees by Triglav Group market as at 31 December 2021



Proportion of employees at the Triglav Group with at least level VI education according to the Bologna study programmes as at 31 December 2021



Employees at the Triglav Group and Zavarovalnica Triglav by type of employment (full-time, part-time) as at 31 December 2021⁵¹

	Triglav Group						Zavarovalnica Triglav					
	2021		2020		2019		2021		2020		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Type of employment												
Part-time	221	4,2	251	4,7	267	5,1	74	3,3	77	3,4	91	4,0
Full-time	5,043	95,8	5,065	95,3	5,014	94,9	2,172	96,7	2,167	96,6	2,162	96,0
Total	5,264	100,0	5,316	100,0	5,281	100,0	2,246	100,0	2,244	100,0	2,253	100,0
Type of employment agreement												
Fixed-term	623	11,8	779	14,7	793	15,0	41	1,8	49	2,2	46	2,0
Permanent	4,641	88,2	4,537	85,3	4,488	85,0	2,205	98,2	2,195	97,8	2,207	98,0
Total	5,264	100,0	5,316	100,0	5,281	100,0	2,246	100,0	2,244	100,0	2,253	100,0

A total of 51.4% of all Group employees are employed in Slovenia, up by 0.7 percentage point relative to the preceding year. The share of employees in Serbia decreased the most, by 1.2 percentage points.

The turnover rate⁵² increased in both the Triglav Group and Zavarovalnica Triglav; it was 13.2% in the Group (compared to 11.7% in 2020) and 4.1% at the parent company (compared to 3.4% in 2020). Most leavers were aged over 56 years (due to retirement) and 36–40 years. Most new hires were aged between 26 and 40 years.

The average age of employees in the Group rose slightly to 44.67 years (compared to 44.38 years in 2020); in the parent company it was 46.55 years (compared to 46.33 years in 2020). The average age of Zavarovalnica Triglav’s Management Board members was 48.66 years.⁵³ In Slovenia, senior management is hired from the local community, as is the majority of senior management in the markets outside Slovenia.⁵⁴

⁵¹ GRI GS 102-8 | ⁵² GRI GS 401-1 | ⁵³ GRI GS 405-1, SASB: FN-AC-330a.1 | ⁵⁴ GRI GS 202-2





In terms of gender, the share of women among employees increased slightly to 53.9%. The proportion of women among the members of the Management Board of Zavarovalnica Triglav was 33.3%.⁵⁵ In all employee categories, activities and countries where the Group operates, the basic salary of men and women is equal.⁵⁶

A total of 89.3% of Group employees were employed under the collective agreement (compared to 90.7% in 2020) and 91.1% in the parent company (compared to 91.4% in 2020). The remaining 10.7% were employees with individual agreements.⁵⁷ Benefits are the same for all employees, be it permanent full-time employees, fixed-term employees or part-time employees.⁵⁸

Gender diversity by different categories at the Triglav Group and Zavarovalnica Triglav as at 31 December 2021 (%)⁵⁹

	Share in %			Index	
	2021	2020	2019	2021/2020	2020/2019
Triglav Group					
Women employees to total employees ratio	53.9	53.5	53.5	101	100
Proportion of women at the first management level under the Management Board	45.3	45.8	46.9	99	98
Proportion of women at first and second management levels under the Management Board	42.0	42.1	43.5	100	97
Women in management to women employees ratio	71.3	73.5	75.2	97	98
Zavarovalnica Triglav					
Women employees to total employees ratio	50.8	50.4	50.5	101	100
Proportion of women on the Management Board of Zavarovalnica Triglav	33.3	33.3	33.3	100	100
Proportion of women on the Supervisory Board of Zavarovalnica Triglav	0.0	0.0	11.1	0	0
Proportion of women at the first management level under the Management Board	25.9	25.9	32.1	100	81
Proportion of women at first and second management levels under the Management Board	38.8	37.9	36.8	102	103
Women in management to women employees ratio	75.6	74.7	72.4	101	103

Employees at the Triglav Group and Zavarovalnica Triglav by age and gender as at 31 December 2021⁶⁰

	Triglav Group						Zavarovalnica Triglav					
	2021		2020		2019		2021		2020		2019	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Age group												
From 18 to 19	6	0.1	4	0.1	5	0.1	1	0.0	0	0.0	0	0.0
From 20 to 25	125	2.4	138	2.6	135	2.6	21	0.9	17	0.8	16	0.7
From 26 to 30	371	7.0	389	7.3	403	7.6	94	4.2	100	4.5	115	5.1
From 31 to 35	569	10.8	588	11.1	622	11.8	194	8.6	191	8.5	202	9.0
From 36 to 40	771	14.6	813	15.3	786	14.9	264	11.8	285	12.7	288	12.8
From 41 to 45	885	16.8	909	17.1	923	17.5	393	17.5	409	18.2	403	17.9
From 46 to 50	882	16.8	852	16.0	878	16.6	422	18.8	413	18.4	446	19.8
From 51 to 55	821	15.6	803	15.1	766	14.5	455	20.3	451	20.1	437	19.4
56 and over	834	15.8	820	15.4	763	14.4	402	17.9	378	16.8	346	15.4
Total	5,264	100.0	5,316	100.0	5,281	100.0	2,246	100.0	2,244	100.0	2,253	100.0
Gender												
Men	2,426	46.1	2,472	46.5	2,456	46.5	1,104	49.2	1,114	49.6	1,116	49.5
Women	2,838	53.9	2,844	53.5	2,825	53.5	1,142	50.8	1,130	50.4	1,137	50.5
Total	5,264	100.0	5,316	100.0	5,281	100.0	2,246	100.0	2,244	100.0	2,253	100.0

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⁵⁵ GRI GS 405-1 | ⁵⁶ GRI GS 405-2 | ⁵⁷ GRI GS 102-41 | ⁵⁸ GRI GS 401-2 | ⁵⁹ GRI GS 405-1, SASB: FN-AC-330a.1 | ⁶⁰ GRI GS 405-1

12.4.2.2 Employee training and development⁶¹

Employee training and development

The training policy is aimed at improving employees’ expertise and skills, which is of key importance in achieving the Group’s strategic objectives.

Employees were provided with numerous training courses in various fields. Special attention was paid to the internal transfer of knowledge, as **61% of in-house training was carried out by our employees**, i.e. in-house lecturers. In order to prevent possible infections, most of in-house training courses were held online, either as webinars or e-learning (self-learning). At the parent company, focus was on insurance topics, sales training and business communication. In addition to regular training, the following took place:

- the **system of onboarding mentoring and traineeship** for new hires was set up;
- specialised in-house training for employees at subsidiaries, in which 60 employees participated, with 47 attending the **Autumn School**;
- **coaching of leaders and promising employees** in the Group, which was carried out by more than 50 in-house coaches;
- the **Triglav Ambasadorstvo** (Triglav Ambassadors) pilot project for the transfer of knowledge, skills and experience of the best agents to new agents and those who have development potential and motivation for development;
- the **Sales Academy** programme for agents, which also included 75 new agents and the first group of sales officers, while all heads of sale attended the Sales Management Academy;
- the system for obtaining a **leadership license** was set up at the parent company for training, education and coaching, designed for leaders to improve their leadership skills;
- the compulsory training of **20 teaching hours** for obtaining a license to conduct insurance agency business (i.e. a license) for **1,129 employees** at the parent company;
- a total of **7,249 hours of in-house training courses** were held at the parent company for employees of subsidiaries;
- the **leadership potential development** programme for **young promising employees**;
- online training for **employees at external points of sale**, where topics about insurance products and consumer protection were at the forefront.

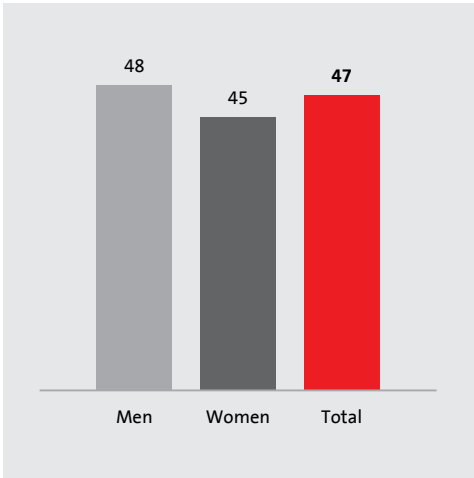
The **total number of functional training hours** increased by 29% and, despite the considerably changed situation, almost reached the 2019 level. Employees within the Group participated in training 31 hours on average, up by 30% compared to 2020. Zavarovalnica Triglav’s employees participated in training 47 hours on average (index 118), most in the age group up to 25 years due to onboarding. At the Company, men participated in training on average two hours more than women.

The **Group’s training costs** amounted to EUR 1.8 million (compared to EUR 1.5 million in 2020). The majority of in-house training courses took place online with lower indirect costs.



Special attention was paid to the internal transfer of knowledge, as 61% of in-house training was carried out by our employees, i.e. in-house lecturers.

The average number of functional training hours at Zavarovalnica Triglav in 2021 by gender⁶²



Employees are also encouraged to continue their **formal education**; work study was funded for 150 Group employees and **scholarships** were provided to 36 pupils and students. Obligatory work placement was provided to 52 pupils and students. The Company cooperated with schools and faculties in preparing project assignments and ensured the transfer of practical knowledge and experience to young people. A total of 25 young employees completed traineeship under the guidance of mentors.

Management by objectives and development of competences⁶³

The management-by-objectives system is implemented by all Group insurance companies. A total of 55% of all Group employees and 71% of the parent company’s employees are included. Management by objectives is used to monitor employees’ performance, motivate

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⁶¹ GRI GS 103-1, 103-2, 103-3 | ⁶² GRI GS 404-1 | ⁶³ GRI GS 404-3

them and receive their feedback. Employees are rewarded for the achievement of their objectives, which are set together with their supervisor during the annual development interview (the top-down approach) and monitored at quarterly interviews. Due to the nature of their work, agents and heads of sales team who are rewarded on the basis of sales targets are excluded from the management-by-objectives system.

The **competency model** is integrated into annual development interviews, at which individual competency profiles and development activities are defined. The development of employees' competencies is planned based on the performance of tasks and duties as well as the current and anticipated requirements.

The competencies and development potential of employees in some Group members are assessed using the **DNLA** (Discovery of Natural Latent Abilities) **tool**. It is also used in training of leaders at most insurance companies in the Group and in recruitment at Zavarovalnica Triglav, Pozavarovalnica Triglav Re and Triglav Osiguranje, Belgrade.

Fit and proper assessment

The Solvency II Directive requires that all persons who manage or supervise an insurance undertaking or hold a key function have adequate professional qualifications (fit) and are of good reputation and integrity (proper). The fit and proper assessment of the management board members, the supervisory board members and key function holders in the Group is carried out based on national legislation and adopted internal documents, which is also described in Section [5 Corporate Governance Statement](#). Fit and proper assessment was performed in all insurance companies in line with respective policies.

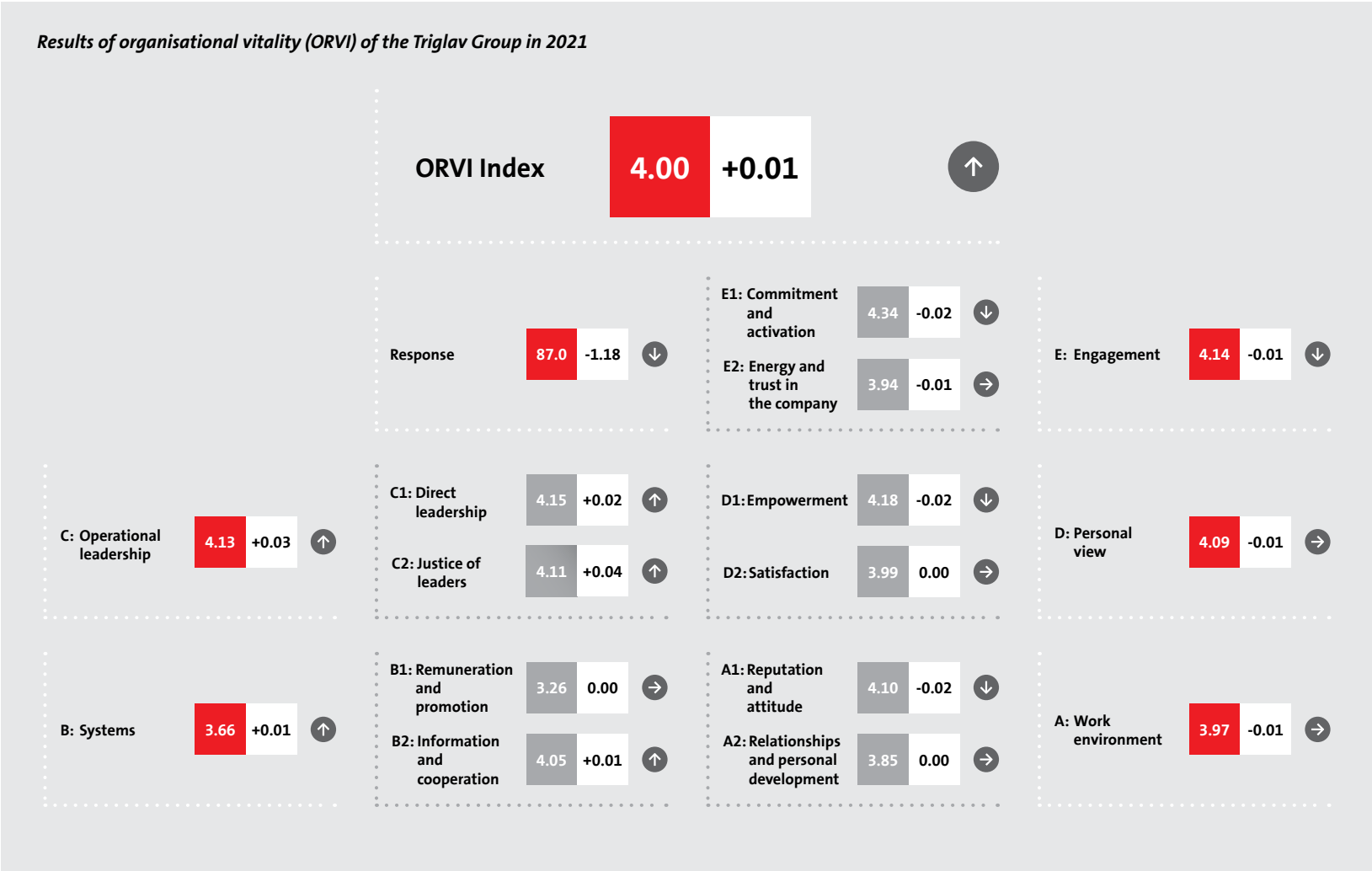
12.4.2.3 Organisational vitality (climate) and organisational culture ⁶⁴

The **organisational vitality survey (ORVI)** in 2021 confirmed that the measures taken by the Group to maintain the high vitality of the organisation and employee satisfaction were appropriate. The survey included 87% of all employees in 15 Group members (compared to 88% in 2020) in which ORVI is measured, which is **the second highest participation** to date.

