



Ready. 365.

The Triglav Group and
Zavarovalnica Triglav d.d.
Annual Report 2023

The unofficial version
of the integrated
annual report.

triglav

Triglav Group
triglav.eu

Marija Kuplen, Tadej Strnad, Amir Duratović, Jan Jelenc, Manja Pražnikar

Ready. 365.

Resilience is much more than the sum of its factors. It is the steadfast ability and constant readiness to respond to the evolving expectations and needs of our clients. We have consistently supported and stood by our clients for more than 120 years.

In 2023, we continued our transformation into a fully client-centric insurance and financial group. We have effectively streamlined our complex processes and carefully managed our growth resources. The Triglav Group's adaptability has been demonstrated by its adept navigation of the unique challenges it has faced.

In all situations

There are many hard-working volunteer firefighters among our employees, such as Žiga Berlec and Aleksander Petrič (above left), both of whom participated in the recovery efforts following extreme weather events in Slovenia in 2023.

First, Žiga, as a full-time insurance agent in our network, assisted in documenting the damage suffered by our clients; afterwards, in his capacity as a member of the Motnik Volunteer Fire Brigade, he continued to provide assistance by distributing supplies to those affected and supporting recovery efforts. As part of the national rescue plan, Alexander, as a member of the Šmarje - Sap Volunteer Fire Brigade, helped in reestablishing infrastructure and delivering supplies in the Koroška region during the first critical days.

“The readiness to offer immediate assistance begins long before any such event occurs”, said both, emphasising the significant value they place on volunteering.

Read more about their experiences at <https://annualreport.triglav.eu/2023>



Resilience and financial strength.



A robust business model.



Engaged and skilled employees.

An efficient risk management system.



Business digitalisation.

A client-centric and user experience-oriented development of products, services and ecosystems.



Integrated sustainability aspects.

A trusted brand.



An extensive sales network, a multi-channel approach and a single entry point.

See [sections 2.6.1](#) and [4](#), for more information about value creation model, strategy and plans of the Triglav Group.

Exemplary trust from clients

Digitalisation has transformed the client experience, making digital processes indispensable for the efficient and streamlined operation of the Triglav Group. Our employees play a key role in maintaining high levels of client trust and driving the expansion of the Group's business.

Tadej Strnad and Amir Duratović (standing in the back), Mitja Valek, Marija Kuplen and Jan Jelenc are our non-life claims settlement officers, and Manja Pražnikar (sitting to the right) is our communications officer. In the reporting year, they were involved in improving internal procedures and, in the aftermath of extreme weather events of 2023, they advised clients on how to ensure their safety and file a claim.

In a rapidly changing environment, we are increasing our responsiveness and flexibility of our range of products and services, helping clients in understanding and managing the risks they face.

Learn more about our employees' experiences in emergency situations and the pivotal role of technology by visiting <https://annualreport.triglav.eu/2023>



About the Triglav Group →

Triglav Group
 The leading insurance and financial group in the Adria region with more than 120 years of operation

EUR 4,099.0 million
+8%
 Balance sheet total

An attractive and sustainable dividend policy

5,318 employees

Insurance

- Non-life
- Life
- Pension
- Health
- Reinsurance

Markets in the Adria region and international presence through partnerships

EUR 1,653.7 million
+12%
 Gross written premium

EUR 238.4 million
+28%
 Contractual service margin (CSM)

Asset management

- Own insurance portfolio
- Mutual funds and individual asset management
- Pension funds

EUR 3,398.5 million
+4%
 Investment portfolio

Conservative and high-quality structure of the investment portfolio

EUR 4,851.4 million
+11%
 Assets under management (AUM)

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The Triglav Group and Zavarovalnica Triglav d.d.

Audited Annual Report for the Year Ended 31 December 2023

About the report

The annual report in PDF format is its unofficial version. The annual report in ESEF format complies with the Commission Delegated Regulation (EU) 2019/815 and paragraph one of Article 134 of the Market in Financial Instruments Act (ZTFI-1) and is its official version published on SEOnet. The Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023 is integrated and describes the balance and plans as at 31 December 2023. The information is presented based on the financial statements prepared in accordance with the new IFRS 9 and IFRS 17 standards effective from 1 January 2023. You can read more about the report in [Section 11.1 About the report](#).



Address by
the President of
the Management Board

▶ 7



Sustainable
development at
the Triglav Group

▶ 95

Keep updated about our activities

Detailed information for investors and existing shareholders is available at:

Information for shareholders:

Zavarovalnica Triglav d.d., Ljubljana, Miklošičeva cesta 19, 1000 Ljubljana

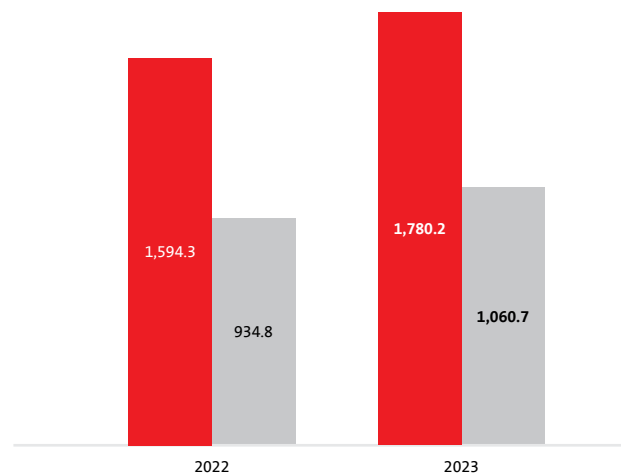
Helena Ulaga Kitek, Director of Investor Relations Department

T: ++386 (1) 47 47 331

Email: investor.relations@triglav.si

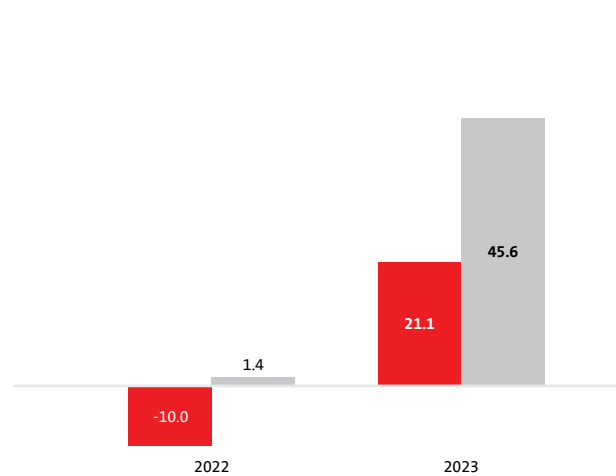
2023 Key Highlights

Total business volume in EUR million

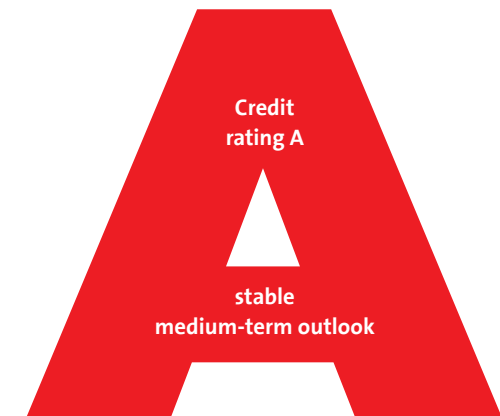


■ Triglav Group
■ Zavarovalnica Triglav

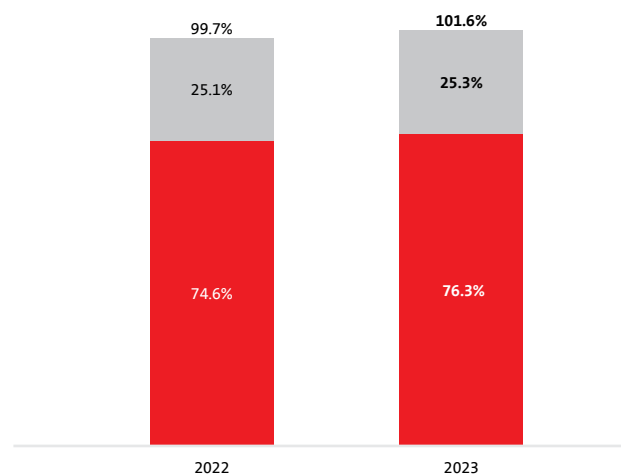
Earnings before tax in EUR million



■ Triglav Group
■ Zavarovalnica Triglav

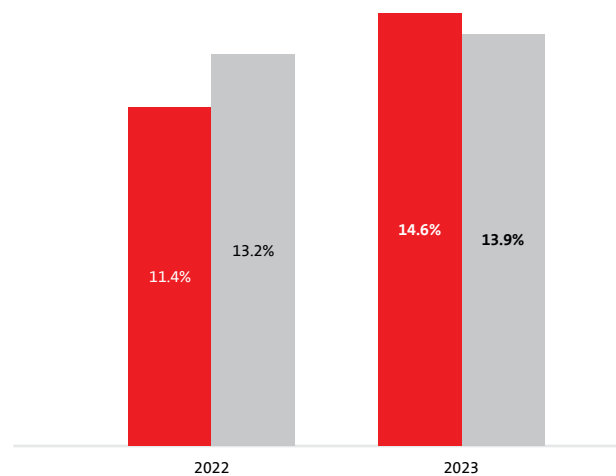


Combined ratio Non-Life and Health of the Triglav Group



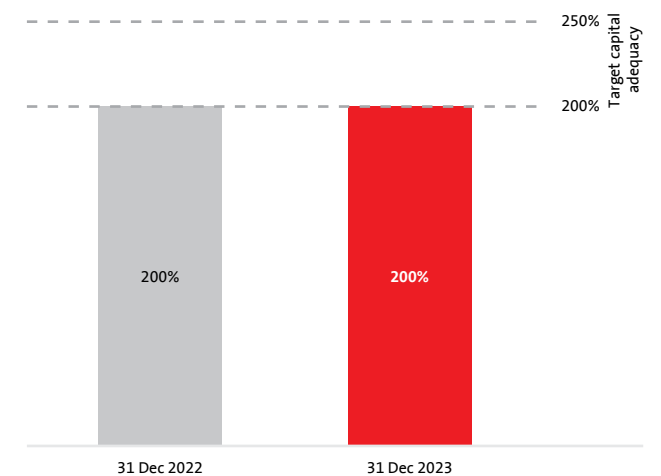
■ Claims ratio
■ Expense ratio

New business margin Life and Pension

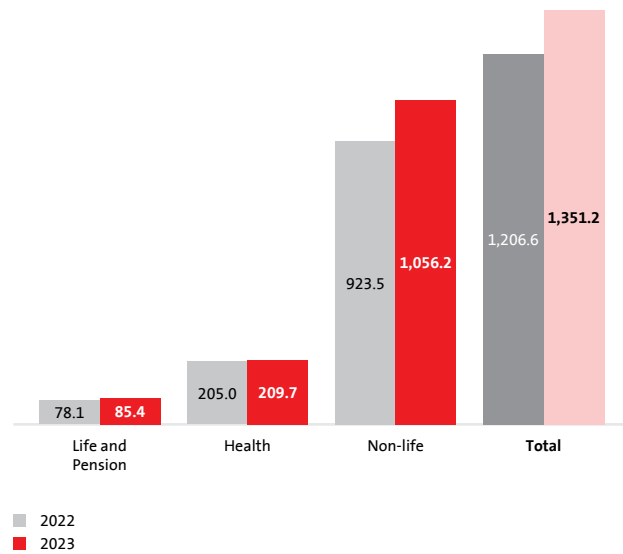


■ Triglav Group
■ Zavarovalnica Triglav

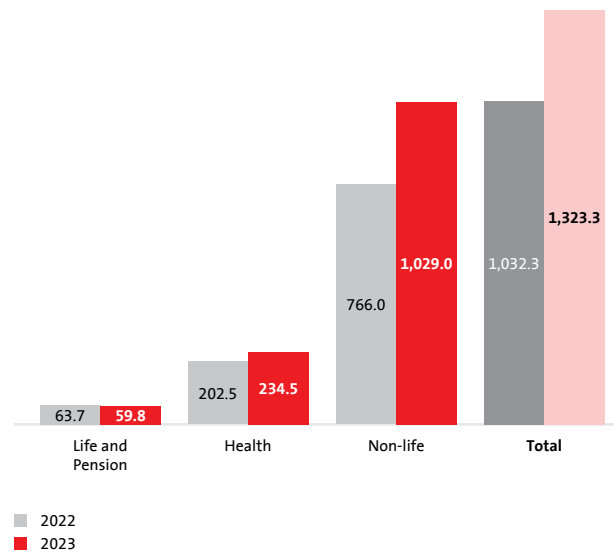
Capital adequacy of the Triglav Group



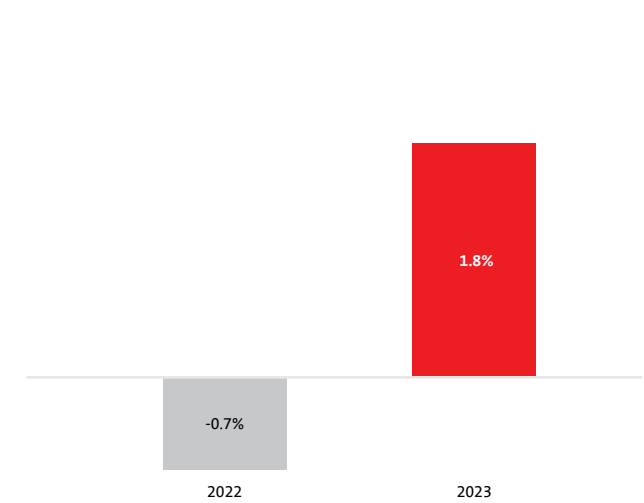
Insurance revenue of the Triglav Group by segment in EUR million



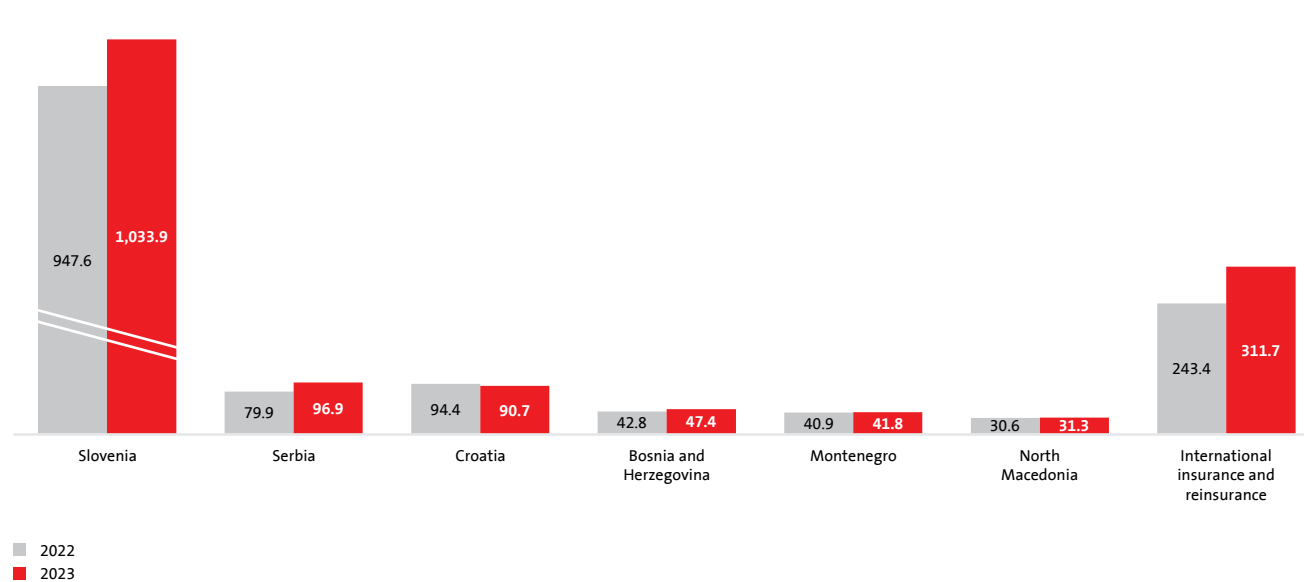
Insurance service expenses of the Triglav Group by segment in EUR million



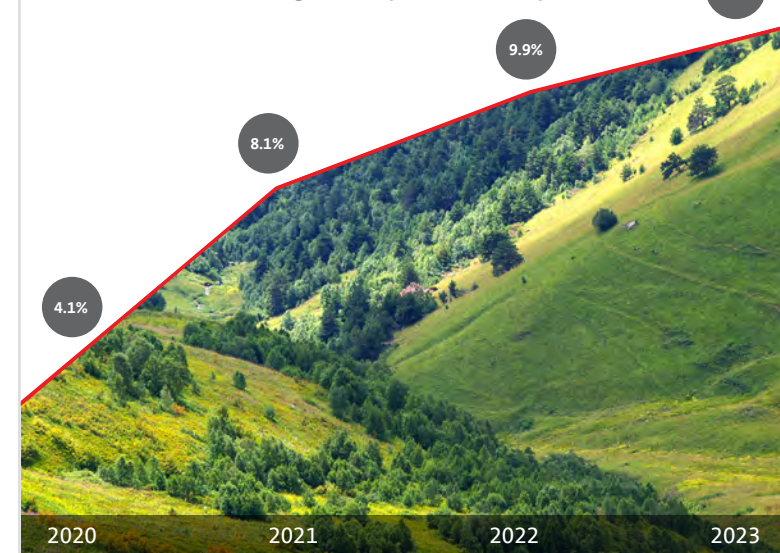
Return on equity of the Triglav Group



Gross written premium of the Triglav Group by market in EUR million



Share of social impact, green and sustainable bonds in debt securities of the Triglav Group's investment portfolio



1. Address by the President of the Management Board¹



Dear Shareholders and Readers,

The ramifications of this year's natural disasters, notably the severe hail and wind storms and the August floods, have led to an increased need to support our policyholders and historically high claims. Their impact was mitigated thanks to our adequate reinsurance protection. Our operations were significantly affected by the government regulation of the price of supplemental health insurance in Slovenia, resulting in losses in this business segment and reducing the Group's total earnings. We will no longer offer supplemental health insurance in 2024. However, we will continue to develop and sell commercial health insurance products in the markets of the Adria region, as we believe they have significant long-term potential. Lastly, inflationary pressures on claims and expenses continued to impact our operations for the second year running.

In this challenging environment, we demonstrated our flexibility and resilience, which is bolstered by our robust business model and effective risk management system. We maintained our leading market position in the region and continued to ensure profitable and safe operations. This report provides detailed insights into our operations, including year-on-year comparisons in accordance with the new IFRS. Net earnings of EUR 21 million before tax were generated, falling short of the planned figure due to the impact of one-off events. However, we are pleased with the performance of the income side of our business, as double-digit growth contributed to an increase in both business volume and contractual service margin. Nevertheless, challenges persisted, with losses in the Health segment, mass CAT claims and claims inflation resulting in an increase in the claims ratio and subsequently the combined ratio, which reached 101.6%. Fortunately, the financial markets' favourable conditions allowed us to achieve a strong investment result, positive other comprehensive income and a strong performance in asset management.

We successfully ensured the financial stability and adequate capitalisation of the Group, as confirmed by the high »A« credit ratings we received again, with a stable medium-term outlook. These ratings, assigned by S&P Global Ratings and AM Best, have been consistently maintained for the past eight years.

Insurance and asset management

Our total business volume increased by 12% to EUR 1,780 million, with the same growth rate recorded in gross written premium, amounting to EUR 1,654 million. In Slovenia, where 63% of the Group's premium

is collected, growth stood at 9%, aligning with market trends. In the other markets of the Adria region, the increase stood at 7%, while in the international market, where we primarily operate under the principle of free movement of services and conduct active reinsurance business, growth reached 28%.

The expansion of our business volume was driven by a strategic and comprehensive focus on our clients, accompanied by appropriate adjustments to pricing policies to account for inflation. The effects of these adjustments partly resulted in an increase in insurance revenue, with the full impact expecting to manifest in future financial periods. We also responded to inflationary pressures by implementing various measures related to claims settlement and the management of operating expenses.

Benefitting from a favourable financial market environment, we delivered strong performance in the investment segment and managed clients' assets in mutual funds and via discretionary mandate services, where the volume of assets under management soared by 29%, driven by net inflows and favourable market conditions. With a 31% market share, the Group stands as one of the leading managers of mutual fund assets in Slovenia. In the insurance segment of our business, we achieved a strong result in the Life and Pension segment. While a positive result was recorded in the Non-Life segment, the Health segment experienced a loss. The results of both of these segments were significantly influenced by the aforementioned one-off events. Moreover, the conservative structure and quality of our investment portfolio, which grew by 4% to EUR 3,399 million, remained largely unchanged, in line with our investment policies.

Implementation of the dividend policy

Our aim is to ensure that the ZVTG share remains an attractive, secure and stable investment option for investors. As planned, we implemented our attractive and sustainable dividend policy, distributing dividends equivalent to 51% of consolidated net earnings for 2022, amounting to EUR 2.50 gross per share, to our shareholders in 2023. This resulted in a total share return of 8%, with a dividend yield of 7%.

Strategic focus on development and sustainability

We remain committed to our mission of creating a safer future for our clients, employees and shareholders. This commitment drives our strategic activities, turning words into action.

Our range of products and services continues to be expanded and upgraded to better serve our clients and adapt to the unique characteristics of each of the Group's market. We are also enhancing processes and communication channels with our clients. In 2023, our sales network was reorganised, accompanied by various activities in support of our digitalisation efforts across the Group so as to achieve a leaner organisational structure. Clients recognise our efforts and, as indicated by the NPS, their satisfaction with us is at a high level. We are particularly proud of this in what was a challenging year due to a considerable increase in the volume of claims as a result of extreme weather events and adjustments of premium to claims inflation. We recognise that our success hinges on the dedication of our employees. Therefore, we are pleased to see that their satisfaction scores affirm their commitment, unity and loyalty. On behalf of the Management Board, I would like to extend our gratitude to them for their unwavering dedication.

In both of our strategic activities, we continue to deliver on our strategic sustainability ambitions and support the transition to a climate-neutral and climate-resilient economy. The Group's Scope 1 and 2 carbon footprint and electricity consumption was reduced by 6%. By upholding high standards of corporate governance, we strive to foster a culture of diversity, equality and inclusion. Women make up 55% of our workforce and 47% of our senior managers. Working together with the community and various partners, we continue to contribute to a number of socially and environmentally responsible projects.

Throughout the Group's more than 120-year history, we have stood by our clients through many difficult times, successfully overcoming a variety of challenges, including those encountered in 2023. Looking to the future, I am confident that we are well prepared for whatever lies ahead. On behalf of the Management Board and all of the Triglav Group employees, I sincerely thank you for your trust in us.

Andrej Slapar
President of the Management Board of Zavarovalnica Triglav

2. Triglav Group and Zavarovalnica Triglav in 2023

- The Group's operations were negatively impacted by one-off events, in particular regulated prices of supplemental health insurance and extreme CAT events.
- The Group consistently carried out its strategic activities for further growth and development and achieved its sustainability-related ambitions.
- The Group not only increased its business volume but also maintained its financial strength and high "A" credit ratings with a stable medium-term outlook.
- Its leading position in the insurance sector was strengthened both in Slovenia and the Adria region.

The calculation of indicators and the chosen terms are explained in the glossary enclosed to the Annual Report. See page 336.

2.1 Financial highlights of the Triglav Group*²

	in EUR million		
	2023	2022	Index
Total business volume	1,780.2	1,594.3	112
Gross written premium	1,653.7	1,479.6	112
Other income	126.5	114.8	110
Total revenue	1,425.2	1,279.3	111
Insurance operating result	-9.4	-12.6	
Insurance revenue	1,351.2	1,206.6	112
Claims incurred	1,021.2	767.7	133
Acquisition and administrative costs including non att. costs	363.0	325.1	112
Net reinsurance service result	31.6	-104.5	
Net other insurance revenue and expenses	-7.9	-21.9	
Net investment result	22.0	-14.3	
Investment result	83.6	-88.6	
Financial result from insurance contracts	-69.7	82.2	
Change in provisions for not achieving the guaranteed yield	8.1	-9.8	
Gains/losses and impairments of investments in associates	0.0	1.8	
Result from non-insurance operations	8.4	16.9	50
Earnings before tax	21.1	-10.0	
Net earnings	16.3	-7.0	
Other comprehensive income	34.7	-50.9	
Combined ratio Non-Life and Health	101.6%	99.7%	1.9 p.p.
Claims ratio Non-Life and Health	76.3%	74.6%	1.7 p.p.
Expense ratio Non-Life and Health	25.3%	25.1%	0.2 p.p.
New business margin Life and Pension	14.6%	11.4%	3.2 p.p.
Return on equity	1.8%	-0.7%	2.5 p.p.
Return on financial investments	1.8%	-0.4%	2.2 p.p.
	31 Dec 2023	31 Dec 2022	Index
Balance sheet total	4,099.0	3,802.3	108
Equity	891.1	897.0	99
Contractual service margin (CSM)	238.4	186.4	128
Assets under management (AUM)	4,851.4	4,379.8	111
Number of employees	5,318	5,306	100
Number of employees (full-time equivalent)	5,190	5,177	100

2.2 Financial highlights of Zavarovalnica Triglav*³

	in EUR million		
	2023	2022	Index
Total business volume	1,060.7	934.8	113
Gross written premium	982.8	868.9	113
Other income	78.0	66.0	118
Total revenue	794.7	708.0	112
Insurance operating result	17.6	-20.0	
Insurance revenue	775.6	690.2	112
Claims incurred	554.2	406.0	136
Acquisition and administrative costs incl. non att. costs	239.1	212.4	113
Net reinsurance service result	39.4	-75.4	
Net other insurance revenue and expenses	-4.3	-16.4	
Net investment result	28.0	21.4	131
Investment result	70.1	-81.6	
Financial result from insurance contracts	-62.8	77.0	
Change in provisions for not achieving the guaranteed yield	4.3	-4.6	
Gains/losses and impairments of investments in associates	16.3	30.6	53
Earnings before tax	45.6	1.4	3,271
Net earnings	38.7	8.9	433
Other comprehensive income	28.4	-36.5	
Combine ratio Non-Life	99.2%	101.8%	-2.6 p.p.
Claims ratio Non-Life	70.2%	73.3%	-3.0 p.p.
Expense ratio Non-Life	29.0%	28.5%	0.5 p.p.
New business margin Life and Pension	13.9%	13.2%	0.7 p.p.
Return on equity	5.8%	1.2%	4.6 p.p.
Return on financial investments	2.4%	1.4%	1.0 p.p.
	31 Dec 2023	31 Dec 2022	Index
Balance sheet total	2,945.4	2,730.8	108
Equity	669.2	658.9	102
Contractual service margin (CSM)	225.4	175.6	128
Number of employees	2,243	2,243	100
Number of employees (full-time equivalent)	2,215	2,213	100



"The Triglav Group maintains its financial strength and effectively adapts to

environmental challenges through a robust business model and efficient risk management."

Uroš Ivanc, Management Board member, Zavarovalnica Triglav

*Notes on the effects of the transition to IFRS 17 and IFRS 9 are provided in [Section 2.6](#) of the Accounting Report. The breakdown of profit or loss in the Business Report (comprising insurance operating result, net investment result, result from non-insurance operations) differs from that of the statement of profit and loss in the Accounting Report (comprising insurance service result, investment result, financial result from insurance contracts and other profit or loss categories). This is primarily because the Business Report also takes into account non-attributable costs, insurance revenue, insurance service expenses and net other insurance revenue and insurance service expenses in the presentation of the insurance operating result. Meanwhile, the net investment result includes the financial result from insurance contracts, change in provisions for not achieving the guaranteed yield and gains/losses on and impairments of investments in associates, in addition to the investment result. Other categories are included in the result from non-insurance operations. For a more detailed description of the categories shown, see [Appendix 1. Glossary of terms](#).

2.3 Environmental, social and governance (ESG) aspects of the Triglav Group's operations⁴

	2023	2022	Index
1. Environmental aspects			
Carbon footprint (tonnes of CO ₂ equivalent)*	8,131	8,649	94
Scope 1 and 2 carbon footprint per employee (tonnes of CO ₂ equivalent)*	1.54	1.63	94
Electricity consumption (MWh)	10,342	11,015	94
Share of electricity consumption from renewable sources (%)	61.6	59.0	104
Total quantity of waste at the Triglav Group per employee (kg)	118	125	94
Average daily consumption of office paper per employee**	13	19	68
Written premium from products promoting social and environmental benefits (EUR million)	24.8	20.8	119
Assets under management in funds that incorporate sustainability aspects (EUR million)	1,139.0	49.2	2,313
Investments in social impact, green and sustainable bonds (EUR million)	262.5	222.9	118
2. Social aspects			
Employee satisfaction (ORVI)	3.94	4.00	99
Average employee age	45.1	44.8	101
Women employees to total employees ratio (%)	55.0	54.7	101
Proportion of women at first and second management levels under the management board (%)	42.6	41.2	103
Employee turnover (number of leavers/average number of employees; %)	12.0	11.6	103
Average number of training hours per employee	32	33	96
Lost time incident rate – LTIR (number of work-related incidents/total number of hours of all employees x 200,000)	0.38	0.37	101
Client satisfaction of Triglav Group (NPS)***	73	77	95
Number of insurance products and services sold online	23	22	105
Number of insurance products promoting prevention	62	62	100
Proportion of employees allowed to work from home (%)	36	33	110
Number of suppliers checked against ESG criteria	865	419	206
Investments into the community (prevention, donations, sponsorships) (EUR million)	8.9	10.2	87
3. Governance aspects			
Proportion of women in the management board/supervisory board in parent company (%)	20.0/25.0	25.0/0	
Proportion of women at the first management level under the management board (%)	46.5	45.1	103
Proportion of women in management and supervisory bodies (%)	25.5	23.6	108
Average age of Zavarovalnica Triglav Management Board members	47.8	48.5	99
Independence of Zavarovalnica Triglav Supervisory Board members, shareholder representatives (% of members)	100	78	129
President of the Management Board salary to the average employee salary ratio (factor x)****	5	5	100
Term of office of the current President of the Management Board (years)	10	9	111
Policies adopted: equal opportunities policy, anti-corruption policy, employee protection/whistleblower protection policy	YES	YES	
Fair business practices (number of fraud cases investigated)	1,771	1,651	107
Internationally renowned audit firm (Big 4)	YES	YES	
Period of cooperation with the existing auditor (years)	5	4	125
Investor relations when publishing results	YES	YES	
Economic value generated (EUR million)	1,642.4	1,318.9	125
Economic value distributed (EUR million)	1,682.9	1,409.9	119
Economic value retained (EUR million)	-40.5	-91.0	

* Includes Scope 1 and 2 emissions under the location-based method. A more detailed calculation of Scope 1, 2 and 3 GHG emissions is shown in [Section 11.2.2](#).

** Includes A4 and A3 paper consumption for internal purposes.

*** NPS shows the share of promoters who would recommend the Company to their acquaintances and friends 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 contact⁵

Zavarovalnica Triglav d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
Blaž Kmetec, Executive Director of Finance and Controlling
Email: blaz.kmetec@triglav.si

2.4 Significant events in 2023

Operating results:

The Group's operations were significantly impacted by negative one-off events, in particular by changes to supplemental health insurance and extreme CAT events. In April 2023, the legislative framework for the existing supplemental health insurance system was changed in Slovenia, which, due to price regulation and other restrictions, resulted in a negative result of the Health segment (see [Section 8.3 Health segment](#) for more information). CAT events in Slovenia and the region, particularly storms, hailstorms and floods in July and August, resulted in historically high claims for the Group and had a significant negative impact on the Group's performance (see [Section 7.2 Environmental impact on the Triglav Group's operations](#) for more information). Due to inflationary pressures, the Group companies not only adjusted premiums and premium rates but also implemented measures related to claims settlement and cost management. As a result of these effects, the Group achieved earnings before tax of EUR 21.1 million, lower than originally planned. See [Section 8. Operations of the Triglav Group and Zavarovalnica Triglav](#) for more information.

Dividend payment:

At the May General Meeting of Shareholders, the shareholders adopted the resolution proposed by the Management Board and the Supervisory Board to pay a dividend of EUR 2.50 gross per share or EUR 56.8 million in total, which accounts for 51% of the Group's consolidated net earnings for 2022 and a 7% dividend yield. See [Section 6.4 Dividends and dividend policy](#) for more information.

The high »A« credit rating affirmed:

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. All individual elements of the rating are at the same level as last year. See [Section 6.6 Credit rating of the Triglav Group and Zavarovalnica Triglav](#) for more information.

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

Blaž Jakič began his five-year term of office as a Management Board member of Zavarovalnica Triglav on 2 March 2023. President of the Management Board Andrej Slapar and Management Board members Uroš Ivanc and Tadej Čoroli were reappointed for a five-year term. Their current term of office expires in 2024. Monica Cramer Manhem and Tim Umberger were appointed as new Supervisory Board members, shareholder representatives, while Aleš Košiček and Janja Strmljan Čevnja were appointed as new Supervisory Board members, employee representatives. See [Section 5.3 Management bodies of Zavarovalnica Triglav](#) for more information.

Sustainable development at the Triglav Group:

As part of its efforts to build on its sustainable development activities, the Group adopted the overarching Sustainable Development Policy, Sustainable Investment Policy and Statement on principal adverse impacts of investment decisions on sustainability factors of Zavarovalnica Triglav d.d. in accordance with the SFDR. See [Section 11.1 Our approach to sustainability](#) for further information.



2.5 Financial calendar 2024

Calendar of financial announcements for 2024

Date and time of announcement*	Type of announcement	Quiet period**
Wednesday, 6 March 2024, 8:30	Preliminary key figures for 2023	From Wednesday, 14 February 2024
Friday, 29 March 2024, 8:30	Audited annual report for 2023	From Friday, 15 March 2024
Friday, 26 April 2024	Call notice of the General Meeting of Shareholders to decide on the distribution of accumulated profit	
Wednesday, 22 May 2024, 8:30	January–March 2024 interim financial report	From Wednesday, 8 May 2024
Tuesday, 4 June 2024	General Meeting of Shareholders and announcement of its resolutions	
Thursday, 22 August 2024, 8:30	January–June 2024 interim financial report	From Thursday, 8 August 2024
Wednesday, 20 November 2024, 8:30	January–September 2024 interim financial report	From Wednesday, 6 November 2024

* The planned date and time of announcement may differ from the actual date and time.

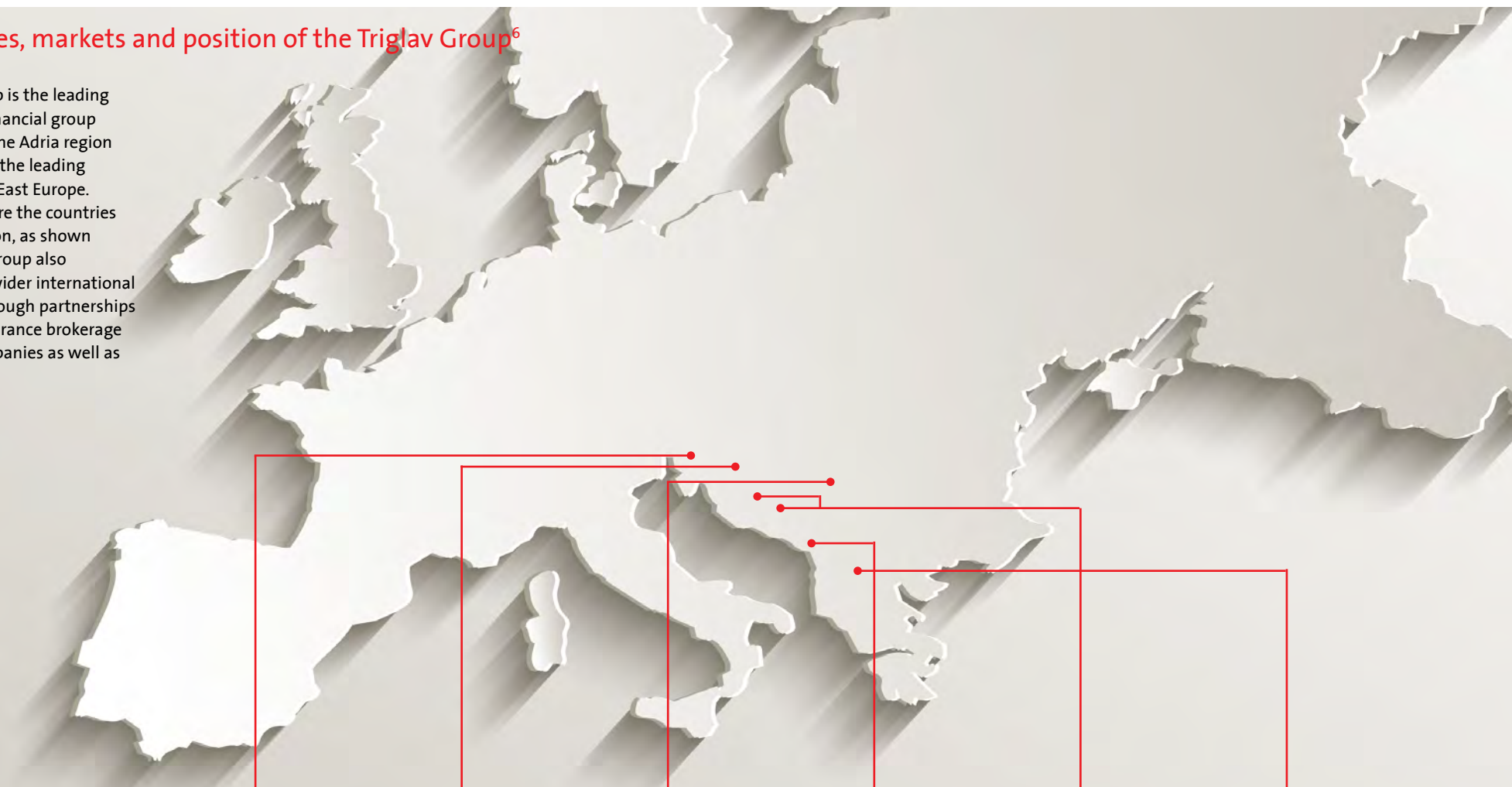
** The quiet period denotes a period preceding the announcement of a financial report, during which Zavarovalnica Triglav does not disclose any information on current operations to the public.

The general public is informed about the dates of key announcements (including the time of announcements when publishing financial results) and about any amendments to the planned time of announcement:

- in the Ljubljana Stock Exchange SEONet information system (seonet.ljse.si) and
- on Zavarovalnica Triglav's corporate website (www.triglav.eu).

2.6 Activities, markets and position of the Triglav Group⁶

The Triglav Group is the leading insurance and financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe. Its key markets are the countries in the Adria region, as shown below, but the Group also operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies as well as with reinsurers.



Slovenia

1st place
39.5%
 market share*
 (+0,6 p.p.)

Croatia

8th place
5.2%
 market share*
 (-0,3 p.p.)

Serbia

5th place
7.5%
 market share*
 (+0,2 p.p.)

Montenegro

1st place
35.0%
 market share*
 (-2,8 p.p.)

Bosnia and Herzegovina

4th place
9.3%
 market share*
 (-0,1 p.p.)

North Macedonia

3rd place
13.4%
 market share*
 (-1,3 p.p.)

* The data show the market share of the Triglav Group by an individual insurance market. Data shown for Serbia is for January–September 2023.

2.6.1 Triglav Group's value creation model

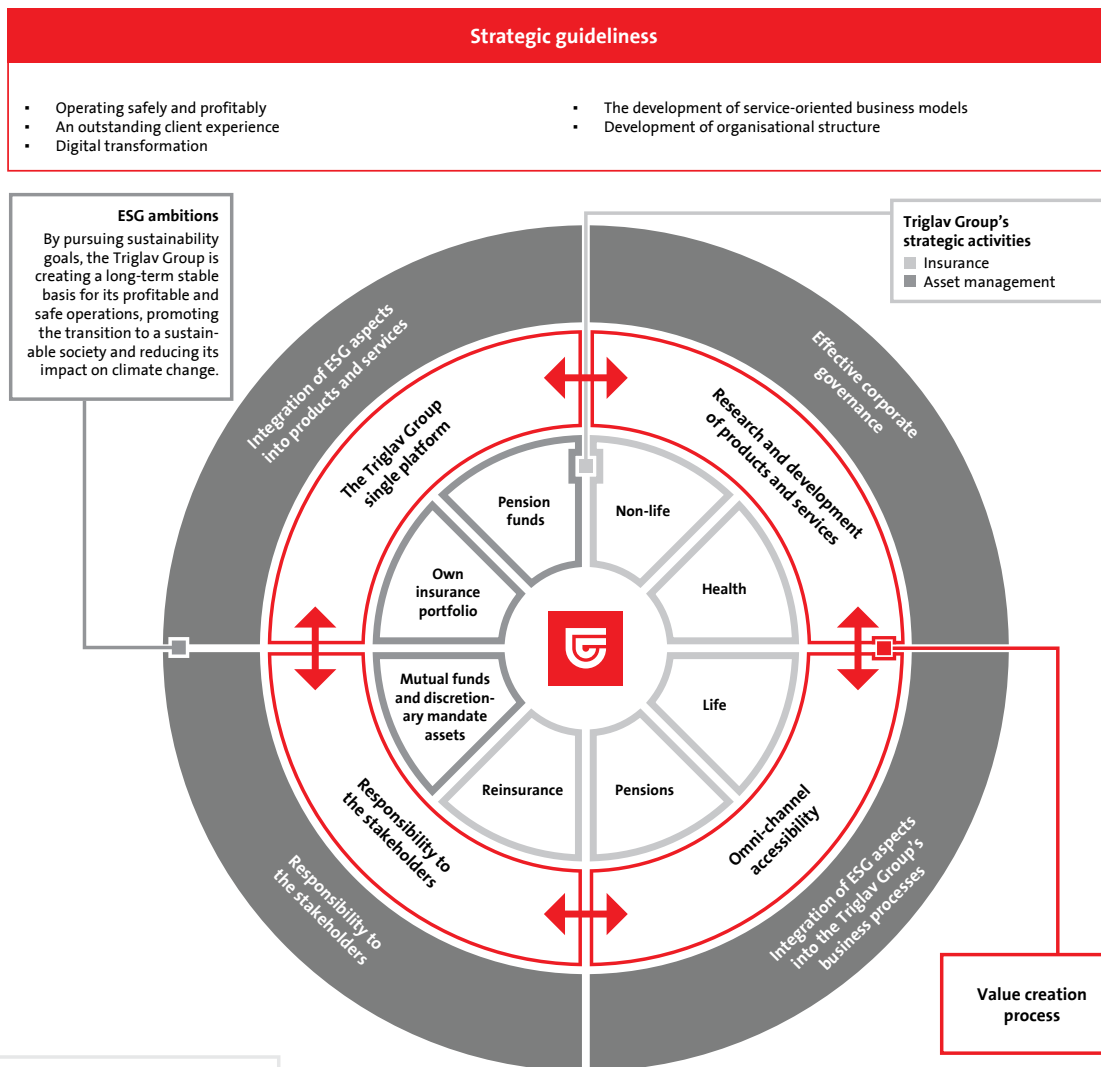
Resources used to create value

Economic and governance
 Funds for the Group's business operations come from a solid capital base, written premiums and funds from the Group's shareholders and investors. The Group comprehensively identifies and manages risks and opportunities. It adheres to high standards of corporate governance.
 4. Triglav Group strategy and plans →
 5. Corporate governance statement →
 8. The Triglav Group's business operations →
 9. Risk management →

Human resources
 The Group's employees bring together a wide range of expertise and talents, which serve as the basis for effective business operations and the implementation of the Group's development strategy.
 11.3.2 Responsibility to employees →

Social
 In order to achieve its development objectives, the Group improves its knowledge of key stakeholders' needs, strengthening their trust and satisfaction. The value created by the Group stems from good mutual relationships.
 11.3 Social aspects →

Environmental
 The natural resources required for the Group's operations are used efficiently. In accordance with the adopted strategic ambitions and Sustainable Development Policy the Group incorporates ESG principles into its internal processes. It develops financial products and services that contribute to the resilience of the economy and society to climate change.
 11.2 Environmental aspect →



Impacts of the Group's operations

Shareholders/investors
 With stable and development-oriented operations, the Group increases the value of its assets. By pursuing a sustainable and attractive dividend policy, the Group strives to make the ZVTG share a profitable, safe and stable investment.
 6. The share and shareholders of Zavarovalnica Triglav →

Employees
 The Group develops the skills and talents of its employees, provides them with a stimulating and safe working environment and rewards them fairly.
 11.3.2 Responsibility to employees →

Clients/policyholders
 By offering quality insurance and financial products and related services, the Group responds to new and existing client needs and ensures their financial security.
 11.3.1 Responsibility to clients →
 8. The Triglav Group's business operations →

The local and wider community
 With investments, tax payments, accessible services and locally oriented and responsible procurement, the Group supports economic development and the social environment, as well as efforts for a green transition. It strengthens prevention through training, sponsorships and donations, thereby reducing security risks.
 11.3.3 Responsibility to the community →
 11.3.4 Responsibility to suppliers →
 11.2 Environmental aspect →

Partners
 The Group develops new business models and innovative practices. As a reliable, responsible and trustworthy partner, it operates ethically and in compliance with the law, cooperating with state bodies and regulators. The Group contributes to the growth of the companies and organisations it collaborates with.
 10. Development activities →
 11.3. Social aspects →

Contribution to key SDGs

Dynamic challenges in the environment:

- Competition
- New client needs
- Technological development
- Financial and macroeconomic factors
- Development of regulatory frameworks
- Environmental change
- Demographic and social change
- Economic and political factors

2.6.2 Insurance

The Group's largest strategic activity is **insurance**, which includes non-life, health, life and pension insurance as well as reinsurance.

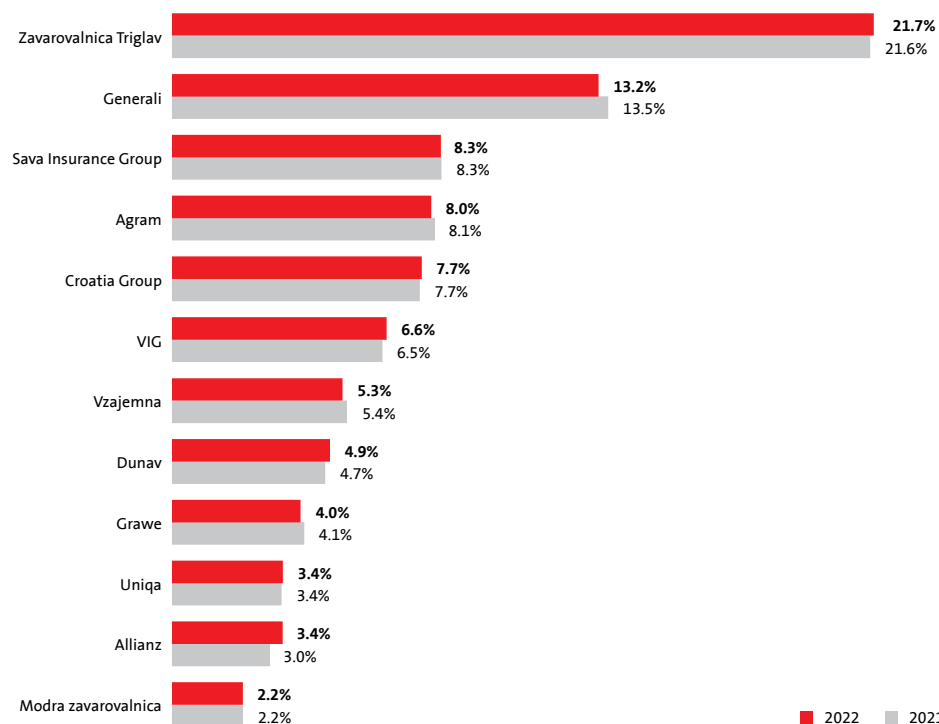
The Group's insurance business comprises:

- **in Slovenia:** Zavarovalnica Triglav d.d., Triglav, Zdravstvena zavarovalnica d.d., Pozavarovalnica Triglav Re d.d. and Triglav, pokojninska družba d.d.;
- **outside Slovenia:** seven insurance companies in the Adria region (Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia), Zavarovalnica Triglav's branch in Greece (under the FOE principle) and business partnerships under the principle of free movement of services (FOS).

Position in the regional insurance market

The Triglav Group consolidated its dominant market position in **the Adria region** (Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia). In 2022, it increased its market share by 0.1 percentage point to 21.7%.

The market share of insurance groups and insurers in the Adria region in 2022 and 2021 (%)*



* Data for 2023 not yet available

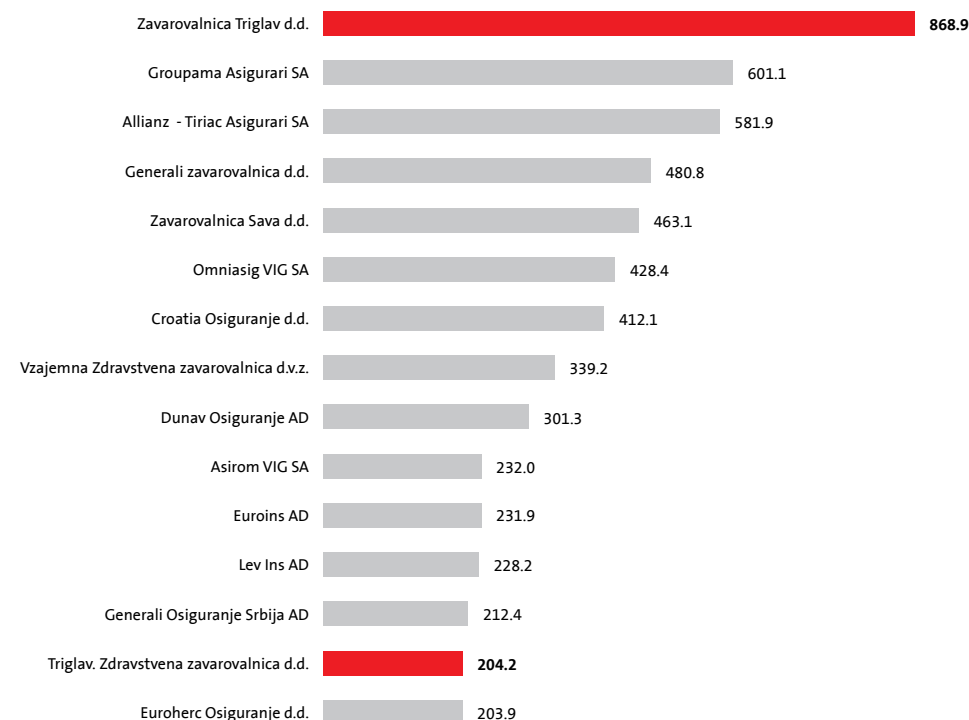
Source: Zavarovalnica Triglav's calculation based on the data of national insurance supervision agencies and insurance associations

The parent company is the leader among the insurers in **South-East Europe** (Albania, Bulgaria, Bosnia and Herzegovina, Montenegro, Croatia, Moldova, Romania, North Macedonia, Slovenia and Serbia). Eight insurance companies of the Triglav Group and 12 Slovenian insurers (three Slovenian insurers are among the top five) rank among the top 100 insurers in South-East Europe in terms of gross written premium. The Romanian insurers Groupama Asigurari (ranked seventh in the previous year) and Allianz – Tiriac Asigurari (ranked fifth in the previous year) ranked second and third thanks to the high premium growth. All 100 insurers collected a total of EUR 10.6 billion in written premium (9% more than the previous year).

2.6.3 Asset management

Asset management in the Group is carried out by insurance and pension companies, as well as investment fund and investor asset management companies. It comprises the management of own insurance portfolios (assets backing liabilities and guarantee funds), saving of clients through the Group's life and pension insurance companies, the management of alternative investments by Triglav and the management of clients' assets in mutual funds and discretionary mandates via asset management companies.

