

# 1.

## Introduction

### Sustainable development – a part of Sava's business strategy

For decades, our operation has been based on responsibility, which we see as ensuring the balanced integrity of mutually fruitful relationships between Sava and its partners – employees, customers, business partners, shareholders and all the people who are involved in forming our progress jointly.

Sustainable development has, therefore, been incorporated in the models of managing and developing the Sava Group, which is reflected in all areas of our operation. The responsibility for it as a whole and its individual aspects falls under the responsibilities and competences of the Board of Management and represents a starting-point for strategic planning at all levels. We clearly communicate the concept through the adopted business strategy until 2012, which sets out sustainable development as one of its six long-term goals. In individual divisions it, among other things, commits us to the following:

- The implementation of our commitment towards shareholders, which is to ensure a 3% annual growth in dividend in Investment Finance.
- High customer involvement and development of innovative industrial rubber products in Rubber Manufacturing.
- Green tourism development in all Tourism segments.
- Energy-efficient buildings in Real Estate.
- Renewable energy sources in Energy Management.

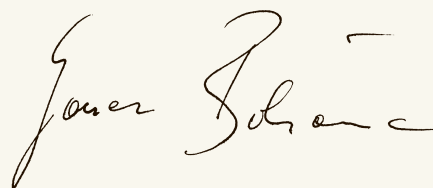
Our growth through innovation and excellence, together with employee development and their competences, has been ranked under Sava Group's priority development activities in 2010. Special attention will be focused on the development of key personnel, as had already been done in 2009. Given the unstable economic situation, the implementation of these tasks represents a great challenge, but we are determined to respond wherever possible to the crisis situation with development measures and create a sustainable impression of Sava's future.

This has already been proven by our significant accomplishments in 2009 such as a considerable reduction in specific energy sources and natural resource consumption, lower costs due to poor quality and reclamation despite intense development activities, increased volume of cooperation with local suppliers, large growth in the number of proposals for improvements and innovation, as well as numerous tourism projects in which we collaborate with the local community and various partners from this sector. I would like to emphasise in particular many acknowledgments won by our employees and teams, and the successfully verified and newly introduced quality standards that govern business processes. Along with the culture of business excellence they form a platform for new challenges.

For more than 40 years we have been systematically monitoring physical indicators in the area of security, occupational health and the impact on the natural environment. We systematically improve the quality of reporting and pursue the goal which specifies that all of our main stakeholders are involved in the development of Group operations.

In 2009, the integrity, clarity and measurability of the results achieved were complemented through additional disclosures concerning the protection of human rights and product liability. An in-depth and, in terms of content, a more comprehensive report on sustainable development offers a new contribution to the implementation of responsibility as Sava's principal value – the driving force of our business for 90 years.

Janez Bohoric  
Chairman of the Board of Management of Sava d.d.



## 1.1. BASIC DATA

### Characteristics and reporting periods

The Sustainable Development Report refers to the operations in 2009 and is a continuation of reports from 2008 and preceding years when such reports formed a constituent part of the Annual Report.

The Sava Group reports on its business activities that have a more significant sustainable impact. Specialists from the competence centres in all areas that are directly connected from the sustainable aspect of our operations (HR, safety, communication, etc.) liaise in the process of defining the content of the Sustainable Development Report and a selection of indicators. No changes appeared in the previous year that would affect the reporting results. The method of data gathering is shown with each individual indicator. The GRI Index follows at the end of the Annual Report.

### Relevant reporting guidelines

In reporting we follow:

- the GRI Guidelines (Global Reporting Initiative), and
- 10 sustainable development principles set out by the Global Compact.

Sava was the first Slovene company to draft a report in accordance with the GRI Guidelines in its 2006 Annual Report.

We are one of the founders of the Slovene UN Sustainable Development Association, Global Compact, which was established in May 2007 and encourages the socially responsible operation of companies. As the first Slovene company, we produced and, in April 2008, officially announced *Global Compact* – a report covering the Progress of the Sava Group in the period 2007-2008.

### Organisational structure of divisions

The Sava Group is one of the largest and most successful Slovene commercial enterprises, which includes the divisions: Rubber Manufacturing with the Foreign Trade Network, Tourism, Investment finance and Other Operations. Besides the parent company Sava d.d., the Group includes another 30 subsidised companies.

### Management and commitments of the organisation

The management structure and corporate governance principles for the Sava Group are explained in the chapter *Corporate Governance System*. Via the website, written communication and in person, we are available to all groups of shareholders, and equally accept the initiatives of minority shareholders. Employees can communicate directly through their representatives in the Workers' Council and Supervisory Board.

Sava Group companies belong to numerous professional, economic and civil society associations, and are involved in initiatives at the international, national and local level. Association membership and our support for initiatives are stated in individual chapters of this report.

### Involving stakeholders

#### Employees

The Sava Group employs various personnel in Gorenjska and Pomurje; in total it comprises 2,370 employees. The companies outside Slovenia employ 5% of employees. Employees request a secure job, possibilities for personal development and decent pay. They also want to achieve a balance between their professional career and family life. The Sava Group identifies and publicly presents the best employees at all levels in both the internal and external environment. It facilitates the balance between a family life and career, especially through the family-friendly company programme, which encourages spending quality free time (Savčan Sports Society, Sava Arts and Culture Society). Trade Union organisations and workers' councils are active within the Sava Group, too.

#### Customers

Customers of the Rubber Manufacturing division are companies and organisations from the building, car, printing and paper industry, as well as the environmental protection sector such as fire-fighting associations and the army. Customers expect safe, high quality industrial rubber products from Rubber Manufacturing, which develops tailor-made solutions.

Customers of the Tourism division include domestic and foreign guests, agencies and tour operators. They expect an improvement in their well-being as well as quality accommodation and catering services.

Together with local tourist organisations and societies Tourism provides a variety of products based on local advantages and specialities (cuisine, services and events).

Customers of the Real Estate division are public institutions and private persons who expect high quality, energy-efficient residential and commercial buildings. Customers liaise with it even in the project draft phase.

Customers of Energy Management are governmental institutions, private companies and Sava Group companies which buy energy from Sava's distribution heating grid. The main interests of Energy Management customers are lower energy costs and a reduced environmental impact.

## Suppliers

We collaborate with more than 150 key suppliers, the value of supplies amounting to €110 million at the annual level. Suppliers are interested in long-term cooperation and regular payments. This forms an integral part of the purchasing policy adopted by the Sava Group.

We organise regular annual suppliers' conferences.

## Branches of the economy

We are very active in establishing links with other organisations, which act as development factors in the branches where we operate. In finance Investment, we actively work with the Ljubljana Stock Exchange, Securities Market Agency, Slovenian Chamber of Commerce and Bank of Slovenia. Rubber Manufacturing and its R&D Institute are the mainstays of this sector's development at the national level. In association with educational organisations (Faculty of Natural Sciences and Chemical Technology of both Ljubljana and Maribor Universities, Faculty of Mechanical Engineering, Faculty of Natural Sciences and Technology and Faculty of Informatics of Ljubljana University) we develop interdisciplinary knowledge and new solutions for our products. We are also involved in joint tourism projects together with other service providers who design tourist services at the same destination. We liaise with the Slovene Tourism Board, Catering and Tourism Assembly, Slovene Tourism Association, Commercial Interest Golf Courses Association, Slovene Association of Natural Health Resorts, and local tourist organisations in tourist centres. In taking care of energy-efficient building, Real Estate liaises with the building institute ZRMK d.o.o.

## Shareholders

Our stakeholders are institutional and individual shareholders. The items of interest are the business performance figures and development plans of the company, movement of the Sava share and realising the dividend policy.

The competence centre Strategic Finance arranges presentations for investors and financial analysts. The website [www.sava.si](http://www.sava.si) provides contact persons who are available to answer these questions. The competence centre Corporate Communications provides transparent and equal information via the stock exchange e-service (SEOnet) and other means of communication.

We ensure that our shareholders benefit from a consistent dividend policy.

## Local communities

The Sava Group has considerable influence on the social community in Slovenia. It operates in the area of Kranj (Rubber Manufacturing, Investment Finance, Other

Operations), Bled, Ptuj, Moravske Toplice, Lendava, Radenci and Banovci (Tourism), while Real Estate operates in various places in Slovenia and Croatia, and Energy Management in Slovenia, Bosnia and Herzegovina, and Macedonia.

The local community is interested in the following:

- In the Kranj area: the impact of Rubber Manufacturing on the natural environment and broader incorporation into the local community and jobs. Annual meetings are organised with our neighbours at this location, and we co-organise the *Let's Clean Kranj* campaign.
- In Bled and Pomurje: the development of tourist destinations, integrated products and tourism professions, mitigation of harmful impacts on the natural environment and enhancing its value. We are involved in the projects set up by the Slovene Tourism Organisation (STO) and Slovene Tourism Association to enhance the recognisability of Slovenia, Bled and Pomurje as tourist destinations as well as joint planning with local tourism organisations and co-developing tourist services.
- In the environment where Sava IP d.o.o. builds real estate: constructions that consider the interests of the regional community.
- In Real Estate: buildings that are made in conformity with current urban planning guidelines and on the basis of approvals by the regional association, taking into consideration environmental features.

## Government

Stakeholders at the level of ministries and governmental organisations.

The Sava Group maintains regular contact with governmental bodies and ensures that it complies with all legal requirements.

Our representatives cooperate with governmental bodies within the framework of interest associations (Slovene Chamber of Commerce, Managers' Association, etc.), and directly, too.

In 2009, we were creatively involved in drafting proposals to exit the crisis at the level of the Slovene economy as a whole and, in particular, in the tourism sector.

## Media

We work in association with editorial boards of the press and broadcast, TV and on-line media, internationally, nationally and regionally. They are all interested in business performance figures and the development of our operations. The competence centre Corporate Communications and management teams of the parent and subsidised companies and competence centres collaborate with the editorial boards.

We ensure responsiveness and dealing with all media on an equal level and respond to mistakes and inaccuracies on an ongoing basis.

## 2.

## Economic impact

**Sava Group has a considerable influence on the economy, particularly in the area of Gorenjska, central Slovenia and Pomurje. The strategy of the Sava Group is focused on ensuring long-term growth and development with consolidation of the market and the social value of specialised local knowledge as well as cultural and natural features. We also provide opportunities for managerial personnel and suppliers from the local environment.**

Our operations achieve multiple effects on the development of society in the form of these benefits:

- A contribution to the creative social product of Slovenia and to public finance (taxes and levies).
- Jobs for local residents in Group companies and suppliers.
- Obtaining EU development project funding, which connects various development partners in the private, public, and governmental and non-governmental sectors.
- Development of infrastructure needed for the long-term competitiveness of traditional local industrial branches (catering, health resorts, rubber manufacturing).
- Links between research and the economic sector.
- Investments in the community in the form of donations and sponsorships.

### Economic effect indicators

Certain economic effect indicators are dealt with and shown in the following chapters of the report:

- *More important data and indicators of Sava Group operations*
- *Strategic purchasing and suppliers*
- *EU projects*
- *Environmental protection and fire safety*

In 2009, Sava Group companies accounted €19.0 million for taxes, contributions and levies to the public sector.

Companies paid for the employee pension scheme and health insurance as stipulated by law and met all obligations for taxes and contributions. There are no differences between employees for an unlimited and fixed period of time.

Only the company Sava Medical in Storitve d.o.o receives a governmental subsidy for disabled workers.

We preserve the natural features on which our divisions depend to a great extent or even completely. For example, Rubber Manufacturing depends on the river Sava. The development of health and spa resort tourism is determined by thermal water sources in Bled, Pomurje and Ptuj. In the area of energy management, we utilise local wooden biomass and wooden mass from Bosnia and Herzegovina.

### Market presence

The average net salary in the Sava Group amounts to €1,322. Compared to the year before it was higher by 5.5%.

The lowest net salary in Rubber Manufacturing companies in December 2009 amounted to €600, and in Tourism companies €550. Approximately 10% of employees received such a salary.

Regional suppliers had a 66% or a predominant share in the structure of Sava Group suppliers.

Our goal is to collaborate in the development of society where we operate. All companies employ mainly local residents who also have a very high share in top management, the reason being a low employee migration within Slovenia and the systematic provision of opportunities for local residents through the announcement of vacant positions in the local media.

### Indirect economic influences: donations and other investments in the community

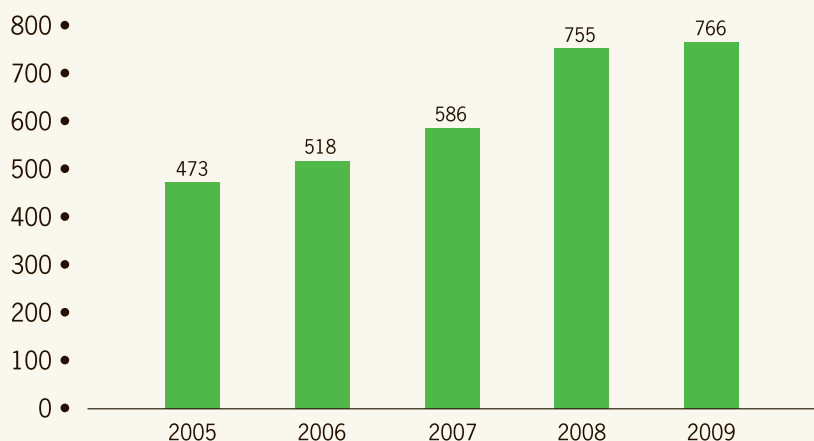
At all tourist destinations where we operate, we invest in the development of tourism infrastructure. A strong investment cycle has just been completed. In 2009, we invested €4.2 million in the infrastructure to enable the fresh start-up of health tourism in the health resort of Radenci.

