



SUSTAINABILITY REPORT

Towards a zero-carbon society

We know that the era of “zero emissions” is still a long way off, but we are taking small but confident steps in the right direction. We invest in energy efficiency in all our operations, in line with the EU’s carbon reduction initiative.





13 Sustainability report

About the report⁶⁸

In accordance with the GRI Standards, the 2023 sustainability report of the Sava Insurance Group analyses economic, social and environmental aspects.

Key topics of Sava Insurance Group sustainability reporting⁶⁹

Economic aspects (GRI 200)	<ul style="list-style-type: none"> Economic performance Market presence Indirect economic impacts Procurement practices Prevention of corruption Tax
Social aspects (GRI 400)	<ul style="list-style-type: none"> Recruitment and staffing levels Employee training and development Diversity and equal opportunities Employee management and motivation Health and safety at work Customer relations / responsibility to consumers Human rights Relations with suppliers Local community Marketing and labelling Customer privacy Compliance
Environmental aspects (GRI 300)	<ul style="list-style-type: none"> Waste disposal policy Energy Supplier assessment Emissions

Sustainability reporting is integrated into individual sections of the annual report. Disclosures are specially indicated with interactive references. This section provides disclosures and business impacts not covered by other sections of the annual report. In addition to general disclosures and in accordance with prescribed principles, it provides disclosures on the economic, social and environmental aspects that are of vital importance for the Group and relate directly to the Group's strategy.

Disclosures in accordance with the GRI standard refer to all Group companies wherever possible and, if not, to the parent company and its EU-based subsidiaries.

No statements or information from the previous report have changed on account of new findings, and the report therefore contains no corrections⁷⁰.

Sava Re did not seek external assurance of the sustainability report in 2023⁷¹.

Non-financial statement

By providing non-financial information in accordance with the GRI standards, the Annual Report of the Sava Insurance Group and Sava Re d.d. for 2023 complies with (i) Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups or NFRD (Non-Financial Reporting Directive), (ii) Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 in conjunction with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, and (iii) the Slovenian Companies Act.

⁶⁸ GRI 3-1.
⁶⁹ GRI 3-2.
⁷⁰ GRI 2-4, 3-2.
⁷¹ GRI 2-5.



13.1 Sustainable Development Strategy of the Sava Insurance Group for 2023–2027

We have been integrating sustainable development into the Sava Insurance Group strategy since 2017; since then we have given increasing attention to it as environmental, social and governance risks (ESG risks) significantly impact the insurance industry while offering new opportunities in the development of operations.

In December 2022, we adopted the [Sustainable Development Strategy of the Sava Insurance Group for 2023–2027](#), which outlines sustainable development as one of the three key pillars of the Group’s further development.

The Sava Insurance Group’s objectives and sustainable development strategy are rooted in its values, mission and vision. Our goal for the strategy period was for stakeholders to recognise the Group as:

- a socially responsible insurance and reinsurance company, and a socially responsible and trustworthy partner,
- a socially responsible asset and equity manager,
- a socially responsible and attractive employer,
- an organisation that is socially responsible to the wider community.

The following principles guide us in the implementation of the Group’s key sustainable development policies:

- **Focus on the United Nations global sustainable development goal – good health and well-being:** we promote healthy lifestyles and general well-being at all stages of life, both by providing appropriate insurance, financial products, healthcare and other services, and by caring for the health of our employees and society at large.

- **Focus on the United Nations global sustainable development goal – climate change:** we are taking action to combat climate change and its impacts.
- **International commitment to the United Nations Global Compact:** it is based on ten principles of responsible business management, particularly in terms of human rights, labour standards, climate and anti-corruption.
- **International commitment to the United Nations Principles of Responsible Investment (UN PRI):** it guides investors to make responsible investment decisions.

SUSTAINABLE DEVELOPMENT GOALS





13.1.1 Implementation of the sustainable development strategy in 2023

At the Sava Insurance Group, we have set the following sustainable strategic objectives for 2023–2027, taking into account ESG criteria⁷² and gradually and systematically integrating them into the Group’s decision-making processes:

- reducing the carbon intensity of its own operations and investment portfolio;
- guaranteeing responsible (re)insurance underwriting in accordance with the guidelines adopted by the Sava Insurance Group and the taxonomy standards;
- ensuring sustainability in the value chain and processes by increasing the share of ESG investments in the portfolio, and by further digitalisation and paperless business processes;
- improving customer satisfaction;
- having satisfied and committed employees and strengthening the culture of sustainability.

Throughout 2023, intensive preparations were also made at the Group level for the new regulation on CSRD sustainability reporting and ESRB standards.

The Group was preparing for the introduction and implementation of legal requirements according to these legal acts:

- Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector or SFDR (Sustainable Finance Disclosure Regulation) – in June 2023, information on the consideration of the principal adverse impacts of investment decisions on sustainability factors was published on Sava Re’s website at the Group level, while at the level of the individual company concerned this information was published on the websites of subsidiaries that meet the criteria of a financial market participant as set out in Article 2 of SFDR. The financial and financial-insurance products offered by the Group to its customers also include appropriate pre-contractual disclosures;
- Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, or the Taxonomy – the Group already reported in accordance with the Taxonomy for 2021 and 2022, based on available data and an estimate of revenue from Taxonomy-eligible activities. In 2023, we carried out activities to ensure the quality and relevance of the data required for disclosures of revenue from Taxonomy-aligned activities, and these disclosures will be published for the first time in 2024 for the year 2023;
- Directive (EU) 2022/2464 of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting or CSRD (Corporate Sustainability

Reporting Directive) – the Group has accelerated preparations for the disclosure requirements under the new European Sustainability Reporting Standards (ESRS), in particular by organising and participating in external training sessions to ensure that we are adequately prepared for the 2025 reporting on 2024. In 2022 and 2023, training was provided to the top management of the subsidiaries, as well as to business line managers and all potential authors of reports.

In addition to closely following and complying with legal requirements on sustainable development, we also draw your attention to the following developments:

1. In January 2023, we revised the Sustainability Investment Policy of the Sava Insurance Group, which governs the Group’s approach to environmental, social and governance considerations in investment decisions and the management of sustainability risks. This policy, which was adopted on 30 June 2020, sets out the Group’s commitment to responsible and sustainable investment practices and ensures that the Group complies with applicable laws and regulations governing investments.
2. In 2023, the carbon footprint measurements of the Sava Insurance Group for 2022 were verified for the first time, focusing on data from its own activities (scope 1 and scope 2 emissions). The

carbon footprint of the Sava Insurance Group’s operations in 2022 is the baseline or benchmark against which the Group’s carbon footprint and the effectiveness of emission reduction measures in the coming years will be compared. At the same time, we plan to expand the scope of the data in the coming years.

3. We continued to expand our sustainable products into the non-EU markets – micromobility insurance and solar panel insurance.
4. In 2023, a questionnaire was developed and validated in line with the requirements of European standards to verify the suppliers’ sustainability. Data will be collected at the Group level from existing and new suppliers.
5. In November 2023, we held a sustainability conference for representatives of our subsidiaries and business line managers, focusing on European sustainability legislation, the challenges and opportunities it presents, and the Group’s strategic goals.
6. As part of the Heart for the World initiative, all subsidiaries have organised a number of corporate volunteering campaigns. At the Group level, Heart for the World is becoming an important initiative aimed at encouraging employees to act responsibly towards nature and society.

The activities carried out are described in the following sections.

⁷² ESG (Environmental, Social, Governance) criteria refer to socially responsible behaviour that is generally considered to meet three criteria: environmental and social criteria, and responsible corporate governance.



Relations with stakeholders⁷³

In terms of sustainable development, cooperation with stakeholders is also of key and strategic importance for the Sava Insurance Group. It is important that we identify the most important stakeholder groups and understand their views on dealings with us.

At the end of 2022, we surveyed the Sava Insurance Group’s stakeholders on key sustainability areas to identify those in which the Group has a significant economic, environmental and social impact and which significantly impact our business and stakeholder relationships.

In addition to the parent company, ten Group companies and one subsidiary carried out stakeholder surveys.

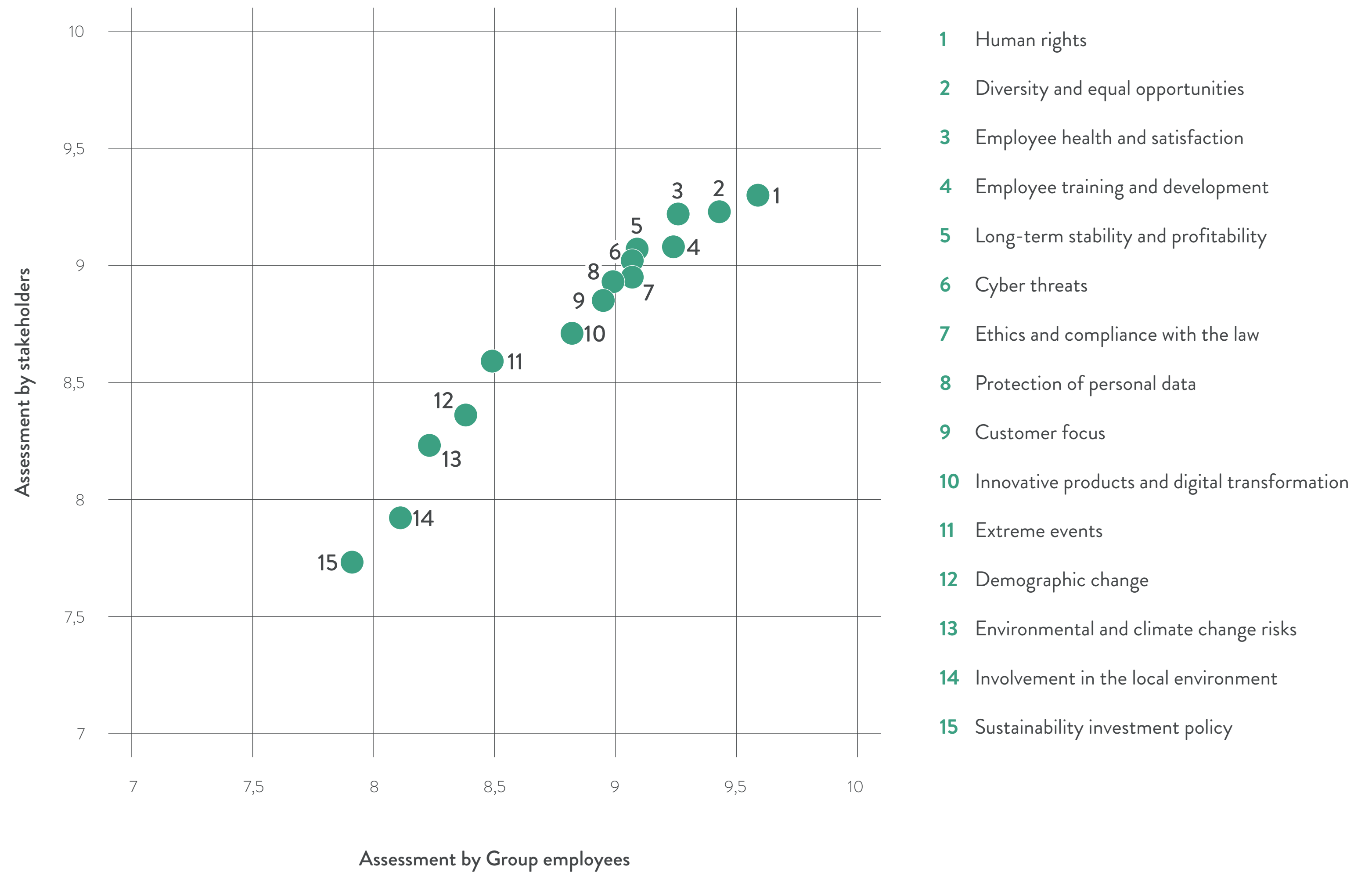
We surveyed stakeholder groups that we identify as key:

- suppliers,
- customers,
- employees,
- external sales network,
- reinsurers (Sava Re),
- shareholders (Sava Re).

