

# 12. Sustainable Development in the Triglav Group

- The corporate compliance policy was amended and sub-committee for ethical issues established.
- The internal and external awareness about the harmful effect of insurance frauds was increased and more than 90 additional fraud indicators established.
- Vse bo v redu, zavod Zavarovalnice Triglav za družbeno odgovorne aktivnosti (Everything will be alright – Institute of Zavarovalnica Triglav for corporate social responsibility) was established and opened first intergenerational centre in Slovenia »To Triglav to Change the World« (Na Triglav spreminjat svet).
- Adverse effects on the environment were mitigated and public awareness raised.

## 12.1 Sustainable Business and Corporate Social Responsibility

The long-term dimension of our development was discussed in the process of amending the development strategy, into which social, economic and environmental influence of the company activity was

integrated. Zavarovalnica Triglav and the Triglav Group view their corporate social responsibility as the tenet of sustainable development.

By examining the influence of the Company's activities the key sustainable development aspects reported on in the previous and this section were identified.

### Major sustainable development aspects of Zavarovalnica Triglav and the Triglav Group<sup>38</sup>

<b>Economic impact</b>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Indirect economic impacts</li> </ul>			
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Effluents and waste</li> <li>• Transport</li> </ul>			
<b>Social aspects</b>	<b>Labor practices and decent work</b>	<b>Human rights</b>	<b>Society</b>	<b>Product responsibility</b>
	<ul style="list-style-type: none"> <li>• Employment</li> <li>• Occupational health and safety</li> <li>• Training and education</li> <li>• Labor practices</li> <li>• Grievance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Investment</li> <li>• Non-discrimination</li> <li>• Human rights grievance mechanisms</li> </ul>	<ul style="list-style-type: none"> <li>• Local communities</li> <li>• Anti-corruption behaviour</li> <li>• Anti-competitive behavior</li> <li>• Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Product and service labelling</li> <li>• Marketing communications</li> <li>• Customer privacy</li> <li>• Compliance</li> </ul>

#### Information on sustainable development:<sup>39</sup>

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<sup>38</sup> GRI G4-19, G4-20

<sup>39</sup> GRI G4-31

## Key guidelines and objectives of the 2013 Corporate Social Responsibility Strategy

### Key objectives and implemented results in 2013

Objectives 2013	Status	Results 2013
- Maintenance of a stable credit rating.	Achieved.	- Zavarovalnica Triglav maintained a stable «A-« credit rating.
- Drafting and implementing the Code of Conduct of the Triglav Group.	Partly achieved.	- Implement workshops with the Triglav Group employees. The Triglav Group Code of Conduct has been drafted. It shall be published in the first half of 2014 in parallel with conducting the workshops for the employees.
- Supporting activities and goals of the Ethos group.	Achieved.	- Specialised departments of Zavarovalnica Triglav actively participated in this field.
- Establishing at least 100 additional key fraud indicators.	Partly achieved.	- More than 90 additional key fraud indicators were established. In total there are 130 in use.
- Training and communication on health promotion in the framework of the Triglav.smo project.	Achieved.	- In all regional regional units of Zavarovalnica Triglav preventive measurements of cholesterol, blood pressure and body weight were conducted (760 employees participated) and breathing exercise workshops for managing stress at the workplace. At 12 regional units the Nordic Walking workshops were successfully conducted.
- At least 10% membership of employees in the Triglav Sports Club as encouragement for a healthy free-time life style of the employees.	Achieved.	- The Triglav Sports Club has 538 members representing almost 23% of the employees.
- Launch of intranet in Zavarovalnica Triglav.	Not achieved.	- The project was temporarily halted due to other priority activities.
- Implementing measures for zero tolerance to discrimination, harassment or mobbing at the workplace.	Achieved.	- Measures for protecting dignity at the workplace are available to the employees in order to provide fast and active resolution of situations involving situations and feelings related to intolerance, discrimination or mobbing.
- Organisation of at least one event to educate the general public about the insurance sector.	Partly achieved.	- The guidelines and the tender documentation are prepared for selecting the partner to implement the project.
- Improving accessibility in at least 5% of the sales points.	Achieved.	- An analysis was conducted and improvements made at sales points and the web page regarding the accessibility of services of physically disabled, the hearing-impaired, and the visually impaired persons. The report is in Section 6. <sup>40</sup>
- Application of the measure of corporate socially responsible conduct in the process of supplier selection.	Achieved.	- A questionnaire on corporate socially responsible conduct is used in the process of selecting supplier.
- Integration of the culture of road safety in communication activities.	Achieved.	- The awareness of primary school students about the significance of road safety is raised in partnership with the institute »I still drive but I don't walk«. The Triglav mascot Watch Out Doggy helps educating children about the road safety in the framework of the project Children of Triglav – Safe on Roads.
- Implementation of at least 10 preventive actions for children with the mascot Watch Out Doggy within the project Children of Triglav – Safe on Roads.	Achieved.	- At the beginning of September the mascot Watch Out Doggy visited 55 primary schools in Slovenia.
- At least 10 percent of the employees participating in volunteering work and activities.	Achieved.	- In the event of Triglav Group employees meeting – »Our Day« 1,038 or over 43% of the employees contributed for a hot meal for children from socially underprivileged families at the primary school Koper. They volunteered to reform and make playgrounds (the project »Children of Triglav – Carefree at Play, in Harmony with Nature«, and We give back to the society. In the Christmas period food and toiletries were given to children from 150 families.
- Take at least 3,000 children to the ski jumping event in Planica.	Achieved.	- Over 3,300 children were taken to the ski jumping event in Planica.
- Organisation of the Triglav Run with at least 1,000 active participants.	Achieved.	- Over 1,000 active participants took part in the second Triglav Run at Brdo pri Kranju.
- Participation in the project »Children of Triglav – Carefree at Play, in Harmony with Nature« by renovating at least three playgrounds.	Achieved.	- Two playgrounds (kindergarten Mežica and primary school Stražišče) were renovated, and 4 playgrounds built anew (Golo, Skrilje, Visoko, Zapotok).
- Installing waste sorting bins in all business units that allow individual disposal of waste fractions.	Achieved.	- Waste sorting bins are installed in all regional and business units that allow individual disposal of waste fractions.
- Making biodegradable waste bags available in at least 20 new mountain huts.	Achieved.	- Biodegradable waste bags were provided to 20 new mountain huts. They are available in almost 60 mountain huts and cottages in Slovenia.
- Decreasing energy product consumption in the Ljubljana Regional Unit by a minimum of 5%.	Not achieved.	- Heating and cooling convectors were replaced in June only on one business facility (Regional Unit Ljubljana). The energy consumption is lower by 3%. <sup>41</sup>
- Preparing and launching of the implementation of at least 5 measures for reducing greenhouse gas emissions.	Achieved.	- All employees in Zavarovalnica Triglav have their own coffee cup, in the coffee machine there is a button »without cup« available. In addition, three regional units have bicycles for the employees. Water at meeting at the Headquarters is served in pitchers. In one building of the Ljubljana Regional Unit the convectors for heating / colling of offices were replaced. Electronic ordering of material and services was introduced.
- Implementation of at least one green insurance product.	Not achieved.	- An analysis of conditions and effects of the green insurance product is underway.

## Key guidelines and objectives of the 2014 Corporate Social Responsibility Strategy

Guideline	Objectives 2014
Management of the organisation	- Maintenance of stable credit rating.
Fair business practice	- Drafting and implementing the Code of Conduct of the Triglav Group. - Increase the number of processed cases detected by key fraud indicators by at least 100%. - Active participation and support to the program UNGC for increasing fair business practice standards.
Recruitment and work practices	- Training and communication on health promotion in the framework of the Triglav.smo project - Better accessibility to knowledge by putting in practice new web training courses. - Each employee has the possibility to take part in at least one training.
Human rights	- Continuation of implementing measures of zero tolerance for discrimination, harassment or mobbing at the workplace.
Responsibility to clients and suppliers	- Launch of the insurance education campaign. - Designation of the sales point accessibility for various types of disability. - Implementation at least measure aimed to improve access to insurance services.
Engagement in the community and its development	- Organisation of at least 10 prevention campaign for children with the Watch Out Doggy mascot in the framework of the Children of Triglav – Safe on Roads - At least 10% employees as active volunteers - Take at least 3,000 children to the ski jumping event in Planica of those for at least 100 children with special needs; raising awareness of the participants regarding environmental responsibility. - Organisation of the Triglav Run with at least 1,000 active participants; implementation of at least one measure for mitigating the environmental impact of the event - Participation in the renovation of at least 2 playgrounds - Designing an application for warnings regarding dangerous points at home.
Mitigating adverse effects on the environment	- Waste management. - Let's Clean the Mountains and Hills. - Reducing greenhouse gas emissions. - Awareness campaign among the employees regarding correct waste sorting. - Upgrading waste sorting bins at the headquarters of regional units. - Cooperation with at least one organisation in addition to the Alpine Association of Slovenia. - At least one activity aimed at the elderly and children. - To build and maintain an active fan community of the Triglav Group in social media. - Raising awareness of the employees regarding rational energy consumption. - Implementation of a pilot relating to central document printing. - Implementing at least one additional measure for mitigating adverse effects on the environment. - Carbon footprint calculation for at least three headquarters of the Triglav Group subsidiaries.

Framework objective: Good practices of and guidelines for corporate social responsibility will be transferred to subsidiaries.

<sup>40</sup> GRI G4-FS14

<sup>41</sup> GRI G4-EN6



## Awards and prizes

In 2013, the companies of the Triglav Group received the following awards and prizes in different areas:

- **European Excellence Award 2013:** the in-house newsletter »Obzornik« was ranked among five best European publications for employees.
- **Best Annual Report:** the Slovene financial daily Finance, in cooperation with the Finance Business Academy, honoured Zavarovalnica Triglav with an award for the best annual report amongst financial institutions for 2012 in terms of reporting on sustainable development and reporting on communication.
- **TOP 10 Training and Education Management:** for the fifth consecutive year, the Company has received an award for companies that invest the most in knowledge, education and training of their employees and that do so using a systemic approach (the award is granted by Planet GV and the Sofos Institute of Training Management).
- **WEBSI 2013 Award:** the second place for the i.Triglav online branch in the commercial websites category, the Triglav Toča hail warning application in the mobile applications category, and the »Let's Clean the Mountains and Hills« campaign in the socially corporate responsible projects category.
- **POMP 2013:** Award for the content marketing for Obzornik international in the category the best in-house medium.
- **ARC Awards 2013:** the golden award for the 2011 Annual Report from the International Annual Report Competition (ARC) Awards, honouring outstanding achievement in annual reports.
- **Trusted brand 2013:** for the seventh consecutive year, Zavarovalnica Triglav was at the top of the list of the most trusted insurance companies in Slovenia.
- **EMERald Excellence 2013:** The recipients of the awards are the »Let's clean the mountains« project in the social media programs category, and »New Dimensions« project - designed for the Triglav Group Annual Report 2011 and commissioned by Zavarovalnica Triglav - in the multi-audience category.
- **The advertiser of the year 2012:** award given by the Slovenian Advertising Chamber at the Slovenian Advertising Festival.
- **Best financial expert of 2012:** the President of the Management Board Matjaž Rakovec was awarded the title of best financial expert as selected by the publishing house Založba Kapital.
- **Gold Quill:** the award given for communication excellence by the International Association of Business Communicators (IABC) for the annual Reports of Zavarovalnica Triglav and the Triglav Group for 2011.
- **Gold Quill:** the regional European award of the International Association of Business Communicators EMERald Award for the campaign »Let's Clean the Mountains and Hills«.

### Commitments to external initiatives<sup>42</sup>

The Company complies with the Insurance Code of the Slovenian Insurance Association that lays down the basic standards of professional business practice in the Triglav Group.