We explain the strategy concerning investments in the local community through donating funds and sponsoring non-profit events and organisations. In line with international guidelines and reporting practices, we ceased quoting all fund receivers. Selected projects are presented in the chapter *Highlights*.

In the period 2005-2009, the Sava Group increased investments of this type. The largest growth was made in 2008, the index being 122 on the year 2007.

## SAVA GROUP

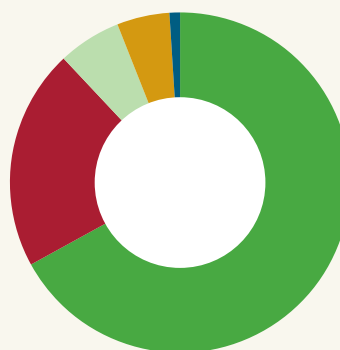
Movement of funding for donations and sponsorships (€ in thousands)



## SAVA GROUP

Shares in funding non-profit organisations by type in 2009 (%)

- Sport (67%)
- Culture (21%)
- Professional education (6%)
- Humanitarian social projects (5%)
- Environmental protection (1%)



In the economic crisis situation we wanted to maintain our support for the non-profit public and private sector. In the reporting year, the value of investments stood at €0.77 million, or in nominal terms, 1.4% above the value in the year before. We donated funds or sponsored more than 130 projects, of which 99% were non-profit, and 84% of fund receivers were local communities. The remaining 16% involved support for the development of sports and

professional knowledge – in all cases involving activities that were mutually related to the improvement of living standards in the local environment or professional progress in relation to our business operations. Due to more difficult access to public and private financial sources for cultural creativity and heritage, we enhanced investments in this area by 8 percentage points.

## Key goals: ECONOMIC INFLUENCES

Indicators	Unit	Process goal in year dealt with (2009)	Process goal implementation in year dealt with (2009)	Process goals in next year (2010)
Share of local suppliers in total supply value	(%)	66	100	71
Ensured value of grants from EU funding	€	1.5 million	100%	3.5 million

## More important acknowledgements, awards and events

Company	Achievement	Acknowledgement/Award	Institution
Sava d.d.	Special acknowledgement	Best Annual Report of the decade 1998-2008	Finance newspaper
Sava d.d.	<ul style="list-style-type: none"> <li>• 3<sup>rd</sup> place in overall standing</li> <li>• 1<sup>st</sup> place for risk management</li> <li>• 1<sup>st</sup> place for business analysis and planning</li> </ul>	Best Business Report 2008	Finance newspaper
Sava d.d.	Ranks among the first five Slovene companies for the PORTAL award for quality and fair information	Award for most open joint stock company	Ljubljana Stock Exchange d.d.
Zdravilišče Radenci d.o.o.	Plaque	Plaque for 30 years of hospitality and support in organising training courses in archive and documents management and informatics	Regional archives of Maribor

## Highlights

### Sava d.d.

- Sava d.d. repeatedly supported the finals of the Ski Jumping World Cup in Planica.
- Sava Cycling Club organised the Grand Prix Kranj race, namely the Filip Majcen Memorial for the 42<sup>nd</sup> time in succession; after 18 years the racers who are sponsored by Sava d.d. won the race.
- To mark the 60<sup>th</sup> anniversary of the Sava folk dance group, which Sava has been supporting ever since its formation, we co-funded numerous events during the cultural week with a gala concert in Kranj's Prešeren Theatre.
- On the 200<sup>th</sup> anniversary of the secondary school system in Gorenjska we donated a precious collection of graphic facsimiles *Iconotheca Valvasoriana* to Kranj High School.
- We co-financed activities of the Slovene Scientific Foundation on the occasion of the 15<sup>th</sup> Slovene Festival of Science.

### Tourism

- In June, Terme Ptuj organised the 5<sup>th</sup> Swimming Championships for the Terme Ptuj Cup, the greatest

swimming competition in Slovenia with the participation of top, international swimmers, and the 10<sup>th</sup> event called Swimming Pools of Energy including a social gathering and amateur sports meeting for 10,000 young people.

- Bled Golf Course hosted the European Women Team Championships with the best competitors from 18 countries, members of the European Golf Association.
- Sava Hoteli Bled d.d. co-funded a cleaning campaign organised by the Underwater Activities Society from Bled.
- The Radenci health resort and company Radgonske Gorice d.d. arranged a traditional evening: the 14<sup>th</sup> night of sparkling wine, and donated €1,300 gathered on this occasion to Sonček – the Association of Cerebral Paralysis Societies.
- Terme Lendava d.o.o. and the municipality of Lendava co-funded free admission to summer swimming pools for pupils, students and all residents of the municipality of Lendava.
- Terme 3000 d.o.o. donated 350 admission tickets to swimming pools and offered half-price tickets to employees of Mura d.d. and their children. The company was namely strongly affected by the economic crisis.

## 3.

### Employee development

We implemented the human resources management policy, which is based on the knowledge of business strategy and permanent training and growth with regard to employee competences. Investment in employee education was increased by one third and the significance of internal communication was further strengthened. The number of jobs was lower due to the transfer of certain legal matters to another employer, while the number of highly qualified employees had a greater share in the education structure.

Through the HR management policy we implement our mission: to become the most attractive opportunity for employing the best personnel. The HR area is conducted

by the competence centre HR, Law and Organisation. This competence centre monitors and co-ordinates the area and processes both at the Group and company level.

#### 3.1. INDICATORS OF WORK RELATIONS AND DECENT WORK

##### Average employee number

In 2009, Sava Group companies employed 2,501 employees on average, or 238 employees fewer than in 2008. On the last day of the year there were 2,370 employees or 12% fewer

than in the previous year. Tourism companies employ 53% of all employees, Rubber Manufacturing companies 37% and all other companies 9%.

##### SAVA GROUP Number of employees

	1. No. of employees 31/12/2008	2. No. of employees 31/12/2009	3. Index 2./1. for 2009/2008	4. Average No. of employees in 2009
Sava d.d.	64	62	97	64
<b>RUBBER MANUFACTURING</b>	<b>1,078</b>	<b>899</b>	<b>83</b>	<b>949</b>
Savatech d.o.o.	850	709	83	750
Sava-GTI d.o.o.	91	67	74	72
Sava-Schäfer d.o.o.	46	39	85	42
Savarus d.o.o.	25	23	92	23
Savapro d.o.o.	1	-	-	-
Sava Rol d.o.o.	11	10	91	10
Foreign Trade Network	54	51	94	52

	1. No. of employees 31/12/2008	2. No. of employees 31/12/2009	3. Index 2./1. for 2009/2008	4. Average No. of employees in 2009
<b>TOURISM</b>	<b>1,430</b>	<b>1,256</b>	<b>88</b>	<b>1,353</b>
Sava Hoteli Bled d.d.	407	361	89	385
Terme 3000 d.o.o.	445	396	89	413
Terme Lendava d.o.o.	125	117	94	117
Terme Ptuj d.o.o.	162	135	83	149
Zdravilišče Radenci d.o.o.	291	235	81	277
Sava TMC d.o.o.	-	12	-	12
<b>REAL ESTATE</b>	<b>19</b>	<b>20</b>	<b>105</b>	<b>20</b>
Sava IP d.o.o.	19	20	105	20
<b>OTHER OPERATIONS</b>	<b>101</b>	<b>133</b>	<b>132</b>	<b>115</b>
Sava Medical in storitve d.o.o.	98	95	97	97
GIP Sava Kranj d.o.o.	-	4	-	4
Energetika Sava d.o.o.	3	3	100	3
Ensa BH d.o.o.	-	31	-	11
<b>SAVA GROUP TOTAL</b>	<b>2,692</b>	<b>2,370</b>	<b>88</b>	<b>2,501</b>

### Fluctuation of employees

In 2009, 187 people were employed anew, while 498 employees terminated their employment. The total fluctuation in the Sava Group amounted to 19.9%, whereas in the year before it stood at 14.7%. Increased fluctuation results from a decrease in the number of employees due to the economic crisis, in particular non-prolongation of fixed-term work contracts.

On the last day of 2009, the Sava Group employed 2,210 employees for an indefinite period of time, and 160 or 6.7% for a definite period of time.

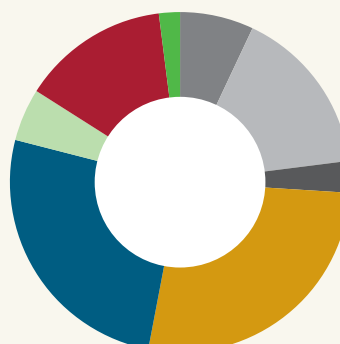
### Educational structure of employees

The educational structure of employees improved due to a higher level of education (part-time study). In comparison with 2008, the share of employees with a 6<sup>th</sup>, 7<sup>th</sup>, 8<sup>th</sup> and 9<sup>th</sup> level of education increased from 18% to 21%, whereas the largest share of employees with a 4<sup>th</sup> and 5<sup>th</sup> level of education increased by 1 percentage point to 53%. The share of employees with the lowest level of education (3<sup>rd</sup> level or lower) decreased from 30% to 26%.

#### SAVA GROUP

Educational structure of employees (%)

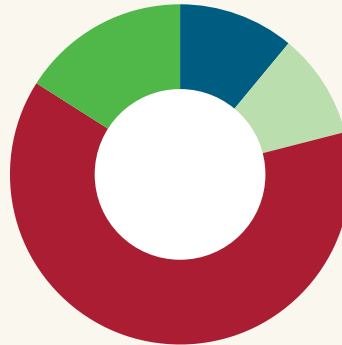
- 1<sup>st</sup> level - incomplete primary school (7 %)
- 2<sup>nd</sup> level - primary school (16 %)
- 3<sup>rd</sup> level - up to 2 years at vocational school (3 %)
- 4<sup>th</sup> level - at least 3 years at vocational school (27 %)
- 5<sup>th</sup> level - secondary school (26 %)
- 6<sup>th</sup> level - technical college (5 %)
- 7<sup>th</sup> level - higher and university education (14 %)
- 8<sup>th</sup> & 9<sup>th</sup> level - Master's and Doctor's degree (2 %)



## SAVA d.d.

Educational structure of employees (%)

- 1<sup>st</sup> level - incomplete primary school (0 %)
- 2<sup>nd</sup> level - primary school (0 %)
- 3<sup>rd</sup> level - up to 2 years at vocational school (0 %)
- 4<sup>th</sup> level - at least 3 years at vocational school (0 %)
- 5<sup>th</sup> level - secondary school (11 %)
- 6<sup>th</sup> level - technical college (10 %)
- 7<sup>th</sup> level - higher and university education (63 %)
- 8<sup>th</sup> & 9<sup>th</sup> level - Master's and Doctor's degree (16 %)



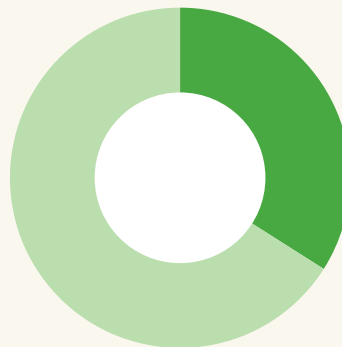
The employee structure of Sava d.d. reveals a high share of employees with the highest levels of education. On the last day of 2009, 11.3% of employees had a 5<sup>th</sup> level of education and 9.7% of employees had a 6<sup>th</sup> level of

education. The largest share of employees, i.e. 62.9%, had a 7<sup>th</sup> level of education, while 16.1% of employees had an 8<sup>th</sup> or 9<sup>th</sup> level of education.

## SAVA GROUP

Top management structure by gender at 31/12/2009 (%)

- Female (34 %)
- Male (66 %)

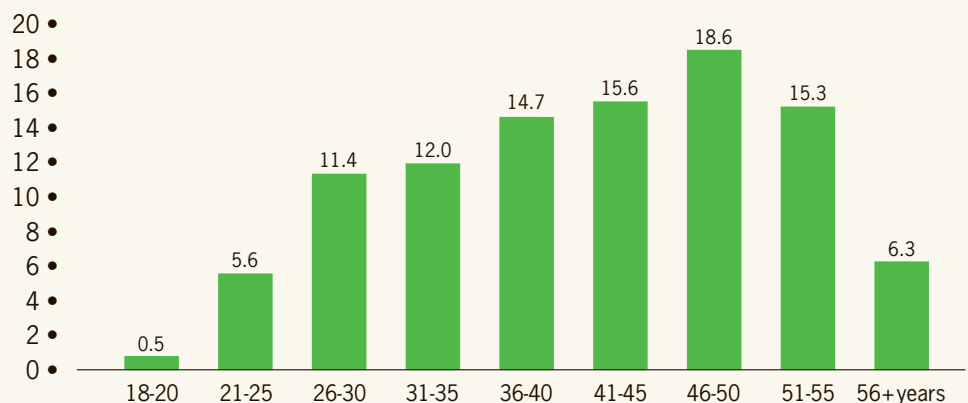


Ensuring equal opportunities and variety is achieved by a gradual increase in the number of women in top management in the entire Sava Group. Last year women accounted for a

34% share in the top management structure or 1 percentage point more than in the year before, whereas the holding company displays a gender-balanced representation.