We analysed the responses of more than 1,000 Group employees and 900 stakeholders from other groups. Their views are presented in a matrix of key topics for the Group.

The following section of the report outlines the most important stakeholder groups and forms of engagement with them.

Topics and aspects in terms of their importance for stakeholders and the Sava Insurance Group



73 GRI 2-23, 2-29, 3-1, 2-12, 2-13, 2-14, 2-15, 2-17, 2-18.



13.1.2 Types of stakeholder involvement

We cultivate responsible and sincere relations with all our stakeholders. In doing so, we follow the recommendations and rules of public reporting, the code of ethics and internal rules.

Types and objectives of stakeholder involvement

Stakeholders	Type of involvement	Objectives	The most important activities in 2023
Sava Insurance Group employees	<ul style="list-style-type: none"> Employee participation (works council and unions) Internal formal events (strategic conferences, professional and educational events) Internal informal events Internal training / consultations Management by objectives (annual performance appraisal interviews) Internal web and print media Thinking out of the box Electronic mail Social networks Personal contact Opinion polls / questionnaires Sports societies Corporate volunteerism 	<ul style="list-style-type: none"> Information, awareness Stimulating ideas to improve the work environment and business processes Two-way communication Culture building, improving relations and fostering a good organisational climate Pursuing the CO₂ reduction target 	<ul style="list-style-type: none"> Building on the Never Alone employer brand in internal communication Informing all employees of pressing ESG issues by email Ongoing dialogue with employee and trade union representatives Events, conferences, lectures Departmental meetings Addresses by the chairman of the management board of Sava Re to all employees of the Group by email Development of the Heart for the World initiative in terms of corporate volunteerism, education, and awareness-raising on environmental and social issues – 5,114 hours of volunteering
<p>Customers include:</p> <ul style="list-style-type: none"> the insured policyholders injured parties cedants investors in mutual and pension funds 	<ul style="list-style-type: none"> One-to-one counselling Meetings Compliments and complaints Websites, blogs Contact centre Market communication through different channels Expert meetings / conferences Events Social networks 	<ul style="list-style-type: none"> Service quality Customer focus Information Quick problem solving Customer-friendly attitude Identifying actual market needs Modern sales channels 	<ul style="list-style-type: none"> Strengthening of the Sava Insurance Group brand with the slogan “Among good people” Year-long and ongoing communication of sales representatives with customers Interactive chats – on web pages Electronic monthly publications (Sava Infond sent to over 26,000 addresses) Direct mail Presentation brochure for cedants twice a year Social media notifications
<p>External sales network consisting of:</p> <ul style="list-style-type: none"> insurance agencies insurance intermediaries banks business partners, e.g. roadworthiness testing centres, tourist agencies 	<ul style="list-style-type: none"> Regular contacts Professional training Meetings/events 	<ul style="list-style-type: none"> Product and offer expertise Keeping up to date with developments in business processes Keeping up to date with developments in laws and regulations governing the business Building genuine partnerships 	<ul style="list-style-type: none"> Ongoing communication of specialist services with representatives of the external sales network



Stakeholders	Type of involvement	Objectives	The most important activities in 2023
Suppliers (services and materials)	<ul style="list-style-type: none"> • Tenders • Invitations to participation • Questionnaires • Meetings • Presentations 	<ul style="list-style-type: none"> • Selection of the most appropriate supplier in accordance with the criteria • Environmentally friendly materials • Paperless operation • Digitisation of operations • Payment reliability • Honouring agreements • Delivery of waste disposal certificates • Supporting local economy • Pursuing sustainability in the value chain 	<ul style="list-style-type: none"> • Standing invitations to tender and supplier selections
Shareholders and prospective investors in POSR shares	<ul style="list-style-type: none"> • At least once a year at the general meeting of shareholders • Regularly through public notifications (SEOnet of the Ljubljana Stock Exchange) • Regularly on the website (www.sava-re.si) • At least once a year in the letter to shareholders • Regularly in individual meetings and through conference calls • Regularly at investment conferences at home and abroad 	<ul style="list-style-type: none"> • Equal access to information • Clear dividend policy and yields • In-depth information on business operations, annual plan and strategic policy • Sustainable operations 	<ul style="list-style-type: none"> • Regular and transparent communication with shareholders and investors, participation in 7 events in 2023 • 25 SEOnet announcements in 2023
Regulators	<ul style="list-style-type: none"> • Regular and extraordinary reporting to the Insurance Supervision Agency (ISA) and Securities Market Agency (SMA) • Regular and extraordinary reporting to the Slovenian Competition Protection Agency (CPA) 	<ul style="list-style-type: none"> • Compliance with legislation • Business transparency • Security of policyholders • Compliance 	<ul style="list-style-type: none"> • Consistent tracking of changes in legislations, regulatory measures and recommendations, and meetings
Credit rating agencies	<ul style="list-style-type: none"> • Regular annual review of the financial position, operations and business results 	<ul style="list-style-type: none"> • Improved credit rating 	<ul style="list-style-type: none"> • AM Best confirmed the credit rating “A” (stable) • S&P confirmed the credit rating “A” (stable)
Media	<ul style="list-style-type: none"> • Regularly through press releases • At least once a year at the press conference • Periodically through interviews • Regularly through answers to journalists’ questions 	<ul style="list-style-type: none"> • Providing information to the general public • Regular and transparent information on business operations • Strengthening the positive, realistic image of the Company/ Group • Maintaining regular and positive relationships 	<ul style="list-style-type: none"> • In 2023, Sava Re had 1,801 mentions in the media, Zavarovalnica Sava 2,176 mentions, and the Sava Insurance Group 418 mentions • Responsive and timely communication with the media
Communities	<ul style="list-style-type: none"> • Direct contact with local decision-makers • Support to non-profit organisations through sponsorships and donations • Support for preventive actions • Employee assistance 	<ul style="list-style-type: none"> • Involving companies/employees in local communities and society at large • Co-financing projects important for the local community • Enhancing security through preventive actions • Infrastructure investments • Awareness raising among the population 	<ul style="list-style-type: none"> • Section “Sponsorship, donations and preventive actions” • Section “Responsibility to the community”



13.2 Economic aspect⁷⁴

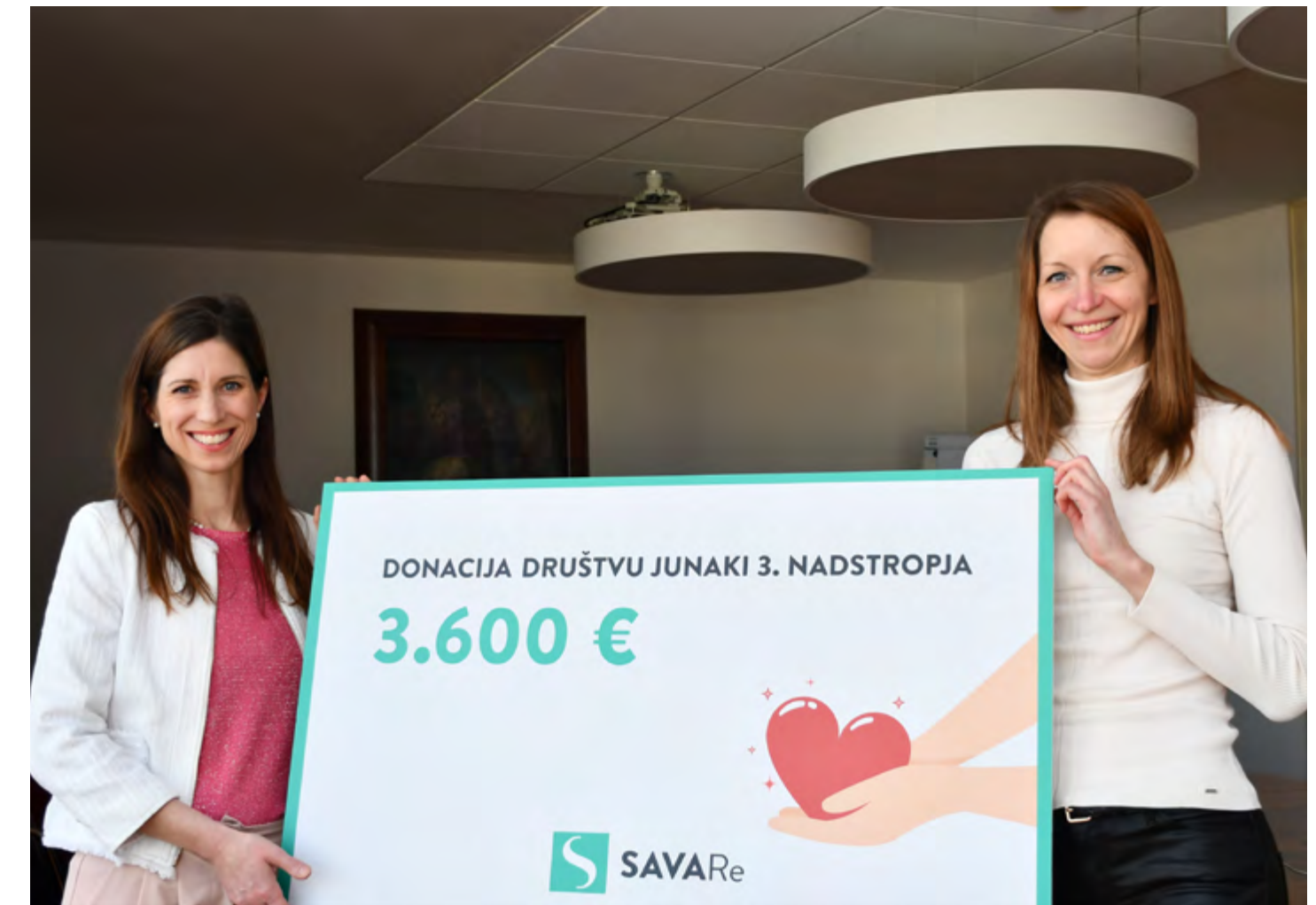
Economic performance, defined by the strategic goals in all areas and reported more extensively in the financial part of the report, is the key performance indicator for the operations of the Sava Insurance Group. This is achieved through timely risk identification and management. We believe that both financial and non-financial risks have an impact on the economic performance of companies.

Distributed economic value of the Sava Insurance Group

EUR million	2023	2022	Index 2023/2022
Other economic impacts			
Economic value generated*	867.6	729.9	118.9
Economic value distributed	827.4	705.2	117.3
Insurance service expenses, net of costs, and expenses for reinsurance contracts held	510.6	411.2	124.2
Investment expenses	30.8	49.2	62.6
Other expenses	5.5	0.4	1,287.0
Operating expenses**	137.7	114.6	120.2
Dividend payouts	24.9	23.4	106.7
Income tax expense	15.0	11.6	129.2
Investments in the social community (prevention, donations, sponsorships)	4.2	5.1	81.5
Employee payments, allowances and benefits	98.7	89.7	110.0
Economic value retained	40.1	24.6	163.1

* Economic value generated = total income less net investment income from life policies where policyholders bear the investment risk.

** Operating expenses = attributable expenses, non-attributable expenses and expenses of non-insurance companies, excluding personnel costs, sponsorship, prevention and donations.



Sava Re donates part of its donation funds to the 3rd Floor Heroes Society.



Sava Osiguruvanje (MKD) supports a centre for the homeless with a donation to the Red Cross.



13.2.1 Sponsorship, donations and preventive actions⁷⁵

As a sustainability-oriented partner, Sava Insurance Group also strengthens its social responsibility to the wider community through sponsorship and donation projects. Prevention activities encourage stakeholders to identify different risks, thus contributing to the safety of health, life and property.