In accordance with its guidelines for social responsibility, the Triglav Group supports initiatives fostering business practices that are ethically, environmentally, socially and economically sustainable in the long term.

It also follows the recommendations of the Slovene Consumers' Association for improving financial literacy, notably by strengthening its e-business. Last year the i.triglav web application and the entire web page www.triglav.si were again upgraded (transparency of insurance policies, a simple and unified access to insurance services, a wide range of

advice). Quick response to client problems is crucial. More emphasis is put on providing information about preventive activities for risk reduction in the counselling section (safe skiing, advice on cycling, fire protection etc.).<sup>43</sup>

In the area of compliance Zavarovalnica Triglav takes an active part in the initiative Ethos, the working group within the UN Global Compact Slovenia. It was among the first Slovenian signatories of the Declaration on fair business practices which binds it to raise the awareness regarding the significance of fair business practices at the national level (influence on the competitiveness and social welfare) and the implementation of the compliance programs modelled after international practices and standards of fair practice (more in 12.3 Fair Business Practice). Zavarovalnica Triglav representatives took an active part at both public presentations of the Fair Business Conduct Declarations in 2013.



i.triglav web application



Fair business practice

<sup>42</sup> GRI G4-15

<sup>43</sup> GRI G4-FS14

## Membership in associations<sup>44</sup>

Zavarovalnica Triglav is an active member in several industry associations and economic groupings and other associations, including the Slovenian Insurance Association, the Chamber of Commerce and Industry of Slovenia, the Marketing Association of Slovenia, the Public Relations Society of Slovenia, the Ethos anti-corruption working group operating within the UNGC Slovenia, the Institute for the Development of Social Responsibility (IRDO), The social responsibility network of Slovenia (MDOS), the Association of Employees' Councils of Slovenian Companies, the Supervisors Association of Slovenia, and the American Chamber of Commerce of Slovenia. Subsidiaries outside Slovenia are members of industry associations and economic groupings in their relevant countries.

Triglav Osiguranje, Belgrade, is a member of both the Chamber of Commerce and Industry of Serbia and Belgrade Chamber of Commerce, Triglav Osiguranje, Zagreb, of the Croatian Chamber of Economy, Lovćen Osiguranje of the Chamber of Commerce of Montenegro and Triglav Osiguruvanje, Skopje, is a member of the Chamber of Commerce of Macedonia.

## Report parameters<sup>45</sup>

A step forward was made in the reports for 2013 by providing even more integrated information on the economic, social and environmental aspects of business operations in sections other than Sustainable Business. Financial and non-financial aspects of business operations are presented by means of measurable indicators and a comprehensive review of operations.

The International Financial Reporting Standards (IFRS) and the international sustainability reporting guidelines drafted by the **Global Reporting Initiative G4 (GRI)** are adhered to by the Company by following the specific guidelines for the financial sector. Data are collected by business divisions of the parent company, which, as the entity in charge of reporting, also reports on all aspects of sustainable development. Monitoring of indicators pursuant to the GRI guidelines has been introduced also to subsidiaries, whereby effectiveness is higher in the area of social impact. In the document corporate communication predominantly pertains to the parent company. In cases when it refers to the Group, this is specifically indicated.

The reporting on sustainable development is a part of the annual reports. It refers to the individual business and calendar year.<sup>46</sup>

The drafting of the report is done by specialised departments, stakeholders have not been included in the process so far. The most recent report was published in 2012 pursuant to the GRI G3.1 guidelines.<sup>47</sup> Data on the calculation methodology for individual indicators are given in the text and the notes, when relevant. There have been no significant changes in the data provided in previous reports that have affected the current state of affairs, individual smaller changes are explained in the notes.<sup>48</sup>

<sup>44</sup> GRI G4-16

<sup>45</sup> GRI G4-18

<sup>46</sup> GRI G4-28, G4-30

<sup>47</sup> GRI G4-29

<sup>48</sup> GRI G4-22, G4-23

A decision about a comprehensive external evaluation of the sustainable reporting has not yet been made, it is intended to be made in the future.

In 2013, the external examiner within the project European Green Office analysed the Company's activities relating its attitude towards the environment and issued a certificate regarding the progress in mitigating adverse effects on the environment.

External audit

## 12.2 Key stakeholders<sup>49</sup>

### Key stakeholder groups and corporate governance

The mission of the Triglav insurance group and parent company is building a safer future. Financial security of its clients is the aim of its products and services and is based on the financial stability and profitability of its business operations. In the long term they can be achieved only by recognizing the interests of key shareholders and their integration into the operations and achievement of the Group's mission.

The key stakeholder groups of Zavarovalnica Triglav are defined in the Corporate Social Responsibility Strategy, which specifies active cooperation with each individual stakeholder group. Based on the business strategy and the corporate social responsibility strategy, the cooperation with individual stakeholder groups is specified in annual plans for individual functional areas and departments, such as Human Resource Management, Insurance Sales, Marketing Department, Insurance Marketing and Distribution Division, Risk Management, Legal Office, Compliance Office, Claims Division, Accounting Division, Strategic Planning and Controlling Department, Finance Division, etc.).

The identified key shareholders are: the employees, investors, existing and potential clients, regulators, media, suppliers, non-governmental organisations in the field of prevention, sustainable development and local communities. In 2013, special attention was paid to an active and open relationship with them. The interests of the Company's shareholders have been taken into account in developing the business operations of the Company, whereby the key tenet is a comprehensive and two-way communication.

Communication took place at several levels and included a wide spectrum of the Triglav Group activities. It comprised regular and active management of relations with the employees, media, and the financial public at the corporate and product level.

In managing relations with clients their satisfaction is examined, praise and complaints by clients are actively managed, focus groups are studied etc. Communication with individual groups of stakeholders takes place in person and in writing, the Company actively participates in different local and national associations.<sup>50</sup>

In line with the business strategy the reputation of the Triglav Group in the stakeholder environment was strengthened, while high communication standards were transferred from the parent company to subsidiaries in line with the Triglav Group Communication Code.

<sup>49</sup> GRI G4-21, G4-24, G4-25, G4-26, G4-27

<sup>50</sup> GRI G4-26



Relations with shareholders

Relations with shareholders, investors and other financial public are disclosed in *section 5 Share capital and shareholders of Zavarovalnica Triglav, section 5.6 Communication with investors*. Client communication is included under *section 12.7.1, communication with suppliers under section 12.8*, and relations with local communities under *section 12.9 Responsibility to the social environment*.

### 12.3 Fair business practice<sup>51</sup>

Zavarovalnica Triglav as a member of the Slovenian United Nations sustainable development associations – UN Global Compact Slovenia and the signatory of the Declaration on Fair Business has anti-corruption clause in all contracts surpassing the value of EUR 10,000.

The compliance system is in place for regular monitoring and adjusting to any changes in the legal environment, to provide technical support to services, departments, and subsidiaries.

In 2013, the Compliance Policy was amended and approved in November by the Supervisory Board. Its key new feature is the establishment of the Ethics Subcommittee following international good practice in the area of compliance and integrity. The subcommittee that shall start working in 2014 will take position to ethical dilemmas in providing compliance and protecting the company reputation. By other policy amendments higher standards of the compliance system operation are provided. They refer to a higher level of the compliance function independence, more in-depth reporting on compliance, including reporting to the Supervisory Board. By increasing the scope of the compliance function in the insurance sector the business functions representing the second defence line against risks (see also *section 11. Risk Management*) are strengthened, in addition the rights and interests of the insured, policy holders and beneficiaries are protected. Such policy shall facilitate the establishment of the compliance function at the level of the Triglav Group and the upgrading of the management system in line with the European directive Solvency II. The establishment of the solvency function at the Triglav Group level is one of the key tasks for 2014, the first consultation of the Group on compliance was organized in 2013.

On the basis of the Code of Good Business Practice the system for direct reporting of non-compliance functions, whereby contacts are provided of competent human resource and legal departments, the department for the prevention, detection and investigation of fraud, and the compliance department. By taking this route the Compliance Office in 2013 received two notices. The majority of non-compliance instances are detected by regular monitoring of compliance, the submitted notices and complaints, and the control procedures and incident examination. In 2013, the implementation of 11 compliance recommendations was monitored and 5 compliance examination procedures performed.<sup>52</sup>

Three requests were obtained for information on own personal data pursuant to the Personal Protection Act (ZVOP-1). On the basis of two notices submitted to the Information Commissioner, the investigation was launched. An internal support mechanism for a more detailed monitoring of this

<sup>51</sup> GRI G4-S6

<sup>52</sup> GRI G4-SO8

complaint group is being prepared. In 2013, the Company did not receive any decision for the violation of personal protection data, other sanctions were also not imposed.<sup>53</sup>

Regarding compliance in 2013 the first e-training on the protection of personal data was conducted for all employees, of which 89% successfully completed the course. The training material encouraged many to ask additional questions and use mentorship when learning.<sup>54</sup>

In 2013, 87% of all employees in Zavarovalnica Triglav took part in at least one training regarding human rights and related procedures that are important for the insurance business. In total 3,638 training hours on human rights policy were organized.<sup>55</sup>

Zero tolerance to discrimination in relationships among employees and with the clients has been put in place, which is reported on in *section 12.4*. Suspicions of fraud are dealt with in the continuation.

#### Fraud risk<sup>56</sup>

The fraud risk, which is managed by the Fraud Prevention, Detection and Investigation Department (SPORP) in the parent company, is reported under Risk management *section 11.6*. The register of fraud scheme facilitates regular monitoring of fraud exposure considering the findings of the Fraud Prevention, Detection and Investigation Department examinations and focus, the change of key internal controls and results of testing. A comprehensive assessment of this risk is conducted in Zavarovalnica Triglav every two years, the next one is planned for 2014. There were 98 fraud schemes comprising corruption risks identified. For 8 schemes the inherent risk was assessed as high, for 38 as medium, for 40 schemes as low and for 12 as very low. For inherently high risks in 2012 and 2013 recommendations were adopted regarding key internal controls put in place to provide a low corruption risk for the remaining part.

In 2013, the fraud risk for the companies in the Triglav Group was assessed, the assessment is expected to be finished in 2014.

#### Communication and training for anti-corruption policy and procedures<sup>57</sup>

In 2013, the Company started to raise awareness of fraud harm, including corruption risks among the employees of Zavarovalnica Triglav. An intranet page dedicated to fraud issues was put in place, data were disseminated about the telephone line for reporting fraud suspicion (internet, intranet, in-house newsletter, posters etc.). The employees were informed about the policy of zero tolerance to fraud and the Fraud Prevention, Detection and Investigation Department, the project Ambassadors of honesty was launched. At workshops in all regional units of Zavarovalnica Triglav 143 persons or 6% of all employees took part, including all managerial staff.

<sup>53</sup> GRI G4-PR8, G4-DMA

<sup>54</sup> GRI G4-HR2

<sup>55</sup> GRI G4-HR2

<sup>56</sup> GRI G4-DMA

<sup>57</sup> GRI G4-SO4

Ambassadors of honesty



Out of all employees, 98% noticed the awareness activities, of which 94% assessed them as adequate, while 77% of employees learnt to use the application for anonymous reporting of fraud suspicions. Instructions were issued for the protection against retaliatory measures of those reporting fraud in good faith (identity protection, high security of notice, immediate assistance in the case of direct threats, assistance to specialised departments in the case of illegal retaliatory measures, monitoring of reporters). The instructions envisage additional measures of transfer to other equal posts, free legal assistance, assistance in reporting to the police and prosecution authorities, and special security measures. The employees were informed about the instructions in the internal publications.

The Fraud Prevention, Detection and Investigation Department and the Compliance Department prepared draft Code of Good Business Practice for the Triglav Group. At 13 workshops employees from the majority of the Triglav Group companies took part. Special workshops were organized for directors of regional units, representatives of specialised departments and members of the Executive Group Manager's team.