## SAVA GROUP

Age structure of employees at 31/12/2009 (%)

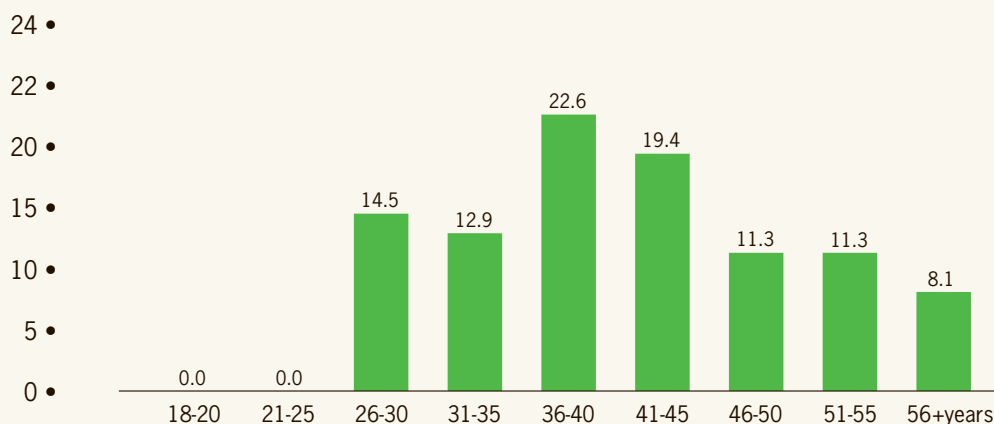


## Age structure of employees

The age structure in the Sava Group changed slightly. The share of employees younger than 30 years decreased from

20% to 18%, whereas the largest group of employees older than 40 years increased by 3%, and the age group from 30 to 40 years decreased by 1 percentage point.

SAVA, d.d.  
Age structure of employees  
at 31/12/2009  
(%)



The parent company Sava d.d. has an age structure that corresponds to the type of business (conducting and managing the Group and financial investments) and demands a high level of knowledge and experience. Therefore there is no employee in the age group up to 25 years. However, the share of employees in all age groups from 26 to 45 years is higher than in the Group itself, which reflects the outlined development policy for selected personnel.

## Voluntary pension scheme

62% of employees from all Sava Group companies are included in the voluntary pension scheme. The average monthly premium amounts to €68.45 per employee and is partly subsidised by the employer.

## Utilisation of working hours and sick leave

In 2009, the utilisation of working hours amounted to 79.6%, which was a 0.5 percentage point improvement on the previous year. In all Sava Group companies 8,472 overtime hours were performed, or 0.2% of total working hours. Sick leave increased by a 0.1 percentage point to 5.3% (of which sick leave up to 30 days 2.9%, and more than 30 days 2.4%). In order to identify and eliminate the reasons for sick leave, workshops were organised in companies that exceeded the average level of sick leave, aiming to decrease it. Furthermore, personal discussion with workshop participants was introduced.

## Employing disabled workers

The Sava Group employs 158 employees with a disability status, or 6.7% of all employees. The legally specified number of disabled persons is exceeded by 45 persons.

## Rewarding and motivating employees

The motivation system includes: promotions, rewards, participation in training courses, incorporation in demanding projects, informal commendations and feedback information. We reward employees who have the most ideas, the best groups of associates and outstandingly innovative proposals.

In 2009, we devoted special attention to improvements in cost efficiency and increased productivity and innovation. 215 of the most successful workers were awarded the Model Worker award, 6 workers received the Company Worker title, 5 received the Sava Worker title, one the Manager of the Year, and one the Knowledge Manager title. Employees in Tourism are encouraged to take part in specialised competitions. In various catering competitions such as Bogricijada, the Catering Tourism Meeting, and numerous national and international championships, our employees won several of the best places and, consequently, received financial awards.

With an increase in basic salary, 387 employees were promoted horizontally or vertically.

In 2009, the average salary in the Sava Group amounted to €1,322, a figure that was higher by 5.5% compared to the previous year. In October, the lowest salaries in Tourism were increased to €550 net and in Rubber Manufacturing to €600 net. Employees received a holiday allowance of €1,003.75. The average percentage of the variable part of the salary amounted to 2.1%, which was much less than in 2008.

# Sustainable Development Report

ANNUAL REPORT 09

## SAVA GROUP

The highest awards presented on Sava Day

Employees	Achievement	Acknowledgement/award
Jože Kavčič, Director, Sava IP d.o.o.	Acknowledgement and award for outstanding achievements in 2009	Manager of the Year 2009
Mojca Globočnik, Director CC Strategic Accounting, Finnace and Analysis, Sava d.d.	Acknowledgement and award for outstanding achievements in 2009	Knowledge Manager 2009
Vincenc Sauer, roller grinder, Sava - Schäfer d.o.o.	Acknowledgement and award for outstanding achievements in 2009	Sava Worker 2009
Veronika Butolen, production finisher, Sava - GTI d.o.o.	Acknowledgement and award for outstanding achievements in 2009	Sava Worker 2009
Nika Morič, Head of Reception and Sales in Camping Bled, Sava Hoteli Bled d.d.	Acknowledgement and award for outstanding achievements in 2009	Sava Worker 2009
Slavica Rešeta, Key Account Manager, Terme 3000, d.o.o.	Acknowledgement and award for outstanding achievements in 2009	Sava Worker 2009
Majda Brunčič, Head of Physiotherapy, Zdravilišče Radenci d.o.o.	Acknowledgement and award for outstanding achievements in 2009	Sava Worker 2009
Janez Konc, Director of Mixing Plant, Savatech d.o.o.	Acknowledgement and award for courage and self-sacrifice at fire extinguishing in Mixing Plant	Acknowledgement and award for courage and self-sacrifice
Aleksander Konc, Line Supervisor, Savatech d.o.o.	Acknowledgement and award for courage and self-sacrifice at fire extinguishing in Mixing Plant	Acknowledgement and award for courage and self-sacrifice
Marjan Kokalj, machine maintenance, Savatech d.o.o.	Acknowledgement and award for courage and self-sacrifice at fire extinguishing in Mixing Plant	Acknowledgement and award for courage and self-sacrifice
Mehmed Rahman, machine maintenance, Savatech d.o.o.	Acknowledgement and award for courage and self-sacrifice at fire extinguishing in Mixing Plant	Acknowledgement and award for courage and self-sacrifice
Edvin Alić, worker in Mixing Plant, Savatech d.o.o.	Acknowledgement and award for courage and self-sacrifice at fire extinguishing in Mixing Plant	Acknowledgement and award for courage and self-sacrifice
Borče Jangelov, worker in Mixing Plant, Savatech d.o.o.	Acknowledgement and award for courage and self-sacrifice at fire extinguishing in Mixing Plant	Acknowledgement and award for courage and self-sacrifice
Nikola Žarkić, worker in Mixing Plant, Savatech d.o.o.	Acknowledgement and award for courage and self-sacrifice at fire extinguishing in Mixing Plant	Acknowledgement and award for courage and self-sacrifice

## Employee education, training and development

All employees are integrated in training and education. The average number of training hours per employee amounted to 42 (in 2008 a record-breaking 72 hours) on average. One third more funds were invested in organising training than in the year before, or €194 per employee. The reason for the higher value was strategic training courses in the field of marketing and sales in Tourism.

On the basis of the key tool, the regular annual interview Sava Dialog, which managers conduct with their employees, we perform the following:

- Gather data for the development of required competences and plan further employee training.
- Produce a list of promising key personnel.

87 employees were included in the formal process of part-time study co-funded by our companies, which was slightly more than in the year before.

We consider education as an investment for the future, therefore emphasis was placed on the quality of training courses, professional knowledge and knowledge transfer among employees.

Numerous improvements were carried out in the training courses. Below are just some of the key ones:

- Long-term education and the Sava Academy training system to develop the main abilities of employees.
- Education and training courses to take measures more efficiently during the recession.
- A workshop dealing with the renewal of strategic meetings.
- A lecture by a leading corporate presentation coach, Jerry Weissman, which was attended by more than 80 associates from the Sava Group.
- The fifth school for managing and developing managerial competences.
- Internal transfer of professional knowledge in the School of Tourism and School of Rubber Manufacturing (in Slovenia there are no such formal school programmes; in the framework of the EU project Knowledge of Rubber we created manuals and e-content on rubber manufacturing).
- For all employees in Tourism who are in direct contact with guests a project to encourage cross-market and additional sales was organised. This involved selecting

instructors to stimulate and assist in additional cross-market sales. This creative way of training will encourage hotel personnel to sell the whole range of hotel services.

- Training abroad within the EU mobility programme Leonardo da Vinci.
- General encouragement of associates to learn foreign languages (English, German, Russian and Italian) in all Group divisions.
- Training courses in business protocol. Workshops for developing soft skills, internal courses about the new N1H1 flu and measures required.
- Numerous other specialised training courses for the present and long-term requirements of Sava Group companies.

## Internal communication

Due to the economic crisis the significance of internal communication increased. We devoted our attention to the strategic content in order to explain the strategy to employees who would adopt policies and endeavour to implement them. In work team meetings and worker assemblies we presented employees with the activities for tackling the situation and advised that only common effort would enable us to emerge from the crisis as winners.

After renewing the value system in 2009, we devoted an extensive communication programme to promoting the values as the foundations of our organisational culture and business strategy.

To improve internal communication we carried out training workshops on the significance and skills of communication for managers. Besides the usual written forms of internal communication (Sava newspaper, Informator and Srečko bulletin, notice boards, updated content and images in Tourism, e-mail, internet, intranet) we focused on personal communication, too. Employees had a chance to communicate directly with management teams in all Group companies.

Regular working meetings remained a standard form of communication, providing an opportunity for analysis and an open forum for new ideas and proposals.

We introduced regular meetings with worker representatives in all Sava Group companies to deal with current issues that refer to all employees and to explain how individual working processes operate as we are open to all questions, initiatives and proposals.

## Key goals: EMPLOYEE DEVELOPMENT

Indicators	Unit	Process goal in year dealt with (2009)	Process goal implementation in year dealt with (2009)	Process goals in next year (2010)
Training to develop sales skills in Tourism	Percentage of employees in training in Tourism	47 %	45 %	45 %
No. of key personnel	Percentage of key personnel of all employees for whom a development plan was prepared	12 %	8 %	12 %
School of Rubber Manufacturing	Average mark for knowledge of rubber manufacturing technology	The average exam mark was 3	After training the average exam mark was 4/5	Further development of knowledge and preserving acquired knowledge in an exam 4/5

## More important acknowledgements, awards and events

Company	Achievement	Acknowledgement/Award	Institution
Sava Group	Acknowledgement TOP 10	Acknowledgement for a company which invests most in employee training and education	Planet GV and Sofos Institute for Educational Management
<b>RUBBER MANUFACTURING</b>			
Savatech d.o.o.	2 <sup>nd</sup> prize Apple of Quality	National quality acknowledgements for partnership projects in the 2009 Lifelong Learning programme for the Knowledge of Rubber project	RS Ministry of Education and Sport and CMEPIUS (Centre RS for Mobility and European Education and Training Programmes)
<b>TOURISM</b>			
Andrej Klasinc, Director of the company Terme Ptuj d.o.o.	2009 Best Manager in Tourism award	Acknowledgment for tourist workers on World Tourism Day	Directorate for Tourism at RS Ministry of the Economy and Slovene Tourism Organisation
Simon Bertoneclj, Sava Hoteli Bled d.d., Grand hotel Toplice	Gold medal	Gold medal for the preparation of a cold plate for 8 persons: three cold and three warm <i>hors d'oeuvres</i>	84 <sup>th</sup> Herring Banquet, Grand Hotel Union, Ljubljana
Alma Rekič, Sava Hoteli Bled d.d., Hotel Park	Bronze medal	Bronze medal in the culinary arts for the creation of a dessert chocolate picture	84 <sup>th</sup> Herring Banquet, Grand Hotel Union, Ljubljana
Miro Petrevčič, Sava Hoteli Bled d.d., Grand hotel Toplice	Gold medal	Gold medal in classic cocktail preparation in the fancy drinks category for a cocktail named <i>Piran Bay</i>	18 <sup>th</sup> National Barmen Championships, Wellness Park Laško
Miro Petrevčič, Sava Hoteli Bled d.d., Grand hotel Toplice	Silver medal	Silver medal for the preparation of a cocktail named <i>Piran Bay</i>	35 <sup>th</sup> National Championships in Classic Cocktail Preparation, Berlin, Germany