For more, refer to section [13.4 “Responsibility to the community”](#).

13.2.2 Sustainability guidelines for investment⁷⁶

13.2.2.1 Responsible financial investment management⁷⁷

When managing its investment portfolio, the Sava Insurance Group is committed to sustainability by:

- ensuring that the Group’s investment portfolios are in line with the Sustainability Investment Policy of the Sava Insurance Group;
- reducing the carbon footprint of investments;
- increasing the share of ESG-compliant investments in the entire portfolio;
- increasing the alignment of investments with the EU Taxonomy.

13.2.2.1.1 Compliance of investments with the Sustainability Investment Policy of the Sava Insurance Group

The integration of environmental, social and governance (ESG) considerations into the investment process is described in the Sustainability Investment Policy of the Sava Insurance Group. This policy defines:

- guidelines on how not to finance economic activities at issue (e.g. production of alcohol, tobacco and coal for heating, adult industry, etc.). Compliance is reviewed at the time of investment and at least twice a year thereafter;
- adherence to international principles for responsible investment;
- consideration of the UN Global Compact principles in the investment process.

The UN PRI promotes the integration of ESG considerations into investment decision-making processes, and its signatories are committed to adhering to the UN PRI’s six core principles and reporting on their progress. The Group will report publicly on its compliance with the UN PRIs for the first time in 2024.

The UN Global Compact addresses human and labour rights, the natural environment and anti-corruption. At the Group level, we are committed to incorporating such principles and guidelines into our investment process, and in the future, as more detailed information becomes available, we will define the criteria for excluding such investments from our portfolio.

The investment portfolio includes all financial investments, investment property, and cash and cash equivalents, but excludes investments in subsidiaries and associates, and mutual funds covering unit-linked life insurance liabilities where the investment risk is borne by the policyholders.

The investment portfolio for which compliance with the sustainability investment policy is verified (the investment portfolio captured) includes all financial investments with the exception of deposits, loans and government securities. Also excluded are investment property, investments in subsidiaries and associates, cash and cash equivalents, and mutual funds covering unit-linked life insurance liabilities where the investment risk is borne by the policyholders.

WE SUPPORT



⁷⁵ GRI 201-01, 203-02.

⁷⁶ GRI 3-3, 203-01.

⁷⁷ GRI 3-3, 201-01.



Value of investments not aligned with the sustainability policy as at 31 December 2023

EUR	Value of non-aligned investments	Total
Non-life	4,707,095	298,725,406
Traditional life	21,400,954	255,163,668
UL with guaranteed NAVPS	0	18,871,571
Investment portfolio captured	26,108,049	572,760,644
As % of portfolio captured	4.6%	100.0%
As % of investment portfolio	1.7%	36.6%

Number of investments not aligned with the sustainability policy as at 31 December 2023

	Number of non-aligned investments	Total
Non-life	3	294
Traditional life	16	318
UL with guaranteed NAVPS	0	33
Investment portfolio captured	19	645

The tables show that as at 31 December 2023, the Group had 19 investments in its investment portfolio with a carrying amount of EUR 26.1 million that are not aligned with the Sustainability Investment Policy of the Sava Insurance Group, representing 1.7% of the Group’s investment portfolio and respecting the defined tolerance of 3% of the investment portfolio.

We also focus on the risks associated with greenhouse gas (GHG) emissions. The first step in this effort is to stop investing in economic activities such as the production of coal for heating and shale oil.

In 2023, key performance indicators to measure GHG emissions in the investment portfolio were established

and measured for the first time. We have analysed the investment portfolio in such a way as to identify the companies that contribute most to GHG emissions. The measurements made are limited by the coverage of GHG emissions data in investee companies and range from 20% to 24%, depending on the indicator. In the future, the Group will work to establish further measures to reduce or mitigate the GHG emissions in the investment portfolio and to meet the targets set out in the sustainable development strategy.

13.2.2.1.2 Share of ESG investments

ESG investments include bonds issued to finance green and environmental projects (green bonds) and sustainability bonds issued to fund the green and social sustainability objectives of issuers. ESG investing also covers mutual funds that adhere to ESG principles and alternative funds that clearly adhere to ESG principles, including by signing the UN PRIs.

We prioritise investments that are in line with ESG principles.

The Group’s ESG investments have increased by EUR 43 million from EUR 211.8 million at the end of 2022 to EUR 254.8 million at year-end 2023, or from 14.9% of the portfolio at the end of 2022 to 16.9% of the portfolio at year-end 2023.

Signatory of:





Compliance with sustainability criteria is also emphasised in infrastructure investments, real estate funds and other alternative investments, since non-compliance with the ESG guidelines generally constitutes an exclusion criterion for participation in these types of investments. The managers of such investments in the

Group’s portfolios comply with at least one industry sustainability standard (e.g. UN PRI – United Nations Principles of Responsible Investment, GRESB – Global ESG Benchmark for Real Estate or TCFD – Task Force on Climate-Related Financial Disclosures) and report in accordance with that standard.

ESG investments as at 31 December 2023

EUR	Uncalled commitment	Called up already	Total	Total investments called up or already made as % of the Group’s total investment portfolio
Infrastructure funds	3,467,053	51,231,961	54,699,014	3.4%
Real estate funds	0	14,625,508	14,625,508	1.0%
Direct infrastructure projects	0	338,858	338,858	0.0%
Private debt funds	444,447	4,555,553	5,000,000	0.3%
ESG (green and sustainable) bonds	0	172,893,245	172,893,245	11.5%
Bond mutual funds	0	6,494,309	6,494,309	0.4%
ETFs	0	4,626,781	4,626,781	0.3%
Total	3,911,499	254,766,215	258,677,714	16.9%



The Sava Insurance Group’s innovations in customer satisfaction are presented at the Ljubljana Stock Exchange Financial Festival by Polona Pirš Zupančič, a member of the Sava Re management board.



The Music for the Future Festival brings together young musical talent from Ukraine and Slovenia (photograph by Igor Unuk).



13.2.2.2 Regulation on sustainability-related disclosures in the financial services sector

Regulation (EU) 2019/2188⁷⁸ (SFDR) requires financial market participants to publicly disclose their sustainable management policies. It also requires disclosure of how sustainability risks are integrated into investment decisions and how the company addresses the principal adverse impacts of its investment decisions on sustainability factors.

In line with the SFDR requirements for these disclosures, Group subsidiaries and associates that met the criteria of a financial market participant in 2023 updated their pre-contractual disclosures in financial products accordingly and defined their approach to the principal adverse impacts of their investment decisions. In accordance with Article 4(3) of SFDR, which applies to companies with an average annual number of employees of more than 500, Zavarovalnica Sava published information on its due diligence policies regarding the principal adverse impacts of investment decisions on sustainability factors (the Principal Adverse Impact Statement – PAI) on its website.

13.2.2.3 EU Taxonomy

In 2020, Regulation (EU) 2020/852⁷⁹ was adopted as the regulatory framework for promoting sustainable investments, better known as the EU Taxonomy. The regulation aims to promote transparency of sustainability disclosures for financial market participants and the rest of the business community.

The EU Taxonomy is a classification system that helps companies and investors identify “environmentally sustainable” economic activities and make sustainable investment decisions. Environmentally sustainable activities are those that make a significant contribution to at least one of the EU’s six environmental objectives, without significantly harming the other five, are carried out in compliance with minimum safeguards and meet technical screening criteria. An economic activity that meets the above requirements is considered to be Taxonomy-aligned.

The EU’s environmental objectives are:

- climate change mitigation,
- climate change adaptation,
- the sustainable use and protection of water and marine resources,
- the transition to a circular economy,
- pollution prevention and control,
- the protection of healthy ecosystems.



Annual meeting of Sava Insurance Group employees who work in procurement, compliance, internal audit and personal data protection.

⁷⁸ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
⁷⁹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.



13.2.2.3.1 From EU Taxonomy eligibility of the investment portfolio to its EU Taxonomy alignment

The Group has already disclosed in its 2021 and 2022 annual reports the proportion of exposure to EU Taxonomy-eligible economic activities, as required by Delegated Regulation 2021/2178⁸⁰ on disclosures.

Economic activity is considered to be eligible if it is identified by the Climate Delegated Regulation⁸¹ and, in the future, by the Environmental Delegated Regulation⁸² as having a high potential to contribute to at least one environmental objective, regardless of whether it meets the technical criteria set out in these regulations.

However, from 2024, financial undertakings are required to disclose the proportion of exposure to EU Taxonomy-aligned economic activities, and a range of other sustainable investment information, in line with Article 8 of the EU Taxonomy, and the Group is following this requirement.

An economic activity that meets the above requirements is considered to be Taxonomy-aligned.

The content and presentation of the information that companies are required to disclose on environmentally sustainable economic activities and the methodology for fulfilling these disclosure obligations are set out in the Disclosures Delegated Regulation. In this respect, the Group discloses below one of its key performance indicators, the proportion of EU Taxonomy-aligned investments, which is the weighted average of the value of all investments aligned with this Taxonomy over the so-called captured assets.

The investment portfolio consists of the following items in the statement of financial position: financial investments, investment property and cash. However, exposures to central government units, central banks and supranational issuers are excluded from the covered assets in accordance with Article 7 of Delegated Regulation 2021/2178. They relate to portfolios covering non-life insurance liabilities, traditional life insurance liabilities, life insurance liabilities where the investment

risk is borne by the policyholders, and the company's own funds. In 2023, the assets covered amounted to 98.24% of the total amount of assets under management.

For investments in mutual funds, exchange-traded funds (ETFs) and alternative funds (infrastructure funds, real-estate funds and private debt funds), the Group implemented a look-through approach to ensure that the EU Taxonomy alignment is calculated for each investment in these funds. The look-through approach was applied to level 1 investments in the fund. The Group did not apply the look-through approach to 5.9% of all funds as information on the breakdown of the funds into individual investments was not available.

The alignment of investments with the EU Taxonomy in 2023, based on revenue, was 1.57% of the assets covered or EUR 21.0 million. Meanwhile, the alignment of investments with the EU Taxonomy, based on capital expenditure, was 2.87% of the assets covered or EUR 38.2 million.

Information on the alignment of investments with the EU Taxonomy is provided by an external data provider, Moody's Analytics, which relies exclusively on data obtained directly from companies and does not use estimated data.

Detailed information at the investment portfolio level is presented below in relation to the requirements of the EU Taxonomy as defined in template 2 of annex X to the Disclosures Delegated Regulation. The remaining disclosures required by the Disclosures Delegated Regulation are set out in appendix C to the annual report. It was not possible to obtain the information required by annex XII to the Disclosures Delegated Regulation. Sava Re will disclose the data from annex XII in subsequent reporting periods when they become available.

⁸⁰ Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (OJ L 443/2021 of 10 December 2021) – Disclosures Delegated Regulation.

⁸¹ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives – Climate Change Delegated Regulation.

⁸² Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities – Environmental Delegated Regulation.



The proportion of the insurance or reinsurance undertaking’s investments that are directed at funding, or are associated with, Taxonomy-aligned activities in relation to total investments

Sava Insurance Group	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI (%)	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below (EUR):
Turnover-based:	1.57%	20,965,625
Capital expenditures-based:	2.87%	38,238,940
	The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.	The monetary value of assets covered by the KPI (EUR). Excluding investments in sovereign entities.
Coverage ratio:	98.24%	1,331,208,352

The proportion of the insurance or reinsurance undertaking’s investments that are directed at funding, or are associated with, Taxonomy-aligned activities in relation to total investments

Sava Re	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI (%)	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below (EUR):
Turnover-based:	3.37%	4,867,511
Capital expenditures-based:	5.34%	7,718,052
	The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.	The monetary value of assets covered by the KPI (EUR). Excluding investments in sovereign entities.
Coverage ratio:	30.62%	144,634,594

13.2.2.3.2 Restrictions

The low percentage of alignment is due to the discrepancy between the investments included in the numerator and denominator of the KPI. The numerator, unlike the denominator, does not include exposures to companies not subject to the requirements of Articles 19a and 29a of the Accounting Directive (2013/34/EU) and exposures to derivatives, but consequently includes a smaller number of investments than the denominator.