The aggregate ORVI index is composed of the indicators (indices) for work environment, systems, operational management, personal view and engagement, which are further classified into ten categories.

Organisational vitality improved, reaching **4.00** (2020: 3.99) **at Group level** and **4.05** (2020: 4.03) **at the parent company**. Among the indices, most progress was recorded at the indicator “operational management”, which was 4.13 at Group level and 4.30 at the parent company. Despite the changed working conditions, the Group employees remain very engaged (4.14). Engagement reached the highest value among the five measured indicators, with only “operational management” being rated higher at the parent company.

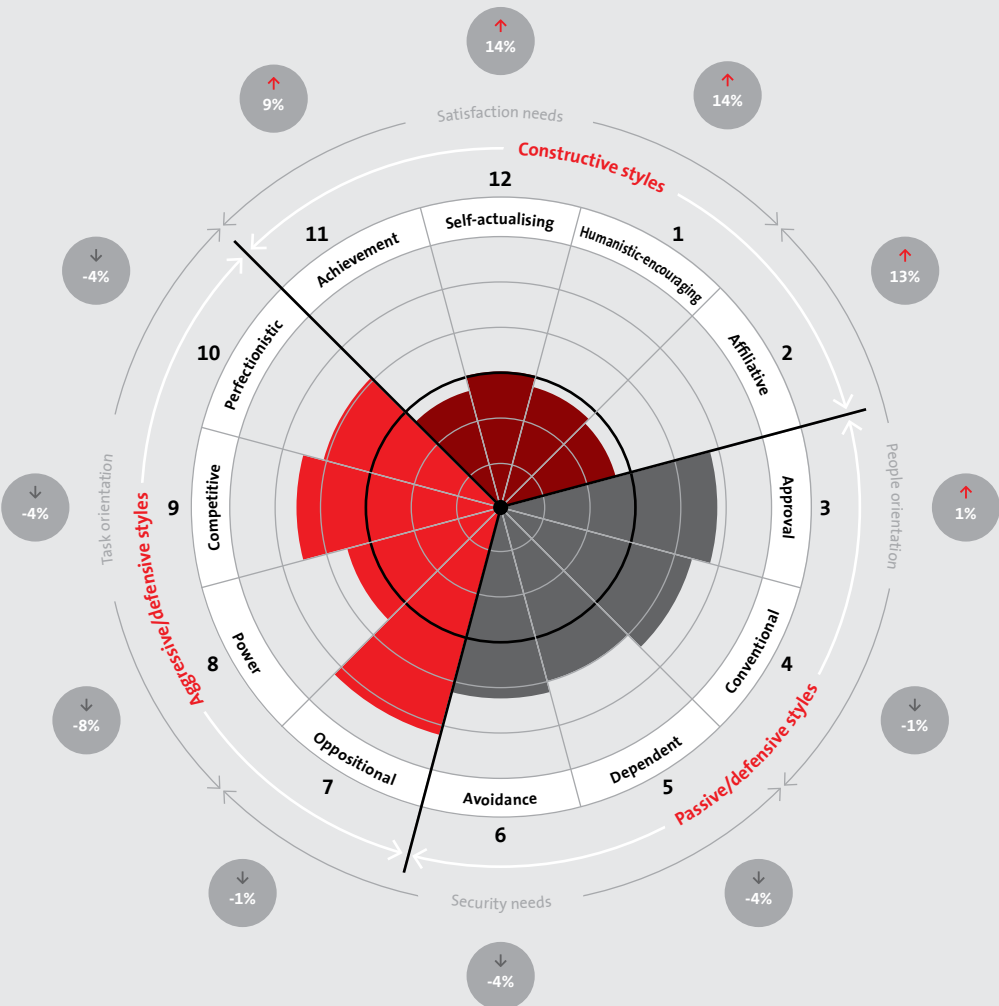
⁶⁴ GRI GS 102-43, 102-44



The Group’s employees once again expressed a positive attitude to their work environment; they are very satisfied with regular employment, working hours, their co-workers and direct supervisors. As part of improving the organisational culture (see below), interpersonal relationships and cooperation within the

organisation and the Group were also better rated. Employees believe that the Group is successfully adapting to the epidemic, they are satisfied with the benefits at work and feel safe in their work environment. The results showed that knowledge and understanding of the strategy among employees was excellent.

Changes in behavioural styles in the Triglav Group’s organisational culture (2017–2021)



Organisational culture

After four years, the measurement of the organisational culture again took place in 2021; its aim was to monitor the strategic project of renovating the Triglav Group’s organisational culture. The measurement results showed that in the last four years the Group was on the right track by carrying out many activities designed to adopt constructive behavioural styles. The changes achieved according to the world-renowned methodology represent one of the greatest advances in our region. There has been a considerable increase in constructive behavioural styles, which indicates that organisational culture has become more cooperative, inclusive, development-oriented, transparent, open and creative. Positive changes are noticeable both at Group and parent company levels.

With constructive behavioural styles increasing on average by 13% and 17% respectively. The highest growth in the Group was recorded in the humanistic-encouraging style and self-actualising (both are among the desired styles). The former is characterised by the exchange of ideas, enjoyment of work and the maintenance of personal integrity, while the latter is characterised by constructive resolution of disagreements, mutual encouragement and help in thinking. Among the behavioural styles in the parent company, affiliative strengthened the most.

12.4.2.4 Occupational health and safety⁶⁵

Zavarovalnica Triglav is implementing a comprehensive and strategic approach to ensuring occupational health and safety. In order to manage and reduce risks to the lowest possible level, a number of activities are carried out, such as strict compliance

with sectoral legislation (identification of risks and hazards and their management), promotion of occupational health (Triglav.smo – Zavarujmo zdravje (Protecting Health) health promotion programme), provision of personal protective equipment and appropriate working conditions, ergonomic workplace arrangement, and employee awareness and education. Many activities take place in the context of the Family-Friendly Enterprise certificate, additionally contributing to greater satisfaction and better health of employees.

The comprehensive approach implemented in the parent company is being transferred to other Group companies by establishing common minimum standards for ensuring occupational health and safety and by strictly complying with local legislation. In this regard, the aim is to identify, mitigate and manage risks arising from duties and the work environment.

Occupational safety and health is organised in accordance with the legislation and ensures the smooth provision of a healthy work environment for the employees.⁶⁶

The Safety Statement and Risk Assessment for individual job categories include an assessment of hazards and harmful effects, which could impact the health of employees, and the foreseen prevention and mitigation measures. This is an ongoing process, which involves making regular revisions of assessments and updating the measures; employees are also directly involved in this process. Health risk assessments are revised in cooperation with occupational health specialists. Based on the results of risk assessment, employees are referred to periodic medical examinations and every new hire is required to undergo a statutory medical examination before taking up employment.⁶⁷



⁶⁵ GRI GS 103-1, 103-2, 103-3, SDG 8.8 | ⁶⁶ GRI GS 403-1 | ⁶⁷ GRI GS 403-2, 403-3, 403-4, 403-8



The revised Safety Statement and Risk Assessment was adopted in 2021, which introduced measures to prevent and reduce all risks to a minimum. Risks were reassessed, followed by identification of measures related to the increased risk of infectious disease and requirements for safe working from home. In addition, a sick leave analysis was taken into account, which is prepared every year by occupational medicine specialists.

Participation in training and passing an test on **fire safety and occupational health and safety** are mandatory for employees. At **Zavarovalnica Triglav**, employees are made aware of these topics via various communication channels, the **Zavarujmo zdravje health promotion programme**, the measures related to the full Family-Friendly Enterprise certificate and the **Triglav.smo programme**. Best practices are implemented at Group level.⁶⁸

Health promotion is carried out in a targeted and prudent manner with regard to the most common health problems that are perceived among employees based on anonymous reports of occupational medicine. The focus in 2021 was on managing the risks of the musculoskeletal system, implementing active breaks for employees and referring them to the mandatory reading of e-material on a healthy spine and exercising, stressing the importance of ergonomics when working at the office or from home. The four-day preventive health programme **Dnevi zdravja (Days of Health)** took place for the third consecutive year, which has been attended by more than 400 employees to date. Training courses in **maintaining health and stability in an uncertain situation** continued. New educational topics were joined into the spring and autumn series of lectures entitled **A healthy mind in a healthy body**.

Employees from other Group companies in Slovenia also attended some online lectures.

Care for occupational health and safety is **promoted among clients** through insurance products. Anyone (employer) wishing to conclude group accident insurance can only do so if they fulfil the requirements relating to occupational health and safety.⁶⁹

Working safely during the pandemic

The crisis team, set up in the parent company when the COVID-19 pandemic was declared, continued its work in 2021 and will continue to operate throughout the period of increased risk of infection with infectious diseases. The team is in constant contact with the Company's Management Board and the heads of individual departments and is in charge of preparing work instructions, work organisation and up-to-date information. Good practice of crisis management was also transferred to the subsidiaries in the Group.

In order to ensure business continuity, regular testing of key employees, self-testing and verification of compliance with the recovered/vaccinated/tested rule was organised. A hotline and an online mailbox for reporting infections are available. Moreover, latest information, recommendations and forms are available to the employees on the special intranet tab COVID-19. Occupational health and safety specialists proved to be highly skilled and provided employees with a high level of safety throughout the pandemic with appropriate work organisation and protective equipment.

For all employees working from home, instructions were drawn up on how to arrange work space at home according to the basic requirements of occupational safety and health. The employees who work at the



In addition, plexiglass partitions were installed in more exposed workplaces (e.g. windows intended for sale and claim reporting, the canteen).

Company's premises were regularly informed about the compliance with safety measures. Sufficient quantities of protective masks and disinfectants were provided. In 2021, the parent company distributed 115,981 protective masks, 13,615 disinfectants, 49 pairs of protective gloves and 21,975 rapid antigen (HAG) tests for self-testing. In addition, plexiglass partitions were installed in more exposed workplaces (e.g. windows intended for sale and claim reporting, the canteen).

A total of 71 inspections of the implementation of measures to prevent the spread of infectious diseases and compliance with the recovered/vaccinated/tested rule were carried out at Company premises. No irregularities were found in most of them, and the minor discrepancies which were identified in nine cases were eliminated immediately.

Support to employees in the event of workplace violence⁷⁰

Advanced technical security measures were taken to protect both the employees and the premises. Moreover, regulations and instructions ensuring a safe work environment were adopted. Employees who are in contact with clients are specially trained in how to respond in the event of violence, robbery or threats.

Fire safety

With regard to fire safety in the Group, a **plan on emergency response and actions in the case of an emergency and other security events** was developed for the employees. In the case of an emergency or event that poses a security threat, employees can call the security control centre, where they will receive appropriate instructions. Furthermore, the Group

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⁶⁸ GRI GS 403-5, 403-6 | ⁶⁹ GRI GS 403-7 | ⁷⁰ GRI GS 103-1, 103-2, 103-3

implements preventive measures, monitors on-site fire safety in accordance with the applicable statutory requirements, carries out regular training and education of employees, and ensures ongoing improvement of fire safety at all business locations.

Security patrols and inspections of buildings and premises were carried out according to the annual plan, but, due to the situation, evacuation drills did not take place. Maintenance and regular inspections of active fire protection systems are performed within the prescribed

deadlines. In 2021, 11 fire risk assessments and 9 fire safety inspections were carried out, and no irregularities were identified.

Occupational health and safety topics covered in formal agreements with trade unions and in the collective agreement⁷¹

Safe working conditions at the parent company are provided in accordance with Zavarovalnica Triglav’s collective agreement and the applicable legislation, while the subsidiaries adhere to the applicable local legislation. Before starting their work, employees are familiarised

with the dangers at work and work safety measures that they are obligated to follow. Employees are provided with the prescribed work equipment and personal protective equipment, and periodic medical examinations are carried out in line with the timeline and scope foreseen for individual job categories.

Injuries at work⁷²

The number of accidents in both the Group and the Company increased slightly in 2021, but their number remains small.

The number of lost work days in the Group rose due to the higher number of injuries at work.

Each injury at work which would render an employee unfit for work for more than three working days, each dangerous occurrence and each established occupational disease must be reported to the Labour Inspectorate of the Republic of Slovenia. The Company recorded two dangerous occurrences (compared to 1 in 2020) and no occupational diseases in 2021.⁷³

Absenteeism⁷⁴

In the Triglav Group, the absenteeism rate was 4.74% and was 0.38 percentage point lower than in 2020, with the proportion of absenteeism paid by the Company decreasing by 0.02 percentage point (sickness benefits up to 30 days). In contrast, the lost time incident rate for which the costs are borne by other organisations increased by 0.40 percentage point (sickness benefits over 30 days, nursing and/or accompanying a sick person). The absenteeism rate at the parent company was also higher and stood at 5.13% (compared to 4.61% in 2020). The lost time incident rate for which the costs are borne by the Company fell slightly (by 0.05 percentage point), whereas the lost time incident rate for which the costs are borne by the Health Insurance Institute of Slovenia rose (by 0.57 percentage point).

Injuries at work at the Triglav Group and Zavarovalnica Triglav

Triglav Group	2021		2020		2019		Index	
	Number	Percentage	Number	Percentage	Number	Percentage	2021/2020	2020/2019
At work	10	76.9	7	63.6	11	55.0	143	64
On business trips	3	23.1	4	36.4	9	45.0	75	44
Total	13	100.0	11	100.0	20	100.0	118	55

Zavarovalnica Triglav	Number	Percentage	Number	Percentage	Number	Percentage	2021/2020	2020/2019
At work	4	57.1	1	25.0	2	28.6	400	50
On business trips	3	42.9	3	75.0	5	71.4	100	60
Total	7	100.0	4	100.0	7	100.0	175	57

Lost work days and lost time incident rate due to injuries at work at the Triglav Group and Zavarovalnica Triglav

Triglav Group				Index	
	2021	2020	2019	2021/2020	2020/2019
Lost work days due to work-related injuries	543	289	754	188	38
Lost time incident rate – LTIR*	0.24	0.21	0.38	113	56

Zavarovalnica Triglav	2021	2020	2019	2021/2020	2020/2019
Lost work days due to work-related injuries	321	98	73	328	134
Lost time incident rate – LTIR*	0.31	0.17	0.30	175	58

* The number of work-related incidents/total number of hours of all employees x 200,000



⁷¹ GRI GS 403-4 | ⁷² GRI GS 403-9 | ⁷³ GRI GS 403-10 | ⁷⁴ GRI GS 403-9

12.4.2.5 Care for employee satisfaction⁷⁵

As part of the Triglav.smo programme, the Company combines numerous activities to improve the satisfaction of its employees. The awareness and knowledge of all important aspects of our lives was strengthened through various workshops and events. To a lesser extent, such activities are also carried out in other Group members.