Company	Achievement	Acknowledgement/Award	Institution
Miro Petrevčič, Sava Hoteli Bled d.d., Grand hotel Toplice	2 <sup>nd</sup> place	2 <sup>nd</sup> place in the award by public category	11 <sup>th</sup> Barmen Festival, Z.I.C. Vrhnika
Viktor Vlaj, Terme 3000 d.o.o.	Acknowledgement for quality and success (the highest award for catering service quality)	56 <sup>th</sup> Catering Tourism Meeting	Slovene Chamber of Commerce
Bojan Vratarič, Terme 3000 d.o.o.	Acknowledgement for quality and success (the highest award for catering service quality)	56 <sup>th</sup> Catering Tourism Meeting	Slovene Chamber of Commerce
Štefan Sraka, national youth chef team, Terme 3000 d.o.o.	Silver medal	Silver medal for the preparation of a cold plate for 8 persons: three cold and three warm <i>hors d'oeuvres</i>	84 <sup>th</sup> Herring Banquet, Grand Hotel Union, Ljubljana
Vesna Maučec, Terme 3000 d.o.o.	Silver award	Silver acknowledgement for <i>prekmurska gibanica</i>	Specialised competition within the <i>It Smells of Prekmurje</i> event, organised by the Society for the Promotion and Protection of Prekmurje Cuisine; Tourist Information Centre, Moravske Toplice and Terme 3000
Leon Varga, Terme Lendava d.o.o.	Silver award	Silver acknowledgement for <i>prekmurska gibanica</i>	Specialised competition within the <i>It Smells of Prekmurje</i> event
Božo Gradinski, chef in Hotel Termal, Terme 3000 d.o.o.	3 <sup>rd</sup> place	3 <sup>rd</sup> place in the profi barbecue category	7 <sup>th</sup> competition of barbecue masters, PGD Ihan

## More important events and achievements

### Sava d.d.

- In the best employer competition at the Golden Thread 2008/2009 event, organised by the newspaper publisher Dnevnik, the company Sava d.d. was one of 7 finalists in the medium-sized company category in Slovenia, thereby confirming its mission, which is to create attractive opportunities for employing the best personnel.
- The German regional educational institution *Arbeit und Leben Hessen* visited Sava d.d. as part of its educational excursions across Slovenia.

### Sava Group

- At the 6<sup>th</sup> career trade fair entitled *Work Looks For Me 2009*, the Sava Group was presented to students.
- In the 10<sup>th</sup> jubilee Student Arena, the largest educational trade show event for youth in Slovenia, the Sava Group received a broad response.

- We successfully passed the second evaluation for the *Family-friendly Company* certificate and have applied for an extension and to obtain a full certificate in 2010. For this purpose, we have to introduce at least three new measures, the preparations for which have already begun. After three years since the project began, employees are well familiar with the introduced benefits and activities: an additional day off for the parents of first-formers, recreation for employees and their closer family members, Open Days for employees and their family members and retired employees, discounts in Sava Group tourist facilities and the purchase of products from our suppliers. The questionnaires covering this subject revealed that most employees consider such benefits as suitable and also made use of them.
- We organised a traditional meeting for associates to celebrate their work jubilee, including retired associates and workers from the Kranj-based Sava companies. Similar meetings were organised at other locations, too.

## 3.2. CONCERN FOR HEALTH AND SAFETY AT WORK

The competence centre Safety is in charge of designing and implementing the business policy in the area of safety, which also includes the area of health and safety at work. The highest body for the safety area and, consequently, health and safety at work is a member of the Board of Management.

The occupational health and safety policy is directed to improving comfort at work, which incorporates a physical, moral and social component. Its goal is to prevent accidents at work as well as health disorders originating from the working environment, and to employ workers in forms of work that are adapted to their psychological and physical abilities.

Besides the basic, legally determined forms of theoretical and practical training courses for safe work upon concluding a work contract, we inform employees of all changes in the workplace that could affect their occupational health and safety. Furthermore, we offer periodical training courses, verification of their qualifications for safe work and raise their awareness through the following measures:

- Incorporating worker representatives in safety teams.
- Weekly notices with instructions for safe work on special notice boards.
- A column entitled *Srečko Warns and Advises* in the monthly bulletin Informator.
- The Sava Group newspaper.
- Special preventive campaigns such as *March – A Monthly of Safety*, and *October – A Month of Fire Safety*.

### Extensive training courses and employee involvement

In 2009, 63.2% of employees (65.8% in 2008) took part in theoretical courses dealing with safe work, while 52.2% of Sava Group employees (51% in 2008) participated in practical drills. We introduced a special methodology for measuring the efficiency of safety training courses, which included 16.7% of employees.

### Employee healthcare

Monitoring the state of health and care of a healthy working environment are two important tasks in our companies. In 2009, 27.2% of Sava Group employees underwent preliminary, periodic and specific health examinations.

### Worker participation in the area of occupational health and safety

In Sava Group companies, the employees implement their legal right and duty to collaborate in occupational health and safety matters through the Workers' Council, Trade Union organisations, Workers' Director, safety representatives, and through collaboration in occupational health and safety teams. 2% of all employees are involved in official forms of worker participation.

All employees have the right and obligation to immediately inform their superiors and the occupational health and safety service about health and safety issues. They also give initiatives for improving safety. We train employees and raise their awareness as how to identify occurrences and their tasks in this relation on an ongoing basis.

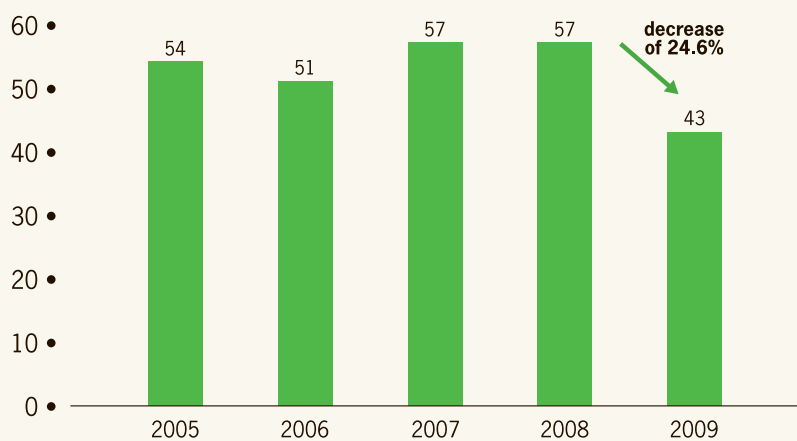
With workers' representatives we regularly consult on all measures that affect occupational health and safety, and on appointing workers who carry out tasks in relation to ensuring safety, fire safety, First Aid and evacuation as well as risk assessment, information and training. They are integrated in the process of risk assessment referring to occupational health and safety.

### Work-related accidents with injuries

The introduction of a systematic approach to identification of dangerous occurrences that in changed circumstances could lead to an accident with material damage or injury, results in a reduced number and frequency of injuries at work. In 2009, significant progress was made, which is presented in both graphs.

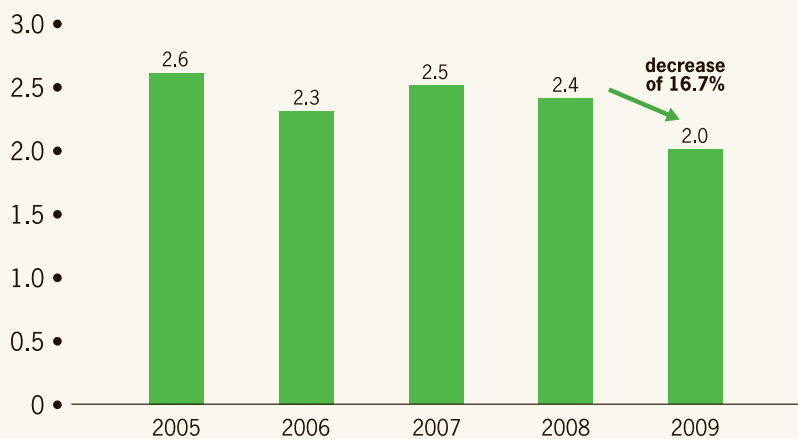
#### SAVA GROUP

No. of work-related accidents with injuries in the period 2005-2009



**SAVA GROUP**

Frequency of work-related accidents with injuries per 200,000 working hours in the period 2005-2009



**Concern for health and safety in the suppliers' chain**

The Purchasing Department obtains safety data for the evaluation of contractors in the companies of Rubber Manufacturing and Zdravilišce Radenci d.o.o. from a

questionnaire, which has been prepared in accordance with the OHSAS 18001 standard and its methodology. Risk assessment is one of the criteria for the selection of every contractor. Upon signing an agreement or an order, respectively, contractors receive safety documentation and General Safety Instructions for Contractors.

**Key goals: HEALTH AND SAFETY AT WORK**

Indicators	Unit	Process goal in year dealt with (2009)	Process goal implementation in year dealt with (2009)	Process goals in next year (2010)
Frequency of work-related accidents with injuries and sick leave	LT- IR - No. of injuries at work per 200,000 working hours	under 2.3	2.0	under 2.0
Fire events – level 0	Number	under 15	15	under 12

## 3.3. STANDARDS, POLICIES AND ACKNOWLEDGEMENTS REGARDING OCCUPATIONAL HEALTH AND SAFETY AND ENVIRONMENTAL PROTECTION

In the Sava Group we voluntarily introduced systematic tools for occupational health and safety and management together with environmental protection:

STANDARD/ CERTIFICATE	Standard/certificate description	Year of introduction	Companies which operate in conformity with the standard/certificate
<b>OHSAS 18001</b> (Occupational health and safety systems)	Standard for systematic occupational health and safety management	2002	Savatech d.o.o., Sava-Schäfer d.o.o., Zdravilišče Radenci d.o.o.
<b>SIST EN ISO 14001:2004</b>	Standard for systematic environmental management	2000	Rubber Manufacturing companies: Savatech d.o.o., Sava-Schäfer d.o.o., Sava-GTI d.o.o., and Zdravilišče Radenci d.o.o.
<b>SIST EN ISO 22000:2005</b>	Standard for food safety management	2008	Sava Hoteli Bled d.d., Terme 3000 d.o.o., Zdravilišče Radenci d.o.o., Terme Ptuj d.o.o., and Terme Lendava, d.o.o.
<b>Committed to Green</b>	Campaign run by the European Golf Association	2003	Sava Hoteli Bled d.d.
<b>Responsible Care</b>	International voluntary initiative from the chemical industry	2000	Rubber Manufacturing companies: Savatech d.o.o. and Sava-Schäfer d.o.o.
<b>Eco Label</b>	European logo for the environment, for products and services that comply with high environmental standards	Activities are underway to comply with environmental standards in Tourism	Introduction in the operation of Grand Hotel Primus, Terme Ptuj, hotels Izvir and Zdravilišče Radenci, and Savica in Sava Hoteli Bled d.d.

### Special events in the area of operations in compliance with standards in 2009

In 2009, various external audits were held in the framework of the certificates obtained for operations in compliance with international standards and national legislation:

#### Rubber Manufacturing

- In the company Sava-GTI d.o.o. a recertification external audit of the environmental management system SIST EN ISO 14001:2004.
- In the companies Savatech d.o.o. and Sava-Schäfer d.o.o. external follow-up audits of the environmental management system (ISO 14001:2004) and occupational health and safety system (OHSAS 18001:2007).
- The companies Savatech d.o.o. and Sava-Schäfer d.o.o. repeatedly obtained the right to use the Responsible Care logo for 2009 of the Chemical Industry Association at the Slovene Chamber of Commerce.

- Compliance of operations in the company Savatech d.o.o. with national legislation was verified by the obtained environmental permit issued by the Republic of Slovenia Agency of the Environment.

#### Tourism

- In Terme 3000 d.o.o., Sava Hoteli Bled d.d., Zdravilišče Radenci d.o.o., Terme Ptuj d.o.o. and Terme Lendava d.o.o. a joint external audit of the quality management system according to standard SIST EN ISO 9001:2008 and food safety system, according to standard SIST EN ISO 22000:2005.
- In Zdravilišče Radenci d.o.o. a regular external audit of the environment management system ISO 14001:2004 and a follow-up audit of the occupational health and safety system OHSAS 18001:2007.
- In Terme Ptuj d.o.o. an internal audit of compliance with environmental criteria for obtaining the Eco Label.

## More important acknowledgements, awards and events

Company	Achievements	Acknowledgement/Award	Institution
Zdravilišče Radenci, d.o.o. together with Sava Medical in Storitve d.o.o. and the competence centre Safety	European good practice award in occupational health and safety	European good practice award in occupational health and safety within the European campaign <i>Good for a Working Environment. Good For You. Good for Business.</i>	European Occupational Health and Safety Agency, European Commission and the Republic of Slovenia

### Sava Group

In June, the 7<sup>th</sup> Safety Conference of the Sava Group entitled *Managing Safety and Health During the Financial and Economic Crisis* was held and attended by top executive

and managerial staff. Its message was that continual improvements in occupational health and safety may not discontinue, not even in a period of financial and economic crisis.

## 4.

### Environmental protection and fire safety

**With the efficient use of energy sources and natural resources we saved €501 thousand in total. A sum of €5.1 million was earmarked for investments which directly protect the environment and decrease the impact of our operations in the environment, respectively. At the Kranj location we carried out technical improvements to reduce noise levels in the natural environment. Safety, health and environmental indicators as well as an outstandingly efficient intervention in a fire incident prove the level of quality of safety preventive training organised for our employees.**

In the Sava Group, an environmental management system was established that controls the impact of operations in the closer and broader vicinity of working facilities.