The calculation is also limited by the low coverage of the investment portfolio with data on the alignment of companies with the EU Taxonomy. The limited database of companies for which the external provider provides data is one of the reasons for this. In addition to large companies that are already subject to Taxonomy-alignment reporting, the investment portfolio also includes small and medium-sized companies that are not yet subject to such reporting. In view of the above, it is reasonable to expect that data coverage will improve as regulatory requirements are extended to more companies and information on the alignment of investments with the EU Taxonomy becomes more relevant.

13.2.3 Risks and opportunities arising from climate change⁸³

Climate change poses a serious risk to society and the economy and has a significant impact on the activities of insurance and reinsurance companies, affecting the ability of policyholders to take out insurance, and the underwriting, operating and investing activities of insurers.

The Sava Insurance Group and Sava Re are directly and indirectly exposed to climate change risks as a result of their operations, so it is crucial to monitor and manage these risks. The Group and the Company monitor climate change risks, including physical and transition risks. Physical risks are those that arise from the physical effects of climate change. Transition risks are those that arise from the transition to a low-carbon and climate-resilient economy.

Physical risks are extremely important, as the harmful effects of global warming on natural and human systems are already visible today. Without further international climate action, the average global temperature will continue to rise, and so will the unpredictability of damage associated with the risk of natural disasters. This may result in higher underwriting risk and, consequently, the need to change business strategies. Also significant is transition risk, which relates to potential

material negative impact on the value of investments and other significant effects on business operations.

Both transition risk and physical risks are and will continue to be of great importance to the Group and its companies, so they are subject to constant Group-level monitoring. Climate risks are also addressed (qualitatively and quantitatively) in the own risk and solvency assessment (ORSA).

In terms of physical risks from natural catastrophes, 2023 was a more turbulent year for the Sava Insurance Group than the previous year, as Slovenia and several other countries where the Group operates were hit by a series of storms and floods that caused significant damage to property. The gross claims resulting from these events amounted to EUR 88.3 million in 2023 and, taking into account our reinsurance protection, the impact of these events on the Group's result was EUR 27.4 million. Zavarovalnica Sava, which was affected by five loss events exceeding EUR 1 million during the year, and Sava Neživotno Osiguranje, Belgrade, which was affected by two such loss events, had the most significant impact on the business result in relation to the aforementioned events.

In the non-Group reinsurance portfolio, Sava Re suffered five loss events for which its share of the loss exceeded EUR 1 million. More severe natural catastrophes have further tightened reinsurance conditions,

which can make it more difficult to underwrite reinsurance.

Investments in sustainable development and preventive activities (renewables and awareness-raising among policyholders) will continue to be factors that will have a significant impact on the scope and scale of losses due to natural disasters.

13.2.3.1 Product development and underwriting⁸⁴

Ecological (increasing pressure on the environment due to population growth, pollution from waste and other ecological issues), climate (greenhouse gas emissions and extreme weather events) and social changes (introduction of new technologies, changes in legislation, demographic trends and population migration) are shaping a new landscape for the development of new products and underwriting. This leads to:

- new opportunities in the development of innovative products and services,
- preparations for the transformation of underwriting rules for new and unfamiliar risks (e.g. climate change and related less common or unusual weather-related natural disasters), further supported by the significant adverse weather events in Slovenia in 2023.

Sustainability factors in products

In 2023, we continued to expand some of the Sava Insurance Group's products with a strong sustainability component. In addition to the solar panel insurance already marketed by the Slovenian part of the Sava Insurance Group, subsidiaries in Serbia, Montenegro and North Macedonia also started to develop such products in 2023.

Insurance companies operating in markets subject to European regulation carry out ongoing assessments of compliance with sustainability factors for each new or renewed insurance product. Their findings are set out in separate documents dealing with the oversight and governance arrangements for these products.

In line with the criteria already developed to identify sustainability factors, when developing new insurance products or modifying existing ones, insurers operating in markets subject to European regulation assess whether each new or modified insurance product meets any of the sustainability factors. They also assess their direct or indirect impact on the environment, society, employee issues and respect for human rights. For each new or modified insurance product, the product approval process must identify the target market and the group of compatible customers. The target market must be identified by taking into account the characteristics, risk profile, complexity and nature of the insurance product, and its sustainability factors.

⁸³ GRI 3-3, 201-02.

⁸⁴ GRI 3-3, 305-01, 305-02, 305-03, 302-01.



Development of financial products

The Taxonomy and SFDR have standardised the criteria for the entire European market. Sustainability factors in financial products are clear and prevent greenwashing. The Sava Insurance Group keeps track of regulations and implements them in a timely manner (relevant disclosures, adoption of relevant policies, etc.).

Responsible insurance and reinsurance underwriting

As the Group’s insurers and reinsurer, we recognise the importance of environmental risks, and we are committed to adopting and introducing internal regulations that will contribute to responsible underwriting of environmental, social and governance risks in non-life insurance.

In accordance with the Sava Insurance Group Guidelines for Responsible Underwriting Environmental, Social and Governance Risks in Non-Life Insurance Business, adopted in 2022, our main focus in 2023 was to find ways to improve the monitoring and reporting system in relation to these guidelines. In this respect, we have taken some steps to increase automation in this area while making the purpose of the guidelines more transparent to help stakeholders better understand environmental, social and governance risks.

Group companies have prepared reports in accordance with these guidelines, which also include information on cases requiring special attention in the underwriting process. These are cases defined in the guidelines as “potentially high or imminent risk”. We found a total of 899 such cases in the Group, while the share of the pre-

mium related to these cases represents around 0.33% of the total non-life premium. In this respect, companies in an underwriting environment also monitor the profile of such policyholders to the extent possible, meaning that if they perceive that the policyholders’ system for managing risks is ineffective, they will refuse to underwrite those risks.

In addition to the insurance business, the guidelines have also been taken into account in the reinsurance business, together with any necessary conforming changes.

In reinsurance, based on the above guidelines, we monitored transactions exposed to ESG criteria at the time of reinsurance underwriting, in particular for the non-Group facultative reinsurance. In the non-Group treaty reinsurance, we have been looking for new reinsurance opportunities that would have a positive impact on sustainability.

Providing adequate data

Given the increasing complexity of the decision-making process with regard to ESG criteria, we have continued to establish an appropriate data collection system within the Group in order to introduce the guidelines for responsible insurance portfolio management and to ensure the provision of relevant data in accordance with existing and emerging regulations. We have also taken steps to standardise the way we report and monitor the impact of the introduction of ESG criteria. The Group also follows the Taxonomy reporting commitment, where disclosures are linked to the proportion of Taxonomy eligibility.



The Sava Insurance Group holds its annual Sustainability Conference online.



The Sava Insurance Group Conference on finance, accounting and controlling.



13.2.3.2 Taxonomy-aligned non-life insurance activities

The Sava Insurance Group offers the following insurance coverages:

Consolidated gross premiums written as a percentage of premiums by class of business*

EUR		Gross premiums written			Share
		2023	2022	Index	
1	Medical expense insurance	17,820,110	12,802,027	139.20	2.56%
2	Income protection insurance**	0	3,230,277	0.00	0.00%
3	Workers' compensation insurance	17,028,861	23,805,490	71.53	2.45%
4	Motor vehicle liability insurance	165,750,692	137,553,034	120.50	23.81%
5	Other motor vehicle insurance	93,518,266	73,431,760	127.35	13.43%
6	Marine, aviation and transport insurance	7,053,876	15,063,293	46.83	1.01%
7	Fire and other damage to property insurance	151,519,399	182,211,159	83.16	21.77%
8	Assistance	31,405,947	24,906,233	126.10	4.51%
9	Total (1-8)	484,097,150	473,003,272	102.35	69.54%
10	Other non-life	212,042,985	38,568,918	549.78	30.46%
11	Total non-life	696,140,135	511,572,190	136.08	100%
12	Life insurance	189,518,285	176,006,776	107.68	
13	Total	885,658,420	687,578,966	128.81	

* Data on gross premiums written of Group insurers for the non-Group business (item 9). The above data in the table for 2023 do not include the portion of the premium that refers to risk coverage that is not directly related to climate change (points 10.1 and 10.2 of annex II to the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021), while taking into account the substantive compliance with the technical criteria of the said Delegated Regulation in relation to Taxonomy alignment. The data in the table on the premium (item 9) related to climate change mitigation activities (do no significant harm (DNSH) within the scope of the above points of the Delegated Regulation) cover the estimated value of the portion of the premium.

** The data in the table related to the activity under item 2 of the table (income protection insurance) take into account the clarification of the European Commission of 21 December 2023 (Draft Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets – third Commission Notice), which foresees the entry of zero value in cases where it is not possible to capture certain data.

The remaining disclosures required by the Disclosures Delegated Regulation are set out in appendix D to the annual report. It was not possible to obtain the information required by annex XII to the Disclosures Delegated Regulation. Sava Re will disclose the data from annex XII in subsequent reporting periods when they become available.



13.2.4 Relations with suppliers and the procurement policy⁸⁵

Group companies coordinated the procurement policy and made it more uniform, which involves strategic priorities and principles governing a transparent procurement process. The sustainability objectives of the procurement process are:

- the establishment and maintenance of partnerships with suppliers (which are our existing or potential policyholders); therefore, we prefer to locate suppliers from the local environment;
- the definition of additional criteria for the selection of suppliers that take into account environmental and social aspects, and the definition of criteria to be met by local suppliers.

Internal regulations prescribe the inclusion of an anti-corruption clause in all purchase agreements⁸⁶.

When ordering, taking over and paying for goods, we follow the four-eyes principle, which ensures a high degree of individual control over the business procurement process. At Sava Re, we assess the risk inherent in procurement on a quarterly basis⁸⁷. In 2023, a new questionnaire was developed and validated in line with the requirements of European standards to verify the

suppliers' sustainability⁸⁸. The questionnaire will be sent to existing and new suppliers of Group companies with an expected annual turnover of at least EUR 5,000 including VAT via a proprietary application for completion in 2024. The general terms and conditions of business cooperation, which were renewed in 2023 and generally constitute an integral part of every purchase, also emphasise the concern for the company's sustainable development. Mechanisms for monitoring suppliers' sustainability are also included in the updated internal regulations governing the business procurement process in all Group companies. Suppliers' sustainability was also one of the main topics at the procurement conference, attended by procurement officers of all Group companies.

Group companies' suppliers are mainly providers of consulting services, IT maintenance and upgrade services, office supplies, small tools, computer hardware and software, and company cars.

All Group companies are required to partner with local suppliers by the very nature of the business and the need to establish long-term partnerships in their own communities. The local market of any Group member is the entire country in which its head office is situated⁸⁹.

To a lesser extent, some of the purchases are also made outside their home country (in particular for goods and services that cannot be sourced in their home country or are offered at non-competitive prices). In the case of producers or service providers from other countries, business relationships are established through local agents or representatives. Frequently, looking for suppliers in foreign markets is not reasonable because companies can make purchases under better conditions and with less risk with local suppliers.

One of the objectives of the Group's procurement policy is the collaboration of companies in joint procurement. This most often involves companies registered in the same country. IT solutions are generally purchased and developed at the Group level. Joint procurement optimises the procurement process, reduces costs and mitigates risks in the products or services purchased. At the same time, we facilitate the sharing of expertise, experience and best practices between Group companies.

The Sava Insurance Group ensures a competitive and transparent supplier selection process by sending requests for quotations to a number of potential suppliers and by increasing the responsibility and authority for decision-making regarding the selection of suppliers

based on the estimated value of the goods. Special attention is paid to the development of quality criteria, mutual cooperation, creation of synergy and price competitiveness (rebate scales and similar), all of which are considered an appropriate basis on which to assess suppliers.