With the support of the *Psihološki utrip* (Psychological Pulse) in-house group, psychosocial, behavioural and other problems of employees were identified, providing them with psychosocial support and professional guidance to improve their mental well-being. Two cycles of online gatherings entitled *Healthy mind in a healthy body* were held, aimed in particular at improving and maintaining good relations between employees for a better climate in the work environment and their well-being.

The measures of the **Family-Friendly Enterprise Certificate** at the parent company are designed to provide for a better work-life balance of the employees. Due to the ageing of the population, measures to ease the care obligations of employees towards their elderly family members are coming to the fore. The Company has been the holder of the full Family-Friendly Enterprise Certificate since 2012 with a regular audit was performed in 2020.

Additional benefits for employees:⁷⁶

- complementary pension insurance for 59% of employees of the Triglav Group and for 96% of employees of the parent company;
- payment of group accident insurance premium;
- favourable conditions for taking out complementary accident insurance for employees and their family members;
- complementary accident insurance for all business trips;
- after one year of employment in the parent company, employees may opt for supplemental voluntary pension insurance and voluntary pension insurance;
- the group insurance package Comprehensive Medical Care (Celostna zdravstvena oskrba – CZO), in which 50% of all employees of the Group and 82% of the parent company are included.

The Group members operating outside Slovenia also provide benefits to their employees, such as supplemental voluntary pension insurance premium, discounts on medical examinations, the payment of accident insurance premium and discounts on other types of insurance.

Work from home, parental leave and part-time work

Work processes are adapted to new forms of work, which are dictated by digitalisation and the epidemic situation. In 2021, the option of working from home was provided to all employees whose work process allowed it. At the 2021 year-end, 28% of Group employees and 50% of Company employees had this option available to them. Due to the COVID-19 pandemic, the proportion of employees allowed to work from home was even higher; it was 58% at Group level and 65% in the parent company.

Proportion of employees who worked from home and proportion of hours of working from home in the Triglav Group and Zavarovalnica Triglav in 2021

	Triglav Group	Zavarovalnica Triglav
Number of employees allowed to work from home	3,069	1,468
Proportion of employees allowed to work from home	58.3	65.4
Number of hours of working from home	1,743,767	714,646
Proportion of hours of working from home	16.2	15.6

Parental leave or part-time work at the Triglav Group and Zavarovalnica Triglav in 2021⁷⁷

Triglav Group	Women	Men	Total
Maternity leave, child care leave	136		136
Paternity leave of 20 days		42	42
Paternity leave of 75 days (up to the child's age of three years)		5	5
Option of part-time working	38	1	39
Number of employees who returned to work after maternity leave in the reporting year	73	4	77
Return rate after parental leave	61%	100%	63%

Zavarovalnica Triglav	Women	Men	Total
Maternity leave, child care leave	26		26
Paternity leave of 20 days		40	40
Paternity leave of 75 days (up to the child's age of three years)			
Option of part-time working	26		26
Number of employees who returned to work after maternity leave in the reporting year	23	2	25
Return rate after parental leave	100%	100%	100%

Circumstance and work requirements permitting, working hours are adapted to the needs and wishes of employees. Employees who are 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 supervisors.

Relationships among employees and management, trade union activities⁷⁸

The employees exercise their management rights based on the agreement on worker participation in the management of Zavarovalnica Triglav under the Worker Participation in Management Act. The agreement also sets out other rights and the manner of workers' participation in management, which is both individual and collective. Two representative trade unions and the Works Council are active in the Company. The Company concluded a special agreement and cooperates well with both of them. Before adoption, any document specifying the rights and obligations of workers is submitted to both trade unions to give their opinion. The Company informs the Works Council of any changes in the Company's operations at least 10 days prior to adopting such a decision.



⁷⁵ GRI GS 103-1, 103-2, 103-3 | ⁷⁶ GRI GS 401-2, 201-3 | ⁷⁷ GRI GS 401-3 | ⁷⁸ GRI GS 103-1, 103-2, 103-3, 402-1, SDG 8.8

Respecting the workers’ rights and human rights⁷⁹

The Group revised the **Triglav Group Code** in 2021, in which ethical conduct at all levels of its operations plays a key role. Among the 12 ethical principles is respect for human rights, which is based on respect for and protection of internationally recognised human rights and fundamental freedoms. The Group creates a stimulating work environment that respects and protects the dignity and integrity of employees at the workplace, regardless of any individuality or affiliation.

Insurance companies outside Slovenia also take into account local legislation when implementing the provisions of the Code. These companies have internal resolution mechanisms, and reporting of Code violations takes place within the framework of compliance. Each report and identity of the reporting person (whistleblower) are treated confidentially. The reporting person is protected from any retaliatory action and is given an opportunity to informally resolve the issue.

Discrimination and unwanted conduct at Zavarovalnica Triglav are additionally governed by the Rules on the protection of workers’ dignity at work, under which a **confidant** is appointed with the approval of the Works Council. The rules regulate the manner of recognising, preventing and eliminating the consequences of discrimination, sexual and other harassment and workplace mobbing. Employees can turn to the confidant or their deputy to report a suspected violation of rights, who then initiates proceedings to resolve the case, if possible, at the earliest stage. If the conflict cannot be resolved at this stage, a **mediator** is included in its resolution or a hearing before the competent committee is held.

In 2021, **three employee reports** of inadmissible conduct were received at Group level. One case involved an interference with the fundamental rights to protect dignity and/or unacceptable behaviour such as discrimination, harassment or mobbing in the workplace. The confidant was involved in the consideration of two reports of alleged inadmissible conduct; one was dismissed at the request of the reporting person without formal proceedings, and in the other the confidant did not find a violation of the reporting person’s dignity.⁸⁰

The Company incorporated its **commitment to respect human rights in business operations** into its business processes. With it, as the Group’s parent company, the Company committed itself to respecting human rights throughout the entire business process and to avoiding and preventing possible negative impacts on ensuring human rights.

Promoting innovation and improvements

The **Ideja IN** programme was updated in 2021, which encourages creativity, putting forward good ideas and proposing improvements in the Company. It is available to employees on the intranet, and several different areas are involved in reviewing ideas. A total of 27 ideas for improvement were examined in 2021.

Care for employees outside working hours

Employees have the opportunity to take part in various forms of socialising and sports activities outside working hours in most Group companies. Due to the pandemic, unfortunately, some established forms of socialising and sports activities, such as the Triglav Group Day – Our Day, sports games of financial organisations (ŠIFO) and gatherings with retired Triglav employees, did not take

place. A total of **22% of employees** of Group members and 44% of employees of the parent company were members of mountaineering and sports clubs.

12.4.3 Responsibility to community⁸¹

The Triglav Group carries out a series of activities to reduce risks in the environment and supports activities in sports, culture, education, environment and health. The Group has close ties with the environment in which it operates through partnerships with its employees, policyholders, organisations and local communities.

The volume of generated assets distributed among various stakeholders of the Group is shown by economic value distributed. In 2021, it increased to EUR 1,281.8 million (index 109) mainly due to dividend payments and the increase in net claims incurred and other insurance expenses.

Economic value distributed of the Triglav Group

	Index				
	2021	2020	2019	2021/2020	2020/2019
Economic value generated	1,378.8	1,274.9	1,292.4	108	99
Economic value distributed	1,281.8	1,179.2	1,245.6	109	95
- Net claims incurred and other insurance expenses	856.8	814.3	838.4	105	97
- Expenses from financial assets	27.6	36.7	21.9	75	167
- Other expenses	24.8	22.9	23.5	108	97
- Operating expenses	135.9	119.5	120.2	114	99
- Dividend payments	38.6	0.0	56.8	0	0
- Tax expense (income tax expense)	19.7	17.2	17.1	114	101
- Community investments (prevention activities, donations, sponsorships)	8.7	7.8	7.4	111	105
- Employee wages, allowances and benefits	169.7	160.7	160.3	106	100
Economic value retained	96.9	95.7	46.8	101	204

The **Group’s responsibility to the community** in all environments is fulfilled primarily through investments in prevention, sponsorships and donations, as well as investments in infrastructure at national and local levels, which are presented below. Their content is defined based on:

- sponsorships and donor partnerships and participation in investments in prevention;
- the needs identified in local environments by the Group’s companies and business units;
- direct contact with local communities;
- performance analyses, especially risks and claims experience, published data of specialised organisations and institutions;
- market research and public opinion polls.

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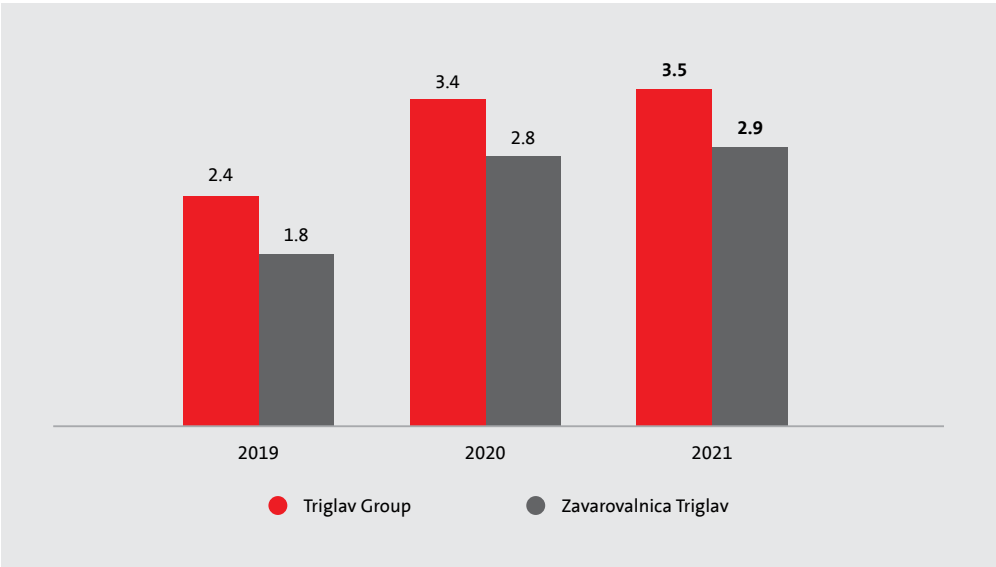
⁷⁹ GRI GS 103-1, 103-2, 103-3 | ⁸⁰ GRI GS 406-1 | ⁸¹ GRI GS 103-1, 103-2, 103-3

12.4.3.1 Investment in prevention

Prevention programmes are an important social aspect of sustainable impacts of the insurance industry, as they reduce risks and are also prescribed by law. Compared to 2020, the volume of investments in prevention was higher both at Group level and in the parent company.

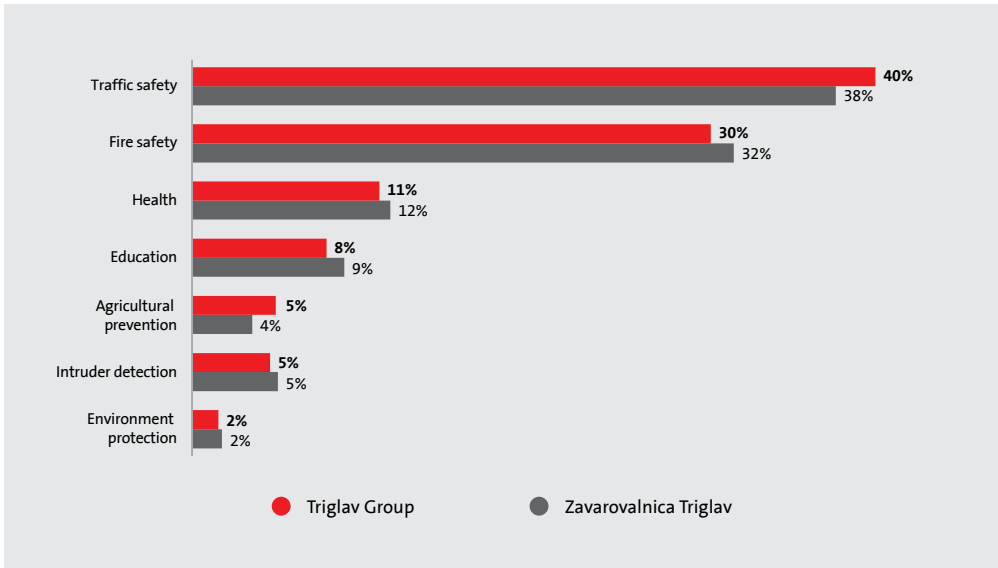
The bulk of funds was allocated to **improving traffic, fire and health safety**.

Funds allocated to preventive activities of the Triglav Group and Zavarovalnica Triglav in EUR million



A total of 190 drivers in six Slovenian towns retook their driving test with a driving instructor in 2021.

The share of the Triglav Group's and Zavarovalnica Triglav's funds for preventive activities by purpose in 2021



Prevention projects⁸²

The Group pursues its mission and creates a safer future also through preventive projects and campaigns. With regard to road prevention, drivers were offered numerous opportunities to improve their safe driving skills and upgrade their knowledge of road traffic regulations; for the same purpose, the benefits of the **DRAJV** application, the **Vozimse** and **Vse bo v redu** portals and driver training courses were combined. With respect to fire safety, almost **half of all Slovenian mountain huts and chalets** were equipped with automatic fire extinguishing systems over two years; awareness of the fire risk in mountain huts was raised by conducting fire drills in the high mountain range in cooperation with many partners. The Company teamed up with many experts and specialists to promote health and prevent disease. Free consultations, workshops and training courses were held, in addition to co-financing the purchase of equipment and the operation of programmes.