The largest insurers in South-East Europe by written premium in 2022 (in EUR million)

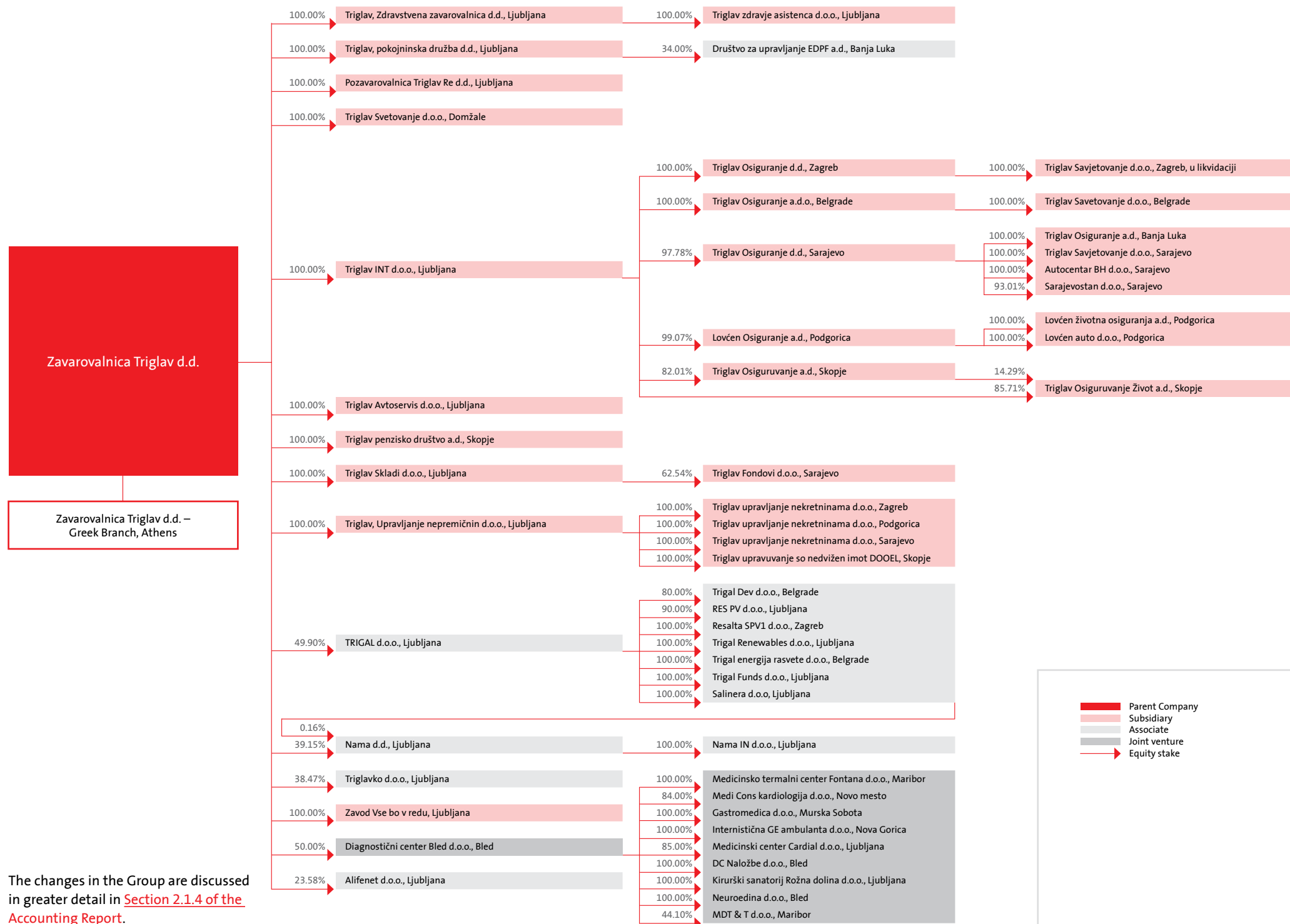


Source: SeeNews 2023.

2.6.4 Composition of the Triglav Group

As at 31 December 2023, the Triglav Group comprised 54 companies: the parent company, 30 subsidiaries, 13 associates and 10 joint ventures.

The Triglav Group members and their participating interests as at 31 December 2023



■ Parent Company
■ Subsidiary
■ Associate
■ Joint venture
→ Equity stake

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

2.7 Management of Zavarovalnica Triglav

The Management Board of Zavarovalnica Triglav comprises:

Andrej Slapar
President

The period from the first appointment to the end of the current term of office: 2013–2029
Employed at the Triglav Group: from 1997



Uroš Ivanc
Member

The period from the first appointment to the end of the current term of office: 2014–2029
Employed at the Triglav Group: from 2001



Tadej Čoroli
Member

The period from the first appointment to the end of the current term of office: 2014–2029
Employed at the Triglav Group: from 2001



Marica Makoter
Member

The period from the first appointment to the end of the current term of office: 2011–2026
Employed at the Triglav Group: from 2001



Blaž Jakič
Member

The period from the first appointment to the end of the current term of office: 2023–2028
Employed at the Triglav Group: from 2010.

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 2023 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 2023

In 2023, 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 also 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



Igor Stebernak
Vice Chairman



Tomaž Benčina
Member



Jure Valjavec
Member



Monica Cramer Manhem
Member



Tim Umberger
Member



Aleš Košiček
Member, Employee Representative



Janja Strmljan Čevnja
Member, Employee Representative

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 2023 (hereinafter: the report) and its Opinion on the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023.

The findings are based on the results of the supervision of operations of Zavarovalnica Triglav d.d. (hereinafter: the Company, the controlling company or the parent company) in 2023 and on the verification of the Audited Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023, including the report of the non-life insurance actuarial function holder and the life insurance actuarial function holder for 2023.

An integral part of the report is also the opinion of the Supervisory Board on the work of the Internal Audit Department in 2023 and the Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023.

3.2 General information

The Supervisory Board and its committees in 2023

The composition of the Supervisory Board in 2023 is described in [Section 5. Corporate Governance Statement](#) (Supervisory Board) of the Business Report. In 2023, the Supervisory Board held ten 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 2023 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 2023) of the Business Report.

Audit Committee

In 2023, the Audit Committee held seven 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 2022 and the 2023 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 2022 and the Solvency and Financial Condition Report of the Triglav Group as at 31 December 2022, 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 2024 and guidelines for the 2025–2027 period;
- discussed the findings of the Slovenian Insurance Supervision Agency and other supervisory bodies in supervision procedures under the Audit Committee's responsibility and was briefed on procedures related to these findings or requirements;
- supervised and discussed the conclusion of agreements with audit firms, the independence of the certified auditor, the quality of auditing, the audit plan for 2023 and the auditor's report following the pre-audit of Zavarovalnica Triglav d.d. for 2023;
- discussed the report on the external quality assessment of the work of the Internal Audit Department of Zavarovalnica Triglav d.d. and the implementation plan of the recommendations for improving the quality of the Internal Audit Department's work;
- took note of remuneration of the Director of Internal Audit Department for 2022;
- 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 Compliance Office Annual Report for 2022;
- discussed the Statement of Compliance with the Slovenian Corporate Governance Code;
- monitored the operation of the information technology and cyber security area;
- took note and approved the proposed Guidelines for monitoring the quality of external auditing in the Triglav Group;
- took note of the extraordinary termination procedures of employment agreements for employees at the Internal Audit Department of Zavarovalnica Triglav d.d.

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 Appointment and Remuneration Committee held ten meetings in 2023. Its most important activities 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, including the Audit Committee external member Luka Kumer, and of the body collectively;
- reviewing the calculation and amount of the average gross salary for 2023 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;
- approving the proposed amendments to the Methodology for determining the variable remuneration and decreasing base salary of Management Board members in 2024 and setting the targets for the part of the salary for the overall performance of the Management Board for the year;
- 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.;
- reviewing the additional training programme for the Supervisory Board members in 2023, the proposal for the re-election of the President of the Management Board and considering the President of the Management Board's proposal for the re-election of Management Board members Uroš Ivanc and Tadej Čoroli.

Strategy Committee

The Strategy Committee, which held two meetings in 2023, devoted special attention to the realisation of Triglav Group's strategy and starting points for the development of the Triglav Group's business plan for 2024.

Nomination Committee

The Nomination Committee was established on 21 December 2022 with the aim of carrying out the nomination procedure to appoint candidates for Supervisory Board members – shareholder representatives to replace Peter Kavčič and Branko Bračko, who on 9 December 2023 notified the

Company of their irrevocable resignation as Supervisory Board members. The Nomination Committee then held five meetings in 2023 and proposed to the Supervisory Board to appoint two candidates for Supervisory Board members – shareholder representatives: Tim Umberger and Monica Cramer Manhem.

The Nomination Committee was again established on 29 November 2023 with the aim of carrying out the nomination procedure to appoint a candidate for Supervisory Board member – shareholder representative to replace Igor Stebernak, whose term of office will expire on 3 June 2024.

3.3 Work of the supervisory board and scope of supervision of the company's operations in 2023

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 2023 are based on the supervision of the Company's and the Group's operations performed by the Supervisory Board in 2023, acting within its powers. The Supervisory Board held eight sessions in 2023.

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 2023 the Supervisory Board:

- approved the Solvency and Financial Condition Report (SFCR) of Zavarovalnica Triglav d.d. and the Triglav Group for 2022 and the annual capital adequacy as at 31 December 2022 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 2022, 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 2022 and the Opinion of the Supervisory Board of Zavarovalnica Triglav d.d. on the Annual Internal Audit Report for 2022 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 2023, from 1 January to 30 June 2023 and from 1 January to 30 September 2023;
- discussed the Annual Internal Audit Report of the Internal Audit Department for 2022;
- approved the Triglav Group's business policy and business plan for 2024 and took note of the key findings of ORSA;

- approved the Internal Audit Department's work plan for 2024 and its guidelines for 2025–2027;
- proposed to the 48th General Meeting of Shareholders of Zavarovalnica Triglav d.d. to grant a discharge to the Management Board for 2022, submitted a proposal regarding the payment of accumulated profit, presented the remuneration policy and the remuneration report for 2022, and confirmed taking note of the letters of resignation and the appointment of Zavarovalnica Triglav d.d.'s Supervisory Board members;
- 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;
- approved the amendments to the Governance System and Policy of Zavarovalnica Triglav d.d., the Policy of Management and Control of Insurance Services and Products, the Succession Policy and the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d.;
- 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 2023 the Supervisory Board:

- discussed the reports of the Audit Committee, the Appointment and Remuneration Committee and the Strategy 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 Risk Management and Capital Adequacy Function of Zavarovalnica Triglav d.d. and the Triglav Group;
- 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 2022 and its work plan for 2023;
- 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 2022;

- 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 2023:

- discussing periodic fit and proper assessments of the members of the Management Board and the Management Board as a collective body, the members of the Supervisory Board and the Supervisory Board as a collective body, as well as of the Audit Committee external member Luka Kumer;
- carrying out a subsequent fit and proper assessment of the appointed Supervisory Board members – employee representatives and taking measures to manage conflicts of interest;
- approving the Group's performance factor, determining the annual performance bonus for the Management Board of Zavarovalnica Triglav d.d. for 2022 and approving the amendments to the Methodology for the calculation of the performance factor to set the annual bonus and reduce the base salary of a Management Board member for 2023;
- giving consent to the capital increase of Triglav, Zdravstvena zavarovalnica d.d.;
- discussing the report of the Works Council of Zavarovalnica Triglav d.d.;
- reviewing the proposal for the re-election of the President of the Management Board and the President of the Management Board's proposal for the re-election of Management Board members Uroš Ivanc and Tadej Čoroli; establishing the Nomination Committee to carry out the nomination procedure in 2024 due to the expiry of the term of office of Supervisory Board member Igor Stebernak;
- adopting the labour costs plan of the Supervisory Board for 2024, the financial calendar and the timetable for the meetings of the Supervisory Board and its committees in 2024;
- 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 4.4 Related party transactions of the Accounting Report](#)) mostly included 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 379,050 in 2023.

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 declared themselves independent in accordance with the Slovenian Corporate Governance Code criteria (all statements of independence are published on the Company's website). In 2023, 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.

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. A fit and proper assessment was carried out before new Supervisory Board members – shareholder representatives took office and subsequently after the Works Council appointed new Supervisory Board members – employee representatives; Vinko Letnar was found not to meet the fit and proper requirements for a Supervisory Board member. 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.

The Supervisory Board believes that its composition in 2023 corresponded to the size, activities and set objectives of both the Company and the Group, which enabled it to make quality decisions.

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 with the help of technical means.

In view of the above, the Supervisory Board is of the opinion that its work and the work of its committees in 2023 were successful.

3.5 Opinion on the annual internal audit report for 2022

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 2023 was submitted to the Supervisory Board, which took note of it at its session on 28 March 2024. The report contains an overview of the implementation of the Internal Audit Department's (hereinafter: IAD) planned activities in 2023 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 the Group 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.

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 2023, the Supervisory Board is of the opinion that the IAD operated in line with its work plan for 2023, 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 2023.

3.6 Findings of the supervisory board regarding the operations of Zavarovalnica Triglav in 2023

Based on its monitoring and supervision of the Company's operations in 2023 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 demonstrated its business resilience to regulatory changes and major CAT events, and responded swiftly and efficiently to changing circumstances.

The Group generated EUR 21.1 million in consolidated earnings before tax and EUR 16.3 million in consolidated net earnings. The parent company's net earnings amounted to EUR 38.7 million. The Group's total revenue increased by 11% and amounted to EUR 1,425.2 million.

The Group's total business volume increased by 12% to EUR 1,780.2 million. The Group's insurance companies generated insurance, coinsurance and reinsurance premiums of EUR 1,653.7 million in 2023 (index 112), of which EUR 982.8 million (index 113) was earned by the parent company. Premium growth was achieved in all insurance segments and in most markets where the Group operates, except for Croatia's market.

The Group's consolidated operating expenses, including other attributable insurance service expenses, increased by 12% year-on-year to EUR 429.0 million.

The Group's total equity amounted to EUR 891.1 million as at 31 December 2023 and was 1% lower year-on-year. Return on equity stood at 1.8%.

The Group's financial stability, high capital adequacy and high profitability in 2023 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 2023,
- Report of the life insurance actuarial function holder for 2023,
- Annual Internal Audit Report of the Internal Audit Department of Zavarovalnica Triglav d.d. for 2023.

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 2023 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 2023 was audited by the audit firm Deloitte revizija d.o.o., Ljubljana, which on 12 March 2024 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 2023. In their report as an independent auditor, they took a stance on key audit issues regarding insurance technical provisions and equity investments in subsidiaries. They also provided 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 annual report after the pre-audit and the final audit and the letter to the Management, which was also discussed by the Supervisory Board, after the audit.

Based on a detailed verification, the Supervisory Board established that the Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2023, 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 2023, 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 2023.

At its session, the Supervisory Board also discussed the Remuneration Report for 2023, 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/2024 session, the Supervisory Board examined the Management Board's proposal for the distribution of accumulated profit as at 31 December 2023, 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 87,854,038.93 as at 31 December 2023 shall be distributed as follows:

- A part of the accumulated profit amounting to EUR 39,786,509.00 shall be distributed for dividend payments. A dividend in the amount of EUR 1.75 gross per share shall be paid to the shareholders appearing in the Share Register as at 18 June 2024. By 19 June 2024, 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 48,067,529.93 shall be decided on in the coming years and shall remain undistributed."

Ljubljana, 28 March 2024



Andrej Andoljšek
Chairman of the Supervisory Board

4. Triglav Group strategy and plans

- Strategic risks and business opportunities are regularly assessed based on the challenges and opportunities identified in the rapidly changing business and social environments.
- The Triglav Group's vision, aimed at creating an outstanding user experience, is implemented through development activities. The transition from an insurance-oriented to a service-oriented business model with multiple ecosystems and continued digital transformation are at the fore.
- The challenges of the transition to a low-carbon society are being addressed by adapting business and investment strategies, along with launching new products.
- The Group's performance in 2023 was significantly impacted by one-off events.
- The Group's operations will continue to be profitable in 2024, with further expansion of the business planned.

4.1 Today's challenges and opportunities

The resilience of the Group's business is closely linked to its understanding of risks and risk mitigation strategies. In an ever-changing environment, the Group has maintained a forward-looking perspective, closely monitoring change while identifying new challenges and opportunities, in addition to effectively tackling new risks that are increasingly interlinked. Strategic risks and opportunities are regularly assessed, as well as the relevance of the bases on which the Group's strategy is founded. By constantly upgrading the risk management system, the Group attains profitable, stable and future-oriented business operations. Preparedness is seen as the core of the resilience of the Group's operations, closely linked to effective risk identification and management. This approach enables the Group to maintain its preparedness at a high level, suitable for optimal response even to unexpected events such as those faced in 2023.

The macroeconomic situation and the regulatory framework for the provision of health insurance, the growing importance of sustainability aspects in business, increased business digitalisation and related changes in consumer habits, and the changes resulting from demographic trends were identified as the main trends that are believed to have a significant impact on the Group's business operations today and in the coming years.

4.1.1 Risk related to the macroeconomic and regulatory environment

The year was most marked by persistent high inflation, the Russian-Ukrainian war, disruptions in some supply chains and energy price increases. Higher borrowing costs contributed to a significant decline in economic growth. Geopolitical risks stemming from the Russian-Ukrainian war were compounded in October by new risks from the Gaza war. The rise in interest rates affected the required yields on debt financial instruments and movements in their value. Equity markets, on the other hand, recorded growth for most of the year. For more information on macroeconomic trends and geopolitical risks, see [Section 7. Macroeconomic environment and insurance markets](#). The market risks affected are presented in [Section 2.8 Risk management of the Accounting Report](#). The Group's operations were also significantly affected by the change in the regulatory framework for the provision of supplemental health insurance in Slovenia, which, in addition to challenges, also brings opportunities for the future development of the complementary health insurance market.

The Group's acceptance of challenges and risk management

To manage market risks, the Group companies have established **investment policies** which mainly refer to assets intended to cover future liabilities under non-life and life insurance policies. The investments set out in these policies are made in the best interests of all beneficiaries, taking into account all objectives disclosed in the insurance contracts, and are consistent with the nature and duration of the insurance and reinsurance obligations. This ensures the security of investments while maximising the return on the risks assumed. In managing the remaining assets, the Group pursues the objective of achieving an adequate return, taking into account all the risks assumed and maintaining a high overall credit rating of the investment portfolio.

As part of the investment process, an effective **monitoring system** was developed **for the entire counterparty portfolio** to manage, in a timely manner, the risks of any deterioration in the counterparties' credit quality.

The Group pays particular attention to the timely fulfilment of all obligations, which is realised through adequate liquidity and its management. To achieve profitability, the Group's investments in alternative investments are being increased. The increase in their volume in 2023 was monitored through an upgraded management system and the characteristics of these investments were further captured.

Risks associated with persistent high inflation had a particular impact on fixed-income debt investments. Interest rate risk is managed through a limit system, within which cash flows of assets and liabilities are matched. Other segments of the Group's business were also affected by high inflation. Such increases in claim payments under insurance contracts are managed by adjusting the pricing policy and by regularly monitoring and managing operating expenses. In identifying potential risks, the possibility is perceived that the persistence of high inflation, together with a further rise in interest rates and a consequent contraction in economic activity, could result in a significant reduction in real disposable income, which could lead to a decline in demand for insurance contracts and an increase in liquidity risk. The occurrence of a more significant recession could also lead to higher credit risks.

Geopolitical risks are expected to remain significant in the future, and therefore, the utmost care is exercised in underwriting insurance and reinsurance business in the international market and in the geographic diversification of investments and reinsurers, as shown in [Section 2.8 Risk management of the Accounting Report](#).

4.1.2 Climate change and sustainable development

The year 2023 was characterised by natural disasters of a significantly higher magnitude and severity than the long-term average. The physical risks of climate change, which are associated with an increase in the severity and frequency of extreme weather events, especially impact the insurance business. In the region where the Group operates, more frequent and severe floods, drought periods and hailstorms due to climate change are of particular concern in the long run. Demand for insurance cover is expected to increase, bringing new opportunities to expand the volume of business and challenges to increase the required reinsurance covers.

Climate risks also include the risk of transition to a low-carbon economy. The transition is associated with policy changes, changes in consumer habits, reputational risk, market sentiment, legal and technological risks, and also includes adapting business operations to reduce greenhouse gas emissions. Given the nature of the business, the indirect impact through the investment and insurance portfolios (GHG Scope 3) is more important for the insurance sector than the direct carbon footprint (GHG Scope 1 and 2) in the transition to a low-carbon economy. Transition risk could manifest through a significant impact on the value of investments in more exposed issuers, while shifts in environmental policies and consumer habits might substantially affect policyholders and insurance products. In addition, there is an opportunity to proactively influence issuers and policyholders through investment and insurance activities to promote a faster transition to sustainable business practices.

Global population growth and economic development have resulted in overconsumption of natural resources. The need for balanced social development that reduces inequality and improves the situation of the most vulnerable social groups is becoming increasingly important. Rising average atmospheric temperatures may increase mortality, the spread of infectious diseases and the likelihood of new epidemics/pandemics, which may increase the demand for, and the supply of, life and health insurance products. More widespread and prolonged disease outbreaks may have a negative impact on social and economic stability.

Climate change is therefore a key long-term challenge for the insurance sector, but it is only a part of the sustainability aspects of its business. The insurance sector may contribute to a higher level of financial security in terms of physical risks and other sustainability risks and thus to a better economic situation, notably by offering insurance products and other services to mitigate climate change effects, in addition to an investment policy that promotes sustainable development in both the economy and society.

The Group's acceptance of challenges and risk management

The Triglav Group's mission, summarised in the message "*creating a safer future*", is put into practice through its sustainability focus. The opportunities and risks of sustainable development are identified, and global sustainability best practices are integrated into the Group's business. The goal is to carry out the Group's core activities, i.e. insurance and asset management, in a way that will provide long-term economic, social and environmental value to all stakeholders.

As part of the own risk and solvency assessment process, particular attention was again paid to the identification and assessment of the Group's climate risks. A qualitative assessment of climate risks was conducted for both assets and liabilities. Climate risks are anticipated to be material for the investment segment of the Group's business in the medium and long term. The Group has assessed that transition risk has no material impact on its business in the short term in the insurance portfolio, but if legal and technical risks materialise, transition risk may increase in the medium to long term and become a material risk.

A stress scenario, covering risks that could already be deemed material in the short term, was performed based on a qualitative assessment of climate risks. These are mainly physical risks within the insurance portfolio. Continued focus will be on ensuring adequate protection for clients, taking into account the modification and limitation of reinsurance terms and conditions.

Sustainability risks are also related to the Group's reputational risk, especially with the growing awareness of society and the importance of sustainability for our stakeholders. Such potential risks can be realised over a long period of time and affect all key business processes, acquisition and retention of business and personnel.

The increased role of sustainability also brings many new business opportunities due to both the need for additional insurance coverage and rapid technological progress and innovations in sustainable technologies.

See [Section 11. Sustainable development at the Triglav Group](#) for more information about sustainability aspects.

4.1.3 Digital transformation and cyber security

The digital transformation of insurers has accelerated since the COVID-19 pandemic. Insurers are following the trend of business digitalisation, implementing new technological solutions and innovative business models, while ensuring safe products and an outstanding user experience. Advanced analytics, the use of cloud services, the Internet of Things, cognitive computing, mobile network development, process automation and robotisation, and machine learning are all on the rise. More recently, the use of artificial intelligence (AI) in business processes has been accelerating.

It is becoming increasingly challenging for insurers to adapt rapidly to new market opportunities while maintaining cost-effective, cyber-resilient and compliant operations. Ensuring that employees have appropriate competences, skills and knowledge for such digitalised processes, and even more so for the development and maintenance of advanced digital technologies, is particularly challenging, therefore cooperation and integration with external providers is being strengthened.

Digitalisation creates great opportunities for business optimisation, while bringing a number of new threats and risks. These stem mainly from a lack of understanding and consideration of new technologies and their impact on business, and from the increasing connectivity of businesses and their dependence on information and communication technology (ICT) service providers. They increase the vulnerability of insurers to business disruptions and interruptions, as well as the need to ensure compliance and information security, especially against cyber-attacks. Effective risk management and continuous improvement of digital resilience through regular testing are among the critical factors for successful business performance and maintaining clients' confidence in secure data processing. This is also underlined by the new Regulation of the European Parliament and of the Council on digital operational resilience for the financial sector (DORA), which is expected to become effective in January 2025.

While the AI Regulation will define minimum requirements in the European Union to tackle the risks and challenges associated with AI. As announced, the financial sector will be required to comply with the revised Regulation on electronic identification and trust services for electronic transactions in the internal market (eIDAS 2.0), which refers to the use of the EU Digital Identity Wallet by citizens to access online services and carry out electronic transactions.

The Group's acceptance of challenges and risk management

The Triglav Group is continuously adapting to environmental changes, accelerating business digitalisation and implementing innovations to support the achievement of its strategic development goals. An omni-channel sales approach, paperless operations and remote business are being effectively implemented. The Group is well prepared for the digital transformation thanks to the rapid deployment of solutions such as remote signing, video identification, the use of electronic identities and remote inspection of the object insured. The digitalisation process is continuously being expanded, enhanced and upgraded. See [Section 10.2 Transformation and digitalisation](#) for more information on development activities.

New solutions are evaluated before being implemented and regularly tested in terms of security and business continuity. Client satisfaction with new solutions is also checked, and the services offered are further improved based on their feedback. Productivity tools, including the use of AI, are introduced to drive innovation and increase the efficiency of business processes. The Group's risk management processes were upgraded with additional rules and controls to comprehensively and systematically identify, assess and manage the risks posed by new technological solutions.

The Group cooperates with ICT service providers who are committed to high security standards and whose solutions comply with information security and data protection legislation. Tailored cyber protection insurance products and assistance services are offered to clients to better deal with the challenges of remote business and cyber threats.

The information security and security controls management system is continuously upgraded, and **information security**, business continuity plans and recovery procedures are **regularly reviewed at various levels**. Tools and processes to manage all types of operational risks, including information (cyber) risks, are also regularly upgraded. These are consistently incorporated into stress scenario tests, whereby information security is analysed and measures are taken to make further improvements.

Employees are regularly made aware of information security risks and trained on the safe use of IT. Their level of awareness is also regularly assessed, and additional measures and new approaches are implemented.

Information security is an essential aspect in the design of the Group's processes, information systems and controls. In 2023, Zavarovalnica Triglav underscored its importance by obtaining ISO/IEC 27001:2013 certification for its information security management system.

4.1.4 Demographic and human resource risks

Population ageing, as a consequence of increasing life expectancy and declining fertility rates, is one of the key challenges of the more mature European economies. It is also reflected in labour shortages, which will have a significant impact on future economic development and growth. International migration is mitigating these trends to some extent. In most European countries, young age groups typically have a lower average income, which means that public social welfare systems are funded less and the need for social security and its funding is greater. The awareness that health, lifestyle and environmental aspects are interconnected is growing noticeably.

Employment in the EU is at an all-time high, with demand for workers surpassing supply in many sectors and industries. The shortage of skilled workers is particularly acute for profiles which are in high demand due to the rapidly advancing business digitalisation and the need to combine IT skills and good knowledge of specific topics. For these profiles, it is all the more important that employers succeed in attracting and retaining them. The COVID-19 pandemic has markedly reshaped the labour market and encouraged several forms of hybrid work. Employers who are better able to adapt to new demands and expectations have a better chance of attracting and retaining suitable staff, which also raises salary costs.

Furthermore, the impact of the external environment on economies worldwide is increasingly evident with regard to the Fourth Industrial Revolution, particularly in the field of AI.

The Group's acceptance of challenges and risk management

Demographic trends are monitored on an on-going basis in all Group markets. The need to adjust insurance terms and conditions and calculation factors is checked, in addition to identifying opportunities for new insurance covers and products. The coverage of risks that the compulsory social security scheme covers inadequately or does not cover at all is ensured by a range of complementary insurance products. The Company is expanding its life, pension and health insurance product range, thereby increasing the security of clients at all stages of life. It is exposed to longevity risk in products with lifetime annuity or pension payouts. Especially long-term risk, which requires special attention, is managed by developing dynamic models of the policyholders' life expectancy and setting appropriate premium rates and provisions.

The changing insurance preferences and needs of younger generations offer opportunities for innovation and product adaptation. Awareness among young people is being raised to ensure their financial security through new insurance products, and they are being engaged through omni-channel offers and innovative approaches in advertising and information.

The Group is aware that healthcare will continue to grow in social significance. It is increasing its range of healthcare services in order to provide its policyholders – at health centres – with timely and, at the same level of quality, more affordable healthcare services than its competitors on the market. The Group is transforming from a traditional health insurance provider into a health partner and provides clients with comprehensive lifelong services. By offering additional health insurance products and services, it reduces the risks of a healthcare reform and the consequences of the termination of supplemental health insurance in Slovenia.

The Group recognises the key role of employees in achieving its ambitious business objectives. The current shortage on Slovenia's labour market affects new employees with specialist skills and competences, especially in IT, digitalisation, business intelligence, risk management, actuarial science, etc. The risk of key staff leaving is also a current concern.

Efforts are being made to reduce the risk of unwanted turnover through good working conditions. The Group is strengthening its brand of a development-oriented and responsible employer and building up its recognisability as a desirable employer, being able to attract and motivate new highly qualified and highly skilled workers and young people. Young people are actively involved in various initiatives before they are hired through company scholarships, work placements, and company and business presentations. Substantial investments are made in the professional and general training of employees.

Where the nature of the work allowed, hybrid work was enabled to employees of Group companies during the pandemic. The hybrid model was not only preserved but made available on an even larger scale in some companies in 2023, which could be the Group's competitive advantage. See [Section 8.5 Investment in own-use real property and equipment](#) for more information on the hybrid workplace as a strategic pilot project.

A centre of excellence for business developers has been set up to provide ongoing training for employees in the use of new technologies. This is discussed in more detail in [Section 10.2 Digital transformation](#).

Employee satisfaction within the Group is regularly monitored by measuring the organisational climate. According to the results, the Group is effectively adapting to changes, communication is open and effective, and the Group remains an attractive working environment. See [Section 11.3.2 Responsibility to employees](#) for more information about care for employees.

4.2 Triglav Group Strategy for 2022–2025⁷

At the Triglav Group, stakeholder value creation relies on aligning its mission, business strategy and sustainable development policy. Integrating relevant sustainability aspects into all levels of business planning and execution is a key building block for the Group's long-term sound performance and for upgrading its risk management, as well as for the development of its internal culture and relationships with its clients and other stakeholders.

Triglav Group's mission, vision and values



Mission

We build safer future.

- We are client-centred.
- We support development of our partners.
- We provide development- oriented environment for our employees.
- We are stable, safe and profitable investment for our investors.



Vision

We set standards of outstanding client experience – anytime, anyplace.

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.



Values

Responsiveness, simplicity and reliability are reflected in our day-to-day operations



Strategic activities

Insurance

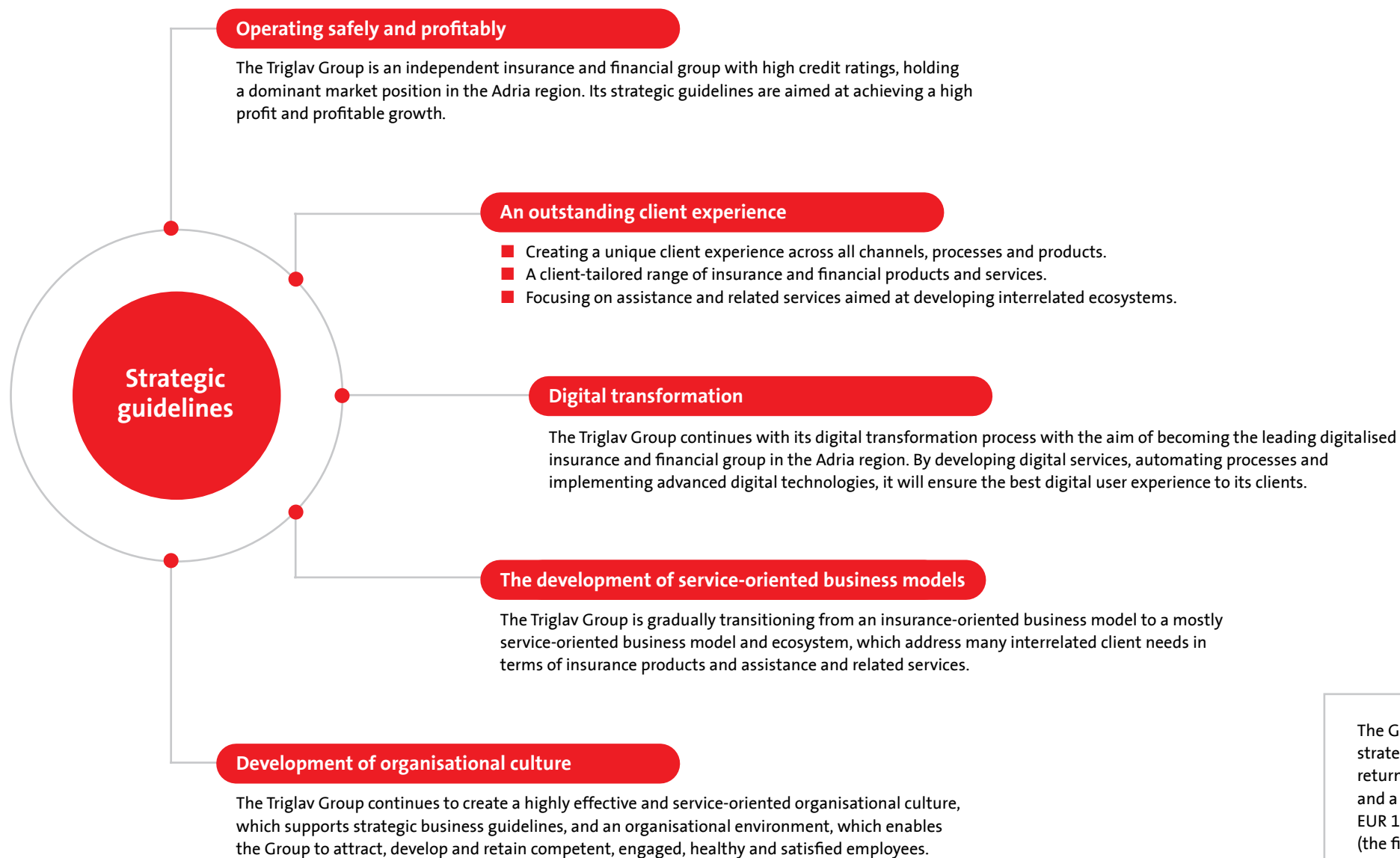
- Non-life
- Health
- Life
- Pension
- Reinsurance

Asset management

- Own insurance portfolio (asset backing liabilities and backing funds)
- Mutual funds and individual asset management
- Pension funds

Triglav Group will remain leader in all its core businesses in Adria region.

⁷ GRI 3-3



The Group's 2022–2025 strategy aims to achieve a net return on equity (ROE) of 10% and a total revenue exceeding EUR 1.6 billion annually (the figures are set in accordance with the previous IFRS 4 reporting framework).

4.3 Implementation of the Triglav Group strategy in 2023⁸

The Group is focused on safe, profitable, and client-centric operations. In 2023, the Group's strategic guidelines to 2025 were consistently implemented and built upon for further growth and development.

The Group continued both strategic activities, business digitalisation and transformation, with the aim of establishing leadership in the sector and the region. Advanced tools were implemented in business processes, and innovations such as artificial intelligence were used to create system solutions. Business partnerships and ecosystem services were expanded.

The implementation of strategic guidelines that deepen client focus enables the Group to achieve business resilience and provides it with the ability to operate responsively and reliably even in challenging circumstances, while streamlining solutions for greater simplicity. All of this is reflected in a high level of employee engagement, a multi-channel approach to clients and an increasingly flexible organisation.

Through its sustainable operations, the Group has affirmed itself as a development-oriented environment for its employees and a stable investment for investors. Below is the summary of the key results in the implementation of the strategic guidelines. Under *Delivering on ESG strategic ambitions*, key steps towards achieving a climate-neutral and climate-resilient circular economy are outlined. See [Section 11. Sustainable development](#) for further information.

Operating safely and profitably

■ Profitable operations and credit rating

- Earnings before tax: EUR 21.1 million
- Return on equity (ROE): 1.8%
- Dividend: paid out in line with the dividend policy in the total amount of EUR 56.8 million or EUR 2.50 gross per share
- Credit rating: re-affirmed »A« credit rating with a stable medium-term outlook
- The impact of CAT claims that deviated significantly from the long-term average on the achievement of the Group's planned annual result: limited by adequate reinsurance protection

■ Growth in business volume

- Gross written premium: +12%
- The Group's market share in the Slovenian insurance market: +0.6 percentage point
- Total revenue: +11%
- Seized opportunities for expanding the business within the region based on new business models and partnerships
- The position in South-East Europe: the largest insurance group in terms of written premium

■ Capital adequacy and capital allocation

- Prudent implementation of the capital management policy
- Consistent monitoring of market capital and assessment of risks by individual activity (insurance business, investment management, capital management): financial strength and maintained capital adequacy, which remains within the target range

■ Safe operations and compliance

- Implementation of the new accounting standards IFRS 9 and IFRS 17
- Internationally renowned audit firm (Big 4)
- Upgraded network and server infrastructure
- Centralising the Group's IT infrastructure and setting up a hybrid cloud

■ Internal synergies and productivity growth

- Business productivity: increased by 11%
- Gross written premium per employee: EUR 353 thousand
- Transferring good practices and leveraging the Group's internal potential

An outstanding client experience

■ Client satisfaction and loyalty

- Significantly more users of the i-triglav digital office and clients who gave their consent to do business electronically
- High client satisfaction score with Group services (Net Promoter Score): 73
- Improved understanding of our products and services
- Implemented a new comprehensive bonus system

■ Comprehensive and client-tailored services and an omni-channel approach

- Implementation of advanced underwriting tools, personalisation of products and services
- Simplification and digitalisation of remote underwriting and sales processes
- Client-tailored innovations in sales promotion through the banks' call centre with insurance distribution
- Enhanced automation of marketing campaigns in direct marketing
- Expansion of international reinsurance and partner network in markets outside the Adria region

■ Increased number of active clients and higher insurance coverage of each client

- The total number of clients up by 10%
- Implementation of artificial intelligence and cognitive services into process automation
- Development of a new universal AI assistant
- Core solutions for the complete digitalisation of the sales process

■ Actions following CAT events caused by natural disasters

- Intensive client information and support on how to report claims
- Promoting the remote reporting of claims

Development of service-oriented business models and digital transformation

- **Advanced service-oriented business models**
 - A central entry communication point for clients
 - Business ecosystems: new services and partnerships (mobility, home, pets and health)
- **Digitalisation, optimisation and automation of business processes**
 - Sales: completed project to optimise online insurance sales
 - Claims: simplified claim reporting procedure by implementing an omni-channel step-by-step reporting approach
 - Marketing: machine learning models implemented to predict new products
 - Client communication: increased transparency using Dynamics 365

Development of an organisational culture

- **Realisation of the Group's key values**
 - Organisational culture: acting in line with our values of responsiveness, simplicity and reliability
 - The promotion of teamwork, intergenerational cooperation and a healthy lifestyle
 - Raising awareness of responsible, client-centred behaviour
- **Digitisation of HR services and automation of Group processes**
 - Processes: upgrading and streamlining HR processes
 - HR information system: system unification
 - Development modules: implemented in Gecko HRM
- **Employee acquisition, development and retention**
 - Employer brand: redesign at Group level
 - Satisfaction and engagement: a high value of the strategic indicator
 - General competences: training sessions on taking initiative
 - Digital competences: training of sales staff
- **Development of key, promising staff and young people**
 - Succession: setting up succession systems for the management of Group companies
 - Leadership: training for leaders (B-1) to promote the competences of promising employees
- **Organisation**
 - Organisational structure: adapting to modern processes and optimising staffing
 - Hybrid forms of work: introducing hybrid workplaces in several locations

Delivering on ESG strategic ambitions

- **Insurance and asset management**
 - The share of green, sustainable and social impact bonds in the investment portfolio: an increase from 9.9% to 11.1%
 - Triglav Skladi's mutual funds: sustainability aspects of investments incorporated into the management of 12 funds
 - Income from insurance products that promote general social and environmental benefits: an expanded product range and an increase in written premium in the insurance business
- **Business processes**
 - Reduction of the Group's carbon footprint for Scope 1 and 2: a decrease of 6%
 - Energy saving and sustainability: raising awareness among employees
 - Sustainable mobility: a higher share of electric and hybrid vehicles in the fleet from 8% to 12%
- **Responsible stakeholder engagement**
 - Active relations with shareholders and investors and compliance with Ljubljana Stock Exchange Prime Market terms and conditions
 - Delivering on the SDGs: continuing the Insure Our Future project with partners
- **Effective corporate governance**
 - Standards: high standards of corporate governance
 - Policies: implementation of the Group's Sustainable Development Policy, Sustainable Investment Policy and Statement on principal adverse impacts of investment decisions on sustainability factors
 - Global alliances: joining the United Nations Principles for Responsible Investment (UN PRI) and the Partnership for Sustainable Economy (CER)
 - Compliance: monitoring and implementing ESG regulatory changes through committees in the risk management system

4.4 Implementation of the Triglav Group's business plans in 2023

In a challenging year marked by extreme CAT events, changes in the healthcare system and inflation, the Triglav Group achieved **earnings before tax of EUR 21.1 million**, or 80% less than planned (see [Section 8. Operations of the Triglav Group and Zavarovalnica Triglav](#) for further information).

Total written premium rose by 12% to EUR 1,653.7 million, exceeding the planned figures, which is slightly above the target of EUR 1.5–1.6 billion. Despite fierce competition, an increase was seen in all insurance markets, with the exception of Croatia, and in all insurance segments. Premium growth was 9% in the Slovenian market, 7% in the other markets of the Adria region and 28% in the international market.

The Group's **combined ratio in non-life and health insurance** stood at **101.6%**. It increased by 1.9 percentage points compared to the previous year, due to the negative effects of changes in supplemental health insurance and a deterioration in the claims ratio. See [Section 8. Operations of the Triglav Group and Zavarovalnica Triglav](#) for more information.

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**. Achieving an »A« credit rating 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.

4.5 Plans of the Triglav Group for 2024

In 2024, the Triglav Group anticipates a moderately favourable macroeconomic situation. Business operations will be influenced by financial market developments, the termination of supplemental health insurance in Slovenia, reinsurance coverage and the development of potential in the markets where the Group operates.

Earnings before tax of EUR 100–120 million are planned, as a result of expected normalisation of business conditions compared to 2023. In the insurance business, the Group plans to operate profitably and record a **total business volume** of around EUR 1.6 billion, as well as achieve **the combined ratio** of non-life and health insurance at around 95%. In the health segment, the termination of supplemental health insurance is anticipated, while the development and provision of complementary health insurance products will continue.

Strategic guidelines will be consistently implemented. By continuing its digital transformation and developing service-oriented business ecosystems, the Group will further pursue its main strategic objective – an outstanding and uniform client experience. As the leading insurance and financial group in Slovenia and the Adria region, the Group will further strengthen its market position, while seeking opportunities according to the principle of free movement of services and through partnerships.

It will strive for cost optimisation and effectiveness (productivity gains, automation, digitalisation and centralisation). Priority objectives include effective risk management, maintaining financial stability and preserving high credit ratings from renowned rating agencies. The Company's dividend policy remains unchanged, and every effort will be made for the ZVTG share to remain a profitable, safe and stable investment for investors. The pursuit of the sustainable development strategy, as outlined in the Group's policies and ambitions, will remain a key focus.

5. Corporate Governance Statement

- The corporate governance system was further integrated into the operations and business practices of Group companies by building on common standards and rules. The internal control system was upgraded, in addition to revising the delegation of responsibilities, the remuneration policy, and the fit and proper requirements.
- President of the Management Board Andrej Slapar and Management Board members Uroš Ivanc and Tadej Čoroli were reappointed for a five-year term. Their current term of office expires in 2024.
- Monica Cramer Manhem and Tim Umberger were appointed as new Supervisory Board members, shareholder representatives, while Aleš Košiček and Janja Strmljan Čevnja were appointed as new Supervisory Board members, employee representatives.

5.1 Governance policy

Zavarovalnica Triglav's governance system plays the main role in the implementation of the business strategy and effective risk management on which it is based. The main governance guidelines take into account the set long-term objectives. They are defined in the Governance System and Policy of Zavarovalnica Triglav d.d., which is adopted by the Management Board and the Supervisory Board. It is published on SEOnet, the Ljubljana Stock Exchange information system, and on the Company's website (www.triglav.eu).

5.2 Statement of Compliance with the Slovene Corporate Governance Code

In its operations, Zavarovalnica Triglav abided by the Corporate Governance Code (hereinafter: the Code), which was adopted on 9 December 2021. The Code is available on the Ljubljana Stock Exchange's website in Slovenian and English. Zavarovalnica Triglav's statement of compliance with the Corporate Governance Code for the period from 1 January 2023 to the day of its publication in 2024 is available on SEOnet and Zavarovalnica Triglav's official website.

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:

- Points 4.1 to 4.3, which refer to the Diversity Policy:

The Company and its management and supervisory bodies are subject to the Insurance Act and the Companies Act, which require that the members of the management and supervisory bodies and the bodies as a whole meet the fit and proper criteria for insurance companies. When Management Board and Supervisory Board members are appointed, efforts are made to achieve as much diversity as possible. The Company's Diversity Policy sets out that 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. The diversity of expertise and experiences is set out in greater detail in the Fit and Proper Policy for the Management and Supervisory Board Members of Zavarovalnica Triglav d.d. (hereinafter: the Fit and Proper Policy). The Diversity Policy requires that both genders are represented on the management and

supervisory bodies. In this respect, the ratio between the two genders, appropriate to the size of the company and its goals and procedures, is not predetermined, as it is first necessary to ensure the fitness and propriety of the bodies as a whole, in accordance with the strict regulations of the law. These require that both individual members and bodies as a whole meet special fit and proper criteria for insurance undertakings. The Diversity Policy does not set goals for each aspect of diversity and for each body separately, but it does determine the method to ensure diversity as mentioned above and, as a result, has a direct impact on personnel procedures and other processes in the Company.

- Point 5.6, which refers 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 Slovenian Insurance Supervision Agency. One of the key functions at the Company is internal audit, which not only performs continuous and comprehensive supervision of the Company's operations but also verifies and assesses whether the processes of risk management, control procedures and management of the Company are appropriate.

- Point 16.4, which stipulates that at least once in every three years the supervisory board should ensure an external assessment in which it cooperates with an independent 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, which it considers carefully and adopts an action plan of measures to improve its performance. At its discretion, the Supervisory Board also performs external assessment by cooperating with relevant external experts. The last such assessment was performed in February 2023.

- Point 21.6, which refers 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, Management Board members do not require the prior approval of the Supervisory Board for 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 25, *which stipulates that all supervisory board and committee members are independent:*

Two members of the Supervisory Board, both employee representatives, whose term of office ended on 1 June 2023, are not considered independent in accordance with point g) of Appendix B of the Code, as they have served on the Supervisory Board for more than three terms. After 1 June 2023, all members of the Supervisory Board were independent.

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).

The Company also has its own code, which defines 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.

The Statement of compliance with the Slovenian Corporate Governance Code is available both on SEOnet and the Company's official website.

Two-tier governance of Zavarovalnica Triglav

General Meeting of Shareholders	Supervisory Board	Management Board
77% of all voting rights at the 48 th General Meeting of Shareholders	8 members (as at 31 December 2023) 4 -year term of office	5 members 5 -year term of office

5.3 Management bodies of Zavarovalnica Triglav⁹

The Company has a two-tier governance system in place. Its governance 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 of Zavarovalnica Triglav d.d. (hereinafter: the Articles of Association) and adopted rules of procedure. Zavarovalnica Triglav's Articles of Association are published on its official website.

5.3.1 General Meeting of Shareholders

The shareholders of Zavarovalnica Triglav exercise their rights at the General Meeting of Shareholders, which is convened at least once a year, by the end of August at the latest. It 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 holder of a Zavarovalnica Triglav share has 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](#). See the Insurance Act for further details.

In accordance with the Financial Instruments Market Act, the following three shareholders of Zavarovalnica Triglav held a qualifying holding as at 31 December 2023:

- 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 in 2023 remained unchanged. On behalf and for the account of ZPIZ, the shareholder's rights are exercised 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 2023.

- 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.

General Meeting of Shareholders in 2023

Zavarovalnica Triglav held one General Meeting of Shareholders in 2023. The total number of shares and voting rights represented at the 48th General Meeting of Shareholders, held on 6 June 2023, was 17,418,012 or 76.87% of all shares. The shareholders took note of the following documents:

- Annual Report of the Triglav Group and Zavarovalnica Triglav d.d. for 2022, including the independent auditor's report;
- annual Internal Audit Report for 2022;
- 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 2022;
- opinion given by the Supervisory Board on the Annual Internal Audit Report for 2022.

The shareholders approved Zavarovalnica Triglav's remuneration report for 2022, whereas the consultative resolution on its remuneration policy was not adopted. The Company's remuneration policy complies with the law but it is not fully in line with SDH's recommendations of 4 May 2023, which were published after convening the General Meeting of Shareholders. These recommendations will be examined by the time the next regular General Meeting of Shareholders of Zavarovalnica Triglav takes place.

The shareholders adopted a resolution on the following distribution of the accumulated profit of EUR 63,769,278.25 as at 31 December 2022:

- A part of accumulated profit in the amount of EUR 56,837,870.00 shall be allocated for dividend payments. The dividend of EUR 2.50 gross per share shall be paid to the shareholders appearing in the share register as at 20 June 2023. As at 21 June 2023, 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 6,931,408.25 shall be decided in the next few years.

The shareholders granted a discharge for the 2022 financial year to both the Management Board and the Supervisory Board of Zavarovalnica Triglav.

Monica Cramer Manhem and Tim Umberger were appointed new Supervisory Board members, shareholder representatives.

5.3.2 Management Board

The Management Board manages and governs 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.

In line with the Solvency II Directive, all persons who manage an insurance undertaking must have adequate professional qualifications (fit) and be appropriate to perform this function, i.e. be of good reputation and integrity (proper). The fit and proper assessment of the Management Board members is carried out based on national legislation and internal regulations.

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 applying to individual Management Board members and the Management Board as a collective body 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. 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 the Company operates.

In November 2023, Andrej Slapar, Tadej Čoroli and Uroš Ivanc were assessed before their appointment as Management Board members; all three were assessed to be fit and proper. In the same month, a periodic assessment was performed for the existing Management Board members Marica Makoter and Blaž Jakič and the Management Board as a collective body. It was found that the Management Board as a collective body is fit and proper to manage the Company with prudence and due diligence.

The Diversity Policy is also taken into account when appointing an individual member of the Management Board. Its goal is not only to achieve representation of both genders and various age groups but also to ensure the complementarity and diversity of the Management Board. In doing so, qualifications, experience and knowledge are taken into account, as outlined in the Fit and Proper Policy. 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 gender representation ratio in the Management Board was last 4:1, with the underrepresented gender accounting for 20%.

Blaž Jakič began his five-year term of office as a Management Board member on 2 March 2023. On 29 November 2023, the Supervisory Board reappointed Andrej Slapar as the President of the Management Board for a new five-year term of office. He has held this position since May 2013; his new five-year term of office will begin on 13 November 2024. The Supervisory Board agreed with the President of the Management Board's proposal and reappointed Uroš Ivanc and Tadej Čoroli as Management Board members. They served as Management Board members since July 2014. The new five-year term of office of Uroš Ivanc will commence on 16 July 2024 and that of Tadej Čoroli on 31 July 2024.

Composition and appointment of the Management Board

In accordance with the Company's Articles of Association, the Management Board may have 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 transfer of the Management Board's authorisations 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 also 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 2023¹⁰

First and last name	Function	Area of work in the Management Board (as at 31 December 2023)	Start of term of office (the first)	End of term of office	Gender	Nationality	Year 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 (Internal Audit Department, Corporate Communication Department and Compliance Office). In charge of Corporate Accounts Division, Non-Life Insurance Division, Triglav Group Subsidiary Management Division (excluding the subsidiaries outside Slovenia), and Corporate and Legal Affairs Division. Also responsible for HR matters related to the employees with special powers, arbitration and Nuclear Pool, as well as for the drawing up and implementation of the strategy of Zavarovalnica Triglav and the Triglav Group.	22 May 2013	13 November 2029	Male	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance and reinsurance, actuarial science	
Uroš Ivanc	Member	In charge of Non-Life Insurance Actuarial Department, Life Insurance Actuarial Department, Accounting Division, Finance and Controlling Division, excluding Investment Department, Triglav Group Subsidiary Management Division – the subsidiaries outside Slovenia and two head office support departments – Investment Department and Outward Reinsurance Department. Also responsible for mergers and acquisitions (M&A), investor relations (IR) and relations with credit rating agencies, as well as for environmental, social and corporate sustainable development (ESG) activities.	14 July 2014	16 July 2029	Male	Slovenian	1975	MSc in Business and Organisation	Management and organisation, strategic management, insurance, financial management, financial markets and analyses, asset management, actuarial analyses, risk management	<ul style="list-style-type: none"> ■ Triglav, upravljanje naložb in svetovalne storitve d.o.o ■ Triglav, Zdravstvena zavarovalnica d.d. ■ Triglav INT d.o.o. ■ Triglav Osiguranje, Zagreb d.d.
Tadej Čoroli	Member	In charge of Marketing Department (a head office support department), Non-Life Insurance Claims Division, Insurance Sales Division and Digital Operations and Client Experience Division.	29 July 2014	31 July 2029	Male	Slovenian	1975	LL.M.	Management, strategic management, commercial law, insurance, marketing	<ul style="list-style-type: none"> ■ Pozavarovalnica Triglav Re d.d.
Marica Makoter	Member and Worker Director	Represents the workers' interests as set out in the Worker Participation in Management Act. In charge of Fraud Prevention, Detection and Investigation Department and Change and Project Portfolio Management Department. Responsible for human resource management (excluding HR matters related to the employees with special powers). Also responsible for the Strategic Sourcing Department (a head office support department).	21 December 2011	23 December 2026	Female	Slovenian	1972	LL.B.	Management, strategic management, commercial law, insurance, human resources and organisation, worker representation	<ul style="list-style-type: none"> ■ Triglav Skladi d.o.o. ■ Triglav, Upravljanje nepremičnin d.o.o., (from 8 March 2023)
Blaž Jakič	Member	In charge of Life Insurance Division, IT Division, Back Office Division, Digital Platform and Business Intelligence Division and two head office support departments – Risk Management Department and Bancassurance Section. He is responsible for money laundering prevention.	2 March 2023	2 March 2028	Male	Slovenian	1982	BSc in Economics	Insurance, finance, accounting, business strategy and business models, governance systems, actuarial analyses, risk management	<ul style="list-style-type: none"> ■ Triglav, pokojninska družba d.d., (from 18 February 2023) ■ Triglav Skladi d.o.o., (from 21 March 2023) ■ Diagnostični center Vila Bogatin d.o.o., Bled ■ Triglav osiguranje a.d., Banja Luka, (until 1 October 2023)

Andrej Slapar took over the position of the President of the Management Board ten years ago; in 2023 all members of the Management Board together performed their function for an average of 7.75 years.