#### Examples of corruption and measures taken<sup>58</sup>

The Fraud Prevention, Detection and Investigation Department in 2013 dealt with 23 cases where corruption risks were detected in relation to Zavarovalnica Triglav. In 5 cases the fraud suspicions were confirmed. Depending on the nature of established fraud, the Management Board adopted adequate measures. In three cases the employment of the responsible persons was terminated, in one case a warning was issued prior the termination of the employment contract, in one case a criminal complaint was filed, while in one case a proposal for the licence withdrawal for insurance agent was submitted to the Insurance Supervision Agency.

In the Triglav Group the Fraud Prevention, Detection and Investigation Department took part in dealing with 3 large cases where corruption suspicions were detected. In 2 cases criminal proceedings were launched against the competent persons, in all discussed cases recommendations were adopted for establishing key internal controls.

#### The value of all contributions to political parties by recipients, the lobbying policy

Due to an over 25 share of state ownership in the equity, Zavarovalnica Triglav is prohibited from financing political parties pursuant to the Political Parties Act.<sup>59</sup>

## 12.4 Human resources management / Recruitment and work practises

The human resources management policy is the basis for managing the relations and adopting decisions about the employees in Zavarovalnica Triglav and is based on the company values. It focuses on the employees as individuals

contributing to the culture of the Triglav Group with their efforts, knowledge and loyalty.

### Strategic guidelines for human resources management

Strategic guidelines in the field of human resources management are based on the fundamental objectives of Zavarovalnica Triglav and the Triglav Group. The focus is on the employees upgrading their technical knowledge professional skills and sharing them with colleagues. The Company puts its employees' ability to achieve their professional and personal goals at the top of its agenda. The motivation and high professional skills of the employees are of key importance for the implementation of the Triglav Group's objectives.

- The number and composition of employees were adjusted to the renovation and optimization of business processes, special emphasis was put on the development and retention of key and perspective members of staff.
- Employment flexibility in the Triglav Group was promoted and the unification of the human resource management processes strengthened to put it in line with the organizational culture of the Group.
- The best available human resources were employed. First steps were made to establish own evaluation centre for the employment selection.
- An inter-generational cooperation system was designed and the strategy of managing senior employees developed.
- Innovative proposals by the employees were successfully promoted and encouraged.
- The culture of creativity and cooperation was promoted (workshops, team building events, projects Triglav.smo, family-friendly company, health promotion), and the system of awards and non-monetary motivation upgraded.
- Regular measurement of organisation atmosphere was conducted and adequate measures taken.

### Recruitment policy

The recruitment policy based on the company values dictates a sound selection of best human resources in the case of new employments, carefully selected and determined career and personal goals, nurturing of talent, professional skills and motivation of the employees. The development potential of the Triglav Group provides opportunities to both the young and experienced experts.

### Absenteeism<sup>60</sup>

The rate of absenteeism in Zavarovalnica Triglav continues to drop. In comparison to the previous year it dropped by 0.06 percentage points and was 0.44 percentage points below the national level reported for the Republic of Slovenia (data for January-September 2013). The absenteeism rate amounted to 2.46% for men and 4.55% for women.

Temporary absence from work due to illness or injury is measured by the number of lost working days in a year. By law, sickness benefits are divided into two categories: those reimbursed by the employer (medical leave up to 30 days) and those reimbursed by the Health Insur-

Downward trend in absenteeism

<sup>58</sup> GRI G4-SO3, G4-SO5

<sup>59</sup> GRI G4-SO6

<sup>60</sup> GRI G4-LA6

ance Institute of Slovenia (ZZZS) (medical leave longer than 30 days, sick-nursing, accompanying a sick person). In comparison to 2012, the share of work days lost due to sick leave reimbursed by Zavarovalnica Triglav decreased by 0.01 percentage points, while the share of work days lost due to sick leave reimbursed by the Health Insurance Institute of Slovenia was by 0.04 percentage point lower.

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

Year	Paid by Zavarovalnica Triglav	Reimbursed by ZZZS	Rate of absenteeism in Zavarovalnica Triglav	in %	
				Rate of absenteeism in Slovenia <sup>(1)</sup>	Rate of absenteeism in Slovenia <sup>(2)</sup>
2008	2.34	2.05	4.39		3.69
2009	2.36	1.74	4.10		4.00
2010	2.23	1.58	3.81		4.17
2011	1.98	1.73	3.71		4.19
2012	1.90	1.66	3.56		4.06
2013	1.89	1.62	3.50		3.94 <sup>(2)</sup>

<sup>(1)</sup> Source: Health Insurance Institute of Slovenia – sick leave database

<sup>(2)</sup> Data from January to September 2013

#### Staff turnover<sup>61</sup>

Staff turnover decreased from 4.6% in 2012 to 3.2% in 2013. Anew were recruited 47 employees, while 79 left. Both trends continued. Among leavers, the main reason was the retirement of staff in the oldest age group (above 56 years of age), and among newly employed the majority were between 26 and 30 years old. In contrast to the previous year, men prevailed both among newly recruited employees (59.6%) and leavers (55.7%).

#### Number of leavers and newcomers in Zavarovalnica Triglav in 2013 by their age<sup>62</sup>

Age group	Newcomers		Leavers	
	Number	as a %	Number	as a %
20–25	6	12.8	1	1.3
26–30	15	31.9	16	20.3
31–35	6	12.8	10	12.7
36–40	8	17.0	8	10.1
41–45	7	14.9	6	7.6
46–50	3	6.4	4	5.1
51–55	2	4.3	8	10.1
56 and over	0	0.0	26	32.9
<b>TOTAL</b>	<b>47</b>	<b>100.0</b>	<b>79</b>	<b>100.0</b>

#### Number of leavers and newcomers in Zavarovalnica Triglav in 2013 by gender<sup>63</sup>

Gender	Newcomers		Leavers	
	Number	as a %	Number	as a %
Men	28	59.6	44	55.7
Women	19	40.4	35	44.3
<b>TOTAL</b>	<b>47</b>	<b>100.0</b>	<b>79</b>	<b>100.0</b>

<sup>61</sup> GRI G4-LA1

<sup>62</sup> GRI G4-LA1

<sup>63</sup> GRI G4-LA1

#### 12.4.1 Recruitment and employee structure

Recruitment activities were carried out according to the recruitment plan and in line with the business and strategic objectives, with an emphasis on integrated cost management.

As at 31 December 2013, there were 5,351 employees in the Triglav Group, which is 28 less than the year before.

#### Number of employees in the Triglav Group as at 31 December 2013

The Triglav Group subsidiaries	Number of employees			Difference 2013-2012
	31 December 2013	31 December 2012	31 December 2011	
Zavarovalnica Triglav d.d., Ljubljana	2,373	2,405	2,400	-32
Pozavarovalnica Triglav RE d.d., Ljubljana	42	41	37	1
Triglav, Zdravstvena zavarovalnica d.d., Koper	81	77	78	4
Triglav Osiguranje d.d., Zagreb	554	532	518	22
Triglav Osiguranje d.d., Sarajevo	243	242	234	1
Triglav Pojišt'ovna a.s., Brno	121	123	116	-2
Lovćen Osiguranje a.d., Podgorica	264	283	264	-19
Triglav Osiguranje a.d.o, Belgrade	406	449	488	-43
Triglav penzijski fondovi a.d., Belgrade*	0	5	5	-5
Triglav Osiguranje a.d., Banja Luka	80	81	84	-1
Triglav Osiguruvanje a.d., Skopje	232	168	150	64
Triglav Skladi d.o.o., Ljubljana	42	37	36	5
AS Triglav d.o.o., Ljubljana	28	31	31	-3
TRI-PRO d.o.o., Domžale	81	73	75	8
Triglav nepremičnine d.o.o., Ljubljana	28	49	5	-21
Triglav Naložbe d.d., Ljubljana	6	6	5	0
Sloveniales d.d., Ljubljana	125	132	196	-7
Golf Arboretum d.o.o., Volčji potok	10	11	11	-1
Gradis IPGI d.d., Ljubljana	1	1	1	0
TRI-PRO BH d.o.o., Sarajevo	19	16	16	3
Unis automobili i dijelovi d.o.o., Sarajevo	32	33	33	-1
Autocentar BH d.o.o., Sarajevo	53	45	47	8
Triglav INT d.d., Ljubljana	4	5	4	-1
Lovćen životna osiguranja a.d., Podgorica	13	8	6	5
Sarajevostan d.d., Sarajevo	122	121	126	1
Triglav Auto d.o.o., Banja Luka	0	0	0	0
Lovćen auto a.d., Podgorica	101	114	98	-13
Avrigo d.o.o., Nova Gorica	201	202	0	-1
Integral Notranjska d.o.o., Cerknica	16	16	0	0
Integral Zagorje d.o.o., Zagorje ob Savi	47	47	0	0
Integral Stojna Kočevje d.o.o., Kočevje	26	26	0	0
Alptours d.o.o., Bovec	0	0	0	0
<b>TOTAL</b>	<b>5,351</b>	<b>5,379</b>	<b>5,064</b>	<b>-28</b>

\* Triglav Penzijski fondovi was liquidated.

The educational structure improved in the reporting year. The number of employees with higher education or university degrees, as well as with secondary school diploma, masters or doctoral degrees increased, while the number of staff with elementary school decreased.

### Employees of the Triglav Group as at 31 December 2013 by education level

Level of education	2013		2012		2011	
	Number	Per-centage	Number	Per-centage	Number	Per-centage
Level I-IV	1,445	27.0	1,624	30.2	1,105	21.8
Level V	1,549	28.9	1,502	27.9	1,849	36.5
Level VI	593	11.1	567	10.5	596	11.8
Level VII	1,606	30.0	1,549	28.8	1,399	27.6
Masters and PhD	158	3.0	137	2.5	115	2.3
<b>TOTAL</b>	<b>5,351</b>	<b>100.0</b>	<b>5,379</b>	<b>100.0</b>	<b>5,064</b>	<b>100.0</b>

The average total years of work of the employees in Zavarovalnica Triglav amounted to 21.20 years, while the average years of work only in Zavarovalnica Triglav totalled 15.35 years.

The number of full-time employees in Zavarovalnica Triglav was 2,277 (96.0%) or approximately as many as in 2012, while 96 (4.0%) were part-time employees.

### Employees in Zavarovalnica Triglav as at 31 December 2013 by employment type (full-time, part-time)<sup>64</sup>

Type of employment	2013		2012		2011	
	Number	Per-centage	Number	Per-centage	Number	Per-centage
Part-time	96	4.0	92	3.8	90	3.8
Full-time	2,277	96.0	2,313	96.2	2,310	96.3
<b>TOTAL</b>	<b>2,373</b>	<b>100.0</b>	<b>2,405</b>	<b>100.0</b>	<b>2,400</b>	<b>100.0</b>

The number of fixed-term employees in Zavarovalnica Triglav was 59 (2.5%), while 2,314 employees (97.5%) were in permanent employment. The share of fixed-term employees decreased by 2.5 percentage points.

### Employees in Zavarovalnica Triglav as at 31 December 2013 by employment type<sup>65</sup>

Type of employment	2013		2012		2011	
	Number	Per-centage	Number	Per-centage	Number	Per-centage
Fixed-term	59	2.5	121	5.0	86	3.6
Permanent	2,314	97.5	2,284	95.0	2,314	96.4
<b>TOTAL</b>	<b>2,373</b>	<b>100.0</b>	<b>2,405</b>	<b>100.0</b>	<b>2,400</b>	<b>100.0</b>

In the groups up to 40 years of age, the share of employees decreased, whereas the share of employees above 56 years of age increased. The average age of persons employed in Zavarovalnica Triglav is slightly higher than in previous years, i.e. 44.35 years (43.61 years in 2012).