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⁸² GRI GS 103-1, 203-1, 413-1



High profile and comprehensive prevention projects of the Triglav Group in Slovenia in 2021 by area⁸³

Health prevention	Impact
Assistance in the event of a sudden cardiac arrest	• Co-financing or purchase of 25 defibrillators in local communities – 166 since 2014. Co-financing of training courses in the use of defibrillators in local communities.
Prevention and early detection of disease	• 37 meetings and other events on physical and mental health were held in the Triglav Lab. Special attention was devoted to the mental health of young people.
Rapid response training	• Co-financing of first aid education and training of first responders for healthcare institutes and municipalities.
Purchase of medical equipment	• Co-financing of devices such as blood glucose meters, a ventilator, ultrasound and ECG machines for healthcare institutes.
Traffic safety	Impact
Retaking the driving exam, partner AMZS (Automobile Association of Slovenia)	• 190 drivers in six Slovenian towns retook the driving test with a driving instructor. In the three years of implementing this campaign, more than 410 drivers, who have an average of 28 years of driving experience, took a refresher ride with a driving instructor.
	• The most common driver errors were presented in articles on the vozimse.si portal.
Vozimse.si – a road traffic prevention portal, partner AMZS	• 110,000 drivers passed the renewal road rules test, which is almost 10% of all Slovenian drivers.
	• The most common mistakes made by drivers of the DRAJV application were presented on the portal, and information was published that could help drivers eliminate them.
Traffic safety awareness videos, partner Atmosferci	• 4 videos were recorded on the following topics: myths of winter driving, anger in traffic, proper use of the left lane on the highway, motorcycle responders.
Together for Road Safety project, partners Sipronika and Zavod Vozim (I'm Driving Institute)	• 80 speed display signs in local communities, at high-risk road sections and in the vicinity of schools and kindergartens were set up (within six years), of which 12 in 2021.
	• Under the mentorship of the Vozim Institute, students from 12 schools with displays were researching speeding and submitted proposals to the mayors of their municipalities to reduce speed in their settlements. The implementation of proposals will be monitored on an annual basis.
Together for Road Safety project, partner COPS system	• Installation of 11 COPS@zebra systems in Slovenia at black spots with the greatest risk of traffic accidents when walking over a pedestrian crossing.
Interactive workshops for secondary school students "I still drive but I no longer walk", partners Zavod Vozim (I'm Driving Institute) and Sipronika	• At 160 workshops in person or online, 9,500 young people listened to personal stories of traffic accident victims and became acquainted with the DRAJV safe driving application.
	• 300 parents learnt about the techniques of how to talk about reducing alcohol consumption among adolescents at the workshop "We need to talk about alcohol" (for parents of 15-year-olds).
	• 600 young people researched the influence of speed on impact load and braking distance at 14 specialised workshops.
	• 800 young people attended the Alcohol=Change of Life workshop.
Activities for the safety of preschool children and first graders in road traffic, partner the Slovenian Traffic Safety Agency	• Over 21,000 first graders were equipped with yellow neckerchiefs.
	• Road safety mascot Kuža Pazi (Watch Out Doggy) visited over 47 elementary schools.
Educational charity event "Motorcyclists for Motorcyclists" partner AMZS, Center varne vožnje Vransko (Vransko Safe Driving Centre)	• More than 1,500 motorcyclists attended accident prevention workshops over the period of seven years. In 2021, two days of free workshops for motorcyclists were organised.
Training workshop on driving with tractors and tractor trailers, partner AMZS, Vransko Safe Driving Centre	• More than 130 tractor drivers attended the workshop on safe driving with tractors. In two years, over 200 tractor drivers were trained, many of them young tractor drivers.
Ongoing development of the DRAJV safe driving application	• More than 62,000 users of the DRAJV application drove 190 million kilometres.
	• Overview of the monthly statistics with the most common errors and a link to the content of the Vozimse portal, which helps to eliminate errors.
Promotion of forming an emergency lane on motorways, partner Zavod Reševalni pas (Emergency Lane Institute)	• Purchase of three cameras (ten in total) for monitoring the driving of fire engines on an emergency call, which raise drivers' awareness of the consequences of improper formation of an emergency lane. Footage of ambulances on an emergency call and their problems were shared with drivers on common communication channels.
Fire prevention	Impact
Care for greater fire safety in mountain huts, partners Alpine Association of Slovenia and Fire Fighting Association of Slovenia, Bonpet	• 33 mountain huts were equipped with automatic fire extinguishing ampoules and fire extinguishers that extinguish the initial fire, even if the hut is empty. In total, 85 mountain huts were equipped in two years.
	• As part of the Let's Clean the Mountains drive, the first fire drill was carried out with partners at Dom pod Storžičem in the event of fire in a mountain hut.
	• A consultation for mountain hut caretakers was held on the topic of fire protection and the importance of appropriate insurance for mountain huts.
Purchase of fire protection equipment, partners fire services, associations and brigades	• Co-financing of the purchase of protective equipment, fire-fighting equipment and fire engines as well as investments in fire stations for 90 volunteer fire brigades and associations.
	• Actively raising awareness about the dangers of lighting candles on Advent wreaths on the Everything Will Be Alright portal.
Financing of training and competitive activities of firefighters, partner Fire Fighting Association of Slovenia	• Co-financing the implementation of the National Firefighting Competition in Celje and raising awareness of the general public on fire prevention.

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⁸³ SDG 3.6

In the context of the traditional New Year’s prevention campaign **Za boljši jutri (For a better tomorrow)**, 25 prevention projects were supported in Slovenian local communities. Funds were allocated to firefighters, health care, civil protection, counselling in the field of children’s mental health, institutions for users with special needs and elementary schools. Over 200 preventive projects were supported over eight years.

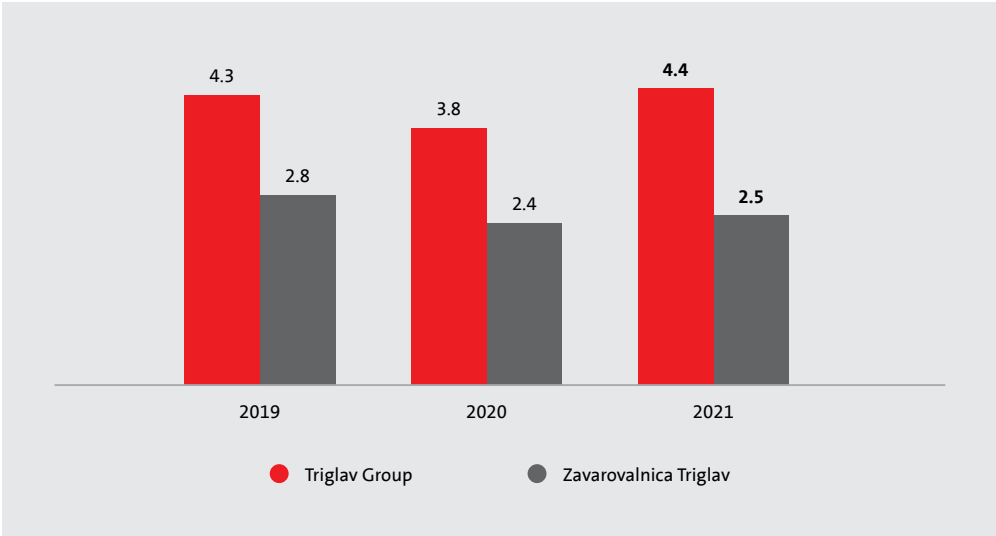


A total of 25 defibrillators were co-financed or bought in local communities in 2021 – amounting to 166 since 2014.

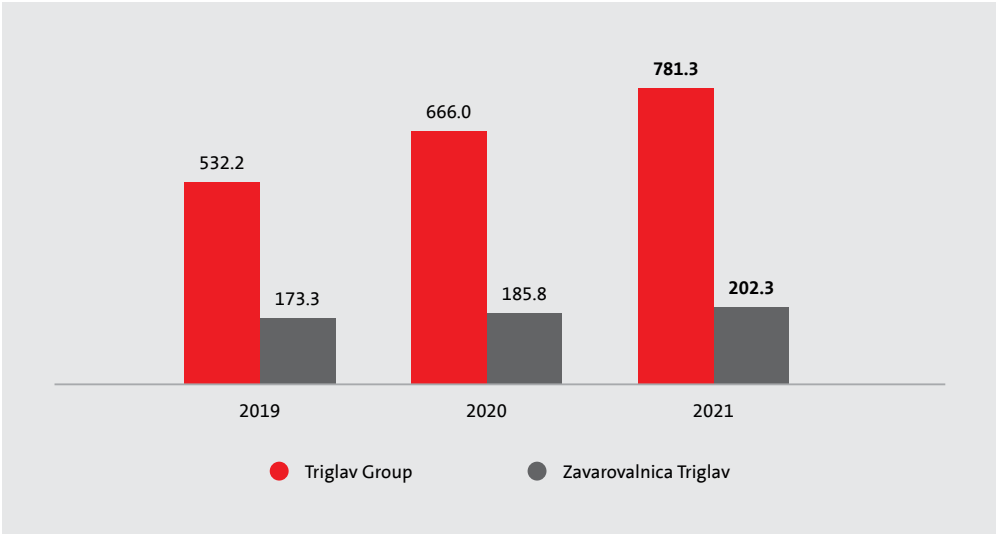
12.4.3.2 Sponsorships and donations⁸⁴

The management of sponsorship and donor partnerships in the Group is carried out in accordance with the established uniform guidelines. Attention is paid that their selection complies with the Company’s business guidelines and brand. The situation related to the COVID-19 pandemic eased in comparison with the previous year and partnerships once again became more active. The amounts of both sponsorships (index 116) and donations (index 117) were increased.

Funds for sponsorships of the Triglav Group and Zavarovalnica Triglav in EUR million



Funds for donations of the Triglav Group and Zavarovalnica Triglav in EUR thousand



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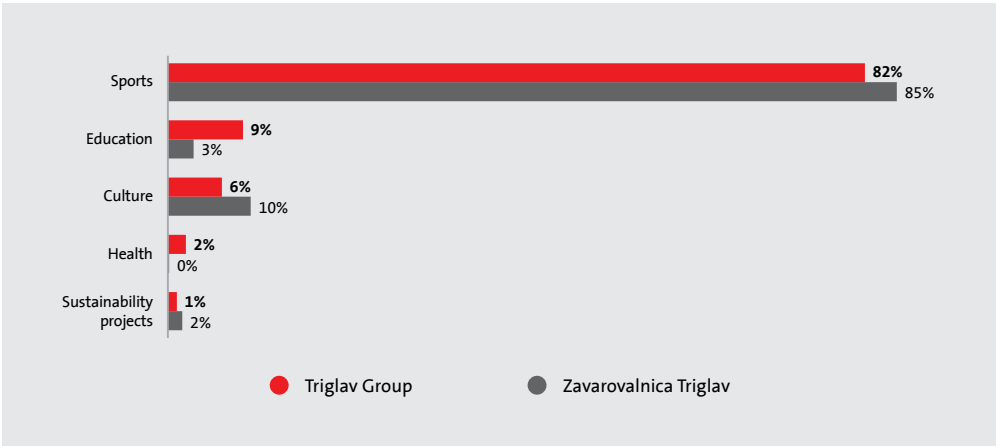


⁸⁴ GRI GS 201-1, 203-1

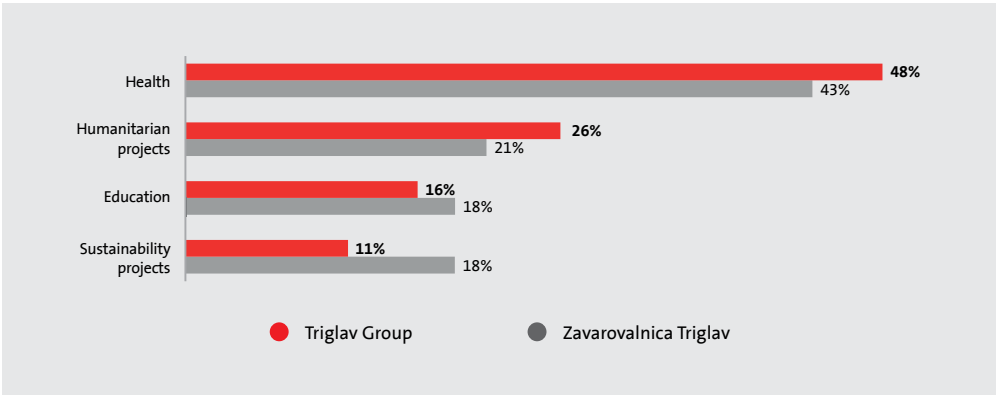


Zavarovalnica Triglav is a sponsor of 24 top athletes in Slovenia. Žan Košir is in the photo.

Sponsorships of the Triglav Group and Zavarovalnica Triglav in 2021 by content



Donations of the Triglav Group and Zavarovalnica Triglav in 2021 by content



Major sponsorships and donations

Sports sponsorships and the development of young athletes as well as raising awareness about the importance of a healthy lifestyle receive the majority of sponsorship funds. The Group is recognised as a partner of national sports associations, international sports events and numerous sports clubs in its markets. In 2021, its donor activities were strengthened and the largest share of funds was allocated to healthcare and humanitarian projects.





Some major sponsorships of the Triglav Group in 2021

Country	Sports sponsorship	Culture	Education and training
Slovenia	<ul style="list-style-type: none">• Partner of the Ski Association of Slovenia• Golden partner of national teams in biathlon and Nordic skiing• General sponsor of the FIS Ski Flying World Championship in Planica• Sponsor of the Ski Jumping World Cup Ladies in Ljubno ob Savinji• Sponsor of the Biathlon World Cup in Pokljuka• Sponsor of the Sports Federation for the disabled of Slovenia• Golden partner of the Football Association of Slovenia• Sponsor of the Tennis Association of Slovenia• Golden sponsor of the Table Tennis Association of Slovenia• Sponsor of the Gymnastic Federation of Slovenia• Sponsor of the Canoe Federation of Slovenia• General partner of the climbing event Triglav The Rock Ljubljana• Partner of the <i>Odbito na Ljubljani</i> event• Sponsor of top athletes: Peter, Domen and Cene Prevc, Anamarija Lampič, Janez Lampič, Ela Nala and Tara Katarina Milič, Kaja Juvan, Domen Škofic, Janja Garnbret, Timotej Lampe Ignjič, Nataša Robnik, Miha Dovžan, Vid Vrhovnik, Aljaž Sladič, Nika Radišić, Špela Rogelj, Nika Križnar, Rok Marguč, Klemen Bauer, Jakov Fak, Katja Pogačar, Žan Košir and Jan Pancar.	<ul style="list-style-type: none">• A series of concerts of Music of the World in Cankarjev dom• Kinodvor• Ljubljana Puppet Theatre• Slovene Writers' Association• Ljubljana Festival• Ljubljana Castle• Lent Festival• National Museum of Slovenia• Arsana Festival• Beletrina• Modern Gallery• BBDO Festival RUTA	<ul style="list-style-type: none">• Mountain Rescue Association of Slovenia: Staying Safe in the Mountains• Managers' Association of Slovenia• Slovenian Society for Dog Assisted Therapy Tačke Pomagačke (Helping Little Paws)• Maritime Law Association• American Chamber of Commerce in Slovenia (AmCham Slovenia)
Croatia	<ul style="list-style-type: none">• Croatian Basketball Association• Croatia Open Umag• Inter Zaprešić Football Club• Adriatic Water Polo League	<ul style="list-style-type: none">• Wine of Dalmatia Association	<ul style="list-style-type: none">• Croatian Mountain Rescue Service
Montenegro	<ul style="list-style-type: none">• Budućnost Basketball Club• Budućnost Female Handball Club• Montenegro Olympic Committee• Water Polo and Swimming Federation of Montenegro• Adriatic Water Polo League• Podgorica Basketball Club	<ul style="list-style-type: none">• Budva Theatre Festival• Art 365	
North Macedonia	<ul style="list-style-type: none">• Vardar Handball Club• Vardar Female Handball Club• Alkaloid Chess Club• Support of rally driver Igor Stefanovski• Support of young tennis player Aleksandra Simeva• Handball Federation of North Macedonia• Support of the Youth League of the Basketball Federation of North Macedonia	<ul style="list-style-type: none">• Tikveš Young Wine Festival	<ul style="list-style-type: none">• Vrhbosna Sarajevo Elementary School
Bosnia and Herzegovina	<ul style="list-style-type: none">• Female Play Off Sarajevo Basketball Club• Sarajevo Ski Club• Borac Football Club• Gradina Herceg Volleyball Club• Železničar Football Club• Čelik Football Club• Support to Spars 05 Basketball Club	<ul style="list-style-type: none">• Forum Sarajevo	<ul style="list-style-type: none">• Skopje Scout Club
Serbia	<ul style="list-style-type: none">• General sponsor of the Basketball Federation of Serbia and the Serbian male national team• Judo Federation of Serbia• Borac Basketball Club• Vojvodina Basketball Club• Golf Association of Vojvodina• Adriatic Water Polo League• Support for the judoka Nemanja Majdov	<ul style="list-style-type: none">• Manasija Knights Festival	<ul style="list-style-type: none">• Municipality of Zemun