The Board of Management is responsible for designing and supervising the environmental protection policy.

Our vision in the area of safety is as follows: the Sava Group will be an environment- and employee-friendly business system that emphasises the principle of sustainable development, which achieves the goals of zero work-related accidents with injuries and preserving employee health.

The task of environmental protection and fire safety is organised in the form of a network. The competence centre members are specialists responsible for individual areas (environmental protection, fire safety, maintenance, and energy management) in individual companies. The professional core of the centre is represented by the Technical, Fire and Environmental Safety Department which carries out tasks on the basis of authorisations provided by companies and approvals from the competent ministry.

#### 4.1. ENVIRONMENTAL MANAGEMENT INDICATORS

The competence centre Safety presented the Environmental Protection and Fire Safety Report to the internal and external public and, partly, to residents who live next to the rubber manufacturing companies. We have voluntarily decided to report openly according to the Responsible Care programme.

#### We monitor and deal with environmental indicators on a monthly basis

We monitor the following indicators on a monthly basis: consumption of energy, drinking water, river water, water pollution, disposal of separately collected waste, specific amount of waste and use of hazardous substances. Monthly analyses of environmental indicators are complemented through the introduction of measures in individual companies and at the Group level.

#### Our priority goals continue to be as follows:

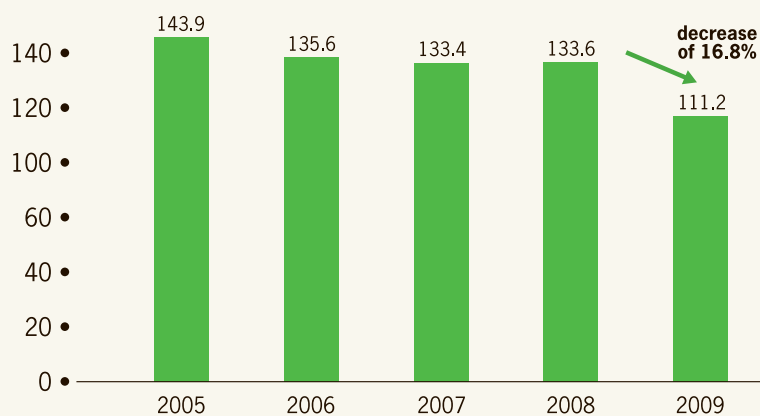
- The rational use of energy, raw materials and natural resources.
- Separate collection and recycling of waste to decrease the quantity of waste for disposal.
- Decreasing the specific quantity of waste.
- The prevention of environmental pollution. Decreasing greenhouse gas emissions.
- Substitution of hazardous substances with less hazardous ones.
- The training of employees.

#### Energy consumption lower by 16.8%

The main energy products in Sava Group companies are electricity, natural gas and propane-butane gas for households. Due to a drop in the volume of production and efficient rationalisation measures the total consumption of energy sources fell significantly.

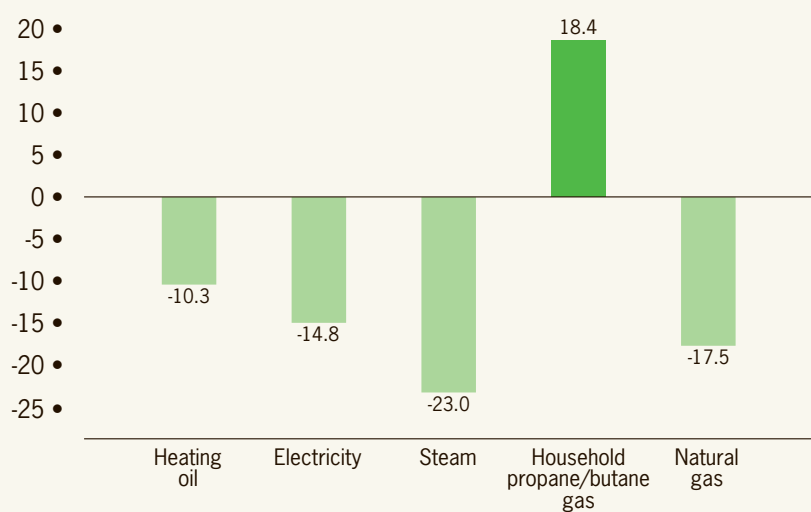
**SAVA GROUP**

Total consumption of energy products in the period 2005-2009 (GWh)



**SAVA GROUP**

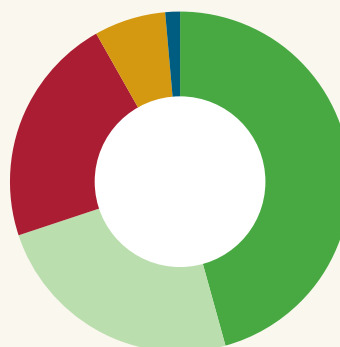
Consumption indicators by energy product type in 2009 with regard to 2008 (%)



**SAVA GROUP**

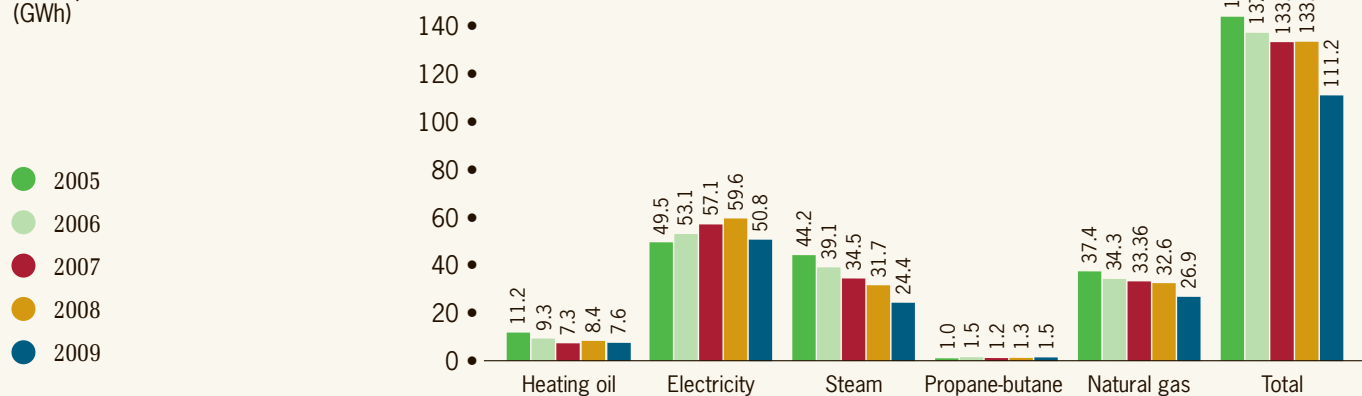
Structure of consumed energy products in 2009 (%)

- Electricity (45.7%)
- Natural gas (24.2%)
- Steam (21.9%)
- Heating oil (6.8%)
- Household propane / butane gas (1.4%)



## SAVA GROUP

Consumption of energy products in the period 2005-2009 (GWh)



## SAVA GROUP

Movement of consumption of energy by company in 2009/ 2008

Company	Consumption of electricity	Consumption of natural gas	Consumption of steam
Savatech d.o.o. and Sava-Schäfer d.o.o.	- 28.9	- 31.2	- 23
Sava-GTI d.o.o.	- 26.3	- 23.4	-
Sava Hoteli Bled d.d.	- 9.9	- 9.2	-
Terme 3000 d.o.o.	- 3.06	-	-
Zdravilišče Radenci d.o.o	- 3.15	- 1	-
Terme Ptuj d.o.o.	- 4.5	- 20	-

## SAVA GROUP

Specific consumption of energy products by company

Company	Specific use of electricity	Specific use of natural gas
Savatech, d.o.o. and Sava-Schäfer d.o.o.	- 3.3	- 6.4
Terme 3000 d.o.o.	- 0.5	-
Terme Ptuj d.o.o.	- 15.5	- 30

## Efficient management of natural resources

### Lower consumption of drinking water

In order to systematically decrease the consumption of drinking water we continued to use drinking water rationally, detect and eliminate faults systematically and monitor their consumption.

In 2009, the consumption of drinking water in the Sava Group decreased by 14.7% with regard to 2008, despite the utilisation of new accommodation capacity.

#### SAVA GROUP

Consumption of drinking water in the period 2005 - 2009 (000 m<sup>3</sup>)



#### SAVA GROUP

Movement of drinking water consumption and specific drinking water consumption by company in 2009/2008

Company	Consumption of drinking water	Specific consumption of drinking water
Savatech d.o.o. and Sava-Schäfer d.o.o.	- 55.4	- 39.3
Sava-GTI d.o.o.	-18.3	- 10.9
Sava Hoteli Bled d.d.	- 20.6	-
Terme 3000 d.o.o.	- 10.4	- 8.7
Terme Ptuj d.o.o.	- 7.7	- 9.4

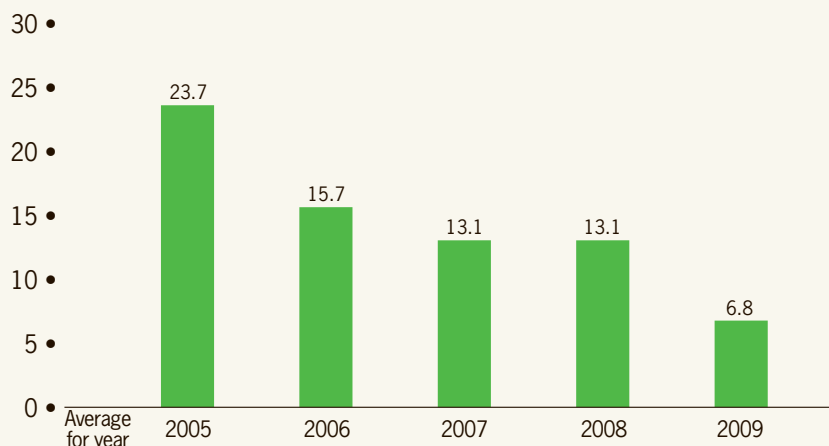
### Lower consumption of river water

In the Kranj-based companies we pump water from the river Sava, but the pumped volume does not have any special impact on the water course. In August 2009, the company Savatech d.o.o. discontinued using a through-flow system using the river as a cooling media. The river water pumping system bringing water to the factory site is still operating.

After installing independent cooling units and cooling towers, the consumption of river water decreased by 62%, and the specific consumption of river water (the amount of river water per manufactured quantity of products) was lower by 48.4%, amounting to 6.8 m<sup>3</sup>/t. In 2009, we pumped 28% less water from the brook of Završnica for watering the golf course in Bled.

## SAVA GROUP

Specific consumption of river water in the companies Savatech d.o.o. and Sava-Schäfer d.o.o. in the period 2005-2009 (in m<sup>3</sup> water/metric tons of product)



### Lower consumption of geothermal water

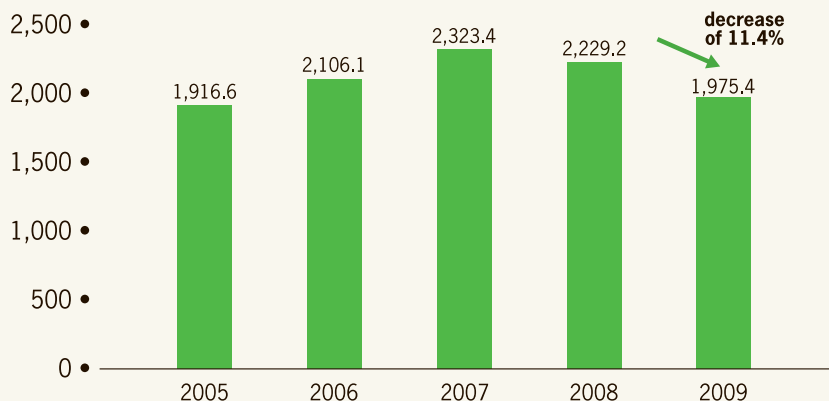
In the company Sava Hoteli Bled d.d. technical improvements were introduced, thereby decreasing the consumption of geothermal water by 32.2% with regard to 2008. In Terme 3000 d.o.o. consumption was reduced by 13% and in Terme Ptuj d.o.o. by 11%, while in Terme

Lendava d.o.o. and Zdravilisce Radenci d.o.o. consumption remained at the level of the previous year.

The specific consumption of geothermal water decreased in the companies of Sava Hoteli Bled d.d. by 14 % and in Terme 3000 d.o.o. by 0.5%. In other companies it remained at the 2008 level.