### Employees of Zavarovalnica Triglav as at 31 December 2013 by age<sup>66</sup>

Age group	2013		2012		2011	
	Number	Per-centage	Number	Per-centage	Number	Per-centage
20-25	16	0.7	19	0.8	31	1.3
26-30	133	5.6	177	7.4	183	7.6
31-35	267	11.3	290	12.1	349	14.5
36-40	398	16.8	429	17.8	428	17.8
41-45	454	19.1	439	18.3	477	19.9
46-50	457	19.3	449	18.7	416	17.3
51-55	373	15.7	370	15.4	351	14.6
56 and over.	275	11.6	232	9.6	165	6.9
<b>TOTAL</b>	<b>2,373</b>	<b>100.0</b>	<b>2,405</b>	<b>100.0</b>	<b>2,400</b>	<b>100.0</b>

In terms of gender, the employee structure shows no significant changes over the longer time period and is comparable to the gender ratio in the Slovene general population.

### Employees of Zavarovalnica Triglav as at 31 December 2013 by gender<sup>67</sup>

Gender	2013		2012		2011	
	Number	Per-centage	Number	Per-centage	Number	Per-centage
Men	1,159	48.8	1,175	48.9	1,171	48.8
Women	1,214	51.2	1,230	51.1	1,229	51.2
<b>TOTAL</b>	<b>2,373</b>	<b>100.0</b>	<b>2,405</b>	<b>100.0</b>	<b>2,400</b>	<b>100.0</b>

As at the end of the year, 2,217 or 93.4% of all staff in Zavarovalnica Triglav were employed under the collective agreement. The remaining 6.6% are top management with individual agreements (156 employees).<sup>68</sup>

Benefits are the same for both regular full-time employees and temporary or part-time employees.<sup>69</sup>

The share of women in top management of Zavarovalnica Triglav reached 22.2% (24.1% in 2012) and in middle management 41.2%. The share of women in the Management and Supervisory Boards was 7.7%. The basic salary for women was equal to that of men in all staff categories, locations and activities.<sup>70</sup> In Slovenia, the Equal Opportunities for Women and Men Act (Official Gazette of the RS, No 59/02 and 61/07 – ZUNEO-A) is in force, and a draft revised act is still under discussion. According to the Labour Force Survey results (source: Statistical Office of the Republic of Slovenia), in Q3 2012 the salaries of women compared to the salaries of men were lower by 4.6%, on average.<sup>71</sup>

<sup>66</sup> GRI G4-LA12

<sup>67</sup> GRI G4-LA12

<sup>68</sup> GRI G4-11

<sup>69</sup> GRI G4-LA2

<sup>70</sup> GRI G4-LA13

<sup>71</sup> The average monthly gross salary of women with a low education level was lower than that of men with the same education level by 13.5%, of women with secondary education by 10.6% and of women with tertiary education by 18.4%, on average.

<sup>64</sup> GRI G4-10

<sup>65</sup> GRI G4-10



### Violations on grounds of discriminations

In 2013, no formal cases of discrimination were recorded in Zavarovalnica Triglav, whereas one report was filed by a subsidiary employee in line with the Code of Good Business Practices of Zavarovalnica Triglav.<sup>72</sup>

### The number of complaints and reports filed with respect to human rights and cases solved through formal complaint procedures

Being aware of the employer's responsibility to provide a safe and healthy work environment, the Company was bound by the Code of Good Business Practices of Zavarovalnica Triglav and by the Rules on Protecting Employees' Dignity at Work. Activities for identifying conflict situations were encouraged; however, no formal procedures due to unwanted conduct were initiated in 2013 in line with the Rules. Success in personal relationships is a result of intensive prevention activities and conflict resolution in its earliest stages.<sup>73</sup>

## 12.4.2 Staff training and development

### 12.4.2.1 Training

Professionalism of employees is a condition for the implementation of strategic objectives of the Triglav Group, thus training is mainly focused on improving the competences of individual employee groups. In 2013 efforts were made for every employee to participate in at least one form of training. Employees were trained in line with job needs and the development process. Staffing structure by gender corresponded to the general staffing structure of the Company.

In cooperation with educational institutions and external lecturers, many in-house training courses were organised. In addition, in-house specialists and supervisors held lectures, even though there were slightly fewer in-house courses organised than in 2012. In contrast, the number of external training courses increased.

Zavarovalnica Triglav implemented the adopted personnel plans and invested in the development of its scholarship holders. High school and university students were enabled to gain work experience. The Company cooperated with schools and university departments and ensured the transfer of practical knowledge and experience to young people. The number of trainees was adapted to recruitment needs.

Partial or full funding of work study was provided to nearly 10% of employees. The number of employees involved in work study was again slightly lower than in previous years, but many employees successfully completed their studies.

Co-financing  
work study

### Number of training participants in Zavarovalnica Triglav in 2013, 2012 and 2011

Type of training	2013	2012	2011	Index	
				2013/ 2012	2012/ 2011
Scholarship	23	27	28	85	96
Work study	226	252	253	90	100
Probationers	10	14	14	71	100
Work experience	34	48	57	71	84
External training	536	450	503	119	89
In-house training	9,526	9,806	9,150	97	107
<b>TOTAL</b>	<b>10,355</b>	<b>10,597</b>	<b>10,005</b>	<b>98</b>	<b>106</b>

The majority of training courses was accounted for by specialist insurance topics, focusing on strengthening sales and communication skills. Sales staff took part in the Sales Academy programme, while training of managers continued in the Management School. Several managers also participated in individual coaching. Apart from that, in-house group courses in foreign languages and IT were held. Over 2,000 employees obtained basic training in personal data protection through e-learning.<sup>74</sup>

### Number of functional training hours in 2013, 2012 and 2011<sup>75</sup>

	2013	2012	2011	Index	
				2013/ 2012	2012/ 2011
Total number of functional training hours	63,458	75,045	75,373	85	100
Number of hours of in-house training	55,424	67,680	66,139	82	102
Number of hours of external training	8,034	7,365	9,234	109	80
Number of functional training hours per employee	27	31	31	87	100

Numerous professional consults organised by business divisions of the parent company, three-week specialised in-house training in the parent company and the 2<sup>nd</sup> Triglav International Business Academy are some of the educational forms used for strengthening knowledge transfer among Triglav Group employees.

Many external colleagues also participated in the Company's training programmes. A lot of interest was primarily expressed in the training programme to obtain a licence to perform insurance operations.

Training was carried out cost-efficiently. Compared to 2012, the training costs were slightly lower, also on account of fewer participants.

<sup>72</sup> GRI G4-LA16

<sup>73</sup> GRI G4-DMA, G4-HR3, G4-HR12, G4-DMA

<sup>74</sup> GRI G4-HR2

<sup>75</sup> GRI G4-LA9

### Training costs of Zavarovalnica Triglav in 2013, 2012 and 2011

	2013	2012	2011	Index	
				2013/ 2012	2012/ 2011
<b>Total*</b>	<b>1,286,069</b>	<b>1,412,347</b>	<b>1,295,396</b>	<b>91</b>	<b>109</b>
Costs per employee	542	587	540	92	109
Costs per participant	124	133	129	93	103

\* Data include both direct (scholarships, grants, tuition fees, work study costs, probationer pay and payments to external and in-house trainers) and indirect training costs (travel expenses in Slovenia and abroad, subsistence and overnight stay allowances related to training).

#### 12.4.2.2 Management by objectives and annual development interviews

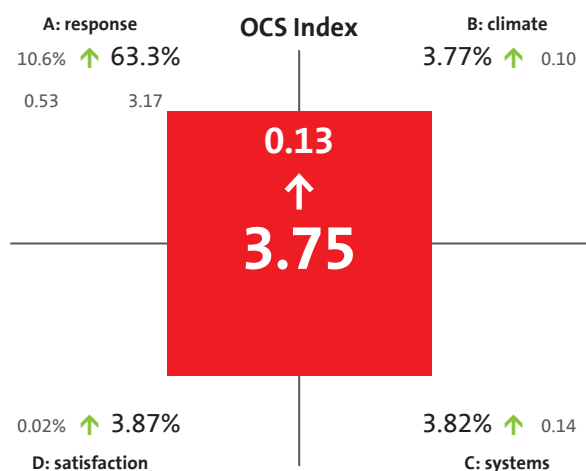
All employees were included in the management-by-objectives system, except insurance agents and call centre clerks (who, due to the nature of their work, are subject to other forms of remuneration), i.e. 70% of all employees. The management-by-objectives system is implemented by using the CIVODEU software application. At the annual interviews, the employees, in cooperation with their superiors, set their objectives for the current business year, which they monitor and update through interviews every three months. Such monitoring and feedback are essential for a personal relationship between a superior and their employee, which contributes to better performance.

#### 12.4.2.3 Measurement of organizational climate

The results of organisational climate measurement are explained using four basic indexes, i.e. responsiveness, organisational climate, management and development systems, and satisfaction, which were combined into an aggregate OCS index.

According to the results of the sixth consecutive organisational climate measurement, all four indexes are improving. Responsiveness to the survey, which equalled 63.3% and was higher by 10.6 percentage points compared to 2012, improved the most. Consequently, the aggregate OCS index increased, totalling 3.75, which is 0.13 point more than in 2012 and by 0.21 point higher than in 2011.

#### Organisational climate in Zavarovalnica Triglav



Employees of Zavarovalnica Triglav (similar as in 2012) positively assessed stability and performance and expressed their loyalty to the Company. They are also of the opinion that the Company has a clear mission and vision and is one of the most successful companies in Slovenia. Positive improvement trends can be seen in the assessment of training possibilities, while the scores of the management-by-objectives system and work performance assessment significantly improved.

Therefore, the challenges for improvement remain approximately the same as the previous year: quality, clarity and reality of the set goals and their coordination among organisational units. However, there are challenges for improvement with respect to mutual cooperation (between divisions and co-workers) and communication, which received a low score. There is also room for improvement in both the remuneration system and career development.

Together with the results of the survey, measures for improvement adopted by the Management Board were presented to the employees. So as to improve the organisational climate, the Human Resource Management Division met for the first time with the heads of organisational units, in which the score was below Company average.

In the Triglav Group, an organisational climate survey is conducted every two years and was therefore not performed in 2013. During the last measurement in 2012, the OCS index equalled 3.65 or slightly more than in 2011. The challenges remain similar to those in the parent company, the key advantages being a positive attitude and strong loyalty of employees.

### 12.5 Safety and health at work

In the effort to continually improve safety and health at work, great importance is placed on preventive actions. The Company's long-term goal is to provide a safe work environment free from injuries, health damage and psychosocial risks.

Numerous activities were carried out to enhance the culture of safety. Educational materials were prepared, practical training in disaster management was organised for employees, and personal protective equipment and first aid measures were provided. Defibrillators at individual locations were included in the AED national database and the latest guidelines in ergonomics were followed, ensuring the related safety in providing safe work conditions (also see Section 6.2.4 Investment in real property and equipment).

#### Fire safety

Efforts were directed towards achieving a high level of fire safety, which is why prevention measures, among others, are aimed at:

- carrying out regular training and raising employee awareness,
- performing regular annual on-site fire safety inspections in compliance with legal requirements.

Higer Survey response rate

 Investment equipment

### Support for employees in the event of workplace violence

For the exercise of the employees' right to safe and healthy work, a plan of prevention measures was prepared in the case of a third party assault or workplace violence within the company. So as to identify these issues, a reporting system and a system for dealing with such incidents were developed.

### Provision of safety at work conditions<sup>76</sup>

Safe work conditions and employee safety at all organisational levels are ensured by active participation of employees in the safety and health at work process. Support provided by in-house specialists for safety and health at work as well as fire safety is complemented by close cooperation with local coordinators of all regional units.

