2021 SUSTAINABILITY REPORT

DARS

Ljubljana, 30 June 2022

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1972 FIRST SECTION BUILT

The first section of modern 4-lane motorway was built in Slovenia and what was then Yugoslavia. The section between Vrhnika and Postojna is 30 kilometres long; the construction of the motorway commenced in May 1970 and the section was opened for traffic on 29 December 1972.

1991 KARAVANKE

The Karavanke tunnel – the longest Slovenian road tunnel measuring 7864 metres in length – was opened for traffic on 1 June, thus opening the most important traffic link between West and East Europe for passenger and freight traffic. It is the only single-tube tunnel in Slovenia. Upon opening, the tunnel was the 9th longest motorway tunnel in the European Alpine region and the 16th longest motorway tunnel in the world. The Slovenian section of the tunnel measures 3750 metres in length.

1993 DARS IS ESTABLISHED

The first section of 4-lane motorway was built in Slovenia and what was then Yugoslavia. The section between Vrhnika and Postojna is 30 kilometres long; the construction of the motorway commenced in May 1970 and the section was opened for traffic on 29 December 1972.

1995 ABC TAG SYSTEM

A new modern tolling method called the ABC system was established. It was piloted at the Torovo toll station and was intended for passenger vehicles; after vignettes were introduced in 2008, ABC tags began to be used by heavy-duty vehicle drivers. The ABC tag system enables fast passage through a toll station – in combined lanes at speeds of up to 5kmph and in fast lanes at speeds of 40kmph.

1996 OPEN TOLL SYSTEM ON THE ŠTAJERSKA LEG

On the Štajerska leg of the motorway network, the closed tolling system was transformed into an open one, with the toll station serving as an entry and exit point at the same time and the amount of toll depending on the billing distance rather the distance travelled. Users paid only tolls if they had passed through the toll station.

2004 ČRNI KAL

The Črni Kal viaduct – the most demanding bridging structure built so far on the Slovenian motorway network – was opened for traffic. The viaduct measures 1065 metres in length and bridges the Osp valley with two abutments and 11 columns. The highest column is 95 metres high.

DARS IS MADE A PUBLIC LIMITED COMPANY

DARS is transformed from the then publicly owned company in the form of a private limited company into a public limited company as a corporate entity. At the end of 2003, DARS acquired the then publicly owned company PVAC (Podjetje za vzdrževanje cest d.o.o.) and all its employees. DARS became the entity operating and maintaining all the motorways and infrastructural facilities and plants, also assuming the responsibility for collecting tolls. By realising national motorway programmes and operating the motorway network, DARS has provided motorway users with quality motorways and expressways.

2005 ŠENTILJ AND KOPER ARE LINKED

Šentilj and Koper were linked to the motorway network. The section between Vransko and Blagovica was one of the most demanding motorway sections in Slovenia due to the geologically and geomechanically complex and diverse terrain. The first section of the missing motorway link between Vransko and Trojane was opened for traffic in 2002 and the section between Trojane and Blagovica was put into service in 2005. This section also features the longest double-tube tunnel in Slovenia, the Trojane tunnel, totalling 2931 metres in length.

SE NADALJUJE ...

2006

THE TRAFFIC INFORMATION CENTRE IS ESTABLISHED

The Traffic Information Centre for National Roads (TIC) started operations, becoming a reliable companion and the first and foremost provider of information on road conditions, linking traffic safety and comfort with motorway fluidity. The TIC builds trust on credible and prompt traffic information, upgrading it every year with new technologically advanced tools.

2008

VIGNETTE SYSTEM

The vignette system was introduced for vehicles weighing up to 3.5 tonnes. The system replaced the then stop-to-pay toll system.

EAST SLOVENIA IS LINKED TO THE MOTORWAY NETWORK

The closed tolling system on the Štajerska motorway leg was transformed into an open one, the toll station being an entry and exit point at the same time and the amount of the toll depending on the billing distance rather than the distance travelled. Users paid only tolls if they had passed through the toll station.

2010

THE DARS ACT ADOPTED

An amended Motorway Company in the Republic of Slovenia Act was adopted, granting DARS the status of an economic entity that builds, operates and maintains motorways on its own behalf and for its own account, while conducting spatial planning, motorway siting and land acquisition tasks on behalf of and for the account of the Republic of Slovenia.