## SAVA GROUP

Consumption of geothermal water in the period 2005-2009 (000 m<sup>3</sup>)



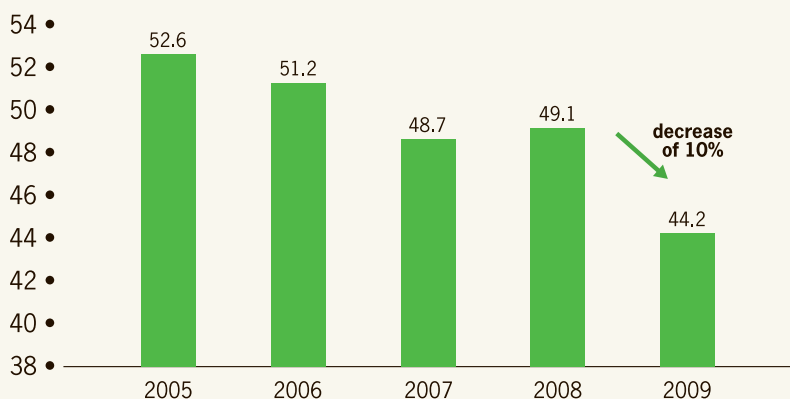
### Greenhouse gas emissions

Slovenia ratified the Kyoto Protocol of 2002, and in 2007 the EU committed to reduce greenhouse gas emissions by at least 20% when compared to 1990.

The Sava Group has joined efforts to reduce CO<sub>2</sub> emissions as well as that of five other greenhouse gases. The total CO<sub>2</sub> emission level in the Sava Group was 10% lower than in 2008, while in the past five years it was reduced by 16.4%.

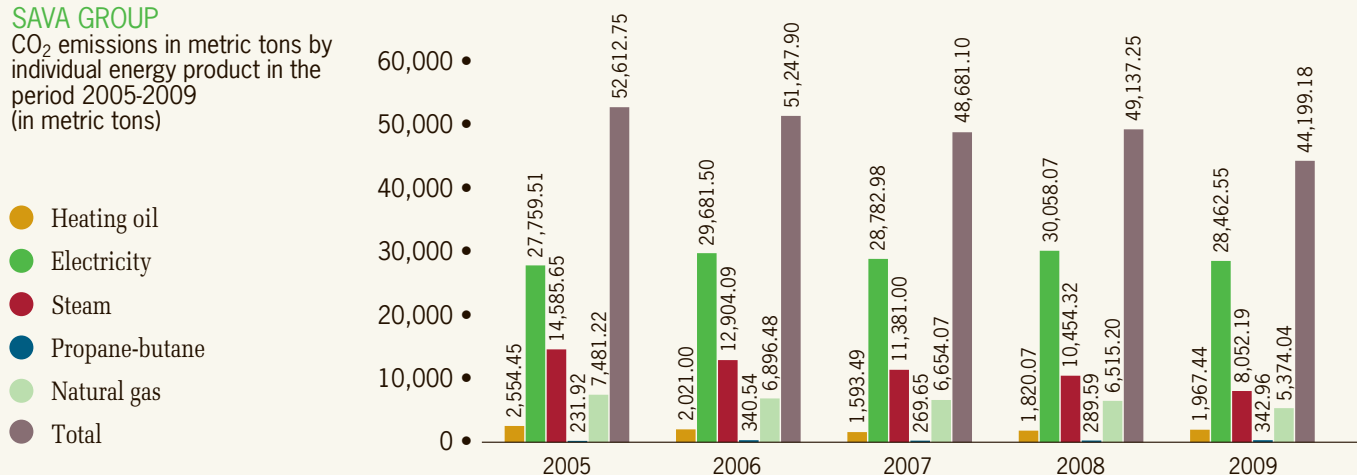
### SAVA GROUP

Total CO<sub>2</sub> emissions due to the use of energy products in the period 2005-2009 (CO<sub>2</sub> quantity in 000 metric tons)



### SAVA GROUP

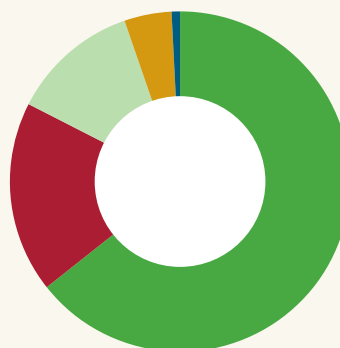
CO<sub>2</sub> emissions in metric tons by individual energy product in the period 2005-2009 (in metric tons)



### SAVA GROUP

Shares of CO<sub>2</sub> emissions by type of energy product in 2009 (%)

- Electricity (64.4%)
- Steam (18.2%)
- Natural gas (12.2%)
- Heating oil (4.5%)
- Propane-butane (0.8%)



### Emissions into the air below limit values

In accordance with legal requirements we regularly monitor emissions of substances into the air in the Rubber Manufacturing companies Savatech d.o.o. and Sava-Schäfer d.o.o.. Most recent

measurements for all emissions were made last November and December. The most frequently monitored parameters are total CO<sub>2</sub> emissions and dust particles. Emissions into the air were below the limit values. The results are reported to the Republic of Slovenia Agency for the Environment.

## Lower quantity of waste water

The quantity of waste water in Rubber Manufacturing is decreased by returning water into processes, with closed cooling systems and efficient operation of internal waste treatment apparatus (oil catchers). We perform regular measurements of waste water at two measuring points prior to the outlet to the sewer system, and at outlets of industrial waste water before the inlet to the internal sewer system. In the companies Savatech d.o.o. and Sava-Schäfer d.o.o. the quantity of waste water decreased by 52.9%, especially due to closure of the open flow system for river water. In the companies Sava Hoteli Bled d.d. the quantity

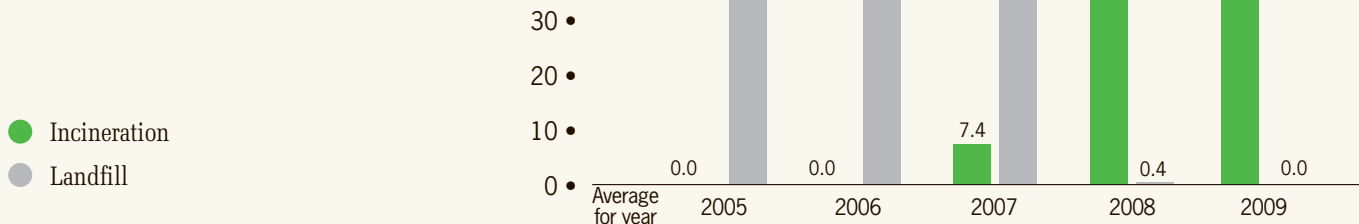
of waste water was reduced by 14.6%, in Terme 3000 d.o.o. by 20%, in Terme Ptuj d.o.o. by 2%, in Terme Lendava d.o.o. by 37% and in Zdravilišče Radenci d.o.o. by 8%.

## Safe and professional waste disposal

In Sava's Rubber Manufacturing companies we have been collecting waste according to type and property for several years. Before waste is transported to the authorised waste disposal companies it is weighed. Non-hazardous industrial waste is deposited, whereas wood, metal, paper and plastic are recycled, while hazardous substances with their packaging and rubber waste are incinerated or reprocessed.

### SAVA GROUP

Specific quantity of deposited rubber waste at the Kranj premises in the period 2005-2009 (kg / metric tons of product)



In 2009, a successful strategic project to decrease the use of waste was underway in the Rubber Manufacturing companies. In Savatech d.o.o. and Sava-Schäfer d.o.o. the quantity of rubber waste decreased by 49.2%, and the specific quantity by 30.9%. In the company Sava-GTI d.o.o. the quantity of rubber waste was lower by 44.8%, and the specific quantity by 5%.

## Management of municipal waste

Owing to the introduction of a new waste separation system, the purchase of bins for separate waste collection

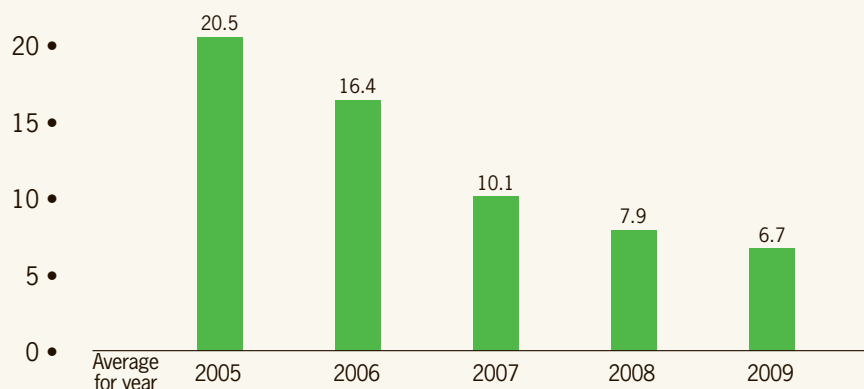
for all offices and raising employee awareness, we managed to reduce overall waste in the manufacturing plants and offices in Kranj as follows:

- The quantity of landfilled municipal waste by 37.4%
- The specific quantity of landfilled municipal waste by 14.9%

In Sava-GTI d.o.o. we reduced the quantity of landfilled waste by 44.9%, and the specific quantity by 45.1%. In Tourism companies, the quantity of landfilled waste decreased by 25.5%, and the specific amount increased by 2.3%.

### SAVA GROUP

Specific quantity of landfilled municipal waste in Savatech d.o.o. and Sava-Schäfer d.o.o. in the period 2005-2009 (kg / metric tons of product)



### SAVA GROUP

Specific quantity of landfilled municipal waste in Savatech d.o.o. and Sava-Schäfer d.o.o. in 2009/2008

Company	Absolute quantity of landfilled municipal waste	Specific quantity of landfilled municipal waste
Sava Kranj-based companies	- 37.4	- 14.9
Sava-GTI d.o.o.	- 44.9	- 45.1
Sava Hoteli Bled d.d.	- 11.1	+ 12.3
Zdravilišče Radenci d.o.o.	+ 2	+ 6.3
Terme Ptuj d.o.o.	- 9.9	- 21.3
Terme Lendava d.o.o.	- 6.5	+ 5

### Waste as secondary raw materials

We examine the applicability of technology waste and seek procedures for their re-use. Rubber waste is partly left for further processing, and as high-heat valued waste it is partly left for incineration to authorised contractors.

### Hazardous waste

In 2008 and 2009, the Sava Group had no such waste that according to the Basel Convention would be considered hazardous.

### Transportation

In Rubber Manufacturing, we transport our products to customers mostly by road or by plane. The transportation services are provided by external service providers. The impact on the environment of product transportation to customers is considered in the annual evaluation of environmental aspects. In Tourism, the potential factor causing a harmful environmental impact is the transfer of guests to their destination. In this regard, we are attempting to reduce traffic in the Bled Lake area with a new bypass road in the future, whereby we are working together with the local community.

### New anti-noise measures

In accordance with legal requirements we measure noise in the Rubber Manufacturing companies Savatech d.o.o. and Sava-Schäfer d.o.o. every three years. Recent noise measurements in the entire area in March 2008 revealed that noise levels were not exceeded, which was the result of technical anti-noise measures (acoustic barriers and noise silencers).

In 2009, the Print programme of Savatech d.o.o. commenced the trial operation of a new Print cooling tower, with an adsorption, hot-oil system and a Moldow dust collector. On the basis of internal measurements it was established that the limit level was exceeded, therefore the following measures were introduced:

- In the hot-oil Print system acoustic walls were erected in front of the container, gaps between the wall and the floor were sealed, the acoustic wall in front of the container was raised by 1.7m (in front of the hot-oil system), and an exhaust fan with a soundproof insulated elbow was fitted on the container ceiling.
- In the Moldow Print filter an acoustic wall was erected in front of the Moldow filter and an acoustic coating was applied to the Print building wall.
- In the Print cooling tower the bearings were replaced and fan was balanced.

## Cooperation with the local community

In December, we organised the 13<sup>th</sup> traditional meeting with neighbours of the Sava industrial complex in the company Sava. This meeting was attended by 36 residents from the indirect neighbourhood of Labore and Medetova Street. The meeting was organised by all manufacturing companies at the Labore premises in Kranj: Savatech d.o.o., Sava-Schäfer d.o.o. (both from the Sava Group), Sava Tires and Veyance Technologies Europe (Goodyear corporation). The residents were presented with common environmental indicators: consumption and emissions of organic solvents and noise measurements.

The participants had several questions for the company representatives and put forward certain proposals regarding environment protection.

Their questions mainly referred to the issue of parking lots and noise; they were assured that all proposals and initiatives would be studied by competent departments, which would further seek to reduce the burden on the environment.

## No environmental accidents

For the fourth year in succession Sava Group companies did not register any environmental accident (leaks, emissions, soil pollution, etc.) that could have a harmful impact on the natural and living environment, which was due to systematic preventive activities in 2009.

## Observing regulations

In 2009, Sava Group companies were not served any inspection order due to not observing environmental protection regulations.

## Biotic diversity

### Bled Golf Course

The golf course in Bled extends over 100 hectares in the direct vicinity of Bled lake and is managed by Sava's company Sava Hoteli Bled d.d. This piece of land is not ranked under protected natural areas, but due to its significance and outstanding natural features, it is of importance for

the sustainable development of nature and one of the most important tourist destinations in Slovenia. In its management, we have been following the Strategy of Preserving Biotic Diversity in Slovenia from 2001: »*The principles of tourism development should incorporate the preservation of variety, natural characteristics, features and landscape as well as the development of suitable recreational areas in accordance with the principles of environmental protection.*«

- The course is not inhabited with non-indigenous animal species and plants.
- The directions of lawn mowing are adapted to those of putting greens and the shaped forest sections, respectively.
- The construction of buildings on the course always follows the landscaping cultural heritage of Gorenjska.
- The Kings' Club house is protected as a cultural heritage monument.