Safety and health at work are regulated in the Safety Statement, including a risk assessment, where risks by job groups and threats are specified as well as periodic medical check-ups. The Safety Statement is adopted with the consent of the Works Council and based on a prior opinion from representative trade unions at the employer.<sup>77</sup>

### Injuries at work

In 2013, the Company registered 14 work-related injuries. Due to changes in legislation, as of 2013 commuting accidents are no longer deemed as work accidents, which is why the total number of all accidents decreased. Most injuries at work occurred in the group of insurance agents and appraisers who work in the field. There were no fatal injuries.<sup>78</sup>

In accordance with the legislation, the Company reports all dangerous occurrences that caused or could cause:

- pecuniary loss,
- a threat to employee's health or life, or
- an accident which would render an employee unfit for work.

In 2013 one dangerous occurrence was recorded. Sliding glass doors came off the hinges and shattered upon hitting the floor. No one was injured, there was only some material damage.

As an employer, the Company is required to report every discovered occupational disease to the Labour Inspectorate of the Republic of Slovenia. Thus far no occupational diseases were identified.

### Injuries at work in 2013, 2012 and 2011

	2013		2012		2011		Index	
	Number	Percentage	Number	Percentage	Number	Percentage	2013/2012	2012/2011
At work	14	100.0	8	34.8	17	70.8	175	47
On business trips	0	0.0	2	8.7	1	4.2	0	200
Commuting to/from work	0	0.0	13	56.5	6	25.0	0	217
<b>TOTAL</b>	<b>14</b>	<b>100.0</b>	<b>23</b>	<b>100.0</b>	<b>24</b>	<b>100.0</b>	<b>61</b>	<b>96</b>

### Lost work days due to injuries at work in 2013, 2012 and 2011

	2013	2012	2011	Index	
				2013/2012	2012/2011
Lost work days due to injuries at work	103	365	485	28	75

awareness of exposure to psychosocial risks, demonstration of physical exercises). Nordic walking courses organised at regional units encouraged the employees to participate in a simple but healthy exercise.

Art exhibitions of talented employees and travelogues became an integral part of the *Triglav.smo* project. Special morning events to greet the changing seasons and a visit of Santa Claus for children are well received by the employees.

## 12.6 Care for employee satisfaction

The »Harmony of Life and Work: Triglav.smo« Project contributes to the well-being and personal health of employees, thus boosting their satisfaction, loyalty and creativity. In the project, which mostly included lectures on preserving health, a part of activities within the »Family-Friendly Enterprise« first certificate was incorporated. In 2013, employees were familiarised with relaxation techniques for reducing stress. As many as one third of employees participated in the prevention measurements of risk factors (measurements of blood sugar and cholesterol levels, etc.). In addition, lectures on a healthy lifestyle were held at all regional units.

In the brochure »Good Day, Health«, external specialists presented in their articles the key impacts on the quality of life of every individual (healthy diet and exercise, raising

### »Family-Friendly Enterprise« certificate

Zavarovalnica Triglav has been the holder of the »Family-Friendly Enterprise« first certificate (hereinafter: FFE) since the end of 2012. This is a voluntary commitment to a set of measures for easier reconciliation of work and family life. How the employees deal with this in their everyday life is regularly monitored within the framework of annual organizational climate measurement.

The measures include more intensive training of managers for the reconciliation of work and family life of employees, to be upgraded with the management standards. At the beginning of 2014, flexible working hours with late arrival to work and child bonus time (transitioning of children into kindergarten after maternity leave) were introduced as well as one additional day off work for parents of first graders on the first school day. By amending

### Work-life balance

<sup>76</sup> G4 DMA

<sup>77</sup> GRI G4-LA8

<sup>78</sup> GRI G4-LA6

the Collective Agreement, additional extraordinary leave in the case of a child's stay at hospital was made possible (more below). The managers' attitude toward employees balancing work and family is evaluated and special attention is paid to employees resuming work after a long period of absence (return from maternity leave or long-term sick leave). Regular communication with employees on FFE topics is performed via various internal channels. Furthermore, employees receive a good wishes card on the birth of their child and a Happy Birthday card.

### Additional benefits for employees

All employees are given the following insurance advantages:

- for all employees, group accident insurance premiums are paid;
- favourable insurance terms are available for additional accident insurance to employees and their family members;
- additional accident insurance is provided for all business trips;
- after one year of employment, all employees may opt for supplemental voluntary pension insurance and voluntary pension insurance.<sup>79</sup>

Zavarovalnica Triglav pays 89.8% of its employees a supplemental pension insurance premium amounting to 4% of their gross salary.<sup>80</sup>

### Parental leave or part-time work in 2013<sup>81</sup>

	Women	Men	Total
Maternity leave, child care leave	103	5	108
Father's leave of 15 days (in the period up to the child's age of six months)	0	39	39
Father's leave of 75 days (up to the child's age of three years)	0	5	5
Option to work part-time	28	0	28

All employees (of either gender) who used parental leave had the right to resume work or their position.

### Return to work and retention rate after using parental leave in 2013<sup>82</sup>

	Women	Men	Total
The number of employees who returned to work after parental leave	103	49	152
The number of employees who returned to work after parental leave (by gender) and who stayed employed in the Company after 12 months	103	49	152
Return rate after parental leave	100%	100%	100%
Retention rate after parental leave	100%	100%	100%

In certain circumstances, employees can also take unpaid leave in agreement with their superiors. In 2013, six employees took short unpaid leave.

As many as 109 employees took a day off work on the first school day and 17 employees took paid leave to care for a close family member in the total duration of 61 days.

### A day off work on the first school day

### Cooperation with employees – trade union

In Zavarovalnica Triglav, three representative trade unions are organised, with which a special agreement was concluded. Before adoption, every act specifying the rights and obligations of workers is submitted to the trade unions to give their opinion. Mutual collaboration is well regulated.

In line with the Worker Participation in Management Act and the Agreement on Worker Participation in Management, the Company informs the Works Council of any changes in Company's operations at least 10 days prior to adopting such a decision.<sup>83</sup>

### Care for employees outside working hours

Various forms of social and sports activities are available to employees to actively spend their free time. Already traditional events include the Triglav Group Day – Our Day, Sports Games of Financial Organisations (ŠIFO) and gatherings with retired Triglav employees. Very popular are also the fairly new organisations – the Mountaineering Association and the Sports Association. In 2013, the set goal was achieved as more than 10% of employees were members of the Triglav Sports Association.

## 12.7 Responsibility to clients and suppliers


### 12.7.1 Clients<sup>84</sup>

To achieve long-term and sustainable relationships with policyholders, emphasis is put on transparent, intelligible and accessible insurance products. The Company follows these guidelines already in the development phase of insurance products and sales channels (see *Section 6. Development and sales activities*), taking into account the needs of policyholders and international trends. In *Section 6*, the expansion of online range of insurance products and services and the operation of the i.triglav web application are presented.

Policyholders place special importance on insurance services in case of a loss event or insurance claim. The Group keeps to the principle of fair and fast loss adjustment. To report claims whenever and wherever, a mobile application was introduced. Such applications are also suitable for prevention activities, as evidenced by the applications Triglav Toča (Triglav Hail) for hail alerts and Gorski priročnik (Mountaineering Guide) (more details are provided in *Section 12.9.1*).

### Measuring client satisfaction<sup>85</sup>

Complaints and compliments are regularly analysed and resolved according to previously defined procedures, which also serve as the basis for introducing improvements and corrective measures as well as the basis for further

  
Development of insurance products and sales activities

  
Mobile applications

<sup>79</sup> GRI G4-EC3

<sup>80</sup> GRI G4-EC3

<sup>81</sup> GRI G4-LA3

<sup>82</sup> GRI G4-LA3

<sup>83</sup> GRI G4-LA4

<sup>84</sup> GRI G4-DMA

<sup>85</sup> GRI G4-PRS

Fewer complaints recorded

activities in customer care and for increasing customer satisfaction. In 2013, 1,502 claims were recorded or 2% less compared to the previous year. The majority of complaints were made with respect to the content (85.4%), complaints related to non-life insurance accounted for 63.8% of all complaints, 33.8% referred to life insurance and 2.4% to other segments. The most common reason for filing a complaint related to life insurance was the amount of insurance benefits, while with respect to non-life insurance most complaints were filed against the decision of the Company that there were no grounds for the payment of damages or insurance benefits. In the reporting year, 14.7% of total resolved complaints were founded and 12.6% were partly founded. Apart from that, 62 complaints were received.

So as to determine client satisfaction and behaviour, the surveys Insurance Monitor (international research conducted on an annual basis since 2000, the last one included 18 countries), »Purchasing Factors for Individual Insurance Products« and »Mystery Shopper« were used. All were carried out in 2013.

### Communication with clients

Sales officers are the first point of contact with Triglav, not only when buying insurance policies but also when seeking information on claim procedures. Their education and training are presented in *Section 6. Development and sales activities*, including direct marketing campaigns for upgrading existing insurance policies and informing policyholders of benefits.

Clients can receive information on insurance products, various services and claims procedures by calling the toll free number 080 555 555 or, if they need roadside assistance, a special hotline 080 2864 (+386 2222 2864 for calls from abroad). The [www.triglav.si](http://www.triglav.si) web portal is becoming an increasingly important communication channel, which features a user-friendly and simple way to become acquainted with Triglav's products and services, safely buy insurance products, report claims, manage policies or find advice. The website provides internet-literate clients with reduced mobility with equal accessibility to Triglav's range of products. In all information materials, the Company strives for simplicity and transparency that enable the easy understanding of its financial products (the internet, printed media or audio-video contents).<sup>86</sup>

The [i.triglav](http://i.triglav) web application is continually upgraded, enabling the users an overview of all concluded insurance policies and related events. The transfer of web application in Croatia was initiated.

## 12.8 Suppliers<sup>87</sup>

Centralised procurement processes in Zavarovalnica Triglav provide for greater cost efficiency, better negotiating positions, and the uniform implementation and transparency of the processes.

### Criteria for supplier selection

Five obligatory criteria are considered when selecting suppliers and examining bids: price, corporate social responsibility, average premium in the past three years, loss ratio and capital ties. Other criteria that depend on the type of transaction (references, previous experience, etc.) are also taken into account.

No special training or benefits for suppliers were provided in 2013, as it was not necessary to do so due to the nature of supply.

Efforts are made to include as many local (regional) suppliers as possible in the procurement process for the needs of regional units. Due to the characteristics of Zavarovalnica Triglav's operations and the wide dispersion of regional units, local suppliers cannot be included in certain procurements for the needs of central areas (e.g. office supplies), while in some places their inclusion is not reasonable because of the quality of procurement conditions.<sup>88</sup>

### Communication with suppliers

For certain types of procurement or particular locations, the Company appointed persons responsible – administrator, who the suppliers can contact in case of any inquiries, complaints or other issues connected with the delivery of materials or services. The manner of communication with suppliers in Zavarovalnica Triglav is determined in advance and agreed with every supplier separately.

