



Sustainable development policy of Triglav osiguranja d. d. and the Triglav Group

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Introduction and purpose

Pursuant to the Articles of Association of Zavarovalnica Triglav d.d., the Management Board of Zavarovalnica Triglav d.d. at its meeting held on 23 May 2023 and the Supervisory Board of Zavarovalnica Triglav d.d. at its session held on 29 May 2023 adopted the Sustainable Development Policy of Zavarovalnica Triglav d.d. and the Triglav Group.

Triglav osiguranje d.d. is in accordance with the Sustainable Development Policy of Zavarovalnica Triglav d.d. and the Triglav Group created the Sustainable Development Policy of Triglav osiguranje d.d. and Triglav Group, and the same was adopted by the Management Board Zavarovalnice Triglav.

The Sustainable Development Policy (hereinafter: the Policy) of Triglav osiguranje d. d. (hereinafter: the Company) and the Triglav Group (hereinafter: the Group) sets out the framework of the Group's sustainable development, which defines the way of achieving strategic ambitions in sustainable development. The Group realises its mission of creating a safer future based on a sustainability orientation using environmental, social and governance factors. The goal is to carry out the Group's core activities, i.e. insurance and asset management, in a way that will provide long-term economic, social and environmental value to our shareholders, investors, clients, employees, suppliers, partners, and the wider society and the environment.

The Group's sustainability orientation is based on linking the operations of the Group's companies with the following sustainability aspects:

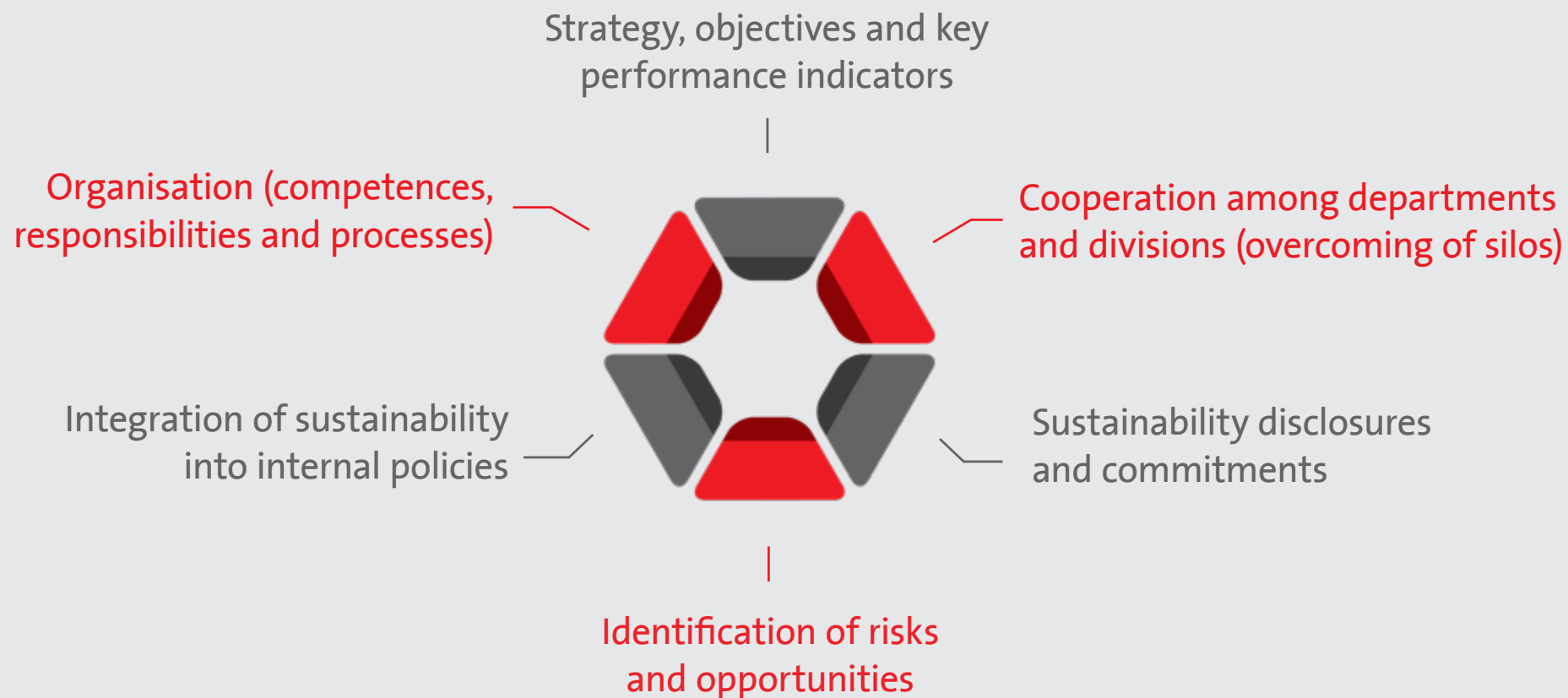
- **Environmental factors:** the carbon footprint (greenhouse gas emissions), consumption of natural resources, energy efficiency, climate risks, water management, waste management, biodiversity.
- **Social factors:** responsibility to employees, clients and suppliers, diversity, equality and inclusion, respect for human rights, impact on local and wider communities.
- **Governance factors:** corporate governance, zero tolerance for corruption and bribery, risk management, business transparency, active investor relations management, tax policy, diversity of management and supervisory bodies.

The first requirement for a successful and sustainable society is to recognise and identify challenges in sustainability and to be willing and able to act. With the goals of the Paris Agreement and the European Green Deal, the EU Member States committed themselves to transition to climate neutrality by significantly reducing greenhouse gas emissions. In order to achieve this goal, they will have to mainly increase energy efficiency and the use of renewable energy sources. Furthermore, clients, shareholders, investors and employees increasingly expect a sustainability orientation. We believe that in the future this trend will become even more pronounced, also due to generational effects.

Promoting the transition to a low-carbon circular economy, which brings cost challenges in the short term, can also be a source of new competitive advantage for companies. Taking into account sustainable aspects in business decisions is one of the important foundations for a successful business and increasing the company's value in the long term.

The purpose of the Sustainable Development Policy is to define:

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|--|---|
| ■ the method of realising the Group's strategic ambitions in sustainable development (ESG); | ■ the guidelines on economic activities sensitive to sustainability risks; |
| ■ the identification, measurement and management of sustainability factors, which includes identifying risks and opportunities to achieve business objectives; | ■ key corporate governance policies; |
| ■ the sustainable development management system at the parent company and Group levels; | ■ other key aspects of sustainable development, such as responsibility to employees and corporate social responsibility projects; |
| | ■ the manner of sustainability reporting and collaboration with key stakeholders. |



The sustainable development management system at the Triglav Group

The organisation and operation of the sustainable development system is regulated in a way that ensures the overall alignment of all important sustainable development activities with the Group's strategic ambitions and compliance with sustainability-related legislative requirements.

1

The Company's Management Board and Supervisory Board

The Management Board is responsible for developing and implementing the Group's strategy, which includes its strategic ambitions in sustainable development, while the Supervisory Board approves the Group's strategy and takes note of its implementation. The sustainable development policy is adopted by the Management Board and approved by the Supervisory Board. A Management Board member is responsible for the environmental, social and corporate sustainable development (ESG) activities.

2

Sustainable Development Department Zavarovalnice Triglav d.d.

All activities related to the Group's sustainable development is overseen by the Sustainable Development Department Zavarovalnice Triglav d.d. within the Management Board Office of the Group's parent company, of which the Management Board member responsible for the environmental, social and corporate sustainable development activities is directly in charge.

The responsibilities of the Sustainable Development Department include:

- overall management of the Group's sustainable development;
- administration of the policy and development of the sustainable development strategy, including its updates/revisions and implementation;
- participation in the upgrading of the management system of sustainability and climate risks and the coordination of identification of sustainability-related opportunities;
- reporting on the Group's sustainable development activities to the Company's competent committee;
- participation in the activation, awareness and integration of employees within the Group to achieve its sustainability goals;
- transfer of policies, knowledge and experience to the Group companies and monitoring of activities through the Company's minimum standards for the operations of the Group's subsidiaries.

Zavarovalnica Triglav d.d. - Within the Company's relevant departments and divisions that are closely involved in sustainable development activities, sustainability coordinators who report to the head of the Sustainable Development Department (hereinafter: the sustainability officer) are appointed. They are responsible for the integration and implementation of strategic guidelines and for compliance with legislative requirements. Coordinators are also appointed in each Group company; their role is defined in greater detail by the Company's minimum standards for the operations of subsidiaries.