Remuneration of Management Board members ¹¹

Data on the remuneration of the Management Board members are disclosed in [Section 4.4 of the Accounting Report](#). The basis for the remuneration of the Management Board is the Remuneration Policy of Zavarovalnica Triglav d.d. (hereinafter: the Remuneration Policy), 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 basis for the remuneration of the Management Board is the Remuneration Policy of Zavarovalnica Triglav d.d. (hereinafter: the Remuneration Policy), 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 is one of the policies with which the Company implements a robust and reliable management system, ensures business integrity and transparency, and maintains the appropriate capital strength of the Company. Furthermore, it encourages reliable and effective risk management, and provides for the acquisition and retention of appropriately professionally qualified, competent, responsible and engaged employees. In 2023, the Remuneration Policy was amended in accordance with SDH's recommendations and current legislation.

The remuneration of the Management Board members consists of the basic salary (fixed part) and a variable part of the salary. The basic salary is based on the Remuneration Policy, the employment and performance contract and the Act Governing the Remuneration of Managers of Companies with Majority Ownership Held by the Republic of Slovenia or Self-Governing Local Communities (ZPPOGD). The basic salary of the President of the Management Board is set at five times the average gross salary in the previous financial year, paid in the Triglav Group companies headquartered in the Republic of Slovenia and consolidated in the annual report in accordance with the Companies Act, while the basic salary of the Management Board members is set at 95% of the basic salary of the President of the Management Board. The variable remuneration for performance (in accordance with the ZPPOGD) can amount to a maximum of 30% of the basic salaries paid in the financial year and includes: part of the salary for performance, part of the salary for the overall performance based on the overall annual targets of the Management Board and part of the salary for individual performance based on personal annual targets.

The Management Board's performance is determined by taking into account the Company's performance in the short and long term, including the current and future risks to which the Company is exposed. The performance assessment takes into account:

- **Financial criteria** (70% of all criteria) that can measure the business volume, profitability of the insurance activity, profitability of the investment activity, cost efficiency, return on equity and growth in the Company's value or other financial performance criteria.
- **Non-financial criteria** (30% of all criteria) that can measure the achievement of the business strategy's non-financial objectives, compliance with the relevant regulations, internal acts and limitations from the risk appetite statement, acting in accordance with ethical and professional standards and the achievement of sustainable development goals (environmental, social, governance) or other non-financial performance criteria.

The variable remuneration is set in more detail using a methodology approved by the Supervisory Board upon approval of the plan for the next calendar year and a one-on-one annual interview with each Management Board member, where the personal annual targets of the Management Board member are identified.

The amount of remuneration and the Remuneration Policy are approved by the General Meeting of Shareholders. Data on the remuneration of the Management Board members are disclosed in [Section 4.4 of the Accounting Report](#).

5.3.3 Supervisory Board

The Company's conduct of business is supervised by the Supervisory Board. In line with the Articles of Association, the Supervisory Board is composed of nine members: six shareholder representatives and three employee representatives. Their term of office is four years, and they can be re-elected without a term limit.

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. The appointment and dismissal of the Supervisory Board members is made in accordance with the applicable legislation and Company regulations. 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.

On 9 December 2022, the Supervisory Board members Branko Bračko and Peter Kavčič resigned as Supervisory Board members. In order to ensure the proper implementation of the nomination procedures, their resignation and the termination of their term of office took effect on 6 June 2023. Monica Cramer Manhem and Tim Umberger were appointed new Supervisory Board members, shareholder representatives, for the four-year term of office, starting on 7 June 2023.

The term of office of Igor Zupan, Supervisory Board member and employee representative, ended on 31 May 2023, and that of Branko Gorjan and Peter Celar on 1 June 2023. At its meeting on 10 July 2023, the Works Council appointed Aleš Košiček, Vinko Letnar and Janja Strmljan Čevnja to the Company's Supervisory Board as employee representatives for a four-year term of office, which started on 11 July 2023.

According to the Solvency II Directive requirements, the Supervisory Board members must have adequate professional qualifications (fit) and be appropriate to perform this function, i.e. be of good reputation and integrity (proper). Their fit and proper assessment is carried out based on national legislation and internal regulations, especially the Fit and Proper Policy.

Fit and proper assessment is made before the appointment, periodically, extraordinarily or after the appointment of an individual Supervisory Board member. In accordance with the aforementioned policy, in March 2023, prior to the appointment of new Supervisory Board members, a fit and proper assessment of the candidates for Supervisory Board members – shareholder representatives, Monica Cramer Manhem and Tim Umberger, was conducted, who were assessed as fit and proper to perform their duties as Supervisory Board members. In August 2023, the subsequent fit and proper assessment of the Supervisory Board members – employee representatives, Aleš Košiček, Janja Strmljan Čevnja and Vinko Letnar, who were appointed by the Works Council, was conducted. Aleš Košiček and Janja Strmljan Čevnja were assessed as fit and proper to perform their duties as Supervisory Board members. Vinko Letnar, however, was found not to meet the fit and proper requirements stipulated by law and internal regulations (see [Section 4.7 Events after the reporting period](#) in the Accounting Report).

In November 2023, a periodic fit and proper assessment was carried out for all Supervisory Board members and the Supervisory Board as a collective body, comprising Andrej Andoljšek, Igor Stebernak, Tomaž Benčina, Jure Valjavec, Monica Cramer Manhem, Tim Umberger, Aleš Košiček and Janja Strmljan Čevnja. All individual members and the Supervisory Board as a collective body were assessed as fit and proper on a periodic basis. Vinko Letnar, who was appointed by the Works Council as a Supervisory Board member, employee representative, was not taken into account in the preparation of the periodic assessment, as it was previously established that he did not meet the fit and proper requirements for a Supervisory Board member.

The periodic fit and proper assessment of the Audit Committee's external member Luka Kumer was carried out, who is an independent expert qualified in accounting/auditing. It was established that he continues to be fit and proper to perform the duties of the Audit Committee's external member.

In assessing its composition and performance in accordance with the Insurance Act and the Companies Act, the Supervisory Board takes into account 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 new members. Its goal is to ensure complementarity and diversity in the Supervisory Board by taking into account 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 ratio in the Supervisory Board is not predetermined. When appointing Supervisory Board members, the fit and proper requirements stipulated by law and the regulator are primarily taken into account with respect to both an individual Supervisory Board member and the Supervisory Board as a whole. If the fit and proper criteria are met by several candidates, priority is given to the candidate who contributes to the greater diversity of the Supervisory Board (diversity in terms of gender, age, nationality, etc.).

These principles were also considered when appointing new Supervisory Board members in 2023, so that the gender representation ratio was 6:2, with the underrepresented gender accounting for 25%.

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 on the Company's website). In addition, the Supervisory Board gives 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.

5.3.3.2 Supervisory Board in 2023

Composition of the Supervisory Board in 2023¹²

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 Slovenian Corporate Governance Code	Existence of conflict of interest in 2023	Membership in the supervisory and/or management bodies of other companies while serving on the Supervisory Board in 2023	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	13 June 2017	13 June 2021	10 of 10	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	Sava d.d.	Strategy Committee	Member	2 of 2	
	Vice Chairman	21 June 2017	17 August 2020										Nomination Committee	Chairman until 6 June 2023	5 of 5	
	Chairman	18 August 2020	13 June 2021											Chairman from 29 November 2023		
	Member	14 June 2021	14 June 2025											Appointment and Remuneration Committee	Member from 29 May 2023	
	Chairman	18 June 2021	14 June 2025													
Branko Bračko	Member	14 June 2021	6 June 2023	5 of 10	Male	Slovenian	1967	BSc in Mechanical Engineering	Business strategy and business models, governance system	YES	NO	Stanovanjsko podjetje Konjice d.o.o.	Strategy Committee	Chairman until 28 May 2023	1 of 2	
	Vice Chairman	18 June 2021	6 June 2023													
Tomaž Benčina	Member	14 June 2021	14 June 2025	10 of 10	Male	Slovenian	1965	BSc in Economics and BSc in Metallurgy	Financial markets, business strategy and business models, governance system, financial analyses	YES	NO	Luka Koper d.d.	Appointment and Remuneration Committee	Chairman	10 of 10	
													Strategy Committee	Member from 1 September 2023	1 of 2	
													Audit Committee	Member from 29 May to 31 August 2023	1 of 7	
Peter Kavčič	Member	14 June 2021	6 June 2023	5 of 10	Male	Slovenian	1969	MSc in International Business	Financial markets, business strategy and business models, governance system, financial analyses	YES	NO	Mladinska knjiga založba d.d.	Audit Committee	Chairman until 28 May 2023	4 of 7	
													Strategy Committee	Member until 28 May 2023	1 of 2	
Igor Stebernak	Chairman	18 August 2016	2 June 2020	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	/	Audit Committee	Member	6 of 7	
	Member	3 June 2020	3 June 2024	10 of 10									Chairman from 29 May 2023			
	Vice Chairman	30 August 2023	3 June 2024										Strategy Committee	Member from 25 May 2023	1 of 2	
Jure Valjavec	Member	14 June 2021	14 June 2025	10 of 10	Male	Slovenian	1975	Master of Science	Business strategy and business models, governance system	YES	NO	/	Appointment and Remuneration Committee	Member	10 of 10	
													Nominacijski odbor	Member until 6 June 2023	5 of 5	
														Member from 29 November 2023	/	
													Strategy Committee	Chairman from 29 May 2023	1 of 2	
Peter Celar	Member	29 May 2007	31 May 2019	5 of 10	Male	Slovenian	1958	BSc in Economics	Insurance, governance systems, regulatory and other legal requirements that apply to Zavarovalnica Triglav	NO	NO	/	Appointment and Remuneration Committee	Member until 28 May 2023	6 of 10	
		1 June 2019	1 June 2023													
Branko Gorjan	Member	14 March 1995	30 May 2015	5 of 10	Male	Slovenian	1960	Economic technician	Insurance, governance systems, regulatory and other legal requirements that apply to Zavarovalnica Triglav	NO	NO	/	Strategy Committee	Member until 28 May 2023	1 of 2	
		1 June 2019	1 June 2023													
Igor Zupan	Member	27 September 2019	31 May 2023	5 of 10	Male	Slovenian	1972	BSc in Organisation	Insurance, governance systems, regulatory and other legal requirements that apply to Zavarovalnica Triglav	YES	NO	/	Audit Committee	Member until 28 May 2023	4 of 7	
														Nominacijski odbor	Member	5 of 5
Tim Umberger	Member	7 June 2023	7 June 2027	5 of 10	Male	Slovenian	1980	MSc in Economics	Financial markets and analyses	YES	NO	Gorenjska banka	Audit Committee	Member from 1 September 2023	2 of 7	
													Strategy Committee	Member from 1 September 2023	1 of 6	
Monica Cramer Manhem	Member	7 June 2023	7 June 2027	5 of 10	Female	Swedish	1959	International School of Brussels and BSc in Economics	International regulatory and other legal requirements, financial and actuarial analyses	YES	NO	CCR Re, France Sompot Int'l Lux	Strategy Committee	Member from 1 September 2023	1 of 2	
Aleš Košiček	Member	11 July 2023	10 July 2027	4 of 10	Male	Slovenian	1966	MSc in Business and Organisation	Insurance, governance systems, business strategy and business models, financial analyses in the context of Zavarovalnica Triglav's operations	YES	NO	/	Audit Committee	Member from 1 September 2023	2 of 7	
													Appointment and Remuneration Committee	Member from 29 November 2023	/	
Janja Strmljan Čevnja	Member	11 July 2023	10 July 2027	4 of 10	Female	Slovenian	1969	LL.B.	Regulatory and other legal requirements that apply to Zavarovalnica Triglav	YES	NO	/	Strategy Committee	Member from 1 September 2023	1 of 2	

External members of Supervisory Board committees in 2023

First and last name	Supervisory Board committee	Attendance of meetings of Supervisory Board committees and 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 2023
Luka Kumer	Audit Committee	7 of 7	Male	Slovenian	BSc in Economics	1981	Financial markets, business strategy and business models, governance system, financial analyses	/
Mitja Svoltjšak	Nomination Committee (until 6 June 2023)	5 of 5	Male	Slovenian	BSc in Economics	1974	Corporate finance, asset management	Cinkarna Celje d.d.
Mateja Lovšin Herič	Nomination Committee	/	Female	Slovenian	BSc in Economics	1969	Corporate governance and finance	Istrabenz turizem d.d., Koto d.o.o.

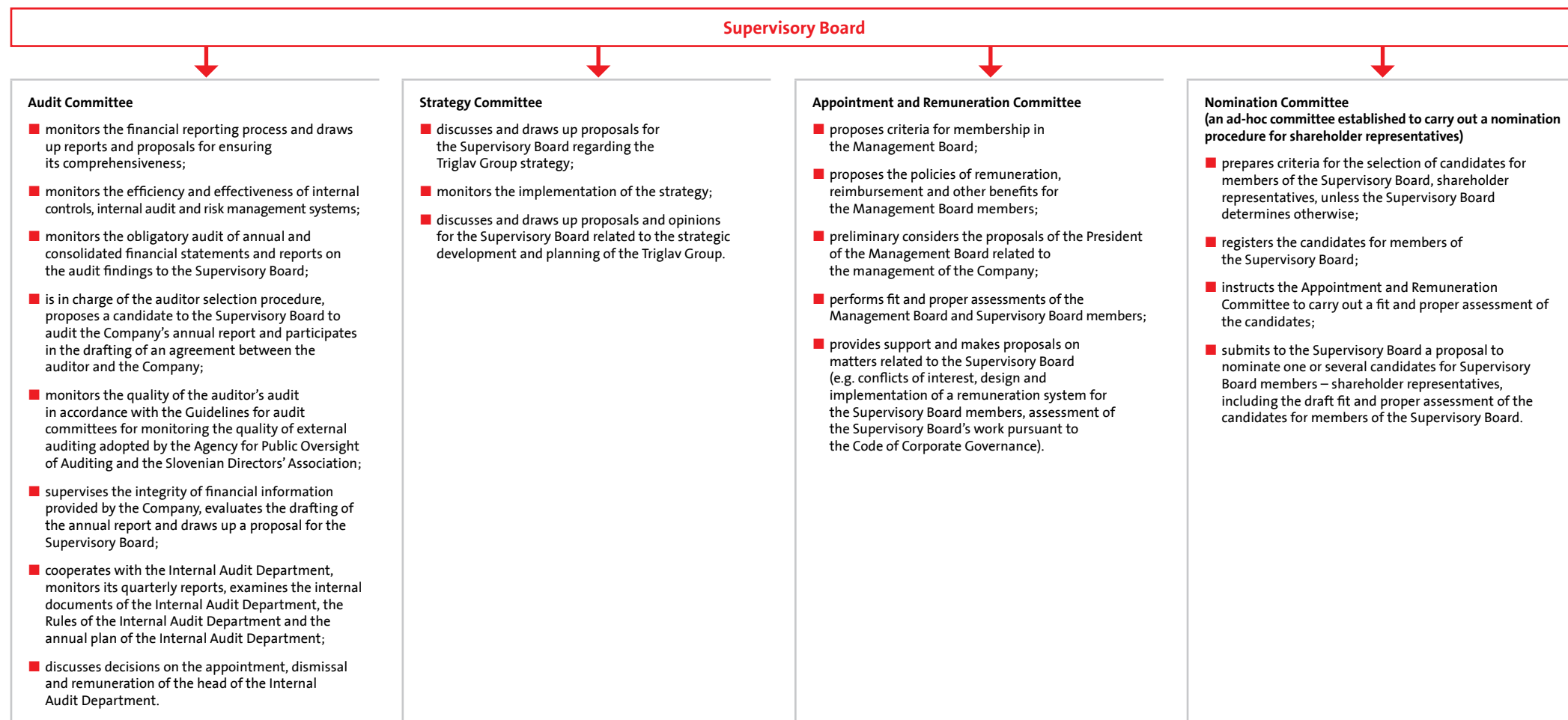
By signing the Statement of Independence and Loyalty, which is available on the Company's website, the members of the Supervisory Board undertook to adhere to the principles of independence laid down in item B of the Annex to the Corporate Governance Code. Data on the remuneration of the Supervisory Board members are disclosed in [Section 4.4 of the Accounting Report](#). Their remuneration was in line with the resolution passed by the 41st General Meeting of Shareholders of Zavarovalnica Triglav.

5.3.3.3 Composition of Supervisory Board committees and their activities in 2023

In 2023, the Company had the following committees: the Audit Committee, the Appointment and Remuneration Committee and the Strategy Committee, as well as 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. Their main tasks are presented in the figure below.

The Supervisory Board committees and their main tasks



In 2023, the **Audit Committee** was composed of Peter Kavčič (until 28 May) and Igor Stebernak (from 29 May) as chair, and Igor Zupan (until 28 May), Tim Umberger (from 1 September), Aleš Košiček (from 1 September) and Luka Kumer, an independent external expert, as members. Tomaž Benčina was its member between 29 May and 31 August 2023.

The **Appointment and Remuneration Committee** had the following composition: Tomaž Benčina as its chair and Jure Valjavec, Peter Celar (until 28 May) and Andrej Andoljšek (from 29 May) as its members.

The **Strategy Committee** was composed of Branko Bračko (until 28 May) and Jure Valjavec (from 29 May) as its chair, and Andrej Andoljšek, Peter Kavčič (until 28 May), Branko Gorjan (until 28 May), Igor Stebernak (from 29 May), Tomaž Benčina (from 1 September), Monica Cramer Manhem (from 1 September), Tim Umberger (from 1 September) and Janja Strmljan Čevnja (from 1 September) as its members.

The **Nomination Committee** as an ad-hoc committee was established on 29 November 2023 due to the expiry of the term of office of Supervisory Board member Igor Stebernak in 2024. The Committee will operate until the election of a new Supervisory Board member, shareholder representative, at the General Meeting of Shareholders, but not later than 4 June 2024. It is composed of Andrej Andoljšek as chair, Jure Valjavec and Aleš Košiček as members, and Mateja Lovšin Herič as the external member.

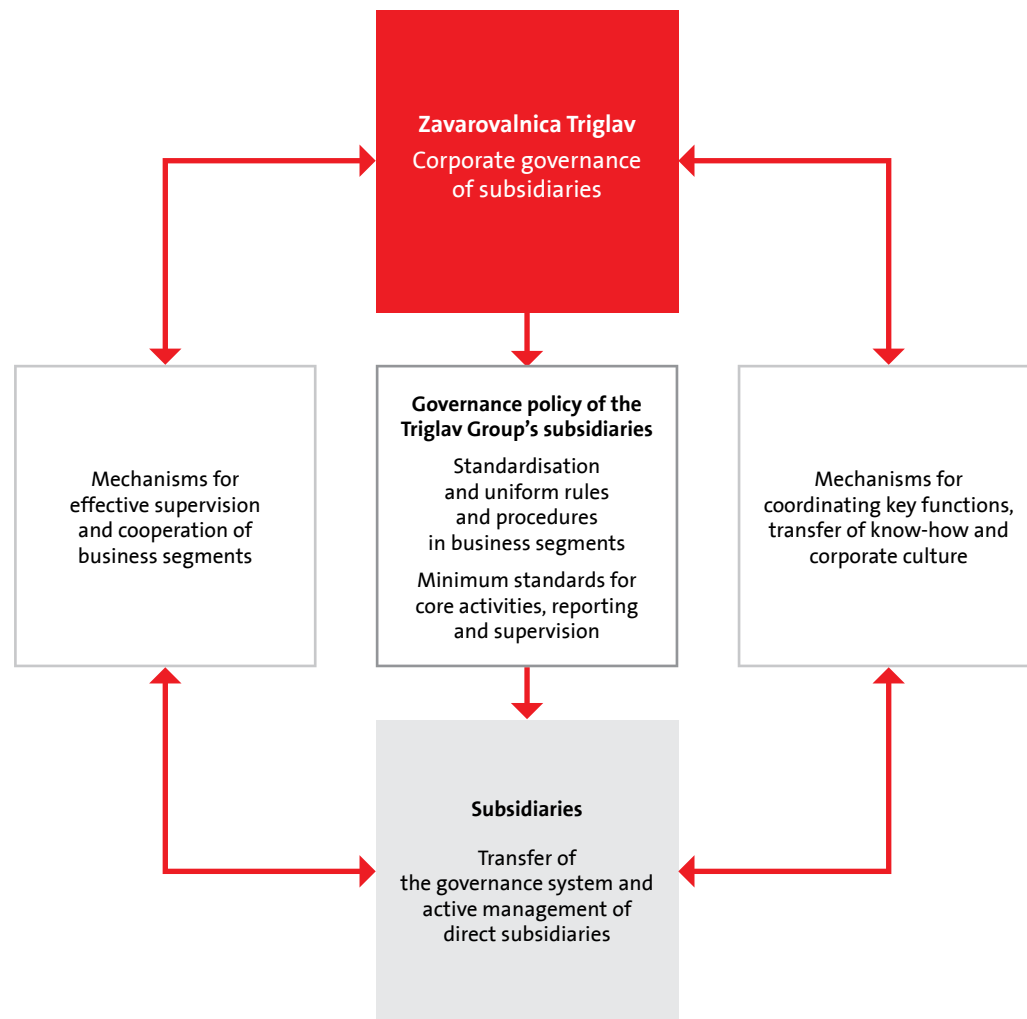
5.4 Governance and management of subsidiaries¹³

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

The Group's governance system is proportionate to the nature, scope and complexity of the Group's and individual company's business operations.

The **Governance Policy of the Triglav Group's Subsidiaries**, which is the basis for the establishment and implementation of the governance system, was not updated in 2023; its revision is planned in early 2024. The governance system of subsidiaries is implemented through the standardisation and unification of key rules and procedures in individual business segments in the Group's subsidiaries, with the aim of applying unified minimum standards to the core business, reporting and supervision at Group level. In its definitions, the policy, in addition to the Group's internal environment and its strategic guidelines, also takes into account the factors of the external environment, which includes the local legislative environment and regulators' requirements, the business environment of individual subsidiaries and good business practices of other institutions.

Corporate governance of the Triglav Group's subsidiaries



The governance system at Group level is implemented as corporate governance by actively exercising the management rights held by the parent company and its subsidiaries in relation to their subsidiaries in accordance with applicable legislation and internal regulations. Effective monitoring and supervision of the operations of subsidiaries is ensured within the framework of corporate governance at Group level. Such governance enables efficient and coordinated operations and the achievement of synergies, especially through activities that promote cooperation in various fields, as well as facilitating the exchange of information and knowledge within the Group.

The corporate governance system is structured so as to enable the parent company, acting as the controlling entity at Group level, to conduct management activities within its direct subsidiaries. In turn, these subsidiaries are responsible for implementing the governance system and carrying out governance activities within their own subsidiaries.

At the parent company, the Group's governance system is implemented through the general meetings of shareholders, the supervisory and management bodies of individual subsidiaries, as well as the standardisation and unification of key rules and procedures in the areas of expertise in subsidiaries by establishing uniform minimum standards in effective governance, reporting and control at Group level. The Triglav Group Subsidiary Management Division, key functions, relevant departments and business segments of the parent company are responsible and competent for ensuring the effective implementation of the Group's governance system. Through mutual cooperation, they establish and maintain an efficient and transparent Group governance system.

In addition to the management bodies, the governance system of the parent company and individual subsidiaries includes key functions. Depending on the specifics of the activity, each subsidiary may have one or several key functions: the risk management function, the non-life and life insurance actuarial functions, the compliance function and the internal audit function. In the parent company and in each of its subsidiaries, the key functions carry out their tasks and responsibilities independently of one another other.

Part of corporate governance also includes the coordination and preparation of strategy and the design of the risk management system at Group level. In the context of the strategic guidelines, each subsidiary implementing the Group's strategic activities has a defined strategy, usually for a five-year period, based on which long-term and strategic activities are carried out. The principle of monitoring the implementation of the strategy using balanced performance indicators, which is adopted within the framework of the strategy, enables the supervisory authorities to monitor the performance of the business on an ongoing basis and to take appropriate action in the event of deviations from the plan.

Zavarovalnica Triglav as the controlling company actively manages its direct subsidiaries, while subsidiaries assume responsibility for the transfer of the governance system and active management of their subsidiaries. The methods of transferring the system and carrying out the activities are defined in the minimum standards for individual business segments, which were thoroughly revised in 2022. Their implementation in the Group companies' operations and business practices was continued and monitored throughout 2023. In the subsidiaries, this was performed by the competent business segments of the parent company, connecting the subsidiaries' business functions with Zavarovalnica Triglav's business segments and providing a comprehensive overview at Group level.

In 2023, activities at the parent company focused on reviewing and upgrading the governance and internal control systems within the Group. The systems of delegation of responsibilities, the reporting lines, the allocation of functions within the Group, the remuneration policy, and the fit and proper requirements were revised. The review of the governance and internal control systems focused in particular on the risk management and internal control systems and, in this context, on the roles and responsibilities of key functions. A set of measures and possible upgrades to the governance system were identified, which are currently being translated into implementation and will be reasonably summarised in the revised Governance Policy of the Triglav Group's Subsidiaries.

The Company has in place and is implementing a robust and reliable governance system for the Triglav Group, which is both appropriate and compliant with statutory requirements and comparable to other insurance groups.

The composition of management and supervisory bodies as at 31 December 2023

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 Nataša Veselinovič, Katja Modec, Janko Šemrov
Triglav, Zdravstvena zavarovalnica d.d., Ljubljana	Meta Berk Skok – President Tomaž Žust – 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: Blaž Jakič – Chairman Blaž Kmetec, Nataša Veselinovič, Miha Grilec, 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: Blaž Jakič – Chairman Jaka Kirn, Nataša Veselinovič, Marica Makoter, Barbara Gorjup, Miran Kraševc
Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale	Tomaž Dvořak – Director	Supervisory Board: Maja Benko – Chairwoman 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	Janez Obaha – Director Boris Kuhelj – Director	Supervisory Board: Matej Ferlan – Chairman Nataša Novak Priveršek, Jaka Klement
Triglav, Upravljanje nepremičnin d.o.o., Ljubljana	Rok Pivk – Director	Supervisory Board: Marica Makoter – Chairwoman Ksenija Zajc, Nataša Novak Priveršek
Croatia		
Triglav Osiguranje d.d., Zagreb	Vilma Učeta Duzlevska – President Darko Popovski – Member Lidija Pecigoš Višnjic – Member	Supervisory Board: Uroš Ivanc – Chairman Tedo Djekanovič, Gorazd Jenko, Alenka Vrhovnik Težak, Pave Srezović-Pušić
Serbia		
Triglav Osiguranje a.d.o., Belgrade	Dragan Marković – President of the Executive Committee Ivan Grujić – 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 – Chief Executive Officer Stanko Mugoša – Executive Director	Board of Directors: Tedo Djekanovič – Chairman Tomaž Žust, Alenka Vrhovnik Težak, Marjeta Koščak, Mateja Geržina
Lovćen životna osiguranja a.d., Podgorica	Zorka Milić – Executive Director	Board of Directors: Ljubica Kovačević – Chairwoman Slobodanka Vukadinović, Danilo Pavličić
Bosnia and Herzegovina		
Triglav Osiguranje d.d., Sarajevo	Edib Galijatović – President Emir Krivošija – Member	Supervisory Board: Tedo Djekanovič – Chairman Janko Šemrov, Ivica Vulić, Aleš Levstek, Gorazd Jamnik
Triglav Osiguranje a.d., Banja Luka	Janez Rožmarin – Director Dejan Vujić – Member of the Executive Committee Dragan Berić – Member of the Executive Committee	Management Board: Mithad Salčin – Chairman Emir Čaušević, Gregor Railić
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	Hristina Đambazovska Anastasov – Chief Executive Officer	Board of Directors: Tedo Djekanovič – predsednik, Ivan Sotošek, Vilma Učeta Duzlevska, Gjorgji Jančevski, Vladimir Mišo Čeplak, Hristina Đambazovska Anastasov
Triglav penzisko društvo a.d., Skopje	Tihomir Petreski – President Marijan Nikolovski – Member	Supervisory Board: Aljoša Uršič – Chairman Rok Pivk, Blaž Kmetec, Miroslav Vujič

5.5 External and internal audit

The financial statements of the Triglav Group and Zavarovalnica Triglav are audited by Deloitte revizija d.o.o., which was appointed in 2022 for the second time in a row for a three-year period. The auditor reports its findings to the Management Board, the Supervisory Board and the Audit Committee.

The report on the work of the Internal Audit Department is presented in [Section 9.1 Risk management system](#).

5.6 Internal controls and risk management in relation to financial reporting

The Group's integrated internal control and risk management system 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 [Section 9. of Risk management](#). The system was set up in all organisational levels and processes and includes:

- a clear organisational structure with a precisely defined and transparent system of duties, responsibilities 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, established 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.

The accuracy, completeness and timeliness of financial reporting as well as compliance with applicable regulations are ensured by the internal control system established by the parent company and implemented at all Group levels. Accounting controls are based on the principles of truthfulness and appropriate sharing of responsibilities. They include checking the performance of transactions, keeping up-to-date records, ensuring the matching of balance of books of account with the actual balance, 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.

The processes for identifying, assessing, monitoring and managing tax risks are described in more detail in [Section 2.11 Tax policy of the Accounting Report](#).

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 did not enter 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
Management Board Member



Tadej Čoroli
Management Board Member

Marica Makoter
Management Board Member



Blaž Jakič
Management Board Member



6. The share and shareholders of Zavarovalnica Triglav

- Zavarovalnica Triglav's share recorded a total return of 7.8%.
- For the eighth time in a row, the Triglav Group has been assigned an "A" credit rating with a stable medium-term outlook.
- There were no significant changes in Zavarovalnica Triglav's shareholder structure.
- In challenging business conditions, extra emphasis was placed on delivering pertinent information and keeping lines of communication open with investors, shareholders and analysts.

Key figures relating to the ZVTG share (EUR)

Items	2023	2022
Maximum closing price	40.30	41.40
Minimum closing price	29.20	31.40
Closing price as at 31 December	34.70	34.50
Book value per share (parent company)*	29.44	28.98
Book value per share (consolidated data)*	39.19	39.45
Net earnings per share (consolidated data)*	0.71	-0.30
Market capitalisation as at 31 December	788,909,636	784,362,606
Average daily turnover (excluding block trades)	102,764	113,291
Dividend per share	2.50	3.70
Number of shares	22,735,148	22,735,148
Percentage of free float	30.73%	30.73%
Traded on	Ljubljana Stock Exchange – LJSE	
ISIN	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

* Notes on the effects of the transition to IFRS 17 and IFRS 9 are provided in [Section 2.6 of the Accounting report](#).



“We believe in our narrative. We are dedicated to enhancing the attractiveness of our share through a number of

activities, while ensuring the market remains well-informed and keeping lines of communication open with investors, shareholders and analysts.”

Helena Ulaga Kitek, Director of Investor Relations Department, Zavarovalnica Triglav

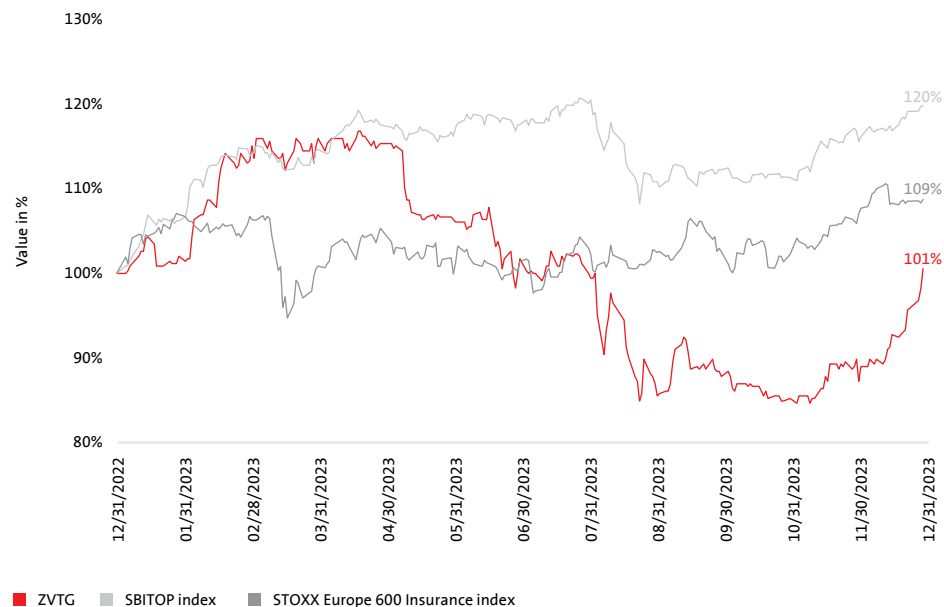
6.1 Share of Zavarovalnica Triglav

Zavarovalnica Triglav's share (ZVTG), which is listed on the Ljubljana Stock Exchange Prime Market, has been traded since the end of 2008. In terms of market capitalisation, the Company was **the fourth largest Slovenian listed company** in 2023. Its market capitalisation of EUR 788.9 million (index 101) accounted for 17% of the stock market of the Ljubljana Stock Exchange.

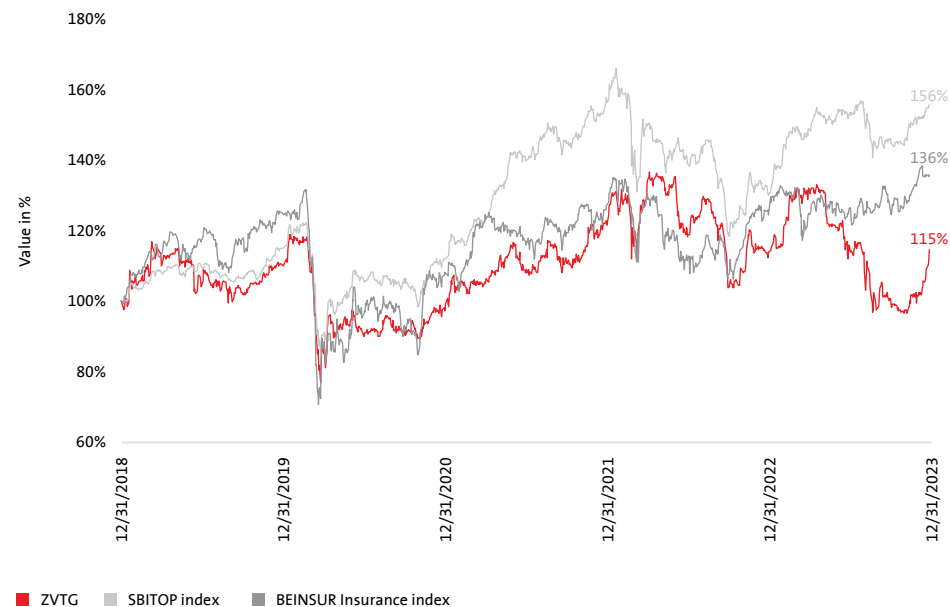
In challenging business conditions that impacted the ZVTG share price, its **total annual return** was 7.8% and the dividend yield was 7.2%. The price-to-book ratio was 0.9.

The trading volume on the Ljubljana Stock Exchange in 2023 fell by 26% compared to the previous year. The ZVTG share trading volume excluding block trades amounted to EUR 25.4 million, down by 9%, making ZVTG the **third most liquid share on the Ljubljana Stock Exchange**. Over a quarter of ZVTG share turnover was carried out by **the liquidity provider**, which has rendered its services for the Company since 2019.

Movement in the ZVTG share price in 2023 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 2022 = 100)



Movement in the ZVTG share price in the last five years compared to the Ljubljana Stock Exchange SBITOP index and the BEINSUR sectoral index (31 December 2018 = 100)



The published annual results of the previous year positively influenced the ZVTG share price at the beginning of the year. However, two one-off events had a negative effect later on in the year. The Triglav Group's operations and, consequently, the share price were affected by changes to Slovenia's supplemental health insurance system implemented at the end of April and extreme natural disasters at the beginning of the third quarter. The Company paid dividends to the eligible shareholders on the cut-off date of 20 June 2023 (see sections [5.3.1 General Meeting of Shareholders](#) and [6.4 Dividends and the dividend policy](#) for more information). As shown in the figure above, the ZVTG price share in 2023 remained at the same level as at the end of the preceding year. The Ljubljana Stock Exchange SBITOP index, in which the ZVTG share holds a 10.2% share, rose by 20% and the STOXX Europe 600 Insurance sectoral index of 35 shares of European insurance companies grew by 9%.

6.2 Equity

As at 31 December 2023, Zavarovalnica Triglav's **share capital** remained unchanged and amounted to EUR 73,701,391.79. It is divided into 22,735,148 ordinary registered no-par value shares constituting one class. The shares are issued in 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 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, Zavarovalnica Triglav's existing and potential shareholders are required to comply with the Insurance Act (ZZavar-1). An authorisation of the Slovenian 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 has no voting rights with respect to those shares. See the ZZavar-1 for further information.

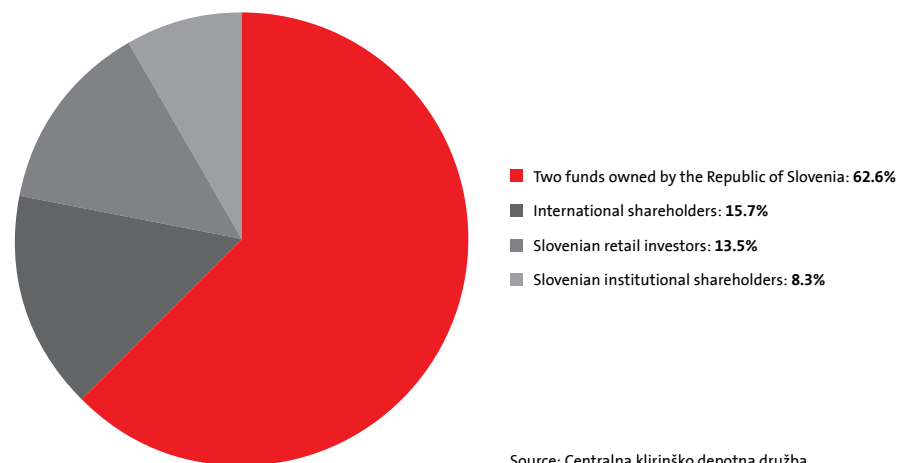
6.3 Shareholder structure¹⁴

There were no significant changes to Zavarovalnica Triglav's shareholder structure in 2023. The stakes of the top three shareholders remained unchanged. The two funds owned by the Republic of Slovenia (ZPIZ Slovenije and SDH d.d.) together held together a 62.6% stake and the Croatian pension fund, which appears in the Company's share register on the fiduciary account of its custodian bank, held a 6.7% stake.

The Company's **free float**, representing shares held by shareholders with less than a 5% participating interest, stood at 30.7%, remaining stable. As at 31 December 2023 it was dispersed among 8,453 shareholders from 30 countries, among them **around 40 international banks with fiduciary accounts held by their clients and international institutional investors**, mostly from Europe and the USA. They held a 15.7% stake (0.5 percentage point less than a year earlier), while the share of **Slovenian institutional shareholders** stood at 8.3% (0.2 percentage point less).

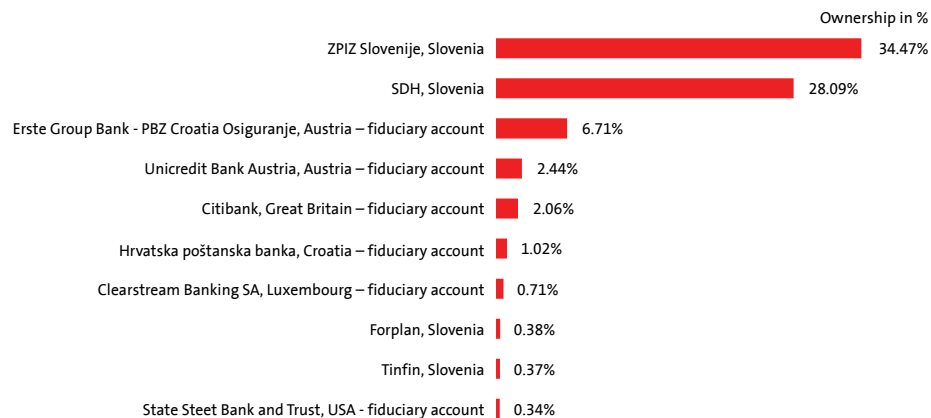
The gradual increase in the ownership by **natural persons** continued in 2023, with their share increasing by 0.7 percentage point to 13.5%. Along with the increased ownership stake, natural persons have been more actively trading in ZVTG shares, which the Company encourages with a targeted programme of activities as part of its investor relations.

Zavarovalnica Triglav's shareholder structure as at 31 December 2023



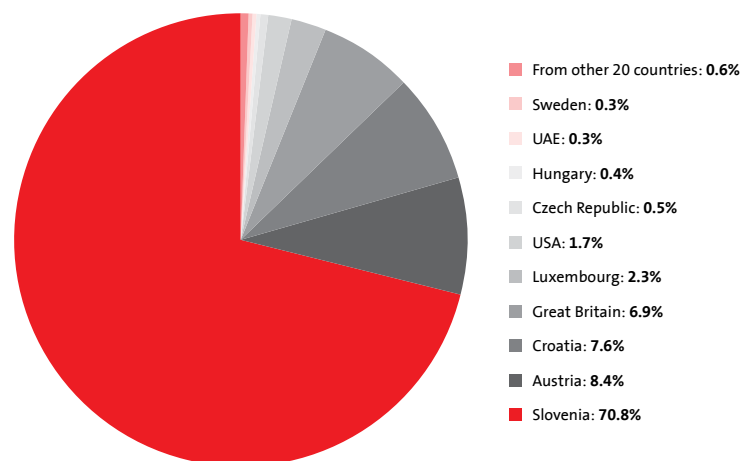
Source: Centralna klirinško depotna družba

Zavarovalnica Triglav's top ten shareholders as at 31 December 2023



Source: Centralna klirinško depotna družba

The minority shareholder structure of Zavarovalnica Triglav by the country of origin as at 31 December 2023 (the share of the free float in %)



Source: Centralna klirinško depotna družba

In 2023, ZVTG shares were bought by President of the Management Board Andrej Slapar and Management Board members Uroš Ivanc and Tadej Čoroli.

The number of shares held by the members of the Management and Supervisory Boards as at 31 December 2023

First and last name	Function	Number of shares	Participating interest
Management Board		5,589	0.02%
Andrej Slapar	President	1,350	0.01%
Uroš Ivanc	Member	775	0.00%
Tadej Čoroli	Member	450	0.00%
Marica Makoter	Member	150	0.00%
Blaž Jakič	Member	2,864	0.01%
Supervisory Board		280	0.00%
Andrej Andoljšek	Chairman	0	0.00%
Igor Stebernak	Vice Chairman	0	0.00%
Tomaž Benčina	Member	0	0.00%
Jure Valjavec	Member	280	0.00%
Monica Cramer Manhem	Member	0	0.00%
Tim Umberger	Member	0	0.00%
Aleš Košiček	Member	0	0.00%
Janja Strmljan Čevnja	Member	0	0.00%
Total Management Board and Supervisory Board		5,869	0.03%

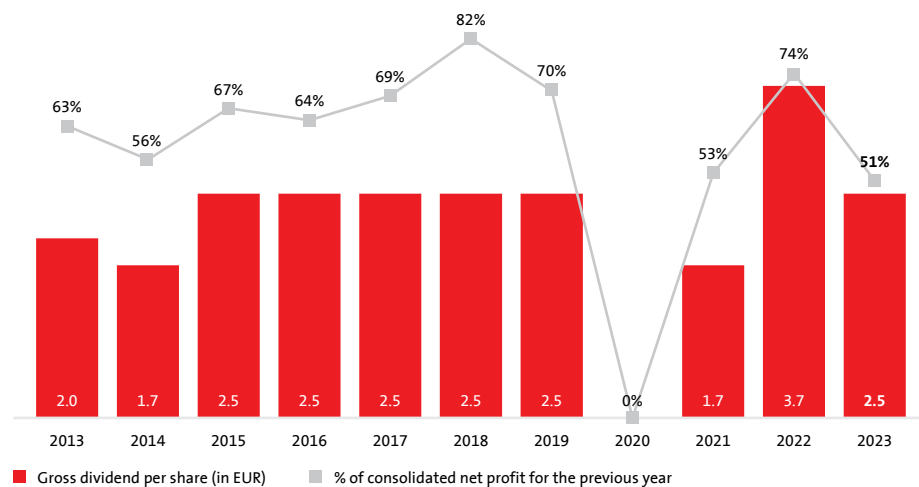
6.4 Dividends and dividend policy

The **dividend policy** is the Company's steadfast commitment to its shareholders. In recent years, the implementation of the dividend policy has been affected by the COVID-19 pandemic, which the Management Board and the Supervisory Board had to take into account in their proposal for the distribution of the Company's accumulated profit. The General Meeting of Shareholders supported their proposals every year. On 6 June 2023, the General Meeting of Shareholders adopted the proposal to distribute 51% of the consolidated net profit for 2022 for dividends or EUR 2.50 gross per share, i.e. EUR 56.8 million in total. As at the dividend payout date, the dividend yield was 7% (see [Section 5.3.1 General Meeting of Shareholders](#) for more information).

Zavarovalnica Triglav's dividend policy provides 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 in conjunction with the dividend policy are described in [Section 9.2 Capital position](#).

Gross dividend per share by year (EUR) and its share of consolidated net profit for the preceding year for the dividend payment in 2013–2023



6.5 Investor relations management¹⁵

Through the **active management of relations with investors**, shareholders and analysts, the Company promotes the attractiveness of its financial instruments. In doing so, it follows best international practices and, as a company listed on the Ljubljana Stock Exchange Prime Market, helps to shape the standards of this market.

The Company aims to provide **clear and consistent information to the market**. All key information about the Company's operations, position and outlook is regularly published both in Slovenian and English on the SEOnet information system of the Ljubljana Stock Exchange and on the Company's website (www.triglav.eu).

The Company also actively fosters open and constructive relationships with its shareholders, investors and analysts. Furthermore, it aims to achieve the highest possible **participation in the general meetings of shareholders**. In 2023, 77% of all shares with voting rights were represented at the General Meeting of Shareholders (see [Section 5.3.1 General Meeting of Shareholders](#) for more information).

In the reporting period, the Company mainly communicated with **institutional investors and shareholders**, predominantly via videoconferencing meetings, conference calls and email. **The calendar of all 11 investor events attended by the Company**, along with related presentations, is available on the Company's website. Among them are also four presentations of business results for international and Slovenian institutional investors, which were held by the Company every quarter following the announcement of business results.

The attention dedicated to **retail investors** led to a subsequent growth in their stake in the Company. Last year, the Company presented the ZVTG share at two events held by the Ljubljana Stock Exchange aimed at raising financial literacy of retail investors and jointly promoting Ljubljana Stock Exchange Prime Market shares.

For inquiries from shareholders, investors and analysts, please use the contact information provided below.

Information for shareholders:

Zavarovalnica Triglav d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
Helena Ulaga Kitek, Director of Investor Relations Department
Telephone: ++386 (1) 47 47 331
Email: 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. In 2023, the Group was again assigned an **“A” stand-alone credit rating with a stable medium-term outlook** by both agencies. All individual elements of the overall credit rating were rated **as high as the year before** and substantiated in a similar way.

Credit ratings of Zavarovalnica Triglav since 2008

Year	Credit rating	Medium-term outlook	Rating agency
2023	A	Stable	AM Best
			S&P Global Ratings
2022	A	Stable	AM Best
			S&P Global Ratings
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
		Stable	S&P Global Ratings
		Stable	S&P Global Ratings
2013	A-	Stable	AM Best
		Positive	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

The **“A” credit rating assigned by S&P** exclusively reflects the Triglav Group’s standalone credit profile. Its business risk profile was assessed again as strong and its financial risk profile as very strong. The medium-term outlook reflects S&P’s expectations that at least over the next two years the Group will continue to effectively implement its business strategy of profitable growth by further diversifying premiums and realised income streams. Despite increased natural catastrophe claims, the discontinuation of supplemental health insurance in Slovenia and macroeconomic conditions, the Group is expected to maintain capitalisation at least at the “AA” range (of S&P’s capital model), while effectively improving its performance results.

The latest credit rating reports, i.e. the announcements of both credit rating agencies from 2023, are available on the website www.triglav.eu under the Investor Relations tab.

6.7 Bonds of Zavarovalnica Triglav

As part of the Group’s regular capital management to ensure its optimal composition and cost efficiency, the Company issued a subordinated bond in 2019, which is taken into account in its capital adequacy. It replaced the bond that matured on 21 March 2020. See the table below for more information.

Bond of Zavarovalnica Triglav

ISIN	XS1980276858
Bond type	Subordinated bond (Tier 2) issued in line with the Solvency II regulation
Issue size in EUR	50,000,000
Currency	EUR
Coupon rate and payment	Fixed at 4.375% p.a. until first call date, payable annually Thereafter variable at 3-month Euribor + 4.845% (equal to the original 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
Rating	BBB+ (S&P)

7. Macroeconomic environment and insurance markets

- The Regulatory changes to Slovenia's healthcare system had a negative impact on the Triglav Group's business result.
- Gross claims were higher, mainly due to major CAT events and claims inflation.
- The investment result was positive due to the more favourable situation in the financial markets. Both assets under asset management and financial instruments increased.
- The Triglav Group maintained its leading market position among insurance groups in Slovenia and Montenegro. Its market shares grew in the insurance markets of Slovenia, Serbia and Republika Srpska.
- Total written premium increased in most insurance markets.

7.1 The general economic environment worldwide and in Slovenia

The global economy was characterised by a slowdown in activity and a marked decline in headline inflation over the year. The ongoing war in Ukraine, now surpassing a year, coupled with the recent escalation of conflict between Israel and Hamas in the Middle East in October, has significantly heightened global uncertainty. While real GDP grew moderately in the US, it stagnated in the euro area. According to the latest estimates, the euro area even slipped into a mild technical recession in the second half of the year. The manufacturing sector experienced a slowdown throughout the year, while the service sector declined sharply after a strong expansion in the first half of the year. Loans to the corporate sector and households also declined significantly. Despite tightening financing conditions and weakening demand, the labour market situation remained very favourable. At 6.4%, unemployment reached a record low several times throughout the year. Considerably lower energy prices gradually lowered headline inflation, while core inflation remained high.

According to the latest estimates by international institutions in December, headline inflation in the euro area is expected to stand at 5.5% in 2023, with a real GDP growth of 0.5%. In 2024, inflation is forecast to fall slightly further to just 2.5%, while real GDP growth is expected to be similarly modest as in 2023. Analysts point in particular to the uncertainty caused by geopolitical events and their impact on energy prices and the global economy in general. They also link the uncertainty to the cooling of China's economy, the impact of tighter financial conditions and the increasing number of natural disasters resulting from global warming.

In Slovenia, economic activity was subdued. International trade fell markedly due to lower demand abroad and higher cost pressures. The decline in the purchasing power of households and their greater caution also contributed to low growth in private consumption. The recovery from the August floods stimulated construction activity, whereas higher interest rates and the international economic slowdown held back investment in equipment and machinery. Government consumption remained relatively restrained despite an increase in flood mitigation expenditure. The labour market situation, as elsewhere in Europe, was extremely favourable, with unemployment below 4%, the lowest on record. According to the Bank of Slovenia's latest estimates, as a result of funding post-flood recovery, the general government deficit (at 3.7% of GDP) increased slightly compared to the initial estimates, while

the gross government debt (at 69.5% of GDP) remained almost unchanged compared to the previous year.

According to the Bank of Slovenia's December forecast, real GDP growth in Slovenia was 1.3% in 2023 and is expected to be slightly stronger next year at 2.2%. Headline inflation will be significantly lower, at 3%, reaching 7.4% in 2023, according to the Slovenian Statistical Office. The forecasts are accompanied by uncertainties stemming from the economic recovery in the international environment, and in the domestic environment primarily due to salary and inflation growth, as well as the erosion of Slovenia's export competitiveness.

In 2023, financial markets were characterised by rising central bank interest rates and, towards the end of the year, by a larger fall in the required yield on government bonds. Major real estate markets also recorded a decline, whereas equity markets mostly reported strong growth. Financial markets were shaken in March by the collapse of the US banks SVB and Signature Bank, followed shortly afterwards by the sale of Credit Suisse. The general uncertainty was also heightened in May by the negotiations on the US debt ceiling and in August by Fitch's downgrade of the US sovereign credit rating to AA+.