### Verification of suppliers with regard to appropriate work practices, environmental protection, social impact and respect of human rights

Supplier verification is performed in the process of obtaining bids (tender), where all invited suppliers complete a questionnaire about their corporate social responsibility. The latter also includes questions on recruitment policies and the work environment (discrimination in employment, safety and health at work, provision of mandatory work practice/internship to students, etc.) and environmental protection (waste sorting, electronic commerce).<sup>89</sup>

### Enabling fair competition

Zavarovalnica Triglav was not informed of any legal actions filed against the Company before the Slovenian Competition Protection Agency with respect to unfair competition.<sup>90</sup>

The Company's conduct regarding fair competition is rooted in the Protection of Competition Act and the Prevention of Restriction of Competition Act. The competitiveness of suppliers is checked in public tenders and random offers. In this way, prices are controlled and price rigging by suppliers is prevented. Agreements with Zavarovalnica Triglav include provisions on conflict of interest prevention and anti-corruption clauses. All agreements contain a clause specifying an agreement administrator who is responsible for the observance and implementation of contractual provisions.<sup>91</sup>



Training and development of sales staff

<sup>86</sup> GRI G4-FS14

<sup>87</sup> GRI G4-12

<sup>88</sup> GRI G4-EC9

<sup>89</sup> GRI G4-EN32, G4-LA14

<sup>90</sup> GRI G4-SO7

<sup>91</sup> GRI G4-DMA



## Remuneration of insurance agencies and their sales staff

Zavarovalnica Triglav sells its services through contracted points of sale, such as insurance agents and brokers, road-worthiness test providers, leasing agencies, car sellers, tourist agencies (non-life insurance), specialised agencies and banks (life insurance). Contracted partners are carefully selected. The precondition for signing a contractor's agreement is the authorisation to perform insurance operations in accordance with the Insurance Act.

Attractive terms and conditions and an inclusive attitude are the basis for quality relationships with external sales network partners. In addition to stimulating remuneration (fees), the Company places great importance on competitive products, effective business processes, training courses and programmes, and invitations to social events (more in Section 6).

## 12.9 Responsibility to social environment

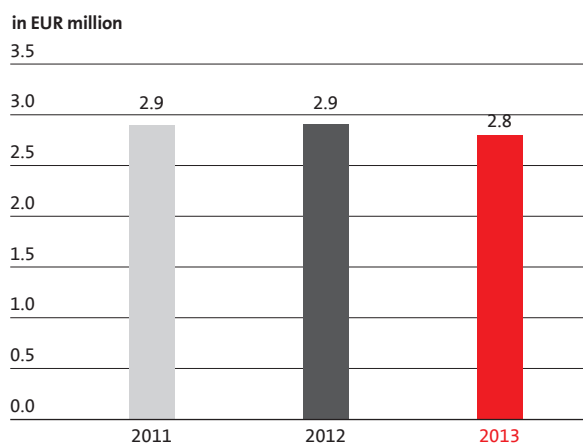
One of the ways in which the Triglav Group implements its corporate social responsibility is by cooperating with and participating in the development of the local environment and the wider community.

### 12.9.1 Prevention activities<sup>92</sup>

Promotion of prevention activities and mitigation of various risks are part of the fundamentals of corporate social responsibility in insurance business, which has more than a century of tradition in the Triglav Group. Principles and development guidelines are laid down in the Rules on Prevention and Suppression Activities of Zavarovalnica Triglav.

The amount of funds allocated to the prevention of damage and hazards is determined in the percentage of insurance premiums for every insurance separately. In 2013, a total of EUR 2.8 million or 5% less than the preceding year was allocated to prevention activities of the Triglav Group, partly reflecting the trend in total written premiums. The funds were spent mostly on improving traffic and fire safety.

Amount of funds allocated for prevention activities in 2011, 2012 and 2013



<sup>92</sup> GRI G4-DMA

### Prevention activity projects<sup>93</sup>

Within the framework of the traditional accompanying of first graders to school, Zavarovalnica Triglav donated 22,000 yellow neckerchiefs for safer participation of children in traffic. In more than 55 elementary schools in 12 Slovene towns, Triglav's mascot Watch Out Doggy (Kuža pazi) accompanied elementary school children on their way to school and taught them the rules of road safety as well as reminded the drivers to be extra careful.

In cooperation with the Slovenian Traffic Safety Agency and Mladinska knjiga, an art contest entitled »The Road is not a Pretzel« (Cesta ni presta) was organised, in the scope of which children drew their route to school. Before the start of the school year, Slovene nursery schools were invited to participate in the contest and 80,000 children were presented with reflective Watch Out Doggy tags. Artworks from more than 100 nursery schools were entered into contest. As many as 50 rewarded nursery schools received 1,250 reflective vests for the safe participation of children in traffic during walks and trips.

In the partnership with the »I still drive, but I don't walk« Institute (Še vedno vozim, vendar ne hodim), awareness of secondary school students was raised on the importance of traffic safety. Members of the Institute are car accident victims, who present the significance of prevention activities through their own experience. By testing the Fatal Vision goggles, pupils had the chance to experience how various degrees of drunkenness affect our senses, thus gaining the experience in a safe environment.

In cooperation with the Safe Journey (Varna pot) and »I still drive but I don't walk« institutes, children's road safety workshops were organised at the safe driving range accompanied by policemen and the Watch Out Doggy mascot.

At the Vransko Safe Driving Centre, 28 workshops in safe driving were held for new drivers. The Safe Driving Days were attended by 1,164 drivers from all Slovenia. With the support of safe driving instructors, young drivers gained significant experience in simulated situations that could prevent road accidents, injuries and material damage. After passing the safe driving training, young drivers receive a discount on the extra charges payable on car insurance for young drivers.

In cooperation with the Malum Association of Traffic Victims (Združenje žrtev v prometu Malum), Triglav Osiguranje, Zagreb organised an educational campaign to increase traffic safety in Croatia and to improve the culture of drivers, mostly focusing on young drivers.

To increase safety and reduce damage to the Ljubljana Jože Pučnik Airport, Zavarovalnica Triglav supported the ecological study of birds at the airport and the surroundings, conducted by the Knowledge Society and Values of Nature Foundation.

By investing in fire safety, the Company assists in maintaining and purchasing the equipment of fire brigades, upgrading fire protection systems in companies and installing fire alarms and burglary protection systems.

The parent company funded the filming of a documentary on safe alpine skiing entitled »Proper Skiing Techniques –

<sup>93</sup> GRI G4-EC7



External sales network

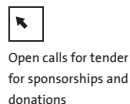
For new drivers

To improve traffic safety and protection against fire

Safe Skiing!« (Smučaj pravilno – smučaj varno!) and, as for many years now, co-financed the purchase of water rescue equipment for Slovene bathing sites. Automatic defibrillators for saving lives in case of a heart attack were installed in all regional units' head offices in Slovenia.

The mobile application Triglav Toča (Triglav Hail) provides free information on hail alerts for the entire Slovenia, based on the data from the Slovenian Environment Agency. Its main features are up-to-date information, interactivity and personalisation.

For increased safety of visitors to the mountains, the mobile application Gorski priročnik (Mountaineering Guide) was upgraded for use on smartphones. The application was developed within the framework of the »Let's Clean the Mountains and Hills« Drive, providing advice on safe visit to the mountains and tips and information in crisis situations. It is available as a free download at [www.ocistiomogore.si](http://www.ocistiomogore.si).



### 12.9.2 Sponsorships and donations<sup>94</sup>

To ensure greater transparency and efficiency, Zavarovalnica Triglav continued its policy of allocating funds of sponsorships and donations through calls for tender. In 2013, four open calls for tender for sponsorships and donations were published on [www.triglav.eu](http://www.triglav.eu) via an online application, attracting 3,025 applications. A total of 29.1% of all applications were accepted. The partners responded very positively to the system for allocating funds of sponsorships and donations, launched in 2012.

Zavarovalnica Triglav supports the development of non-profit organisations, associations and clubs active in sport, culture, education, health care, humanitarian projects and other socially responsible activities. Sponsored projects are rewarded through partnership cooperation and efforts are made to promote sustainable activities.

The sponsorship and donation applications received via the online application are reviewed and evaluated based on pre-defined criteria. The projects with the highest point score and complying with the Company's identity and its corporate social responsibility strategy are selected.

#### Sponsorship and donation funds<sup>95</sup>

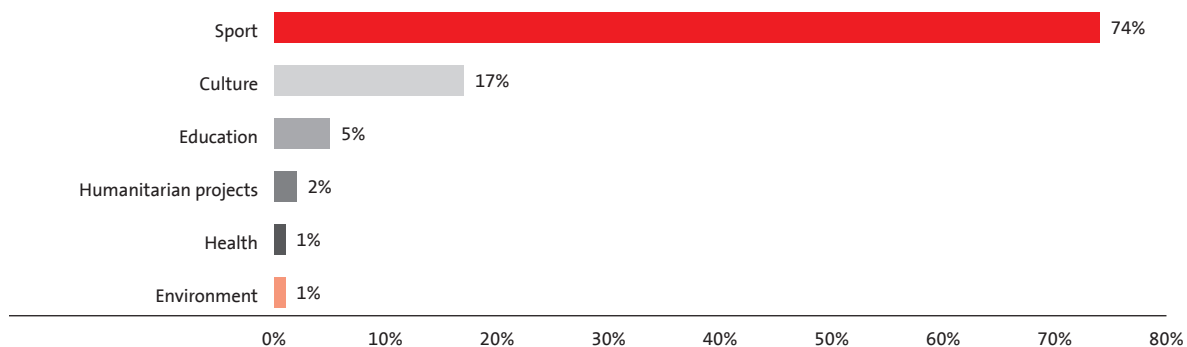
In 2013, the Triglav Group allocated EUR 3.7 million for sponsorships, or 2% less than the previous year, and EUR 260 thousand for donations. The largest portion of these funds was granted to sports and recreational activities, followed by partnerships in culture, education, humanitarian activities, health care and environmental protection.

#### Amounts for sponsorships and donations in 2011 – 2013

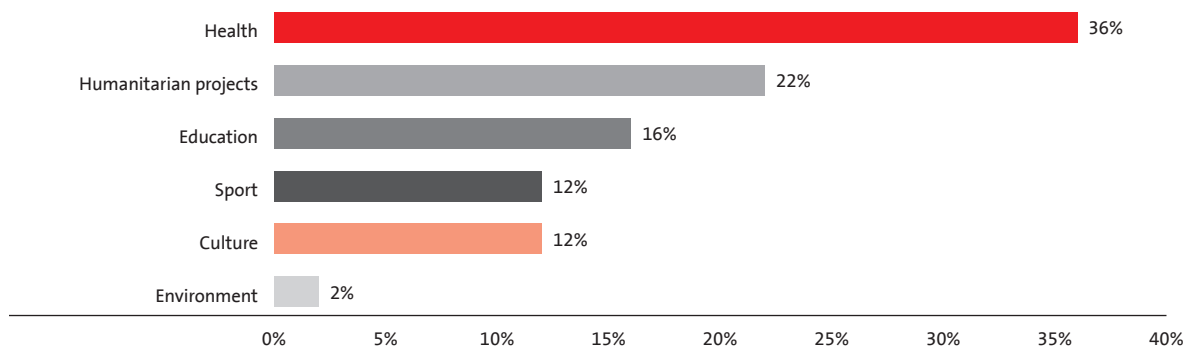
	2013	2012	2011	Index	
				2013/2012	2012/2011
Sponsorships	3.723.156	3.804.641	4.397.911	98	87
Donations*	259.652	370.586	381.175	70	97

\* Donations also include the investment of Zavarovalnica Triglav in the form of start-up capital for the Zavod Vse bo v redu (Institute »Everything Will Be Alright«), equalling EUR 100 thousand. The Institute carries out socially responsible activities.

#### Sponsorship structure of Zavarovalnica Triglav in 2013 by sector



#### Donation structure of Zavarovalnica Triglav in 2013 by sector



<sup>94</sup> GRI G4-DMA, G4-EC7

<sup>95</sup> GRI G4-EC1

## Major sponsorships and donations

### Sports

Sport is a traditional and a very important recipient of the Company's sponsorship activities, enabling Slovene athletes to achieve top-notch results. Support is provided to both top-level athletes and the development of sports activities in a regional environment.

The Triglav Group supported the European basketball championship – EuroBasket 2013 with the first joint marketing campaign »Thousands of Fans, One Insurer« (Nešteto navijačev, ena zavarovalnica), increasing the popularity of basketball and sport in all its markets. Long-term partnerships connect the Zavarovalnica Triglav with the Union Olimpija and Krka Novo Mesto basketball clubs, the ACH Volley and Salonit Anhovo volleyball clubs, the Celje and Trimo Trebnje handball clubs, the Ajdovščina Women's Handball Club and many other local clubs. In addition, support was provided to the Puconci Women's Volleyball Club for the training of young volleyball players.