The Company's or Group's procurement policy is also governed by several other internal regulations which set out procedures and instructions. These include the fleet management policy, the rules on procurement, use and maintenance of company vehicles, the rules on the use of information technology assets, and similar.

Sava Re and all Group companies settle their obligations to suppliers within agreed deadlines.

13.2.5 Financial assistance received from the government⁹⁰

Zavarovalnica Sava was reimbursed by the government for the salaries paid to its employees for their short-term absences of up to three days.

Illyria Life (RKS) received financial assistance from the Treasury of the Republic of Kosovo and a government grant to support operations totalling EUR 3,946.47.

⁸⁵ GRI 2-6, 204-1.
⁸⁶ GRI 205-1.
⁸⁷ GRI 205-1.
⁸⁸ GRI 414-1.
⁸⁹ GRI 204-01.
⁹⁰ GRI 201-04.



13.2.6 Definition of other government incentives

In 2023, Sava Re was again granted a partial 30% exemption from the payment of employer’s contributions for employees who reached the age of 60 and the exemption from the payment of the employer’s share of social security contributions on employment contracts concluded for an indefinite period. These refunds totalled EUR 5,944 (2022: EUR 9,326).

Sava Re also set up a collective voluntary supplementary pension insurance scheme funded by the employer and has a contract in place on the accession to the pension company’s pension scheme, registered in the pension scheme register at the Financial Administration of the Republic of Slovenia. Based on these contracts, the Company pays a voluntary supplementary pension insurance premium for those employees who have joined the pension scheme and are thus entitled to a reduced income tax base for the amount of the voluntary supplementary pension insurance premium paid in the tax year for its employees to the pension scheme provider. The total value of this tax relief was EUR 214,326 (2022: EUR 201,720).

Subsidiaries exercise incentives or reliefs in accordance with local legislation (employment of the disabled, inclusion of employees in the pension schemes, etc.).

13.2.7 Tax⁹¹

The Tax Policy of the Sava Insurance Group was developed and adopted in 2023.

The Group is committed to sustainability-oriented operations in accordance with legislation and its own commitments. The tax policy was adopted to define the implementation of a policy of tax compliance with legal tax frameworks, tax ethics, tax principles and best tax practices in the tax jurisdictions in which the Group operates.

The Group’s tax policy provides a framework for tax governance that ensures that the Group’s conduct in tax matters is guided by clear principles, values and rules that enable each employee and each Group company to make appropriate decisions in compliance with tax laws. Therefore, the fundamental purpose of the policy is to set expectations and responsibilities within the Group to ensure that its tax practices are socially responsible.

The primary objective of the Group’s tax policy is to ensure compliance with the applicable tax regulations in all jurisdictions in which the Group operates, in accordance with the activities carried out in each jurisdiction. This principal objective of respecting and complying with tax rules must be aligned with the principles

of corporate governance and the operation of Group companies. The Group’s tax policy promotes responsible tax behaviour, which means taking into account the Group’s business interests and the development of the community in which it is involved, thus ensuring the application of best tax practices.

The tax policy sets out the Group’s tax ethics, tax principles and general rules for tax governance. The basic principle of the Group’s code of ethics is to act honestly, ethically and in accordance with the law, the company’s internal regulations and corporate governance guidelines. In line with this basic principle, which is reflected in all of the Group’s established tax principles:

- we file tax returns and tax accounts diligently and on time, comply with reporting requirements and pay all taxes due on time in accordance with applicable tax regulations;
- we seek to maximise the use of tax exemptions, tax reliefs and tax deductions, avoid double taxation and claim other tax benefits, all within the framework of legally permissible and consistent tax optimisation and planning;
- we aim to prevent and manage tax risks related to the Group’s strategic focus areas. We structure our business models to maximise the Group’s business objectives;
- we are committed to an arm’s length pricing policy for all related party transactions;

- we aim to strengthen our relationship with the tax authorities based on respect for the law, reliability, professionalism, cooperation, reciprocity and good faith, without provoking unnecessary tax disputes that may arise with the tax authorities when defending a corporate interest in the interpretation of the applicable legal provisions;
- we reject all forms of tax evasion and unfair tax practices;
- we aim to be recognised by our stakeholders as a responsible and community-minded organisation, particularly in line with our sustainable development strategy. This extends to our tax philosophy. Taxes provide for public health services and education. They provide for security as well as the construction and maintenance of public infrastructure. Taxes are a tool for progress and development, forging relationships between the wider community and businesses.

The following table shows the amount of taxes and contributions assessed or paid by type and by tax jurisdiction in which the Sava Insurance Group operates.



2023 (EUR)

Tax jurisdiction / type of tax	Slovenia	Croatia	Montenegro	North Macedonia	Kosovo	Serbia	Total
Corporate income tax paid	11,243,747	0	778,206	530,887	349,506	29,994	12,932,340
Taxes on emoluments paid to natural persons (employer contributions and taxes)	6,886,789	625,145	73,803	132,584	0	48,501	7,766,822
Taxes and contributions withheld and paid on behalf of employees	17,824,106	782,248	332,151	1,453,580	582,849	1,351,002	22,325,936
Value added tax	6,114,255	189,215	215,596	46,125	1,706,408	271,064	8,542,663
Insurance premium tax	39,762,200	1,839,792	1,576,344	0	304,433	1,552,878	45,035,647
Fire brigade charge	5,624,925	23,958	27,383	318,714	0	0	5,994,980
Financial services tax	64,924	0	0	0	0	0	64,924
Fee for use of building land	333,954	0	14,268	0	0	10,029	358,251
Other charges	7,380	262,919	10,440	0	0	3,910	284,649
Total	87,862,280	3,723,277	3,028,191	2,481,890	2,943,196	3,267,378	103,306,212

2022 (EUR)

Tax jurisdiction / type of tax	Slovenia	Croatia	Montenegro	North Macedonia	Kosovo	Serbia	Total
Corporate income tax paid	17,134,075	0	340,540	133,326	229,398	121,759	17,959,098
Taxes on emoluments paid to natural persons (employer contributions and taxes)	7,380,457	579,275	59,026	112,485	0	24,833	8,156,076
Taxes and contributions withheld and paid on behalf of employees	19,787,061	707,956	904,225	1,300,861	429,810	1,138,422	24,268,335
Value added tax	6,057,261	103,427	153,301	53,197	1,506,804	132,679	8,006,669
Insurance premium tax	32,171,006	1,530,713	1,348,363	0	286,990	1,263,202	36,600,274
Fire brigade charge	3,475,964	23,716	40,473	291,857	0	0	3,832,010
Financial services tax	90,511	0	16,944	0	0	0	107,455
Fee for use of building land	303,328	0	668	0	0	7,240	311,236
Other charges	12,586	205,153	11,390	0	0	60,250	289,379
Total	86,412,249	3,150,240	2,874,930	1,891,726	2,453,002	2,748,385	99,530,532



13.3 Social aspect

13.3.1 Responsibility to employees⁹²

At the Sava Insurance Group, we are aware of our responsibility to our employees and have made it a fundamental goal of our sustainable development strategy to act in such a way .

In section 9 “Human resource management”, we report in detail on matters related to employees or HR affairs.

13.3.2 Responsibility to consumers⁹³

To manage the process of providing services, all companies have in place rules, protocols or instructions that have a pivotal role in ensuring quality and, in turn, customer satisfaction: for underwriting, claims settlement, instigation of recourse proceedings and complaints resolution. In accordance with applicable regulations, there is also a description of the procedures for providing information on insurance products or services.

At the Sava Insurance Group, we strive to meet our customers’ expectations with our products and services, and this is reflected in the awards and commendations. Here are some of the most notable:

Sava Infond

Four Sava Infond funds received a total of six awards as the best fund in their category at the Moje Finance magazine awards for the best mutual funds marketed in Slovenia. In addition, Damjan Kovačič received the title “Best-performing Fund Manager in Slovenia” for his excellent management of the Infond Družbeno Odgovorni (Socially Responsible) Fund, an equity sub-fund.

Sava Penzisko Društvo (MKD)

In 2023, the company was awarded the European title of “Small Pension Fund” by Investment & Pensions Europe and the title of “Best Pension Company in North Macedonia 2023” by World Finance.

Zavarovalnica Sava

The SavaFit incentive programme, through which the insurance company strengthens its concern for the health of its policyholders by motivating them to be physically active through discounts on insurance premiums and benefits offered by selected partners, was awarded the silver plaque “Best Innovation of the Podravje Region 2023”.

13.3.3 Customer in the centre and digitalisation of operations⁹⁴

In 2023, we focused on optimising e-commerce customer service and introducing new central services for customer data management. We expanded our existing services to include a centralised consent management service and continued the development of a centralised authorisation management service.

We supported ongoing customer communication campaigns with a communication campaign management solution and an automated e-communication solution, giving us both a better overview of overall customer communication and greater control over communication at key moments in the policy and investment life-cycles.



⁹² GRI 3-3.
⁹³ GRI 3-3.
⁹⁴ GRI 3-3.

13.3.4 Customer communication and information⁹⁵

13.3.4.1 Customer communication and information in pre-contractual disclosures in the distribution of financial products

Important milestones in communicating information to customers were Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR) and Regulation (EU) 2020/852 on technical standards (Taxonomy), which regulates the assessment of sustainable investments. The SFDR requires financial market participants and financial advisors offering financial products to publish written policies on the integration of sustainability risks and to ensure the transparency of such integration.

In accordance with the SFDR, the financial service providers of the Sava Insurance Group (Zavarovalnica Sava and Vita, Sava Pokojninska and Sava Infond) provide detailed information on investment decisions and their impact on sustainability in the context of customer communication and information on their websites and in the pre-contractual disclosures of their financial products.

13.3.4.2 Customer information about sustainability factors in insurance products

In accordance with adopted regulations, the sustainability factors of the insurance products offered by the financial service providers of the Sava Insurance Group are presented in a comprehensive and transpar-

ent manner. This enables financial service providers to provide relevant information to the distributors of their products, who in turn communicate this information to existing and potential customers of the Sava Insurance Group as part of their business activities.

As part of the amendments to Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, which regulate the inclusion of sustainability factors and sustainability risks and preferences in the requirements for product supervision and governance, and in the business rules and investment advice for investment insurance products, the insurance companies of the Sava Insurance Group in the relevant markets (Slovenia and Croatia) take sustainability factors and objectives into account in the processes of development or approval of an insurance product, determination of its target market, distribution method, governance and supervision. These insurance companies regularly publish documents on their websites detailing the sustainability factors of their products.

13.3.5 Compliance⁹⁶

The Sava Insurance Group is obligated to comply with extensive legal and regulatory requirements as well as voluntary obligations. More than 3,000 employees working in Group companies are obliged to abide by these rules. The compliance function ensures that this commitment is implemented in practice, namely by



Ohrid Regatta: Sava Penzisko Društvo (MKD) employees regularly engage in local sustainability projects.



Skopje Marathon: Sava Osiguruvanje (MKD) promotes sports activities in the local community through the active participation of its employees.

⁹⁵ GRI 3-3, 417-01.

⁹⁶ GRI 419.

creating rules, raising awareness, monitoring compliance with the rules and upholding integrity.

13.3.5.1 Organisation of the compliance function

Like the Sava Insurance Group, the compliance function is also decentralised. Each company has its own key compliance function holder, and these are overseen by the Sava Insurance Group compliance function holder. Roles, responsibilities and minimum standards are defined by the Sava Insurance Group's compliance policy. Function holders in each company are responsible for monitoring the legal situation, making recommendations for the adoption of relevant measures, identifying and assessing compliance risks, adopting measures to prevent violation of the rules, providing advice to employees, and monitoring existing processes and potential compliance incidents. The Group-level function holder provides recommendations to function holders in subsidiaries, and assists and monitors them in fulfilling their obligations.