The US Federal Reserve (Fed) and the European Central Bank (ECB) raised interest rates throughout the year, but slowed down and ultimately ended the hikes in the second half of the year. The Fed raised the target rate by 0.25 percentage point four times and has not changed it since July, keeping it within the range of 5.25–5.50%. The ECB raised its interest rates twice by 0.50 percentage point and four times by 0.25 percentage point and has not changed its deposit rate of 4.00% since September. At a press conference in December, the chair of the Federal Reserve indicated, for the first time, the possibility of a reduction in the target interest rate, while his European counterparts have not expressed a willingness to discuss a rate cut yet.

Bond markets were quite highly volatile. The required yield on the 10-year German government bond peaked at close to 3% in early October. Later, it fell sharply to end at 2.02%, a good half a percentage point below the level at the beginning of the year. The Slovenian bond experienced an even slightly higher drop in the required yield, ending the year at 2.95%. The negative difference between the required yield on the 10-year and the 2-year German Bund increased to –0.37 percentage point. The negative slope of the interest rate curve reached a record high of –0.87 percentage point in June. Credit spreads on corporate bonds jumped sharply in March amid the turmoil in the banking sector, but subsequently fell back to levels below the year's baseline value.

The sentiment on stock markets was largely positive. More notable declines were recorded in the summer, but the indices of developed countries successfully recovered these losses by the end of the year. The Japanese NIKKEI index took the lead with a 28.2% growth, followed by S&P 500 and Euro Stoxx 50 with 24.2% and 19.2% respectively. The Slovenian SBITOP index achieved a similar 19.8% growth. Emerging market indices underperformed, with China's Hang Seng index dropping by 13.8%.

7.2 Environmental impact on the Triglav Group's operations¹⁶

For a second consecutive year, high inflation had an impact on the increase in prices of materials and services and therefore on higher gross claims paid and operating expenses. Due to inflationary pressures, sums insured and premium rates were adjusted in most non-life insurance classes. See [Section 4.1 Today's challenges and opportunities](#) and [Section 9. Risk management](#) for more information about the impact of inflation.

The high growth in claims incurred was driven by both significantly higher claims frequency and claims inflation. The higher number of settled claims in the reporting period also resulted from supply chains becoming re-established.

The Group's business result was impacted by major CAT events in a total estimated value of EUR 212.0 million (compared to EUR 32.1 million in 2022). According to estimates, hailstorms in Slovenia resulted in EUR 85.6 million in claims, while the August storms with floods caused EUR 77.0 million in claims. Most of the other countries in which the Group operates were also affected by hailstorms, strong wind and floods, with the largest claims recorded in Croatia (EUR 14.1 million) and Serbia (EUR 7.9 million). The Group also had EUR 27.3 million of estimated reinsurance claims resulting from the February earthquake in Turkey, floods and hailstorms in Italy, Doksuri and Saola typhoons in China, storm Hans in Scandinavia, the September floods in Greece, the earthquake in Morocco and hurricane Otis in Mexico.

The more favourable financial market situation had a positive impact on the investment result, with an increase in assets under asset management and financial instruments. See [Section 8.4 Asset Management and Other non-insurance operations](#) for more details.

In 2023, the Group's operations in the health insurance segment were most affected by the termination of supplemental health insurance as part of the reform of Slovenia's healthcare system and by setting the maximum price of supplemental health insurance premium by a decree of the Slovenian Government from May to the end of 2023. The negative effects of the price cap on supplemental health insurance were reflected in the negative operating result. See [Section 8.3 Health segment](#) for details.

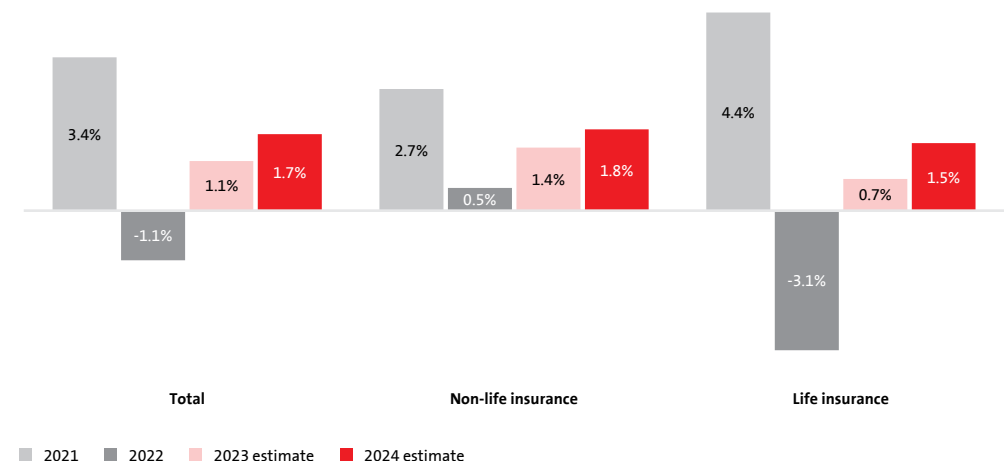
7.3 Global insurance market

According to latest official data from Swiss Re reinsurance company, total premium volume on **the global insurance market** in 2022 reached USD 6.8 trillion, recording a **1.1% decline in real terms** (with nominal growth at 0.3%). Non-life insurance premium increased by 0.5%, whereas life insurance premium decreased by 3.1%. Advanced markets, which account for 81% of the global insurance premium, recorded a 1.8% decline in premium, whereas emerging markets achieved a 2.1% premium growth. The written premium in the euro area was 7.4% lower in real terms compared to the previous year.

At 43.7%, the US holds the largest global market share, which further increased in 2022 (2021: 40.3%), followed by China (10.3%), with the UK moving up to third place (5.4%) and Japan ranking lower than the previous year (5.0%). The global market shares of France and Germany stood at 3.9% and 3.6% respectively.

Cyclical slowdown, high inflation and geopolitical uncertainties cloud the outlook for the insurance industry. Inflation remains the top risk for insurers, as it increases claim payments and thus premium increases, reducing household disposable income and demand. Nevertheless, Swiss Re estimates that the insurance industry is resilient and that global premium volume will grow by 1.1% in real terms in 2023, reaching an all-time high (USD 7.1 trillion). In 2024, premium growth is expected to be even slightly higher, at 1.7% (both figures are lower than the 10-year average growth of 2.6%). Non-life insurance will record higher growth.

Real global insurance premium growth in 2021–2024



Source: Swiss RE, SIGMA 3/2023

¹⁶ GRI 201-2, SASB: FN-IN-450a.2

7.4 Triglav Group key markets¹⁷

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

The most developed market in the Adria region is Slovenia's insurance market, where Zavarovalnica Triglav and the specialised insurers Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba are active. Other insurance markets remain relatively underdeveloped, maintaining great potential for growth. They continue to be dominated by motor vehicle insurance, but recently solid growth has been observed in other insurance classes, especially health and real property insurance. Pozavarovalnica Triglav Re operates throughout the region and in the wider international environment.

Gross written premium growth was recorded in all insurance markets in the region, except in Croatia's market (see [Section 8. Operations of the Triglav Group and Zavarovalnica Triglav](#) for more information). The markets in Serbia, Bosnia and Herzegovina, and Slovenia achieved the highest relative growth.

Main macroeconomic data for 2023 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	3.8	6.6	0.6	3.5	2.1	444.2
GDP growth (estimate in %)	2.0	2.7	2.0	4.5	2.0	2.5	0.7
2023 GDP (estimate in USD billion)	68.4	80.2	75.0	7.1	26.9	15.8	18,351.1
2023 GDP per capita (estimate in USD)	32,350	20,876	11,301	11,339	7,778	7,672	56,974.8
2023 inflation rate (estimate in %)	7.4	8.6	12.4	8.3	5.5	10.0	6.5
2023 unemployment rate (estimate in %)	3.6	6.3	9.1	11.8*	15.3	14.3	n.a.

Source: International Monetary Fund (IMF), World Economic Outlook, October 2023

* Agency for Statistics of Montenegro (Q3 2023)

The Triglav Group continues to be the leader among insurance groups in Slovenia and Montenegro, and ranks third in North Macedonia and the Federation of BiH. Its market share grew in the insurance markets of Slovenia, Serbia and Republika Srpska.

Market shares and market position of the Triglav Group in the Adria region in 2023

Market	Market share	Market share trend	Ranked in 2023	Ranked in 2022
Slovenia	39.5%	↑ + 0.6 percentage point	1	1
Croatia**	5.2%	↓ - 0.3 percentage point	8	7
Serbia*	7.5%	↑ + 0.2 percentage point	5	5
Montenegro	35.0%	↓ - 2.8 percentage point	1	1
Bosnia and Herzegovina	9.3%	↓ - 0.1 percentage point	4	4
- Federation of BiH	10.6%	↓ - 0.2 percentage point	3	3
- Republic of Srpska***	6.6%	↑ + 0.3 percentage point	5	7
North Macedonia	13.4%	↓ - 1.3 percentage point	3	3

* Data for January-September 2023

** Market share calculations for the Croatian insurance market are based on premium paid.

*** 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.

7.4.1 Slovenia's insurance market

Although relatively small, Slovenia's insurance market is well developed. On a global scale, in 2022 Slovenia ranked 30th by premium per capita (32nd in the preceding year) and 29th by insurance penetration (premium as percentage in GDP), which is two ranks higher than the year before. Slovenia's insurance market ranked 56th by written premium (59th in the preceding year), accounting for 0.04% of the global insurance market and 0.3% of the EU insurance market (Swiss Re data for 2022).

Premium per capita and market penetration for Slovenia and some other European countries in 2022

	Premium per capita		Insurance penetration	
	(in EUR)	World rank	(% of GDP)	World rank
Slovenia*	1,329	30	4.8%	29
Croatia	433	43	2.6%	48
Serbia	168	63	1.9%	65
Switzerland	6,041	7	6.9%	20
United Kingdom	4,538	11	10.5%	9
Austria	2,147	26	4.3%	31
Czech Republic	751	35	2.9%	44
Poland	388	45	2.2%	53
Turkey	146	65	1.5%	70
European Union	2,256	-	6.4%	-
Euro area	2,575	-	6.6%	-

Source: Swiss RE, SIGMA 3/2023

* Data for Slovenia: Slovenian Insurance Association (SZZ)

In 2022, the average premium per capita (insurance density) in Slovenia increased to EUR 1,329, reaching its peak value to date. Premium as percentage of GDP fell to 4.8% in 2022 (2021: 5.0%), reaching its bottom since 2000 as a result of Slovenia's high GDP growth. Nevertheless, the insurance industry remains one of the most important economic sectors.

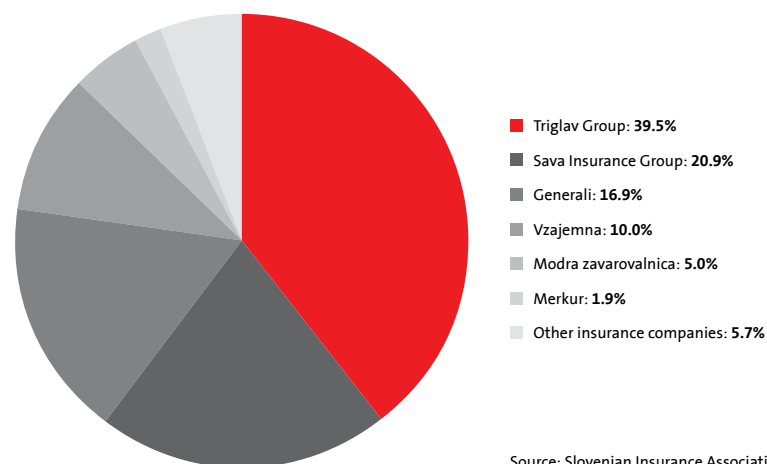
Development of Slovenia's insurance market	
Premium per capita (data for 2022)	EUR 1,329
Premium as percentage in GDP (data for 2022)	4.8%
Insurance market growth index in 2023	109.1

Source: Slovenian Insurance Association (SZZ)

In 2023, a total of **13 insurance companies, five foreign branches and two reinsurance companies** operated in Slovenia's insurance market, all members of the Slovenian Insurance Association (SZZ). A new insurance company, Groupama Biztosító Zrt. branch, has been operating in Slovenia's insurance market since July 2022. There were nine composite and nine specialised insurers (life, health and non-life insurance) operating in Slovenia. These data exclude direct insurance transactions of insurers from other EU Member States (FOS).

In 2023, insurance companies collected **EUR 3.1 billion** in gross written insurance, coinsurance and reinsurance premiums, **up by 9.1%** relative to the previous year (this calculation does not take into account internal transfers of assets for the payment of pension annuities). **Non-life insurance premium** rose by 10.0% and represents a 75.1% share. Motor vehicle insurance contributed the most to the increase with 21% growth, which was also influenced by the premium increase and the larger volume of premium written through FOS transactions and branches. **Life insurance premium** grew by 6.6%, with all insurance classes recording growth. **Health insurance premium**, which is taken into account in non-life insurance premium, dropped by 3.3%.

The market shares of insurers and insurance groups in Slovenia in 2023



Source: Slovenian Insurance Association (SZZ).

Slovenia's insurance market continues to be highly concentrated, with the four largest insurers holding a 76% market share. **Zavarovalnica Triglav** remains the market leader with a 31.6% market share (compared to 30.5% in the previous year), followed by Zavarovalnica Sava with a 17.5% market share. Among insurance groups, **the Triglav Group** (the parent company, Triglav, Zdravstvena zavarovalnica and Triglav, pokojninska družba) holds the dominant position, having increased its market share to 39.5%, followed by the Sava Insurance Group (Zavarovalnica Sava and Vita) with a 20.9% market share. **Triglav, Zdravstvena zavarovalnica increased its market share in the health insurance segment to 31.5%** (compared to 30.1% as at 31 December 2022).

The market share of the Triglav Group and Zavarovalnica Triglav in Slovenia in 2023 and premium growth of Slovenia's market and the Triglav Group

	Triglav Group		Zavarovalnica Triglav		Growth index 2023/2022	
	Market share	Change	Market share	Change	Slovenian market	Triglav Group
Non-life insurance	42.1%	+0,8 p.p.	33.2%	+1,6 p.p.	110.0	112.2
Non-life insurance - excluding health insurance	46.1%	-0,3 p.p.	46.1%	-0,3 p.p.	116.3	115.6
Health insurance	31.7%	+1,4 p.p.	0.2%	0,0 p.p.	96.7	101.1
Life insurance	31.8%	-0,4 p.p.	26.9%	-0,5 p.p.	106.6	105.1
Total	39.5%	+0,6 p.p.	31.6%	+1,1 p.p.	109.1	110.7



39.5%
market share of
the Triglav Group

Slovenia
1st place

7.4.2 Croatia

After joining the Schengen area and the euro area, Croatia achieved economic growth of 2.7% in 2023. Inflation, despite a slight decline, stagnated at a high 8.6%, while the unemployment rate has fallen slightly to 6.3%.

Economic growth benefited from strong growth in tourism, boosted by enhanced European integration, a recovery in household consumption and investment activity supported by EU funding programmes. Contrary to expectations, real export activity declined slightly due to the cooling of the economies of key trading partners.

Moderate economic growth (2.6%) is expected for the year ahead, which will be tested mainly by inflation (IMF forecast: 4.2%) and its pressures on real income, as well as external demand and investment activity. The labour market will continue to encounter challenges, particularly regarding the ongoing shortage of skilled workers, which has persisted since EU accession. The year 2024 is an election year in Croatia, with presidential, parliamentary and EU elections.

Insurance market

As at 31 December 2023, a total of 14 insurance companies were active in Croatia's market (nine composite insurers, four non-life insurers and one life insurer), one less than in the previous year, as Wüstenrot životno osiguranje merged with Merkur osiguranje. Their total written premium was 7.1% higher than the year before (as of this year, market share calculations for Croatia's insurance market are based on premium paid). Non-life insurance premium

increased by 13.8%, whereas life insurance premium fell by 15%. In total written premium, non-life insurance premium rose to 81.6% (compared to 76.8% in the preceding year), while life insurance accounted for the rest.

Market concentration continued to be high, with top three insurers controlling more than 50% of the market. With a 25.1% market share, Croatia osiguranje maintained its dominant position (1.6 percentage points more than in the preceding year). With a 5.2% market share, down by 0.3 percentage point relative to the year before, Triglav Osiguranje, Zagreb ranked eighth (seventh in the previous year).

Development of Croatia's insurance market

Premium per capita (data for 2022)	EUR 433
Premium as percentage in GDP (data for 2022)	2.6%
Insurance market growth index in 2023	107.1

Source: Swiss RE, SIGMA 3/2023, Croatian Insurance Bureau

5.2%
market share of
the Triglav Group

Croatia
8th place



7.4.3 Serbia

Recessionary pressures in the euro area and uncertain global economic growth outlook led to a slight downward revision of Serbia’s initial GDP growth estimate for 2023 to 2.0%. The annual inflation rate reached 12.4% (IMF estimate), driven by high cost pressures, primarily stemming from the international environment, and the unemployment rate declined to 9.1%.

The lower-than-targeted economic growth was mainly driven by a slowdown in the construction sector, due to rising prices of materials, and lower growth in the agricultural sector, due to drought. However, foreign direct investment in high-value-added sectors shows great potential in the period ahead.

Looking forward, Serbia will need to maintain a stable economy while promoting sustainable growth and managing inflation effectively. Continued investment in infrastructure and digitalisation is expected to bolster economic growth, with the global economic situation and international events playing an important role.

Insurance market

Serbia’s insurance market was characterised by high concentration, where 16 insurance companies were active (six composite insurers, six non-life insurers and four life insurers). The top four insurers (Dunav, Generali Osiguranje, DDOR and Wiener) control almost two thirds of the market. Total written premium increased by 16.3% in the first nine months of 2023. Non-life insurance premium recorded 19% growth, while life insurance premium

growth stood at 5.9%. In total written premium, non-life insurance premium climbed to 81.5% (compared to 79.7% in the preceding year).

Our insurer in Serbia, **Triglav Osiguranje, Belgrade**, increased its market share to 7.5% (compared to 7.3% in the previous year), maintaining its fifth place. Its written premium growth was higher than the Serbian insurance market growth (index 119.1).

Development of Serbia's insurance market	
Premium per capita (data for 2022)	EUR 168
Premium as percentage in GDP (data for 2022)	1.9%
Insurance market growth index in Q1-Q3 2023	116.3

Source: Swiss RE, SIGMA 3/2023, National Bank of Serbia



7.5%

market share of the Triglav Group

(Data for Q1-Q3 2023)

Serbia

5th place

7.4.4 Montenegro

According to the IMF, Montenegro’s economy grew by 4.5% in real terms in 2023, whereas the annual inflation rate declined slightly, but remained high at 8.3%. The unemployment rate was 11.8%.

Economic growth was mainly driven by social reforms and their impact on stimulating household consumption. In addition, the positive impacts of a successful tourist season and investment in tourism and energy infrastructure are clearly visible.

In the future, Montenegro will need to focus on a sustainable economic model by removing obstacles to businesses entering its market and their growth, promoting trade and supporting the workforce, with an emphasis on ensuring equal opportunities. In this context, enhancing the effectiveness of public institutions and upholding the rule of law are also key for attaining a higher standard of living and maintaining macroeconomic stability.

Insurance market

As at 31 December 2023, a total of nine insurance companies were active in Montenegro’s insurance market (five non-life insurers and four life insurers). Total written premium was 10.3% higher than the year before, with both non-life insurance and life insurance experiencing similar growth rates. In total written premium, non-life insurance continued to account for the bulk (80.2%).

The Triglav Group, represented by Lovćen Osiguranje and Lovćen životna osiguranja, maintained its leading position in the market, securing a 35.0% market share (compared to 37.8% in the previous year). The Group is followed by Sava Osiguranje and Uniqa Group (non-life and life insurance together) with a 17.3% and 15.7% market share respectively. The Group recorded 2.2% premium growth.

Development of Montenegro's insurance market	
Premium per capita (data for 2022)	EUR 176
Premium as percentage in GDP (data for 2022)	1.9%
Insurance market growth index in 2023	110.3

Source: Insurance Supervision Agency of Montenegro

35.0%
market share of
the Triglav Group

Montenegro
1st place



7.4.5 Bosnia and Herzegovina

Bosnia and Herzegovina recorded a 2.0% GDP growth rate in 2023. The inflation rate fell from 14.0% in 2022 to 5.5%, while the unemployment rate remained very high at 15.3%.

Lower economic growth stemmed from decreased net exports and a decline in household consumption attributed to lower purchasing power due to inflationary pressures. Going forward, the country's priorities will include implementing structural reforms aimed at enhancing the economy's competitiveness, particularly by alleviating fiscal burdens, simplifying administrative procedures and curbing the emigration of skilled workers.

The geopolitical crisis caused by the Russian invasion of Ukraine was also reflected in the political developments in Bosnia and Herzegovina, where internal political tensions temporarily prevented the work of all institutions at federal level. In contrast, the government made some progress in meeting the requirements for EU accession and the country's credit rating was upgraded by one notch in August 2023.

Insurance market

As at 31 December 2023, 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. Total written premium in the BiH market rose by 11.7%. Premium written in the Federation of BiH grew by 9.8% and in Republika Srpska by 15.8%.

In total written premium, non-life insurance premium continued to account for 79.8%.

In the Federation of BiH, the Agram corporate group (Adriatic osiguranje and Euroherc) remained the market leader with a 23% market share. **Triglav Osiguranje, Sarajevo** held a 10.6% market share (compared to 10.8% in the preceding year), ranking third (second the year before).

Holding a 12.2% market share, Grawe osiguranje was the market leader in Republika Srpska. **Triglav Osiguranje, Banja Luka** and **Triglav Osiguranje, Sarajevo branch** together increased their market share to 6.6% (up by 0.3 percentage point year-on-year) and ranked fifth (seventh the year before).

In Bosnia and Herzegovina, **the Triglav Group** reached a 9.3% market share (down by 0.1 percentage point year-on-year) and maintained its fourth place among the insurance groups. It recorded 10.8% premium growth, which was slightly less than the insurance market growth.

Development of Bosnia and Herzegovina's insurance market

Premium per capita (data for 2022)	EUR 128
Premium as percentage in GDP (data for 2022)	1.9%
Insurance market growth index in 2023	111.7

Source: FBiH Insurance Supervision Agency, RS Insurance Agency

9.3%
market share of
the Triglav Group

**Bosnia and
Herzegovina**

4th place



7.4.6 North Macedonia

The IMF estimates that North Macedonia's economy grew by 2.5% in 2023. The annual inflation rate persisted at a high 10.0%, driven by global economic developments and local corporate profits, while the unemployment rate fell to 14.3%.

The lower-than-forecasted economic growth is primarily due to the impact of high inflation on domestic consumption, restrictive monetary policy and lower foreign direct investment. Inflation is expected to moderate in 2024 (IMF forecast: 4.3%), boosting consumption and increasing public spending on EU-supported infrastructure projects. This, together with the gradual recovery of the euro area, could have a positive impact on economic growth.

Going forward, North Macedonia will face especially the challenges of implementing structural reforms to raise productivity and competitiveness. Its economic growth potential stems from the anticipated enhanced regional integration, support for the transition to a green economy and education of the labour force.

Insurance market

A total of 16 insurance companies were active in North Macedonia's insurance market (11 non-life insurers and five life insurers), of which Osiguruvanje Makedonija also holds a licence to conduct reinsurance business. Total written premium in North Macedonia's insurance market rose by 12.2% in 2023.

Non-life insurance premium, representing 82.7% of total written premium, grew by 12.8% and life insurance premium by 9.3%.

With its two companies, the **Triglav Group** achieved a 13.4% market share in North Macedonia's market (compared to 14.7% in the previous year), retaining its third place among insurance groups. Holding a 10.3% market share (down 1.6 percentage points year-on-year), **Triglav Osiguruvanje, Skopje** continues to remain the leader in North Macedonia's insurance market. The insurer specialises in non-life insurance, holding a 12.4% market share (compared to 14.4% in the previous year). **Triglav Osiguruvanje Život, Skopje** significantly increased its share in the life insurance market to 18.1% (compared to 16.1% in the previous year).

Development of North Macedonia's insurance market

Premium per capita (data for 2022)	EUR 113
Premium as percentage in GDP (data for 2022)	1.6%
Insurance market growth index in 2023	112.2

Source: Insurance Supervision Agency of North Macedonia

13.4%
market share of
the Triglav Group

**North
Macedonia**
3rd place



8. Financial result of the Triglav Group and Zavarovalnica Triglav

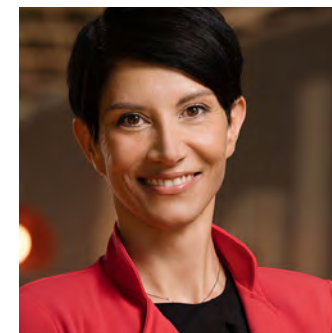
- The Triglav Group's total business volume grew by 12%, while the contractual service margin increased by 28%.
- In a challenging environment, the Group generated earnings before profit of EUR 21.1 million.
- The deteriorated combined ratio in Non-Life and Health segments resulted from the price cap on supplemental health insurance, CAT events and the effects of inflation.
- Life and Asset Management segments performed well.
- The favourable situation in the financial markets had a positive impact on the return on the Group's investments.

The Triglav Group operated in a challenging environment marked by CAT events, changes in Slovenia's healthcare system and the ongoing effects of inflation. Taking into account the negative impact of these one-off events, the Group achieved **earnings before tax** of EUR 21.1 million in 2023 (2022: EUR –10.0 million taking into account new accounting standards) and **net earnings** of EUR 16.3 million.

By actively implementing its strategic guidelines, the Group increased its **total business volume** by 12% and the **contractual service margin** by 28%. **Other comprehensive income** was positive and amounted to EUR 34.7 million, whereas in the previous year it was negative (EUR –50.9 million). This was mainly due to the favourable situation in the financial markets and, during the year, to the tactical shorter average maturity of debt investments than liabilities, which resulted in the positive change in the value of the Group's debt portfolio exceeding the change in the value of the Group's liabilities. **Net return on equity** was 1.8%, reflecting lower net earnings.

The Group's business performance was significantly impacted by CAT events, particularly hailstorms and strong wind as well as August floods (see [Section 7.2 Environmental impact on the Triglav Group's operations](#) for more information), which led to a high growth in claims. The gross impact of CAT events on the result that includes gross crop insurance claims and inward reinsurance amounted to EUR 212.2 million, while the net impact, taking into account reinsurance, is estimated at EUR 85.9 million. The effects of the claims inflation, which in accordance with the new accounting standard already had a significant effect on the claims ratio last year, also affected the growth of claims in 2023. In this regard, part of the increase in insurance revenue stemmed from premium adjustments to inflation, while the full impact of the premium increase will manifest in the following year. The Group also responded to high inflation and higher inflationary expectations by implementing a number of measures related to claims settlement and management of expenses.

The Group's operations were adversely affected by legislative changes to Slovenia's healthcare system (see [sections 7.2 Environmental impact on the Triglav Group's operations](#) and [8.3 Health segment](#) for more information), as a result of which earnings before tax of the health insurance segment were negative in the amount of EUR –29.8 million.

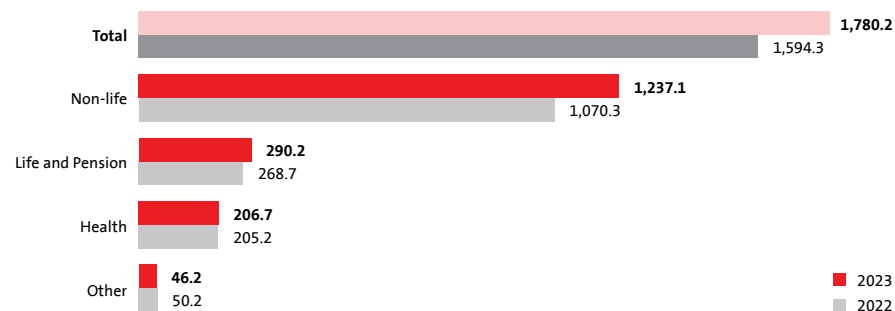


“We have concluded the challenging project of implementing IFRS 17, confident

that it will enhance transparency in our financial reporting and foster comparability with insurance companies worldwide.”

Tina Cvar, Executive Director of Accounting, Zavarovalnica Triglav

Total business volume of the Triglav Group by segment (EUR million)



Zavarovalnica Triglav achieved earnings before tax of EUR 45.6 million (2022: EUR 1.4 million taking into account new accounting standards) and net earnings of EUR 38.7 million. The insurance operating result was positive and amounted to EUR 17.6 million despite major CAT events. Premium rates were adjusted in line with the claims inflation. Inflation also had an impact on the increase in operating expenses. Net investment result amounted to EUR 28.0 million, up by 31% year-on-year, as a result of the favourable situation in the financial markets and the payment of dividends from subsidiaries (EUR 16.4 million, 2022: EUR 32.7 million). The Company's other comprehensive income amounted to EUR 28.4 million (2022: EUR –36.5 million).

Certain categories of the Group's operations and the structure of earnings generated in 2023 are explained in more detail below.

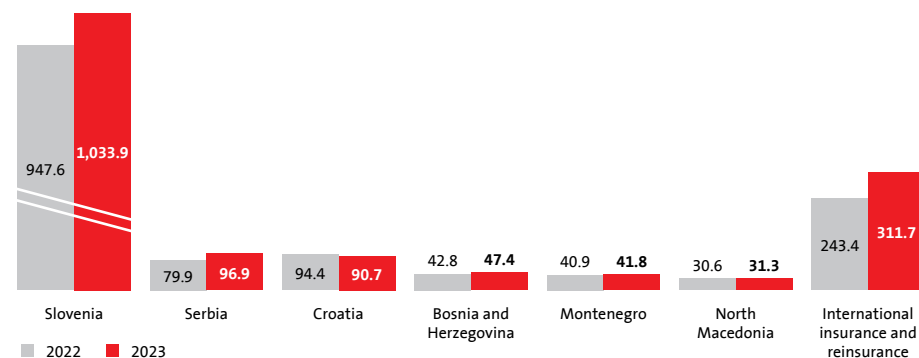
The Group's **total revenue** in the amount of EUR 1,425.2 million rose by 11% as a result of its high growth in both the Life and Pension segment (index 115) and the Non-Life segment (index 114). **Insurance revenue** grew by 12% to EUR 1,351.2 million and asset management income increased by 6% to EUR 39.7 million, whereas other income fell by 2% to EUR 34.3 million.

Insurance revenue of the Triglav Group by segment (EUR million)



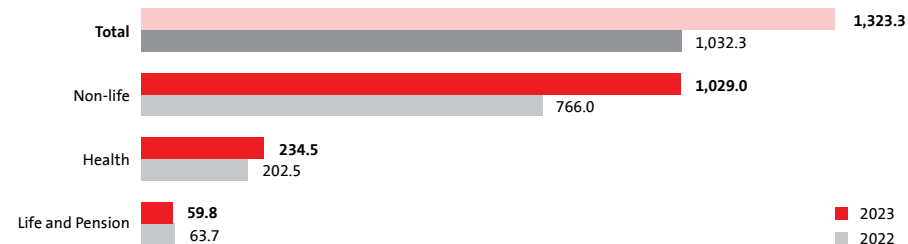
The Group's insurance companies charged **EUR 1,653.7 million in consolidated gross written premium**, up by 12% year-on-year. In the Slovenian market, premium grew by 9%, in the international market by 28% and in other markets of the Adria region by 7%. A total of 62.5% of premium was earned in the Slovenian insurance market (2022: 64.0%) and 18.6% in the remaining markets of the Adria region (2022: 19.5%), while the share of international insurance and reinsurance increased by 2.4 percentage points to 18.8%.

Gross written premium of the Triglav Group by market (EUR million)



Insurance service expenses increased significantly, i.e. by 28%, to EUR 1,323.3 million. Their high growth was predominantly influenced by a 34% increase in expenses in the Non-Life segment, while expenses in the Health segment grew by 16%. The Life and Pension segment expenses declined by 6%.

Insurance service expenses of the Triglav Group by segment (EUR million)



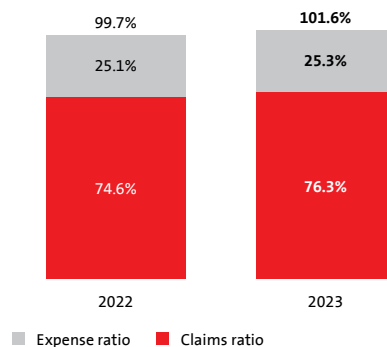
The Group's combined ratio in Non-Life and Health stood at 101.6%, up by 1.9 percentage points year-on-year. The combined ratio in Non-Life reached 99.4%, down by 0.3 percentage point year-on-year. The decrease was driven by higher insurance revenue and the reinsurance result, despite strong claims growth. Due to the negative effects resulting from supplemental health insurance, the combined ratio in Health increased by 12.8 percentage points to 112.9%.

The Group's CSM of new contracts amounted to EUR 42.3 million in 2023, the bulk of which (85%) was generated in the Life segment and the remaining 15% in the Non-Life segment. The share of the CSM of new contracts in total contractual service margin was 17.8%, down by 2.5 percentage points year-on-year. The release of the contractual

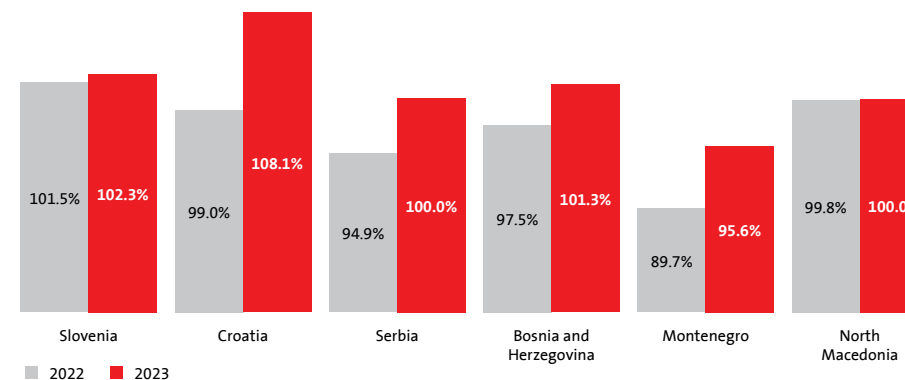
service margin to profit or loss amounted to EUR 39.8 million in the reporting period, up by 22% year-on-year.

The Group's contractual service margin was higher by EUR 52.0 million. This was primarily due to the change in expected cash flows driven by the revaluation of life insurance sums insured and premiums, and to a lesser extent by the change in some of the assumptions used to calculate the present value of the expected cash flows of life insurance policies, as well as by higher expected future recovered management fees from higher unit-linked life insurance assets.

Combined ratio in Non-Life and Health segments of the Triglav Group



Combined ratio in Non-Life and Health segments of the Triglav Group by market

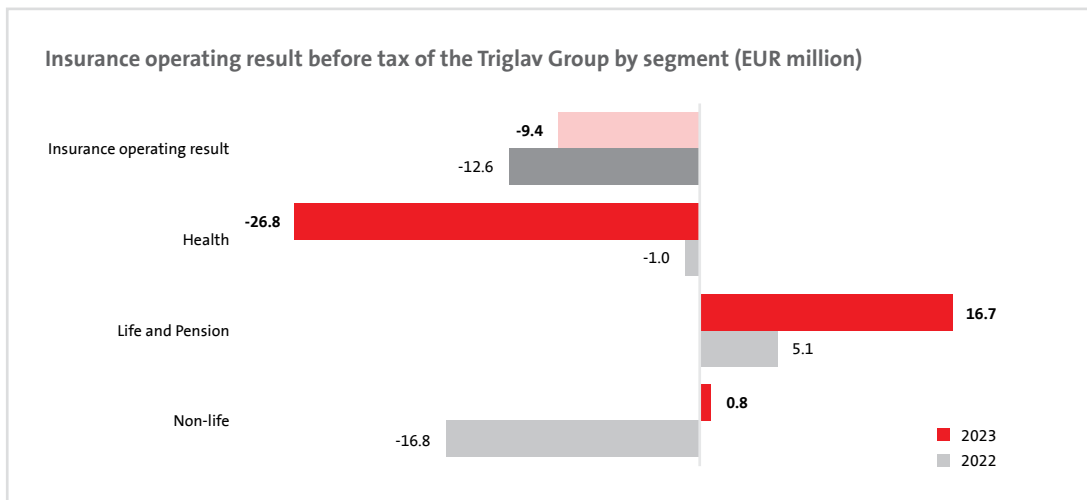


Structure of earnings before tax of the Triglav Group

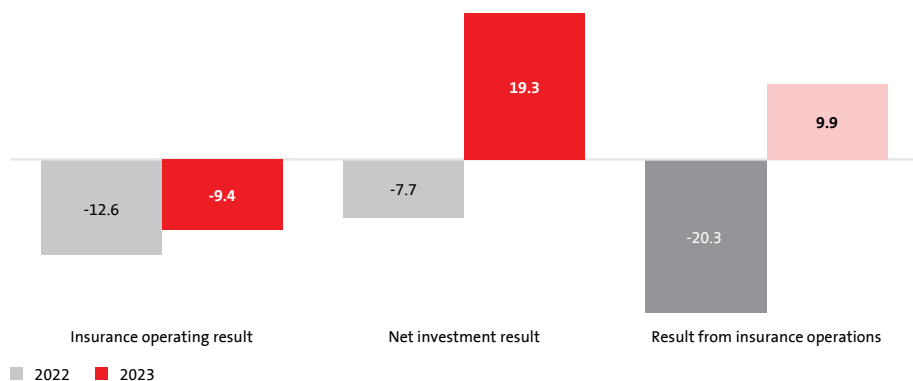
	2023					2022				
	Non-Life	Life and Pension	Health	Asset Management and Other	Total	Non-Life	Life and Pension	Health	Asset Management and Other	Total
Insurance operating result	760,064	16,735,367	-26,845,573		-9,350,142	-16,792,723	5,136,528	-971,931		-12,628,126
Insurance revenue	1,056,160,921	85,367,869	209,657,875		1,351,186,665	923,531,228	78,086,766	204,984,870		1,206,602,864
Claims incurred	779,748,801	25,603,176	215,894,996		1,021,246,973	552,348,057	31,037,168	184,355,918		767,741,143
Acquisition and administrative costs including non-attributable items	293,627,582	48,478,623	20,858,443		362,964,648	256,653,742	47,572,454	20,920,438		325,146,634
Net reinsurance service result	30,019,238	1,619,193	-31,861		31,606,570	-105,183,452	729,544	0		-104,453,908
Net other insurance revenue and expenses	-12,043,712	3,830,104	281,852		-7,931,756	-26,138,700	4,929,840	-680,445		-21,889,305
Net investment result	10,866,957	11,404,011	-2,984,851	2,740,539	22,026,656	2,489,796	-9,254,154	-914,599	-6,649,239	-14,328,196
Result from non-insurance operations				8,383,922	8,383,922				16,929,781	16,929,781
Total earnings before tax	11,627,021	28,139,378	-29,830,424	11,124,461	21,060,436	-14,302,927	-4,117,626	-1,886,530	10,280,542	-10,026,541

The Group's **insurance operating result** reached EUR –9.4 million (2022: EUR –12.6 million taking into account new accounting standards). Despite a 14% growth in insurance revenue, the insurance operating result of the Non-Life segment (EUR 0.8 million) was negatively impacted by a high 41% growth in claims incurred (see [Section 8.1 Non-life segment](#) for more information). The negative result in the Health segment is mainly due to the high growth in claims incurred following the price cap on supplemental health insurance premium (see [Section 8.3 Health segment](#) for more information). Insurance operating result before tax of the Life and Pension segment increased to EUR 16.7 million (index 326). Net reinsurance service result reached EUR 31.6 million (2022: –104.5 million), driven by an increase in reinsurance revenue of the Non-Life segment to be reimbursed by reinsurers for claims incurred as a result of CAT events. Acquisition and administrative costs including non-attributable items totalled EUR 362.9 million, up by 12%.

Net investment result amounted to EUR 22.0 million, whereas in the preceding year it was negative at EUR –14.3 million. Investment result amounted to EUR 83.6 million (2022: EUR –88.6 million), whereas financial result from insurance contracts was negative at EUR –69.7 million (2022: EUR 82.2 million). The result was positively affected by the change in provisions for not achieving the guaranteed yield in the amount of EUR 8.1 million (2022: EUR –9.8 million).

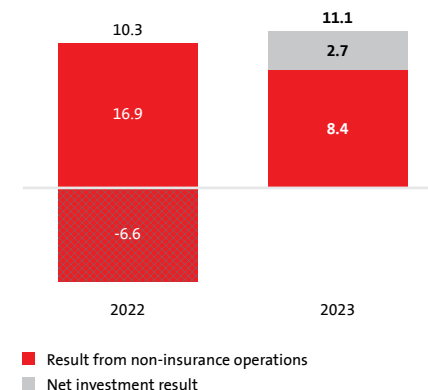


Earnings before tax of the Triglav Group's insurance operations (EUR million)



Earnings before tax of Asset Management and Other non-insurance operations grew by 8% to EUR 11.1 million. The operating result amounted to EUR 8.4 million (a 50% decrease compared to 2022, as the previous year's result was significantly affected by the gains on disposal of real property), while the investment result amounted to EUR 2.7 million.

Earnings before tax of the Triglav Group's Asset Management and Other non-insurance operations (EUR million)



Operating expenses

The Group's consolidated operating expenses, including other attributable insurance service expenses, increased by 12% to EUR 429.0 million. Operating expenses increased by 11% to EUR 434.1 million, other attributable insurance service expenses were up by 24% (EUR 23.8 million) and the change in deferred acquisition costs reduced the expenses by EUR 13.6 million (index 114).

Acquisition costs grew by 15% and totalled EUR 92.8 million. The significant increase in 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). Their increase was also influenced by the higher volume of transactions concluded under the principle of free movement of services (FOS) in the EU.

At 45.6%, *labour costs* accounted for the largest portion of total expenses. They amounted to EUR 197.9 million, up by 13% relative to the preceding year. The increase in labour costs resulted from the higher number of employees in some companies, adjustments to basic salaries due to inflationary pressures, growth of agent costs due to premium growth and higher other labour costs.

Costs of services increased by 9% year-on-year, reaching EUR 117.1 million. Among them, the bulk was accounted for by costs of other services (EUR 28.7 million), costs of representation, advertising and sponsorships (EUR 23.6 million), followed by maintenance costs (EUR 16.7 million). The main cost drivers in this group were:

- *costs of short-term leases* (index 139), mainly the costs of IT equipment rentals and leases;
- *costs of maintenance services* (index 114), particularly the costs of maintenance services for software, hardware and communication equipment;
- *other costs of services* (index 108), with the highest growth in the costs of computer services.

Non-consolidated operating expenses from insurance operations rose by 11% to EUR 387.5 million, primarily as a result of higher acquisition costs due to increased business volume and higher labour costs. Attributable costs of EUR 328.5 million accounted for 84.8% of expenses from insurance operations, while non-attributable costs accounted for the remaining 15.2%. **Non-consolidated expenses from non-insurance operations** increased by 12% and totalled EUR 46.6 million, mainly as a result of higher labour costs and higher costs of services. The increase in other attributable insurance expenses (index 124) was predominantly due to higher expenses for fire fee.

Operating expenses of the Triglav Group by nature

	2023	2022	Index	Share
Acquisition costs	92,806,454	81,026,082	115	21.4%
Cost of goods sold	-65,286	-6,723	971	0.0%
Depreciation/amortisation costs	26,291,666	26,166,679	100	6.1%
Depreciation/amortisation costs of leased assets	6,699,012	6,560,347	102	1.5%
Depreciation/amortisation costs of other operating assets	19,592,654	19,606,332	100	4.5%
Labour costs	197,947,600	175,509,591	113	45.6%
Wages and salaries	136,779,849	121,997,574	112	31.5%
Social and pension insurance costs	29,779,769	26,478,600	112	6.9%
Other labour costs	31,387,982	27,033,417	116	7.2%
Costs of services	117,124,839	107,743,592	109	27.0%
Costs of entertainment, advertising and trade shows	23,610,478	22,915,094	103	5.4%
Maintenance costs	16,722,517	14,651,726	114	3.9%
Costs of materials and energy	10,047,185	10,763,961	93	2.3%
Costs of payment transactions and banking services	2,550,277	2,480,274	103	0.6%
Insurance premium costs	2,113,737	1,367,534	155	0.5%
Costs of intellectual services	9,403,594	8,582,630	110	2.2%
Training costs	1,559,320	1,509,889	103	0.4%
Expenses for short-term leases, low-value leases and other leases	8,276,771	5,975,231	139	1.9%
Costs of transport and communications services	6,459,294	5,972,112	108	1.5%
Reimbursement of labour-related costs	5,596,541	5,248,474	107	1.3%
Costs of services provided by natural persons other than sole proprietors	2,070,808	1,809,240	114	0.5%
Other costs of services	28,714,317	26,467,427	108	6.6%
Total operating expenses (1)	434,105,273	390,439,221	111	100.0%
Other attributable insurance service expenses (2)	23,795,694	19,126,540	124	
Change in deferred acquisition costs (3)	-13,616,542	-11,985,247	114	
Total (1+2+3)	444,284,425	397,580,514	112	
Elimination of intercompany transactions	-15,269,700	-13,600,659	112	
Total consolidated (1+2+3+4)	429,014,725	383,979,855	112	

Operating expenses of the Triglav Group

	2023					2022				
	Operating expenses	Other attributable insurance service expenses	Changes in deferred acquisition costs	Elimination of intercompany transactions	Total	Operating expenses	Other attributable insurance service expenses	Changes in deferred acquisition costs	Elimination of intercompany transactions	Total
Attributable costs	328,462,819	23,592,298	-13,616,542	-2,592,319	335,846,256	291,460,732	17,426,563	-11,985,247	-2,557,606	294,344,442
Attributable acquisition costs	214,668,318	213,309	-13,616,542	-1,080,487	200,184,598	191,558,019	0	-11,985,247	-1,120,998	178,451,774
Attributable claim handling expenses	29,992,668	3,844,303			33,836,971	27,599,961	2,193,833			29,793,794
Attributable administrative costs	83,801,833	19,534,686		-1,511,832	101,824,687	72,302,752	15,232,730		-1,436,608	86,098,874
Non-attributable costs	58,998,876	203,396		-11,137,602	48,064,670	57,323,799	1,699,977		-9,873,812	49,149,964
Insurance operations	387,461,695	23,795,694	-13,616,542	-13,729,921	383,910,926	348,784,531	19,126,540	-11,985,247	-12,431,418	343,494,406
Non-insurance operations	46,643,578			-1,539,779	45,103,799	41,654,690			-1,169,241	40,485,449
Total	434,105,273	23,795,694	-13,616,542	-15,269,700	429,014,725	390,439,221	19,126,540	-11,985,247	-13,600,659	383,979,855
	Index									
Attributable costs	113	135	114	101	114					
Attributable acquisition costs	112	0	114	96	112					
Attributable claim handling expenses	109	175	0	0	114					
Attributable administrative costs	116	128	0	105	118					
Non-attributable costs	103	12	0	113	98					
Insurance operations	111	124	114	110	112					
Non-insurance operations	112	0	0	132	111					
Total	111	124	114	112	112					

Investments

The Triglav Group manages its investment portfolio conservatively to ensure adequate investment yield, safety and liquidity, aiming to achieve a high credit rating for the total portfolio. In accordance with its sustainable development policy, the share of environmental, social and governance (ESG) aspects is being increased.

In 2023, through active investing, the Group **maintained the structure of its investment portfolio comparable to the balance as at 31 December 2022**; it was worth EUR 3,398.5 million, up by 4% year-on-year. The bulk (54.7%) of the investment portfolio was accounted for by bonds invested in developed markets, most of which have a high credit rating. Their value, as well as the value of the equity portfolio, was also affected by the situation on the financial markets and the diversification of investments, in addition to the partial optimisation of the Group's capital adequacy. The structure of financial investments is discussed in greater detail in [Section 3.4 of the Accounting Report](#).

Investments of the Triglav Group as at 31 December 2023 and 31 December 2022

	Investments		Index	Share	
	31 Dec 2023	31 Dec 2022	2023/2022	31 Dec 2023	31 Dec 2022
Investment property	67,953,773	68,325,487	99	2.0%	2.1%
Investments in associates and joint ventures	37,708,062	37,810,184	100	1.1%	1.2%
Shares and other variable-income securities	168,680,198	199,820,678	84	5.0%	6.1%
Debt and other fixed-income securities	1,860,044,900	1,801,656,173	103	54.7%	55.4%
Loans given	6,557,904	5,784,491	113	0.2%	0.2%
Bank deposits	65,794,876	79,458,018	83	1.9%	2.4%
Other financial instruments	872,414	934,751	93	0.0%	0.0%
Total (1)	2,207,612,127	2,193,789,782	101	65.0%	67.5%
Unit-linked life insurance assets (2)	540,890,478	469,528,905	115	15.9%	14.4%
Financial investments from financial contracts (3)	650,042,171	589,033,089	110	19.1%	18.1%
Total (1 + 2 + 3)	3,398,544,776	3,252,351,776	104	100.0%	100.0%

The majority of **unit-linked insurance assets** is accounted for by assets invested in mutual funds of the policyholders' choice, mainly in funds managed by Triglav Skladi. As at 31 December 2023, these assets amounted to EUR 540.9 million (index 115).

The Group's financial investments from financial contracts include individual and group supplemental voluntary pension insurance contracts of the parent company and Triglav, pokojninska družba, and totalled EUR 650.0 million as at 31 December 2023. Compared to the 2022 year-end, they increased by 10%. Financial contract assets and the types of financial investments from financial contracts are discussed in greater detail in [Section 3.5 of the Accounting Report](#).

As at the reporting date, the Group's **sustainable fixed-income investments** reached EUR 262.5 million, up by 18% year-on-year. Their share in the total bond portfolio increased to 11.1%, exceeding the Group's strategic targets.

Sustainable (ESG) fixed-income investments of the Triglav Group

	Debt securities		Indeks	Share in debt securities	
	31 Dec 2023	31 Dec 2022	2023/2022	31 Dec 2023	31 Dec 2022
Social impact bonds*	92,894,804	98,060,591	95	3.9%	4.3%
Green bonds**	157,009,420	110,964,143	141	6.7%	4.9%
Sustainable bonds***	12,595,979	13,839,732	91	0.5%	0.6%
Total ESG bonds	262,500,203	222,864,466	118	11.1%	9.9%

* 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.

Zavarovalnica Triglav's investments as at 31 December 2023 totalled EUR 2,444.3 million, up by 3% relative to 31 December 2022.

Investments of Zavarovalnica Triglav as at 31 December 2023 and 31 December 2022

	Investments		Index	Share	
	31 Dec 2023	31 Dec 2022	2023/2022	31 Dec 2023	31 Dec 2022
Investment property	43,427,181	43,377,173	100	1.8%	1.8%
Investments in subsidiaries	219,360,367	185,360,343	118	9.0%	7.8%
Investments in associates and joint ventures	37,218,841	37,369,536	100	1.5%	1.6%
Shares and other variable-income securities	118,763,970	134,252,558	88	4.9%	5.6%
Debt and other fixed-income securities	1,245,096,517	1,278,306,348	97	50.9%	53.7%
Loans given	4,547,639	4,409,207	103	0.2%	0.2%
Bank deposits	7,212,364	19,489,668	37	0.3%	0.8%
Total (1)	1,675,626,878	1,702,564,832	98	68.6%	71.6%
Unit-linked life insurance contract investments (2)	512,824,007	446,142,033	115	21.0%	18.7%
Financial investments from financial contracts (3)	255,841,272	230,801,334	111	10.5%	9.7%
Total (1 + 2 + 3)	2,444,292,157	2,379,508,199	103	100.0%	100.0%

Backed by a favourable trend in the financial markets, the Group's **investment result** amounted to EUR 83.8 million in 2023 (in 2022 it was negative in the amount of EUR –88.6 million). The result excluding unit-linked life insurance assets amounted to EUR 37.5 million (2022: EUR –11.6 million). Taking into account the financial result from insurance contracts of EUR –69.7 million and the change in provisions for not achieving the guaranteed yield in the amount of EUR 8.1 million (2022: EUR –9.8 million) and gains and impairments of investments in associates, the impact of the investment result on earnings was positive in the amount of **EUR 22.2 million** (2022: EUR –14.4 million).

The return on unit-linked life insurance assets is part of the total investment result, but at the same time affects the financial result from insurance contracts in the opposite amount. It amounted to EUR 46.3 million (2022: EUR –77.0 million), and the return on other investments was EUR 37.5 million (2022: EUR –11.6 million).