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Humanitarian activities of the Triglav Group members

Donation recipient	Purpose of aid
Lajka, society for the protection of and assistance to animals in distress, Slovenia	• Assistance to animals in distress
From Children to Children Society, Slovenia	• Co-financing of activities for children with special needs
Association of Patients with Blood Diseases, Slovenia	• Support for the rehabilitation programme
General hospitals of Ptuj, Murska Sobota, Jesenice and Izola, Slovenia	• Co-financing of necessary equipment (Triglav Run)
Happy Feet Society, Slovenia	• Family Assistance Project
Neurotrust, a neurorehabilitation institution, Slovenia	• Let's ride together drive
Tone Okrogar Primary School Zagorje, Municipality of Hrastnik, KS Kapca, Miklavžev zavod Murska Sobota and Vesna – Rateče d.o.o., Slovenia	• Co-financing the renovation of children's playgrounds (the renovation of 53 children's playgrounds was co-financed from 2012 to 2021)
ZPM Slovenije Ljubljana Moste – Polje, Slovenia	• Support for various programmes
Kinodvor and the Paediatric Clinic, Slovenia	• Enabling children at the hospital to watch a movie and socialising with the Watch Out Doggy mascot
Cystic Fibrosis Association, North Macedonia	• Support for the rehabilitation programme
Dragiša Mišović Clinical Centre, Serbia	• Purchase of hospital equipment
World Vision, Bosnia and Herzegovina	• Financial support to World Vision BiH organisation

Everything Will Be Alright Institute

The mission of Zavarovalnica Triglav's Zavod Vse bo v redu (Everything Will Be Alright Institute) is to carry out socially responsible activities aimed at providing help and support to the socially disadvantaged and implement preventive activities. Key projects in 2021 included:

• Support to young talents – Young Hopes project

The Young Hopes project was implemented for the ninth time in a row, providing support to talented young athletes, para-athletes and artists. The current recipients of funds, aged 16 to 19, were announced at the end of 2021. The Everything Will Be Alright Institute allocated EUR 50,000 for the development of their talents and the realisation of their goals. In nine years, **114 young hopes** were supported with a total of EUR 451,000.

For all Young Hopes generations and all those closely associated with their work, the Company organised free lectures on effective communication and proper nutrition of athletes and those who are often exposed to pressure and stress.

• Prevention activities aimed at preventing loss events

The Company supported the **Alcohol-Free for 40 Days** campaign for the sixth year in a row, which promotes a healthy and sober lifestyle among the general public, including drivers. By promoting reflection on moderate and responsible alcohol consumption and raising awareness of the consequences of alcohol consumption, the Company is joining the efforts for positive changes in transport and community.



Young Hopes 2021.

Information on corporate social responsibility partnerships:
Zavarovalnica Triglav, d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
E-mail: spozorstva@triglav.si



12.4.4 Responsibility to suppliers

Procurement practices⁸⁵

Zavarovalnica Triglav uses a **standardised software solution for procurement**, which increases the transparency of procurement procedures and further reduces the operational risks of non-compliance with good business practices. Major procurement procedures are performed by the Strategic Sourcing Department which, in addition to its procurement role, performs a coordinating and communicating role between the departments in need of procurement and suppliers.

A new **procurement policy** for 2021–2023 was adopted in 2021. It defines the most important procurement categories and key development guidelines of procurement processes for greater cost efficiency, operational risk management and building long-term partnerships. It also ensures brand quality and compliance with the Group’s integrated strategy and code. The biggest new feature is the definition of criteria for classification in the group of key and strategic suppliers, among which are the sustainability aspects related to the requirements of the GRI GS standards. The revised purchasing strategy and new indicators are in line with the Group’s sustainable business guidelines.

Only suppliers who are, based on questionnaires, assessed each year as eligible according to the supplier compliance assessment and meet the expectations regarding sustainable business may participate in the procurement procedures. *The supplier compliance assessment* assesses the risks of corrupt practices, conflicts of interest and political exposure, while *the business sustainability assessment* is used to assess respect for human rights, provision of a safe and healthy work environment for employees and other workers (at least in accordance with the applicable legislation), compliance with Slovenian legislation and international human rights documents and implementation of the requirements of environmental legislation. In this way, suppliers are assessed according to GRI standards indicators; 375 suppliers were assessed in 2021 (compared to 311 in 2020).

Locally-oriented procurement⁸⁶

The Company procures most materials and services on the Slovenian market; the share of suppliers outside the local market is less than 10%. The broader market trends in key procurement groups, such as IT, property management, general procurement, intellectual services, marketing, labour and general affairs, are regularly monitored. The Company seeks offers outside the local market only when it is economically feasible or there is no supplier in the market for the goods or services in demand.

The Group members also procure the majority of materials and services on their local markets. Where possible and reasonable, some of the same types of materials, raw materials and services were procured centrally and more favourable purchasing terms and conditions were achieved. All Group members adhere to the minimum standards for the Group’s procurement process.

In 2022, an optimisation project will be implemented to carry out all procedures for same type purchases of companies in Slovenia in the amount exceeding EUR 25,000 (excluding VAT) via the Strategic Sourcing Department; for this purpose, a standardised software solution will be used.

Remuneration of insurance agencies and their sales staff

The Group’s sales network is constantly being expanded with contractors, reaching **1,720** in 2021.⁸⁷ Before signing an agreement with a new contractor, the standardised selection procedure is carried out, while the business results of existing contractors are regularly monitored and measures are taken for enhancing cooperation and improving sales.

As at the 2021 year-end, the Company cooperated with 528 contractors authorised to provide insurance agency services (roadworthiness test providers, car dealers, leasing companies, banks, travel agencies, life and non-life insurance agencies) – 450 for non-life and 78 for life insurance. Non-life insurance agency companies are rewarded based on the following criteria: exclusivity, written premium, size of the area of operation, volume of sales of insurance products and fulfilment of planned obligations. When awarding a bonus, the Company takes into account the fulfilment of monthly targets and the renewability and growth of the insurance portfolio. The commission rate of contractors selling life insurance products depends on exclusivity, portfolio balance, client loyalty indicator and the effectiveness of maintaining the portfolio. The first agreement with a new partner is concluded for a fixed term. Before signing or renewing the agreement, a standardised review is performed. Contractors are also rewarded for exceeding the annual non-life and life insurance sales targets (volume bonus); furthermore, special additional rewarding campaigns are carried out during the year. In 2021, **rewarding of contractors for remote policy underwriting** was introduced.

Contractors are able to attend various training courses, workshops, and sales and motivational events, thus gaining new insurance and sales knowledge and skills, which improves client satisfaction.

When entering into new agreements with agencies, priority is given to exclusive sales, as insurance distributors can offer policyholders a comprehensive range of products of the Group members.

Companies outside Slovenia cooperated with more than **1,200 contractors** in 2021. In some countries, sales was promoted to natural persons through additional incentives. In Montenegro, the rules of remuneration were upgraded, placing an emphasis on the variable part of remuneration. These rules were also updated in some other companies.

In awarding a bonus, linear bonus schemes are used, which are upgraded with bonus commissions depending on the value of insurance policies, financial discipline and the claims ratio. Premium rates are universal (regardless of whether an insurance policy is new or renewed), whereas exclusive partnerships are additionally rewarded with benefits.



⁸⁵ GRI GS 102-9, 103-1, 103-2, 103-3, 308-1, 414-1 | ⁸⁶ GRI GS 103-1, 103-2, 103-3, 204-1 | ⁸⁷ GRI GS 102-10





12.5 Governance aspects

Fair business practices⁸⁸

In 2021, the Triglav Group Code was revised, changing in particular the method of addressing target stakeholders. Ethical principles were expanded to the following twelve:

- integrity and compliance,
- conflict of interest management,
- prevention of the restriction of competition, unfair competition and unfair business practices,
- transparency and comprehensive communication
- respect for human rights,
- responsibility to the employees,
- a client-centric approach,
- responsibility to the business partners and shareholders,
- fraud management,
- prevention of corruptive actions,
- money laundering and terrorist financing prevention,
- data protection and integrity.

Through the Code, the system for direct reporting of non-compliance was set up, regulated by a special internal document for dealing with internal fraud and violations of the Code. These rules were also transferred to other Group members. Employees are regularly informed about the content of the code, which is also included in training.

In 2021, the Triglav Group dealt with two violations of the Triglav Group Code. No monetary losses directly related to the marketing and provision of information on insurance products were recorded.⁸⁹ None of the covered employees were involved in investment-related investigations, consumer complaints, private civil disputes or other regulatory proceedings.⁹⁰ No monetary losses directly related to legal proceedings concerning fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, abuse or other related laws or regulations of the financial industry were recorded.⁹¹

Insurance fraud management

Insurance fraud management is a condition for trusting in the insurer’s fair business practices and an integral part of cost-effective operations. To identify suspected fraud, the Company uses advanced computer solutions that quickly and reliably detect suspicious cases. Technology also provides the Company with guidelines in establishing key internal controls for fraud prevention and identification, while at the same time helps to measure the Company’s effectiveness in insurance fraud management.

Systematic training and awareness raising activities on how to identify insurance fraud, particularly with respect to underwriting and claim settlement, are carried out for all employees. In the fight against fraud, the Company actively collaborates with other insurers and competent state authorities.

With the growing scope of remote insurance processes in recent years, new forms of fraud were detected, which the Company has begun to systematically monitor, adjusting its operations accordingly.

Whistleblowing regulations are governed by the Triglav Group Code, which is supplemented by the Rules on the management of internal fraud and violations. The latter also provides a framework for ensuring the protection of the reporting person’s (whistleblower’s) identity and protection against retaliation. At least one channel for reporting violations (an online form, a hotline for reporting fraud or the email address prevare@triglav.si) is available in all insurance and financial companies of the Group. In companies that employ at least 50 people, a **new internal channel** is being introduced in the application for receiving reports of violations. It is public and accessible on the website www.triglav.eu, making it available to all external stakeholders. Reporting persons may report any unlawful conduct, or an attempt thereof, that is contrary to the values and principles of the Triglav Group. Each report is dealt with in accordance with a predetermined procedure; the bona fide reporting person is protected during the procedure and after its completion.

Insurance fraud was confirmed in 878 cases out of 1,517 reported cases of suspected fraud in 2021. Of these, 33 reports of suspected fraud were received from external and internal reporting persons (whistleblowers). Fraud was confirmed in 9 cases. The number of confirmed cases of suspected fraud was 15% higher than in 2020. The Group also dealt with 34 cases of suspected internal fraud. Suspicion was confirmed in 18 cases in the total value of EUR 125,527.⁹²

Anti-corruption behaviour⁹³

In Group companies, the anti-corruption policy set a minimum standard of behaviour in proceedings with an identified corruption risk. As a mandatory contractual provision in legal relations with its contractors, the Group adopted an anti-corruption clause, a clause on respect for human rights, prevention of conflicts of interest, and protection of personal data and business secrets. Through regular training and communication, employees are trained in fair and transparent behaviour and how to respond to any identified irregularities. Zavarovalnica Triglav’s employees attended training courses in corruption, conflict of interest management, prevention of money laundering and terrorist financing, and the Triglav Group Code for an average of 3.5 hours. No cases of corrupt practices were confirmed in the Triglav Group in 2021.

According to the Political Parties Act, Zavarovalnica Triglav may not and does not finance political parties. Such financing and other political activities are also banned by the corruption risk management policy of the Triglav Group; therefore, neither are carried out by any of its members.⁹⁴



⁸⁸ GRI GS 103-1, 103-2, 103-3, 102-16 | ⁸⁹ SASB FN-IN-270a.1 | ⁹⁰ SASB FN-AC-270a.1 | ⁹¹ SASB FN-AC-510a.1
⁹² GRI GS 419-1, SASB: FN-AC-510a.1, FN-AC-510a.3 | ⁹³ GRI GS 103-1, 103-2, 103-3, 205-1, 205-2, 205-3 | ⁹⁴ GRI GS 415-1



Personal data protection⁹⁵

With regard to **personal data protection**, the Group did not have any substantiated complaints regarding violations of privacy and protection and loss of personal data in 2021. In one case, non-compliance was found in the obligation to inform an individual, which was immediately rectified. There were no material sanctions; however, one written warning was issued due to the violation of the obligation to protect personal data, which is why action was taken to eliminate the irregularities.⁹⁶

In 2021, Zavarovalnica Triglav held several employee education and training courses on personal data protection – one training hour per employee on average. The internal control of personal data protection and the level of informing of individuals about the processing of their personal data were upgraded. Uniform rules for personal data processing and protection continued to be implemented within Group; they are based on common minimum standards for personal data protection.



Special attention is paid to personal data protection and employees participate in regular training on personal data protection.

Protection of competition⁹⁷

The Group follows the rules of consumer protection and competition and good business practices in its operations, product development and marketing. The protected interests of its competitors are respected and care is taken that the supplier selection procedures are transparent and comply with fair competition rules. By adopting the Handbook for Consumer and Competition Protection, the rules of behaviour to competitors were expanded, with special emphasis being on respecting the principles of fair competition. This is regularly communicated to employees. The Company was not informed of any proceedings due to non-compliance with competition protection rules that might have been initiated against any Group company in 2021.

Commitments to external initiatives and membership in associations⁹⁸

The Group companies participate in various initiatives and associations that promote ethical conduct and sustainable business. The main standard of professional business practices is implemented in the context of the Insurance Code of the Slovenian Insurance Association and other industry codes. The Company takes part in the activities of the American Chamber of Commerce, especially in the Ethics and Transparency Committee. As one of the first Slovenian companies, it committed itself to respecting the Declaration on Fair Business Practices. By joining Transparency International Slovenia, the Company additionally committed itself to developing an anti-corruption culture, and by signing the Commitment to Respect Human Rights in Business, it supported the implementation of the National Action Plan of the Republic of Slovenia for Respect for Human Rights in the Economy. The subsidiaries carry out the parent company’s commitments or directly adopt similar commitments and initiatives.