On the entire golf course area we performed the cataloguing of all trees and produced a plan of the *Horticultural Arrangement of Bled Golf Course*. We listed and evaluated the nesting of birds, listed vegetation, and continually observed mammals, reptiles, amphibians, dragonflies and fungi.

Besides the artificially sown grass species, there were another 236 flower species and 45 bush and tree species in the 2003 flower list. They also include the species that are rarely found in Gorenjska such as the white cinquefoil, poison hemlock and sedum, which grow only on pastures that are not manured. Based on the list of birds we have placed 67 various nesting boxes throughout the course, and after several years of observing the behaviour of a long-eared owl we erected nesting baskets for it, too.

To complement the introduced measures and improvements of the existing conditions on Bled golf course in 2009, we cleaned and arranged the nesting boxes, fitted nesting baskets for long-eared owls, and observed the number of long-eared owls and fish in our lakes. The extensively developed lawns are mowed once a year only. We avoid spreading fertiliser and using pesticides in areas that are not needed for playing golf.

The golf courses in Bled and Moravske Toplice applied for funding from the Life++ programme to improve biotic diversity and promote tourism, which is in compliance with nature (eco tourism) and the transfer of good practices to other tourist areas.

## 4.2. CONCERN FOR THE ENVIRONMENT IN THE SUPPLY CHAIN OF MATERIALS AND SERVICES

In selecting the suppliers of materials and services we give priority to those who show a respectful and systematic attitude to environmental protection and to local suppliers. Supplies from the local environment place less of a burden on the environment.

Ever since introducing standardised environmental management according to SIST EN ISO 14001 in Rubber Manufacturing companies and the Radenci health resort, the purchasing department has been periodically evaluating

suppliers and their attitude to the environment. The evaluation procedure is set out in the regulation *Periodic Evaluation and Selection of New Raw Materials Suppliers*. Every two years the purchasing department sends to suppliers an environmental questionnaire to determine their environmental responsibility and collect data on the obtained environmental management certificates. All contractors are informed about the environment management system used at each individual location on an annual basis.

### 4.3. FIRE SAFETY

#### A fire with higher material damage

Recently the number of fires has dropped significantly, while in 2008 there was no fire incident that would cause material damage. Such a fire broke out in September 2009 in Kranj, in the company Savatech d.o.o.. Owing to the fast reaction of employees with the assistance of Kranj Fire Brigade and voluntary fire brigades from Strazišče, Breg ob Savi, Mavčice and Kokrica, the fire was extinguished in 25 minutes. The investigation revealed the reason for the fire as the breakdown of a device. Reparations and measures were underway until the end of the year.

#### Preventive activity

The companies of the Rubber Manufacturing division regularly examine how intervention teams are qualified to deal with emergency situations.

It is a tradition that every October we join the pan-Slovene preventive action campaign called *October - A Month of Fire Safety*, and devote even more attention to preventive fire safety measures as well as theoretical and practical drills for employees. 44% of employees participated in practical drills for handling fire-extinguishers.

In October, we carried out a drill to extinguish a kitchen fire and an evacuation from the building of Banovci spa together with voluntary fire brigades from Banovci, Veržej and Bučani.

An evacuation and fire extinguishing drill was carried out in November in Terme Lendava d.o.o. at the hotels Lipa and Elizabeta with all employees taking part.

#### Key goals: ENVIRONMENTAL PROTECTION

Indicators	Unit	Process goals in year dealt with (2009)	Implementation of process goals in year dealt with (2009)	Process goals in next year (2010)
Specific consumption of energy sources	Quantity of used energy sources per unit sales revenues	In 2008: 749.40 Goal: - 5 % = 731.00	Achieved in 2009: 752.06 or increase of 3.5 %	Below 731.00
Decrease in consumption of natural resources		Decrease of 5% with regard to 2008		
- Drinking water		Below 541,302 m <sup>3</sup>	486,262 m <sup>3</sup> Decrease of 14.7 %	Below 476,536 m <sup>3</sup>
- Geothermal water		Below 2,117,793 m <sup>3</sup>	1,975,409 m <sup>3</sup> Decrease of 11.4 %	Below 1,935,900 m <sup>3</sup>

#### More important acknowledgements, awards and events

- Hotel Izvir in the health resort of Radenci obtained the building energy certificate as an A category energy efficient building.

### 4.4. CONCERN FOR THE LIVING AND WORKING ENVIRONMENT IN THE FUTURE

By implementing legal requirements and introducing sophisticated methods and standards, we will be able to improve our achievements in environmental protection in the future, too.

- In Tourism, we will further endeavour to preserve the variety and diversity of animal species at golf courses.

- We will endeavour, in collaboration with the local community, to relieve the burden of car exhaust emissions on the surroundings of hotels in Bled and Bled Lake by building a road by-pass.
- We will proceed with the adaptation of hotels to meet EKO standards.

## 5.

### Human rights

**In the Sava Group we protect human rights and freedom. Our goal is to protect them fully. In 2009, there were no cases reported or identified that would violate any rights or freedom.**

**Our operations are based on:**

- Fundamental human rights as defined by the United Nations Universal Declaration on Human Rights.
- Basic labour standards as determined by the International Labour Organisation.
- EU directives on the principles regarding equality and dealing with co-workers, meaning that:
  - There is no discriminatory event.
  - We rigorously observe the provisions on the prevention of forced and compulsory labour as labour agreements reflect the free will of partners involved.
  - There is no child labour and thus far we have not identified any such risk.

The bodies responsible for the implementation of human rights are the competence centres HR, Law and Organisation and Safety; they are both further responsible to the Chairman of the Board of Management.

In the Sava Group, we did not identify any operation in which the right for gathering and collective negotiations would be threatened. The trade union representatives of the Slovene Free Trade Union Association and the Slovene Independent Trade Union Confederation are active in our companies. Due to the relatively high level of human rights protection in the environment where we operate, we have not incorporated the views with regard to human rights in the agreements on investment and those with suppliers, or arranged special training courses for employees.

**Key goals: HUMAN RIGHTS**

Indicators	Unit	Process goals in year dealt with (2009)	Implementation of process goals in year dealt with (2009)	Process goals in next year (2010)
No. of reported discrimination events	Number	Zero cases	100 %	Zero cases

## 6.

## Social environment

**In judging whether to enter in or exit from a business operation, we always take into consideration the impact on the social environment. When leasing out Hotel Jeruzalem, the leaseholder took over all employees. In the same way we protected employees in the sale of the city hotel Elizabeta in Lendava. We act creatively in public life in seeking and implementing what is of common interest to the long-term development of our business.**

**The impact of the Sava Group on the social environment is most distinctive in:**

- The area of employment.
- The development of recognisable, sustainable tourist services in Bled and Pomurje.
- The professional, vocational and economic development of rubber manufacturing.
- The operation of non-governmental organisations .
- Contributions in the form of taxes, contributions and other levies by Sava Group companies.

For the area of strategy and controlling the effects on the social environment the Chairman of the Board of Management is responsible at the highest level, while policies are designed and implemented by the competence centres Corporate Communications, HR, Law and Organisation, and Strategic Controlling.

**Our goals are:**

- Develop and preserve attractive business opportunities for the environment where we operate.
- Cooperate through funding and other types of support running non-profit operations that balance the development of the social environment.
- Act in an anti-corruption capacity and spread integrity as a value that forms the foundation of our organisational culture and business practice.
- Actively cooperate in the formation of a sustainable public policy in those matters which are significantly related to our operations.
- No violation of legal provisions on financing the activities of political parties and lobbying.
- No violations of free market competition principles.
- No violations of laws and other regulations that govern our operations.

In 2009, we decided to renovate the organisational culture and exercise integrity as a new value (in internal communication tools: newspaper, notice boards, intranet, measures for awarding best employees and managerial employees). Contracts on major investments or supplies and managerial work agreements include an anti-corruption clause. We did not perform any analyses of anti-corruption risk in the organisation groups.

The employees of the Sava Group were not suspected of corrupting behaviour or involvement in a corruption act, and no internal or external measure was introduced as a consequence of corruption.

### Considering the influences on the social community due to entering in or exiting from a business operation

The consequences of entering a business or exiting from a business are always considered from the position of the impact that such an act could have on the social community. By entering a business, we wish to spread positive effects on the social community. The same happens in exiting from a business. In concluding a strategic partnership, we decide to make agreements that protect the interests of the social community and jobs in particular. In 2009, the company Zdravilišče Radenci d.o.o. concluded an agreement on leasing out Hotel Jeruzalem, on the basis of which the leaseholder kept all employment contracts in force; in January 2010, the company Terme 3000 d.o.o. sold the town hotel Elizabeta in Lendava, yet all employees retained their jobs.

A judgment with regard to the influences on health, burden on the environment and infrastructure development, inputs and emissions of hazardous substances and environmental risks formed the basis for restructuring Sava Group operations in 1997 and the discontinuation of certain rubber manufacturing programmes. At the same time, it forms an indispensable part of all studies concerning investments in the Sava Group.

### Influence on public policy, limiting free market competition and observing regulations

We creatively collaborate with local policy-makers in looking and implementing common interests for the long-term development of Rubber Manufacturing, Tourism, Investment Finance and Other Operations.

Together with the local community in Bled we are endeavouring to rebuild the road infrastructure. All tourism companies are active partners in local tourism organisations and through their activity they encourage the development of tourist services in the whole destination. The company Terme Ptuj is a member of the local tourist consortium Kurent, which is trying to develop the Kurent Festival in Ptuj as the greatest Slovene ethnological event. We are active partners in designing the national economic and tourism strategy, in particular. Furthermore, we are endeavouring to spread international economic cooperation between Slovenia and other countries.

In compliance with the act, Sava Group companies did not finance or in any other way support the activity of any political party or its representative in 2009. We charged services at market prices for political parties and political representatives, who were guests in the Tourism buildings.

## Limiting free market competition and observing regulations

In 2009, there was no case of limiting free market competition or violation of legal regulations ascertained in Sava Group companies.

## Key goals: INFLUENCES ON SOCIETY

Indicators	Unit	Process goals in year dealt with (2009)	Implementation of process goals in year dealt with (2009)	Process goals in next year (2010)
Corruption handling cases	Individual violation	Zero (0) cases	100 %	Zero (0) cases
Observing legal provisions concerning funding political parties and lobbying	Individual violation	Zero (0) cases	100 %	Zero (0) cases
Free market competition	Individual violation	Zero (0) cases	100 %	Zero (0) cases

## More important acknowledgements, awards and events

### Sava d.d.

- Within the framework of his first official visit to Slovenia, the Prime Minister of the Republic of Macedonia, Nikola Gruevski, opened a consulate of the Republic of Macedonia in the Republic of Slovenia. The consulate operates at the head office of the company Sava d.d in Kranj under the leadership of the honorary consul, Janez Bohorič, Chairman of the Board of Management of Sava d.d.. In May, a meeting of the President of the Republic of Macedonia, Dr. Gjorge Ivanov, was held at Sava d.d. with representatives of the Slovene economy.
- Janez Bohorič, Chairman of the Board of Management of Sava d.d., becomes an honorary citizen of the Municipality of Ptuj.
- With scouts from Kranj and the Municipality of Kranj, Sava organised the *Let's Clean Kranj* campaign, which unites over 30 organisations, with Sava employees being among the 2,000 participants.

### Sava Group

- In June, open days are organised in Sava Group companies.

### Tourism

- In cooperation with the local tourist organisation Turizem Bled, we prepared on the occasion of the culinary guide promotion a presentation of culinary specialties made by caterers from Bled.

- Andrej Klasinc, Director of Terme Ptuj d.o.o., is appointed the new Chairman of the Assembly of the Slovene Natural Health Resorts Association.
- In Hotel Livada Prestige in Moravske Toplice a regional consultation of economists called With Knowledge to Changes in the Economy is held; the consultation is attended by Minister of Higher Education, Science and Technology of the Republic of Slovenia, Gregor Golobic.
- In Zdravilišče Radenci d.o.o. Sava hosted the 10<sup>th</sup> consultation of employers organised by the Slovene Association of Employers in Trade and Entrepreneurs, which is also attended by Minister of Labour, Family and Social Affairs of the Republic of Slovenia, Dr. Ivan Svetlik, and Minister of Justice of the Republic of Slovenia, Mr Ales Zalar.
- For the third time in succession, Terme Ptuj d.o.o., a member of the Kurent consortium, and the Municipality of Ptuj and Perutnina Ptuj organised the Kurent Festival in Ptuj, which attracts over 100,000 visitors from Slovenia and abroad.
- In Bled's Hotel Golf we hosted a jubilee, the 10th Bled Foresight Conference, entitled Europa Forum. Among other important guests, this conference was attended by President of the Republic of Slovenia, Dr Danilo Türk, and Minister of Culture of the Republic of Slovenia, Mrs Majda Širca.
- In the gallery of Hotel Ajda in Terme 3000 we exhibited and auctioned Easter eggs called *remenkas* in cooperation with local societies; the proceeds from the auction are donated to the Pomursko Society for Cerebral Paralysis.