3

Compliance and Sustainable Development Committee Zavarovalnice Triglav d.d.

The Compliance and Sustainable Development Committee (hereinafter: CSDC) at the Zavarovalnica Triglav d.d. monitors the sustainable aspects of the Group's operations, and the Chairperson of the CSDC reports to the Management Board on the committee's work. The CSDC is composed of managers and other employees from various departments and divisions according to the principle of representation of more important departments and divisions. In doing so, the aspects of compliance, ethics and sustainability are ensured, especially compliance of the areas whose topics are discussed at each meeting. Furthermore, one of the members of the CSDC is a Management Board member Zavarovalnice Triglav d.d.

The key areas of CSDC's sustainable business activities are:

- monitoring and directing the activities of the Zavarovalnica Triglav d.d. and the Group Triglav in order to achieve the Group's Triglav strategic ambitions and address the legislative requirements of sustainable development in terms of environmental, social and governance aspects in coordination with the sustainability officer;
- considering and approving proposals for changes and amendments to internal acts and documents of key activities that relate to or are part of the risk management system for compliance, sustainable development and reputational risk;
- addressing important and complex issues and making decisions that are not so important as to require a decision by the Management Board, but require the involvement of several departments;
- addressing issues and making decisions involving ethical dilemmas and violations of the Group's Triglav Code, monitoring the implementation of legislative requirements, etc.

4

Sustainable development working groups

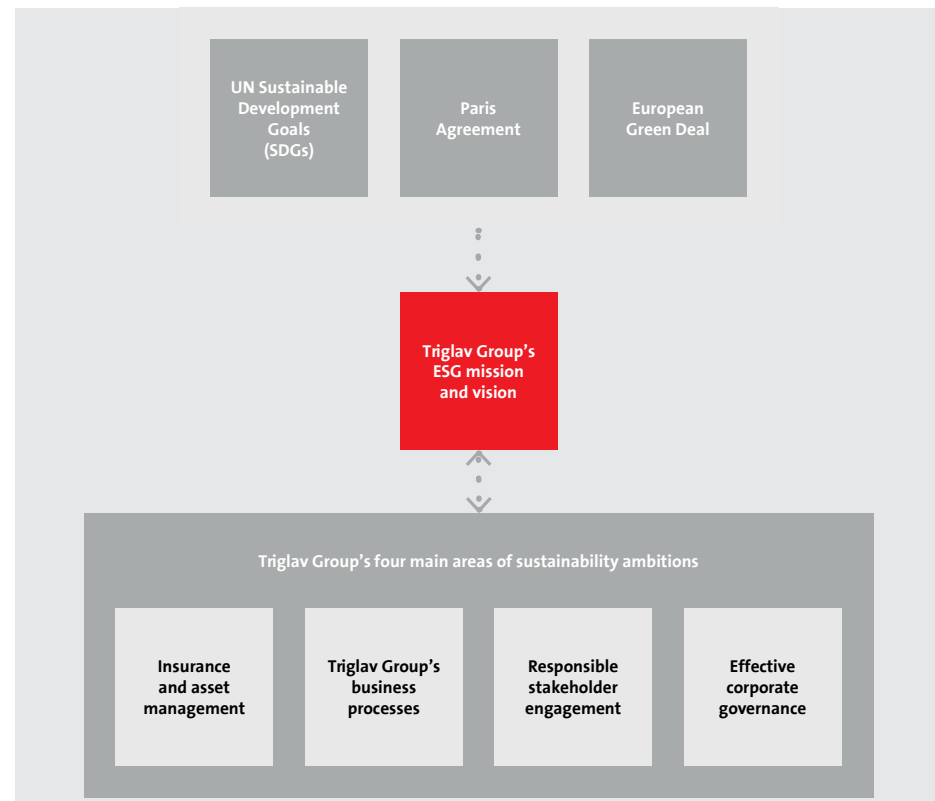
With the goal of effectively implementing strategic ambitions and sustainability-related legislative requirements, working groups coordinated by the sustainability officer are established, depending on the needs and nature of the work within the Group. A working group is composed of managers and other employees from various departments and divisions of the Company and the Group, depending on the purpose of establishing a working group. The sustainability officer reports to the CSDC on the working groups' activities.



Strategic ambitions in sustainable development

By pursuing sustainable development, the Group Triglav is creating a long-term stable basis for its profitable and safe operations, promoting the transition to a sustainable society and reducing its impact on climate change. The Group Triglav aims to play a leading role in integrating the best global sustainability practices into its operations in the Adria region and knows how to identify the opportunities and risks of sustainable development. Its sustainable (ESG) ambitions for 2025 are divided into four key areas, which are presented below.

Triglav Group's ESG mission and vision



1

Insurance and asset management

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

In asset management, the Group will not only double the share of its green and sustainable investments compared to the 2020 base year, but also reduce its exposure to issuers on the Coal Exit List¹ (companies at which at least 20 per cent of electricity production or income stems from coal) to less than one per cent of total investment value by 2025. In its insurance activity, the Group Triglav will develop new and increase the presence of existing index-based insurance products for drought, flood and other climate risks. The Group Triglav will promote its range of insurance products related to sustainable mobility and provide effective risk protection for companies involved in the production of energy from renewable sources (solar power plants, wind farms and others).

¹ More information is available on the website <https://www.coalexit.org/>.

Key quantitative performance indicators by 2025:

- double the share of green, sustainable and social impact bonds;
- reduce exposure to issuers on the Coal Exit List (companies at which at least 20 per cent of electricity production or income stems from coal) to less than one per cent of our total investment value.

2

Triglav Group's business processes

The Company has set up an assessment of suppliers by sustainability criteria and comprehensive carbon footprint measurement and management (Scope 1, 2 and 3). The carbon footprint calculation was prepared in accordance with the methodology for calculating Zavarovalnica Triglav's and the Triglav Group's carbon footprint, defining in greater detail the scope and limits, the method of data collection and analysis, and emission factors. The year 2019 was set as the base year for year-on-year

comparisons and setting targets to reduce the carbon footprint. According to the location-based method, all Group companies that are fully consolidated and meet the materiality criterion were included in the carbon footprint calculation. The methodology follows the guidelines of the internationally recognised Greenhouse Gas Protocol and takes into account the release factors of the international database, which classifies emissions into three scopes (Scope 1, 2, 3). The carbon footprint calculation and methodology (Scope 1 and 2) are verified by an external verifier.

A 15 per cent reduction in location-based (Scope 1 and 2) carbon footprint per employee is planned by 2025 compared to the base year, thereby pursuing the 2050 carbon neutrality target in line with the European Green Deal. Furthermore, by 2025 the Group Triglav will increase the share of electricity from renewable energy sources, reduce energy and paper consumption per employee and total waste generated per employee, and increase the share of electric and hybrid vehicles in its fleet to at least 30 per cent.

Key quantitative performance indicators by 2025:

- reduce the location-based carbon footprint (Scope 1 and 2) per employee by 15 per cent compared to the 2019 base year;
- increase the share of electricity from renewable energy source to 75 per cent;
- increase the share of electric and hybrid vehicles in the fleet to at least 30 per cent.

3

Responsibility to stakeholders

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

The Group Triglav will continue to participate in corporate social responsibility projects and enter into partnerships and give donations. In parallel, the Group Triglav will promote environmental and social responsibility projects that contribute to the achievement of the United Nations Sustainable Development Goals (SDGs).

Key quantitative performance indicator by 2025:

- maintain a high share of online training, i.e. 30 per cent of training at Group Triglav level will be held online (learning through learning portals, online seminars).