The Company is an active member of the Slovenian Insurance Association and its committees, the Chamber of Commerce and Industry of Slovenia and other local and interest chambers. The Company’s representatives are active in the following professional associations: the Slovenian Directors’ Association, the Managers’ Association of Slovenia, the Association of Employers of Slovenia, the European Institute of Compliance and Ethics, the Slovenian Association of Actuaries and the Institute of Internal Auditors – IIA Slovenia. Furthermore, representatives of the Company are members of many international industry and professional associations for finance, actuaries and compliance; furthermore, as its members, they attend the Business Integrity and Transparency Forum of Transparency International Slovenia. Subsidiaries are members of industry and professional associations in individual countries where they operate.

Adjustment to regulatory changes

Developments and changes in legislation are regularly monitored and included in the planning and implementation of operations. In 2021, the focus was on developing the most uniform practices in **personal data protection** and **protection of privacy in electronic communications**, related in particular to the transition to remote business. The following regulations were implemented: an amendment to the law governing companies, a directive governing the **protection of whistleblowers** and the guidelines of the European Insurance and Occupational Pensions Authority (EIOPA) on outsourcing to cloud service providers. The Company continued the harmonisation with the

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⁹⁵ GRI GS 103-1, 103-2, 103-3, 412-2, SDG 16 | ⁹⁶ GRI GS 419-1, 418-1 | ⁹⁷ GRI GS 103-1, 103-2, 103-3, 206-1 | ⁹⁸ GRI GS 102-12, 102-13



regulation on sustainability–related disclosures in the financial services sector, monitored the implementation of the EU Taxonomy and continued to implement the adopted Triglav Group’s commitment to sustainability, which was upgraded with the Group’s strategic ambitions relating to sustainable development (ESG).

The Group companies comply with legislative requirements, they are constantly adapting to changes and are actively involved in regulatory procedures. In countries where EU law does not apply, all Group companies comply with the minimum standards set by the parent company.

The Company’s operations were adjusted to legal changes relating to supplemental voluntary pension insurance (SVPI) and obtained approvals for changes to pension schemes, management rules and investment policies for guarantee funds.

In the framework of a special working group, the definitions of the target market for more complex products were thoroughly reviewed in line with the EIOPA’s guidelines on product review, the Policy on Insurance Product Governance and Oversight, and the EIOPA’s and the ISA’s positions regarding COVID-19 mitigation measures. For most insurance products, the target market was revised in the part that defines the purpose of an insurance product and the assumption of investment risks.

Furthermore, the Company addressed compliance with regulations relating to sustainability and amended the products in compliance with Regulation (EU) 2020/852 (Articles 6 and 7).

Government grants and other forms of government assistance⁹⁹

The Triglav Group received EUR 2.7 million in grants and other forms of government assistance in 2021, of which Zavarovalnica Triglav received EUR 2.5 million. The largest share of government grants in the Group, 83.3%, was accounted for by reimbursements of labour costs by the state. The support received in individual countries in which the Group operates so as to curb the COVID-19 epidemic accounted for 7.2%, while incentives for employing specific categories of workers accounted for 7.9%. The share of funds obtained in public tenders for co-financing traineeships from the Cohesion Fund was 1.1%. See Section [5.4 of the Accounting Report](#) for more information on government grants.



⁹⁹ GRI GS 201-4

13.

Information on the Triglav Group as at 31 December 2021

Insurance

Zavarovalnica Triglav d.d.	
Address:	Miklošičeva cesta 19, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 474 72 00
Fax:	++ 386 (1) 432 63 02
Email:	info@triglav.si
Website:	www.triglav.si, www.triglav.eu

Pozavarovalnica Triglav Re d.d.	
Address:	Miklošičeva cesta 19, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 474 79 00
Fax:	++ 386 (1) 433 14 19
Email:	mail@triglavre.si
Website:	www.triglavre.si
Activity:	Reinsurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 4,950,000/EUR 4,950,000

Triglav, Zdravstvena zavarovalnica d.d.	
Address:	Pristaniška ulica 10, 6000 Koper, Slovenia
Phone:	++ 386 (5) 662 20 00, 080 26 64
Fax:	++ 386 (5) 662 20 02
Email:	info@triglavzdravje.si
Website:	www.triglavzdravje.si
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 25,822,144/EUR 25,822,144

Triglav, pokojninska družba d.d.	
Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 47 00 840, 080 80 87
Fax:	++ 386 (1) 47 00 853
Email:	info@triglavpokojnine.si
Website:	www.triglavpokojnine.si
Activity:	Pension funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 6,750,764/EUR 6,750,764

Triglav Osiguranje d.d., Zagreb	
Address:	Antuna Heinza 4, 10000 Zagreb, Croatia
Phone:	++ 385 (1) 563 27 77
Fax:	++ 385 (1) 563 27 99
Email:	info@triglav.hr
Website:	www.triglav.hr
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 28,073,249

Lovćen Osiguranje a.d., Podgorica	
Address:	Ulica Slobode 13a, 81000 Podgorica, Montenegro
Phone:	++ 382 (20) 404 404
Fax:	++ 382 (20) 665 281
Email:	info@lo.co.me
Website:	www.lo.co.me
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 10,362,648

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Lovćen životna osiguranja a.d., Podgorica	
Address:	Ulica Marka Miljanova 29/III, 81000 Podgorica, Montenegro
Phone:	++ 382 (20) 231 882
Fax:	++ 382 (20) 231 881
Email:	info@lovcenzivot.me
Website:	www.lovcenzivot.me
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /99.07%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 2,972,100

Triglav Osiguranje d.d., Sarajevo	
Address:	Dolina 8, 71000 Sarajevo, Bosnia and Herzegovina
Phone:	++ 387 (33) 252 110
Fax:	++ 387 (33) 252 179
Email:	info@triglav.ba
Website:	www.triglav.ba
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /97.78%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /98.87%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 10,620,215

Triglav Osiguranje a.d., Banja Luka	
Address:	Ulica Prvog krajiškog korpusa broj 29, 78000 Banja Luka, Bosnia and Herzegovina
Phone:	++ 387 (51) 215 262
Fax:	++ 387 (51) 215 262
Email:	info@triglavrs.ba
Website:	www.triglavrs.ba
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 3,868,150

Triglav Osiguranje a.d.o., Belgrade	
Address:	Milutina Milankovića 7a, 11070 Novi Beograd, Serbia
Phone:	++ 381 (11) 330 51 00
Fax:	++ 381 (11) 312 24 20
Email:	office@triglav.rs
Website:	www.triglav.rs
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /100%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /100%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 14,556,702

Triglav Osiguruvanje a.d., Skopje	
Address:	Bulevar 8-mi Septemvri br. 16, 1000 Skopje, North Macedonia
Phone:	++ 389 (2) 510 22 22
Fax:	++ 389 (2) 510 22 97
Email:	info@triglav.mk
Website:	www.triglav.mk
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /81.32%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /81.32%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 2,446,451

Triglav Osiguruvanje Život a.d., Skopje	
Address:	Bulevar 8-mi Septemvri br. 16, 1000 Skopje, North Macedonia
Phone:	++ 389 (2) 510 22 01
Fax:	++ 389 (2) 510 22 97
Email:	info@triglavzivot.mk
Website:	www.triglavzivot.mk
Activity:	Insurance
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /96.26%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /96.26%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 4,815,486

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Asset management

Triglav Skladi d.o.o.	
Address:	Slovenska cesta 54, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 300 73 00
Fax:	++ 386 (1) 300 73 50
Email:	info@triglavskladi.si
Website:	www.triglavskladi.si
Activity:	Mutual fund management
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 563,345/EUR 563,345

Triglav, Upravljanje nepremičnin d.o.o.	
Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 47 44 440
Fax:	++ 386 (1) 23 17 785
Email:	info@triglav-upravljanje.si, info-nep@triglav.si
Website:	www.triglav-upravljanje.si
Activity:	Asset management
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 3,160,113/EUR 3,160,113

Trigal, upravljanje naložb in svetovalne storitve d.o.o.	
Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 51 317 019, 82 007 348
Email:	info@trigal.com
Website:	www.trigal.com
Activity:	Management of financial funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	49.90%/49.90%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	49.90%/49.90%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 7,331,308/EUR 7,331,308

Triglav penzisko društvo a.d., Skopje	
Address:	Bulevar 8-mi Septemvri br. 18, 1000 Skopje, North Macedonia
Phone:	++ 389 (2) 510 21 90
Fax:	++ 389 (2) 510 28 81
Email:	info@triglavpenzisko.mk
Website:	www.triglavpenzisko.mk
Activity:	Pension funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 3,000,000/EUR 3,000,000

Other

Triglav INT, holdinška družba d.o.o.	
Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 430 95 34
Email:	triglavint@triglav-int.si
Website:	www.triglav-int.si
Activity:	Holding company
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 77,180,734/EUR 77,180,734

Triglav svetovanje, zavarovalno zastopanje d.o.o.	
Address:	Ljubljanska cesta 86, 1230 Domžale, Slovenia
Phone:	++ 386 (1) 724 66 50
Email:	info@triglav-svetovanje.si
Website:	www.triglav-svetovanje.si
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 8,763/EUR 8,763

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Triglav Savetovanje, društvo za zastupanje u aktivnosti osiguranju d.o.o., Belgrade	
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Phone:	++ 381 (1) 165 58 493
Email:	office@triglav-savetovanje.rs
Website:	www.triglav-savetovanje.rs
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	-/100%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	-/100%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 30,178

Triglav Savjetovanje, društvo za zastupanje u osiguranju d.o.o., Sarajevo	
Address:	Dolina br. 8, 71000 Sarajevo, Bosnia and Herzegovina
Phone:	++ 387 (3) 361 81 06
Fax:	++ 387 (3) 361 82 95
Email:	info@triglav-savjetovanje.ba
Website:	www.triglav-savjetovanje.ba
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	-/100%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	-/100%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 153,388

Triglav Savjetovanje, društvo za zastupanje u osiguranju d.o.o., Zagreb	
Address:	Sarajevska cesta 60, 10000 Zagreb, Croatia
Phone:	++ 385 (1) 344 41 22
Email:	info@triglav-savjetovanje.hr
Website:	www.triglav-savjetovanje.hr
Activity:	Insurance agency activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	-/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	-/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 790,000

Triglav Avtoservis d.o.o.	
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Fax:	++ 386 (1) 580 68 75
Email:	info@triglav-avtoservis.si
Website:	www.triglav-avtoservis.si
Activity:	Maintenance and repair of motor vehicle
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 43,663/EUR 43,663

Diagnostični center bled d.o.o.	
Address:	Pod skalo 4, 4260 Bled, Slovenija
Phone:	++ 386 (4) 579 80 00
Email:	info@dc-bled.si
Website:	www.dc-bled.si
Activity:	Hospital activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	50.00%/50.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	50.00%/50.00%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	EUR 189,562/EUR 189,562

Vse bo v redu, zavod Zavarovalnice Triglav za družbeno odgovorne aktivnosti	
Address:	Miklošičeva cesta 19, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 47 47 518
Fax:	++ 386 (1) 47 47 159
Email:	vsebovredu@triglav.si
Website:	www.vsebovredu.si
Activity:	Humanitarian and charity activities
Equity stake of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	100.00%/100.00%
Initial contribution of Zavarovalnica Triglav/the Triglav Group:	EUR 100,000/EUR 100,000

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14.

Business network of the Triglav Group

- The Triglav Group is expanding its business network in the Adria region and its sales, after-sales and assistance services, which are provided in increasingly hybrid forms.
- The Triglav Group’s business network includes over 1,720 insurance agencies, brokers and banks. Almost 73% of its outsourcers operate in markets outside Slovenia.

The Group’s well-developed business network is constantly upgraded. Business digitalisation enables the Group to complement the multi-channel approach and hybrid forms of business with the traditional method of selling insurance and financial services. In this way, it adapts to the increasingly dynamic client needs. In 2021 the Group strengthened its advantages by entering into more strategic partnerships and increasing the number of contract sales partners and the scope of online and assistance.

The Group’s insurance sales network is composed of insurance agents, sales clerks and own points of sale. In 2021, the external sales network in Slovenia comprised 528 outsourcers registered for insurance agency activities – 450 in non-life insurance and 78 in life insurance. The Group also cooperates with roadworthiness test providers, car dealers, leasing companies, banks and travel agencies with great success. In markets outside Slovenia, the Group cooperates with more than 1,200 insurance agencies, with most partnerships being entered into in Serbia, particularly with vehicle inspection providers. See Section [12.4.4 Responsibility to suppliers, Remuneration of insurance agencies and their sales staff](#) for more information.

The number of outsourcers and communication channels was again increased to effectively settle claims, also by using a multi-channel approach. Clients have access to insurance services also via call centres, where they receive the necessary information; furthermore, clients may take out insurance, report a claim and request assistance services via the telephone or online.

Due to the epidemic, the use of digital channels was promoted. The number of online service users increased significantly. See Section [11 Development and sales activities](#) for more information.