13.3.5.2 Exchange of information within the Sava Insurance Group

To ensure compliance across the Group and continuous improvement of the compliance system, all compliance function holders normally meet once a year.

External experts are also invited as speakers, and together they discuss topics, such as a comprehensive overview of the compliance management system, international standards and best practices with a focus on the role of compliance function holders and providers, characteristic compliance risk areas, how to perform compliance reviews and fulfil other duties of the compliance function holder, the EU Whistleblower Protection Directive and its effects on a company's business, other relevant EU and local regulations, and similar.

Each month, compliance function holders in all non-Slovenian subsidiaries report to the Group-level function holder on new or amended regulations that affect the business operations of the relevant company. The list contains the name of the regulation, a brief description of essential changes affecting the company's business, a list of processes affected by these changes, the time limit for implementing the changes, the persons responsible for implementing the changes and, where relevant, the estimated costs involved.

The reporting system established at the Group level facilitates the respective business function holders in managing risks associated with redesigning the business processes that were introduced due to amended legal regulations.

In 2024, the compliance function will continue to provide guidance and oversight in the implementation of EU sustainability regulations, including the Corporate Sustainability Reporting Directive (CSRD) with the European Sustainability Reporting Standards (ESRS), the Sustainable Finance Disclosure Regulation (SFDR), the Non-Financial Reporting Directive (NFRD), the EU Taxonomy Regulation, and the Corporate Sustainability Due Diligence Directive (CS3D).

13.3.5.3 Outsourced transactions

The Sava Insurance Group companies may outsource a function or activity that is critical or important for a company's business so that it is performed better and/or more efficiently. This entails certain risks, such as dependence on external service providers and similar. Group companies are therefore very careful when outsourcing, taking into account all legal requirements and recommendations by local regulators. The outsourcing policy of the Sava Insurance Group sets out the minimum outsourcing standards for Group and non-Group contracts.

13.3.6 Complaint resolution

When handling complaints submitted by policyholders (and other beneficiaries of insurance contracts), individual companies that are insurance or pension companies follow the rules and procedures for resolving complaints that comply with local laws and the guidelines of the European Insurance and Occupational Pensions Authority (EIOPA), whereas the asset management company complies with the guidelines of the European Securities and Markets Authority (ESMA) in addition to the applicable laws and regulations in this area.

In accordance with the Sava Insurance Group Governance Rules, complaints addressed at Sava Re but relating to subsidiaries' operations are recorded with Sava Re. After complaints have been examined, they are submitted to subsidiaries for resolution. The Group governance department of Sava Re maintains an internal online register of such complaints. Three complaints were lodged in 2023.

All subsidiaries also have internal rules, prescribed procedures and instructions for monitoring and handling complaints in accordance with applicable laws.



13.3.7 Fair business practices⁹⁷

The values and principles of ethical conduct are defined in the Code of Ethics of the Sava Insurance Group (the code of ethics), which was also adopted by the Group's subsidiaries. The general principles of the code of ethics are the core values of the Sava Insurance Group, which are binding on all our employees and include, among others, business compliance, protection of reputation, respect for the dignity and integrity of the individual, protection of trade secrets and other confidential information, honest and fair business practices, respect for market rules, professionalism and care for employees, equal information to all shareholders, transparency and integrity of information, avoidance of conflicts of interest, sustainability orientation and respect for human rights. Employees who become aware of violations of the code of ethics or other binding rules must report them to the compliance function holder. No violations of the code of ethics were observed in 2023.

The insurers also comply with the provisions of the adopted Insurance Code to ensure business development, a professional underwriting process and professional conduct. The (re)insurance companies operate in accord-

ance with market principles, market competition based on loyalty and integrity, and insurance economics and business ethics, with the aim of providing customers with high-quality (re)insurance protection.

Sava Re has also signed the Slovenian Corporate Integrity Guidelines, which commits the Company to creating a work environment based on a culture of corporate integrity, zero tolerance for illegal and unethical conduct of its employees, and compliance with legislation, rules and values, as well as on the highest ethical standards.

Sava Re uses the revised Slovenian Corporate Governance Code for Listed Companies, which came into effect on 1 January 2022, as its reference code.

At the end of 2017, Sava Re also adopted a policy on the diversity of the management and supervisory boards of Sava Re, which governs, among other issues, the gender- and age-balance of all board members.⁹⁸ Sava Re has integrated respect for human rights in its operations in accordance with the applicable legislation and follows the proposed National Action Plan of the Republic of Slovenia on Business and Human Rights.

With the Policy on Ensuring the Inviolability of the Person and Protection of Personal Dignity in the Sava Insurance Group, we publicly declare that ensuring the inviolability and protection of the personal dignity of employees and other persons involved in work and business processes is one of our key priorities, and we strive to provide and maintain a safe workplace in which no one is exposed to violence (in particular sexual violence), harassment (in particular sexual harassment), discrimination and bullying. Every employee working for an employer has the right to equal treatment, dignity and personal integrity in the workplace. The Act on the Procedure for Dealing with Violations of the Rights to Inviolability of the Person and Personal Dignity in the Sava Insurance Group establishes a protocol for identifying and resolving such risks⁹⁹. In 2023, Sava Re recorded no such cases.

With the adoption of the Slovenian Reporting Persons Protection Act (ZZPri), which entered into force on 22 February 2023, Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law was transposed into the Slovenian law. Sava Re has defined the internal reporting procedure under ZZPri in the Policy for the Establishment of an Internal Reporting

Procedure Pursuant to the Act on the Protection of Reporting Persons in the Sava Insurance Group. The policy applies to Sava Re and serves as a reference document for its subsidiaries. Most of the subsidiaries have already integrated the Group's internal regulations into their operations, while some have done so only partially or in different ways due to different local legislation (e.g. North Macedonia and Montenegro). Sava Re employees were informed of the adoption of the policy and the rules. Both internal regulations were presented to them in a webinar, a recording of which is available to them on the Company's intranet.

Sava Re follows the principles and guidelines of the rules on the management of conflicts of interest. The rules aim to mitigate the effects of conflicts of interest and manage conflicts of interest that may arise in the performance of the duties and tasks of individuals in the Company by establishing and implementing procedures and measures to be applied when a conflict of interest arises.¹⁰⁰

Fraud prevention and detection systems are in place in all Group companies. In this regard, we continuously update the Group's system and procedures, in particular by raising awareness, building knowledge and complying with standards of ethical conduct.

⁹⁷ GRI 2-15, 2-23, 3-3, 205-1, 205-3, 419-01.

⁹⁸ GRI 405-1.

⁹⁹ GRI 412-03.

¹⁰⁰ GRI 2-23.



13.3.8 Anti-corruption¹⁰¹

In accordance with the provisions of the Slovenian Corporate Integrity Guidelines, the Sava Insurance Group procurement policy and internal regulations of the Slovenia-based Group members, all contracts establishing legal relations must include an anti-corruption clause, general terms and conditions of business cooperation, and provisions regarding confidential data and protection of personal data.

Sava Re's rules on the management of conflicts of interest set out the procedures and rules relating to receiving gifts, entertainment and hospitality. A detailed and transparent gift policy reduces the risk of unfounded allegations and the spread of distrust regarding employee integrity in the discharge of their duties.

The Sava Insurance Group did not record any corruption cases in 2023.¹⁰²

13.3.9 Protection of personal data¹⁰³

At the Sava Insurance Group, we are aware of the wider social implications of the irresponsible handling of personal data, and we take particular account of trends in artificial intelligence or machine learning, smart devices and other modern digital technologies. In line with our

commitment to high ethical standards, we focus our attention on this area in close connection with the provision of cyber security and go beyond the minimum requirements of the law. The companies strive to ensure open, transparent and straightforward communication with individuals whose data they process, including through user experience planning.

In 2021, Sava Re set up a support function for privacy and personal data protection and adopted the Privacy and Personal Data Protection Policy of the Sava Insurance Group. In particular, the policy strengthens the role and competencies of data protection officers (DPOs) and integrates privacy as an important concern into all relevant business and support processes.

The Sava Insurance Group companies have in place internal regulations that define the procedures and measures for the protection of personal data and the management of risks that the processing of personal data in business and support processes poses to the rights of individuals. The data are protected through technical and organisational measures designed to ensure their confidentiality, integrity and availability, and risk minimisation mechanisms are built into the processing operations.

Due to the adoption of new legislation in the Republic of Slovenia, the Slovenia-based companies also focused their personal data protection activities in 2023

on adapting to these changes. In 2023, Sava Insurance Group subsidiaries continued to digitalise the management of personal data protection and strengthened cooperation between relevant stakeholders to sustainably manage the privacy of the Group's employees, customers and business partners.

The Sava Insurance Group did not identify any major incidents in personal data protection in 2023.

13.3.9.1 Cyber security¹⁰⁴

The Sava Insurance Group pays very close attention to cyber security, for which we continuously strengthen internal system controls with IT and organisational solutions while training and educating our employees in the area of information security.

Information security is part of section [12 "Information technology"](#).

13.3.10 Respect for human rights¹⁰⁵

The Sustainable Development Policy of the Sava Insurance Group requires the Group companies to ensure respect for human rights in accordance with international conventions and applicable legislation, in particular:

- in corporate governance, by adopting and implementing rules on the diversity of management and

supervisory bodies;

- in human resource management, by adopting and implementing internal rules to ensure the dignity and integrity of the individual and the prevention and elimination of psychosocial risks in the workplace;
- in the procurement of goods and services, by assessing suppliers or contractors using appropriately designed questionnaires, checking their references and requiring contractual commitments from suppliers to respect labour and social rights and fundamental freedoms;
- in non-life underwriting, by adhering to the Sava Insurance Group's guidelines for responsible non-life underwriting of environmental, social and governance risks;
- by implementing the principles of the UN Global Compact;
- in relation to customers who are individuals, by adopting and implementing internal rules on respect for privacy, the protection of personal data and consumer rights.

13.3.11 Contributions to political parties¹⁰⁶

In accordance with the adopted code of ethics and the rules on sponsorship and donations, Sava Re and Group subsidiaries do not finance political parties.

¹⁰¹ GRI 3-3, 205-01.

¹⁰² GRI 205-03.

¹⁰³ GRI 3-3, 205-01, 418-01.

¹⁰⁴ GRI 3-3.

¹⁰⁵ GRI 3-3.

¹⁰⁶ GRI 415-01.



13.4 Responsibility to the community

As members of the Sava Insurance Group, we forge strong ties with the community in which we operate and establish partnerships with community stakeholders. We support our communities through projects in which we provide financial and volunteer support to institutions, and we are actively involved in social activities and actions.

Our Group’s business network is extensive, with individual companies in constant contact with their customers and the environment, as they are best placed to identify the needs and potential of their local communities.

Certain members of our Group are the co-founders of the Network for Social Responsibility of Slovenia and members of the Partnership for National Strategy and Social Responsibility.¹⁰⁷

Our efforts in the area of corporate social responsibility are also reflected in the awards received by Zavarovalnica Sava:

- the You’ve Got This! (**Maš to!**) project, dedicated to raising awareness and providing mental health care for young people, was awarded the gold plaque for the best innovation of the Podravje region in 2023 and the bronze plaque for innovation by the Chamber of Commerce and Industry of Slovenia;
- the insurance company also received two awards for excellent ideas and perfect execution of the project for the Tava, thank you for everything! (**Tava, hvala za vse!**) campaign, namely the silver award from the Slovenian Advertising Festival (SOF) and the bronze WEBSI award.

As the largest Group company, Zavarovalnica Sava carries out the highest number of activities related to socially responsible projects in the Group. These are mostly long-term projects, such as the Call of Loneliness (Klic osamljenosti) and You’ve Got This! (Maš to!) initiatives, which raise awareness about the importance of mental health.