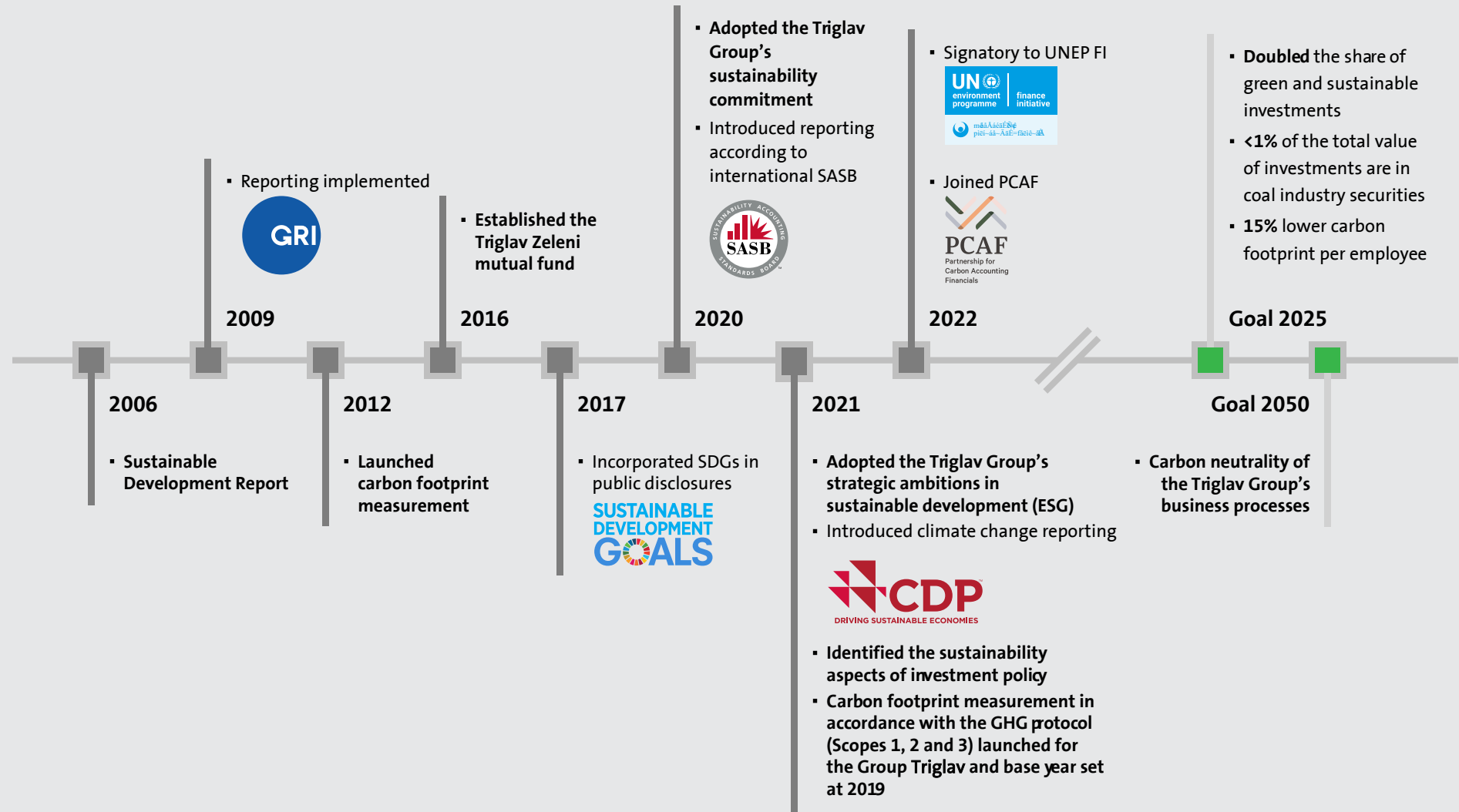
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Effective corporate governance

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

The Group Triglav will increase the scope of public disclosures on its sustainable operations by 2025.

Sustainable development milestones of Zavarovalnica Triglav and the Triglav Group



Guidelines on economic activities sensitive to sustainability risks

In taking out insurance and managing assets, the aim is to achieve positive effects both for the Group Triglav and the wider society by incorporating environmental, social and governance criteria. They are taken into account in insurance and asset management activities; the latter includes the Group's Triglav investment portfolio, except for the clients' assets managed in mutual funds and discretionary mandate assets, which are managed by the Group's asset management companies.

In the processes of insuring legal entities and asset management, sustainability aspects are carefully considered. Certain economic activities have a potentially greater adverse impact on sustainability factors, which is why a list of sensitive economic activities has been defined that reflects the Group's Triglav views on the protection of the environment, society and respect for human rights. When underwriting insurance for potential business partners in sensitive economic activities, the possible existence of data on the environmental assessment of their operations, respect for human rights and the prohibition of child labour is checked and relevant clauses are included in contracts. The Group Triglav does not do business in countries where human rights are violated or sanctions

are in place. The Group Triglav strives to achieve a reduction in greenhouse gas emissions and negative impacts on the environment by adhering to the following key guidelines in insurance: the preparation, introduction and implementation of an appropriate data collection system, insurance portfolio monitoring, the incorporation of environmental criteria in the risk assessment process and the development of sustainable solutions for underwriting.

The guidelines regarding sensitive economic activities in terms of sustainability risks are designed in such a way as to additionally address the potential adverse impacts dealt with in insurance and asset management activities when doing business with legal entities. Described below are the sensitive areas to which additional care is devoted. The guidelines listed below generally apply to all insurance classes and individual types of reinsurance. Group contract reinsurance is included in the sustainability review process gradually in accordance with the development of methodologies and improved data quality.





Coal mines, natural gas and oil

Activities in this area provide the supply of energy and mineral resources. The main sustainability risks arising from them are related to endangering local communities and harmful effects on the environment. The biggest harmful factors are related to human rights violations, greenhouse gas emissions, water pollution, impacts on biodiversity and damage caused to protected areas.

- With regard to coal mine **insurance**, the Group pursues strategies for abandoning the use of coal and transitioning to a carbon-neutral economy adopted by the countries where a risk is located. Its ambition is to completely abandon coal mine insurance by 2040.
With regard to the economic activities related to natural gas and oil, the Group is committed to reducing greenhouse gas emissions from the insurance of crude oil and natural gas production and to achieving carbon-neutral emissions of the insurance portfolio by 2050.
- In **asset management**, the Group Triglav has been following the general trends in sustainability for several years and has gradually reduced exposure to companies in the coal sector in its portfolios. Its exposure to issuers on the Coal Exit List (companies at which at least 20 per cent of electricity production or income stems from coal) was less than one per cent already in 2022, even though this particular goal was set to be reached by 2025. The Group Triglav continues to gradually withdraw from the aforementioned industry and by 2030 it will completely exclude issuers from said list from its investment portfolios. Furthermore, the Group Triglav is committed to immediately abandoning investments in all those companies from the coal sector that are building new infrastructure or investing in additional capacities.
In the natural gas and oil industries, the Group Triglav is also abandoning or reducing investments in securities issued by companies from the aforementioned industries. This is in line with the set goals of reducing the value of selected principal adverse impacts (PAIs). Accordingly, the existing exposure to such investments in the Group's Triglav investment portfolios will be prudently reduced.



Thermal power plants

The goals of the Paris Agreement and the European Green Deal are ambitious and can be achieved by finding new alternatives for generating electricity. Sustainability risks in the production of electricity in thermal power plants are related to air pollution, adverse effects on biodiversity and the consumption and pollution of water resources in endangered areas.

With regard to thermal power plant **insurance**, the Group's Triglav commitments are as follows:

- To reduce greenhouse gas emissions from thermal power plant insurance.
- To gradually reduce the number of thermal power plants that the Group Triglav has in its insurance and reinsurance portfolios.
- In 2030, the Group will no longer insure the construction of new thermal power plants, regardless of the type of fossil fuel (coal, oil, gas) used for combustion.
- After 2030, the Group Triglav will exclusively insure existing and modern thermal power plants that strive to reduce their environmental burden. The requirement for insurance is that thermal power plants have an efficient system for removing sulphur oxides from flue gases, which is, in addition to dust particles, the most important ecological parameter of electricity production in thermal power plants.
- In 2040, the Group Triglav will completely abandon insurance of all types of fossil fuel-fired thermal power plants.

In **asset management**, in recent years – as in the case of the coal industry – the Group Triglav has reduced its portfolios' exposure to thermal power plants, which are also on the Coal Exit List. The Group Triglav will continue to gradually withdraw from the aforementioned industry, and by 2030 it will completely exclude issuers from said list from its investment portfolios. Even now, the companies that build new thermal power plants or invest in their additional capacities are no longer included in its portfolios.



Production of weapons, ammunition and combat vehicles

The adverse social impacts of the production of weapons, ammunition and combat vehicles are undeniable and of general concern from the perspective of both key stakeholders and society as a whole. In this economic activity, additional due diligence is required to identify the possible production, transport and/or trade in prohibited weapons as defined by international conventions.