14.1 Insurance

- Zavarovalnica Triglav d.d., Ljubljana, Headquarters – registered office
- Regional units:
 - Celje
 - Koper
 - Kranj
 - Krško
 - Ljubljana
 - Maribor
 - Murska Sobota
 - Nova Gorica
 - Novo mesto
 - Postojna
 - Slovenj Gradec
 - Trbovlje
- Pozavarovalnica Triglav Re d.d., Ljubljana – registered office
- Triglav Zdravstvena zavarovalnica d.d., Koper – registered office
- The insurance company has agencies set up in all 12 regional units of Zavarovalnica Triglav and a health information office at its registered office.
- Triglav, pokojninska družba d.d., Ljubljana – registered office
- Triglav Osiguranje d.d., Zagreb – registered office

Branch offices:

- Zagreb
 - Čakovec
 - Varaždin
 - Koprivnica
 - Osijek
 - Reka
 - Pulj
 - Split
- Lovćen Osiguranje a.d., Podgorica – registered office

Branch offices:

- Podgorica
- Nikšić
- Berane
- Pljevlja
- Bijelo Polje
- Kotor
- Bar
- Budva

- Triglav Osiguranje d.d., Sarajevo – registered office
- Branch offices:
 - Sarajevo
 - Bihać
 - Ključ
 - Tuzla
 - Mostar
 - Zenica
 - Travnik
 - Goražde
 - Banja Luka
 - Ljubuški
 - Kiseljak
 - Jelah – Tešanj
 - Čitluk
 - Široki Brijeg
 - Novi Travnik
 - Teočak
 - Breza
 - Gračanica
 - Novi Grad – Autocentar
 - Kakanj
 - Konjic
 - Posušje
 - Livno
 - Čapljina
 - Tomislavgrad
- Triglav Osiguranje a.d.o., Banja Luka – registered office
- Regional offices:
 - Banja Luka
 - Dobož
 - Prijedor
 - Gradiška
 - Istočno Sarajevo
 - Bijeljina
- Triglav Osiguranje a.d.o., Belgrade – registered office
- Branch offices:
 - Belgrade
 - Novi Sad
 - Kruševac
 - Niš
 - Valjevo
 - Kikinda
 - Subotica
 - Šabac
 - Kragujevac
 - Čačak
 - Jagodina
 - Vranje
 - Vršac
 - Novi Pazar
 - Užice
 - Zrenjanin

- Triglav Osiguruvanje a.d., Skopje – registered office
- Branch offices:
 - Skopje
 - Bitola
 - Ohrid
 - Gostivar
 - Tetovo
 - Kumanovo
 - Veles
 - Gevgelija
 - Prilep
 - Kičevo
 - Radoviš
 - Kočani
 - Štip
 - Kavadarci
 - Strumica
 - Struga
- Triglav Osiguruvanje Život a.d., Skopje – registered office

14.2 Asset management

- Triglav Skladi d.o.o., Ljubljana – registered office
- Triglav, Upravljanje nepremičnin d.o.o., Ljubljana – registered office
- Triglav, upravljanje naložb in svetovalne storitve d.o.o., Ljubljana – registered office
- Triglav penzisko društvo a.d., Skopje – registered office

14.3 Other

- Triglav INT, holdinška družba d.o.o., Ljubljana – registered office
- Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale – registered office
- Triglav Savjetovanje d.o.o., Zagreb – registered office
- Triglav Savetovanje d.o.o., Belgrade – registered office
- Triglav Savjetovanje d.o.o., Sarajevo – registered office
- Triglav Avtoservis d.o.o., Ljubljana – registered office
- Diagnostični center Bled d.o.o., Bled – registered office

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Performance indicators of Zavarovalnica Triglav

15.1 Growth of gross written premium (index)

Gross written premium for the current year*100		in EUR				
Gross written premium for the preceding year		Gross written premium			Index	
No.		2021	2020	2019	2021/2020	2020/2019
1	2	3	4	5	6 = 3/4*100	7 = 4/5*100
1	Accident insurance	25,235,448	25,696,568	26,948,216	98	95
2	Health insurance	787,154	926,557	728,634	85	127
3	Land motor vehicle insurance	129,298,413	127,536,359	124,555,113	101	102
4	Railway insurance	4,614,328	4,175,198	3,154,574	111	132
5	Aircraft insurance	3,683,029	2,390,519	1,928,948	154	124
6	Marine insurance	7,689,364	994,760	308,649	773	322
7	Good in transit insurance	6,858,896	5,321,053	4,724,407	129	113
8	Fire and natural disaster insurance	60,796,633	58,291,995	56,134,878	104	104
9	Other damage to property insurance	165,026,243	130,253,821	115,060,305	127	113
10	Motor TPL insurance	109,621,258	106,754,958	102,352,357	103	104
11	Aircraft liability insurance	2,779,402	1,693,326	1,988,419	164	85
12	Marine liability insurance	1,390,962	950,911	811,322	146	117
13	General liability insurance	42,719,369	38,619,888	39,134,047	111	99
14	Credit insurance	21,883,872	19,137,654	22,962,440	114	83
15	Suretyship insurance	3,600,839	2,775,316	2,414,586	130	115
16	Miscellaneous financial loss insurance	2,948,793	2,574,281	2,807,251	115	92
17	Legal expenses insurance	595,434	641,309	700,475	93	92
18	Travel assistance insurance	16,480,055	16,052,704	15,513,341	103	103
19	Total non-life insurance (No. 1-18)	606,009,493	544,787,178	522,227,961	111	104
20	Life insurance	79,238,943	79,466,230	82,300,599	100	97
21	Wedding insurance or birth insurance	-	-	-	-	-
22	Unit-linked life insurance	88,785,604	76,121,938	79,947,507	117	95
23	Tontine	-	-	-	-	-
24	Capital redemption insurance	20,316,064	18,880,523	17,655,904	108	107
25	Income protection insurance due to accident or illness	-	-	-	-	-
26	Total life insurance (No. 20-25)	188,340,610	174,468,691	179,904,010	108	97
27	Total (No. 19+26)	794,350,103	719,255,868	702,131,971	110	102

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15.2 Net written premium as % of gross written premium

Net written premium*100		Gross written premium		in EUR		Net written premium as % of gross written premium	
		Net written premium		Gross written premium		Net written premium as % of gross written premium	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	24,111,394	24,663,008	25,235,448	25,696,568	96	96
2	Health insurance	403,141	524,519	787,154	926,557	51	57
3	Land motor vehicle insurance	118,746,789	117,426,679	129,298,413	127,536,359	92	92
4	Railway insurance	3,179,050	3,341,775	4,614,328	4,175,198	69	80
5	Aircraft insurance	512,084	152,316	3,683,029	2,390,519	14	6
6	Marine insurance	4,049,207	532,087	7,689,364	994,760	53	53
7	Good in transit insurance	4,377,329	2,964,486	6,858,896	5,321,053	64	56
8	Fire and natural disaster insurance	36,435,356	36,264,515	60,796,633	58,291,995	60	62
9	Other damage to property insurance	70,839,126	65,409,914	165,026,243	130,253,821	43	50
10	Motor TPL insurance	95,758,179	95,717,270	109,621,258	106,754,958	87	90
11	Aircraft liability insurance	274,980	136,593	2,779,402	1,693,326	10	8
12	Marine liability insurance	1,204,425	816,484	1,390,962	950,911	87	86
13	General liability insurance	26,327,195	26,974,734	42,719,369	38,619,888	62	70
14	Credit insurance	15,642,754	14,731,626	21,883,872	19,137,654	71	77
15	Suretyship insurance	1,697,484	1,359,310	3,600,839	2,775,316	47	49
16	Miscellaneous financial loss insurance	-738,912	871,524	2,948,793	2,574,281	-	34
17	Legal expenses insurance	479,720	498,143	595,434	641,309	81	78
18	Travel assistance insurance	15,565,586	15,265,369	16,480,055	16,052,704	94	95
19	Total non-life insurance (No. 1-18)	418,864,887	407,650,352	606,009,493	544,787,178	69	75
20	Life insurance	78,448,515	78,689,871	79,238,943	79,466,230	99	99
21	Wedding insurance or birth insurance	-	-	-	-	-	-
22	Unit-linked life insurance	88,750,889	76,100,918	88,785,604	76,121,938	100	100
23	Tontine	-	-	-	-	-	-
24	Capital redemption insurance	20,316,064	18,880,523	20,316,064	18,880,523	100	100
25	Income protection insurance due to accident or illness	-	-	-	-	-	-
26	Total life insurance (No. 20-25)	187,515,467	173,671,311	188,340,610	174,468,691	100	100
27	Total (No. 19+26)	606,380,354	581,321,663	794,350,103	719,255,868	76	81

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15.3 Movements in gross claims paid (index)

Gross claims paid for the current year*100		in EUR				
Gross claims paid for the preceding year		Gross claims paid			Index	
No.		2021	2020	2019	2021/2020	2020/2019
1	2	3	4	5	6 = 3/4*100	7 = 4/5*100
1	Accident insurance	11,341,654	9,908,838	12,153,879	114	82
2	Health insurance	224,251	415,865	243,561	54	171
3	Land motor vehicle insurance	73,547,686	75,806,644	79,970,757	97	95
4	Railway insurance	1,351,160	623,235	1,000,537	217	62
5	Aircraft insurance	427,733	44,785	11,954	955	375
6	Marine insurance	462,437	-12,306	91,682	-	-
7	Good in transit insurance	1,330,731	1,511,975	1,395,610	88	108
8	Fire and natural disaster insurance	18,508,455	19,974,929	19,721,686	93	101
9	Other damage to property insurance	41,729,984	43,758,137	44,513,081	95	98
10	Motor TPL insurance	60,644,632	61,408,263	61,356,582	99	100
11	Aircraft liability insurance	4,171	23,398	17,028	18	137
12	Marine liability insurance	244,093	298,968	13,980	82	2,139
13	General liability insurance	9,130,723	14,547,830	13,579,671	63	107
14	Credit insurance	9,691,229	12,026,300	11,404,559	81	105
15	Suretyship insurance	888,227	454,233	223,376	196	203
16	Miscellaneous financial loss insurance	1,485,539	871,232	2,434,591	171	36
17	Legal expenses insurance	8,277	15,000	2,560	55	586
18	Travel assistance insurance	12,837,972	11,386,584	10,922,757	113	104
19	Total non-life insurance (No. 1-18)	243,858,953	253,063,910	259,057,852	96	98
20	Life insurance	99,811,473	95,631,064	95,622,077	104	100
21	Wedding insurance or birth insurance	-	-	-	-	-
22	Unit-linked life insurance	50,176,608	48,338,150	57,234,124	104	84
23	Tontine	-	-	-	-	-
24	Capital redemption insurance	4,210,438	4,476,399	4,929,640	94	91
25	Income protection insurance due to accident or illness	-	-	-	-	-
26	Total life insurance (No. 20-25)	154,198,520	148,445,613	157,785,841	104	94
27	Total (No. 19+26)	398,057,473	401,509,523	416,843,693	99	96

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15.4 Claims ratio

Gross claims paid*100		Gross written premium		in EUR		Claims ratio (%)	
No.		Gross claims paid		Gross written premium			
		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	11,341,654	9,908,838	25,235,448	25,696,568	45	39
2	Health insurance	224,251	415,865	787,154	926,557	28	45
3	Land motor vehicle insurance	73,547,686	75,806,644	129,298,413	127,536,359	57	59
4	Railway insurance	1,351,160	623,235	4,614,328	4,175,198	29	15
5	Aircraft insurance	427,733	44,785	3,683,029	2,390,519	12	2
6	Marine insurance	462,437	-12,306	7,689,364	994,760	6	-
7	Good in transit insurance	1,330,731	1,511,975	6,858,896	5,321,053	19	28
8	Fire and natural disaster insurance	18,508,455	19,974,929	60,796,633	58,291,995	30	34
9	Other damage to property insurance	41,729,984	43,758,137	165,026,243	130,253,821	25	34
10	Motor TPL insurance	60,644,632	61,408,263	109,621,258	106,754,958	55	58
11	Aircraft liability insurance	4,171	23,398	2,779,402	1,693,326	0	1
12	Marine liability insurance	244,093	298,968	1,390,962	950,911	18	31
13	General liability insurance	9,130,723	14,547,830	42,719,369	38,619,888	21	38
14	Credit insurance	9,691,229	12,026,300	21,883,872	19,137,654	44	63
15	Suretyship insurance	888,227	454,233	3,600,839	2,775,316	25	16
16	Miscellaneous financial loss insurance	1,485,539	871,232	2,948,793	2,574,281	50	34
17	Legal expenses insurance	8,277	15,000	595,434	641,309	1	2
18	Travel assistance insurance	12,837,972	11,386,584	16,480,055	16,052,704	78	71
19	Total non-life insurance (No. 1-18)	243,858,953	253,063,910	606,009,493	544,787,178	40	46
20	Life insurance	99,811,473	95,631,064	79,238,943	79,466,230	126	120
21	Wedding insurance or birth insurance	-	-	-	-	-	-
22	Unit-linked life insurance	50,176,608	48,338,150	88,785,604	76,121,938	57	64
23	Tontine	-	-	-	-	-	-
24	Capital redemption insurance	4,210,438	4,476,399	20,316,064	18,880,523	21	24
25	Income protection insurance due to accident or illness	-	-	-	-	-	-
26	Total life insurance (No. 20-25)	154,198,520	148,445,613	188,340,610	174,468,691	82	85
27	Total (No. 19+26)	398,057,473	401,509,523	794,350,103	719,255,868	50	56

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15.5 Operating expenses as % of gross written premium

Operating expenses*100 Gross written premium		in EUR					
		Operating expenses		Gross written premium		Operating expenses as % of gross written premium	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	8,672,975	8,074,586	25,235,448	25,696,568	34	31
2	Health insurance	230,509	237,192	787,154	926,557	29	26
3	Land motor vehicle insurance	34,096,829	31,615,432	129,298,413	127,536,359	26	25
4	Railway insurance	559,582	369,676	4,614,328	4,175,198	12	9
5	Aircraft insurance	154,791	250,308	3,683,029	2,390,519	4	10
6	Marine insurance	822,118	170,356	7,689,364	994,760	11	17
7	Good in transit insurance	1,422,276	1,283,497	6,858,896	5,321,053	21	24
8	Fire and natural disaster insurance	19,781,204	18,026,524	60,796,633	58,291,995	33	31
9	Other damage to property insurance	32,123,263	30,751,757	165,026,243	130,253,821	19	24
10	Motor TPL insurance	30,362,056	27,965,790	109,621,258	106,754,958	28	26
11	Aircraft liability insurance	144,705	257,201	2,779,402	1,693,326	5	15
12	Marine liability insurance	341,804	283,531	1,390,962	950,911	25	30
13	General liability insurance	12,282,912	11,731,195	42,719,369	38,619,888	29	30
14	Credit insurance	5,172,811	5,174,563	21,883,872	19,137,654	24	27
15	Suretyship insurance	906,404	753,988	3,600,839	2,775,316	25	27
16	Miscellaneous financial loss insurance	806,297	838,710	2,948,793	2,574,281	27	33
17	Legal expenses insurance	524,741	441,780	595,434	641,309	88	69
18	Travel assistance insurance	7,752,097	6,855,949	16,480,055	16,052,704	47	43
19	Total non-life insurance (No. 1-18)	156,157,374	145,082,034	606,009,493	544,787,178	26	27
20	Life insurance	17,535,773	15,418,907	79,238,943	79,466,230	22	19
21	Wedding insurance or birth insurance	-	-	-	-	-	-
22	Unit-linked life insurance	18,324,915	17,120,559	88,785,604	76,121,938	21	22
23	Tontine	-	-	-	-	-	-
24	Capital redemption insurance	3,030,016	2,329,347	20,316,064	18,880,523	15	12
25	Income protection insurance due to accident or illness	-	-	-	-	-	-
26	Total life insurance (No. 20-25)	38,890,703	34,868,813	188,340,610	174,468,691	21	20
27	Total (No. 19+26)	195,048,077	179,950,848	794,350,103	719,255,868	25	25

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15.6 Acquisition costs as % of gross written premium