2015

THE MARKOVEC TUNNEL

The Markovec tunnel was opened for traffic – the latest of the tunnels on the Slovenian motorway network. The 2.1-kilometre-long double-tube tunnel is the 4th longest Slovenian tunnel. Over 370,000 cubic metres of soil was excavated for the tunnel, which could fill some 4,800 4-axle train wagons, making the train around 60 kilometres long.

2018

ELECTRONIC TOLLING

On 6 September 2016, DARS signed a contract on the deployment and operation of a multi-lane electronic tolling system in free traffic flow on motorways and expressways for vehicles with a maximum authorised mass exceeding 3500 kilograms (heavy-duty vehicles) with the consortium comprising Telekom Slovenije d.d. and Q-Free ASA from Norway. This is a microwave tolling system at the standard frequency of 5.8GHz. Since 1 April 2018, heavy-duty vehicles have been tolled using 125 gantries erected between junctions throughout the motorway network. After the new tolling method is introduced for heavy vehicles, toll stations will be gradually removed from the motorways.

REMOVAL OF TOLL STATIONS

After the DarsGo system was introduced for vehicles weighing over 3.5 tonnes on the Slovenian motorway network, toll stations were rendered unnecessary. Works to remove and rearrange them started just before the tourist season and were planned to be completed within two years. Due to the construction specifics, removal was demanding and conducted during traffic flow. The removal improved traffic fluidity, eliminated occasional congestion and enhanced traffic safety.

2020

COMMENCEMENT OF WORKS ON THE 2ND TUBE OF THE KARAVANKE TUNNEL AND THE 3RD DEVELOPMENT AXIS

Construction works for the eastern tube of the Karavanke tunnel commenced on the Gorenjska motorway leg. Works also commenced on the northern part of the 3rd development axis, i.e. on the expressway section between Velenje and Slovenj Gradec. Due to measures to contain the COVID-19 epidemic, motorway and expressway traffic declined, which yielded less toll revenue and affected Company operations.

2021

INTRODUCTION OF THE E-VIGNETTE

The classic vignette stickers on vehicles were replaced by electronic vignettes tied to the vehicle registration number, which is entered into the central tolling system upon purchase of the e-vignette. On 1 December 2021, we introduced the yearly e-vignette for all vehicles and the half-year vignette for motor vehicles, followed by the weekly and monthly e-vignette on 1 February 2022.

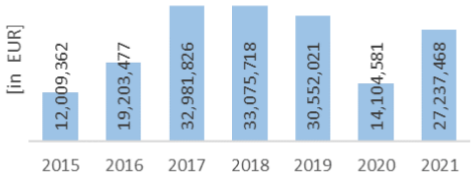
The social footprint of DARS

DARS IS A COMPANY OF STRATEGIC IMPORTANCE FOR THE REPUBLIC OF SLOVENIA AND REPRESENTS THE LARGEST CAPITAL INVESTMENT (UNDER THE BALANCE SHEET BOOK VALUE CRITERION) IN TRANSPORT.

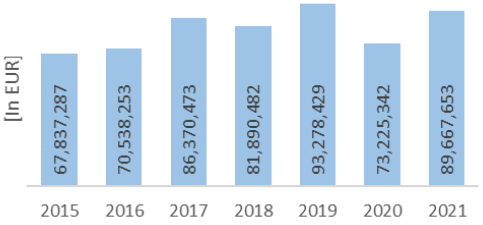
DARS is well aware of its responsibility to people, the environment and society. Therefore, it exercises social responsibility in a sustainable manner in all projects and long-term plans at all levels. Ambitious and clearly defined goals ensure that the public will continue to identify DARS as a responsible and forward-looking company.

The Government of the Republic of Slovenia introduced different toll prices with respect to the EURO emission classes on 1 January 2010 based on the Decree determining toll adjustment factors for vehicles with a maximum permissible weight exceeding 3,500 kg. Vehicles with the lowest emissions of harmful particles (higher EURO emission classes) are entitled to a reduced tariff.