- In conjunction with the Romani society *Romano pejtausago* from Kamenci, Terme 3000 d.o.o. organised the first Romani picnic, in which chefs from Hotel Ajda and Termal created Romani specialities.
- The international Strategic Forum Bled, organised by the Republic of Slovenia Ministry of the Exterior and the Centre for a European Future, is hosted once again by the company Sava Hoteli Bled d.d..
- To hold the 2<sup>nd</sup> Roman Games in Terme Ptuj more than 20 tourist and other companies from the region are involved, and over 1,000 visitors participated in the games.
- In September Zdravilišce Radenci d.o.o. marked World Heart Day with a number of various activities.
- In the framework of the local action group *A Basket of Gorenjska* the company Sava Hoteli Bled d.d. obtained European funding<sup>1</sup> for the project implementation of From Nature to Culture Through Partnerships and Cooperation. The purpose of this project, whose value is €60,000, is to revive the countryside.
- As part of a government visit to Pomurje, Zdravilišce Radenci d.o.o. hosted a meeting of Slovene Prime Minister Borut Pahor with mayors, economists, MPs and state councillors from Pomurje.
- The funds gathered at the Bled Golf Friendship Tournament for the President's Cup are donated to the youth centre in Bled.

### Contribution of employees to the development of social communities - public appearances

Event	Participants	Manner of cooperation
Slovene Association of Safety Engineer Societies – A Specialist Symposium on Occupational Health and Safety	Janez Bohorič, Chairman of the Board of Management of Sava d.d.	Lecture: <i>Occupational Health and Safety in Company Values</i>
Slovene Association of Safety Engineer Societies – A Specialist Symposium on Occupational Health and Safety	Emil Vizovišek, Member of the Board of Management of Sava d.d.	Presentation of a good practice case in occupational health and safety in the Sava Group at the round table dealing with occupational health and safety in Slovene companies
Institute of Occupational Safety – IX International Conference on Global Safety	Janez Fabijan, director of the competence centre Safety	Lecture: <i>Occupational Health and Safety – A part of Social Responsibility</i>
Slovene Association of Safety Engineer Societies – Specialist Symposium of Occupational Health and Safety	Janez Fabijan, director of the competence centre Safety, and Erna Pintarič, occupational health and safety manager	Presentation of a good practice case in occupational health and safety: <i>A Healthy Working Environment, participation in a round table reporting on Continual Improvements in Occupational Health and Safety in Companies</i>
Specialist consultation of the Safety Engineer Society of Gorenjska entitled Occupational Health and Safety	Janez Fabijan, director of the competence centre Safety	Lecture: <i>Occupational Health and Safety During the Financial and Economic Crisis</i>
IBM Forum	Georg Pollak, director of the competence centre Strategic Informatics, and Peter Krelj, director of the Quality Assurance and Reliability Sector	Lecture: <i>Managing Investments in the Sava Group</i>
Round table of IT Managers Society	Georg Pollak, director of the competence centre Strategic Informatics	Participation in a round table debate: <i>Managing IT in a Recession – Directions of IT at Sava under Crisis Circumstances</i>
NT conference	Georg Pollak, director of the competence centre Strategic Informatics	Presentation of a good practice case in e-invoices in the Sava Group; presentation of good practice cases with a transition to Microsoft platforms for the operation of the critical application SAP and their use

Event	Participants	Manner of cooperation
6 <sup>th</sup> career trade fair Work Seeks Me 2009	Tatjana Lozar, director of the competence centre HR, Law and Organisation	Presentation of the Sava Group and career opportunities
Consultation: Managing Absenteeism	Marija Rjavec, director of HR at Savatech d.o.o.	Presentation of a good practice case in reducing the level of sick leave in Savatech d.o.o.
Meeting: Leading Excellence – Human Resources in Modern Times	Zvonko Belič, director of the competence centre EU Projects	Participation in a round table debate with the presentation of good practice cases in managing people, education and employee personal growth
Meeting of project leaders in the Longlife Learning programme	Zvonko Belič, director of the competence centre EU Projects	Lecture: <i>Bonds between Companies and Educational Organisations</i>
Consultation: Developing the Connection between Tourism Society Organisations and the Tourism Economy – Formation of an Integrated Tourist-Ecological Product	Andrej Šprajc MSc, director of Tourism in the Sava Group	Presentation of designing and implementing integrated tourism, cultural and ecological products in Tourism companies
World Tourism Day – Finishing the Campaign Near Home, Near Heart	Andrej Šprajc MSc, director of Tourism in the Sava Group	Participation in a round table debate in Tourism: <i>Celebrating Variety</i>
12 <sup>th</sup> Slovene tourism forum in Radenci	Mladen Kučič, director of Zdravilišče Radenci d.o.o.	Participation in a round table debate: <i>How Slovenia will Make Use of the Green Tourism Trend</i>
Round table: Positioning Gypsies in the Information and Market Globalisation Society	Vesna Maučec, director of the hotels Termal and Ajda in Terme 3000 d.o.o.	Presentation of cooperation between Terme 3000 and the Romani society in Kamenci

## 7.

## Product and service liability

We endeavour to ensure that care for customer health and safety is incorporated in our products and services. In 2009, no violations of guest privacy in Tourism were registered. Despite a higher number of guests, we respect the code and regulations that govern responsible communications with them, in all cases. On the basis of regular measurements of customer and guest satisfaction, we introduce the improvements necessary.

### Customer health and safety

In products and services provided by Sava Group companies, we devote considerable attention to the health and safety of our customers, which already starts in the development phase. Some of our products and services are directly aimed at improving health and safety. This particularly applies to industrial rubber products for environmental protection and rescue, and also to thermal and health resort tourism where positive effects originating from natural geothermal waters are accompanied by medical and wellness services. The properties of geothermal waters are examined monthly as determined by legislation and regulations.

In 2009, no complaint referring to the data on products and services was received. Products and services are marked in accordance with legislation and are complemented with instructions requested by customers. We made a successful transition to the food safety management system according to the SIST EN ISO 22000:2005 standard in Terme 3000 d.o.o., Zdravilišče Radenci d.o.o., Terme Ptuj d.o.o. and Terme Lendava d.o.o., while in Sava Hoteli Bled d.d. we passed a follow-up audit of the system without any non-compliances. More about that in the chapter entitled *Quality*.

### Customer and guest satisfaction, safeguarding privacy

We use questionnaires and personal conversations to check our customer satisfaction, which is done on a regular and continual basis. Guests who stay overnight are offered a questionnaire on their departure to evaluate the quality of accommodation, wellness and catering services. We also check their satisfaction in conversations with guests. On the basis of regular analyses of results we introduce necessary improvements in services. Our achievements are awarded by national and international acknowledgements for quality, which are described throughout the sustainable development report, in the chapter *Highlights*.

We did not receive any complaints concerning the violation of guest privacy or personal data of customers. In Rubber Manufacturing, customer satisfaction is measured and analysed at the end of the year or when required. The indicators, which are introduced, are: customer satisfaction measurement, new customers, regular customers, key customers and new products.

### Key goal: CUSTOMER SATISFACTION IN THE COMPANY SAVATECH d.o.o.

Indicators	Unit	Process goals in year dealt with (2009)	Implementation of process goals in year dealt with (2009)	Process goals in next year (2010)
Satisfaction index	%	75.0	74.7	75.0
Average satisfaction score at four most important factors:				
– Quality/price relation	Grade 1- 5	3.80	3.83	3.86
– Quality	Grade 1- 5	4.10	4.01	4.04
– Punctuality of deliveries	Grade 1- 5	4.08	3.96	4.00
– Length of delivery terms	Grade 1- 5	3.80	3.74	3.77

## Marketing communications

Communicating products and services (advertisements, promotions and sponsorship) is carried out in compliance with the principles of safeguarding competitiveness and codes of the Slovenian Advertising Chamber and the Slovenia Public Relations Society.

In the year of reporting we were not charged with any penalty for non-observance of regulations in connection with marketing communications and, furthermore, we did not violate any provisions that govern the supply and use of product and services.

## Key goals: PRODUCT AND SERVICE LIABILITY

Indicators	Unit	Process goals in year dealt with (2009)	Implementation of process goals in year dealt with (2009)	Process goals in next year (2010)
Rubber Manufacturing: poor quality costs	€	2.30 million	2.37 million	1.88 million
Tourism: number of guest complaints	No. of complaints (%)	0.10	0.005	0.1

## More important acknowledgements, awards and events

Company	Achievement	Acknowledgement/Award	Institution
<b>RUBBER MANUFACTURING</b>			
Sava Trade SP.z o.o., Warsaw	1 <sup>st</sup> prize	Award for a lifting bag – the best product in Poland	EDURA (Fund for Education and New Rescue Technology), Poland
Sava GTI d.o.o.	Plaque and statue for the best supplier	Plaque and statue for the best supplier in the area of rubber and plastic	Knorr-Bremse, Germany
<b>TOURISM</b>			
Sava Hoteli Bled d.d.	15 medals (6 gold, 6 silver and 3 bronze)	56 <sup>th</sup> Catering Tourism Meeting	Slovene Chamber of Commerce
Sava Hoteli Bled d.d., Hotel Golf – Wellness Živa	3 <sup>rd</sup> place	Best Wellness 2008/09 campaign – 3 <sup>rd</sup> place in the tourism “small” category	Radio broadcast and web portal <i>Good Morning, Slovenia</i>
Sava Hoteli Bled d.d., Hotel Golf – Wellness Živa	Best wellness	Best Wellness 2008/09 campaign in the tourism “small” category – in the opinion of the professional commission	Radio broadcast and web portal <i>Good Morning, Slovenia</i>
Sava Hoteli Bled d.d., Grand Hotel Toplice, Room No. 212	Room with the best view	Selection of photos, <i>Room with the Best View</i> campaign	<i>Kongres magazine</i>
Sava Hoteli Bled d.d., Camping Bled	2 <sup>nd</sup> place	<i>My Country – Beautiful and Hospitable</i> campaign, in the “large-sized” campsite category	Slovene Tourism Association
Sava Hoteli Bled d.d., Bled golf course	54 <sup>th</sup> place	The top 100 golf course list in continental Europe	Golf World newspaper
Sava Hoteli Bled d.d., Camping Bled	Award by the renowned Alan Rogers Campsite Guide	Best European Campsite in the active holidays category	Tourism Exchange Vakantiebeurs 2010, Utrecht, Netherlands

Company	Achievement	Acknowledgement/Award	Institution
Terme 3000 d.o.o. Zdravilišče Radenci d.o.o. Terme Lendava d.o.o. Terme Ptuj d.o.o. Terme Banovci	69 medals (27 gold, 26 silver, 9 bronze) and 7 acknowledgements; Transitory quality cup; Ribbon of Quality	56 <sup>th</sup> Catering Tourism Meeting	Slovene Chamber of Commerce
Terme 3000 d.o.o.	2 <sup>nd</sup> place	<i>Best Slovene Swimming Pool 2009 campaign</i> , large thermal spas category	Radio broadcast <i>Good Morning, Slovenia</i>
Terme 3000 d.o.o.	1 <sup>st</sup> place among best arranged and hospitable large spas	<i>My Country – Beautiful and Hospitable</i> campaign, in the large-sized campsite category	Slovene Tourism Association
Terme 3000 d.o.o.	Golden acknowledgement	Golden acknowledgement for <i>prekmurska gibanica</i>	Specialised competition in the event <i>It Smells of Prekmurje</i>
Terme Ptuj d.o.o., Grand Hotel Primus – Valens Augusta Wellness	2 <sup>nd</sup> place	<i>Best Wellness 2008/09</i> campaign – 2 <sup>nd</sup> in the tourism category for large wellness centres	Radio broadcast and web portal <i>Good Morning, Slovenia</i>
Terme Ptuj d.o.o.	Special acknowledgement for an innovative tourist product: Roman Games	<i>Best Slovene Swimming Pool 2009</i> campaign, large thermal spas category	Radio broadcast <i>Good Morning, Slovenia</i>
Terme Ptuj d.o.o.	3 <sup>rd</sup> place among best arranged and hospitable smaller spas	<i>My Country – Beautiful and Hospitable</i> campaign in the smaller campsite category	Slovene Tourism Association
Terme Ptuj d.o.o., Kamp Terme Ptuj	1 <sup>st</sup> place among best arranged and hospitable medium to large spas	<i>My Country – Beautiful and Hospitable</i> campaign in the medium-sized campsite category	Slovene Tourism Association

- The thermal park in Terme Ptuj d.o.o. was visited by the 7<sup>th</sup> million swimmer.
- We celebrated the 10 millionth original cream cake, made by pastry chefs at Hotel Park in Bled from 1953 till that day.
- Grand Hotel Toplice in Bled is the first Slovene member of the renowned international luxury hotel chain Small Luxury Hotels of the World.

- In Hotel Livada Prestige in Terme 3000, athletes are highly satisfied with the accommodation and services provided: the hotel hosts the English football club Queens Park Rangers, while Terme Ptuj repeatedly hosts the West Bromwich Albion club, in Grand Hotel Primus.

The opinion by the Global Compact Slovenija and the index according to the GRI G3 reporting guidelines follow at the end of the Annual Report.