In 2023, they also developed the SavaFit incentive programme to encourage their policyholders to be physically active in their free time. To encourage more physical activity, they offer a pay-as-you-go payment scheme and additional benefits from selected partners. The programme was awarded the silver plaque “Best Innovation of the Podravje Region 2023”. It is also used as a platform for charity programmes involving policyholders.

13.4.1 Sponsorships and donations by substance¹⁰⁸

The Sava Insurance Group takes care and responsibility for the people and the environment in which it operates, thus strengthening its visibility as a sustainable

partner. Giving back to the community through sponsorship and donations is governed by rules. Sava Re’s rules are published on its website.



Sponsorships and donations by substance

Purpose (EUR)	2023	2022	Index
Humanitarian	47,420	138,292	34.3
Cultural	137,731	172,302	79.9
Sports	2,922,675	3,257,279	89.7
Education, training	67,981	74,690	91.0
Scientific	500	383	130.5
Social security	7,600	7,731	98.3
Disability	2,693	4,357	61.8
Health	40,226	27,673	145.4
Other*	522,829	606,035	86.3
Total	3,749,655	4,288,742	87.4

* Other costs for sponsoring activities other than sport, donations for protection against disasters, and donations for other purposes in the public interest.

¹⁰⁷ GRI 2-28.

¹⁰⁸ GRI 3-3, 203-02.

At the Group level, we sponsor and support the ABA League. Each company allocates its sponsorships and donations according to its financial plan and the opportunities or needs it sees in the local market.

As the largest member of the Group, Zavarovalnica Sava follows the principle of promoting healthy lifestyles when selecting sponsorship and donation projects. The funding is given to associations and organisations that develop talent and have a positive impact on the environment and the public, including through support for preventive actions.

The most notable sponsorships by Zavarovalnica Sava in 2023:

- sports: main sponsor of Maribor Football Club, sponsor of Croatian Academic Rowing Club Mladost, Koper Handball Club and Maribor Handball Club, main sponsor of the Golden Fox (Zlata Lisica) World Cup, main sponsor and partner of Tennis Slovenia, main sponsor of Nova KBM Branik Volleyball Club, and main sponsor of the Novo Mesto Half Marathon;
- culture: main sponsor of the Ljubljana Festival and sponsor of the Lent Festival, main sponsor of Kino Šiška Centre for Urban Culture, main sponsor of the Slovenian Youth Theatre, and main supporter of Rog Centre Creative Hub;
- care for vulnerable groups: the Committed to Steps (Predani korakom) project in cooperation with the Soča University Rehabilitation Institute, and sponsorship of the Mladi Zmaji Public Institute, which

provides mental health support to young people, and other humanitarian organisations.

In 2023, a year marked by numerous natural catastrophes in most countries of the region, in particular widespread flooding and storms, many Group companies donated funds for reconstruction, adapted processes and ensured timely claims payments as a sign of solidarity.

Last year, Group companies also responded to the impact of the wars by providing financial support to facilitate the integration of young people from Ukraine.

In cooperation with the Ljubljana Stock Exchange, Sava Re supported the organisation of the Days of the Slovenian Capital Market, an event aimed at increasing financial literacy among companies and retail investors.

Sava Re also refrained from purchasing business gifts in 2023. We donated the money that would otherwise have been spent on business gifts to organisations suggested and selected by employees. The 3rd Floor Heroes Society received the largest share of this funding.



The “Never Alone” promise is reflected by the exceptional turnout of Sava Osiguranje (MNE) employees at the landscaping of Boka Park in Herceg Novi.



Sava Re: wrapping presents for the 3rd Floor Heroes Society.



13.4.2 Preventive action projects¹⁰⁹

Raising awareness among policyholders and the wider community about the importance of protecting property and general health, and the efforts to do so are an important part of the preventive actions of the Sava Insurance Group companies. Through prevention, we avoid and reduce claims while helping policyholders and the wider community to protect their health and property. To this end, the insurance companies create special funds for such projects in accordance with local legislation.

Resources allocated to prevention

EUR	2023	2022	Index
Zavarovalnica Sava	228,250	305,200	74.8
Sava Osiguranje (MNE)	134,371	381,043	35.3
Sava Neživotno Osiguranje (SRB)	65,580	153,576	42.7
Total funds returned to the community	428,201	839,819	50.9

The three insurers focus their prevention efforts mainly on preventing fire risks and improving road safety. To this end, a network of roadworthiness testing centres is established in Montenegro and North Macedonia.



Sava Osiguranje (MNE): landscaping of the green areas in Boka Park in Herceg Novi.



Sava Osiguranje (HRV): pet lovers walk dogs from a local shelter.

109 GRI 203-02, 413-01.

13.4.3 Corporate volunteerism – Heart for the World initiative¹¹⁰

Volunteerism in the form of employee commitment is an important value of the Sava Insurance Group and is united under the common name Heart for the World. To ensure the efficient and transparent implementation of activities, the Group has established a team of coordinators who manage the implementation of activities in their communities according to the interests and wishes of employees and liaise with various philanthropic and environmental organisations in their area. Volunteerism is about acting responsibly towards the environment, people and animals.

Annual employee surveys form the basis for planning activities, and all Group employees contribute many hours of corporate volunteering to organised events. In 2023, various volunteer activities were also carried out throughout the year, ranging from socialising with the elderly and people with special needs, caring for animals, cleaning up the environment, tending lawns and planting trees, to blood donor days, collecting aid for socially disadvantaged groups and similar.

The Heart for the World Working Group also places great importance on raising awareness of pressing environmental and social issues among all employees by organising training sessions and sending out emails on important global days (e.g. Human Rights Day or World Water Day).

In 2023, a team of coordinators in six countries organised 71 events involving around a third of all employees. This amounted to a total of 5,114 hours of volunteering.

13.4.4 Commitments to external initiatives¹¹¹

The Sava Insurance Group is involved in initiatives that promote ethical conduct and sustainable business practices. We comply with the fundamental standard of professional business conduct as laid down by the Insurance Code of the Slovenian Insurance Association. We follow the recommendations of the Ljubljana Stock Exchange for listed companies on disclosure of information and have signed the Slovenian Corporate Integrity Guidelines.

Sava Re's code of reference is the Slovenian Corporate Governance Code for Listed Companies.

13.4.5 Membership in associations¹¹²

Sava Re is active in several professional associations: Slovenian Insurance Association, Slovenian Directors' Association, British-Slovenian Chamber of Commerce, Chamber of Commerce of Dolenjska and Bela Krajina, Maritime Law Association of Slovenia, Sors (meeting of insurance and reinsurance companies), Slovenian Institute of Auditors, Slovenian Association of Actuaries, CFA Institute and European Institute of Compliance and Ethics (EISEP).

Since 2021, the Sava Insurance Group has been committed to the UN Global Compact and the UN Principles for Responsible Investment.

As of 2022, Sava Re is also a member of the Slovenian Green Network.

All subsidiaries are members of relevant associations and proactively contribute to the development of the industry and other social actions.



Landscaping the green areas of the Pedenjped kindergarten and cleaning its surroundings (SVN).

¹¹⁰ GRI 3-3, 413-1.
¹¹¹ GRI 2-28.
¹¹² GRI 2-28.



13.5 Environmental aspect¹¹³

Climate change and related weather events have a profound impact on the global and local (re) insurance industry. Environmental problems bring new and unexpected risks to the insurance sector. The Group is aware that this requires urgent action, both in operational and strategic terms.

13.5.1 Waste disposal policy¹¹⁴

Sava Re has a waste separation system in place, which is constantly being improved. The Company also strives to reduce waste. We cannot yet measure the volume of waste by type, as waste is collected for the entire building, which accommodates a number of other legal entities.

At the new office building in Maribor, where six Slovenian companies of the Group are based, municipal waste is collected and disposed of separately according to the categories defined by regulations as waste collected by public waste collection services. Such waste is collected by the public service provider in a manner defined by regulations.

All Group companies are digitalising processes and going paperless to reduce waste.

At the Group level, we separate waste as required by local utility companies and in accordance with regulations. Group companies have widely organised the collection of electronic waste. Most companies have already introduced separate waste collection methods, most commonly used for paper, plastic packaging, biowaste and glass – where this is a systemic possibility.

13.5.2 Energy consumption¹¹⁵ and energy efficiency investments

Energy consumption and energy efficiency are environmental and economic concerns.

The Sava Insurance Group remains committed to sustainability also in investing and investment maintenance. The Group is constantly looking for ways to reduce energy consumption, including by investing in new energy efficiency solutions. Investment decisions are also always assessed from an energy efficiency perspective.

The most important investment is the new office building of Zavarovalnica Sava in Maribor, where Sava Infond, Sava Pokojninska, TBS Team

24, ZS Svetovanje and Asistim have also moved their offices. The office building was designed and built in line with the Group’s strategic sustainability guidelines and has an energy rating “A”. It is equipped with a central control system that allows efficient management of modern devices, thus ensuring the efficient use of energy resources. The functional design of space and access, together with the modern IT infrastructure, allows employees to work in a well-organised environment, while the building’s accessible location and ample parking provide an excellent user experience for visitors. An important addition to the new building is a 52.2 kW solar power plant, which contributed around 16% of the green energy in 2023. To ensure and promote sustainable mobility, the site includes charging stations for electric vehicles, a bike shed and a park in the immediate vicinity of the building, which is open to all visitors. An additional 66.6 kW solar power plant is planned for the building in early 2024. The installation of a solar power plant on canopies will increase the share of green energy to around 35% of total electricity consumption.



Zavarovalnica Sava’s (SVN) investment in an energy-efficient office building in Maribor, the new head offices of six Group companies.

¹¹³ GRI 3-3.
¹¹⁴ GRI 3-3, 306-02.
¹¹⁵ GRI 302-01.



To reduce greenhouse gas emissions, we installed another 166.6 kW solar power plant in Slovenia to supply green energy to the insurance company’s sales and claims centre.

Group companies are striving to improve the energy efficiency of their business premises while meeting demands to improve the customer experience and working conditions for employees. Investments include, for example, the installation of LED lighting, other more energy-efficient devices and heating and cooling systems for business premises, the implementation of green energy measures, the purchase of hybrid and electric vehicles, investment in charging infrastructure, investment in e-documentation systems, and the use of a central control system at strategic locations aimed at managing energy-intensive devices to continuously optimise energy use.

The vast majority of Zavarovalnica Sava employees have the option of car sharing for business travel, which is particularly useful in urban areas or in larger Slovenian cities.

To achieve energy efficiency, we are implementing a number of measures at the Company level in line with the adopted action plan, such as homeworking, manual energy accounting, employee training on efficient energy use, and measures relating to the Company’s fleet and business travel.

Average fuel consumption is taken into account when purchasing new vehicles for the Group. The type of vehicles purchased also depends on the availability of a network of charging stations in the countries in which we operate.



Slovenian companies of the Sava Insurance Group sign a pledge of support for the “Green Heart of the Karst” project. Around 80 employees take part in planting trees – first in the Karst region (West Slovenia), then in the Prekmurje region (Northeast Slovenia.)



13.5.3 Carbon footprint of the Sava Insurance Group for 2023¹¹⁶

The calculation of the carbon footprint for 2023 includes all companies of the Sava Insurance Group on a consolidated basis.

The carbon footprint calculation includes:

- direct emissions from the use of fossil fuels for space heating and power generators, fuel combustion in vehicles owned or controlled by the company, and fugitive refrigerant gases (scope 1 emissions);
- indirect emissions from the consumption of electricity and district heating (scope 2 emissions);
- indirect emissions from the purchase of paper and water, waste water management, and business travel by means not owned or controlled by the company (scope 3 emissions).