- After 2030, the Group Triglav will no longer provide **insurance** to policyholders whose main source of income (more than 50 per cent) is the production of weapons, ammunition and combat vehicles. The subject of a special assessment and potential exclusions will be only the companies that show strong corporate management and supervision of sales channels, companies for which this type of production is an ancillary/supplementary component of their business, and companies that in this segment only offer support equipment (protective, information, communication equipment, etc.).
- In **asset management**, the Group Triglav is abandoning and reducing investments in the securities of the companies from the aforementioned industry in line with the set goals of reducing adverse impacts, which will continue in the future. Accordingly, the exposure of existing securities in its investment portfolios will be prudently reduced or it will wait for them to mature.



Gambling and betting activities

Gambling and betting activities include the activities of casinos and other gambling and betting activities. The operation of gaming machines such as pinball machines and table football are classified as other amusement and recreation activities. These activities are under strict legal control of individual countries and are an important source of employment and leisure activity. Organisers must be aware of possible negative impacts and set up appropriate measures. Due diligence may identify risks such as the absence of preventive measures aimed at preventing excessive gambling, the absence of offering help to gambling addicts and the use of inappropriate advertising practices.

- **Insurance** of gambling and betting activities is subject to special assessment and is carried out if the organisers show concern for the social environment. Gambling and betting activities are a significant financial source for the operation of humanitarian, disability and other organisations that are important for the wider society.
- In **asset management**, the Group Triglav is already not exposed to this economic activity. The Group Triglav undertakes to avoid investing in the securities of companies from said economic activity in the future, except when such an investment would have a positive impact on the social environment due to the financing of humanitarian, disability and other important organisations. This aspect will be subject to assessment on a case-by-case basis.



Tobacco production

The negative effects of tobacco use on human health are well known and scientifically researched. Less recognised are the significant harmful impacts of tobacco production and use, which are associated with excessive water consumption, large-scale deforestation and pollution of fertile land, especially in low- and middle-income countries. The latter may also be related to the exploitation of child labour in tobacco production and the risk of green tobacco sickness due to the processing of tobacco without adequate protection.

- By 2030, the Group Triglav will no longer provide **insurance** to companies engaged in the production or processing of tobacco and tobacco products.
- In **asset management**, the Group Triglav is abandoning and reducing investments in the securities of companies from the aforementioned industry in line with the set goals of reducing adverse impacts, which will continue in the future. In addition, it will prudently reduce the exposure of its existing investment portfolios.

Sustainability risk management

An integrated sustainability risk management system is being established and is based on sustainable development strategic guidelines. Know-how is regularly upgraded and the quality of data improved, which is necessary to assess the harmfulness, both from the environmental and social point of view of each business segment. Moreover, the aim is to encourage sustainable development among the Group's Triglav clients and partners.

Sustainability risks comprise environmental, social and governance risks, which may have a negative impact on the Group's Triglav financial position or solvency.

Environmental risks comprise climate risks and the risks of a shortage of water and natural resources, threats to biodiversity and pollution. Climate risks are divided into physical and transition risks. Physical risks are the risks of a financial loss due to extreme weather events or other environmental impacts related to climate change. Transition risk is associated with risks arising from changes in business or the environment, due to measures to promote the transition to a low-carbon economy in order to reduce the human impact on climate change.

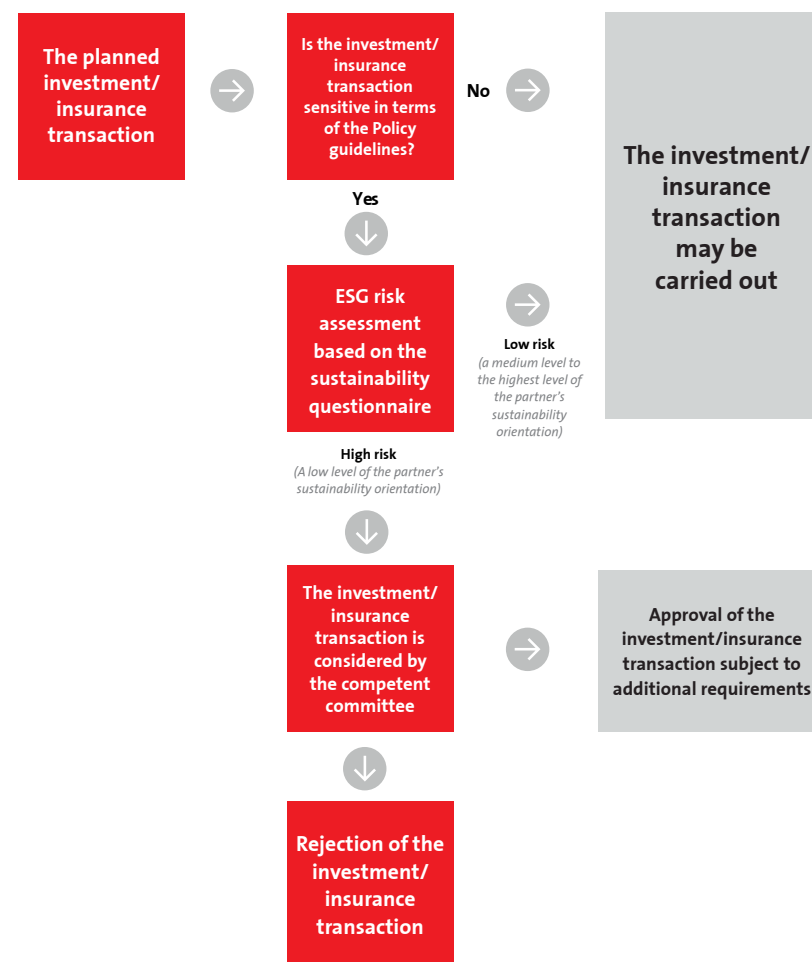
Physical and transition risks affect economic activity, which in turn affects the financial system. This impact may be direct, for example through lower profitability or asset value, or indirect through macroeconomic changes.

Social risks mainly include risks arising from the way the Company and the Group Triglav companies operate in relation to the requirements of the wider social environment, in particular ensuring diversity and equal opportunities for various stakeholders, safety, health and satisfaction of employees, and good relations with clients, suppliers and outsourcers.

Governance risks are associated with an inappropriately or inadequately established governance system, especially in the field of environmental and social aspects. They comprise the legality of business operations, corporate governance standards, including the risk management system and internal control system, remuneration of the company's management, business practices and the investor relations policy.

The management of sustainability risks is focused primarily on segments that represent increased exposure to coal-related economic activities and other sensitive sectors in terms of sustainability.

The figure below shows the due diligence process for insurance transaction or investment in the case of sensitive sectors. The initial sustainability risk assessment is carried out on the basis of an internal sustainability questionnaire and guidelines, which define the risk criteria in more detail, as well as examples and good practices of risk mitigation. In the event a risk is identified, the potential insurance transaction or investment is considered by the competent committee, which may establish a commission for this purpose.



Key effective corporate governance policies

The Group Triglav is aware that by acting legally and ethically and by respecting the fundamental principles of corporate integrity it maintains its safe operations, reputation and credibility, ensures the efficient management of the Group Triglav and strengthens the mutual cooperation and trust of its shareholders, investors, clients, suppliers, partners and other stakeholders. It strives to create appropriate, transparent, clear and up-to-date rules of conduct and procedures in which mechanisms to ensure the legality and compliance are in place. Further information is available on the Company's official website <https://www.triglav.eu/sl/o-nas/skladnost-poslovanja/dokumenti-in-zaveze>.

1

Codes and commitments for implementing the principles of fair and ethical conduct and ensuring integrity and transparent business

The Group's Triglav main ethics document and the foundation of its corporate culture and ethical principles is the Group Triglav Code, which summarises the basic principles of its behaviour and ethical conduct and encourages and obliges the Group's Triglav employees to co-create uniform standards in relationships with all stakeholders. The Code guides everyone in the Group Triglav to operate and do business in a sustainable way by fostering responsibility towards co-workers and themselves, as well as by taking care of our clients, partners and the wider community in a responsible manner.

In 2014, Zavarovalnica Triglav was one of the first companies to sign the Slovenian Corporate Integrity Guidelines, thereby committing to respecting and strengthening integrity in its operations in accordance with the law and ethical standards. Furthermore, Slovenia is a signatory to the Declaration on Fair Business of the United Nations Global Compact, with which it committed to doing business even more transparently and fairly, therefore, the Company Group's Triglav includes an anti-corruption clause in its contracts where possible.