Zavarovalnica Triglav is a loyal sponsor of the **Ski Association of Slovenia** and the **golden sponsor of the Slovene Nordic skiing and biathlon teams**. For more than 25 years, the Company has provided the opportunity for Slovene pupils to watch the **World Cup Ski Jumping final in Planica**. In 2013, more than 3,300 children were taken to the final in Planica, joined by of the residents of the Dobrna Training, Work and Care Centre and 12 large families.

Partnership cooperation was continued with the snowboarder Žan Košir and the Novinar Sports Club, providing support to the skier Saša Farič. Support also went to the Ski Jumping World Cup Ladies in Ljubno and to the traditional Vitranc Cup in Kranjska Gora. In cooperation with the Albatros Disabled Athlete Association, support has been provided to the disabled skier Gal Jakič for several years. The Company's many other partnerships are also of a long-term nature, such as cooperation with the Ice Hockey Federation of Slovenia, the Adriatic Water Polo League and the Adria Mobil, Rog and Sava Kranj cycling clubs, to which support is provided at the largest cycling races, e.g. Tour of Slovenia and the Franja Marathon.

In 2013, the Company cooperated with Hribovski tekači Sports Club (Hill Runners) and the ultra-marathon runner David Kadunc.

### The insurance companies outside Slovenia also support numerous sports activities in their environments:

The Triglav Group subsidiary	Sports sponsorship
Triglav Osiguranje, Banja Luka	<ul style="list-style-type: none"> <li>■ The FIS CUP alpine skiing races at Mt. Jahorina</li> <li>■ The ATP tennis tournament Challenge Banja Luka</li> </ul>
Lovčen Osiguranje, Podgorica	<ul style="list-style-type: none"> <li>■ Olympic Committee of Montenegro</li> <li>■ Football club Lovčen - Cetinje</li> <li>■ Handball club Lovčen</li> <li>■ Women's handball club Jelena, Bar</li> <li>■ Sailing club Jelena Bar and Sailing club Delfin, Tivat</li> <li>■ Tennis tournament Montenegro open</li> </ul>
Triglav Osiguranje, Zagreb	<ul style="list-style-type: none"> <li>■ Women's Basketball club Novi Zagreb</li> </ul>

Triglav Osiguruvanje, Skopje	<ul style="list-style-type: none"> <li>■ Basketball club MZT Aerodrom</li> <li>■ Macedonia basketball team, EuroBasket 2013</li> <li>■ Alpine skiing tournament Sarplanina Cup (Šarplaninski kup)</li> </ul>
Triglav Osiguranje, Sarajevo	<ul style="list-style-type: none"> <li>■ Street basketball tournaments for elementary and primary pupils</li> <li>■ Basketball club Play off</li> </ul>
Triglav Osiguranje, Belgrade	<ul style="list-style-type: none"> <li>■ Handball club BMS Milenium</li> <li>■ Football clubs Bežanija and Brodac</li> <li>■ Karate club Partizan</li> </ul>

### Cooperation with local communities

Prevention activities aimed at providing support to fire brigades and traffic safety constitute an important part of the Company's cooperation with the local environment as well as participating in cultural, educational and humanitarian projects.

Below are presented the initiatives, in which Zavarovalnica Triglav's employees took an active role.

### Corporate volunteering of Zavarovalnica Triglav's employees

Initiative	Employee volunteering
»Children of Triglav – Carefree at Play, in Harmony with Nature« Project	In cooperation with the local communities, the Company helped renovate the children's playgrounds in the Mežica kindergarten and the Stražišče Elementary School. Within the framework of the project, support for the construction of new playgrounds was provided in the Golo, Škrijlje, Visoko and Zapotok villages. Dino Murič, Union Olimpija basketball player, became the project's new ambassador, promoting love for outdoor activities and sport among young people. In the renovation and constructing of playgrounds, employees participated by painting and setting up playground equipment and planting ornamental plants.
Installation of bird feeders in the Štajerska region along nursery schools and homes for the elderly	The Company provided funding, while its employees socialised with the locals.
Corporate Voluntary Week »Giving Back to the Community«, organised by the American Chamber of Commerce	Landscaping work at the Ciciban day care centre in Ljubljana and the surroundings as well as outdoor equipment for the Malči Beliči youth home.

Eurobasket 2013

Long-term partnerships

### Culture

Long-term partnership connects Zavarovalnica Triglav with the Ljubljana Summer Festival, at which the Company supported the musical Grease, and with the Cankarjev dom Cultural and Conference Centre (season tickets for the Music of the World concert cycle), while in the Ljubljana Puppet Theatre the Company supported performances for children.

On Prešeren Day, the Slovene cultural holiday, the Company donated a CD with poems by Dr France Prešeren recited by Slovene theatre actors to elementary schools in Slovenia. By providing funds, the Company helped in organising many cultural activities and events in the local environment as well as cultural events in Croatia, Montenegro and Macedonia.

With the support of Lovčen Osiguranje, the Tivat cultural centre supported the »Purgatorije Tivat« International Festival of Mediterranean Theatre and the winter car-

neval in Kotor. Triglav Osiguranje, Zagreb is a supporter of Benkovačko Cultural Year, which develops and preserves culture in a remote area.

Triglav Osiguruvanje, Skopje, is a traditional sponsor of the popularity prizes for the »Zlatna bubamara« (Golden Ladybird).

#### Education

In cooperation with the Ypsilon Institute, the first intergenerational centre in Slovenia – »To Triglav to Change the World« (Na Triglav spreminjat svet) – was opened in 2013. The centre connects all generations in one place and provides space for socialising, creating and acquiring new skills, meeting and exchanging knowledge from different generations. Thus, young people introduce the world of computers and other innovations to the elderly, while they share their language skills, playing of instruments and other skills with young people.

In 2013, Triglav continued to support the Cici Vesela Šola project. Triglav Osiguranje, Zagreb continued to participate as a partner in the experimental programme called »Bistričići« (Smarties) for encouraging the development of talents of pre-school children and for monitoring the findings during adolescence, while Triglav Osiguranje, Belgrade took over the sponsorship of the Kopaonik Business Forum. In Monte-

negro Lovćen Osiguranje supported the organisation of the Economic Forum in Milocer and the publication of a driving test guide.

#### Humanitarian activity

In 2013, Zavarovalnica Triglav founded Zavod Vse bo redu (»Everything Will Be Alright« Institute) for the management and implementation of socially responsible activities with the help of external partners and employees. The Institute mostly provides help to the weakest members of the society and raises awareness on the importance of corporate social responsibility for sustainable development. In the first year of its operation, the Institute implemented the »Youth Is the Safety of Our Future« Project and awarded scholarships to young athletes and a female musician.

Within the framework of humanitarian activities in Slovenia, support was provided to mountain rescue services, a rescue dog guide club, occupational activity centres, homes for the elderly, healthcare institutes, local libraries, associations of the blind and visually impaired, associations of the deaf and hard of hearing, and many other local societies and associations that improve the quality of life in local communities.

First intergenerational  
centre in Slovenia

Everything Will Be  
Alright Institute

#### Below are presented other forms of humanitarian aid provided by the Triglav Group:

Department of Neurosurgery, Ljubljana University Medical Centre, Slovenia	<ul style="list-style-type: none"> <li>The 2<sup>nd</sup> Triglav Run was held for a charitable cause – the purchase of a surgical microscope for the Department of Neurosurgery, with the support of Slovene athletes sponsored by Zavarovalnica Triglav, e.g. David Kadunc, Žan Košir, Teja Gregorin and Jakov Fak.</li> </ul>
Postojna Gynaecology and Obstetrics Hospital, Slovenia	<ul style="list-style-type: none"> <li>Co-funding of a new incubator.</li> </ul>
Paediatric Clinic in Ljubljana, Slovenia	<ul style="list-style-type: none"> <li>The Company supported the purchase of a pump organiser for MRI scans for children using anaesthesia.</li> <li>In cooperation with the Kinodvor Cinema, children who were being treated in the Paediatric Clinic had the opportunity to see a Christmas film.</li> </ul>
Publisher of the Hanina želja (Hanna's wish) picture book, Slovenia	<ul style="list-style-type: none"> <li>Co-funding of the picture book, where a part of the proceeds from the book's sale is allocated to the purchase of a swing for movement-impaired children in the Prekmurje region.</li> </ul>
Koper Elementary School, Slovenia	<ul style="list-style-type: none"> <li>2,500 meals for socially disadvantaged children, for whom funds were raised at the meeting of all Triglav Group's employees (Our Day event) in Izola.</li> </ul>
Unicef Foundation, Slovenia	<ul style="list-style-type: none"> <li>Education of volunteers in working at safe points for children.</li> </ul>
Slovenian Society for Dog Assisted Therapy – Tačke Pomagačke (Helping Little Paws)	<ul style="list-style-type: none"> <li>Support to the Society for promoting reading literacy and communication skills of children with developmental disorders or after an accident.</li> </ul>
Slovenian Association of Friends of Youth	<ul style="list-style-type: none"> <li>Company's employees collected food and hygiene products for children from 150 socially disadvantaged families at the end of the year.</li> </ul>
Bijela Centre from Kotor, Montenegro	<ul style="list-style-type: none"> <li>Funds for orphans of the Bijela Centre provided through the humanitarian campaign »Donate Energy for Aid«.</li> </ul>
Cetinje Health Care Institute, Montenegro	<ul style="list-style-type: none"> <li>Purchase of a mammograph.</li> </ul>
Pljevlja Health Care Institute, Montenegro	<ul style="list-style-type: none"> <li>Purchase of an ambulance.</li> </ul>
Elementary schools, Montenegro	<ul style="list-style-type: none"> <li>Purchase of school backpacks for children from socially disadvantaged families.</li> </ul>
Elementary schools, Macedonia	<ul style="list-style-type: none"> <li>Purchase of school backpacks for children from socially disadvantaged families.</li> </ul>
Blood Donation Centre, Macedonia	<ul style="list-style-type: none"> <li>Renovation and purchase of equipment.</li> </ul>
Open championship of Serbia in athletics for persons with special needs	<ul style="list-style-type: none"> <li>Organisation of the athletics championship for persons with special needs.</li> </ul>
Humanitarian campaign »With love from brave hearts«, Republic of Srpska	<ul style="list-style-type: none"> <li>Financial aid for children with autism.</li> </ul>
Sarajevo Medical Centre, BiH	<ul style="list-style-type: none"> <li>Launch of the project for the manufacture of femur and tibia implants for reducing disability.</li> </ul>
Humanitarian campaign for the fight against breast cancer, BiH	<ul style="list-style-type: none"> <li>Funds for raising awareness and early detection of breast cancer.</li> </ul>
Elementary schools, BiH	<ul style="list-style-type: none"> <li>Funds for the purchase of IT equipment.</li> </ul>
Road traffic victim, Serbia	<ul style="list-style-type: none"> <li>Funds for treatment.</li> </ul>
The Tinker Bell Association (Zvončica), Serbia	<ul style="list-style-type: none"> <li>Funds for children with cancer.</li> </ul>