The carbon footprint of the Sava Insurance Group in 2023 is calculated using the location-based method and amounts to 3,984 tonnes of CO₂ equivalent (tCO₂e). This means 1.45 t CO₂ equivalent per employee or 70.5 kg CO₂ equivalent per square metre of office space.

Compared to the reference year 2022, the Sava Insurance Group's carbon footprint in 2023 was 6% lower,

emissions per employee were 9% lower, and emissions per unit area of office space were 4% lower. The main contributors to this reduction were lower emissions from electricity consumption and heating, while emissions from business travel increased.

Scope 1 emissions in 2023 accounted for 1,070 tCO₂e (27% of the carbon footprint), scope 2 emissions 2,595 tCO₂e (65% of the carbon footprint) and scope 3 emissions 318 tCO₂e (8% of the carbon footprint). The largest source of greenhouse gas emissions was electricity consumption (42%), followed by heating (30%) and business travel (27%).

The 2023 carbon footprint calculation is the third calculation at the level of the entire Sava Insurance Group, with the 2022 carbon footprint calculation serving as a baseline or benchmark against which to compare the carbon footprint and the effectiveness of emission reduction measures in the coming years. The Group is continuously working to improve the quality of the data collected on energy consumption and the scope of emission-generating activities. In addition, we are gradually expanding the range of emission sources that Group companies include in their reporting. In 2023, emission sources were added, such as office paper purchases, water purchases and waste water management.



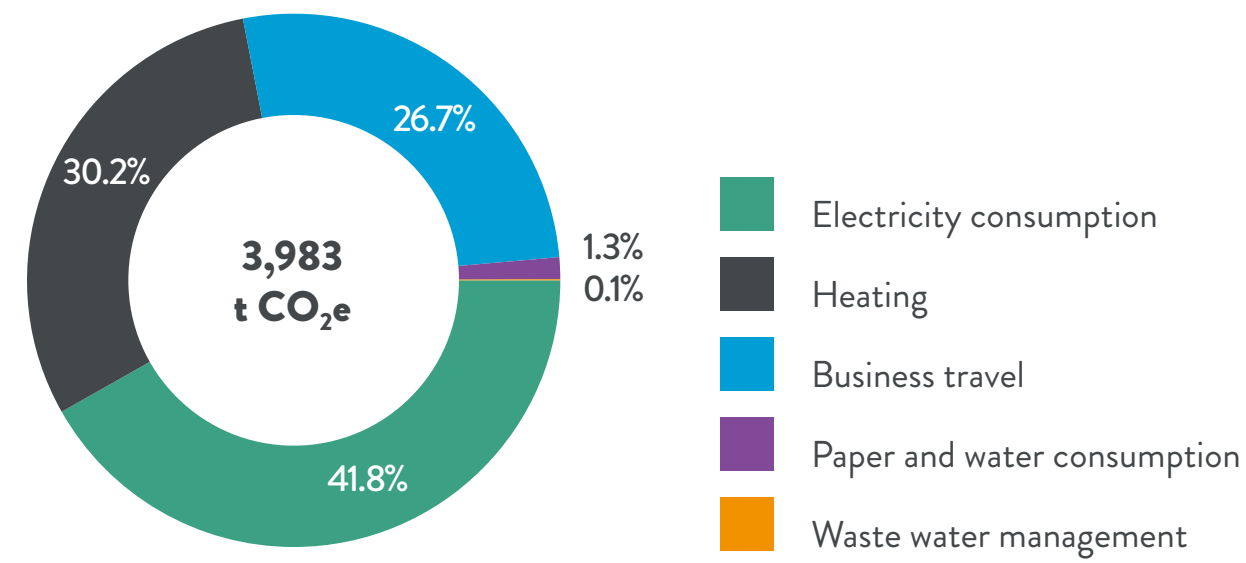
Sava Penzisko (MKD): participating in sporting events brings colleagues closer together and strengthens relationships.



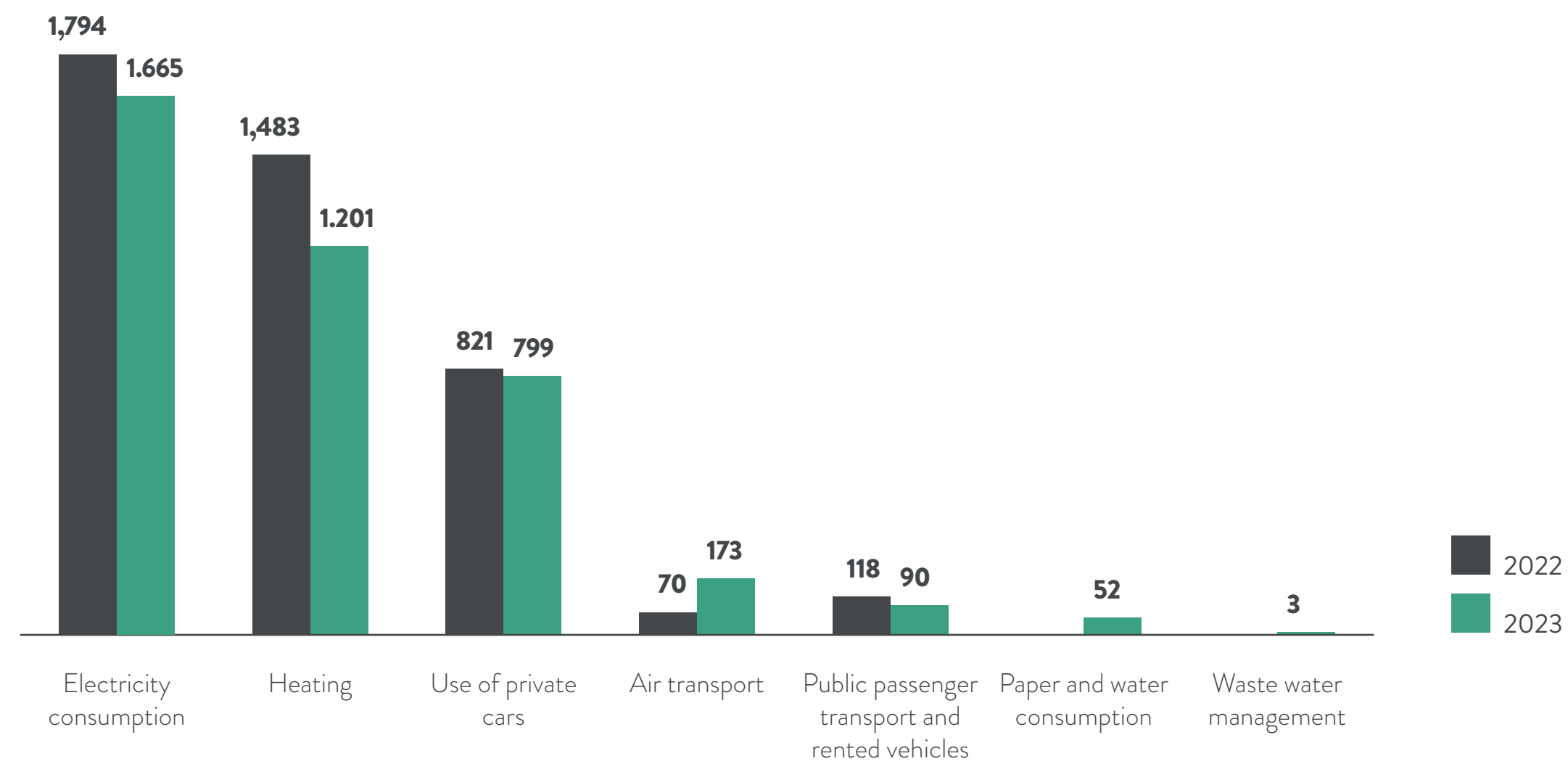
Sava Osiguranje (HRV): cleaning up the Vrapčak stream – helping the local community improve green spaces and waterways.



Percentage of emissions



Distribution of sources by emission volume in all companies



Sava Penzisko Društvo (MKD) organises its traditional sailing regatta to protect the water resources and Lake Ohrid.



Greenhouse gas emissions by scope

	2023	2022	Index 2023/2022
Number of employees	2,744	2,704	101.5
Floor area of business premises	56,488	59,032	95.7
SCOPE	2023 (t CO ₂ e)	2022 benchmark (t CO ₂ e)	Index 2023/2022
1. Direct emissions from activities – scope 1	1,070.66	1,256.96	85.2
1.1 Combustion of fossil fuels for space heating	258.01	359.77	71.71
1.2 Business travel using vehicles owned or controlled by the company	798.75	821.58	97.2
1.3 Combustion of fossil fuels to power generators	0.82	5.45	15.0
1.4 Fugitive refrigerant gases	13.08	70.16	18.6
2. Indirect emissions – scope 2	2,595.10	2,842.35	91.3
2.1 Electricity consumption (for electrical and electronic equipment, lighting, space heating and cooling)	1,665.11	1,794.69	92.8
2.2 District heating consumption for space heating	929.99	1,047.66	88.88
3. Indirect emissions – scope 3	318.64	148.01	215.3
3.1 Paper consumption	49.97		
3.2 Water consumption	2.48		
3.3 Waste water management	2.83		
3.4 Business travel using vehicles not owned by the company	263.36	148.01	177.9
3.4.1 Motor vehicles	88.32	76.08	116.09
3.4.2 Aircraft	173.47	70.82	244.9
3.4.3 Public passenger transport – bus and rail	0.74	0.31	238.7
3.4.4 Taxi, shuttle	0.83	0.80	103.7
TOTAL	3,984.4	4,247.32	92.3

The carbon footprint data for 2022 were revised and may differ from the publicly available data in the 2022 annual report. The data for 2023 were verified and cover all locations where Group companies conduct their business operations.



13.6 Sava Insurance Group sustainability performance indicators

Select Sava Insurance Group sustainability performance indicators

	2023	2022	Index 2023/2022
Environmental aspect			
CO2 emissions per employee (in tonnes)	1.45	1.60	90.6
Number of claims reported online	67,981	45,288	150.1
Percentage of ESG-integrated investments as at 31 December	16.9%	14.9%	113.4
Social aspect			
Percentage of employees involved in annual performance appraisal interviews	47.9%	49.5%	96.7
Women as a percentage of all employees as at 31 December	59.9%	57.9%	103.4
Employee turnover rate	17.1%	16.9%	101.3
Number of injuries in the workplace	8	9	88.8
Average hours of training per employee	22.5	24.6	91.5
Heart for the World – corporate volunteering (hours)	5,114	5,439	94.0
Governance aspect			
Percentage of women in management positions	27.7%	23.9%	115.9
Percentage of women on Group companies' supervisory boards	19.7%	21.8%	90.3
Economic value generated (EUR million)	867.6	729.9	118.9
Economic value distributed (EUR million)	827.4	705.2	117.3
Economic value retained (EUR million)	40.1	24.6	163.1

The carbon footprint data for 2022 were revised and may differ from the publicly available data in the 2022 annual report. The data for 2023 were verified and cover all locations where Group companies conduct their business operations.

Select Sava Re sustainability performance indicators

	2022	2022	Index 2023/2022
Environmental aspect			
CO2 emissions per employee (in tonnes)	1.99	1.66	119.9
Annual electricity consumption per employee (kWh/employee)	1,297	1,485	87.34
Social aspect			
Percentage of employees involved in annual performance appraisal interviews	86.3%	100%	86.3
Women as a percentage of all employees as at 31 December	63.1%	63.3%	99.7
Employee turnover rate	6.1%	10.5%	58.0
Number of injuries in the workplace	0	0	100
Average hours of training per employee	26.8	23.5	114.0
Governance aspect			
Percentage of women in management positions	25%	33.3%	75
Percentage of women on supervisory boards	17%	17%	100
Percentage of independent members on Sava Re's supervisory board	100%	100%	100

The carbon footprint data for 2022 were revised and may differ from the publicly available data in the 2022 annual report. The data for 2023 were verified.