The Group's Triglav ethical principles include:

- integrity and compliance;
- conflict of interest management;
- prevention of the restriction of competition, unfair competition and unfair business practices;
- transparency and comprehensive communication;
- respect for human rights;
- responsibility to employees;
- a client-centric approach;
- responsibility to business partners and shareholders;
- fraud management;
- prevention of corruptive actions;
- money laundering and terrorist financing prevention;
- data protection and integrity.

Zavarovalnica Triglav d.d. is a member of the Business Integrity and Transparency Forum of Transparency International Slovenia, which brings together companies from Slovenia and the region and strives for a high level of integrity and building an internal corporate culture, with the goal of promoting ethical and sustainable business.

As a public limited company whose securities are listed on the stock exchange, the Zavarovalnica Triglav d.d. complies with the requirements for integrity, transparent business and information disclosure and ensures a high level of corporate governance. In addition to the law, it adheres to various recommendations and good practices. In its operations, the Zavarovalnica Triglav d.d. complies

with the Slovenian Corporate Governance Code. Every year in the corporate governance statement, which is part of its annual report, it clarifies any deviations from the recommendations also regarding sustainable business, as defined by the code. As a member of the Slovenian Insurance Association, it is bound by Insurance Code, the purpose of which is to develop professionalism and loyalty in the insurance industry and to provide clients with quality insurance protection.

Respect for human rights

In 2019, the Zavarovalnica Triglav d.d. became a signatory to the Commitment to Respect Human Rights in Business. The respect for fundamental human rights is as an important element of the modern international business environment, which is why, by signing the Commitment, the parent company committed itself to developing an ethical and employee-friendly business environment. The commitment is based on the Universal Declaration of Human Rights of the United Nations and other relevant international instruments in human rights, while at the national level this field is defined by the National Action Plan of the Republic of Slovenia on Business and Human Rights, the purpose and goal of which is to ensure the implementation of UN guidelines for respecting human rights by businesses.

The respect for human rights is one of the fundamental ethical principles, which is also defined by the Group's Code. The Group consistently respects and protects the internationally recognised human rights and fundamental freedoms, which comply with the UN's goals and principles and originate from the Universal Declaration of Human Rights, which was adopted and proclaimed by the UN General Assembly, and the fundamental rights as defined in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

The confidant appointed in the Company is the first contact person to whom an employee can turn to in case of alleged harassment, discrimination or mobbing identified in the workplace and the business environment. All violations can also be reported by employees to the responsible superior or the person responsible for compliance. Every bona fide reporting person will be protected from any retaliatory action and will be given an opportunity to informally resolve the issue, while their identity and reporting will be kept confidential.

The culture of respect for human rights is also promoted among the Group's Triglav business partners. A mandatory contractual clause on the respect for human rights is incorporated in its business relationships, which are binding on both the contracting party and their subcontractors in the performance of the contract. The minimum scope of human rights and fundamental freedoms must be in line with the UN's goals and principles and as written in the Universal Declaration of Human Rights and the Convention on the Rights of the Child, adopted and proclaimed by the UN General Assembly, and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

In insurance contracts, the general terms and conditions of insurance include the obligation to respect human rights for policyholders, insured persons and beneficiaries under the insurance contract. In the event of a serious violation of human rights, the insurance contract may be terminated or declared null and void.





3

Prevention of corruptive actions

The Group Triglav operates in a legally regulated business environment with numerous regulations that, in addition to operations in the core activities of insurance and asset management, regulate the Company's operations at the corporate level. Moreover, due to the predominant state ownership of the Company, the Group Triglav is subject to regulations that primarily regulate the public sector. Due to their involvement in the international business environment, the Group companies are also required to adhere to internationally established standards in the fight against corruption.

The measures introduced in the Triglav Group's Triglav Corruption Risk Management Policy include the mandatory use of an anti-corruption clause in business agreements and taking action in the event of violations by a partner. Special restrictions apply in relation to lobbying, donations and sponsorships, as well as gifts to holders of public office; in addition, there is an obligation for management members to disclose their assets. The general terms and conditions of insurance lay down not only the requirement to prevent corruptive actions among insurers, insured persons and beneficiaries under the insurance contract, but also the consequences of omission of due conduct.

4

Conflict of interest management

The Group's Triglav employees are vigilant to any actual or potential conflict of interest and to circumstances that give rise to the appearance of a conflict of interest. A conflict of interest is a circumstance where an employee's personal interest affects or creates the appearance that it affects their unbiased and objective performance of tasks for the Company or decision-making in the scope of their function in the Company. Every effort must be made to avoid conflicts of interest. In carrying out work tasks, responsibilities and duties at the Company or making business decisions or acting on behalf of Group Triglav companies, everyone takes care that they put the interests of the Company or the Group Triglav before their own interests and the interests of third parties.

In all their social, political, interest and other public activities and initiatives, employees and other persons of Group Triglav companies act in their own name and for their own account. In doing so, it is important to note that their actions, opinions and initiatives reflect their own views, which are not necessarily the same as those of the Company and the Group.

Responsibility to employees

The Group Triglav focuses on ensuring the long-term and sustainable well-being of its employees in the organisation. This includes considering employees' health and safety, improving their personal development and growth, while promoting a positive work environment. A care for health and well-being are identified as a key area, which is why it was included in the Company's strategic initiatives.



A key area of caring for employees is **looking after their health and safety**. This includes ensuring safe and healthy working conditions and educating employees about occupational health and safety. The Company promotes a healthy lifestyle among its employees with various programmes that help to maintain and strengthen physical and mental health (for example, a sports club, massages in the workplace, active breaks during work, the Health Days programme), training and events related to a healthy lifestyle life and similar. Triglav.smo is a programme aimed at taking care of employees' well-being and promoting health. As the Company is aware of the importance of mental health, in-house psychosocial support has been available to employees for many years.



An important contribution to well-being are the benefits of the Family Friendly Enterprise (FFE) certificate, within which care is taken of employees and their families (children, care obligations to other relatives). The range of these benefits is aimed at finding a work-life balance, while appealing to all employee generations through selected benefits.



The second key area of sustainable care for employees is **development and training**. Annual interviews are carried out at Group Triglav level, which are a systemic tool for setting and monitoring goals and developing the competencies and skills of each employee. Training content is carefully selected and programmes are designed that are professional, up-to-date and aimed at developing employees' potential. Most of the training is focused on the core business – insurance. Special attention is paid to the development and training of key employees, managers and promising employees. Experienced employees often take up the role of knowledge transferors, mentors, coaches or in-house lecturers.



The third key area of caring for employees is **the promotion of a positive and creative work environment**. Employees are encouraged to contribute their own ideas through the Ideja IN system to co-create solutions to challenges faced by the organisation, which fosters creativity and loyalty to the organisation. An important contribution to all activities and benefits for employees is good, constant and high-quality communication support, which conveys these activities to all employees through various channels.

Through minimum standards and the transfer of good practices, all the aforementioned activities are being gradually implemented in Group Triglav companies, which adapt to the parent company's initiatives according to their capacities.

Satisfaction and atmosphere in the workplace is regularly monitored with an annual organisational vitality survey; the results are then analysed and improvements are implemented at Group Triglav level. Measuring the effectiveness of care for employees is also defined through strategic indicators, which are used to measure the impact of the aforementioned activities on increasing employee satisfaction.

Through relevant and content-rich internal communication, the principles of sustainable practices are promoted, while strengthening the awareness of the importance of sustainable behaviour and its impact on business operations and the quality of life for everyone, as well as the importance of reducing the carbon footprint in (and outside) the Company. The culture of diversity and inclusion is nurtured, recognising the opportunities it brings.

In accordance with the Group's Triglav strategic ambitions in sustainable development (ESG), the succession policy, the diversity policy and the remuneration policy for the Group companies' management members will be upgraded with environmental, social and governance factors.



Corporate social responsibility and environmental projects

The Group's responsibility to the social and natural environments is demonstrated primarily through investments in prevention, sponsorships and donations, as well as investments in infrastructure at national and local levels.

Their content is defined based on:

- sponsorships and donor partnerships and participation in investments in prevention;
- the needs identified in local environments by the Group's Triglav companies and business units;
- direct contact with local communities;
- performance analyses, especially risks and claims experience, published data of specialised organisations and institutions;
- market research and public opinion polls.