Return on financial investments of the Triglav Group

	Return on financial investments			Return excluding unit-linked life insurance assets		
	2023	2022	Index	2023	2022	Index
Interest income calculated using the effective interest method	35,098,297	26,675,896	132	35,098,297	26,675,896	132
Dividend income	2,705,064	4,686,546	58	2,705,064	4,686,546	58
Net gains/losses on financial assets at FVTPL	55,709,619	-88,965,394		9,377,481	-11,924,945	
Net gains/losses on financial assets at AC	464	1,689		464	1,689	
Net gains/losses on financial assets at FVOCI	-9,304,016	-23,907,162	39	-9,304,016	-23,907,162	39
Net impairment/reversal of impairment of financial assets	2,291,758	-7,545,764		2,291,758	-7,545,764	
Other investment income/expenses	-2,669,999	430,688		-2,681,221	431,179	
Total return on financial investments (1)	83,831,187	-88,623,501		37,487,827	-11,582,561	
Gains/losses and impairments of investments in associates (2)	-38,776	1,842,183		-38,776	1,842,183	
Total (1 + 2)	83,792,411	-86,781,318		37,449,051	-9,740,378	
Rate of return on investment	3.2%	-3.1%	+6.3 p.p.	1.8%	-0.4%	+2.2 p.p.

FVTPL – financial assets measured at fair value through profit or loss

AC – financial assets measured at amortised cost

FVOCI – financial assets measured at fair value through other comprehensive income

Net gains on financial assets at FVTPL recorded high profits in 2023, mainly due to unit-linked life insurance assets. Interest income rose by 32%, predominantly as a result of higher interest rates, which had been on the rise since the second half of 2022. Other investment expenses amounted to EUR 2.7 million and mostly represent negative exchange rate differences. The net reversal of impairment of financial investments recorded a positive result of EUR 2.3 million, mainly as a result of lower probabilities of default, which are measured using a mark-to-market approach according to the rules of the new IFRS 9. Dividend income reached EUR 2.7 million and was 42% lower than last year, which is also a result of the sale of certain equity investments last year.

The rate of return on investments of the Group (excluding unit-linked insurance assets) was 1.8% in 2023, whereas in 2022 it was –0.4%. Excluding exchange rate differences, the rate of return at Group level was 1.9% (2022: –0.4%).

Return on financial investments of Zavarovalnica Triglav

	Return on financial investments			Return excluding unit-linked life insurance assets		
	2023	2022	Index	2023	2022	Index
Interest income calculated using the effective interest method	21,611,210	17,120,985	126	21,611,210	17,120,985	126
Dividend income	2,441,534	4,410,224	55	2,441,534	4,410,224	55
Net gains/losses on financial assets at FVTPL	49,860,374	-76,608,014		3,635,228	432,435	
Net gains/losses on financial assets at FVOCI	-5,145,594	-21,945,662	23	-5,145,594	-21,945,662	23
Net impairment/reversal of impairment of financial assets	1,295,449	-5,131,543		1,295,449	-5,131,544	
Other investment income/expenses	71,752	543,832	13	71,932	544,323	13
Total return on financial investments (1)	70,134,725	-81,610,178		23,909,759	-4,569,239	
Gains/losses and impairments of investments in associates (2)	16,304,050	30,623,485	53	16,304,050	30,623,485	53
Total (1 + 2)	86,438,775	-50,986,693		40,213,809	26,054,246	154
Rate of return on investment	4.1%	-2.2%	+6.3 p.p.	2.4%	1.4%	+1.0 p.p.

Equity

The Triglav Group's total equity as at 31 December 2023 amounted to EUR 891.1 million, down by 1% year-on-year, whereas Zavarovalnica Triglav's total equity grew by 2% to EUR 669.2 million. Total equity in the Group's total balance sheet liabilities decreased by 1.9 percentage points to 21.7%. The decrease is due to the dividend payment of EUR 56.8 million against a total comprehensive income of EUR 50.9 million. Controlling interests declined by 1% to EUR 887.4 million. Non-controlling interests increased by 2% to EUR 3.7 million as a result of the positive net income attributable to non-controlling interests. The share capital of EUR 73.7 million remained unchanged and was divided into 22,735,148 ordinary shares.

Net earnings for the year disclosed in the balance sheet amounted to EUR -7.2 million and, due to the allocation of part of net earnings to other reserves from profit, were EUR 23.3 million lower than net earnings disclosed in the statement of profit or loss.

The Group's comprehensive income after tax in 2023 amounted to EUR 50.9 million (2022: EUR -57.9 million) and the parent company's to EUR 67.1 million (2022: EUR -27.6 million).

8.1 Non-Life segment

Performance results of the Non-Life segment

	Triglav Group			Zavarovalnica Triglav		
	2023	2022	Index	2023	2022	Index
Total business volume	1,237,115,325	1,070,288,314	116	841,675,614	729,588,903	115
Gross written premium	1,168,330,259	1,009,172,823	116	774,866,391	670,083,437	116
Other income	68,785,066	61,115,491	113	66,809,223	59,505,466	112
Total revenue	1,070,456,973	939,262,457	114	720,307,430	640,713,363	112
Insurance operating result	760,064	-16,792,723		2,083,878	-25,629,296	
Insurance revenue	1,056,160,921	923,531,228	114	709,194,358	628,205,421	113
Claims incurred	779,748,801	552,348,057	141	537,393,087	384,804,530	140
Acquisition and administrative costs including non-attributable items	293,627,582	256,653,742	114	203,541,839	176,121,165	116
Net reinsurance service result	30,019,238	-105,183,452		39,447,646	-75,371,258	
Net other insurance revenue and expenses	-12,043,712	-26,138,700		-5,623,200	-17,537,764	
Net investment result	10,866,957	2,489,796	436	19,420,462	25,335,221	77
Earnings before tax	11,627,021	-14,302,927		21,504,340	-294,075	
Combined ratio	99.4%	99.6%	-0.3 p.p.	99.2%	101.8%	-2.6 p.p.
CSM of new contracts/Total CSM	38.0%	47.9%	-9.9 p.p.	39.4%	48.4%	-9.0 p.p.
Operating expenses*	305,912,154	269,835,952	113	207,342,790	178,109,085	116
Expenses to written premium*	22.5%	23.1%	-0.6 p.p.	26.8%	26.6%	0.2 p.p.
Expenses to insurance revenue*	25.5%	25.9%	-0.4 p.p.	29.2%	28.4%	0.9 p.p.
	31 Dec 2023	31 Dec 2022	Index	31 Dec 2023	31 Dec 2022	Index
Contractual service margin (CSM)	16,697,354	16,204,600	103	15,732,207	15,360,300	102
Risk adjustment (RA)	30,188,968	42,533,657	71	11,724,267	23,229,779	50
Net insurance contract liabilities	978,725,901	794,357,407	123	687,817,382	550,286,739	125
Net reinsurance contract assets	320,919,906	171,978,486	187	305,976,870	163,835,775	187

* Non-consolidated data.

The total business volume of the non-life insurance segment amounted to EUR 1,237.1 million, recording a high 16% growth. Gross written premium in the non-life insurance segment grew at the same rate. In the Slovenian market, premium grew by 14%, in the international market by 28% and in other markets of the Adria region by 7%. A lower year-on-year premium was written in Croatia (a lower exposure to animal insurance, crop insurance, credit insurance and marine insurance) and North Macedonia (a lower volume of motor vehicle liability insurance due to the termination of cooperation with certain brokerage companies). High growth in none-life insurance premium due to attracting new policyholders

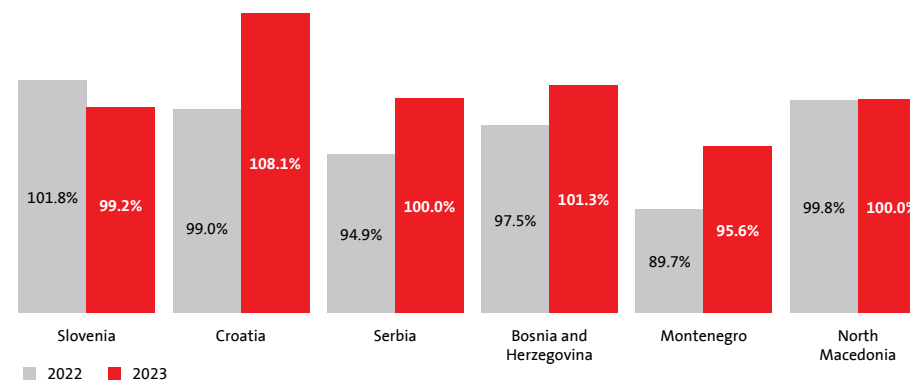
was recorded in Serbia and Bosnia and Herzegovina. Premium growth was recorded in most non-life insurance groups, with the exception of credit insurance. Other non-life insurance (marine insurance and assistance insurance) and motor vehicle insurance achieved the highest growth. The total revenue of the non-life insurance segment amounted to EUR 1,070.5 million, up by 14%, which was mostly influenced by the growth in insurance revenue due to higher insurance coverage, the increase in premium rates due to inflation and the growth of insurance sales under the principle of free movement of services (FOS).

Non-consolidated gross claims paid grew by 49%. Their high growth resulted from this year's larger volume of CAT events (see [Section 7.2 Environmental impact on the Triglav Group's operations](#) for more information) and the rise in the prices of materials and services due to inflation, which was most pronounced in Slovenia and Serbia. Gross claims paid increased the most in real property and motor vehicle insurance. Pozavarovalnica Triglav Re also recorded a high 92% increase in gross claims paid due to the hailstorms and floods. Non-life insurance **claims incurred**, which also comprise the change in cash flows, the change in experience correction and the effects of allocation to onerous contracts, grew by 41% to EUR 779.7 million at Group level and by 40% to EUR 537.4 million at the parent company.

The insurance operating result of the non-life insurance segment was EUR 0.8 million. The result was driven by high growth in claims paid (index 141) and a 14% increase in acquisition, administrative and non-attributable costs. Net reinsurance service result reached EUR 30.0 million (2022: EUR –105.2 million), driven by an increase in reinsurance income to be reimbursed by reinsurers for CAT claims stemming from storms and floods. The increase in **the investment result** (EUR 10.9 million) was affected by the favourable situation in the financial markets, resulting in higher returns on investment. **Earnings before tax of the non-life insurance segment** amounted to EUR 11.6 million (2022: EUR –14.3 million).

The combined ratio in non-life insurance stood at 99.4%, down by 0.3 percentage point year-on-year. The decrease was driven by higher insurance revenue and the reinsurance result, despite strong claims growth. The claims ratio and the expense ratio improved by 0.2 percentage point and 0.1 percentage point respectively.

Combined ratios of Non-Life segment by the Triglav Group insurance market



8.2 Life and Pension segment

Performance results of the Life and Pension segment

	Triglav Group			Zavarovalnica Triglav		
	2023	2022	Index	2023	2022	Index
Total business volume	290,163,026	268,666,303	108	219,062,078	205,231,724	107
Gross written premium	278,836,834	266,160,975	105	207,895,186	198,780,186	105
Other income	11,326,191	2,505,328	452	11,166,892	6,451,538	173
Total revenue	101,989,927	88,468,816	115	74,409,024	67,278,320	111
Insurance operating result	16,735,367	5,136,528	326	15,488,917	5,587,148	277
Insurance revenue	85,367,869	78,086,766	109	66,443,012	61,998,800	107
Claims incurred	25,603,176	31,037,168	82	16,759,427	21,229,338	79
Acquisition and administrative costs including non-attributable items	48,478,623	47,572,454	102	35,545,384	36,284,102	98
Net reinsurance service result	1,619,193	729,544	222	0	0	0
Net other insurance revenue and expenses	3,830,104	4,929,840	78	1,350,716	1,101,788	123
Net investment result	11,404,011	-9,254,154		8,568,256	-3,900,080	
Earnings before tax	28,139,378	-4,117,626		24,057,172	1,687,068	1,426
CSM of new contracts/Total CSM	16.2%	17.6%	-1.3 p.p.	12.6%	16.2%	-3.5 p.p.
New business margin	14.6%	11.4%	3.2 p.p.	13.9%	13.2%	0.7 p.p.
Contractual service margin sustainability	1.2	1.2	102	1.0	1.2	87
Operating expenses*	60,694,540	58,486,617	104	44,604,365	43,265,894	103
Expenses to written premium*	21.1%	21.3%	-0.2 p.p.	21.5%	21.8%	-4.4 p.p.
Expenses to insurance revenue*	71.1%	74.9%	-3.8 p.p.	67.1%	69.8%	-2.7 p.p.
	31 Dec 2023	31 Dec 2022	Index	31 Dec 2023	31 Dec 2022	Index
Contractual service margin (CSM)	221,656,867	170,133,370	130	209,642,300	160,284,153	131
Risk adjustment (RA)	33,264,554	26,080,994	128	31,137,721	24,160,477	129
Net insurance contract liabilities	1,305,706,187	1,233,378,861	106	1,186,897,584	1,130,729,047	105
Net reinsurance contract assets	384,510	7,890,550	5	0	0	0

* Non-consolidated data.

The total business volume of the life and pension insurance segment amounted to EUR 290.2 million, up by 8% year-on-year. Gross written premium grew by 5% and premium growth was achieved in all insurance markets, with the exception of Bosnia and Herzegovina's market. A 10% growth was seen in unit-linked life insurance, primarily as a result

of premium growth at the parent company (due to higher premium payments and asset transfers) and higher premium payments into the pension insurer's lifecycle guarantee funds. The significant growth in other income mainly resulted from the reimbursement of the Sarajevo-based reinsurer's premium, which in turn was reflected in higher mathematical

provisions; therefore, the income had no impact on earnings.

Non-consolidated gross claims paid in the life and pension insurance segment rose by 11%. Among them, traditional life insurance claims grew by 13%, mainly as a result of higher payouts at the parent company (due to policy maturity) and

at the Croatian insurer and the Sarajevo-based insurer (higher payouts due to policy maturity and surrender). The 7% growth in unit-linked life insurance claims primarily stemmed from increased payouts resulting from policy surrenders and advances at the parent company. Life and pension insurance claims incurred, which also comprise the change in cash flows, the change in experience correction and the effects of allocation to onerous contracts, declined by 18% to EUR 25.6 million at Group level and by 21% to EUR 16.8 million at the parent company. The decrease was mainly due to the adjustment of the expected longevity assumptions and the appropriate consideration of the indexation of unit-linked insurance contracts at the parent company.

The total revenue of the life and pension insurance segment rose by 15%, with insurance revenue recording a 9% growth, income from asset management fees recording a 5% growth and other income recording a 172% growth.

Earnings before tax of the Group's life and pension insurance segment amounted to EUR 28.1 million (2022: EUR -4.1 million). Insurance operating result before tax increased to EUR 16.7 million (index 326), driven by higher insurance revenue due to a higher release of the contractual service margin, lower claims paid due to a decline in loss of onerous contracts and, to a lesser extent, net reinsurance result. Investment result before tax of the Group's life and pension insurance segment amounted to EUR 11.4 million, whereas last year it was negative (EUR -9.3 million). The good investment result stemmed from favourable circumstances and higher returns on financial markets, which led to the release of provisions for not achieving the guaranteed yield on supplemental voluntary pension insurance (a positive impact of EUR 8.1 million euro compared to the negative impact of EUR -9.8 million in 2022).

Earnings before tax of the Company's life and pension insurance segment increased to EUR 24.1 million (2022: EUR 1.7 million). **Insurance operating result** rose to EUR 15.5 million (index 277), mainly due to the release of the contractual service margin. **Net investment result** of the life and pension insurance segment amounted to EUR 8.6 million (2022: EUR -3.9 million), predominantly due to the change in the provisions for not achieving the guaranteed yield on supplemental voluntary pension insurance and higher returns on investment.

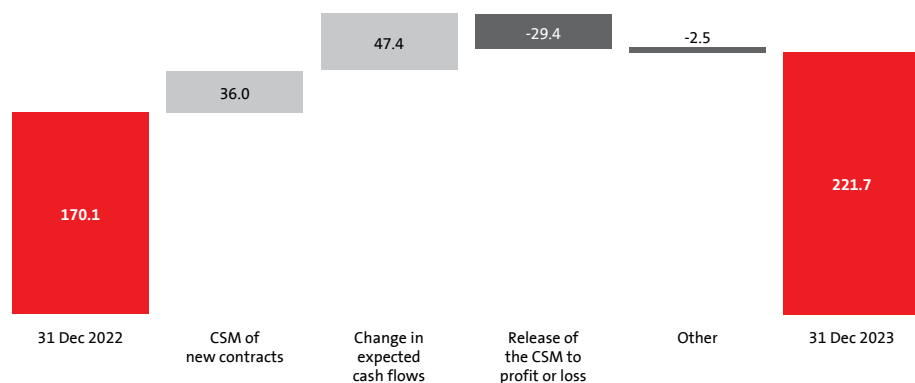
The Group's CSM of new life and pension insurance contracts amounted to EUR 36.0 million, nearly the half of which was accounted for by unit-linked life insurance contracts and the rest by other life insurance contracts. The CSM of new contracts in total contractual service margin was 16.2%, down by 1.3 percentage points year-on-year. The release of the contractual service margin to profit or loss amounted to EUR 29.4 million compared to EUR 24.9 million in 2022.

The new business margin of the Group's life and pension insurance segment stood at 14.6% in 2023, up by 3.2 percentage points year-on-year.

The Group's contractual service margin sustainability shows the ratio between the CSM of new contracts and the release of the contractual service margin to profit or loss as a result of cash flow maturity. It reached 1.2.

The contractual service margin of the Group's life and pension insurance contracts rose by 30% to EUR 221.7 million as at 31 December 2023. Its increase resulted from the positive difference between the CSM of new contracts and the release of the contractual service margin to profit or loss in the amount of EUR 6.5 million and the positive change in the expected cash flows of existing contracts in the amount of EUR 47.4 million, while other changes increased the contractual service margin by EUR 2.5 million.

Movement in the Triglav Group's CSM in Life and Pension segment in 2023

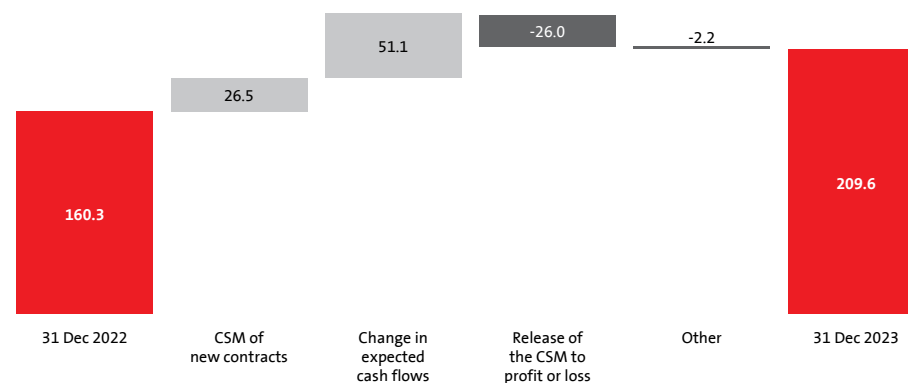


The increase in the change in expected cash flows was driven by the revaluation of life insurance sums insured and premiums, and to a lesser extent by the change in some of the assumptions used to calculate the present value of the expected cash flows of life insurance policies, as well as by higher expected future recovered management fees from higher unit-linked life insurance assets.

The Company's CSM of new contracts amounted to EUR 26.5 million in 2023 compared to EUR 25.9 million in the previous year. The CSM of new contracts in total contractual service margin was 12.6%, down by 3.5 percentage points year-on-year. The release of the contractual service margin to profit or loss amounted to EUR 26.0 million in 2023. **The Company's contractual service margin** increased by 31% to EUR 209.6 million as at 31 December 2023. Its increase primarily resulted from the positive change in the expected cash flows of existing contracts in the amount of EUR 51.1 million (the reasons are given in the explanation for the Group), while other changes decreased it by EUR 2.2 million. The difference between the CSM of new contracts and the release of the CSM to profit or loss decreased the balance by EUR 0.4 million.

The Company's new business margin stood at 13.9% compared to 13.2% in 2022. **The Company's contractual service margin sustainability** reached 1.0.

Movement in Zavarovalnica Triglav's CSM in Life and Pension segment in 2023



8.3 Health segment

Performance results of the Health segment

	Triglav Group		
	2023	2022	Index
Total business volume	206,747,460	205,205,819	101
Gross written premium	206,513,284	204,223,289	101
Other income	234,176	982,530	24
Total revenue	210,832,299	205,069,134	103
Insurance operating result	-26,845,573	-971,931	2,762
Insurance contract revenue	209,657,875	204,984,870	102
Claims incurred	215,894,996	184,355,918	117
Acquisition and administrative costs including non-attributable items	20,858,443	20,920,438	100
Net reinsurance service result	-31,861	0	0
Net other insurance revenue and expenses	281,852	-680,445	
Net investment result	-2,984,851	-914,599	326
Earnings before tax	-29,830,424	-1,886,530	1,581
Combined ratio	112.9%	100.1%	12.8 p.p.
CSM of new contracts/CSM	31.3%	71.6%	-40.3 p.p.
Operating expenses*	20,855,001	20,461,962	102
Expenses to gross written premium ratio*	10.1%	10.0%	0.1 p.p.
Expenses to insurance revenue ratio*	9.9%	10.0%	0.0 p.p.
	31 Dec 2023	31 Dec 2022	Index
Contractual service margin (CSM)	92,661	93,318	99
Risk adjustment (RA)	5,555,693	3,838,588	145
Net insurance contract liabilities	34,121,639	43,454,493	79
Net reinsurance contract assets	-31,861	0	

* Non-consolidated data.

In 2023, the performance of the Group's health insurance segment was significantly affected by the announced termination of supplemental health insurance as part of the planned reform of Slovenia's healthcare system. The performance results were mainly influenced by the Decree of the Government of the Republic of Slovenia on setting the maximum price of supplemental health insurance premium (hereinafter: the Decree), which was adopted in April 2023. The provisions of the Decree mean that Triglav, Zdravstvena zavarovalnica, which offers supplemental health insurance products within the Group, could neither charge policyholders a premium in an amount that would correspond to the high increase in claims and expenses nor was it allowed to discontinue offering these products.

As a result, **earnings before tax** of the health insurance segment were negative in the amount of EUR -29.8 million. **Insurance operating result** of EUR -26.8 million was predominantly influenced by the high growth in claims paid (index 117). The latter was also reflected in **the combined ratio**, which rose by 12.8 percentage points to 112.9% year-on-year.

The total business volume of the health insurance segment amounted to EUR 206.7 million, up by 1% year-on-year. **Gross written premium** grew by 1%, with a high 38% growth recorded by complementary insurance. The supplemental health insurance premium was 1% lower year-on-year as a result of price regulation and a lower sale of new insurance contracts due to the announced changes in the law.

Non-consolidated gross claims paid in the health insurance segment grew by 18% and **claims incurred** by 17%, mainly due to higher expenses for copayments for medicines and healthcare services, which are used by insured persons to co-finance the difference to the full value of healthcare services provided by the public healthcare system through supplemental voluntary health insurance.

With respect to the effects of said Decree on its operations, the Group is taking all the necessary steps to protect the interests of its policyholders, Company shareholders and other stakeholders, in addition to staying in contact with the Slovenian Government and the Insurance Supervision Agency. In accordance with its strategy, the Group will continue to develop and strengthen complementary health insurance in the Adria region markets. These products are sold and developed as commercial insurance products and are one of the pillars of the Group's insurance business.

8.4 Asset Management and Other non-insurance operations

Non-insurance operations are carried out by 18 Group companies, and include asset management, real property management and other activities (insurance agency activities, repair of motor vehicles and motorcycles, holding activities, etc.).

The Group's **total business volume** of asset management and other non-insurance operations amounted to EUR 46.2 million, down by 8% year-on-year. The decrease in the total business volume is a result of last year's high volume due to realised one-off gains on the disposal of real property.

Income from asset management rose by 6% to EUR 32.7 million; it includes income from management fees from Triglav Skladi, which grew by 5%, and the Macedonian company Triglav, Penzisko društvo, which increased by 65%.

Operating expenses of non-insurance companies were 12% higher, mainly due to higher labour costs, costs of services, and costs of materials and energy.

Earnings before tax of asset management and other non-insurance operations amounted to EUR 11.1 million, up by 8% year-on-year. Triglav Skladi, as the holder of asset management business, was the main contributor to earnings before tax, increasing its sales income by 5% and generating earnings before tax of EUR 10.3 million. **Net investment result** amounted to EUR 2.7 million (in 2022 it was negative at EUR –6.6 million), while the **result from non-insurance operations** of EUR 8.4 million was 50% lower than in 2022, when gains on disposal of real property were realised.

The sale of the Group's non-strategic investment property is ongoing, leading to improved occupancy rates and profitability of strategic property.

Performance results of the Triglav Group's Asset Management and other non-insurance operations

	Triglav Group		
	2023	2022	Index
Total business volume	46,193,505	50,179,011	92
Net other operating income	21,247,803	26,331,436	81
Income from asset management	32,703,777	30,823,282	106
Net other income	1,174,683	1,130,189	104
Result of non-insurance operations	8,383,922	16,929,781	50
Net investment result	2,740,539	-6,649,239	
Earnings before tax	11,124,461	10,280,542	108
Operating expenses*	46,643,578	41,654,690	112
Expenses to income from non-insurance operations ratio*	80.8%	69.0%	11.7 p.p.

* Non-consolidated data.

Asset management

Asset management at the Triglav Group comprises the management of the parent company's own insurance portfolios (assets backing liabilities and guarantee funds), clients' saving through the Group's life and pension insurance companies, asset management by Triglav and the management of clients' assets in mutual funds and discretionary mandate assets by Triglav Skladi.

The Group manages own funds and unit-linked insurance assets in the amount of EUR 3.4 billion in its companies. In addition, the Group manages assets in mutual funds and discretionary mandate assets of EUR 1.3 billion (index 129). **The Group's total assets under management** as at 31 December 2023 amounted to EUR 4.9 billion, up by 11% year-on-year.

Asset management of the Triglav Group as at 31 December 2023 and 31 December 2022¹⁸

	Triglav Group		
	2023	2022	Index
Own insurance portfolio (1)	2,207,612,127	2,193,789,782	101
Unit-linked life insurance assets (2)	540,890,478	469,528,905	115
Financial instruments from financial contracts (3)	650,042,171	589,033,089	110
Total (1+2+3)	3,398,544,776	3,252,351,776	104
Assets under management – Triglav Skladi (4)*	1,194,176,397	950,017,394	126
Assets under management – Triglav penzisko društvo, Skopje (5)	143,067,579	88,070,081	162
Assets under management – Triglav Fondovi, Sarajevo (6)	6,073,641	4,274,157	142
Total (4+5+6)	1,343,317,617	1,042,361,633	129
Assets under management – Triglav (7)**	91,237,169	71,394,000	128
Assets under management – Evropski dobrovoljni penzijski fond, Banja Luka (8)	18,297,531	13,733,360	133
Total (7+8)	109,534,700	85,127,360	129
Total	4,851,397,093	4,379,840,769	111

* Zavarovalnica Triglav's unit-linked life insurance contract assets managed by Triglav Skladi are excluded from Triglav Skladi's assets under management.

** Own funds are eliminated from Triglav's assets under management.

Asset and investment fund management market in Slovenia

Triglav Skladi is the Group's core asset management company, with assets under management of EUR 1.7 billion as at the 2023 year-end.

A total of five asset management companies operated in **Slovenia**, which managed the net asset value of EUR 4.8 billion in **mutual funds**, up by 21% year-on-year. The significant increase is due to both capital market growth and net inflows, which amounted to EUR 339 million. **Triglav Skladi** held a **31.2% market share** (compared to 31.3% in 2022), remaining one of the leading managers of assets in investment funds in Slovenia's market. 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). As at 31 December 2023, the company managed the portfolio of 110,000 investors worth **EUR 1.5 billion in mutual funds**. The value of net assets under management rose by 21% due to net inflows of EUR 110.4 million and favourable trends in the capital markets (by EUR 145.6 million).

Discretionary mandate services, provided by four companies, accounted for EUR 2.7 billion of discretionary mandate assets as at the 2023 year-end, an increase of 10% relative to the previous year. **Triglav Skladi increased its market share** in the discretionary mandate segment to **7.6%** (compared to 6.2% in 2022), and their assets under management rose by 35% to **EUR 208.3 million**. Net inflows amounted to EUR 23.2 million, while the favourable effects of capital markets increased net asset value by EUR 30.6 million.

Triglav Skladi also manages the unit-linked life insurance assets of the Triglav Group. Among them are the Financial Objectives investment strategy, which enables clients to actively adjust their portfolios according to the lifecycle principle, and Active Investment packages, tailored to different client segments adjusted to their risk profile. In addition, Triglav Skladi manages five portfolios of guarantee funds backing supplemental voluntary pension insurance: Triglav Drzni, Triglav Zmerni, Delniški Skupni pokojninski sklad, Mešani Skupni pokojninski sklad and Obvezniški Skupni pokojninski sklad.

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.

Integration of environmental, social and governance (ESG) aspects into asset management¹⁹

By considering key risks and ESG aspects in its asset management activity, the Group is delivering on its strategic sustainability ambitions and supporting the transition to a climate-neutral and climate-resilient economy. Triglav Skladi has taken an important development step in this area by transforming 12 mutual funds to manage their investments with a focus on sustainability aspects. As a result, as at 31 December 2023, the assets of mutual funds and discretionary mandate assets that take into account the sustainability aspect amounted to EUR 1.1 billion.²⁰ This makes the company **the leading sustainable asset manager in Slovenia**.

Active ownership²¹

An active ownership role in the investment process could be key to the adoption of better business policies and practices by companies (or issuers of financial instruments), improving their performance. The Group implements active ownership in accordance with the adopted Sustainable Investment Policy by communicating with the issuer or by exercising the rights deriving from financial instruments, including participation, voting and proposing agenda items at issuers' general meetings. In the context of the investment process, the possibility to influence the corporate governance of companies in the portfolio is assessed, when ownership rights and the size of the participating interest allow it.

See [Section 10.3 Development of asset management activities](#) for more information on strengthening the asset management activity.

8.5 Investment in own-use real property and equipment

The Group invested EUR 7.5 million in property, plant and equipment and EUR 14.0 million in intangible assets (software and property rights). The Company invested EUR 5.0 million in property, plant and equipment and EUR 10.2 million in intangible fixed assets.

The value of property for own use is increased through active management and prudent investing in it. In addition, its utilisation is being improved and its functionality increased. The project aimed at rationalising and optimising the premises for own activities is currently underway, following the agreed-upon plan for 2021–2025. It encompasses two main objectives:

- To provide employees with a modern business environment and the right conditions for new ways of working, including working from home or from different locations (hybrid workplaces), and to provide clients with a comfortable user experience (e.g. remote transacting); and
- To realise lasting effects in terms of rationalising operating expenses through the better utilisation of premises for own use, without compromising on quality.

In the last two years, 15 sites were abandoned, 10 were sold and 2 were relocated. Space optimisation was carried out in 24 locations. These actions resulted in a total saving of 840m² of space and a reduction in operating and maintenance costs. This project will continue in the coming years.

At Group level, minimum standards for flexible arrangement of workplace and points of sale are adopted, which comply with the international examples of good practice to modernise operations and make them more effective. If necessary, these standards will be updated according to new findings and guidelines in the business environment.

The **hybrid workplace** pilot project continued its implementation, aiming to modernise the work environment to accommodate various work styles, such as quiet working, collaboration, learning and social interaction. Alongside the option to work from home, the hybrid workplace incorporates a system of non-dedicated workplaces (desk sharing), reducing the necessity for fixed workstations. By 2024, 300 employees from the parent company will be included in the hybrid workplace project.

IT support for real property management enables secure and complete record keeping, fast and accurate reporting and the implementation of various administration processes. Real property management software was upgraded with investment management and cost management functionalities, and the programme to upgrade its energy accounting software is underway.

Through acquisitions of computer hardware, network and communication equipment, and uninterruptible power supply units, an adequate infrastructure is ensured for efficient and secure operations, further supporting the expansion of the Group's business. Investment in computer and server software facilitates the incorporation of new functionalities, compliance with regulatory requirements, as well as enhanced process automation and advanced analytics.

9. Risk Management

- The Triglav Group maintained strong capital strength and liquidity, which was confirmed by the re-affirmed “A” credit ratings with a stable medium-term outlook.
- Increased risks due to extreme weather events, macroeconomic conditions with inflationary trends and the situation on the financial markets were actively managed. Special attention was focused on supplemental health insurance and its regulation by the government.
- Prudent underwriting of underwriting risks continued. Market risks were kept within target levels. The planned asset-liability matching and adequate diversification of investments were pursued.
- Development activities focused on upgrading sustainability risk and information security risk management systems.

In 2023, the Group faced extreme weather events, the impact of which was limited by effective reinsurance protection as part of its regular risk management. In addition, the reporting year was marked by the setting of a cap on supplemental health insurance premium in Slovenia and other restrictions, which increased regulatory risk. The Group’s operations was also affected by changes in the macroeconomic environment and financial markets. In addition to inflationary pressures, the actions of the central banks, which are pursuing a restrictive monetary policy and raising interest rates, thereby impacting the financial markets and the cooling of economic growth, are also important for the Group (see [Section 7.1 The general economic environment worldwide and in Slovenia](#) for more information).

Increased inflation and the situation on the financial markets are mainly reflected in market and underwriting risks. Within the latter, they primarily affect non-life insurance contracts, life insurance contracts with a guarantee and supplemental voluntary pension insurance (SVPI) contracts with a guaranteed return. The Group’s risk management was therefore again aimed at adapting to changes on the financial markets.

Despite the difficult business environment and the implementation of the dividend policy, the Group maintained its financial strength with capital adequacy of 200%. The Group is committed to effective risk management and quality capital structure (own funds), which to a lesser extent includes subordinated liabilities. The Group’s adequate capital and financial strength was additionally confirmed by the long-term credit rating of “A” and the financial strength rating of “A” assigned by the credit rating agencies S&P Global Ratings and AM Best. Both ratings have a stable medium-term outlook (see [Section 6.6 Credit rating](#) for more information). Adequate liquidity at Group level is achieved through regular liquidity risk management (see [Section 2.8 Risk management](#) of the Accounting Report for more information).



“With an efficient and comprehensive risk management system, we promptly and effectively

addressed several material risks as they emerged. Maintaining and enhancing this system will remain a priority going forward.”

Mateja Slapar, Director of Risk Management Department, Zavarovalnica Triglav

Main risk management development activities at Group level were carried out in the business lines that were identified as key due to improvements needed or in order to respond to external circumstances:

- The Company adapted its capital adequacy calculations, reporting and planning to **the new international accounting standards**, as well as individual risk monitoring parameters based on financial reporting.
- Additional indicators were included in the monitoring of **market risks** to control the volatility of their drivers. As a result of additional alternative investments, the monitoring of risks associated with such investments was upgraded.
- New solutions to monitor climate change risks for **non-life underwriting risks** were implemented.
- **Credit risk** management was upgraded, especially with respect to inward and outward reinsurance contracts.
- In addition to regularly upgrading the **liquidity risk** management system, its automated monitoring and the transfer of best practices to subsidiaries continued.
- **Operational risks**, particularly with regard to cyber risks and outsourcing risks, were upgraded.
- **Non-financial risk** management was upgraded especially in relation to **sustainability risks**.
 - The Sustainable Development Policy of Zavarovalnica Triglav d.d. and the Triglav Group was adopted.
 - The Sustainable Investment Policy of the Company and the Group was developed and published.
 - The monitoring of the values of principle adverse impacts (PAIs) was established at the level of investment portfolios.
 - As part of its sustainability risk management system, the Company focused on climate change risk. The respective guidelines were included in the Risk Appetite Statement. In addition, the regular monitoring of transition risk (transition to a carbon-neutral economy) was launched.

For the remaining types of risk, the focus was on process automation and maintaining the existing system. **The Group's risk management** system was systematically upgraded by consistently monitoring material risks. In 2023, the two subsidiaries subject to other sector legislation established a risk assessment and measurement system comparable to that already in place at Group level.

9.1 Risk management system

The Group's risk management system is defined by internal rules and a clear separation of the powers and responsibilities of the business functions, the Management Board, the Supervisory Board, and the key functions and other related areas that exercise supervision. The system is shaped by effective processes for the continuous identification, assessment and control of assumed, potential or emerging risks. A clear, transparent and well-documented system enables the Company to take appropriate and timely action and to maintain the risk profile at the level defined in the Risk Appetite Statement. The system is continuously updated, maintaining its integrity and relevance. In the subsidiaries, it is developed according to the parent company's rules and by adhering to the principle of proportionality.

The existing risk management system proved to be adequate in 2023.

9.1.1 Powers and responsibilities

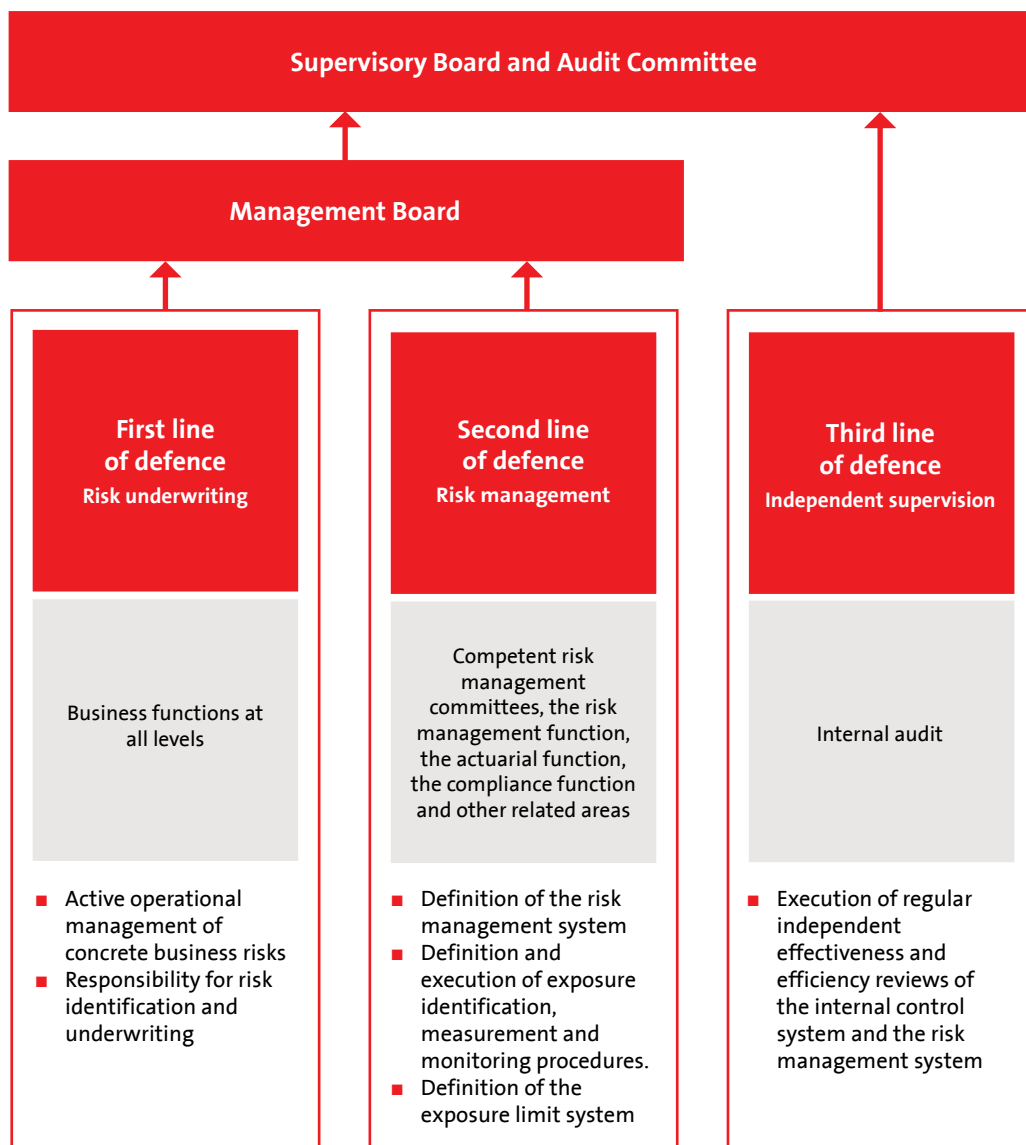
The system of powers and responsibilities in risk management is based on the **“three lines of defence” model**.

Even though **the Management Board and the Supervisory Board** are not directly part of the lines of defence, they play a key role in the risk management system. They are responsible for its operation and defining organisational goals and strategies for achieving them. Furthermore, they establish the management structure and processes for appropriate management of assumed risks. The Management Board and the Supervisory Board are key stakeholders in all lines of defence that support their functioning.

The first line of defence comprises the **business functions**, which identify and underwrite risks in their respective work area in accordance with the Management Board's guidelines. They also manage the actual risks within the allowed exposure limits.

The second and third lines of defence comprise **the key functions of the governance system that are organised as independent organisational units**. The second line of defence includes the risk management function, the non-life and life insurance actuarial functions, and the compliance function. The third line of defence comprises the internal audit function. All key functions cooperate with one another, with other areas within the Company and with Group companies. They are independent in their work.

The decision-making bodies participating in the integrated corporate risk management process and the three lines of defence



The risk management function is responsible for the coordinated and continuous operation of the integrated risk management system. Furthermore, it monitors the general risk profile, the harmonisation of main risk assessment models and methodologically consistent system development, performs the underlying risk analyses, reports on risk exposures and assesses capital adequacy using the regulatory method and other capital models. It carries out own risk and solvency assessment, based on guidance from the Management Board. It reviews the risk profile quarterly, reporting to the Management Board and the Supervisory Board. In addition, it drafts other regulatory reports, such as the Solvency and Financial Condition Report and the Regular Supervisory Report, as well as reports to regulatory bodies as required.

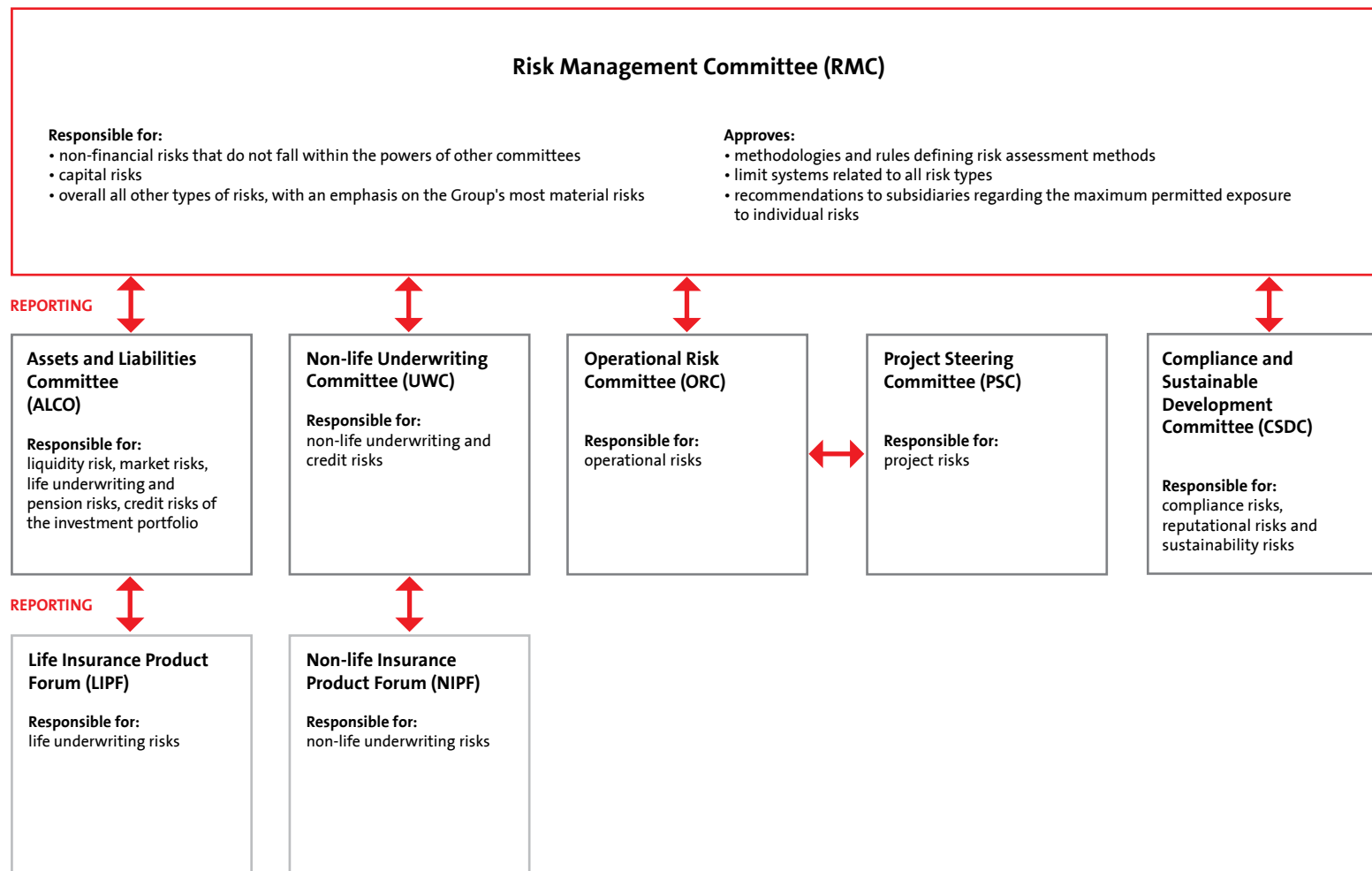
The compliance function operates within the internal control system and monitors the compliance of the Company's operations with the applicable regulations and commitments, on which it regularly reports to the Management Board and the Supervisory Board. It monitors and assesses the impacts of the changed legal environment and compliance risks, assesses the adequacy and effectiveness of procedures, advises on measures to adapt operations to any identified changes, and co-creates the internal controls for ensuring compliance of a particular process, business line, or the Company as a whole by providing guidelines and making recommendations and proposals. In addition, the compliance function plays a major role in ensuring fair and transparent operations by monitoring adherence to the ethical commitments and overseeing their implementation in practice.

The actuarial function calculates and coordinates insurance technical provisions using appropriate methods, models and assumptions, as well as comprehensive, high-quality data, and harmonises the capital requirements for underwriting risks. It also verifies the appropriateness of the overall underwriting policy and reinsurance, and delivers an opinion whether the amount of the premium of individual products is sufficient to cover all the liabilities arising from insurance contracts. Furthermore, it participates in own risk and solvency assessment, and reports on important findings to the Management Board and the Supervisory Board. The actuarial function operates separately for non-life and life insurance.

The internal audit function performs regular and comprehensive control of company operations. This is achieved by reviewing and assessing the adequacy and effectiveness of the Company's governance, risk management and control procedures in a planned and systematic manner and by making recommendations for their improvement. Moreover, the internal audit function is responsible for the quality and continuous development of internal auditing. It cooperates with external auditors and other supervisory bodies, as well as monitors the implementation of internal and external auditors' recommendations. Apart from participating in internal audits in other Group companies, the internal audit function also provides advisory services in agreement with the Management Board and the management of business lines.

All key functions are in charge of not only transferring know-how and best practices to other Group members but also of ensuring their harmonised operation.

The risk management system's committees and their responsibilities



The second line of defence of the risk management system includes **committees**. Their purpose is to provide support to the Management Board in regular risk monitoring, coordination of actions and information about risk management.

Risk management first takes place at the level of individual companies and then at Group level. At the level of subsidiaries, the management and the persons in charge of risk management are responsible for the operation of the risk management system.

The Subsidiary Management Division at the parent company coordinates the drawing up of minimum standards for Group companies and their transfer to the Group companies, in cooperation with the parent company's Risk Management Department, which is responsible for risk management minimum standards. Through the common standards, the Group ensures an effective and transparent risk management system at Group level, which is based on effective communication, quality exchange of data and information, time availability, methodological consistency, accounting verifiability and integrity.

9.1.2 Risk management process

The comprehensive risk management process is based on the Group's strategy and business plan, which define its **risk appetite**. The latter sets out material risks the Group is willing to assume to achieve its objectives and the key indicators by which these risks are measured and monitored based on target values and limits.

The Company has zero tolerance for all risks that it is not willing to assume in the course of its operations.

One of the key indicators to measure business performance and pursue strategic objectives, i.e. *the capital adequacy ratio*, is specified in greater detail in the Risk Appetite Statement. The capital adequacy ratio is the ratio between available own funds and the amount of the solvency capital requirement in relation to the amount and structure of the risks assumed. As part of **the own risk and solvency assessment process**, when planning solvency needs, it is ensured that the ratio is kept within the target range of 200–250% at Group level. In the context of the capital management process, it is ensured that its value is within the target range. Its set value is monitored through a set of more detailed risk indicators and exposure limits in all segments of the Group's operations.

The dividend policy is defined in the Capital Management Policy of the Company and the Group and is subject to capital adequacy targets. Maintaining capital adequacy within the target range is an ongoing process, which requires regular review of business decisions in terms of profitability and the risks assumed.

The own risk and solvency assessment process is closely connected to the quality of the whole risk management system. By assessing solvency requirements, the appropriateness of both the regulatory method and the strategic guidelines is verified in terms of ensuring capital adequacy. In order to improve the use of capital, solvency requirements are assessed in relation to the requirements of implementing the strategic plan. The sustainability of capital adequacy is evaluated using stress scenarios that account for existing, potential or emerging risks, with each type of risk being assessed individually. This allows the Company to take appropriate action, also by adjusting the guidelines for accepting transactions, premium rates, the limit system,

risk transfer, etc. This approach not only enhances the Group's resilience of Group members against identified risks but also strengthens the internal control system, while further upgrading the efficacy of the system for strategic decision-making.

The risk management process consists of risk identification, assessment or measurement, management, monitoring and reporting.

The **risk identification** process, which involves all business lines, is an ongoing process. It is carried out at least once a year, usually as part of drawing up the business and financial plan, and more frequently if necessary.

The standard Solvency II formula (the regulatory method) is primarily used for **risk assessment**. The formula is based on standard volatility and own risk exposure. It determines the level or a change in parameters in the calculation under the stress scenario, and its result indicates for each

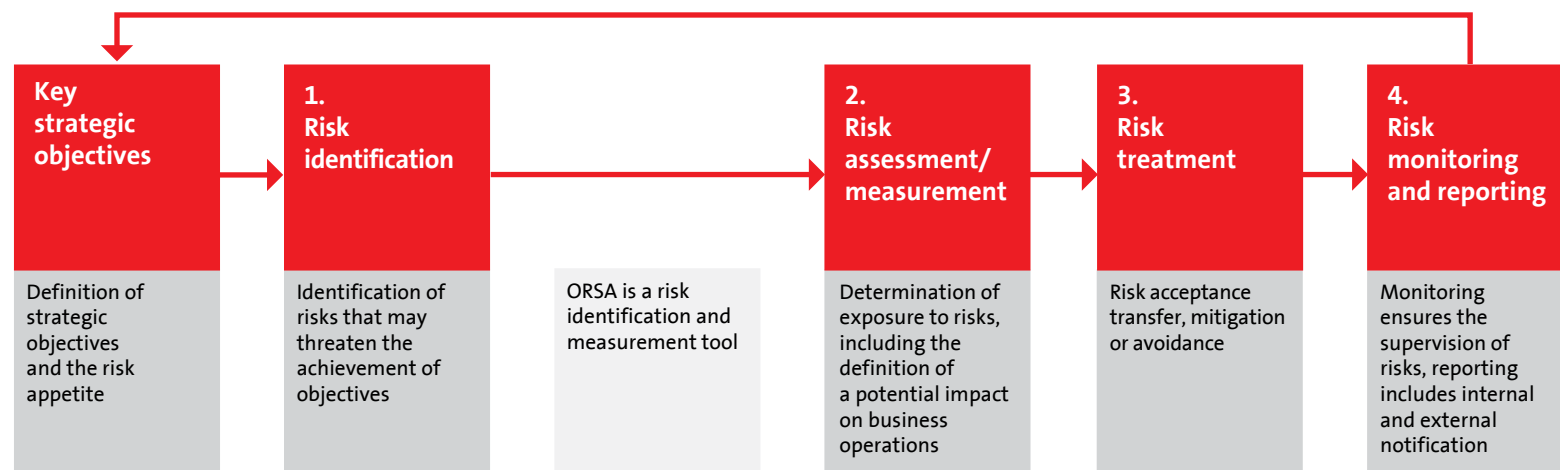
risk how much the available own funds would therefore decrease in the stress scenario. The greater the impact of the risk of own funds, the more material the risk. The overall risk assessment (the solvency capital requirement) takes into account the diversification specified in the standard formula as prescribed by law. The risk assessment is complemented with the Company's own assessment of the volatility of risk factors, generally taking into account the Value at Risk method, with the same confidence level of 99.5% over a one-year horizon. Risks are additionally assessed according to the methodology of S&P credit rating agency.

At least once a year, in the context of the aforementioned **own risk and solvency assessment process**, a comprehensive analysis is performed to assess the appropriateness of the regulatory method. The results of the internal method of risk measurement and/or assessment are also taken into account in the final assessment of the method's appropriateness.

For assumed and potential risks, the target values or limits are set that must be complied with. Appropriate **risk management** is made possible by systems that monitor risks at multiple levels and identify potential negative trends. At the level of business lines, the latter are identified through processes that inform key functions about transactions with increased risks. At aggregate level, the Company regularly monitors exposure concentration and increased volatility, where the Group's vulnerability is higher. Material detected or identified risks are treated also in the own risk and solvency assessment process.