Acquisition costs*100		Gross written premium		in EUR		Acquisition costs as % of gross written premium	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	1,223,219	893,656	25,235,448	25,696,568	4.8	3.5
2	Health insurance	8,814	8,594	787,154	926,557	1.1	0.9
3	Land motor vehicle insurance	3,885,870	4,291,381	129,298,413	127,536,359	3.0	3.4
4	Railway insurance	48,155	3,530	4,614,328	4,175,198	1.0	0.1
5	Aircraft insurance	8,031	12,293	3,683,029	2,390,519	0.2	0.5
6	Marine insurance	567,938	5,245	7,689,364	994,760	7.4	0.5
7	Good in transit insurance	387,937	298,009	6,858,896	5,321,053	5.7	5.6
8	Fire and natural disaster insurance	2,356,688	2,006,623	60,796,633	58,291,995	3.9	3.4
9	Other damage to property insurance	5,168,814	3,326,414	165,026,243	130,253,821	3.1	2.6
10	Motor TPL insurance	6,052,533	5,390,429	109,621,258	106,754,958	5.5	5.0
11	Aircraft liability insurance	2,997	3,047	2,779,402	1,693,326	0.1	0.2
12	Marine liability insurance	99,227	64,965	1,390,962	950,911	7.1	6.8
13	General liability insurance	2,199,986	2,036,301	42,719,369	38,619,888	5.1	5.3
14	Credit insurance	1,122,319	851,320	21,883,872	19,137,654	5.1	4.4
15	Suretyship insurance	277,576	202,023	3,600,839	2,775,316	7.7	7.3
16	Miscellaneous financial loss insurance	172,472	166,036	2,948,793	2,574,281	5.8	6.4
17	Legal expenses insurance	225,651	130,231	595,434	641,309	37.9	20.3
18	Travel assistance insurance	617,728	304,270	16,480,055	16,052,704	3.7	1.9
19	Total non-life insurance (No. 1-18)	24,425,956	19,994,366	606,009,493	544,787,178	4.0	3.7
20	Life insurance	4,544,110	2,988,995	79,238,943	79,466,230	5.7	3.8
21	Wedding insurance or birth insurance	-	-	-	-	-	-
22	Unit-linked life insurance	5,329,105	5,519,076	88,785,604	76,121,938	6.0	7.3
23	Tontine	-	-	-	-	-	-
24	Capital redemption insurance	75,970	48,289	20,316,064	18,880,523	0.4	0.3
25	Income protection insurance due to accident or illness	-	-	-	-	-	-
26	Total life insurance (No. 20-25)	9,949,186	8,556,361	188,340,610	174,468,691	5.3	4.9
27	Total (No. 19+26)	34,375,142	28,550,727	794,350,103	719,255,868	4.3	4.0

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15.7 Net claims ratio

		(Net claims paid + Change in claims provisions)*100				in EUR			
		Net premium income							
		Net claims paid + Change in claims provisions		Net premium income		Net claims ratio (%)			
No.		2021	2020	2021	2020	2021	2020		
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100		
1	Accident insurance	9,121,682	6,609,444	24,183,142	25,197,530	38	26		
2	Health insurance	213,843	370,242	405,936	470,703	53	79		
3	Land motor vehicle insurance	67,900,878	67,636,638	117,492,243	117,077,028	58	58		
4	Railway insurance	859,551	2,332,825	2,532,086	3,368,876	34	69		
5	Aircraft insurance	184,020	320,915	397,629	88,826	46	361		
6	Marine insurance	635,964	-205,528	2,962,887	392,617	21	-		
7	Good in transit insurance	1,346,910	824,383	4,308,714	2,871,621	31	29		
8	Fire and natural disaster insurance	9,539,011	15,383,091	36,638,740	35,832,757	26	43		
9	Other damage to property insurance	34,535,524	33,555,100	68,237,187	64,658,436	51	52		
10	Motor TPL insurance	41,872,511	67,050,540	95,040,153	96,431,180	44	70		
11	Aircraft liability insurance	-35,691	-64,456	175,361	182,755	-	-		
12	Marine liability insurance	258,624	438,511	1,072,262	691,619	24	63		
13	General liability insurance	6,442,374	-1,430,895	26,162,127	26,615,217	25	-		
14	Credit insurance	816,479	1,214,640	14,346,889	18,718,207	6	6		
15	Suretyship insurance	293,166	-5,971	1,887,076	1,144,956	16	-		
16	Miscellaneous financial loss insurance	693,901	368,944	-486,163	884,758	-	42		
17	Legal expenses insurance	-32,338	53,508	465,841	516,641	-	10		
18	Travel assistance insurance	12,092,879	10,680,346	15,400,394	15,065,765	79	71		
19	Total non-life insurance (No. 1-18)	186,739,289	205,132,278	411,222,504	410,209,492	45	50		
20	Life insurance	101,319,177	95,750,124	97,382,393	96,716,441	104	99		
21	Wedding insurance or birth insurance	-	-	-	-	-	-		
22	Unit-linked life insurance	50,171,484	48,309,493	69,834,039	58,061,390	72	83		
23	Tontine	-	-	-	-	-	-		
24	Capital redemption insurance	4,210,438	4,476,399	20,316,064	18,880,523	21	24		
25	Income protection insurance due to accident or illness	-	-	-	-	-	-		
26	Total life insurance (No. 20-25)	155,701,100	148,536,016	187,532,496	173,658,354	83	86		
27	Total (No. 19+26)	342,440,389	353,668,294	598,755,001	583,867,846	57	61		

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15.8 Combined claims ratio

		(Net claims paid + Change in claims provisions + Net operating expenses)*100					
		Net premium income				in EUR	
		Net claims paid + Change in claims provisions + Net operating expenses		Net premium income		Combined claims ratio (%)	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	324,345,168	335,005,046	411,222,504	410,209,492	79	82

15.9 Expense ratio

		Operating expenses*100					
		Net premium income				in EUR	
		Operating expenses		Net premium income		Expense ratio (%)	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Life insurance	38,890,703	34,868,813	187,532,496	173,658,353	21	20

15.10 Utility ratio

		(Claims paid + Change in insurance technical provisions)*100					
		Net written premium				in EUR	
		Claims paid + Change in insurance technical provisions		Net written premium		Utility ratio (%)	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Life insurance	235,795,772	168,708,051	187,515,467	173,671,312	126	97

15.11 Investment return as % of average balance of investments

		Investment return*100					
		(starting balance for the year + ending balance for the year)/2				in EUR	
		Investment return		Average balance of investments		Investment return as % of average balance of investments	
Zap, št,		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Asset backing liabilities	10,587,574	15,824,767	751,765,118	718,690,591	1.4	2.2
2	Guarantee fund backing traditional life insurance	14,715,936	25,117,942	780,794,982	804,452,488	1.9	3.1
3	Guarantee fund backing SVPI	4,718,672	7,685,057	238,957,091	225,407,801	2.0	3.4
4	Guarantee fund backing SVPI during the annuity payout period	561,902	1,844,913	70,049,069	60,151,483	0.8	3.1
5	Guarantee fund backing unit-linked insurance	69,625,937	6,146,060	459,105,483	415,971,560	15.2	1.5
6	Investments not financed from insurance technical provisions	9,312,530	8,857,301	369,312,925	354,957,744	2.5	2.5
7	Total	109,522,551	65,476,040	2,669,984,670	2,579,631,665	4.1	2.5

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15.12 Net claims provisions as % of net premium income

Net claims provisions*100		in EUR					
Net premium income		Net claims provisions		Net premium income		Net claims provisions as % of net premium income	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Accident insurance	17,680,459	19,305,185	24,183,142	25,197,530	73	77
2	Health insurance	13,120	16,325	405,936	470,703	3	3
3	Land motor vehicle insurance	17,134,841	15,478,548	117,492,243	117,077,028	15	13
4	Railway insurance	6,113,036	6,338,678	2,532,086	3,368,876	241	188
5	Aircraft insurance	498,393	327,719	397,629	88,826	125	369
6	Marine insurance	608,592	157,051	2,962,887	392,617	21	40
7	Good in transit insurance	1,846,688	1,381,542	4,308,714	2,871,621	43	48
8	Fire and natural disaster insurance	10,973,756	12,453,443	36,638,740	35,832,757	30	35
9	Other damage to property insurance	27,564,239	24,295,113	68,237,187	64,658,436	40	38
10	Motor TPL insurance	157,639,676	168,214,401	95,040,153	96,431,180	166	174
11	Aircraft liability insurance	585,935	621,720	175,361	182,755	334	340
12	Marine liability insurance	788,206	745,431	1,072,262	691,619	74	108
13	General liability insurance	83,997,640	85,485,384	26,162,127	26,615,217	321	321
14	Credit insurance	1,707,665	2,131,635	14,346,889	18,718,207	12	11
15	Suretyship insurance	19,932	-69,485	1,887,076	1,144,956	1	-
16	Miscellaneous financial loss insurance	1,245,341	1,074,637	-486,163	884,758	-	121
17	Legal expenses insurance	73,293	109,220	465,841	516,641	16	21
18	Travel assistance insurance	2,176,686	2,265,488	15,400,394	15,065,765	14	15
19	Total non-life insurance (No. 1-18)	330,667,499	340,332,034	411,222,504	410,209,492	80	83
20	Life insurance	21,432,296	19,679,961	97,382,393	96,716,441	22	20
21	Wedding insurance or birth insurance	-	-	-	-	-	-
22	Unit-linked life insurance	-28,409	-28,409	69,834,039	58,061,390	-	-
23	Tontine	-	-	-	-	-	-
24	Capital redemption insurance	0	0	20,316,064	18,880,523	-	-
25	Income protection insurance due to accident or illness	-	-	-	-	-	-
26	Total life insurance (No. 20-25)	21,403,887	19,651,552	187,532,496	173,658,354	11	11
27	Total (No. 19+26)	352,071,386	359,983,585	598,755,001	583,867,846	59	62

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15.13 Gross profit/loss for the year as % of net written premium

Gross profit/loss*100		Net written premium		in EUR		Gross profit/loss for the year as % of net written premium	
		Gross profit/loss		Net written premium			
Zap, št,		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	78,538,655	64,691,335	418,864,887	407,650,351	18.8	15.9
2	Life insurance	7,149,957	6,378,629	187,515,467	173,671,312	3.8	3.7
3	Total	85,688,612	71,069,964	606,380,354	581,321,663	14.1	12.2

15.14 Gross profit/loss for the year as % of average equity

Gross profit/loss*100		(equity starting balance for the year + equity ending balance for the year)/2		in EUR		Gross profit/loss for the year as % of average equity	
		Gross profit/loss		Average balance of equity			
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	78,538,655	64,691,335	555,544,412	506,290,745	14.1	12.8
2	Life insurance	7,149,957	6,378,629	104,068,140	105,950,978	6.9	6.0
3	Total	85,688,612	71,069,964	659,612,552	612,241,723	13.0	11.6

15.15 Gross profit/loss for the year as % of average assets

Gross profit/loss*100		(assets starting balance for the year + assets ending balance for the year)/2		in EUR		Gross profit/loss for the year as % of average assets	
		Gross profit/loss		Average balance of assets			
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5	8 = 4/6
1	Non-life insurance	78,538,655	64,691,335	1,387,484,403	1,322,982,979	5.7	4.9
2	Life insurance	7,149,957	6,378,629	1,683,923,777	1,644,056,469	0.4	0.4
3	Total	85,688,612	71,069,964	3,071,408,180	2,967,039,448	2.8	2.4

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15.16 Gross profit/loss for the year per share

Gross profit/loss		Number of shares		in EUR		Gross profit/loss for the year per share	
No.		Gross profit/loss		Number of shares		Gross profit/loss for the year per share	
		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5	8 = 4/6
1	Non-life insurance	78,538,655	64,691,335	15,837,350	15,837,350	5.0	4.1
2	Life insurance	7,149,957	6,378,629	6,897,798	6,897,798	1.0	0.9
3	Total	85,688,612	71,069,964	22,735,148	22,735,148	3.8	3.1

15.17 Receivables from reinsurance and reinsurer's share of insurance technical provisions as % of equity

Receivables from reinsurance and reinsurer's share of insurance technical provisions*100		Equity		in EUR		Receivables from reinsurance and reinsurer's share of insurance technical provisions as % of equity (%)	
No.		Receivables from reinsurance and reinsurer's share of insurance technical provisions		Equity		Receivables from reinsurance and reinsurer's share of insurance technical provisions as % of equity (%)	
		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	151,216,498	117,204,470	577,396,814	533,692,009	26.2	22.0
2	Life insurance	91,560	41,265	97,825,117	110,311,163	0.1	-
3	Total	151,308,058	117,245,735	675,221,932	644,003,171	22.4	18.2

15.18 Net written premium as % of average balance of equity and insurance technical provisions

Net written premium*100		Average balance of equity and insurance technical provisions		in EUR		Net written premium as % of average balance of equity and insurance technical provisions (%)	
No.		Net written premium		Average balance of equity and insurance technical provisions		Net written premium as % of average balance of equity and insurance technical provisions (%)	
		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	418,864,887	407,650,351	1,118,415,083	1,071,238,466	37.5	38.1
2	Life insurance	187,515,467	173,671,312	1,659,981,630	1,612,862,758	11.3	10.8
3	Total	606,380,354	581,321,663	2,778,396,713	2,684,101,224	21.8	21.7

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15.19 Average balance of net insurance technical provisions as % of net premium income

Average balance of net insurance technical provisions*100		in EUR					
Net premium income		Average balance of net insurance technical provisions		Net premium income		Average balance of net insurance technical provisions as % of net premium income (%)	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	562,870,672	564,947,721	411,222,504	410,209,492	136.9	137.7
2	Life insurance	1,555,913,490	1,506,911,781	187,532,496	173,658,353	829.7	867.7
3	Total	2,118,784,161	2,071,859,502	598,755,000	583,867,845	353.9	354.9

15.20 Equity as % of liabilities

Equity * 100		in EUR					
Liabilities		Equity		Liabilities		Equity as % of liabilities (%)	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	577,396,814	533,692,009	1,425,009,978	1,349,958,827	40.5	39.5
2	Life insurance	97,825,117	110,311,163	1,704,592,223	1,663,255,330	5.7	6.6
3	Total	675,221,932	644,003,171	3,129,602,201	3,013,214,158	21.6	21.4

15.21 Net insurance technical provisions as % of liabilities

Net insurance technical provisions*100		in EUR					
Liabilities		Net insurance technical provisions		Liabilities		Net insurance technical provisions as % of liabilities (%)	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Non-life insurance	560,345,943	565,395,400	1,425,009,978	1,349,958,827	39.3	41.9
2	Life insurance	1,584,084,338	1,527,742,641	1,704,592,223	1,663,255,330	92.9	91.9
3	Total	2,144,430,281	2,093,138,041	3,129,602,201	3,013,214,158	68.5	69.5

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15.22 Net life insurance technical provisions as % of net insurance technical provisions

Net life insurance technical provisions*100		in EUR					
Net insurance technical provisions		Net life insurance technical provisions		Net insurance technical provisions		Net life insurance technical provisions as % of net insurance technical provisions (%)	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5*100	8 = 4/6*100
1	Total	1,548,454,207	1,490,283,181	2,144,430,281	2,093,138,041	72.2	71.2

15.23 Gross written premium as % of number of permanent employees

Gross written premium		in EUR					
(ending number of employees for the previous year + ending number of employees for the year)/2		Gross written premium		Average number of employees		Gross written premium per number of permanent employees	
No.		2021	2020	2021	2020	2021	2020
1	2	3	4	5	6	7 = 3/5	8 = 4/6
1	Total	794,350,103	719,255,868	2,245	2,249	353,831	319,883