Prevention programmes are an important social aspect of sustainable impacts of the insurance industry, as they reduce risks and are also prescribed by law. Focus is on increasing traffic, fire and health safety, while prevention projects are mainly directed at the groups of people and environments most at risk.



Our contribution to the United Nations Sustainable Development Goals (SDGs)

The modern world faces challenges of global dimensions and which require a global response. Therefore, in 2015, world leaders under the auspices of the United Nations (UN) adopted 17 Sustainable Development Goals (SDGs) – a global plan by 2030. The UN Sustainable Development Goals aim to co-create a sustainable future for people and the environment by 2030. The 2030 Agenda is universal; its goals will have to be achieved by 2030, and all the countries of the world will have to implement them.

The Group Triglav aims to contribute to the UN Sustainable Development Goals through its insurance and financial products, investments, business processes, projects and partnerships. Because building a safer future is its mission, it focuses on the SDGs where it can have the greatest impact through its business activities, investments and community programmes. Furthermore, it actively communicates these goals and includes them in its communication and cooperation with project stakeholders. The relevant goals are described in more detail below.



Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture

By offering **co-financed agricultural insurance products**, the Company promotes the supply of locally produced food and its consumption, thereby helping shorten food supply chains. More attention is paid to plant production insurance, which is less burdensome for the environment than intensive animal farming. In partnership with the Slovenian Rural Youth Association, Zavarovalnica Triglav d.d. raises awareness of young farmers about risk management in agriculture and forestry and encourages innovation.



Goal 3: Ensure healthy lives and promote well-being for all at all ages

As an employer and provider of life, unit-linked and pension insurance products, Zavarovalnica Triglav d.d. and Group Triglav is responsible for promoting a healthy and sustainable lifestyle. For more information see **»Responsibility to employees«**.



Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Many events, workshops and training sessions in prevention, financial literacy and cooperation with athletes are held at the Triglav Lab technology centre, which are aimed at insurance literacy, threat awareness and presentation of products and services. In cooperation with various partners, awareness is raised among primary school pupils about sustainable mobility, traffic rules and active leisure time. In the context of the summer finance school, young people are educated about financial literacy.



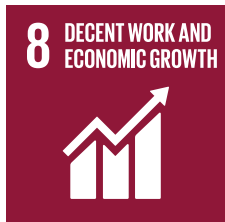
Goal 5: Achieve gender equality and empower all women and girls

In addition to gender equality being a fundamental human right, empowered women and girls are essential for economic growth. In its strategic ambitions in sustainable development (ESG), the Group Triglav has pledged to increase the share of women in management positions. In all employee categories, activities and countries where the Group Triglav operates, the basic salary of men and women is equal.



Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all

In asset management, the share of social impact, green and sustainable bonds in debt securities will be doubled by 2025, thereby contributing to the transition to a low-carbon and fair economy. The Group Triglav offers a range of insurance products related to sustainable mobility and solar power plants and provides effective risk protection for companies involved in the production of energy from renewable sources (solar power plants, wind farms and others). The Group Triglav regularly reports on its Scope 1, 2 and 3 carbon footprint, thereby disclosing its impact on the environment.



Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Through its business operations, the Group Triglav can directly or indirectly influence the social and natural environments. It aims to make a positive contribution to economic development, improving the quality of life of employees and their families, as well as the local community and society in general. In partnership with its stakeholders, the Group provides support to sports, cultural, educational, environmental and health activities. In 2022, partners Zavarovalnica Triglav d.d. became even more actively connected, launching the Insure Our Future project. The project aims to raise awareness about the United Nations Sustainable Development Goals (SDGs). The Group's Triglav employees, clients, partners and users of our communication channels are encouraged to pledge to implement them. The existing collaboration was upgraded into a joint partnership for sustainable development, taking on an ambassadorial role in raising awareness about global development challenges and sustainable living. The Everything Will Be Alright Institute provides support and resources to help work with local community organisations in the development of multi-year programmes that focus on social equality and the creation of a society of equal opportunities, solving environmental problems and preventive activities.



Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable

Prevention projects are mainly directed at the groups of people and natural environments most at risk. For more information see [»Corporate social responsibility and environmental projects«](#).



Goal 12: Ensure sustainable consumption and production patterns

Sustainability criteria are also taken into account when designing insurance products, and each product is properly assessed in accordance with the internal methodology of sustainability impact assessment. The development of insurance products thus takes into account sustainability factors and criteria already in the process of their approval.



Goal 13: Take urgent action to combat climate change and its impacts

As a responsible asset manager, in addition to considering sustainability factors, the Company also pursues the strategy of investing in sustainable asset classes (e.g. green bonds, social impact bonds and sustainable bonds). Green bonds provide capital that is used exclusively to fund projects with environmental benefits, i.e. from renewable energy production to investment in sustainable real estate and energy efficiency projects.

The Company has the opportunity to create innovative solutions to cover newer and more frequent risks that are a direct consequence of climate change (e.g. reduced yields due to increasingly frequent and longer-lasting droughts and storms). It will devote a lot of attention to understanding the effects of such risks within the framework of specific industries and geographical regions.



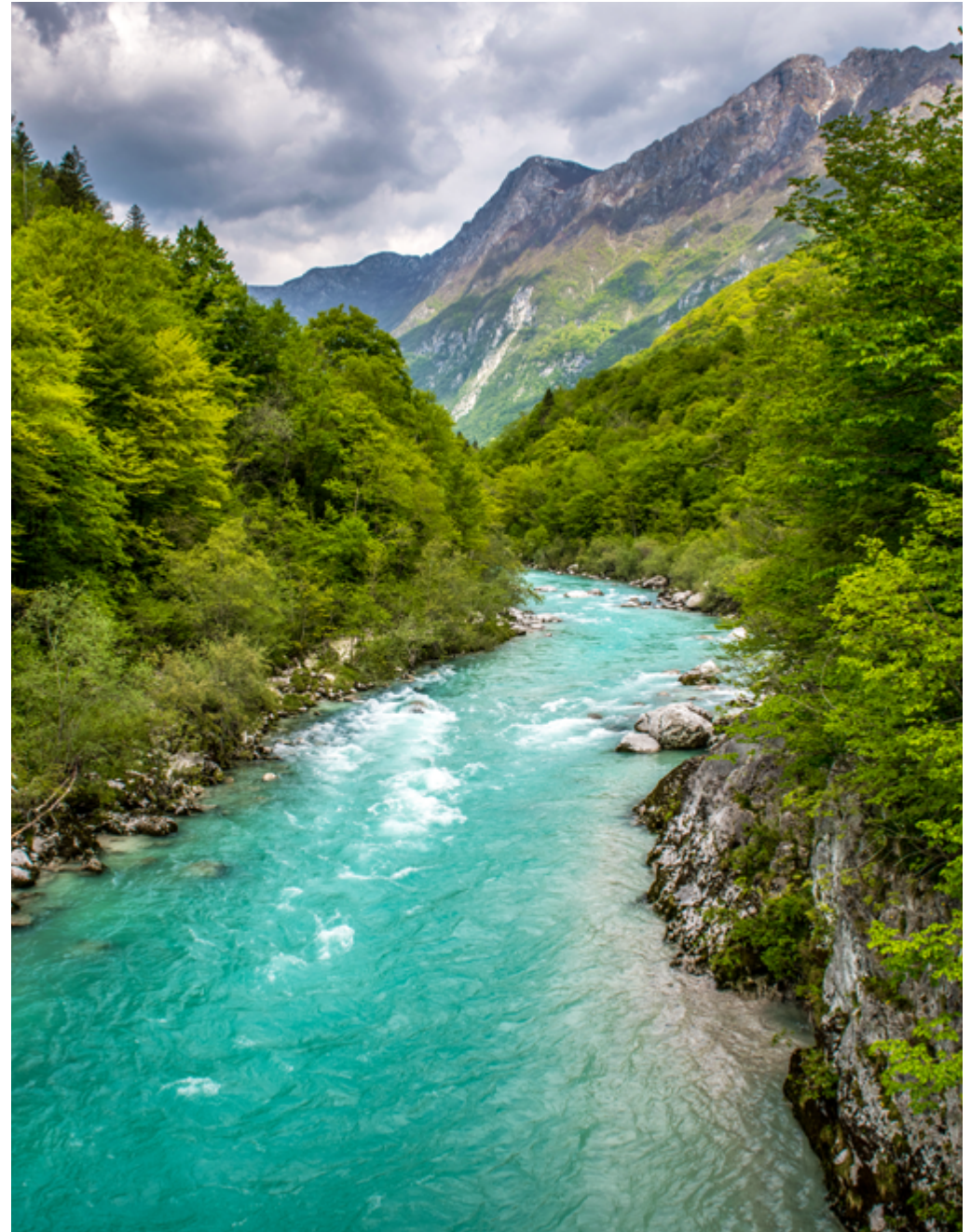
Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

Through its business operations, the Group Triglav can directly or indirectly influence society. Prevention programmes are an important social aspect of sustainable impacts of the insurance industry, as they reduce risks and are also prescribed by law. Projects aimed at protecting the natural environment and preserving biodiversity are among the Group's Triglav more important prevention projects.