The Risk Management Department regularly **monitors** the matching of the actual risk profile and the defined risk appetite. The findings are discussed by the Risk Management Committee, which approves any measures to be taken in the event of a violation. Its findings and actions are regularly **reported** to the Management Board, the Supervisory Board and the Audit Committee.

Risk Management Process



9.1.3 Risk classification

The Group uses risk classification in accordance with the Solvency II standard formula set out in the Insurance Act (ZZavar-1) for internal risk monitoring. Exposure and assessment to individual types of risk and risk management methods are presented in greater detail in [Section 2.8 of the Accounting Report](#).

The most important types of risks assumed in the course of operations are as follows:

- **Underwriting risks** are the risks of loss or of adverse change in the value of insurance liabilities due to inadequate pricing and provisioning assumptions taken into account in the calculation of insurance technical provisions. **Non-life underwriting risks** (including health insurance) and **life underwriting risks** (including pension insurance) are treated separately. In direct insurance business, the Company is predominantly faced with traditional underwriting risks.
 - *Non-life underwriting risks* comprise premium risk, provision risk, lapse risk and catastrophe risk.
 - *Life underwriting risks* comprise mortality risk, longevity risk, morbidity risk, lapse risk, expense risk, catastrophe risk and revision risk.
- **Market risks** are the risks of loss or of adverse changes in the financial situation, resulting from fluctuations in the level and the volatility of market prices of assets, liabilities and financial instruments. Market risks comprise interest rate risk, equity risk, property risk, spread risk, currency risk and market concentration risk.
- **Credit risks** are the risks of loss or adverse change in the financial position of the company due to fluctuations in the credit position of counterparties and are a result of the debtor's inability to fulfil contractual obligations.
- **Liquidity risk** is the risk of loss if the company is unable to settle all due obligations or is forced to provide the necessary funds at significantly higher costs than usual. The risk of settling matured and contingent liabilities and market liquidity risk are monitored in the context of the liquidity risk.
- **Capital risk** is the risk of loss due to inadequate capital amount and/or structure with regard to the business volume and method or problems encountered when the company acquires additional capital, especially in the case of need for a rapid capital increase and/or unfavourable conditions for acquiring additional capital. The category of capital risks also includes legislative changes and changes in accounting standards having an impact on the Group's capital adequacy and, consequently, on the dividend payment.
- **Operational risks** are the risks of loss arising from inadequate or failed internal processes, personnel or systems, or from external events and their impact. Among others, they include information security risks with a special emphasis on cyber risks and major business interruption events.
- **Non-financial risks** to the Triglav Group's operations include material strategic risks, reputational risk, Group risk and sustainability risks. Non-financial risks predominantly originate from the external environment and are closely linked to other risks, especially operational risks. Generally, they arise from several realised factors both inside and outside of the Group.

The Group is also exposed to *potential or emerging risks*. These are risks that may develop in the future or that already exist but are not yet considered material. They are difficult to assess but may have a significant impact on the business. They cannot be predicted based on past experience as there is often no data from which to predict either the frequency or the severity of the damage caused.

Potential or emerging risks are therefore monitored closely and, in view of the findings, the risk management system is upgraded accordingly.

Classification of the Group's risks according to IFRS

Risks as defined by IFRS are **underwriting, market, credit, liquidity and other risks**. The Group's risk classification can be translated into the IFRS risk classification as follows:

- In accordance with said standards, the most common market risks are currency, interest rate and other price risks, including equity and property risks.
- Under IFRS, credit risks include counterparty default risk, a significant part of which comprises exposures from reinsurance, cash, cash equivalents and receivables, as well as spread risk and market concentration risk. The classification used by the Group considers the latter two as part of market risks.
- There are no differences between the classifications of underwriting risks and liquidity risk.
- Other risks as defined by the IFRS include operational, capital and non-financial risks.

The situation is regularly and systematically monitored. Risk exposure and risk assessment based on regulatory requirements and internal risk classification are reported to the management. Due to the differences in the IFRS and Solvency II valuation, the values of individual balance sheet items may differ noticeably, which is also reflected in differences in the identified exposure to individual risks. In addition, different valuation methods affect the sensitivity of the items and therefore the risk assessment. A more detailed presentation of the differences between the two valuations is included in the Solvency and Financial Condition Report, which is published on the Company's website (www.triglav.eu).

Risk exposures according to the classification used in the risk management system are presented further on in the text.

9.2 Capital position

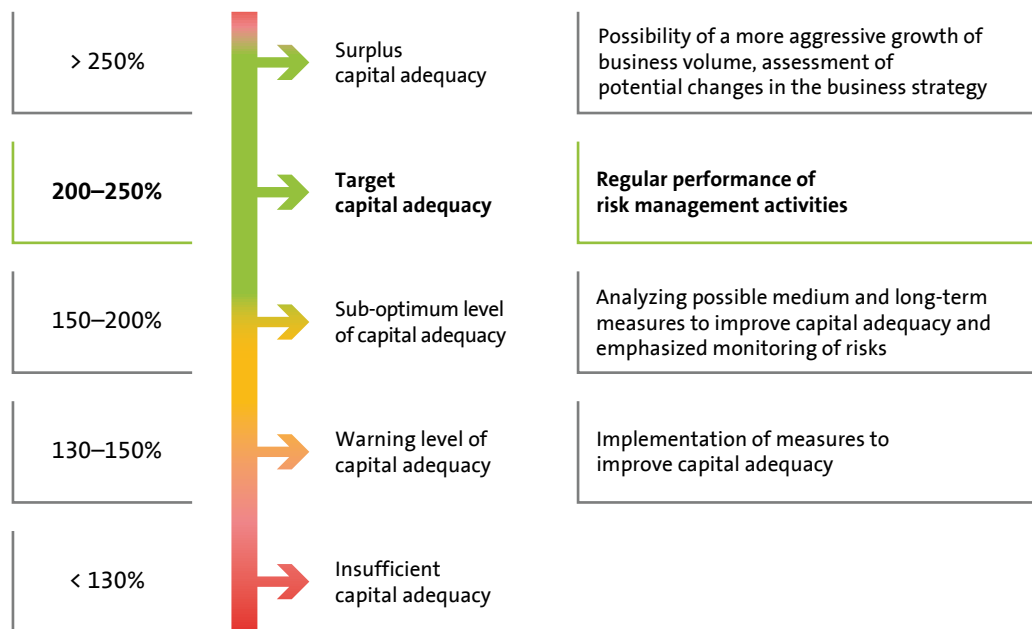
The management of the Group's capital is an ongoing process, by which its adequate volume and quality are determined and maintained and, as a rule, capital risk managed.

9.2.1 Capital management²²

A well-integrated risk management system is essential to effective management of capital and capital risk. **Strong capitalisation** allows the Group at any given moment to have a sufficient amount of capital that corresponds to the measurable risks assumed. As part of the Group's regular capital management to ensure optimal capital composition and cost efficiency, the Company issued a subordinated bond, which is taken into account in the calculation of capital adequacy. See [Section 6.7 Bonds of Zavarovalnica Triglav for more information](#).

When deciding on entering into a transaction, the Company consistently assesses its profitability in relation to the assumed risks, while pursuing the target capital adequacy, and takes into account the criterion of earning appropriate profit for the shareholders. The purpose of capital management is to guarantee the safety and profitability of operations as well as a long-term and stable return on investment by paying out dividends based on the predefined criteria in the dividend policy.

The capital management strategic objectives and the dividend policy criteria



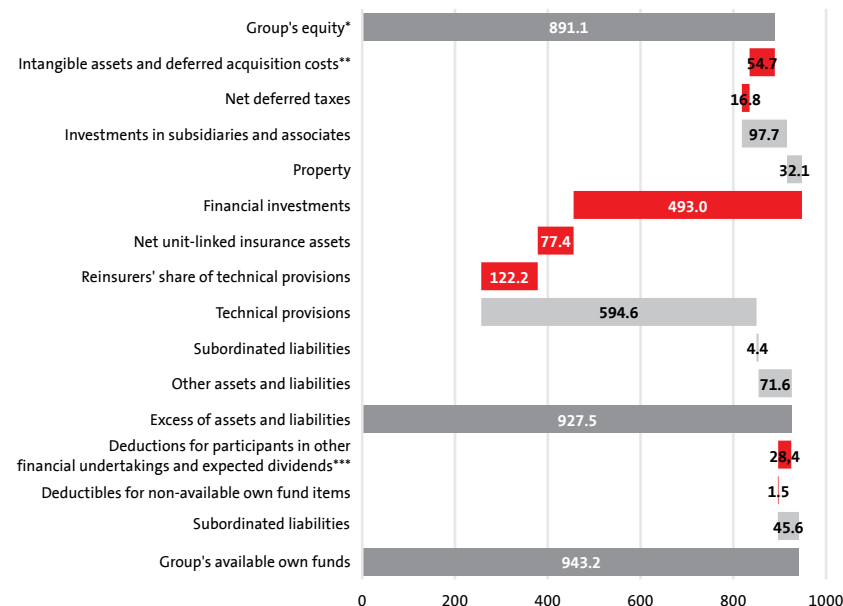
The Group's target capital adequacy is set within the range of 200–250%. This means that the Group has an adequate amount of capital to carry out its core business and cover potential losses. Capital surplus provides protection against losses due to unforeseen adverse events and volatile capital requirements.

Capital adequacy also has a significant impact on the Group's credit rating. Therefore, when making business decisions, the impact on the results of the models of major credit rating agencies is taken into account. The Group's capital model is assessed by the credit rating agencies S&P Global Ratings and AM Best. See [Section 6.6 Credit rating](#) for more information on the credit rating.

9.2.2 Capital adequacy and the risk profile in 2023

Effective capital management enables the Group to improve its operations, adopt appropriate business decisions and maintain its competitive advantages.

Explanation of differences in capital valuation in the balance sheet for solvency and financial reporting purposes for the Triglav Group as at 31 December 2023 (EUR million)



* Consolidation method for solvency purposes differs for Triglav Skladi, Triglav, pokojninska družba, Sarajevostan, Triglav penzisko društvo, Skopje and Triglav Fondovi.

** The fair value of intangible assets is valued at 0.

*** In this item interests in companies with sectoral rules and foreseeable dividends are included.

The definition of equity in the balance sheet for the preparation of financial statements differs from its definition for solvency purposes. Differences and important reasons for changes in items of both types of capital in 2023 are described in **the Group's Solvency and Financial Condition Report for 2023**, D and E sections. The report is published on the website www.triglav.eu.

The Group calculates capital adequacy according to the standard formula as the ratio between total eligible own funds and the solvency capital requirement. In doing so, no adjustments and simplifications are taken into account.

The Triglav Group was well capitalised as at 31 December 2023. Its capital adequacy was 200%. This is within the target range of 200–250% set in line with the capital management strategic objectives and the dividend policy criteria presented in [Section 9.2.1 Capital management](#).

Capital adequacy of the Triglav Group and Zavarovalnica Triglav

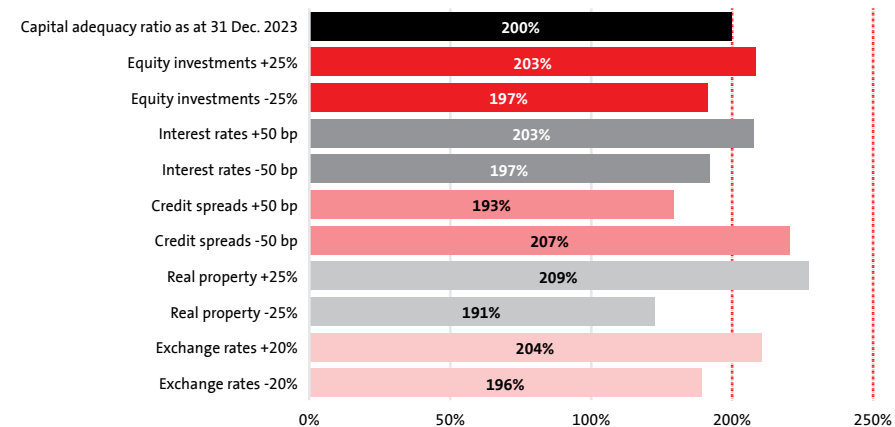
	Triglav Group		Zavarovalnica Triglav	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Available own funds (EUR million)	943.2	932.9	964.0	930.1
SCR (EUR million)	471.5	466.5	396.7	374.5
Capital adequacy (%)	200	200	243	248

The Group's capital adequacy was affected by the increase in available own funds by EUR 10.3 million compared to 2022. This increase resulted from an increase of EUR 8.3 million in the reconciliation reserve. The Group's solvency capital requirement rose by EUR 5 million, mainly due to higher capital requirements for underwriting risks (excluding health underwriting risks), credit risks and operational risks.

In addition to calculating the Group's capital adequacy, at least once a year a **sensitivity analysis of the Group's capital adequacy ratio** to major changes in selected financial market parameters is performed. With it, the stability of the Group's capital position and its resilience to major risk factors is assessed.

The analysis as at 31 December 2023 shows sensitivity to individual shocks on financial markets.

The sensitivity analysis of the Group's capital adequacy ratio



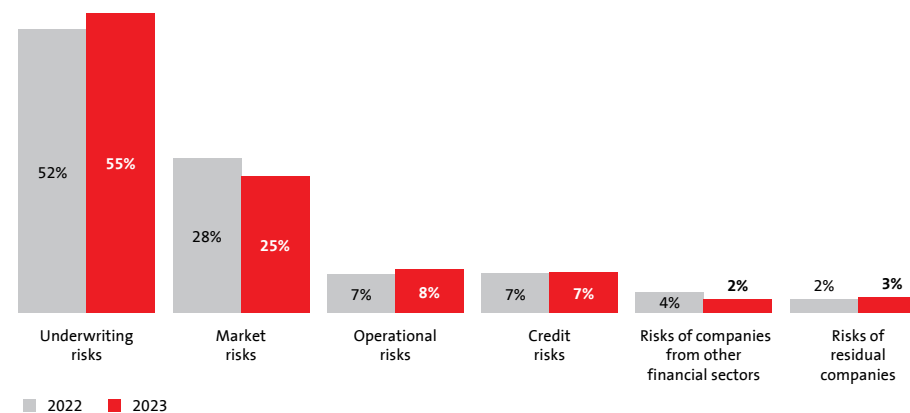
Of the risks covered by the standard formula, the Group is most exposed to underwriting and market risks, followed by credit and operational risks. Within the Group, the Company assumes the bulk of the risks. See [Section 2.8 of the Accounting Report](#) for more information about the types of risks assumed by the Company. In 2023, the risks described in greater detail in [Section 4.1 Today's challenges and opportunities](#) were also relevant.

The risk profile of the Company and the Group shows their exposure to most material risk categories and is presented in the table below.

The presentation of the Triglav Group's risk profile and assessments by individual risk category are based on market values for solvency purposes. The Company uses a regulatory method, which is assessed as appropriate for risk measurement in the context of the own risk and solvency assessment process.

In terms of risks and capital adequacy, the Triglav Group ended 2023 financially stable, adequately liquid and well capitalised.

Risk profile assessment* of the Triglav Group as at 31 December 2023



* The risk profile is determined based on risk assessment using the standard formula, without taking into account the effects of diversification across individual risk categories.

Risk dashboard of Zavarovalnica Triglav and the Triglav Group* as at 31 December 2023

Risk	Risk assessment (current)	Risk trend (future)	Note
Capital adequacy and capital risk	Low	→	In the difficult business environment, the Triglav Group maintained strong capitalisation. The latter is based on effective risk management and quality capital structure, which to a lesser extent includes subordinated liabilities. The Group's adequate capital and financial strength was additionally confirmed by the long-term credit rating of "A" and the financial strength rating of "A" assigned to the Group by the credit rating agencies S&P Global Ratings and AM Best.
Underwriting risks	Medium	→	The Group's underwriting risks were mainly affected by extreme weather events in Slovenia and the surrounding region, together with claims inflation, which still persists, particularly in Slovenia. The impact of inflation on non-life underwriting risks is adequately managed by adjusting covers provided by products and their pricing backed by consistent cost management. The Group maintains premium growth and achieves the target values of indicators in strategic markets.
Market risks	Medium	→	Persistently high inflation resulted in further interest rate rises by central banks, which had a significant impact on financial markets. Nevertheless, the Group continues to maintain risks at defined levels, paying special attention to the matching of assets and liabilities, based on which it defines optimal investment policies.
Credit risks	Low	→	Despite the increased exposure, credit risks remain low. This is ensured through the regular and systematic management of individual exposures across all segments, a review of the adequacy and quality of reinsurance partners and a well-diversified portfolio of partners. The credit risk assessment in 2023 was mainly affected by extreme weather events in Slovenia, which had an impact on the reinsurance part of credit risks.
Liquidity risk	Low	→	The Company's strong liquidity position is maintained by regularly monitoring its liquidity; the Group subsidiaries also have adequate operational liquidity. In the context of the ORSA process, liquidity was checked with stress tests, which confirmed that the Group companies are well prepared for extraordinary events.
Operational risks	Medium	→	The Group proactively manages operational risks. Most attention is paid to regular maintenance and upgrades of outsourcing management and the information security management system, as cyber risks remain among the most relevant. In addition, operational risks are primarily increased by large-scale regulatory changes and the general human resource risk when recruiting workers in shortage occupations. Internal interprocess risks are also managed.

* An overall assessment of the main risk categories was made on the basis of quarterly risk reports. The risk trend shows a potential assessment of future risks relative to the latest projections.

i) The colour scale of assessed risks: High (Red) Medium (Yellow) Low (Green)

ii) Risk trend: ↓ downward → stable ↑ upward

9.2.3 Identified future risks

Inflation has persisted for a relatively long time. Given the actions taken by central banks, i.e. the implementation of a restrictive monetary policy aimed at raising interest rates, inflation is projected to return to the target range in the medium term. This may also depend on the duration of the economic cooling and the depth of a possible recession. A substantial recession typically also affects financial markets, which would be detrimental to the Group's operations, potentially leading to increased market risks. With regard to **market risks**, particularly an increase in spread risk could arise due to the aggravated economic situation or deteriorating credit ratings of issuers of securities. Negative developments in stock markets and a possible decline in the value of real property may also be expected. This could then manifest in a decrease in the value of investments. The potential impact on interest rate risk from potential changes in risk-free interest rates is limited due to the active management of interest rate risk through asset-liability matching.

A more severe recession could negatively affect the demand for insurance and reduce the volume of premium written, which would have a detrimental effect on the business. This would also affect **liquidity risk**, which could increase due to the potential reduction of inflows from the insurance business and a lower market liquidity of the investment portfolio.

In the coming year, underwriting and credit risks could materialise with a significant potential impact on the Group's operations. In the context of **underwriting risks**, the Company will continue to consistently monitor premium risks, i.e. the adequacy of the pricing policy, and manage provision risks. For **credit risks**, the Company will continue to manage the payment discipline of receivables and the creditworthiness of major partners, while adapting reinsurance protection at Group level through a coordinated approach in the reinsurance market.

As part of testing the sensitivity of the Group's credit portfolio, the factors that could have a material impact on the Company's and the Group's operations in the coming years were examined. According to the analysis, the credit ratings of partners (banks and reinsurance companies) and the share of payments of insurance and subrogation receivables can have a significant impact on operations. In the event of a deterioration in the credit rating of our largest bank partner by one notch (at the same exposure), the average credit rating of all bank partners would not change. The same applies in the event of a deterioration in the credit rating of our largest reinsurance partner.

The Company's sensitivity analysis to the payment discipline of receivables was tested under the assumption of a lower expected share of payments for 2023. This share was defined according to its lowest level in the last fifteen years (during the 2012 debt crisis). This reduction would not have a significant impact on the Group's operations, as expected payments would be EUR 1.1 million lower.

Sensitivity analysis as at 31 December 2023* (EUR)

	Total impact on equity	
	Triglav Group	Zavarovalnica Triglav
Spread risk (+50 bp)	-32,621,504	-27,108,919
Interest rate risk (+100 bp)	-5,455,390	-5,167,115
Equity risk (-10%)	-8,626,899	-5,728,713
Property risk (-5%)	-24,636,359	-21,972,284
Total	-71,340,152	-59,977,031

* The effects shown include the tax aspect and the indirect impact of the change in these assets on liabilities (for life insurance).

A sensitivity analysis shows potential impacts on the Group's capital in the case of a loss event, which would translate into a sudden rise in interest rates by 100 basis points and the increase in credit spreads by 50 basis points, as well as a drop in equity exposure by 10 percentage points and in real property exposure by 5 percentage points. Should this event be realised, the Group's capital would decrease by EUR 71.3 million.

10. Development activities

- High-quality assistance services are complemented by hybrid service systems and integrated ecosystem solutions based on collaborative platforms.
- The user experience of Triglav's TRIA virtual assistant was improved by using artificial intelligence. This innovation has positioned the Company as a leader in the use of artificial intelligence in the insurance industry.
- The twelve mutual funds were redesigned so as to take into account the sustainable aspects of investments.
- New software solutions were implemented to optimise the inspection and assessment processes of non-life insurance claims, facilitating the calculation and payment of compensation following an inspection.
- The own sales network was reorganised and the decision-making process was streamlined through a leaner organisational structure.



365

The strategic guidelines define the Group's development activities in both activities: insurance and asset management. Their common denominator is a client-centric approach that guides the development of the Group's processes, products and services across all markets. Data management is being strengthened through advanced analytics, and the digital transformation is being continued, with the automation of processes and the use of artificial intelligence as essential components, along with the planned migration of key systems to the hybrid cloud. All these elements converge in our flexible client approach, which is becoming progressively personalised. Client services are being streamlined, with added value provided through the development of service ecosystems where the Company assumes a leading role, as well as by integrating its services into the offerings of partners in other industries, such as banking and retail.

Through process automation, diversified channels and a flexible internal organisation, the Company effectively supports its clients even in extreme circumstances.

In the insurance activity, significant emphasis is placed on preventing loss events through preventive action, which is described in [Section 11. Sustainable development at the Triglav Group](#).

As part of the asset management activity, alongside business digitalisation, particularly with respect to sales processes, sustainable aspects of management and investment policies are being implemented in line with the Group's Sustainable Development Policy, as described below.

10.1 Enhancing the client-centric approach

Modern digital solutions are used to make it easier for clients to report and track a claim as well as to receive comprehensive information. Cooperation with contractors, including both service providers and suppliers of goods, is being expanded. The Company is recognised as the provider of high-quality assistance services, which are complemented by hybrid service systems and integrated ecosystem solutions based on **collaborative platforms**.

Service-oriented business models and integrated ecosystems

Excellent client experience is prioritised when utilising the strengths of the **Triglav Dom** (Triglav Home) platform. The platform provides assistance with comprehensive repair services by organising and supervising their execution and reimbursing contractors. These contractors are selected based on the qualifications, responsiveness and quality of services.

The network of veterinary clinics in the **Triglav Male živali** (Triglav Pets) ecosystem was further expanded.

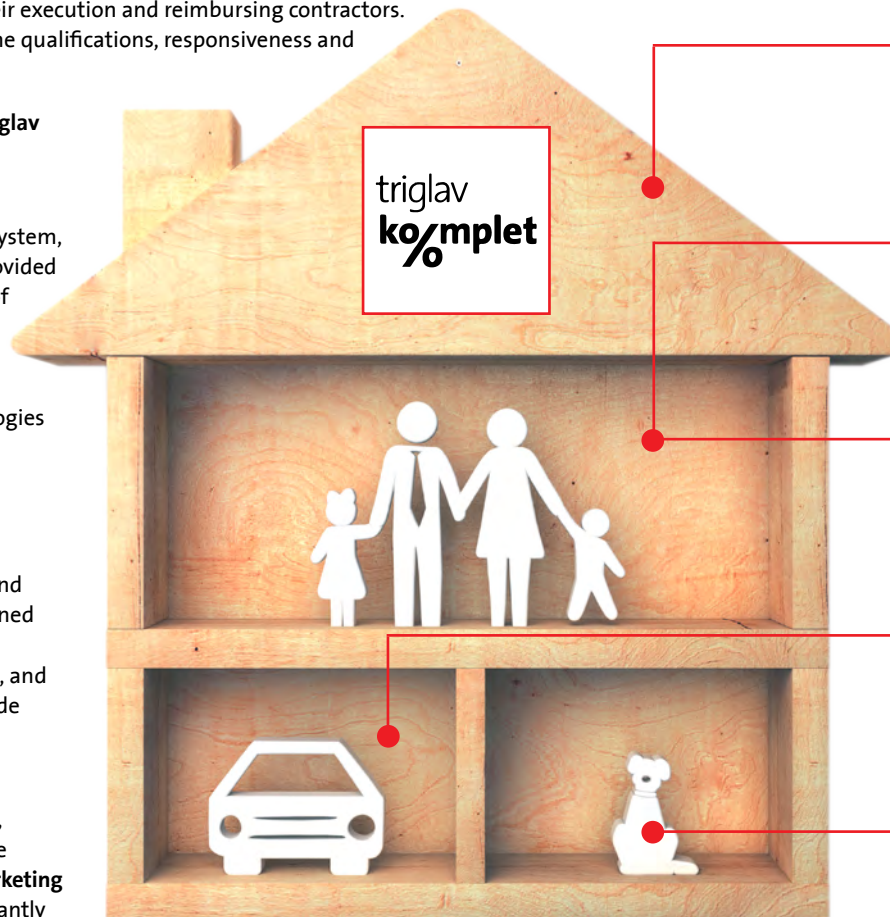
In the **Triglav Zdravje** (Triglav Health) ecosystem, comprehensive healthcare services are provided to meet the needs of clients at all stages of life. New partners – healthcare providers were added. Existing partnerships, the range of assistance and healthcare services, and the use of advanced technologies were upgraded.

Diverse and streaming sales and communication channels

The own sales network was reorganised and the decision-making process was streamlined through a leaner organisational structure. Parts of the sales process were centralised, and a support department was set up to provide quick and efficient support to sales staff.

Sales campaigns were conducted through a multi-channel and coordinated approach, utilising both the agent network and online channels. **The automated execution of marketing campaigns** in direct marketing was significantly enhanced. Over 15,000 new verified users were recorded using the *i.triglav* digital office.

In **digital sales**, the foundations for operational sales processes were established, encompassing the entire sales funnel from lead generation to after-sales activities.



Triglav Group's business ecosystems

Triglav Home

An ecosystem of assistance services in the elimination of damage, access to the services of verified contractors and solutions and systems for remote assistance, control and home security.

Triglav Financial Security

A central point for planning and creating an individual's financial security in all periods of life – from savings to pension, access to advisors (financial, tax) or the use of various financial instruments.

Triglav Health

Assistance to clients with acute and chronic illnesses, health prevention and provision of care.

Triglav Mobility

Ensuring various forms of safe and sustainable mobility.

Triglav Pets

For the well-being of pets, help with their acute illnesses and traumas, and insuring the owners' personal liability when caused by their pet.

The Triglav Group single platform

Customer data management, ensuring security, personalization of the offer, loyalty program, evaluation of providers, gamification, shared digital technologies (e.g. image and speech recognition, AI/ML, bots, geolocation services, AR).

A digital marketing and sales automation module, along with machine learning models, were introduced to predict the most suitable products and the risk of abandonment.

New, upgraded and integrated insurance products and application interfaces

Geographic information system (GIS) functionalities were enhanced to allow agents to view flood, hail and earthquake risk classes. This allows them to provide clients with a broader understanding of their exposure to these risks, which can help them make the right insurance decision.

As part of a successfully completed project to optimise **online insurance sales**, six insurance products were redesigned, leading to an improved user experience.

A variety of development activities were also carried out **in the Group's insurance companies outside Slovenia** to enhance the client experience.

- **Croatia:** A life insurance sales portal was launched, online sales of health insurance that includes assistance were revamped, and a new underwriting tool was introduced.
- **Serbia:** To enhance the efficiency of selling health insurance with assistance, a paperless sales portal was developed, the e-invoicing process for clients was customised, and the call centre's health insurance support processes were upgraded.
- **North Macedonia:** A mobile app was launched for reporting claims for comprehensive insurance, along with the option to inspect a vehicle before insuring it and to carry out remote inspection for motor vehicle claims settlement.
- **Federation of BiH:** Online underwriting of health insurance was launched, communication options with clients via digital channels were expanded, and automated notifying for life insurance was enabled.
- **Montenegro:** Additional entries in the transaction system for the own sales network were enabled, facilitating underwriting.

The focus is on **integrating insurance products into the product range of our partners**. Products and services that complement theirs were offered in joint sales and promotional campaigns.

Across the Adria region, cooperation with existing partners in mass schemes was increased, and partnerships with car dealerships, financial institutions and insurance intermediaries were strengthened.

In markets where the Group is not directly present, existing partnerships with insurance agency companies are being deepened, and new partnerships are being established to expand the Group's product range. Even greater emphasis was placed on expanding the Group's international reinsurance business, achieved through collaboration with international brokerage companies and contractual agency cooperation. In this segment, the Group's high-quality, safe and flexible services are gaining increasing international recognition.

Products and services were developed with a focus on responsiveness, simplicity and reliability. The transfer of good practices within the Group continued, achieving synergistic effects between Group companies backed by a unified market presence.

- **Property and interest in property insurance:** A new solar power plant insurance product was launched. The geographic information system was upgraded to underwrite risks for flood and landslide hazards. Our products were continually adapted to address new risks (such as cyber risks and mandatory statutory insurance) and meet evolving client needs.
- **Motor vehicle insurance:** The approach to commercial discounts for retail clients was streamlined, and the treatment of the highest-risk policyholders was revised. New solutions were developed for leasing and roadworthiness test providers, as well as vehicle importers.
- **Agricultural insurance:** A personalised approach to fruit and hops insurance was introduced. Additionally, new coverage for the transport of small animals was offered, and a product to cover their medical costs is currently under development.
- **Credit insurance:** The focus in selling insurance through banks was on implementing a new underwriting programme. In addition, the general terms and conditions of suretyship insurance were revised.
- **Life and accident insurance:** Work incapacity life insurance was transformed into complementary insurance, allowing to better tailor the coverage to the client. Accident insurance for children and young people was redesigned. The insurance product range and underwriting of life insurance for young people are being adapted. The choice of funds included in unit-linked life insurance strategies, as well as the funds themselves, is regularly updated to achieve set financial objectives.
- **Health insurance:** The content and covers of *Specialisti* (Specialists), *Specialisti+* (Specialists+), *Zobje* (Dental) and *Zobje+* (Dental+) health insurance products were upgraded. Additional providers were included in the system for direct ordering of healthcare services, and the range of services that can be ordered electronically at any time was expanded. The sales process for group health insurance products was overhauled. Triglav zdravje asistenca, the Group's specialist provider of healthcare and assistance services, launched a self-pay family medicine clinic, which also provides home care services.
- **Pension insurance:** The age brackets of the pension funds managed by Triglav, pokojninska družba and Zavarovalnica Triglav were harmonised.

Enhanced business analytics is used to monitor and analyse the sales results of all savings products of the supplemental voluntary pension insurance of the Group in Slovenia.

CRM B2B was revamped to plan and analytically monitor sales and after-sales activities with employers funding the Group's pension schemes in Slovenia.

10.2 Digital transformation

The deepening of the Group's client focus is facilitated by the acceleration of its business digitalisation in 2023, which streamlined the Group's processes through innovative solutions.

A significant milestone was reached in the **use of artificial intelligence (AI)** in the Company and the Slovenian insurance industry with the innovative upgrade of the TRIA virtual assistant. Mechanisms based on OpenAI technology were implemented, playing a key role in enhancing the user experience. This upgrade improved service quality by providing clients with a more natural, flexible and interactive communication experience. This innovation has positioned the Company as a leader in the use of AI in the insurance industry.

The Group's development activity in the field of AI is diversified. Automated solutions were implemented for replying to emails using OpenAI ChatGPT, which are updated alongside the knowledge base and administrative procedures, and automatically generate a summary of the recorded conversation between the client and the agent. Additionally, the distribution of emails from the incoming email address to the relevant back-offices was automated. A new universal AI assistant is being developed, which will possess multi-disciplinary skills and will be accessible through various channels and formats. Furthermore, a coherent AI strategy is being developed to enable the use of

Multi-channel communication and distribution of services are growing

2021–2023

75% ↘ 57%

of conventionally reported claims



2023/2021

+ 124%

i.triglav
fully registered
users

Automated marketing activities attracted a large number of new users to the i.triglav digital office. The benefits of digitalised procedures and internal processes were also evident in the mass CAT claims settlement. A total of 14% of claim reports were already processed digitally, resulting in shorter turnaround times for both billing and claim payouts.

the same building blocks and solutions across multiple departments.

Robot programming techniques are being introduced to back-office staff, in addition to automating work processes. Several bots are already handling queries for internal and external data. The status of recovery procedures is monitored using an upgraded Power BI reporting system.

The Group is **systematically expanding the capabilities** of fully supported multi-channel operations **for receiving claims**. By standardising data recording when reporting a claim in the CRM system, clients are able to switch between reporting channels during the claims reporting process. Electronic signing of claims documentation was introduced. Assistance cases can now be reported without the need for a telephone call. Additionally, clients can report motor vehicle insurance liability claims to individual contractors, and email and text message notifications were upgraded to include functionality for providing additional documents.

New software solutions (GSM-GIS modules) were implemented to optimise the inspection and assessment processes of non-life insurance claims, facilitating calculation and payment of compensation following the inspection. By implementing digitalised solutions to mitigate risks during periods of CAT claims, clients were able to receive information via the web portal and upon receipt of a claim report. These notifications provided guidance on appropriate actions to take and outlined follow-up steps to be taken after a claim was reported.

A new platform for promoting insurance sales through digital channels enabled segmented client treatment as well as automated sales and after-sales campaigns.

Online underwriting of comprehensive car insurance was launched, with the possibility to inspect vehicles remotely, and support for online underwriting of motorcycle insurance. The Company was the first insurer in Slovenia to enable remote inspection for online home insurance.



“We have adapted our claims reporting processes to prioritise client needs and enhance their experience,

ensuring consistency across all contact points. Streamlining the entire claims settlement process serves as the foundation for further enhancing client satisfaction.”

Gregor Kovačič, Executive Director of Digital Operations and Client Experience, Zavarovalnica Triglav

By establishing the new IT – User Empowerment Department, an IT-related **organisational unit**, comprehensive implementation of modern technologies such as robotic process automation, low-code development of software solutions and the integration of artificial intelligence into internal business processes was ensured. Moreover, the activities of the Council of Architects and the Council of Security Experts were combined to more effectively implement the target IT system architecture and manage cyber risks.

As part of the digital transformation, a new data warehouse solution was implemented, and activities commenced to transfer parts of the data platform to subsidiaries. The network and server infrastructure was upgraded to ensure the stable, efficient and secure operation of information systems and services. Projects to centralise the IT infrastructure continued, aiming to increase equipment utilisation across the Group, reduce maintenance costs and implement additional security mechanisms. As part of this process, 11 companies will be included in the Group's hybrid cloud by 2025.

Core and support IT systems were upgraded for reporting under the new IFRS 17 accounting standard and for the digitalisation of non-insurance documents.

10.3 Asset management development

An important development step was taken by renewing Triglav Skladi's product range. The twelve mutual funds managed by Triglav Skladi were redesigned so as to take into account the sustainable aspects of investments. This change means a significant upgrade of the Company's and the Group's investment solutions focused on sustainable development. The company's mutual funds are also effectively sold in the context of the Group's unit-linked life insurance products. Triglav Skladi's competitive position was strengthened by providing a more advanced and user-friendly experience to internal and external users of the company's services. In early 2023, Triglav Skladi launched a comprehensive digital marketing and sales development project, encompassing more effective digital marketing initiatives, a sales performance monitoring tool and sales support tools. Also, sales through its own channels will be accelerated with the development of a new mobile app for digitally-enabled sales. The complex implementation of the new IT solution for fund management and discretionary mandate services was continued to ensure the effective digital implementation of business processes.

Triglav, pokojninska družba, updated its management rules and investment policy statements. The most significant changes involve an increase in investment limits for transferable equity securities and equity investment funds in the following pension funds: *Delniški Skupni pokojninski sklad* and *Mešani Skupni pokojninski sklad*. This adjustment in the strategic allocation of these funds, which do not guarantee returns, aims to enable the two guarantee funds to achieve higher risk-adjusted long-term returns and align more closely with the Group's investment policies. In line with the Group's strategic guidelines, Triglav, pokojninska družba adopted the Sustainable Development Policy, Sustainable Investment Policy and Statement on principal adverse impacts of investment decisions on sustainability factors. In the context of the latter, a list of sensitive economic activities was defined that reflect the Group's views on the protection of the environment, society and respect for human rights, as it pays particular attention to these aspects.

With respect to the **platform for investing in alternative investments**, which is developed by Triglav, the activities planned to increase the assets under management continued. In 2023, a new alternative real estate fund (Triglav RE Fund) with no maturity was launched in Slovenia and offered to Slovenian investors.

Non-financial statement

Sustainability (ESG) aspects of business are integrated in the Triglav Group's very mission and strategic guidelines. They are incorporated in business processes, thereby promoting the transition to a sustainable society. In 2023, the Group upgraded its social and environmental commitments by adopting the Sustainable Development Policy and the Sustainable Investment Policy.

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 the Triglav Group and Zavarovalnica Triglav d.d. for 2023 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 on environmental, social and employee matters, respect for human rights, and anti-corruption and bribery matters, as well as the description of the policies and results of the policies in these areas are presented in [Section 11. Sustainable development at the Triglav Group](#).
- The main risks related to the abovementioned areas are presented in sections [9. Risk Management](#), [10. Development activities](#) and [11. Sustainable development at the Triglav Group](#).
- A description of the Group's business model or value creation model is presented in [Section 2. Triglav Group and Zavarovalnica Triglav in 2023](#).
- 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 Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 can be found in [the Appendix: Disclosures under the EU Taxonomy Regulation](#).

Andrej Slapar
President of the Management Board



Tadej Čoroli
Management Board Member

Blaž Jakič
Management Board Member



Uroš Ivanc
Management Board Member



Marica Makoter
Management Board Member



A refresher ride

To make older drivers and society more resilient to road accidents.

The proportion of older drivers in Slovenia is high and on the rise. Regrettably, with advancing age, individuals often face an increased likelihood of being involved in road accidents, as well as experiencing greater severity in the accidents they may cause.

An analysis of trends in accident factors and the attitudes of older drivers, combined with insights gained from our previous safety improvement programmes, has led us to develop the Refresher Ride project. It was designed for drivers aged 65 and over and is led by professional safe-driving instructors as a standalone and free programme, in collaboration with our longstanding partner, AMZS, the largest organisation in Slovenia dedicated to driver education and training. Launched in 2022, it has been a great success.

Information and application forms were disseminated to older drivers through various media channels and contact points, resulting in an overwhelmingly positive response. On average, participants rated their satisfaction with the refresher ride experience very high, with an average score of 4.94 (on a scale of 1 to 5), and almost a fifth of them became active ambassadors of the project.

The Refresher Ride project received several awards, with the highest recognition being the extremely high satisfaction of the participants and improved road safety for all.



[See page 122 for more information about our road safety activities.](#)



The share of older drivers in Slovenia (61 and older):

↑ 29%



Ida Klančar, a Refresher Ride participant: “I teach English at the Third Age University. Maintaining independence is also crucial when it comes to mobility, despite significant changes in traffic conditions and regulations. The refresher ride organised by Zavarovalnica Triglav’s Nova Gorica unit was a great experience. The practical explanations and guidance from the instructor made me feel and drive safer.”

Manuel Pungertnik, project manager at AMZS and safe driving instructor: “Our team of instructors undergoes specialised training to effectively work with older drivers. Initially serving as consultants for Zavarovalnica Triglav, we now work with participants as their driving instructors. It’s rewarding to note that nearly half of the drivers have shown improvement in key areas such as maintaining appropriate speed, navigating roundabouts and keeping a safe distance.”

Ana Cergolj Kebler, project manager at Zavarovalnica Triglav: “To ensure the success of the project, we engaged in numerous partnerships and carried out an effective awareness-raising programme that fostered dialogue. We are especially grateful to the older drivers who allowed us to observe their driving, the learning process and shared their experience. We have learned a lot from this experience.”

11. Sustainable development at the Triglav Group

- The integration of the business and ESG strategies was further enhanced by the Sustainable Development Policy of Zavarovalnica Triglav and the Triglav Group, and the Sustainable Investment Policy of Zavarovalnica Triglav and the Triglav Group.
- In pursuit of its ESG strategic ambitions, the Company entered into a partnership with the Chapter Zero Slovenia platform, became a signatory to the United Nations Principles for Responsible Investing (UN PRI) and a member of CER, the Slovenian Partnership for Sustainable Economy.
- By redesigning its twelve mutual funds and pursuing a sustainability strategy in the discretionary mandate services segment, the value of assets under management that incorporate sustainability aspects increased significantly; at the 2023 year-end, the value of these assets reached EUR 1.1 billion.
- Education and training were systematically provided, and a number of activities were implemented to ensure a healthy and safe environment for our employees.
- Scope 1 and Scope 2 carbon footprint and electricity consumption decreased by 6%.

11.1 Our approach to sustainability

In the Triglav Group's strategic ambitions for sustainable development (ESG) covering the period of 2021–2025, it is set out that by pursuing sustainability goals 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. This approach is pursued across all four key areas: insurance and asset management, own business processes, responsible stakeholder engagement and effective corporate governance.

In 2023, the Group's strategic ambitions were further developed with the adoption

of its **Sustainable Development Policy**. Serving as the overarching document for the Group's sustainability-related activities, it outlines the method of implementing the strategic ambitions, establishes the system for managing ESG aspects and risks, defines key corporate governance policies and provides guidelines for sensitive economic activities.

At Group level, sustainability-related activities, which are carried out by all Group companies, are coordinated by the

Sustainable Development Department and monitored by the Compliance and Sustainable Development Committee. Decisions are made by the parent company's Management Board, as described in more detail in the [Sustainable Development Policy](#).

Key stakeholders are involved in identifying the material impacts of the Group's operations and related non-financial disclosures. The main sustainability impacts are presented in the materiality matrix for ESG topics, which is revised based on regular surveys on the impacts on stakeholders, their interests and satisfaction factors. It includes quantitative and qualitative surveys of employees, individual clients, NGOs, local communities and corporate clients as key stakeholders of the Group, as well as an internal evaluation of the importance of various topics.

In 2023, the materiality assessment of topics was reviewed and updated based on a quantitative survey conducted among more than 600 clients and other respondents from Slovenia, in addition to a study of regulatory trends in the EU and information obtained from domestic and foreign investors. See [Section 11.1.1 Key stakeholders](#) for more information about stakeholders and their engagement.

Take a look at some of the key documents on sustainability management.



Sustainable Development Policy of the Triglav Group



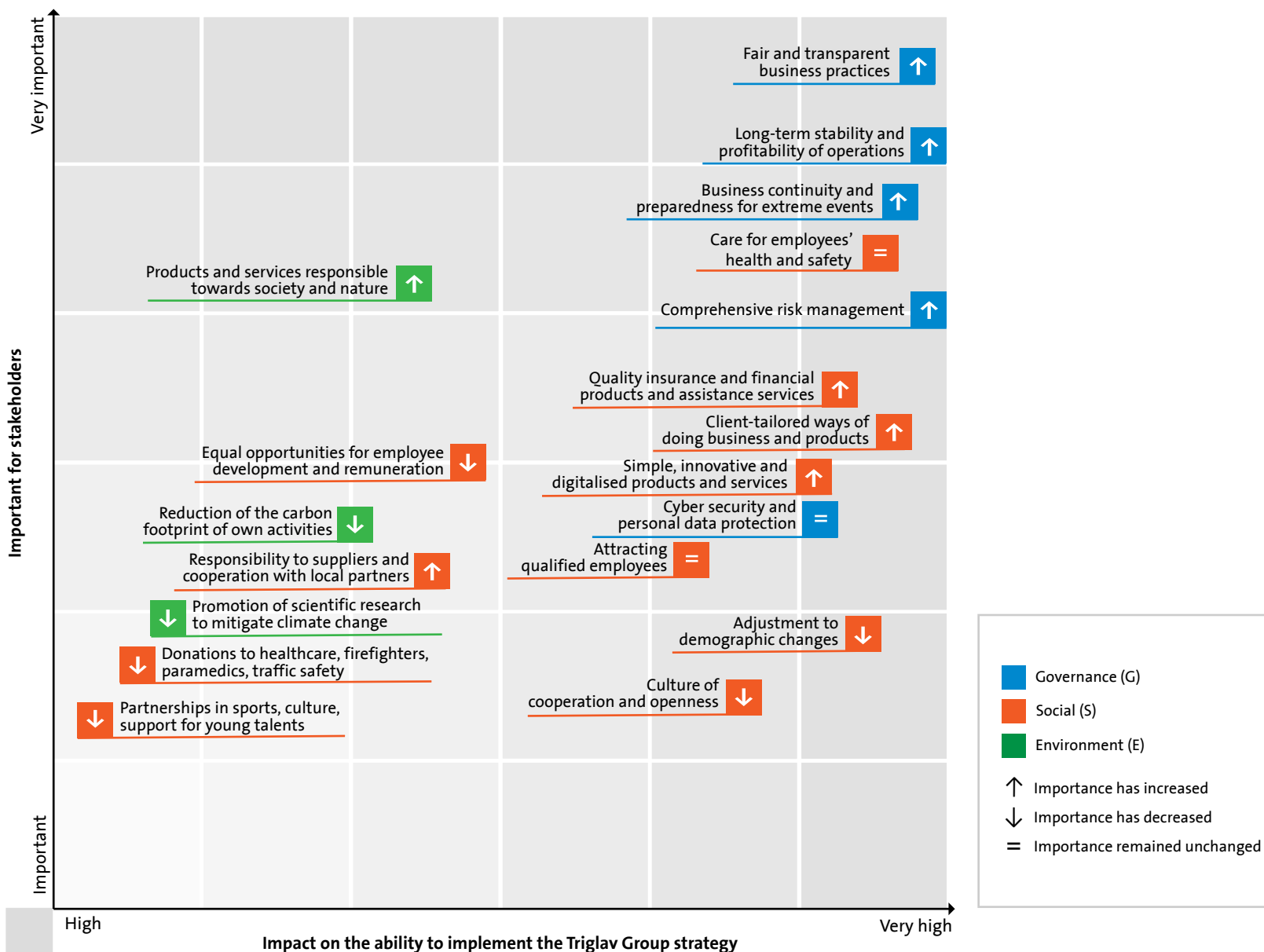
Sustainable Investment Policy of the Triglav Group

About the report²³

This report was compiled in accordance with International Financial Reporting Standards (IFRS), the Companies Act (ZGD-1J) and the Insurance Act (ZZavar-1). Its content and data are collected by the competent departments of the Company's, which is responsible for reporting in cooperation with the respective departments at subsidiaries. Reporting refers to a particular financial and calendar year.

The report is integrated and includes sustainability disclosures, i.e. environmental, social and governance (ESG) disclosures. It was compiled by using GRI standards (Global Reporting Initiative) and their guidelines for the financial sector as well as SASB standards (Sustainability Accounting Standards Board). The range of topics and disclosures is presented in the GRI and SASB indices and the materiality matrix. Progress in ESG areas is presented mainly in Section *Sustainable development at the Triglav Group*, but it is also described in other sections, as evident from the GRI and SASB references. In doing so, the information required by the EU Taxonomy Regulation (Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852) is disclosed. The financial reporting for the Group comprises all companies included in the consolidated financial statements (See [Section 2.3 of the Accounting Report](#) for more information). Reporting of environmental and human resource data refers to all Group companies that are fully consolidated and have office space and/or employees. For the remaining ESG disclosures, notes to individual disclosures indicate which companies are included. The calculation methodology for individual indicators is described in the text and notes.

Importance of ESG topics for stakeholders and the Triglav Group²⁴



²³ GRI 2-2, 2-3, 2-4, 2-14, 3-1, 3-2 | ²⁴ GRI 3-2, 2-12, 2-13, 2-16

11.1.1 Implementation of strategic guidelines and sustainable development goals of the Triglav Group

In achieving the ambitions regarding the ESG goals for 2025, progress was made in all four key areas.

■ Insurance and asset management

The share of green, sustainable and social impact bonds in the Group's investment portfolio grew. Guidelines for sustainable investments and investments in sensitive economic activities in terms of sustainability risks were outlined in the Sustainable Development Policy and the Sustainable Investment Policy of Zavarovalnica Triglav d.d. and the Triglav Group. The Group does not have any investments from issuers at which at least 20% of electricity generation or income stems from coal (Coal Exit List).

With respect to clients' assets under management, 12 mutual funds were redesigned to incorporate newly defined sustainability aspects of investments, ensuring compliance with the criteria specified in Article 8 of the SFDR. The value of these assets rose from EUR 49.2 million in 2022 to EUR 1.1 billion by the end of 2023. Plans are underway to extend this approach to the entire range of funds in 2024. Additionally, efforts are being made to implement sustainability in the investment processes within the discretionary mandate services segment.²⁵

Social and environmental benefits are further promoted through product development within the insurance business. Utilising the internal sustainability assessment methodology, clear, comprehensive and up-to-date information on the sustainability of products throughout their entire lifecycle is provided, i.e. spanning from the development phase to the promotion and distribution of the insurance product.

■ Own business processes

The Group's Scope 1 and Scope 2 carbon footprint decreased by 6% in 2023. Awareness about energy conservation and the importance of sustainable practices is raised among employees, while promoting sustainable mobility. Solar power plants began to operate on the roofs of five of the Company's office buildings in 2023 and will cover around 10% of its annual electricity consumption. The share of electric and hybrid vehicles in the fleet grew from 8% to 12%. The Group companies took many additional measures related to digitalisation and paperless operations. The total quantity of waste generated at Group level declined by 6%. The Group effectively reduced office paper consumption per employee by 32%.

■ Responsible stakeholder engagement

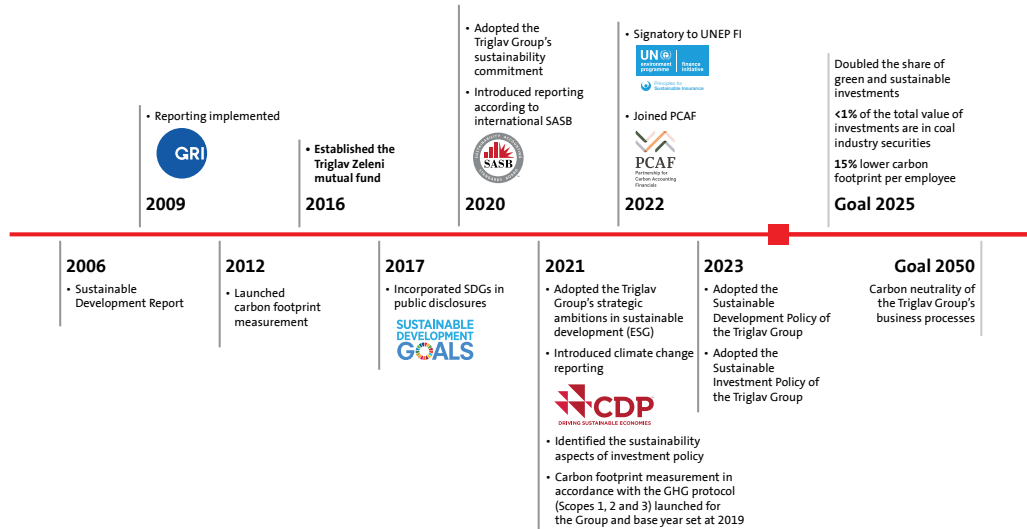
Measures were taken to support both the professional and personal development of employees, promote active leisure time and foster a healthy work-life balance. Training on ESG topics is provided through the e-learning portal. Both employee and client satisfaction scores experienced a slight decline compared to previous years, attributed to the impact of major CAT events and inflationary pressures. Efforts were made to ensure that shareholders and investors had sufficient information on which to base their investment decisions, to encourage them to attend the general meeting of shareholders and to actively engage with them. Corporate social responsibility partnerships and projects, such as the Let's Clean the Mountains drive and the volunteering activities within the Insure Our Future project, were continued. Safe mobility activities are described in [Section 11.3.3.1 Investment in prevention](#). Sustainability criteria were integrated into all of our events, including the Triglav Run and Our Day.

■ Effective corporate governance

The Group aims to achieve high corporate governance standards, while improving the public disclosures of its sustainable business and operations. In 2023, several important steps were taken for the long term. Preparations for the requirements of the Corporate Sustainability Reporting Directive (CSRD) were initiated, while the international GRI and SASB standards have been applied for several years. The Group disclosed through CDP's climate change questionnaire for the third year in a row. The Company joined the **Partnership for a Sustainable Economy (CER)** and received the Green Star 2022 certificate for effectively incorporating sustainability principles in its business. The adoption of the Group's **Sustainable Development Policy** and the **Sustainable Investment Policy** outlined its approach to considering ESG factors in the investment process. Following the Group's guidelines, all companies prepared and approved their own sustainable development policy. Furthermore, the Company entered into a partnership with the **Chapter Zero Slovenia platform** for responsible corporate governance and became a signatory to the **United Nations Principles for Responsible Investing (UN PRI)**, which encourage asset managers to invest responsibly for a fairer and greener future.