#### Information on sponsorships and donations:

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

## 12.10 Responsibility to the natural environment<sup>96</sup>

### Products and services

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

- Through quick loss adjustment procedures, agricultural producers are offered effective support in cases of increasingly frequent natural disasters.
- Through annual agricultural insurance policies offered by Zavarovalnica Triglav, agricultural producers are guaranteed economic security, which enables them to invest in the long-term and thus increase the production volumes of high-quality and safe food at the national level.
- Premium policy is designed to encourage the policyholders to invest in active protection through the use of anti-hail nets, greenhouses, tunnels, and irrigation and sprinkler systems for spring frost protection. They are informed and trained in this regard. Compared to inactive policyholders, they are given up to an 80% discount for the same or even better insurance cover of the same crops.
- They are also made aware of the likelihood of extreme loss events (natural disasters including hailstorms, windstorms, floods, frosts, droughts, etc.), which may require them to gradually discontinue certain crops in individual more exposed areas. This is additionally encouraged by new insurance products, such as index insurance, which will prompt farmers to rethink whether growing certain crops in drought-ridden areas is a viable decision.<sup>97</sup>
- Zavarovalnica Triglav promotes active defence against insurable and uninsurable risks through the use of anti-hail nets, greenhouses, tunnels, and irrigation and sprinkler systems for spring frost protection.<sup>98</sup>
- The Company encourages less intensive animal production, which is not only environmentally friendlier but also involves fewer insurance risks, by amending insurance covers or premium price of animal insurance.<sup>99</sup>
- A range of insurance products at a reduced price is being prepared for entrant young farmers, thereby helping to rejuvenate agriculture as well as to preserve the population and increase the size of cultivated land in the Slovene rural area, which is consistent with the interests of the European Common Policy and the Slovene agricultural policy.<sup>100</sup>

### Protection of the environment in work processes

In 2013, Zavarovalnica Triglav adopted many measures to reduce the negative effects on the environment. Within the framework of the European Green Office Project, an external assessment of the progress in reducing environmental

pollution was performed, for which the Company received the European Green Office certificate. An Eco Team was set up, who prepared the first set of proposals for reducing environmental impact, particularly in energy efficiency. Energy efficiency guidelines were also implemented in urgent renovation of existing business premises. The new convectors in the business premises in Ljubljana have built-in EC motors with stepless regulation (extremely low energy consumption), the Koper branch has high thermal isolation windows (heat transfer coefficient  $U_w = 1.2 \text{ W/m}^2\text{K}$ ) and its façade cladding complies with low-energy construction standards.<sup>101</sup> To this end, 596 chairs were replaced with those having better ergonomic features.

To decrease emissions into the atmosphere, bicycles were purchased for short-distance work-related travel at three regional units. Zavarovalnica Triglav purchased 10 company vehicles. One of the purchase criteria was CO<sub>2</sub> emissions, which is in compliance with the guidelines of the European Commission, setting the maximum CO<sub>2</sub> emission target of 95 g/km by 2020.

To reduce plastic packaging waste, all employees of Zavarovalnica Triglav received their own cup, which they can use for the purchase of warm beverages at a vending machine instead of plastic cups.

The supplier of hygiene and sanitary supplies was replaced and the toilet supplies dispenser system upgraded, thus lowering its consumption. The procurement system of supplies and services was upgraded, which is mainly carried out electronically. Lower paper consumption is also achieved by electronic evaluation in the selection of suppliers, and in 2014 it is planned to redesign the tender system, which will enable electronic sending, receiving and processing of tenders.<sup>102</sup>

The environmental criteria were included in the supplier selection procedures (see *Section 12.8 Suppliers*).

### Carbon footprint calculation<sup>103</sup>

Environmental impacts are systematically measured in Zavarovalnica Triglav; the goal however is to spread the corporate social responsibility guidelines to subsidiaries. In 2013, carbon footprint calculations were for the first time performed for all locations of Zavarovalnica Triglav, while in 2012 they were made only for its Headquarters and the Ljubljana Regional Unit. All regional units' head offices and the Headquarters were included in the calculation of electricity consumption and energy used for heating and cooling.

The carbon footprint calculation was performed using the methodology based on the Greenhouse Gas Protocol. The greenhouse gas calculation included direct emissions from heating with natural gas and fuel oil at regional units' head offices and the Headquarters as well as the emissions due to the Company's vehicle fleet, which is exclusively used for work-related travel. Indirect emissions included electricity used for cooling, lighting, heating and the operation of electrical and electronic equipment as well as district heating



Supplier selection procedures

First footprint calculations at all locations of Zavarovalnica Triglav

Measures mitigating impact on the environment

<sup>96</sup> GRI G4-DMA

<sup>97</sup> GRI G4-FS8

<sup>98</sup> GRI G4-FS8

<sup>99</sup> GRI G4-FS8

<sup>100</sup> GRI G4-FS7

<sup>101</sup> GRI G4-EN6

<sup>102</sup> GRI G4-13

<sup>103</sup> GRI G4-EN15, G4-EN16, G4-EN17



emissions. In addition to direct and indirect emissions, emissions due to the use of paper and emissions due to work-related travel using employees' own vehicles or public transport (train, bus, plane) were taken into account. Commuting to/from work was not considered in the calculation.

### Carbon footprint results of Zavarovalnica Triglav in tons equivalent CO<sub>2</sub> by location

Location	Carbon footprint		Electricity consumption and heating in m <sup>2</sup>	
	2013	2012	2013	2012
Headquarters	965	1.065	0.077	0.077
Ljubljana Regional Unit	1,863	1.891	0.099	0.100
Celje Regional Unit	392		0.057	
Koper Regional Unit	88		0.085	
Kranj Regional Unit	456		0.100	
Krško Regional Unit	99		0.042	
Maribor Regional Unit	164		0.064	
Murska Sobota Regional Unit	339		0.092	
Nova Gorica Regional Unit	235		0.052	
Novo mesto Regional Unit	140		0.083	
Postojna Regional Unit	472		0.235	
Slovenj Gradec Regional Unit	80		0.054	
Trbovlje Regional Unit	126		0.079	
<b>TOTAL</b>	<b>5,419</b>		<b>0.087</b>	

Energy efficiency of buildings

The bulk of greenhouse gas emissions is accounted for by emissions due to electricity consumption and heating, followed by work-related transport, while the smallest share is due to the use of paper.

Total emissions due to work-related travel using the Company's vehicle fleet, public transport or employees' own vehicles totalled 557 tons of CO<sub>2</sub> in 2013.

The share of CO<sub>2</sub> emissions caused by office paper is very small compared to the use of energy products and trans-

port; it serves, however, as a measurable indicator of the ecological awareness and environmentally responsible behaviour of office employees. In 2012, an average employee at the Headquarters used 15 sheets of paper a day, while the Ljubljana Regional Unit used 12 sheets of paper per employee a day. For the reporting year, the manner of data capture was changed. Therefore, by using the same manner of data capture as for 2013, an average employee at the Ljubljana Regional Unit used 11 sheets of paper a day in 2012, while the Headquarters used 56 sheets of paper per employee a day. Compared to the previous year, the use of paper at the Ljubljana Regional Unit was the same, while at the Headquarters it was halved to 28 sheets of paper a day. The reason for such a substantial decrease was not found. The average use of A4 printing and copy paper in 2013 was 27.1, while in the preceding year it was 27.6 sheets of paper per employee a day.

### Use of energy products and water

Zavarovalnica Triglav started to pursue an active policy on the energy performance of buildings and commissioned energy audits on the premises at Verovškova 60b in Ljubljana, even though with respect to its core business it is not obligated to observe the energy legislation. It is expected that appropriate organisational and investment measures will lower energy consumption by around 10%.

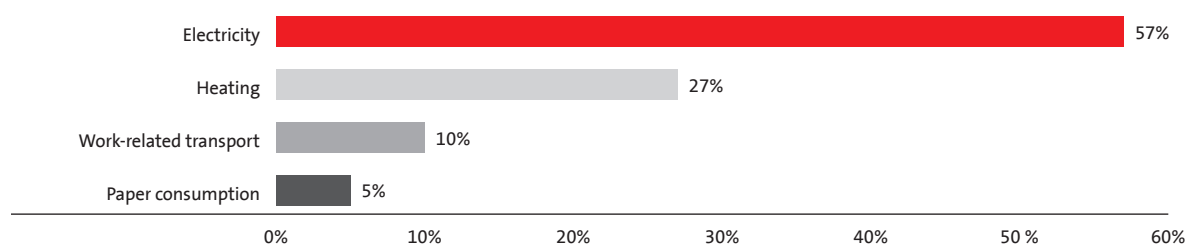
### Use of energy products of Zavarovalnica Triglav in 2013 and 2012<sup>104</sup>

Use of energy products	2013	2012	Index
Warm water (MWh)	2,857.00	3,155.80	91
Fuel oil (l)	57,446.00	85,000.00	68
Gas (m <sup>3</sup> )	154,555.00	135,000.00	114
Electricity (MWh)	5,621.11	6,443.85	87

In 2013, 37,875.04 gigajoules (GJ) of electricity were used for heating, cooling, lighting and for the operation of electrical and electronic equipment, assuming that 10 kWh of electricity are generated from one litre of fuel oil and 9.5 kWh from a m<sup>3</sup> of natural gas.

Zavarovalnica Triglav does not yet keep records of its electricity consumption, but estimates its structure to be comparable to the structure of energy resources at the national level. According to the latest available data

### Structure of greenhouse gas emissions in Zavarovalnica Triglav in 2013



<sup>104</sup> GRI G4-EN3, G4-EN8, G4-EN30

(from 2011), the largest energy resource in Slovenia is nuclear energy (39%), followed by solid fuels (33%), while renewable sources of energy accounted for 24% of the total.<sup>105</sup>

### Waste disposal policy

In 2013, the Company's waste sorting project, which started in 2011, was completed. Thus, waste sorting is carried out in all regional units and in most branches. Paper, packaging and mixed municipal waste are collected separately.

The quantity of waste is systematically monitored by the Headquarters as shown in the table below.<sup>106</sup>

Waste type	Index				
	2013	2012	2011	2013/ 2012	2012/ 2011
Mixed waste	47	362	955	13	38
Packaging	94	96		98	
Paper	96	168		57	
<b>TOTAL</b>	<b>237</b>	<b>626</b>	<b>955</b>	<b>38</b>	<b>66</b>

Disused IT equipment is disposed of in accordance with applicable legislation and internal regulations. In 2013, 1,390.70 kg of disused IT equipment was disposed of, including disused mobile phones. The equipment was handed over to the services responsible for waste management. Toner and ink cartridges are disposed of separately. In the reporting year, 790.6 kg of empty cartridges were given to charity.

Disused IT equipment

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### Care for the broader natural environment

Zavarovalnica Triglav Osiguranje, Zagreb contributed funds for the marine clean-up drive on the Brač Island. The Slovenia-wide »Let's Clean the Mountains and Hills« Drive was organised for the fourth year in a row. Over four years, Zavarovalnica Triglav provided more than 100,000 biodegradable rubbish bags to almost 60 cottages and mountain stations across Slovenia. In 2013, around 20 additional mountain huts and stations were supplied with rubbish bags and approximately 20,000 waste bags were distributed. It is estimated that about 20 tons of rubbish had been collected and taken down to the valley by mountain lovers.

Online communication was expanded from Facebook to new social media channels, including Twitter, Instagram and Pinterest. The interactive website [www.ocistimogore.si](http://www.ocistimogore.si) had 6,473 visitors and 9,482 visits. Compared to 2012, a 31% increase in visitors and 41% more visits were recorded.

Within the framework of the Pure Victory Project (Čista zmaga) in cooperation with Umanotera, the Slovenian Foundation for Sustainable Development, Zavarovalnica Triglav committed to organising sports events in line with the sustainable development principles. The events Triglav Generations in Planica and the 2<sup>nd</sup> Triglav Run were

Organisation of sport events based on sustainability

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<sup>105</sup> Source: Ministry of Agriculture and the Environment, Slovenian Environment Agency, Environmental Indicators in Slovenia, [http://kazalci.arso.gov.si/?data=indicator&ind\\_id=456](http://kazalci.arso.gov.si/?data=indicator&ind_id=456)

<sup>106</sup> GRI G4-EN23