Goal 17: Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development

Zavarovalnica Triglav is a signatory to the United Nations Principles for Sustainable Insurance (UN PSI), the United Nations Principles for Responsible Investment (PRI) and the Partnership for Carbon Accounting Financials (PCAF) initiative. For more information see »[Memberships and partnerships in sustainable business](#)«.



Key opportunities in sustainable development

Grupa Triglav is aware that sustainable development and climate change for insurance companies do not only bring risks, but also many opportunities related to asset management, insurance and financial products, claims settlement processes and development, and projects to increase energy efficiency and self-sufficiency.

1

Increasing the share of sustainable investments

Zavarovalnica Triglav d.d. developed the strategy of investing in sustainable asset classes (e.g. green bonds, social impact bonds and sustainable bonds) and of actively exercising its management rights when making decisions related to sustainable development with those issuers in its investment portfolio where this is possible. It is committed to increasing the Group's share of sustainable fixed-income investments and it regularly reports on the progress made in its annual report.

2

Triglav Zeleni Fund

The Group's Triglav Zeleni equity fund complies with Article 8 of EU regulation on sustainability-related disclosures in the financial services sector (SFDR). The fund invests in the shares of leading companies in the field of sustainable development and corporate social responsibility. In 2022, Triglav Skladi offered the option of investing in sustainable funds for the life insurance products with a savings component. Written premium from insurance and investment products that promote general social and environmental benefits is on the rise, which helps to realise Zavarovalnica Triglav d.d. strategic ambitions.

3

Developing environmentally and socially responsible products

Sustainability principles are implemented already when designing the Company's insurance products. Each product in the development and approval stage is assessed in accordance with the internal methodology for sustainability impact assessment. More important services and products aimed at promoting social and environmental benefits include solar power plant and micromobility insurance, co-financed agricultural

insurance, index-based insurance products and benefits for young farmers.

New insurance products will be developed and the presence of existing index-based insurance products for drought, flood and other climate risks will be increased. The Group will promote its range of insurance products related to sustainable mobility and provide effective risk protection for companies involved in the production of energy from renewable sources (solar power plants, wind farms and others).



4

Sustainability orientation in non-life insurance claim processes and development

In the segment of non-life insurance claim processes and development, many opportunities have been identified with the goal of promoting the reduction of greenhouse gas emissions, a higher level of recycling and repair and a paperless office. The Group's Triglav suppliers, contractors and partners are also encouraged to operate sustainably.

The main opportunities have been identified in the following areas:

- Raise awareness among and work with partners, suppliers and contractors who comply with the ESG guidelines (e.g. measuring and reducing the carbon footprint of operations, use of electric vehicles).
- Gradually include sustainability criteria in comprehensive repair service.
- Develop a range of eco-friendly repair services according to the »don't buy – repair« principle.
- Conduct damage reporting and appraisal at representative offices with the help of sales staff and remote inspection using mobile applications.
- Start using micromobile means of transport when carrying out an inspection.
- Gradually abolish paper damage reporting for clients and implementation of electronic signing of claim documents.

5

Energy efficiency projects

One of the Company's strategic objectives is to reduce energy consumption and the Scope 1 and 2 carbon footprint per Group employee by 15 per cent by 2025 (compared to the 2019 base year).

These objectives will primarily be achieved through three sets of activities:

- Improving the energy efficiency of own property and increasing the sustainable use of energy (self-sufficiency with renewable energy sources).
- Optimising the size of own-use premises (in terms of square footage per employee).
- Increasing employee awareness about reducing the carbon footprint and possible measures regarding temperature regulation in office buildings and sales premises.

In addition, the planned construction of **solar power plants** on the Company's six buildings should be highlighted. The construction of solar power plants on these buildings will enable the annual production of approximately 844 MWh of electricity from a renewable source, which equals approximately 10 per cent of the parent company's total electricity consumption.

In the future, efforts will be made to install **electricity storage devices** in order to reduce the connected load and ensure a more stable use of electricity. In line with the Company's strategic commitment to increase the share of hybrid and electric vehicles in its fleet, the number of charging stations will be increased at Zavarovalnica Triglav d.d. locations. In the context of e-mobility, the Company has concluded an agreement with a partner on electric car sharing for the employees of the Zavarovalnica Triglav d.d. and Triglav Upravljanje nepremičnin (TUN). In front of some buildings in Slovenia, together with a partner, the Zavarovalnica Triglav d.d. set up an area for **electric bicycles**, which are used in the public bicycle rental system.



Sustainable business reporting

Reporting on the Group's Triglav sustainable business will take into account the principle of transparent and timely communication about the sustainability indicators of the Company's operations. In line with its strategic ambitions relating to sustainable development, the Group Triglav is making constant progress in reporting by expanding the scope of identified indicators of various global standards.

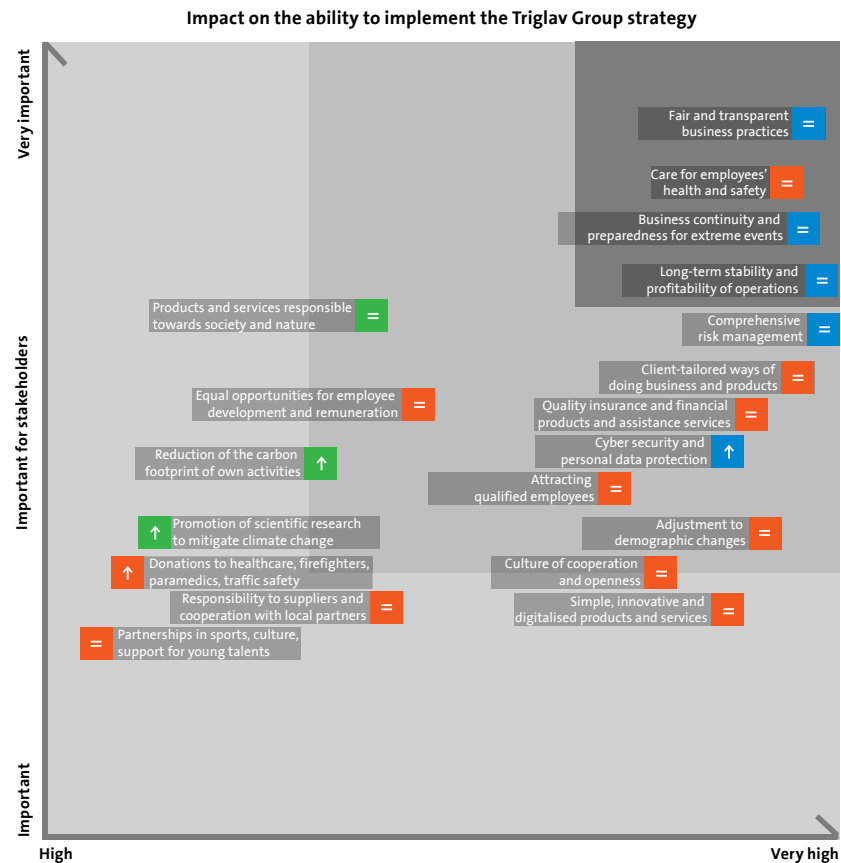
For non-financial reporting, GRI standards (Global Reporting Initiative) and their specific guidelines for the financial sector as well as SASB standards (Sustainability Accounting Standards Board) are used. The range of topics and disclosures used is presented in the GRI and SASB content index at the end of the annual report and the materiality matrix. The Group's sustainability report is available in electronic form as an integral part of the annual report on the website <https://www.triglav.eu/en/investors/actual/financial-reports>. It is the responsibility of the Management Board to compile and approve the annual report. The audited annual report is approved by the Supervisory Board.