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

Sustainable development milestones of Zavarovalnica Triglav and the Triglav Group



²⁵ SASB: FN-IN-410a.2, FN-AC-410a.2

Delivering on sustainable development goals

Transition to a climate-neutral and resilient circular economy

↓ 1.54

tCO₂e (the carbon footprint) per employee in the Group and 1.46 tCO₂e at Zavarovalnica Triglav (Scopes 1 and 2)

99%

of electricity consumed at Zavarovalnica Triglav comes from renewable sources (62% at Group level)

↑ 19%

rise in premium written by the Group from products with environmental and social impacts

Integrating ESG aspects into product development and the execution of own business processes. By 2025, to reduce the carbon footprint (Scopes 1 and 2) of own activities using the location-based method by 15% per employee. Implementing the European Green Deal on carbon neutrality by 2050.

Responsible stakeholder and community engagement

↓ 73

for the Group, ↓ 69 NPS for Zavarovalnica Triglav – high client satisfaction

↓ 3.94

the ORVI index, high satisfaction of the Group's employees

1.4 bil.

km driven with the DRAJV safe driving apps

Maintaining high employee and client satisfaction. Developing an open culture of diversity and cooperation. Promoting projects that contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

Comprehensive corporate governance

↑ 43%

of women at 1st and 2nd management levels under the Management Board, 25% in management and supervisory bodies



Adopted the Sustainable Development Policy and the Sustainable Investment Policy.

Upgrading high corporate governance standards by integrating ESG aspects and effectively managing sustainability risks. Increasing the scope of public disclosures related to main aspects of sustainable business (according to GRI, SASB, CDP/TCFD methodologies).

Sustainable aspects of asset management

↑ 11.1%

share of social impact, green and sustainable bonds in debt securities of the Group's investment portfolio

12

mutual funds redesigned to incorporate sustainability aspects of investments. The value of these assets under management increased to EUR 1.1 billion.

To double the share of social impact, green and sustainable bonds in debt securities by 2025. The Group does not have any investments from issuers at which at least 20% of electricity generation or income stems from coal (Coal Exit List).

11.1.2 Key stakeholders²⁶

The following were identified as the Group's key stakeholders: **clients, employees, suppliers and partners, shareholders and investors, state and supervisory bodies, local communities and the media.** They are proactively included in the Group's operations, thereby strengthening mutual trust and understanding.

Their needs and interests, as well as the impacts of the Group's operations on them, are identified through mutual relationships at 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.

Interests, opinions, and suggestions are regularly monitored by **analysing the needs and interests of stakeholders.** Based on this analysis, the scope of disclosures is outlined. See [Section 11.1 Our approach to sustainability](#) for further information.

Gained knowledge and guidelines are taken into account as much as possible in the Group's business and operations. The table below shows the key stakeholder interests identified, the forms of engagement with them and the key results of the engagement.

Stakeholders	Key interests	Engagement method	Engagement results
Clients	<ul style="list-style-type: none"> ■ Understanding the needs of clients ■ Rapid claim settlement ■ Innovative financial and insurance products and services ■ Clear terms and conditions ■ Quality insurance and financial products and services ■ A broad range of quality assistance services ■ Financial literacy ■ Digital ways of doing business and an easy-to-use online presentation of products/services ■ Raising awareness of users about risky behaviour and promoting prevention 	<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 apps ■ Marketing communication 	<ul style="list-style-type: none"> ■ 773,699 telephone conversations in Zavarovalnica Triglav's call centres. ■ 86,209 replied electronic messages in Zavarovalnica Triglav. ■ More than 31,000 subscribers to the newsletters <i>Vozim se</i> (I'm driving) and <i>Vse bo v redu</i> (Everything Will Be Alright). ■ 228,174 users of the i.triglav digital office. ■ More than 50,000 regular users of the <i>Vse bo v redu</i> and the <i>Vozim se</i> portals. ■ NPS of the Group is 73 and 69 of Zavarovalnica Triglav. ■ 327,200 processed claim files at Zavarovalnica Triglav. ■ 3,897 complaints and 46 compliments in Zavarovalnica Triglav: the rate of complaints was 1.16% compared to 1.22% in the previous year.²⁷
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 ■ Care for safety and health ■ Employee loyalty 	<ul style="list-style-type: none"> ■ Participation in management ■ Career development and training system ■ Measurement of organisational vitality ■ Opinion polls and surveys ■ <i>Triglav.smo</i> programme ■ In-house print and online media ■ In-house events, professional training, sports and recreational events ■ Personal contact ■ Email 	<ul style="list-style-type: none"> ■ 3.94 – the ORVI index at a high level ■ 25% of employees are members of the Triglav Group mountaineering and sports clubs. ■ Supplemental pension insurance for 59% employees of the Group and 95% of the Company. ■ The group insurance package Comprehensive Medical Care (<i>Celostna zdravstvena oskrba</i> – CZO), in which 50% of all employees of the Group and 82% of the parent company are included. ■ 32 training hours per employee at Group level. ■ A family-friendly enterprise
Shareholders/ investors	<ul style="list-style-type: none"> ■ Business strategy and its implementation ■ The Group's operations, financial position and plans ■ The implementation of the dividend policy and ZVTG share profitability ■ Capital adequacy and risk management ■ Implementation of growth and development activities ■ Performance by particular market, situation in the markets and outlook ■ Corporate governance and sustainable operations ■ Cost-effectiveness ■ Achievement of the target credit rating ■ Effective organisation and governance of the Group 	<ul style="list-style-type: none"> ■ General Meetings of Shareholders ■ Sessions of the Supervisory Board and its committees ■ Quality and up-to-date information on the SEOnet ■ Presentation for Investors ■ Active contact and relations with institutional investors (investor conferences, individual meetings, conference calls) ■ Organised presentations for retail shareholders (individual investors) and provision of information ■ Corporate website, LinkedIn and Twitter ■ Minority shareholders' associations 	<ul style="list-style-type: none"> ■ 77% of all voting rights at the annual General Meeting of Shareholders. ■ The Company provides organised collection of proxies to vote at the General Meeting of Shareholders. ■ 29 publications of controlled information (all in Slovenian and English). ■ 9 events held for institutional investors. ■ 2 organised presentations for retail investors. ■ Cooperation with minority shareholders' associations. ■ An available financial calendar of all key announcements. ■ An available 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"> ■ 11 complaints with respect to personal data protection at the Triglav Group, 5 of which were partially grounded. ■ 1,119 fraud cases confirmed out of 1,771 reported cases of suspected insurance fraud insurance.
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"> ■ 865 assessments of suppliers according to regulatory and expanded sustainability criteria to check suppliers' compliance with employee rights, human rights and environmental legislation.
The local and wider 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 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"> ■ The Insure Our Future communication platform brings together more than 200 partners to implement sustainability-related activities to achieve UN goals. ■ Support for 141 young talents in eleven years of the Young Hopes project. ■ 2,200 motorcyclists attended safe driving workshops over ten years. ■ A total of 113 events to promote insurance literacy, risk awareness, presentation of products and services were held. ■ 24 sponsored top athletes in Slovenia. ■ EUR 3.3 million for prevention activities, EUR 4.7 million for sponsorships and EUR 0.9 million 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 communities ■ 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"> ■ 55 press releases by Zavarovalnica Triglav. ■ 388 answers to the questions of the press by Zavarovalnica Triglav. ■ 9,217 publications related to key topics about the Triglav Group in the media.



Solar power plants were installed on the roofs of five of the Company's buildings.

11.2 Environmental aspects

11.2.1 Protection of the environment in business processes²⁸

In realising its responsibility to the natural environment, the Group focuses on areas on which it, as an insurance and financial institution, has the most significant influence. This objective is achieved by adhering to its Sustainable Development Policy and strategic ambitions. In its business processes, the Group reduces its environmental impact primarily through the efficient use of energy and by limiting greenhouse gas emissions. It strives for careful waste management, lower consumption of water and other resources.

The share of electric and hybrid company cars at Group level stood at 12% in 2023 (8% in 2022) and 30% at the parent company (18% in 2022). At Group level, 52 electric vehicles, 23 hybrid vehicles and 25 company bicycles are available to employees, in addition to 32 electric scooters for short trips. In Ljubljana, the less-used company cars are being gradually replaced with electric cars as part of the car sharing service. To encourage eco-friendly mobility, 22 own electric car charging stations were set up at all key locations. Two locations in Ljubljana have space for electric bicycles from the public bike rental system, and a secure bicycle storage facility was set up at Dunajska cesta 22.

Employees are encouraged to drive safely and reduce fuel consumption by using the DRAJV app and taking part in safe driving courses. Paper consumption is reduced by developing software, through electronic archiving and digitalisation of business processes. The quantity of plastic waste is reduced by using company mugs and water bottles.

11.2.2 Carbon footprint²⁹

In 2023, the Group's carbon footprint (Scopes 1 and 2) **decreased by 6%** year-on-year, and by 25% compared to the 2019 base year.

The Group's **Scope 1 carbon footprint** was at the same level as the previous year, but at the Company it increased by 5% due to the higher consumption of energy from own capacities. Compared to the 2019 base year, Scope 1 carbon footprint at Group level declined by 4%.

Scope 2 carbon footprint fell by 8% at Group level according to the location-based method and by 9% at the Company. The Group's Scope 2 carbon footprint decreased by 11% according to the market-based method, which takes into account emission factors obtained from the energy supplier, and that of the Company by 13%. The decrease is due to lower overall electricity consumption and, at Group level, an increase in the share of green electricity purchased. The Company purchased almost all of the electricity used for its own premises from renewable energy providers.

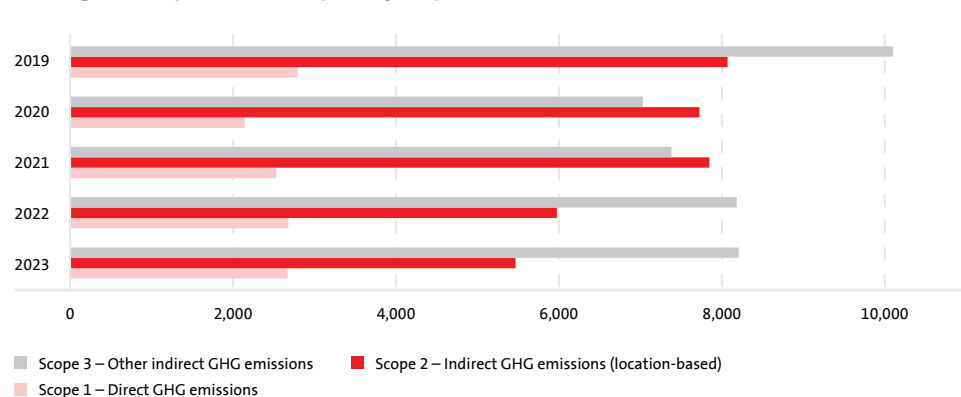
Scope 3 carbon footprint at Group level remained at the same level year-on-year and 19% lower compared to 2019. The largest share of Scope 3 carbon footprint was accounted for by employees commuting to work, business trips and purchases of computer equipment. Both the Group and the parent company increased their business trip emissions by 7%. Emissions from employees commuting to work decreased by 1% both at Group level and at the parent company.

The Triglav Group's carbon footprint by scope

	GHG emissions in tCO ₂ e			Index	
	2023	2022	2019 base year	2023/2022	2023/2019
Scope 1 – Direct GHG emissions	2,667	2,678	2,790	100	96
- Scope 1.1 – Consumption of energy products from own capacities	688	580	810	119	85
- Scope 1.2 – Fuel consumption of company cars	1,978	2,098	1,981	94	100
Scope 2 – Indirect GHG emissions (location-based)	5,464	5,971	8,068	92	68
Scope 2 – Indirect GHG emissions (market-based)	4,011	4,485	7,345	89	55
Scope 3 – Other indirect GHG emissions	8,206	8,180	10,098	100	81
- Business travel (plane, train, bus, car)	1,451	1,360	1,963	107	74
- Purchase of computer equipment	545	388	705	140	77
- Waste management	204	200	47	102	435
- Employee commuting to work	5,849	5,928	6,565	99	89
- Paper consumption – internal	86	130	431	66	20
- Paper consumption – external	58	165	364	35	16
- Water consumption	13	11	24	126	56
Total Scope 1–2 GHG emissions	8,131	8,649	10,859	94	75
Total Scope 1–3 GHG emissions	16,336	16,829	20,957	97	78
Carbon footprint (Scope 1–2) per employee	1.54	1.63	2.00	94	77

Following the change in data capture, the data for 2019 and 2022 were adjusted.

The Triglav Group's carbon footprint by scope in 2019–2023 in tCO₂e



Carbon footprint per Triglav Group employee (Scopes 1 and 2) 2023/2019



In the 2019 base year, the Group's carbon footprint was 2.0 tCO₂e per employee. With the implementation of commitments and comprehensive actions, it decreased to 1.63 in 2022. The main contributors to the further decrease to 1.54 tCO₂e per employee in 2023 were the reduction in electricity consumption and the increase in the share of green energy.

²⁹ GRI 3-3, 305-1, 305-2, 305-3

Zavarovalnica Triglav's carbon footprint by scope

	GHG emissions in tCO ₂ e			Index	
	2023	2022	2019 base year	2023/2022	2023/2019
Scope 1 – Direct GHG emissions	724	693	938	105	77
- Scope 1.1 – Consumption of energy products from own capacities	286	180	393	159	73
- Scope 1.2 – Fuel consumption of company cars	438	513	546	85	80
Scope 2 – Indirect GHG emissions (location-based)	2,555	2,806	3,719	91	69
Scope 2 – Indirect GHG emissions (market-based)	1,269	1,452	3,676	87	35
Scope 3 – Other indirect GHG emissions	5,263	5,310	5,565	99	95
- Business travel (plane, train, bus, car)	1,047	983	1,369	107	77
- Purchase of computer equipment	283	210	315	135	90
- Waste management	82	83	20	99	418
- Employee commuting to work	3,792	3,837	3,463	99	109
- Paper consumption – internal	13	48	69	27	19
- Paper consumption – external	41	146	322	28	13
- Water consumption	3	3	8	102	38
Total Scope 1–2 GHG emissions	3,280	3,499	4,657	94	70
Total Scope 1–3 GHG emissions	8,543	8,809	10,223	97	84
Carbon footprint (Scope 1–2) per employee	1.46	1.57	1.95	93	75

Following the change in data capture, the data for 2019 and 2022 were adjusted.

Based on an independent verification carried out in accordance with the ISO 14064-3 standard, 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 for GHG emission reporting (Scopes 1 and 2 emission reporting guidelines),
- was correct in terms of content and fairly presents GHG data (Scopes 1 and 2) from 1 January 2023 to 31 December 2023 for Zavarovalnica Triglav d.d. and the Triglav Group.

The Triglav Group's carbon footprint calculation was prepared in accordance with the methodology for calculating Zavarovalnica Triglav's and the Triglav Group'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). The carbon footprint calculation according to the location-based method includes all Group companies that 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 release 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) and fugitive emissions associated with air-conditioning units.
- **Scope 2:** indirect emissions 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.

In accordance with the carbon footprint calculation methodology, certain data of the parent company and its subsidiaries were adjusted up to the 2019 base year. The adjustments mainly relate to taking into account data relating to the consumption of tenants of office premises.

Use of energy products

The Group consumed 1,552 tonnes of oil equivalent (TOE) of energy on heating, cooling, lighting and electrical and electronic equipment, down by 4% relative to 2022, while the Company reduced its energy consumption by 2%. Both the Group and the parent company saw the largest increases in gas consumption, while consumption of fuel oil, electricity and water for heating decreased.

Solar power plants were installed on the roofs of five of the Company's office buildings at the end of the year, which will cover around one tenth of its annual electricity consumption. Employees were educated on the more rational use of energy (proper ventilation, consistent switching off of appliances after use), in addition to limiting the temperature in offices and sales areas and domestic hot water temperature.

When renovating premises, priority is given to highly energy-efficient equipment. Additionally, for new forced-air ventilation installations, integrated heat recovery systems are used. All new premises and advertising signs are fitted with LED lighting. When replacing lighting in basements and garages, lighting sensors are installed in addition to LED lights (see [Section 8.5 Investment in own-use real property and equipment](#) for further information).

Use of energy products at the Triglav Group and Zavarovalnica Triglav in energy product unit

Quantities		Index				
		2023	2022	2019 base year	2023/2022	2023/2019
Triglav Group						
Heating water	kWh	4,347,328	4,943,441	4,713,720	88	92
Fuel oil	L	13,115	29,410	89,790	45	15
Gas	kWh	2,970,584	2,221,206	2,581,140	134	115
Wood pellets	kg	38,750	49,030	26,000	79	149
Electricity	kWh	10,341,736	11,015,428	11,269,874	94	92
Green electricity	kWh	6,374,018	6,500,791	117,659	98	5,417
Green electricity (%)	%	61.6	59.0	1.0	104	5,904
Zavarovalnica Triglav						
Heating water	kWh	3,634,507	4,167,600	4,043,670	87	90
Fuel oil	L	7,959	15,520	23,414	51	34
Gas	kWh	1,330,257	723,129	1,732,335	184	77
Wood pellets	kg	0	0	0	0	0
Electricity	kWh	5,701,785	5,991,621	6,291,109	95	91
Green electricity	kWh	5,667,141	5,965,093	117,659	95	4,817
Green electricity (%)	%	99.4	99.6	1.9	100	5,314

Following the change in data capture, the data for 2019 and 2022 were adjusted.

Use of energy products at the Triglav Group and Zavarovalnica Triglav in tonne of oil equivalent (TOE)³⁰

	TOE (ton equivalent)			Index	
	2023	2022	2019 base year	2023/2022	2023/2019
Triglav Group					
Heating water	374	425	405	88	92
Fuel oil	11	25	77	45	15
Gas	262	196	228	134	115
Wood pellets	16	20	11	79	149
Electricity	889	947	847	94	105
Green electricity	548	559	8	98	6,772
Total	1,552	1,614	1,568	96	99
Zavarovalnica Triglav					
Heating water	313	358	348	87	90
Fuel oil	7	13	20	51	34
Gas	117	64	153	184	77
Electricity	490	515	433	95	113
Green electricity	487	513	8	95	6,021
Total	927	951	954	98	97

Following the change in data capture, the data for 2019 and 2022 were adjusted.

³⁰ 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 302-1.

Waste management³¹

The waste separation and disposal system depends on the waste management system at the local level or at the level of the country in which a particular Group company operates. Full waste separation is carried out in Slovenia, whereas in some other countries waste separation and disposal is not yet fully regulated, therefore the quantity and type of waste are often not available. Employees in all companies are encouraged to reduce their consumption of water, paper, and packaging, and to consistently separate waste.

Compared to the year before, the total quantity of waste generated in 2023 decreased by 6% at Group level and by 8% at the Company. The higher quantity of paper waste resulted from an increase in the volume of archival material. The share of recycled waste increased to 34.3% at Group level and 44.5% at the Company.

Waste management at the Triglav Group and Zavarovalnica Triglav

Triglav Group	Unit	Index				
		2023	2022	2019 base year	2023/2022	2023/2019
Paper	kg	117,353	113,796	85,443	103	137
Biological waste	kg	31,906	41,232	12,567	77	254
Packaging	kg	57,411	65,957	53,328	87	108
Glass	kg	6,535	3,960	5,396	165	121
Mixed waste	kg	399,723	436,509	415,353	92	96
Electrical equipment and other	kg	8,251	2,327	5,861	355	141
Total recycled waste	kg	213,205	224,945	156,734	95	136
Total waste intended for removal	kg	407,974	438,836	421,214	93	97
Total waste generated	kg	621,179	663,781	577,948	94	107
Water consumption	m ³	75,142	70,873	68,847	106	109
Waste per employee	kg	118	125	110	94	107

Zavarovalnica Triglav	Unit	2023	2022	2019 base year	2023/2022	2023/2019
Paper	kg	80,968	72,670	38,818	111	209
Biological waste	kg	26,569	36,247	9,849	73	270
Packaging	kg	23,215	36,448	29,929	64	78
Glass	kg	2,951	724	971	408	304
Mixed waste	kg	159,584	179,400	180,327	89	88
Electrical equipment and other	kg	7,258	1,777	5,852	408	124
Total recycled waste	kg	133,703	146,090	79,567	92	168
Total waste intended for removal	kg	166,842	181,177	186,179	92	90
Total waste generated	kg	300,544	327,267	265,746	92	113
Water consumption	m ³	18,088	21,134	23,071	86	78
Waste per employee	kg	134	146	120	92	112

In 2023, too, the consumption of paper for internal purposes was reduced. The average daily consumption of office paper (A4 and A3 formats) in sheets per employee fell to 13 at Group level (compared to 19 in 2022) and to 5 at the Company (compared to 18 in 2022).

Paper consumption at the Triglav Group and Zavarovalnica Triglav

Triglav Group	Paper consumption in kg			Index	
	2023	2022	2019 base year	2023/2022	2023/2019
Total paper consumption*	158,728	321,002	817,114	49	19
Paper consumption by employees (A4 and A3)	88,920	131,356	369,200	68	24
Average daily office paper consumption per employee (sheets)	13	19	53	68	24

Zavarovalnica Triglav	2023	2022	2019 base year	2023/2022	2023/2019
Total paper consumption*	59,640	211,006	409,710	28	15
Paper consumption by employees (A4 and A3)	14,266	52,460	72,090	27	20
Average daily office paper consumption per employee (sheets)	5	18	25	27	20

* Includes paper consumption for internal and external purposes, including envelopes, promotional material, printed material, insurance documentation, etc.



Triglav Group employees participated in tree planting and reforestation activities in several countries.

Care for the wider natural environment

Under the expert guidance of the Slovenia Forest Service, Group employees once again participated in the **reforestation of the Karst region after the devastation** caused by the catastrophic fires in 2022. Approximately 8,000 seedlings of diverse tree species were planted in the area affected by the fire. In North Macedonia, the **Green League** app (Zelena liga) was launched to promote a healthy lifestyle for employees and clients, while also raising awareness about the importance of reducing CO₂ emissions into the environment.

11.2.3 Services and products promoting social and environmental impacts³²

Sustainability criteria are taken into account when designing insurance products, and each product is properly assessed already in the development and approval phase in accordance with the internal methodology of sustainability impact assessment. Presented below are the most important services and activities that promote social and environmental benefits.

- **Solar power plant insurance:** This insurance provides adequate insurance cover to all owners and users of energy from renewable sources.
- **Micromobility insurance:** Insurance for small electric means of transport, which is designed to promote the use of zero-emission means of transport.
- **Comprehensive car insurance and roadside assistance insurance:** These insurance products include all the necessary covers for electric and hybrid vehicles (insurance of the entire charging infrastructure).
- **The DRAJV app:** Promotes safe, economical and responsible driving, allowing clients who use it to qualify for a reduced car insurance premium.
- **The range of agricultural insurance products:** Greater emphasis is being placed on plant production insurance and insurance of small and medium-sized livestock farms, which are a significantly smaller burden on the environment than intensive animal farming.
- **The range of co-financed agricultural insurance products:** Promotes the supply of locally produced food. This helps to shorten supply chains and contributes to preserving agricultural production and rural settlements, especially in more remote areas with more difficult farming conditions (less favoured areas for agriculture). In order to preserve Slovenian fruit production and business sustainability, the Company presented to the government a proposal to upgrade the agricultural insurance co-financing system, where the government would also be involved through co-financing in the event of damage.
- **The premium policy** for agricultural insurance products promotes the importance of establishing preventive protection against increasing production risks as a result of climate change. The Company participates in **prevention programmes** for sustainable food production (irrigation systems to protect against summer drought, sprinkler systems to protect against spring frost, anti-hail nets, greenhouses, tunnels). **Gradually launching index insurance products**, such as crop insurance against drought with remote sensing technology to detect a lack of moisture in the soil, helps to reduce the burden on the environment in the claim settlement process. Modern damage assessment procedures in the field using tablets and drones are also more environmentally friendly.
- **Special benefits for young farmers:** Young farmers receive special benefits when concluding insurance upon taking over a farm. In cooperation with the Slovenian Rural Youth Association, the Company supports young farmers in innovative and preventive projects such as Innovative Young Farmer,

(Un)safe Driving with Tractors and participation in the publication of the Entrepreneurial Farmer (Podjetni kmet) manual.

- **Activities in insurance companies outside Slovenia:** In Serbia, an agreement was signed with a solar panel provider, with the Triglav Group engaged as the insurance provider. In North Macedonia, the Kasko Green promotion was launched, running until the end of September. Owners of electric and hybrid vehicles received up to a 50% discount on their comprehensive car insurance. Furthermore, the My Home (Moj dom) product was launched, offering a 10% discount to policyholders using cost-effective devices, and a 50% discount to policyholders with installed power generation devices such as solar panels (30% for legal entities).

The volume of premium written from insurance products promoting general social and environmental benefits increased to EUR 24.8 million (index 119) in 2023.

The value of assets under management that comply with sustainability criteria increased to EUR 1.1 billion, as a result of the aforementioned redesign of twelve mutual funds and the incorporation of a sustainability strategy in the discretionary mandate services segment. Sustainable bonds represent 11.1% of the Group's debt investments.

Written premium from the Triglav Group insurance products that promote social and environmental benefits, along with assets under management in funds and discretionary mandate assets that incorporate sustainability aspects

	Written premium and assets under management			Index	
	2023	2022	2021	2023/2022	2022/2021
Crop insurance	17,738,167	17,056,736	13,392,760	104	127
Electric vehicle insurance	4,699,300	2,427,251	1,920,092	194	126
Micromobility insurance	527,467	550,591	484,875	96	114
Solar power plant insurance	1,816,700	773,394	537,912	235	144
Total written premium	24,781,634	20,807,972	16,335,639	119	127
Assets under management in funds that incorporate sustainability aspects*	1,139,026,941	49,246,838	41,833,991	2.303	118

* Comprise assets from mutual funds (Triglav Aktivni, Triglav Evropa, Triglav Obvezniški, Triglav Okoljska perspektiva, Triglav Renta, Triglav Severna Amerika, Triglav Sklad denarnega trga EUR, Triglav Svetovni razviti trgi, Triglav Tehnologije prihodnosti, Triglav Top Brands, Triglav Trgi v razvoju, Triglav Zdravje in dobro počutje) and discretionary mandate assets that incorporate sustainability aspects.

The disclosures required by Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 are presented in [the appendix Disclosures under the EU Taxonomy Regulation](#).

11.3 Social aspects

11.3.1 Responsibility to clients³³

The Company aims to cultivate long-term relationships with its clients, built on principles of fairness, trust and ongoing follow-up. Client needs are promptly addressed with an emphasis on quality, convenience and transparency. Suggestions and comments from clients are professionally and fairly addressed not only to enhance business models and processes but also to develop new products, services and ecosystems.

The client experience is improved through the development of digital solutions and modern communication channels. Client relationships are reinforced through direct contact with insurance agents, ensuring clients are informed about insurance products and their personal data and rights are protected.

Insurance products are developed in line with the procedures for their approval and testing before they are sold or distributed. Each product must meet clients' 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.

The sale of insurance is centrally managed through various sales channels and appropriate communication platforms, aiming to cover all target groups – from young people to pensioners – by using a multi-channel approach.

Informing clients³⁴

Clients are provided with easy access to all the necessary information about the Company's products and services. Its insurance and general terms and conditions are fair and transparent, with special attention given to informing clients when underwriting financial and insurance contracts remotely.

Any complaint, which may be filed in various ways, is resolved quickly according to the prescribed procedures. The Company complies with the guidelines of supervisory bodies and carefully implements its policy of management and control of insurance services and products and their distribution.

Marketing approaches and campaigns are consistently 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 2023.

Availability of services

A wide array of digital solutions and multiple sales channels is utilised to offer clients easily accessible services and streamline business transactions. See [Section 13. Business network of the Triglav Group](#) for more information on the expansive business network.

- **Communication channels:** Toll-free telephone numbers are available for the Company's services (general information and technical assistance: 080 555 555, info@triglav.si; and assistance services: 080 2864 in Slovenia, 080 2222 2864 abroad). The toll-free telephone number 080 2664 and info@triglavzdravje.si are available for information on health insurance; the toll-free telephone number 080 1019 and info@triglavskladi.si of Triglav Skladi are available for information on investment solutions. Call centres also operate in Croatia, Serbia and North Macedonia. The **TRIA virtual assistant** was upgraded with artificial intelligence (AI) to offer clients a more natural, flexible and interactive communication experience.
- **The DRAJV mobile app:** The app is used by approximately 66,000 drivers every month, who have driven a total of over 1.4 billion kilometres since its launch. By driving safely, users are rewarded with a discount when taking out motor vehicle insurance or insurance for young drivers and receive a discount on motorcycle insurance. In 2023, a single Triglav login for the i.triglav digital office and the DRAJV app was implemented. See [Section 10. Development activities](#) for more information.
- **The i.triglav mobile app:** Using the app, clients can sort out most things related to insurance contracts and access the Company's other services (taking out or renewing insurance policies, reporting a claim and monitoring the status of their claim, ordering assistance, reviewing details of insurance and benefits, etc.). The mobile app, which is used by more than 228,000 users, allows clients to check the balance of their savings at Triglav Skladi and the balance of their life and pension insurance assets.
- **The Triglav Vreme mobile app:** Provides access to reliable weather information and forecasts provided by the Slovenian Environment Agency.
- **Online insurance underwriting:** Motorcycle insurance was added to the digital insurance portfolio, and most of the existing online products were redesigned for an improved digital experience.
- **Mobile appraisal units at CAT events:** In the affected areas, mobile appraisal units are set up for a quick and prompt damage assessment. In 2023, ten mobile appraisal units were set up after seven major and several small hailstorms in Slovenia, which carried out a total of over 12,000 appraisals of damaged vehicles (compared to 4,000 in 2022).
- **Claims settlement:** Users can submit a claim through a number of digital reporting channels (online reporting, mobile reporting, B2B, i.triglav, chatbot, etc.) with electronic signing of claims documents and reporting of assistance cases without a phone call. See [Section 10.2 Digital transformation](#) for more information on the new innovative solutions.



Triglav Lab has set up the first e-scooter driving simulator in Slovenia.

- **An app for inspection of the object insured:** Remote inspection is possible using a client's smartphone, a drone and 360° cameras, as well as by capturing data using OCR technology. Damage reporting and inspection procedures are therefore simpler and faster.
- **The Triglav Skladi mobile app and Moj račun (My Account) online app** for easy and transparent management of investors' investments and access to up-to-date information on financial markets and asset management.
- **Remote consultation with a specialist physician under the Zdravstveni nasvet (Medical Advice) insurance product:** Clients can consult with a specialist physician by telephone or video call.
- **A safe driving simulator at Triglav Lab:** A practical driving test on the simulator provides a discount on the young driver's insurance policy, and participating in a safe driving workshop also provides a reduced price.

Access to Zavarovalnica Triglav's insurance services for people with various disabilities³⁵

Improving the services provided to persons with disabilities and ensuring their social integration

- A total of 75% of our points of sale provide independent access to people with different types of disabilities. In 2023, during the renovation of the premises to accommodate the medical centre's requirements, tactile floor signs were installed in the lobby of the building at Dunajska cesta 22 in Ljubljana to assist the visually impaired. In addition, an inductive hearing loop was installed at the reception desk there.
- 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.
- Partnership with the Sports Federation for the Disabled of Slovenia and the Vozim Institute.

11.3.1.1 Client satisfaction³⁶

Client satisfaction is measured using the Net Promoter Score (NPS) methodology in all markets where the Group operates, with the range of participating companies being expanded. In the reporting year, the underwriting process was included in addition to assistance services and claim payments.

In 2023, despite a decline, the NPS score for both the Group and the Company remained at high levels. **The NPS for the Group** decreased by 4 points year-on-year to 73, while **the NPS for the Company** fell by 7 points year-on-year to 69. The decline was observed across all points of contact, particularly in the area of information and underwriting. Despite the general decrease, however, we still achieved the highest level of satisfaction in assistance services. The decline in NPS is attributed to the rise in premiums resulting from inflation and catastrophic weather events, leading to a significant increase in the number of claims and their settlement time. The results of the measurements and negative client experiences are communicated to the relevant departments on a daily basis.

Client satisfaction with **healthcare service providers** is measured at the Zdravstvena točka health information office. Scores always exceed target values. All clients who left negative feedback are contacted, which is also communicated to partner healthcare service providers. The best rated partner healthcare service providers are awarded awards of excellence, and the Ambassador of Excellence award is given to the providers who were awarded five years in a row.

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 well as directly from agents in the field. A book of complaints and compliments is available at points of sale.

Individual **complaints and compliments** are monitored and managed with effective software. The complaint handling rules define the individual stages of the complaints procedure and the duties of the responsible persons. Once a year, a report on the handling of complaints and compliments is drawn up and presented to the Company's management. It also specifies measures to improve the complaints procedure and processes. The Company ensures that clients are transparently informed about the complaints procedure, both with appropriate explanations in the insurance documentation and on the Company's website, where they can find all information related to the handling of complaints.

In 2023, the Company received 3,897 complaints, a 14% increase compared to the previous year. Most complaints related to non-life insurance claims (91%). The most common (91%) were substantive complains in which clients expressed their dissatisfaction with the handling of their claims. Of all complaints received, two-thirds were unfounded, 10% were founded and 15% were partly founded. Apart from that, 46 compliments were received, with particular praise for the attitude of staff in handling claims and service delivery. In the Group members outside Slovenia, complaints are handled in accordance with complaint committee's rules; records are kept in the prescribed form, mostly digital.

The client retention rate in Zavarovalnica Triglav was 88.2% in 2023. Together with new clients acquired this year, their total number increased by 10.3%.³⁷ **The rate of complaints** in relation to the number of claims at Zavarovalnica Triglav and Triglav, pokojninska družba was 1.16% compared to 1.22% in the previous year.³⁸

11.3.1.2 Assessment of effectiveness and market research

Various market analyses are performed to monitor our visibility among the general and business public, assess client satisfaction, evaluate user experience, and understand the purchasing habits and intentions of both existing and potential clients.

In 2023, 45 in-house surveys were conducted, covering a wide range of business areas. These surveys are aimed at enhancing the quality of our products, services and applications, tailor them to clients' needs and expectations, strengthen our competitive advantage and deepen our understanding of the market. Topics included analysing target audience and products, designing and testing the bases for application development, exploring the potential of new product concepts, evaluating existing products and understanding clients' buying patterns.

Regular surveys on the **Triglav brand's reputation** are also conducted among the general public. In all countries where the Group operates, except Serbia, the brand ranks among the top five brands in terms of reputation. With a brand excellence index of 81, Triglav scored one percentage point lower than in 2022.

Brand management and marketing communication

Rebranding took place both at the Triglav brand level and the employer brand level. At the brand level, a graphic guidelines and rules manual was developed, outlining the rules and principles of the new brand archetype, a sovereign guardian. Additionally, an employer brand strategy was formulated, defining the guidelines for cultivating a blue culture at Group level, establishing the employer brand identity and defining the employer brand promise. To this end, a content and graphic manual for unified HR advertising across the entire Group was adopted, with its implementation scheduled to begin in early 2024.



“Triglav is a strong, time-honoured brand, yet flexible in adapting to changes in the environment.

In line with our business strategy, it is now assuming the role of custodian for our clients while bolstering its reputation as an employer brand.”

Tjaša Kolenc Filipčič, Director of Marketing Department, Zavarovalnica Triglav



The DRAJV app received an Effie Award for marketing excellence.

Through the **Insure Our Future** sustainability project, all sponsors and partnerships from various fields, including sport, culture, healthcare, prevention and business, were brought together on a single communication platform. Our joint efforts were focused throughout the year on achieving the 17 UN Sustainable Development Goals (SDGs). By disseminating the content of each SDG, awareness of their significance was raised among online users, primarily through the Company's channels (Facebook, Instagram, zavarujmoprihodnost.si website, etc.) and the digital channels of selected ambassadors. An e-newsletter was sent to all partners twice a month to provide the latest news about the Company and encourage their involvement. Furthermore, information about the Company's activities was shared with employees via the intranet to underscore the importance of sustainability.

As part of its long-standing partnership with the Ski Association of Slovenia, the Company held the **Create a Cup for Planica** competition for children, for the first time actively engaging teenagers and young people in a nationwide event at the FIS Ski Jumping World Cup Finals. In the competition, young creators designed a real trophy for the Planica 7 winner – the best ski jumper, with the trophy subsequently produced using a 3D printer.

11.3.1.3 Awards and acknowledgements received

Awards and acknowledgments of the Triglav Group in 2023

- **WEBSI 2023:** 2nd place for Triglav Skladi in the "Product and landing pages and a website intended for individuals" category and 3rd place in the "Financial sector" category.

- **TOP investor in education:** Zavarovalnica Triglav was awarded a certificate for its systematic investment in employee education and training.
- **European Commission Award** (under the European Road Safety Charter): Top prize in the “Fitness to drive” category for the *Refresher ride with a driving instructor for the elderly* project.
- **HRM project 2023:** The winner of the HRM project in the “Large Companies” category, recognised at the HR&M conference for the exemplary practice showcasing how volunteering at Triglav fosters connection, unity and resilience within the organisation.
- **Marketing Excellence:** The winner in the “Sustainability excellence” category for the *Refresher ride with a driving instructor for the elderly* project.
- **Effie:** Gold Award in the “Long-term effectiveness and efficiency” category for the DRAJV mobile app.
- **Diggit:** Grand Prize in the “Effective marketing, design and user experience” category for the i.triglav mobile app.
- **IADA:** Gold Award for the 2022 annual report of the Triglav Group and the parent company for the integrated communications solution on the annual report’s cover photo.
- **Arc Awards:** Gold Award for the 2022 annual report of the Triglav Group and the parent company for the integrated communications solution in the “PDF Version of Annual Reports” and “Photography/Video” categories.

- **Gold Quill:** The International Association of Business Communicators (IABC) awards for excellence in strategic communication for the *Refresher ride with a driving instructor for the elderly* project in two categories (“Safety communication” and “Corporate social responsibility”).
- **Excellence Award:** Triglav, Zdravstvena zavarovalnica received a special award for excellence, having been chosen by clients as one of the best healthcare service providers.
- **Reputable Employer 2022:** For the fifth year in a row, Zavarovalnica Triglav was awarded the title of *Reputable Employer* in the insurance industry for its dedication to caring for its employees and the flexibility it demonstrates as an employer in a challenging labour market.
- **NETKO Award** (by the Chamber of Commerce and Industry of Slovenia): 1st place for Triglav Skladi for the best presentation of a company or start-up, for the best presentation of a product or service and a “Top Project!” special award.

11.3.2 Responsibility to employees³⁹

Strategic employee management guidelines and the recruitment policy

- The Group attracts, retains and develops top talent on an ongoing basis, continually improving the selection procedures. Standardised employee management processes are introduced within the Group by implementing minimum standards and transferring good practices.

- A uniform organisational culture is being created at Group level based on constructive behaviour, teamwork, initiative, responsibility and cooperation. The employer brand is systematically redesigned. Mobility within areas of work and among Group companies is promoted. Onboarding mentoring for new hires and development mentoring for promising employees are carried out, thereby strengthening intergenerational cooperation.
- Employees’ 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. In 2023, the main competency – initiative was strengthened at Group level.
- The development of key and promising employees and leaders is an ongoing process.
- Employee satisfaction and commitment are a priority, which is monitored using an annual ORVI survey.
- Modern, hybrid forms of work are being implemented that enable employees to work more flexibly and efficiently, facilitate networking and cooperation, and improve their work-life balance.
- In 2023, the Group completed a project to implement development modules in the Gecko HRM human resource information system.

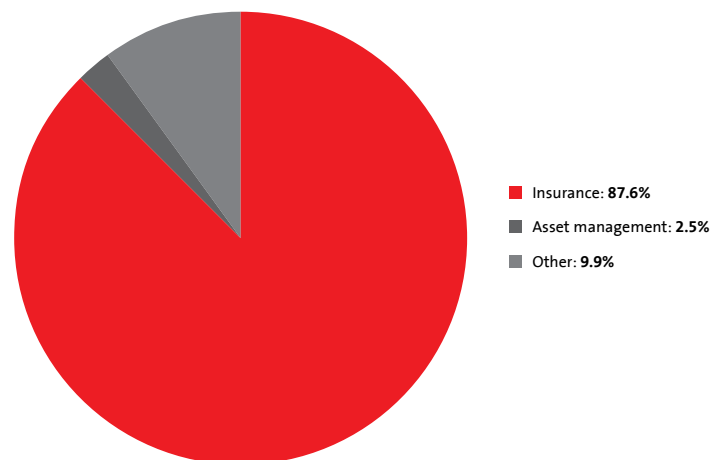
11.3.2.1 Recruitment and employee structure⁴⁰

The Triglav Group had **5,318 employees** as at 31 December 2023, up by 12 over the preceding year. The number of employees increased due to new hires in the Serbian and Croatian insurers.

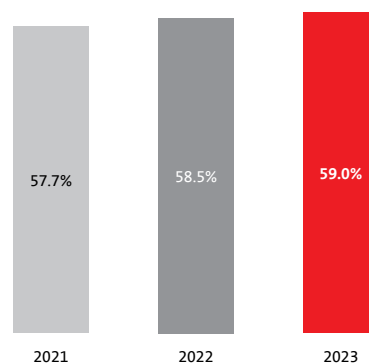
The majority, i.e. 87.6%, of all employees worked in the insurance activity, down by 0.7 percentage point compared to the year before, due to a decrease in the number of employees at the health insurer. The share of employees in asset management activity increased by 0.1 percentage point, while in other activities it rose by 0.6 percentage point.



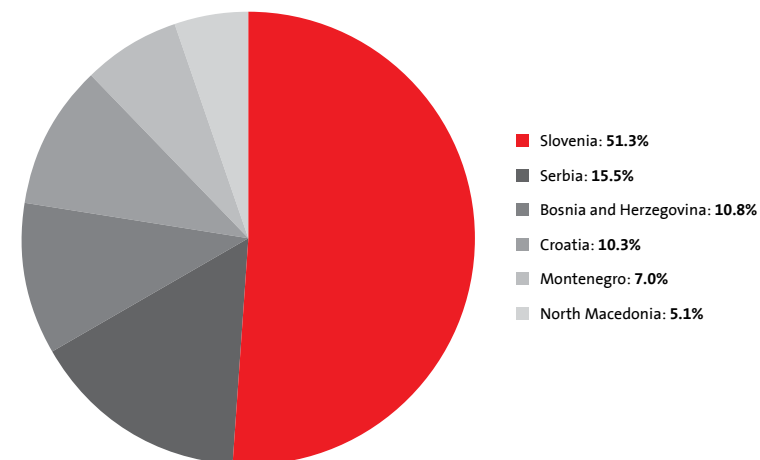
Employees by Triglav Group activity as at 31 December 2023



Proportion of employees at the Triglav Group with at least level VI education according to the Bologna Process study programmes as at 31 December



Employees by Triglav Group market as at 31 December 2023



A total of 51.3% of all Group employees are employed in Slovenia, up by 0.1 percentage point relative to the preceding year. The share of employees in Serbia increased the most (by 0.4 percentage point), whereas in North Macedonia it decreased the most (by 0.3 percentage point).

The proportion of employees with at least level VI education according to the Bologna Process study programmes has been steadily increasing.

Employees at the Triglav Group and Zavarovalnica Triglav by type of employment (full-time, part-time) as at 31 December 2023⁴¹

Type of employment	Triglav Group						Zavarovalnica Triglav					
	2023		2022		2021		2023		2022		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Part-time	258	4.5	241	4.5	221	4.2	73	3.3	74	3.3	74	3.3
Full-time	5,060	95.1	5,065	95.5	5,043	95.8	2,170	96.7	2,169	96.7	2,172	96.7
Total	5,318	100.0	5,306	100.0	5,264	100.0	2,243	100.0	2,243	100.0	2,246	100.0
Type of employment agreement												
Fixed-term	593	11.2	607	11.4	624	11.9	17	0.8	33	1.5	41	1.8
Permanent	4,725	88.8	4,699	88.6	4,640	88.1	2,226	99.2	2,210	98.5	2,205	98.2
Total	5,318	100.0	5,306	100.0	5,264	100.0	2,243	100.0	2,243	100.0	2,246	100.0

The turnover rate⁴² at Group level rose to 12.0% (compared to 11.6% in 2022) and to 5.5% at Zavarovalnica Triglav (compared to 5.3% in 2022). A total of 649 new employees were hired in 2023; most new hires were aged between 26 and 35 years. A total of 637 employees left; most leavers were aged over 56 years (due to retirement) and 41–45 years.

The average age of employees in the Group rose to 45.1 years (compared to 44.8 years in 2022); at the parent company it was 46.9 years (compared to 46.7 years in 2022). The average age of Zavarovalnica Triglav's Management Board members was 47.8 years.⁴³ In Slovenia, senior management is hired from the local community, as is the majority of senior management in markets outside Slovenia.⁴⁴

The proportion of women among all employees increased both at the Company and in the Group, where it reached 55.0%. The proportion of women among the Management Board members of Zavarovalnica Triglav was 20.0%, and in the management and supervisory bodies of all Group companies it stood at 25.5%.⁴⁵ In all employee categories, activities and countries where the Group operates, the basic salary of men and women is equal.⁴⁶

The share of employees employed under the collective agreement was slightly higher in both the Group and the parent company. It was 88.6% in the Group (compared to 88.5% in 2022) and 89.7% at the parent company (compared to 89.6% in 2022). The remaining 11.4% were employees with individual agreements.⁴⁹ Benefits are the same for all employees, be it permanent full-time employees, fixed-term employees or part-time employees.⁵⁰

The Company does not employ any employees without a guaranteed minimum or fixed number of working hours.⁵¹ In 2023, in accordance with the law, the Company had 26 employees under a work contract and 11 temporary or non-guaranteed hours employees.⁵²

Gender representation by various categories at the Triglav Group and Zavarovalnica Triglav as at 31 December 2023 (%)⁴⁷

Triglav Group	Share in %			Index	
	2023	2022	2021	2023/2022	2022/2021
Women employees to total employees ratio	55.0	54.7	53.5	101	102
Proportion of women at the first management level under the Management Board	46.5	45.1	45.8	103	98
Proportion of women at first and second management levels under the Management Board	42.6	41.2	42.1	103	98
Proportion of women in management and supervisory bodies	25.5	23.6	20.9	108	113
Proportion of the underrepresented gender in management and supervisory bodies	18.7	17.1	17.2	109	100
Women in management to women employees ratio	5.0	4.9	5.3	103	92
Zavarovalnica Triglav	2023	2022	2021	2023/2022	2022/2021
Women employees to total employees ratio	51.4	51.1	50.4	100	102
Proportion of women on the Management Board of Zavarovalnica Triglav	20.0	25.0	33.3	80	75
Proportion of women on the Supervisory Board of Zavarovalnica Triglav	25.0	0.0	0.0	0	0
Proportion of women at the first management level under the Management Board	32.0	25.9	25.9	123	100
Proportion of women at first and second management levels under the Management Board	39.1	40.2	37.9	97	106
Women in management to women employees ratio	3.2	3.5	3.4	92	104

Employees at the Triglav Group and Zavarovalnica Triglav by age and gender as at 31 December 2023⁴⁸

Age group	Triglav Group						Zavarovalnica Triglav					
	2023		2022		2021		2023		2022		2021	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
From 18 to 19	5	0.1	3	0.1	6	0.1	0	0.0	0	0.0	1	0.0
From 20 to 25	131	2.5	127	2.4	125	2.4	30	1.3	24	1.1	21	0.9
From 26 to 30	360	6.8	361	6.8	371	7.0	96	4.3	88	3.9	94	4.2
From 31 to 35	515	9.7	555	10.5	569	10.8	179	8.0	191	8.5	194	8.6
From 36 to 40	719	13.5	741	14.0	771	14.6	268	11.9	268	11.9	264	11.8
From 41 to 45	876	16.5	904	17.0	885	16.8	333	14.8	367	16.4	393	17.5
From 46 to 50	964	18.1	940	17.7	882	16.8	443	19.8	438	19.5	422	18.8
From 51 to 55	844	15.9	828	15.6	821	15.6	441	19.7	446	19.9	455	20.3
56 and over	904	17.0	847	16.0	834	15.8	453	20.2	421	18.8	402	17.9
Total	5,318	100.0	5,306	100.0	5,264	100.0	2,243	100.0	2,243	100.0	2,246	100.0
Gender												
Men	2,391	45.0	2,401	45.3	2,426	46.1	1,091	48.6	1,096	48.9	1,104	49.2
Women	2,927	55.0	2,905	54.7	2,838	53.9	1,152	51.4	1,147	51.1	1,142	50.8
Total	5,318	100.0	5,306	100.0	5,264	100.0	2,243	100.0	2,243	100.0	2,246	100.0

11.3.2.2 Employee training and development⁵³

The Group's strategic guidelines are implemented also by pursuing a training policy, thereby ensuring the employees' expertise, sustainable business, digitalisation and an outstanding user experience.

In-house training is available to all generations and target groups of employees, with special attention paid to leaders, sales staff, promising employees, in-house coaches and mentors. Employees from all Group companies and employees at external points of sale are included in in-house training. Training in insurance, sales, business communication, digitalisation and other relevant business topics was provided to employees. Workshops on leading a healthy lifestyle were organised as part of the Triglav.smo in-house programme in cooperation with various experts.

The majority, i.e. 52%, of the Group's training sessions were delivered online (compared to 62% the previous year). Some more extensive training programmes:

- **Specialised in-house training.**
- **Summer School.**
- **New training topics in the context of the leadership license.** New leaders were included in the **Leadership School** programme. **The Effective Leadership and Communication** training programme was organised for the leaders of the companies in the Adria region.
- **An emotional intelligence development training programme.**
- **The Triglav Guide**, a programme for new hires.
- **The Triglav Ambassadors** programme to exchange knowledge, skills and experience of the best insurance agents.
- **Sales Academy.**



This year's summer school was attended by 28 employees from all Group companies.

- Compulsory training to maintain a licence to conduct insurance agency business.
- A new group of in-house coaches.
- A total of 21 expert meetings were held either at the parent company or within the Group.

The **total number of functional training hours** at Group level was down by 4%, while in the parent company it remained at the same level as last year (index 100). Employees at Group level participated in 32 training hours on average (index 96). Company employees participated in 51 training hours (the same as last year), most in the in the age group of 26–30 years. In terms of gender, both men and women received the same amount of training.⁵⁴

The Group' training costs amounted to EUR 2.5 million, up by 4%, due to the higher number of training hours in traditional form and related costs.

Employees are also encouraged to continue their formal education; **work study** was funded for 148 Group employees and **scholarships** were provided to 48 pupils and students. **Obligatory work placement was provided** to 61 pupils and students. A total of 14 young employees completed **traineeship** under the guidance of mentors. During the three-day **Great Challenge (Hud izziv)**, held in cooperation with the Career Centre of the Faculty of Economics, students proposed solutions on how to use new technologies to design innovative insurance products. Partnering with various societies under the motto **Together for a Safer Future**, the Company held volunteering campaigns in early 2023. Teambuilding activities were enhanced by integrating volunteering themes. As a result of these efforts, the Company was honoured with the HR&M Project 2023 award for good practice and received the "TOP Investor in Education" certificate for systematic investment in employee education and training.

Management by objectives and development of competences⁵⁵

The management-by-objectives system is implemented by all Group insurance companies and some non-insurance companies. The share of employees included in this system increased to 55% in 2023 (compared to 49% the year before), while the share of employees in the parent company rose by 3 percentage points to 75%. Employees set their objectives at an annual development interview with their superior, and their achievement is monitored and rewarded quarterly. Due to the nature of their work, agents and heads of sales teams 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 in order to define individual competency profiles and an individual's development activities. **The DNLA tool** is used in some Group companies for the selection and development of new employees.

11.3.2.3 Occupational health and safety⁵⁶

At the Company, a comprehensive and strategic approach to occupational health and safety is prioritised, with numerous activities aimed at managing and preventing risks. Great emphasis is placed on workplace health promotion, as well as providing employee training in occupational health and safety as well as fire safety. Various activities that further contribute to greater satisfaction and better health of employees take place in the context of the Family-Friendly Enterprise Certificate.

Occupational health and safety system⁵⁷

The well-functioning and comprehensive system in the parent company is gradually being transferred to other Group companies, particularly by establishing common minimum occupational health and safety standards and by strictly complying with local legislation. In addition, the goal is to identify, mitigate and manage risks arising from duties and the work environment.

Occupational safety and health ensures the smooth provision of a healthy work environment for the employees.

The aspects of hazards and negative effects that could impact the health of employees are identified in **the Safety Statement and Risk Assessment** for all job categories, which includes measures to prevent and reduce negative impacts. As part of a continuous process, in which employees actively participate, assessments are revised and measures upgraded on an ongoing basis. Health risk assessments are revised in cooperation with occupational health specialists. Based on the assessment, employees are referred to periodic medical examinations and every new hire is required to undergo a statutory medical examination before taking up employment.

Participation in training and passing a 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 Protecting Health (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.