The Group has disclosed through CDP's climate change questionnaire since 2021 with an aim to provide financial institutions, clients and other stakeholders with appropriate transparency and comparability of its environmental data. Fully TCFD (Task Force on Climate-Related Financial Disclosures) aligned, CDP scores are globally used to drive investment and public procurement decisions towards a zero carbon, sustainable and resilient economy. The full list of companies disclosing through CDP is available at <https://www.cdp.net/en/responses>.



Collaboration with key stakeholders

Key stakeholders are involved in identifying material topics and thus non-financial disclosures. The identified main sustainability topics are presented in a double materiality matrix, and, as a rule, revised based on regular surveys on the impact on stakeholders, their interests and satisfaction factors every two years.



Environment Social Governance

A set of material topics and their descriptions are defined through an extensive internal process and an external process (quantitative surveys among employees and individual clients and a qualitative survey among NGOs, local communities and corporate clients), in which nearly 3,000 representatives of stakeholder groups participate. More about stakeholders and their engagement is reported in the sustainability report in the context of the annual report.

Material ESG topics of the Triglav Group by area

Products and services responsible towards society and nature Reduction of the carbon footprint of own activities Promotion of scientific research to mitigate climate change	Environmental protection
Care for employees' health and safety Culture of cooperation and openness Equal opportunities for employee development and remuneration Attracting qualified employees	Responsibility to employees
Quality insurance and financial products and assistance services Client-tailored ways of doing business and products Simple, innovative and digitalised products and services Adjustment to demographic changes	Client focus
Donations to healthcare, firefighters, paramedics, traffic safety Partnerships in sports, culture, support for young talents Responsibility to suppliers and cooperation with local partners	Support and development of partnerships
Long-term stability and profitability of operations Fair and transparent business practices Comprehensive risk management Cyber security and personal data protection Business continuity and preparedness for extreme events	Stable, safe and profitable operations

↑ Importance has increased
↓ Importance has decreased
= Importance remained unchanged

Memberships and partnerships in sustainable business

United Nations Principles for Sustainable Insurance – **PSI**

Zavarovalnica Triglav d.d. has been a signatory to the United Nations Principles for Sustainable Insurance - PSI since 2022, and thereby a member of the global community of banks, insurers and investors joining the United Nations Environment Programme Finance Initiative - UNEP FI. The PSI principles, which were adopted in 2012 at the United Nations Conference on Sustainable Development, are used by insurers worldwide as global guidelines in identifying and recognising environmental, social and governance (ESG) risks and opportunities. Insurers play a key role in co-creating a healthy, safe and sustainable global society and in strengthening the promotion of global awareness of the importance of sustainability risks.

United Nations Principles for Responsible Investment – **PRI**

Zavarovalnica Triglav d.d. and Triglav Skladi have been signatories to the United Nations Principles for Responsible Investment - PRI since 2023. The principles encourage asset managers to invest responsibly with the goal of long-term profitable investing and better risk management, as well as co-creating sustainable capital markets that contribute to a fairer and greener future. By signing these principles, the Company is endorsing the six principles of responsible investing. In accordance with these principles, the Company will report annually on the process of incorporating sustainability principles into asset management.

Partnership for Carbon Accounting Financials - **PCAF**

Zavarovalnica Triglav d.d. has been a signatory to the Partnership for Carbon Accounting Financials (PCAF) initiative since 2022, which aims to ensure that the financial industry's policies are in line with the Paris Agreement targets. Thereby, the Company has gained access to methodologies for calculating the investment portfolio's carbon footprint as well as to the working group that is currently developing a harmonised standard for calculating the insurance portfolio's greenhouse gas emissions.

Partnership for Sustainable Economy - **CER**

Zavarovalnica Triglav d.d. has been a CER member since 2023; the CER is one of the leading Slovenian sustainable partnership platforms, which brings together many experts in the development of sustainable business models and solutions. The CER's mission is to promote an innovative climate-neutral circular economy and green technologies that provide answers to environmental energy challenges.

Chapter Zero Slovenia

Zavarovalnica Triglav d.d. has been a partner of the Chapter Zero Slovenia platform since 2023, which is aimed at acquiring relevant knowledge, skills and competences for responsible corporate governance. It enables the members of management and supervisory bodies to take timely, positive and decisive action on climate change and the transition to a carbon-neutral, fair and inclusive society of the future.

Policy validity and transitional and final provisions

The Policy was adopted by the Management Board Zavarovalnice Triglav and the Supervisory Board and will apply from 1 June 2023. The Triglav Group's sustainability commitment (ESG), adopted by the Management Board of Zavarovalnica Triglav d.d. at its meeting on 29 December 2020, will cease to apply as of the date this Policy comes into effect and will replace it in its entirety.

In the Zavarovalnica Triglav d.d., until 1 June 2023, i.e. until the date of establishment of the Sustainable Development Department, sustainable business activities will be under the overall direction of the sustainability officer, under the authority of the Management Board. The authorised person will be responsible for the coordination of all necessary activities related to the Group's sustainable business development.

Until the date of appointment of coordinators, the persons responsible for sustainability appointed by the Management Board will be in charge of carrying out and reporting on sustainability-related activities in the respective departments, divisions and companies of the Group. In Triglav insurance d.d. sustainable business activities will be managed by the sustainability coordinator, and the responsible persons will be sector directors and heads of independent services.

In Group Triglav members, a sustainable development management system is being established based on its structure in the controlling company in line with the principles laid down in the Company's minimum standards for the operations of the Group's Triglav subsidiaries. All insurance and financial companies within the Group Triglav adopt a sustainable business policy based on a template prepared by the Zavarovalnica Triglav, taking into account the Policy to the greatest extent possible, including the principle of proportionality, any specifics of business operations and corporate regulations of each Group company, as well as legislative frameworks binding on each company. The Group companies are informed about the minimum standards and other requirements arising from the Policy in due time.

In Triglav insurance d.d. sustainable business activities will be managed by the sustainability coordinator, and the responsible persons will be sector directors and heads of independent services.

This document is published on the respective websites in Croatian and English.



Annex 1 – Glossary of abbreviations and terms

CDP (Carbon Disclosure Project) – A non-profit organisation whose purpose is to encourage companies, cities, states and regions to disclose on climate change. The CDP questionnaire is fully aligned with TCFD guidelines.

CER – Partnership for Sustainable Economy.

Coal Exit List - A list of companies at which at least 20 per cent of electricity production or income stems from coal.

COP26 (UN Climate Change Conference) – The 2021 United Nations Climate Change Conference, more commonly known as COP26, was the 26th UN Climate Change Conference held in Glasgow, Scotland.

ESG – Environmental, social and governance factors.

Evropski zeleni dogovor – The EU's strategy and commitment to achieve climate neutrality by 2050 and fulfil its international commitments from the Paris Agreement.

Fizična tveganja (ang. physical risks) – Risks from greater frequency and severity of weather and climate events.

GRI – Global Reporting Initiative.

IPCC (Intergovernmental Panel on Climate Change) - The Intergovernmental Panel on Climate Change is a scientific and intergovernmental body under the auspices of the United Nations.

UN - United Nations

PAI (Principal adverse impacts) – Principal Adverse Impact.

Paris Agreement – An agreement on climate change, which is the first universal, legally binding global climate change agreement. It was signed on 22 April 2016 and ratified by the European Union on 5 October 2016.

PCAF – Partnership for Carbon Accounting Financials.

PRI – United Nations Principles for Responsible Investing.

PSI – United Nations Principles for Sustainable Insurance.

SASB – Sustainability Accounting Standards Board.

SBT – Science Based Targets that provide companies and financial institutions with a clearly defined path to reduce greenhouse gas emissions.

SDGs – Sustainable Development Goals adopted at the United Nations Sustainable Development Summit in September 2015 as part of the 2030 Agenda for Sustainable Development.

TCFD – Task Force on Climate-Related Financial Disclosures.

GHG – Greenhouse gases are gases that can absorb and emit infrared radiation and cause a greenhouse effect in the atmosphere. The most important greenhouse gases in the Earth's atmosphere are water vapor, carbon dioxide, methane, nitrous oxide and ozone.

Sustainability factors – Environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

Sustainability risks – Risks arising from an environmental, social or governance event or condition.

Transition risk – The risk associated with the transition to a carbon-neutral economy.

UNEP – United Nations Environment Programme.

Asset management – Includes the Triglav Group's investment portfolio, except for the clients' assets managed in mutual funds and discretionary mandate assets, which are managed by the Group's asset management companies.