Health promotion⁵⁸

The Group's health promotion programme is developed in collaboration with authorised occupational medicine specialists, based on the most common health problems detected among employees through a sick leave analysis. Activities are therefore designed to contribute to the mental and physical health of employees of all ages, including active breaks, **Healthy Mind, Healthy Body** training workshops, **the Days of Health (Dnevi zdravja)** four-day preventive health programme for the fifth year running, and a wide range of activities in **sports and mountaineering clubs**.

Fire safety

With regard to fire safety, a **plan on emergency response and actions in the case of an emergency and other security events** is in place at Group level. The Company regularly improves fire safety, monitors its compliance with legislative requirements and provides for training and education of employees; security patrols, inspections of buildings and premises and evacuation drills are carried out according to the annual plan. Due to a change in legislation, new fire risk assessments were performed in 2023 for all Company facilities. Fire inspectors carried out inspections at two locations in Slovenia and found no major irregularities.

Occupational health and safety topics covered in formal agreements with trade unions and in the collective agreement⁵⁹

Safe working conditions at the parent company are defined in 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 planned timeline and the scope defined for individual job categories.

Injuries at work⁶⁰

The number of accidents in the Group remains low – 20 in 2023, and 6 at the parent company. The number of lost work days in the Group was at the same level as last year, while at the Company it was much lower due to fewer cases of prolonged absenteeism.

Injuries at work at the Triglav Group and Zavarovalnica Triglav

Triglav Group	2023		2022		2021		Index	
	Number	Percentage	Number	Percentage	Number	Percentage	2023/2022	2022/2021
At work	15	75.0	14	70.0	10	76.9	107	140
On business trips	5	25.0	6	30.0	3	23.1	83	200
Total	20	100.0	20	100.0	13	100.0	100	154

Zavarovalnica Triglav	2023		2022		2021		Index	
	Number	Percentage	Number	Percentage	Number	Percentage	2023/2022	2022/2021
At work	2	33.3	1	25.0	4	57.1	200	25
On business trips	4	66.7	3	75.0	3	42.9	133	100
Total	6	100.0	4	100.0	7	100.0	150	57

Lost work days and lost time incident rate due to injuries at work at the Triglav Group and Zavarovalnica Triglav

	2023	2022	2021	Index	
				2023/2022	2022/2021
Triglav Group					
Lost work days due to work-related injuries	1,281	1,279	543	100	236
Lost time incident rate – LTIR*	0.38	0.37	0.24	101	155
Zavarovalnica Triglav					
Lost work days due to work-related injuries	238	578	321	41	180
Lost time incident rate – LTIR*	0.26	0.18	0.31	149	58

* The number of work-related incidents/total number of hours of all employees x 200,000

Each injury 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 one dangerous occurrence (compared to 2 in 2022) and no occupational diseases in 2023.⁶¹

Absenteeism⁶²

The Group's absenteeism rate decreased by 0.65 percentage point to 4.39%. The share of absenteeism for which sickness benefits are borne by the employer decreased by 0.11 percentage point (medical leave up to 30 days), while the share of lost work days for which benefits are borne by other organisations increased by 0.55 percentage point (medical leave longer than 30 days, sick nursing, accompanying a sick person). The absenteeism rate at the Company was also lower and stood at 5.02% (compared to 5.86% in 2022). As a result, the share of work days lost borne by the employer rose by 0.19 percentage point, whereas the share of work days lost borne by the Health Insurance Institute of Slovenia decreased by 1.03 percentage points.

11.3.2.4 Care for employee satisfaction

Organisational vitality (climate) and organisational culture⁶³

The 2023 results of the **organisational vitality survey (ORVI)**, which measures employee satisfaction, were slightly lower than last year. The ORVI index was 3.94 **at Group level** and 3.95 **at the parent company**. A total of 89% of employees from 17 Group companies participated in the survey (compared to 86% of employees in 2022). The aggregate ORVI index is composed of four indicators (indices), which are further broken down into ten categories.

The indicators for **operational leadership** and **engagement** once again recorded the highest values. Employees trust their supervisors and perform their work with a high degree of personal commitment.



Our work was presented through a game to our employees' children in all six countries. Pictured here are children and employees from our Montenegrin company Lovćen osiguranje.

Their satisfaction with regular employment, direct supervisors, working time and co-workers were also rated high. Employees stated that they feel **safe and accepted** among their colleagues and they feel comfortable seeking help and cooperation from their team members. They are satisfied with the benefits of working for the Group, especially the activities that support both professional and personal development, as well as promote active leisure and a healthy work-life balance.

The challenge in 2023 was the fall in specific satisfaction scores and the higher proportion of non-engagement, which was not unexpected and is assumed to be due to general inflationary pressures and the increased volume of work resulting from CAT claims and the consequent increased workload. In response to the changes, the Company will intensify its efforts to bolster and maintain satisfaction levels, thus cultivating the desired organisational culture.

Benefits and opportunities for employees

The **Triglav.smo** overarching programme is designed to improve the satisfaction of the Company's employees, bringing together various workshops and events to strengthen the awareness and knowledge of all important aspects of our lives, with a focus on health. Some of these activities also take place in other Group companies. The programme involves taking care of employees' children by organising holiday camps and traditionally giving gifts to children at the end of the year. All Triglav Group employees are included in the Greeting the Seasons events.

Employees at Zavarovalnica Triglav have access to individual psychological counselling provided by two in-house experts as part of the **Psychological Pulse** (*Psihološki utrip*) group. They conducted 104 interviews in 2023.

The Family-Friendly Enterprise Certificate facilitates a better work-life balance of the parent company's employees. The constructive organisational culture is strengthened through providing numerous benefits (21 are currently being offered) and implementing best practices. In addition, best practices from the certificate are progressively implemented in other Group subsidiaries.

Employee volunteering is consistently promoted as it fosters stronger ties between employees and society. Throughout 2023, several volunteering campaigns were conducted, assistance was provided during the catastrophic summer floods in Slovenia, basic CPR training was held, and participation in blood donation drives was facilitated. Furthermore, through the Triglav.smo programme, the Company is gradually taking part in the **Insure Our Future** project.

Additional benefits for employees:⁶⁴

- supplemental pension insurance for 59% of employees of the Triglav Group and for 95% 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 companies operating outside Slovenia 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

At Zavarovalnica Triglav and some Group companies, employees whose nature of work allows it may work from home, and their proportion is on the rise. At the 2023 year-end, 36% of Group employees and 65% of Company employees had this option available to them.

Circumstance and work requirements permitting, working hours can be 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.

Proportion of employees who worked from home and proportion of hours of working from home in the Triglav Group and Zavarovalnica Triglav in 2023 and in 2022

	Triglav Group			Zavarovalnica Triglav		
	2023	2022	2023/2022	2023	2022	2023/2022
Number of employees allowed to work from home	1,930	1,757	110	1,447	1,412	102
Proportion of employees allowed to work from home	36.3	33.1	110	64.5	63.0	102
Number of hours of working from home	651,768	634,846	103	444,861	437,583	102
Proportion of hours of working from home	6.1	5.9	103	9.8	9.7	101

Parental leave or part-time work at the Triglav Group and Zavarovalnica Triglav in 2023⁶⁵

Triglav Group	Women	Men	Total
Maternity leave, child care leave	171	8	179
Paternity leave of 20 days		47	47
Paternity leave of 75 days (up to the child's age of three years)		4	4
Option of part-time working	40	3	43
Number of employees who returned to work after maternity leave in the reporting year	83	3	86
Return rate after parental leave	51%	150%	57%
Zavarovalnica Triglav	Women	Men	Total
Maternity leave, child care leave	41	4	45
Paternity leave of 20 days		41	41
Paternity leave of 75 days (up to the child's age of three years)			0
Option of part-time working	25	0	25
Number of employees who returned to work after maternity leave in the reporting year	46	0	46
Return rate after parental leave	90%		96%

* The calculation includes employees who took parental leave in the previous year and returned to work in 2023, as well as employees who took parental leave in 2023.



As part of the “Let’s Clean Up Our Mountains” campaign we co-financed playground at the hut on Naravske ledine.

Relationships among employees and management, trade union activities⁶⁶

The employees exercise their management rights in line with the Worker Participation in Management Act and based on the agreement on worker participation in the management of Zavarovalnica Triglav. The Act sets out in greater detail the manner of exercising the rights referred to in said Act and lays down 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. Before adoption, any document relating to the organisation of work or laying down the obligations that workers must be aware of to fulfil their contractual and other obligations is submitted to both trade unions to give their opinion.

Respecting the workers’ rights and human rights⁶⁷

The Triglav Group Code defines the ethical principles of its operations, including 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 personal circumstances or affiliation. Any reported or detected suspected violation is dealt with according to a predetermined procedure, in which professionalism, confidentiality and protection of the reporting person are guaranteed. The reporting person is protected from any retaliatory action and is given an opportunity to informally resolve the issue.

In addition to the Code, insurance companies outside Slovenia take into account local

legislation. These companies have internal resolution mechanisms in place, and reporting of Code violations takes place in the context of compliance.

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.

In 2023, three employee reports of inadmissible conduct were received at Group level, one of which in the Company. In addition to these, the confidant dealt with two other reports received at the end of 2022; No violations were identified after investigating them.

The Company also incorporated its **commitment to respect human rights in business operations** into its business processes by pledging to avoid and prevent any potential negative impacts on ensuring human rights throughout the entire business process. Due diligence of respect for human rights is carried out on a regular basis as part of risk assessment in compliance, human resources and procurement.

11.3.3 Responsibility to the community⁶⁹

The aim is to play an active role in economic development through our business activities and in efforts to improve the quality of life of employees and their families, as well as the local community and society in general. In partnership with its stakeholders, the Group provides support to sports, cultural, educational, environmental and health activities.

The volume of generated assets distributed among various stakeholders of the Group is shown by economic value distributed, which amounted to EUR 1,682.9 million in 2023.

Economic value distributed of the Triglav Group⁷⁰

	in EUR million		
	2023	2022	2023/2022
Economic value generated	1,642.4	1,318.9	125
Economic value distributed	1,682.9	1,409.9	119
Gross written premium and reinsurance result	1,151.9	1,013.9	114
Finance expenses from financial and insurance contracts	207.0	46.2	448
Other expenses	65.2	77.0	85
Dividend payments	56.8	84.0	68
Tax expense	-4.8	3.1	
Investments into the community (prevention, donations, sponsorships)	8.9	10.2	87
Employee payments, allowances and benefits	197.9	175.5	113
Economic value retained	-40.5	-91.0	

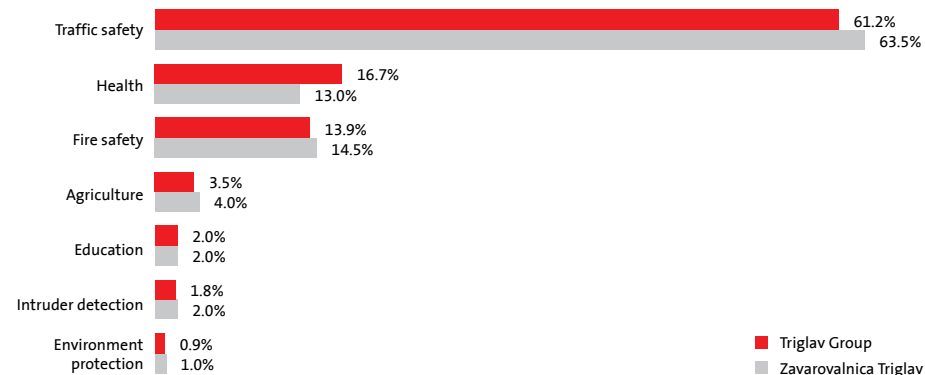
The Group's **responsibility to the community** is fulfilled primarily through investments in prevention, sponsorships and donations, as well as investments in infrastructure at national and local levels, which are presented below. Their content is defined based on:

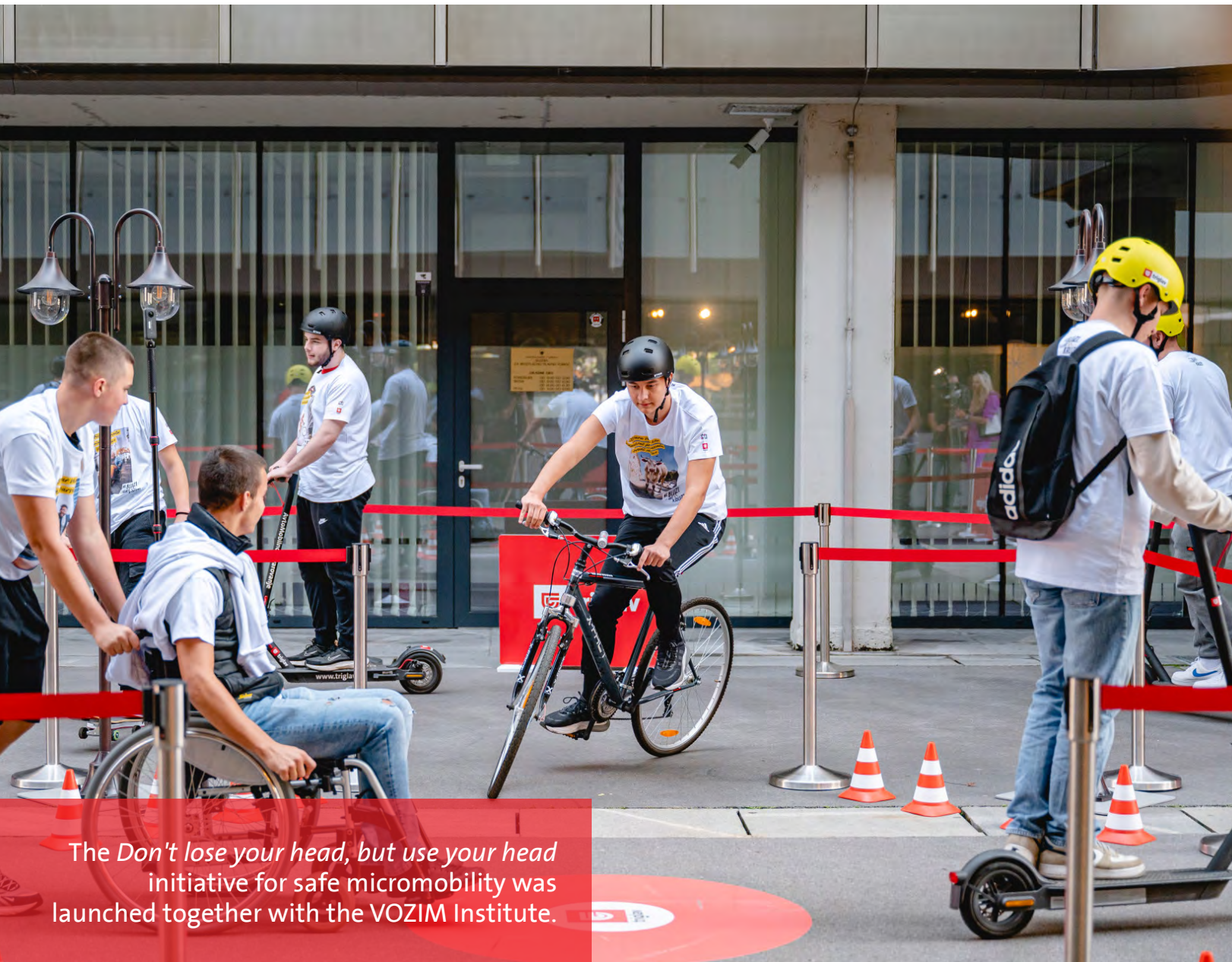
- sponsorships and donor partnerships and participation in investments in prevention;
- the needs identified in local environments by the Group's companies and business units;
- direct contact with local communities;
- performance analyses, especially risks and claims experience, published data of specialised organisations and institutions;
- market research and public opinion polls.

11.3.3.1 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. The bulk of funds is allocated to **improving traffic, health and fire safety**.

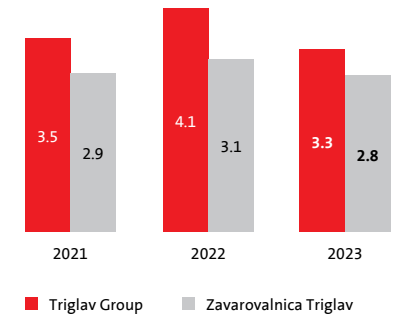
The share of the Triglav Group's and Zavarovalnica Triglav's funds for preventive activities by purpose in 2023





The *Don't lose your head, but use your head* initiative for safe micromobility was launched together with the VOZIM Institute.

Funds allocated to preventive activities of the Triglav Group and Zavarovalnica Triglav in EUR million



Prevention projects⁷¹

Prevention projects and activities aimed at preventing accidents and mitigating the effects of damage were focused on the areas that experienced the greatest impact during the year.

In the context of the traditional New Year's prevention campaign **For a Better Tomorrow** (Za boljši jutri), 25 prevention projects were carried out in local communities across Slovenia. Funds were allocated to firefighters, healthcare institutions, a care home, an education, rehabilitation and training centre and municipalities. Over 250 prevention projects were supported in ten years.

High profile and comprehensive prevention projects of the Triglav Group in Slovenia in 2023 by area⁷²

Health prevention	Impact
Assistance in the event of a sudden cardiac arrest	<ul style="list-style-type: none"> Co-financing or purchase of 26 defibrillators in local communities – 210 since 2014. Co-financing of training in first aid.
Training in healthcare and rapid response	<ul style="list-style-type: none"> Co-financing of the 26th national competition of secondary schools in nursing. Organising the <i>Safe winter walking in the mountains for families</i> course in cooperation with the Avalanche Warning Institute.
Purchase of medical and therapeutic equipment	<ul style="list-style-type: none"> Purchase and co-financing of a device for non-invasive respiratory support of newborns with respiratory distress for the Hospital for Gynaecology and Obstetrics in Kranj. Purchase and co-financing of devices to help treat jaundice in newborns in Postojna and Ptuj maternity hospitals. Purchase of a swing for wheelchair users.
Prevention and early detection of disease and mental health	<ul style="list-style-type: none"> Holding 11 events in the field of physical and mental health protection. Continued implementation of the <i>Najdi.si</i> project, which normalises mental health topics among young people. Co-financing of the <i>Roza</i> (Pink) programme for psychosocial support for patients with breast or reproductive cancer and their relatives. Support for the <i>Sranje</i> (Shit) campaign on gastrointestinal cancer awareness of the Slovenian Oncology Society for Men – OnkoMan.
Prevention of accidents at work, partner: Radovljica Fire Fighting Association	<ul style="list-style-type: none"> Financing a chainsaw safety course for firefighters.
Traffic safety	Impact
Refresher ride with a driving instructor for the elderly, partners: AMZS, <i>Avtomobilnost</i> TV show	<ul style="list-style-type: none"> A refresher ride with a driving instructor for the elderly was taken by 287 drivers over 60 years of age. In the five years of implementing this campaign, more than 1,000 experienced drivers have taken a refresher course with a driving instructor. At the <i>Anatomy of Elderly Driving</i> event, the topic was explored with experts. Journalists were given an opportunity to take a special ride using an aging simulator, fostering empathy when reporting on elderly driving.
Vozimse.si – a road traffic prevention portal, partners: AMZS, Atmosferci	<ul style="list-style-type: none"> In total, 97,241 drivers passed the road rules renewal test and thus improved their knowledge of road traffic rules and etiquette. In cooperation with the Atmosferci group, video content was used to raise awareness about safe driving practices and handling a tractor.
Safe micromobility, partners: Zavod Vozim, Institute of Civilisation and Culture, Radio Center	<ul style="list-style-type: none"> Launch of the <i>Don't lose your head, but use your head</i> (Ne bluzi, z glavo kruzaj) initiative for safer micromobility of young people, with an emphasis on the use of e-scooters. A total of 15 workshops at schools and 15 workshops at open events for the safe use of an e-scooter using a simulator. Two major events <i>Crossroads of micromobility</i> (Kranj, Celje) were held to examine the behaviour in micromobility among all generations.
Together for Road Safety project, partner: COPS system	<ul style="list-style-type: none"> At blackspots throughout Slovenia, 16 COPS@zebra and COPS@road systems were installed (over 80 systems in Slovenia).
Together for Road Safety project, partners Sipronika and Zavod Vozim (I'm Driving Institute)	<ul style="list-style-type: none"> A total of 106 speed display signs in local communities, at high-risk road sections and in the vicinity of schools and kindergartens were set up (within eight years), 12 of which in 2023. Students from 12 schools with displays were researching speeding and submitted proposals to the mayors of their municipalities to reduce speed. The implementation of proposals will be monitored on an annual basis.
Interactive workshops for secondary school students "I still drive but I no longer walk", partners: Zavod Vozim (I'm Driving Institute) and Sipronika	<ul style="list-style-type: none"> At 180 workshops in person or online, 8,541 young people listened to personal stories of traffic accident victims and became acquainted with the DRAJV safe driving app. 211 young people researched the influence of speed on impact load and braking distance at 12 specialised workshops and technical days. 283 young people attended the Alcohol=Change of Life workshop.
The safety of preschool children and first graders in road traffic and other dangerous situations, partner: the Slovenian Traffic Safety Agency	<ul style="list-style-type: none"> 22,000 first graders were equipped with yellow neckerchiefs. The road safety mascot Kuža Pazi (Watch Out Doggy) visited 48 elementary schools.
Training events and topics for motorcyclists, partners: AMZS and Q VEJTR WAJDUŠNA Motorcycle Club	<ul style="list-style-type: none"> 2,200 motorcyclists attended accident prevention workshops over the period of ten years. In 2023, two days of free workshops for motorcyclists were held to refresh knowledge of first aid in the event of an accident. Implementation of the first <i>Refresher ride for motorcyclists</i> workshop. 1,800 motorcyclist regularly use the DRAJV safe driving app. They drove more than 3.5 million safer kilometres.
Ongoing development of the DRAJV safe driving app	<ul style="list-style-type: none"> 1.4 billion kilometres travelled with the DRAJV app since its launch. The app was upgraded to include traffic information. Overview of the monthly statistics with the most common errors and a link to the content of the Vozim.se portal, which helps to eliminate errors by giving advice.
Promotion of forming an emergency lane on motorways, partner: Zavod Reševalni pas (Emergency Lane Institute)	<ul style="list-style-type: none"> Raising awareness of drivers using footage of ambulances on emergency calls and their problems on common communication channels.
Emergency response driving workshops for emergency response drivers, partner: AMZS.	<ul style="list-style-type: none"> Safe driving training for emergency response drivers was attended by more than 30 drivers.
Traffic regulation of hunting areas, partners: Markovci Hunting Club, Križevci Hunting Club	<ul style="list-style-type: none"> Funding of traffic signs. Funding of wildlife-friendly roadside bollards to prevent accidents.
Young drivers	<ul style="list-style-type: none"> A subpage for young drivers »Mission: pass your driver's test and be a safe driver« was developed on the Vozim.se portal. The DRAJV safe driving simulator offers young drivers the opportunity to assess for free their safe driving skills.
Being Safe on a Bike, partners: Butan plin, Slovenian Traffic Safety Agency, National Education Institute of Slovenia	<ul style="list-style-type: none"> 250 schools participated in cycling literacy over 10 years.
Fire prevention	Impact
Purchase of fire protection equipment, partners fire services, associations and brigades	<ul style="list-style-type: none"> Co-financing of the purchase of protective equipment, fire-fighting equipment and fire engines as well as investments in fire stations for 103 volunteer fire brigades and associations.
Financing of training and competitive activities of firefighters, partners: Fire Fighting Association of Slovenia and Ljubljana Fire Brigade	<ul style="list-style-type: none"> Co-financing of national firefighting competitions and several other competitions. The video entitled <i>A child dialling 112</i> was recorded with Saša Kapitanovič and the Ljubljana Fire Brigade.
Fire safety awareness	<ul style="list-style-type: none"> The event entitled <i>Prepared for the (un)predictable: If your home catches fire</i> held at Triglav Lab.
Protection of the natural environment	Impact
Sustainable visiting of Triglav National Park, partner: the Triglav National Park Public Institute	<ul style="list-style-type: none"> Promoting sustainable practices in the area of the Triglav National Park using the DRAJV app.
Study and conservation of dolphins, partner: Morigenos – Slovenian Marine Mammal Society	<ul style="list-style-type: none"> The development of a research and education centre about dolphins for the public, alongside activities aimed at raising awareness about dolphin life.
Keeping mountain trails well-maintained and safe, partner: the Alpine Association of Slovenia	<ul style="list-style-type: none"> Support for the arrangement of the Hansa route, the winner of the Best Mountain Trail competition. Support for the restoration of the challenging mountain trail from Kamniška koča mountain hut on Kamniško sedlo mountain saddle to the Brana and Planjava mountains.
Reforestation, partner: the Slovenian Forest Service	<ul style="list-style-type: none"> Participation of employees in the Karst reforestation campaign after the fire and co-financing of the reforestation campaign.
Sustainable visit to the mountains, partners: the Alpine Association of Slovenia and AMZS	<ul style="list-style-type: none"> Co-financing of mountain playgrounds at Gospodična na Gorjancih and at the hut on Naravske ledine.
Raising ecological awareness, partner: Ecologists Without Borders	<ul style="list-style-type: none"> Support for projects aimed at raising environmental awareness.
Awareness raising in safety during extreme weather events	<ul style="list-style-type: none"> The event entitled <i>Prepared for the (un)predictable: Extreme weather events</i> held at Triglav Lab.

High profile and comprehensive prevention projects of the Triglav Group in the markets outside Slovenia in 2023 by area

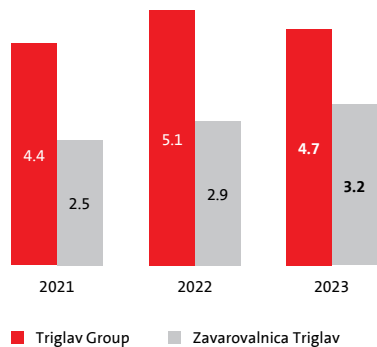
Health prevention	Impact
Health of urological patients, partner: Adriatic Urological Forum, North Macedonia	■ Support for the 7th Adriatic Urology Forum.
Strengthening the health of paralympic athletes, partner: Paralympic Committee of Macedonia, North Macedonia	■ Support and strengthening of the health of para-athletes, purchase of sports equipment.
Protection of the natural environment	Impact
Energy efficiency and sustainability, partner: National Biomass Association SERBIO, Serbia	■ Co-financing of the 6th SEE Energy regional energy conference.
Ecological and energy conference, partner: Elixir Group, Serbia	■ Co-financing of the 2nd Look Up 2 regional ecological and energy conference.
Fire safety	Impact
Protective and firefighting equipment, partners: various firefighting organisations and companies, Bosnia and Herzegovina	■ Co-financing of fire protection and firefighting equipment.
Fire protection in tunnels, partner: Lipa drvo, Bosnia and Herzegovina	■ Co-financing of fire protection measures in road tunnels.

11.3.3.2 Sponsorships and donations⁷³

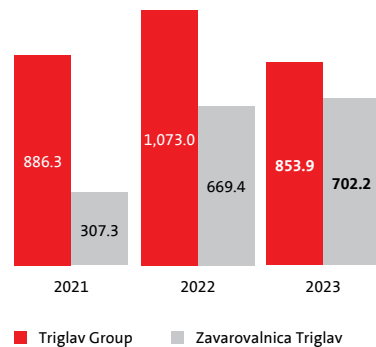
The Triglav Group engages in sponsorships and donations in accordance with standardised guidelines, ensuring alignment with the Group's values, guidelines and brand. In 2023, the volume of sponsorships and donations slightly decreased compared to the previous year. The focus was on expanding sponsorship partnerships, particularly in sports, supporting the development of young athletes and promoting the benefits of a healthy lifestyle. The Triglav Group is a renowned partner of national sports associations, international sports events and numerous sports clubs in its markets.

In 2023, the bulk of donations went to humanitarian projects, with a significant portion allocated to flood relief efforts, and healthcare.

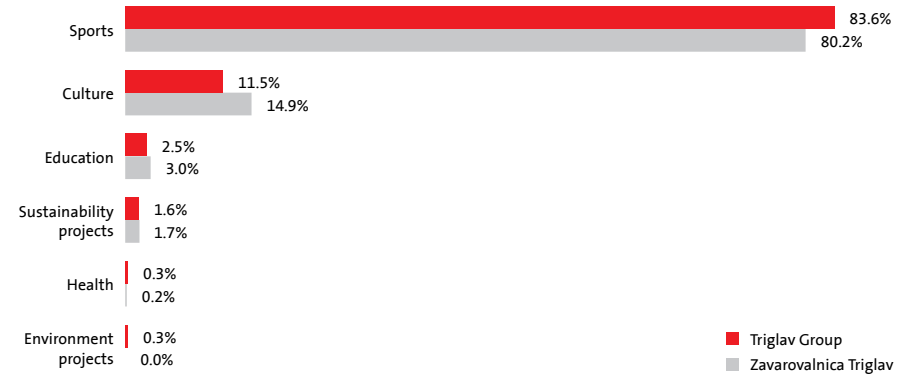
Funds for sponsorships of the Triglav Group and Zavarovalnica Triglav in EUR million



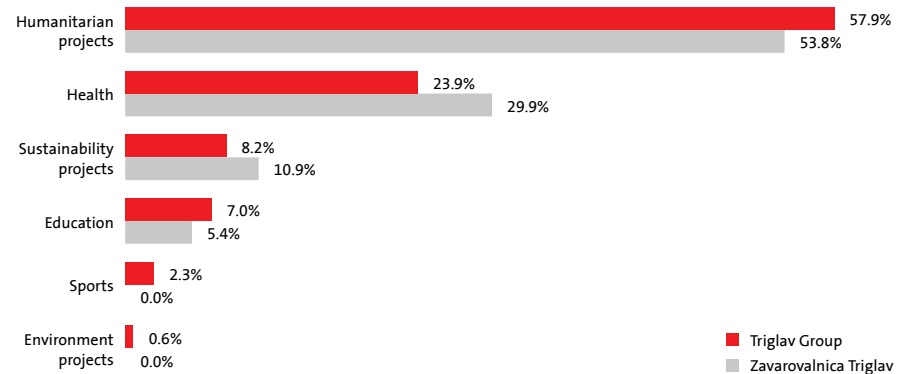
Funds for donations of the Triglav Group and Zavarovalnica Triglav in EUR thousand



Sponsorships of the Triglav Group and Zavarovalnica Triglav in 2023 by content



Donations of the Triglav Group and Zavarovalnica Triglav in 2023 by content





Triglav Lab held a number of prevention and awareness-raising events for young people.

Triglav Lab's activities

The Triglav Lab's technology development and demonstration centre serves as a venue for a diverse array of events and workshops for education, prevention, business and awareness-raising purposes. In 2023, a total of 113 events were held on-site, some of which were streamed online. These events included in-house workshops, workshops for sharing best practices, training sessions, meetings and recordings. In addition, there were 13 press conferences covering various Zavarovalnica Triglav projects, sports and tourism events, and health-related topics, with an emphasis on promoting good psycho-physical fitness.

A total of 600 young people attended 13 events aimed at enhancing financial and insurance literacy and raising awareness about preventive actions. These events included the traditional Finance School for Young People in collaboration with *Moje Finance* magazine, LIT Hackathon and others. Furthermore, our efforts to promote psycho-physical fitness among young people were expanded to include the increasingly popular gaming community.

Everything Will Be Alright Institute

The main projects of the Company's Everything Will Be Alright Institute (Zavod Vse bo v redu), which is active in the field of preventive actions and corporate social responsibility activities aimed at providing support and help to socially disadvantaged, included:

■ Helping those affected by floods

Fundraising initiatives were launched to aid those impacted by floods and storms, with the fundraising efforts remaining open until their conclusion in January 2024. In addition, in-house pre-New Year's Eve gatherings were cancelled, and a dedicated charity fundraiser was held during the Managers' Concert for the same cause.

■ The Young Hopes project – support to young talents

The 11th Young Hopes open call was launched in 2023, receiving 69 applications, up by 25% compared to the previous year. A panel of judges selected 14 young and promising talents in sports, para-sports, arts and sciences, with one individual chosen by the public through online voting. An alumni gathering was held on the topic of physical activity as a form of meditation.

Information on corporate social responsibility partnerships:

Zavarovalnica Triglav d.d., Ljubljana
Miklošičeva cesta 19, 1000 Ljubljana
Email: sponzorstva@triglav.si

11.3.4 Responsibility to suppliers

Procurement practices⁷⁴

The Company's procurement procedures follow a well-defined selection process with built-in internal controls. Procurement procedure management is supported by a **standardised software solution**, which increases the transparency and reduces the operational risks of non-compliance with good business practices. The procurement procedures above a certain amount are performed by the Strategic Sourcing Department, which is responsible for coordination and communication between the relevant departments in need of procurement and suppliers.

Only verified suppliers who meet the **legal compliance** criteria can participate in 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, compliance with Slovenian legislation and international human rights documents and environmental legislation requirements. In 2023, the procurement criteria were revised to incorporate a quantitative assessment of suppliers' ESG maturity through scoring. New suppliers undergo assessment in the selection process, while existing suppliers are reviewed annually. The updated criteria were applied to evaluate 865 suppliers and potential suppliers participating in the selection process.

Furthermore, Zavarovalnica Triglav's general terms and conditions for suppliers were revised and upgraded. These terms and conditions are now integrated into new procurement agreements, thereby further binding our business partners to a high level of compliance with ESG standards. The revised general terms and conditions, along with the upgraded assessment method for partners based on ESG criteria, will be extended to other Group companies.

Locally-oriented procurement⁷⁵

The majority of the Company's suppliers are from the local, Slovenian market, with the share of suppliers based outside Slovenia being less than 10%. 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 appropriate supplier in the market for the goods or services in demand.

The Group companies also carry out most of their procurement in local markets by complying with the common minimum procurement standards. Where possible and reasonable, some of the same types of materials, raw materials and services are procured centrally at Group level at more favourable purchasing terms and conditions. The parent company's Strategic Sourcing Department centrally manages procurement procedures with a value of more than EUR 25,000 for all Slovenian companies in the Group.

Remuneration of insurance agency companies and sales staff

Our sales network is extensive and continually expanding. In 2023, it included **over 1,860 outsourcers**.⁷⁶ See [Section 13. Business network of the Triglav Group](#) for further information. 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.

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. A bonus is awarded for 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. Contractors are also rewarded for exceeding the annual non-life and life insurance sales targets (volume bonus); furthermore, special additional rewards are made available during the year. The first agreement with a new partner is concluded for a fixed term. Priority is given to exclusive sales, as insurance distributors can offer policyholders a comprehensive range of products of the Group members.

The productivity of our own sales network in companies outside Slovenia is also monitored. 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. In some countries where the Group operates, additional incentives were used to promote sale to retail clients.

In order to maintain and promote loyalty, contractors may attend training sessions, workshops, and sales and motivational events, Thus gaining new insurance and sales knowledge and skills, which improves not only relations between contractors and the Company but also increases client satisfaction.

11.4 Governance aspects⁷⁷

Fair business practices⁷⁸

Through the **Triglav Group Code**, which was amended in 2023 to include a commitment to sustainable development, thirteen main ethical principles guiding the Group's operations are implemented (more information available at <https://www.triglav.eu/en/about-us/compliance/documents-and-commitments>). Employees in all Group companies are made aware of and educated about the Code to ensure compliance with the adopted principles at all levels.

In 2023, the Group dealt with 11 reports of alleged Code violations and 6 cases of suspected internal fraud. In all cases examined, no violations or internal fraud were found. No monetary losses directly related to the marketing and provision of information on insurance products were identified.⁷⁹ Two of the covered employees from the Group were involved in investment-related investigations, consumer complaints, private civil disputes or other regulatory proceedings.⁸⁰ A final court decision on the legality of the entry of the Company's Supervisory Board member – employee representative in the register of companies is still pending. A total of EUR 33,022 in monetary losses directly related to legal proceedings involving fraud, insider trading, antitrust, anticompetitive behaviour, market manipulation, abuse or violations of other laws or regulations related to the financial industry were recorded. As a result, business processes were already updated and modified accordingly.⁸¹

Insurance fraud management⁸²

An effective insurance fraud management system is in place, based on ethical conduct, rapid risk identification and fraud prevention. Advanced technological systems are used to detect suspected fraud, which are regularly updated to stay ahead of new forms of fraud. The effectiveness of internal control systems is also monitored and improved.

Employees are the first line of defence against fraud, which is why they undergo regular training to educate about identifying suspected insurance fraud. Cooperation with relevant government bodies and other insurance companies in the fight against fraud is ensured as necessary.

Reporting and dealing with suspected fraud is regulated by the Group's Code, while the Rules on dealing with internal fraud and violations provide a framework for handling anonymous reports as well as for ensuring the protection of the reporting person's identity and protection against retaliatory actions.

Bona fide reporting persons or **whistleblowers** are also protected under the Rules.

At least one communication channel for reporting violations (an online form, a hotline for reporting fraud or the email address prevare@triglav.si) is established in all insurance and financial companies of the Group. In companies with at least 50 employees, the reporting person can also use an application to report violations, which is available and accessible on the <https://prevare.triglav.eu/whistleblower/#/zt> website.

Insurance fraud was confirmed in 1,119 cases out of 1,771 reported cases of suspected fraud in 2023. Of these, 28 reports of suspected fraud were received from external and internal reporting persons

(whistleblowers), which were confirmed in 13 cases. The number of confirmed cases of suspected fraud was 7% higher relative to the previous year.

Anti-corruption behaviour⁸³

The anti-corruption policy sets a minimum standard of conduct in proceedings with an identified corruption risk for the Group companies. When entering into an agreement or contract, mandatory contractual clauses are included, such as an anti-corruption, a conflict of interest, restrictive covenants, fraud prevention, reputation, the protection of human rights, personal data, inside information and business secrets.

In 2023, the Company's employees attended training sessions on corruption prevention, respect for human rights, consumer protection and preventing money laundering and terrorist financing for an average of 1.5 teaching hours. No cases of corrupt practices were confirmed in the Group in 2023.

In line with 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.⁸⁴

Personal data protection⁸⁵

The Company adopted a personal data protection policy and more detailed rules for the lawful processing of data in specific business segments. These rules are also transferred to other Group companies through minimum standards for personal data protection. All Group companies have designated personal data protection officers or coordinators.

At Group level, 11 cases of potential violations of privacy or personal data protection were dealt with, with five being identified as substantiated. The internal control system was subsequently upgraded to prevent similar violations in the future. No material sanctions due to non-compliance were imposed on the Group.⁸⁶

On average, the Company's employees received half a teaching hour of training on personal data protection.

Protection of competition⁸⁷

The Group is committed to respecting consumer rights and good business practices in its operations, product development and marketing. When choosing suppliers, it aims for transparency and respects the protected interests of its competitors, while avoiding the risk of violating regulations and the principles of fair competition. In the markets where the Group holds a dominant position, consumers are advised to be cautious when taking out insurance and business partners when entering into business relationships. One proceeding for alleged non-compliance with competition protection rules has been initiated against a Group subsidiary company, and it is still pending.

⁷⁷ GRI 2-23, 2-24, 2-25, 2-26, 2-27 | ⁷⁸ GRI 3-3 | ⁷⁹ SASB: FN-IN-270a.1 | ⁸⁰ SASB: FN-AC-270a.1 | ⁸¹ SASB: FN-AC-510a.1
⁸² GRI 2-27, SASB: FN-AC-510a.1, FN-AC-510a.2 | ⁸³ GRI 3-3, 205-1, 205-2, 205-3 | ⁸⁴ GRI 415-1 | ⁸⁵ GRI 3-3 | ⁸⁶ GRI 418-1 | ⁸⁷ GRI 3-3, 206-1



Insurance fraud was confirmed in 1,119 cases out of 1,771 reported cases of suspected fraud in 2023.

Commitments to external initiatives and membership in associations⁸⁸

Zavarovalnica Triglav is a member of the United Nations Environment Programme Finance Initiative (UNEP FI), as well as a signatory to the United Nations Principles for Sustainable Insurance (UN PSI) and a signatory to the Partnership for Carbon Accounting Financials (PCAF) initiative.

The main standard of professional business practices is implemented by complying with the Insurance Code of the Slovenian Insurance Association and other industry codes. The Company is also active in the American Chamber of Commerce, especially in the Corporate Ethics and Transparency Committee and the Sustainable Growth Committee. As one of the first Slovenian companies, it committed itself to respecting the Declaration on Fair Business Practices, joined Transparency International Slovenia and became a signatory to the Commitment to Respect Human Rights in Business.

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. It has representatives in several professional associations, such as 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, particularly in the fields of finance, actuaries and compliance. Subsidiaries are members of industry and professional associations in the countries where they operate and participate in various committees.

Adjustment to regulatory changes

In 2023, processes were aligned with the new Personal Data Protection Act, and efforts continued to harmonise these practices within the Group. Amendments to the Insurance Act, the Labour and Social Security Registers Act and other labour law regulations were adhered to. Compliance with restrictive measures or sanctions resulting from the aggression against Ukraine and the situation in Gaza (e.g. in-depth client screening) was consistently upheld. All Group subsidiaries were double-checked in this regard.

Additional guidance from the European Insurance and Occupational Pensions Authority (EIOPA) on outsourcing to cloud service providers was implemented, and additional frameworks were established to enhance the management of risks related to cloud services.

Preparations for the EU Digital Operational Resilience Act (DORA), effective from 2023 and applicable from January 2025, are underway. Some DORA requirements were already partially implemented in the revised outsourcing policy, which the Group subsidiaries are required to incorporate into their operations. In accordance with EIOPA guidelines and to ensure uniform treatment of the Company's partners, general terms and conditions for Zavarovalnica Triglav's suppliers were drafted to comply with the specified outsourcing requirements.

Legislative developments in sustainability, including the process of adopting the proposed corporate sustainability due diligence directive (CSDDD), are closely monitored. Emphasis is placed on fulfilling the requirements of the Sustainable Finance Disclosure Regulation (SFDR), the EU Taxonomy and the Corporate Sustainability Reporting Directive (CSRD). The majority of Group companies adopted a sustainable development policy and a methodology for calculating their carbon footprints.

In addition, the IFRS 17 and IFRS 9 accounting standards continued to be implemented.

The definitions of the target market and the distribution strategy for more complex products were reviewed and updated in line with the respective EIOPA's guidelines. Amendments to the Commission Delegated Regulation on PRIIPs and the Slovenian Insurance Supervision Agency's notices were taken into account in drafting key information documents for products.

Group subsidiaries not only adapt to changes but are also actively involved in regulatory procedures and amendments to local legislation. In the countries where EU legislation does not apply, the minimum standards of the parent company are followed.

Government grants and other forms of government assistance⁸⁹

The Triglav Group received EUR 3.5 million (index 102) in grants and other forms of government assistance in 2023, of which Zavarovalnica Triglav received EUR 2.8 million (index 96). The largest share of government grants in the Group, 83.8%, was accounted for by reimbursements of labour costs by the state. Government incentives for the employment of specific categories of workers accounted for 6.6%, other forms of government assistance and grants for 5.5% and funds obtained in public tenders for the acquisition of assets for 4.1%. See [Section 4.3 of the Accounting Report](#) for more information on government grants.

12. Triglav Group as at 31 December 2023

Insurance

Zavarovalnica Triglav d.d.	
Address:	Miklošičeva cesta 19, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 474 72 00 , 080 555 555, 080 28 64
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:	info@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:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (5) 662 20 00, 080 26 64
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 48,322,167/EUR 48,322,167

Triglav, pokojninska družba d.d.	
Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 47 00 840, 080 555 555
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 25,756,808/EUR 25,756,808

Triglav Osiguranje d.d., Zagreb	
Address:	Antuna Heinza 4, 10000 Zagreb, Croatia
Phone:	0800 20 20 80
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 48,228,552

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:	- /100.00%
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 19,661,348

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

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

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.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 3,665,590

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:	- /97.78%
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 4,671,173

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:	- /82.01%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /82.01%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 2,467,209

Triglav Osiguruvanje Život a.d., Skopje	
Address:	Bulevar 8-mi Septemvri br. 18, 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:	- /97.43%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /97.43%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	- /EUR 6,822,617

Asset management

Triglav Skladi d.o.o.	
Address:	Dunajska cesta 20, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 300 73 00, 080 10 19
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

Triglav, upravljanje naložb in svetovalne storitve d.o.o.	
Address:	Tomšičeva ulica 1, 1000 Ljubljana, Slovenia
Phone:	++ 386 51 671 816
Email:	info@triglav.com
Website:	www.triglav.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 6,356,000/EUR 6,356,000

Triglav Fondovi d.o.o., Sarajevo	
Address:	Ulica Mehmed paše Sokolovića br. 15, 71000 Sarajevo, Bosnia and Herzegovina
Phone:	++387 33 277 270
Fax:	++387 33 277 271
Email:	info@triglavfondovi.ba
Website:	www.triglavfondovi.ba
Activity:	Management of financial funds
Equity stake of Zavarovalnica Triglav/the Triglav Group:	- /62.54%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	- /62.54%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 399,704

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, 080 15 10
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

Triglav Savetovanje, društvo za zastupanje u osiguranju d.o.o., Belgrade

Address:	Zelengorska 1g, 11070, Belgrade, Serbia
Phone:	++ 381 (1) 165 58 497, 011 655 84 97
Email:	office@triglav-savetovanje.rs
Website:	www.triglav-savetovanje.rs
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 30,119

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:	-/97.78%
Share of voting rights of Zavarovalnica Triglav/the Triglav Group:	-/97.87%
Nominal value of equity stake held by Zavarovalnica Triglav/the Triglav Group:	-/EUR 149,983

Triglav Savjetovanje, društvo za zastupanje u osiguranju d.o.o., Zagreb in liquidation

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 973,572

Triglav Avtoservis d.o.o.

Address:	Verovškova 60b, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 580 68 72
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

Triglav zdravje asistenca, družba za zdravstveno dejavnost d.o.o., Ljubljana

Address:	Dunajska cesta 22, 1000 Ljubljana, Slovenia
Phone:	++ 386 (1) 893 84 40
Email:	info@tza.si
Website:	www.tza.si
Activity:	Other human health 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 7,500

Diagnostični center Bled d.o.o.

Address:	Pod skalo 4, 4260 Bled, Slovenia
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:	vsebovred@triglav.si
Website:	www.vsebovred.triglav.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

13. Business network of the Triglav Group

■ The Triglav Group's business network includes over 1,860 insurance agencies, brokers and banks in the Adria region. Almost 80% of its contractors operate in markets outside Slovenia.

■ Modern technologies and software solutions are implemented in sales, after-sales and assistance services, while automating processes.

The Triglav Group's business network is well developed and accessible to clients. With business operations being increasingly digitalised, the traditional method of selling insurance and financial services is now complemented with a multi-channel approach and hybrid forms of business. In 2023, the Group entered into more strategic partnerships, while increasing the number of contract sales partners and the scope of online and assistance services. Greater emphasis is being placed on underwriting through digital sales channels by establishing new communication channels.

The Group's insurance sales network is composed of insurance agents, sales clerks and own points of sale (see [Section 13.1](#) for more details). In 2023, the external sales network in Slovenia comprised 380 outsourcers. In the non-life insurance segment, the Group cooperates with roadworthiness test providers, leasing companies, car dealers, insurance agencies, travel agencies and hardware shops with great success. In the life insurance segment, the Group collaborates with insurance agency companies, insurance brokerage companies and banks providing insurance agency services. Before entering into an agreement with a partner, a due diligence and risk assessment with respect to personal data processing is carried out. In October 2023, a branch was established in Greece.

The Group has an extensive own and external sales network in its subsidiaries in the Adria region. In 2023, focus was placed on optimising our own sales network as well as strengthening cooperation with agencies and intermediaries; however, there was a slight decline in activity via the bank sales channel. In these markets, the Group cooperates with more than 1,480 insurance agencies, with most partnerships being entered into in Serbia. See [Section 11.3.4 Responsibility to suppliers, Remuneration of insurance agency companies and sales staff](#) for more information.

In the claims segment, the number of contractors increased, and the forms of cooperation with them were enhanced in 2023. Our business partners were further empowered to report claims, simplifying their operations by utilising modern software solutions. Clients have access to insurance services also via call centres, where they can receive the necessary information; furthermore, clients may take out insurance, report a claim and request assistance services via the telephone or online.

13.1 Insurance

■ **Zavarovalnica Triglav d.d., Ljubljana, Headquarters – registered office**

Regional units:

- | | | |
|---------|-----------------|------------------|
| ■ Celje | ■ Ljubljana | ■ Novo mesto |
| ■ Koper | ■ Maribor | ■ Postojna |
| ■ Kranj | ■ Murska Sobota | ■ Slovenj Gradec |
| ■ Krško | ■ Nova Gorica | ■ Trbovlje |

■ **Zavarovalnica Triglav d.d., Greek Branch, Athens**

■ **Pozavarovalnica Triglav Re d.d., Ljubljana – registered office**

■ **Triglav Zdravstvena zavarovalnica d.d., Ljubljana – registered office**

■ **Triglav, pokojninska družba d.d., Ljubljana – registered office**

■ **Triglav Osiguranje d.d., Zagreb – registered office**

Branch offices:

- | | | |
|------------|--------------|---------|
| ■ Zagreb | ■ Koprivnica | ■ Pula |
| ■ Čakovec | ■ Osijek | ■ Split |
| ■ Varaždin | ■ Rijeka | |

■ **Triglav Osiguranje a.d.o., Belgrade – registered office**

Branch offices and representative offices:

- | | | |
|---------------------|--------------|--------------|
| ■ Belgrade | ■ Šabac | ■ Kruševac |
| ■ Subotica | ■ Valjevo | ■ Niš |
| ■ Zrenjanin | ■ Kragujevac | ■ Leskovac |
| ■ Kikinda | ■ Jagodina | ■ Vranje |
| ■ Vršac | ■ Bor | ■ Sombor |
| ■ Pančevo | ■ Užice | ■ Prijepolje |
| ■ Bečej | ■ Negotin | |
| ■ Novi Sad | ■ Čačak | |
| ■ Sremska Mitrovica | ■ Kraljevo | |
| ■ Bogatić | ■ Novi Pazar | |

■ Lovćen Osiguranje a.d., Podgorica – registered office

Branch offices:

- | | | |
|----------------|---------------|---------------|
| ■ Podgorica | ■ Bar | ■ Ulcinj |
| ■ Nikšić | ■ Budva | ■ Tivat |
| ■ Berane | ■ Plužine | ■ Rožaje |
| ■ Pljevlja | ■ Šavnik | ■ Herceg Novi |
| ■ Bijelo Polje | ■ Danilovgrad | ■ Kolašin |
| ■ Kotor | ■ Cetinje | ■ Mojkovac |

■ Triglav Osiguranje d.d., Sarajevo – registered office

Branch offices:

- | | | |
|--------------------------|------------------|---------------------|
| ■ Sarajevo | ■ Grude | ■ Konjic |
| ■ Novi Grad – Autocentar | ■ Banja Luka | ■ Posušje |
| ■ Goražde | ■ Ljubuški | ■ Livno |
| ■ Kiseljak | ■ Jelah – Tešanj | ■ Čapljina |
| ■ Bihać | ■ Čitluk | ■ Tomislavgrad |
| ■ Ključ | ■ Široki Brijeg | ■ Sanski Most |
| ■ Tuzla | ■ Novi Travnik | ■ Velika Kladuša |
| ■ Mostar | ■ Teočak | ■ Lukavac |
| ■ Zenica | ■ Breza | ■ Prozor |
| ■ Travnik | ■ Gračanica | ■ Busovača |
| ■ Vitez | ■ Kakanj | ■ Bosanski Petrovac |

■ Triglav Osiguranje a.d.o., Banja Luka – registered office

Branch offices:

- | | | |
|--------------|------------|-------------|
| ■ Banja Luka | ■ Prijedor | ■ Pale |
| ■ Doboj | ■ Gradiška | ■ Bijeljina |

■ Triglav Osiguruvanje a.d., Skopje – registered office

Branch offices:

- | | | |
|------------|-------------|-------------|
| ■ Skopje | ■ Veles | ■ Štip |
| ■ Bitola | ■ Gevgelija | ■ Kavadarci |
| ■ Ohrid | ■ Prilep | ■ Strumica |
| ■ Gostivar | ■ Kičevo | ■ Struga |
| ■ Tetovo | ■ Radoviš | |
| ■ Kumanovo | ■ Kočani | |

■ Triglav Osiguruvanje Život a.d., Skopje – registered office

13.2 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 Fondovi d.o.o., Sarajevo – registered office

■ Triglav penzisko društvo a.d., Skopje – registered office

13.3 Other

■ Triglav INT, holdinška družba d.o.o., Ljubljana – registered office

■ Triglav Svetovanje, zavarovalno zastopanje d.o.o., Domžale – registered office

■ Triglav zdravje asistenca, družba za zdravstveno dejavnost d.o.o., Ljubljana – registered office

■ Diagnostični center Bled d.o.o., Bled – registered office

■ Triglav Savjetovanje d.o.o., Zagreb in liquidation – registered office

■ Triglav Savjetovanje d.o.o., Belgrade – registered office

■ Triglav Savjetovanje d.o.o., Sarajevo – registered office

■ Triglav Avtoservis d.o.o., Ljubljana – registered office

■ Triglavko d.o.o., Ljubljana – registered office