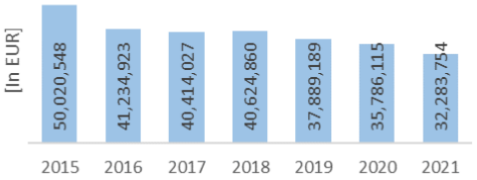
Corporate income tax
2015: EUR 12,009,362
2016: EUR 19,203,477
2017: EUR 32,981,826
2018: EUR 33,075,718
2019: EUR 30,552,021
2020: EUR 14,104,581
2021: EUR 27,237,468



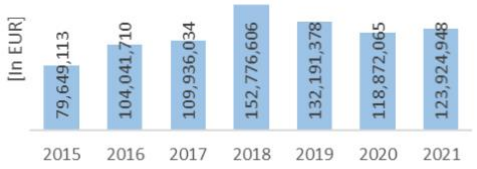
VAT
2015: EUR 67,837,287
2016: EUR 70,538,253
2017: EUR 86,370,473
2018: EUR 81,890,482
2019: EUR 93,278,429
2020: EUR 73,225,342
2021: EUR 89,667,653



Interest payments
2015: EUR 50,020,548
2016: EUR 41,234,923
2017: EUR 40,414,027
2018: EUR 40,624,860
2019: EUR 37,889,189
2020: EUR 35,786,115
2021: EUR 32,283,754



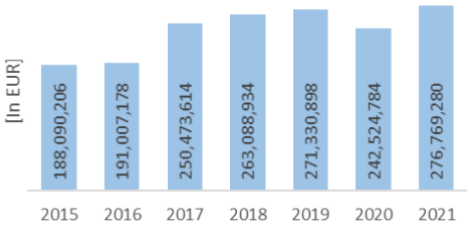
Investments in motorway development and reconstruction
2015: EUR 79,649,113
2016: EUR 104,041,710
2017: EUR 109,936,034
2018: EUR 152,776,606
2019: EUR 132,191,378
2020: EUR 118,872,065
2021: EUR 123,924,948



Employees are proud to be employed at DARS and perform their work in a responsible and committed manner, being loyal to the Company. We value quality work, continuous improvements and concern for the environment and traffic safety. This is how we strive to build a healthy, safe and sustainable future for ourselves and all our stakeholders.

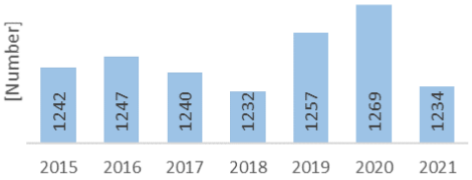
Toll revenue – freight traffic (and the Karavanke tunnel)

2015: EUR 188,090,206
2016: EUR 191,007,178
2017: EUR 250,473,614
2018: EUR 263,088,934
2019: EUR 271,330,898
2020: EUR 242,524,784
2021: EUR276,769,280



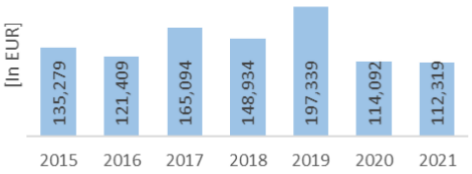
Number of employees

2015: 1242
2016: 1247
2017: 1240
2018: 1232
2019: 1257
2020: 1269
2021: 1234



Sponsorships and donations

2015: EUR 135,279
2016: EUR 121,409
2017: EUR 165,094
2018: EUR 148,934
2019: EUR 197,339
2020: EUR 114,092
2021: EUR 112,319



The environmental footprint of DARS

The Company is committed to environmentally friendly actions in all stages of operations and the continuous reduction of adverse environmental impacts.

DARS ranks among the large energy consumers in Slovenia with an annual energy consumption of 44.61 GWh (in 2021).

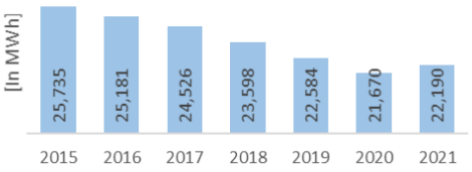
DarsGo – ELECTRONIC TOLLING SYSTEM and impacts on reduced fuel consumption by MW and EW users and consequently reduced emissions of C02 and other air contaminants (NOx and PM2.5) since the deployment of the tolling system on 1 April 2018.

The deployment of the DarsGo system is one of the most important environmental measures in the Republic of Slovenia.

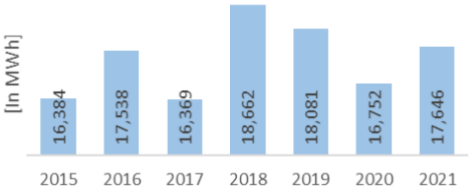
Implementation of European projects for traffic management and control:

- **establishment of interoperability: C-Roads project**
- **traffic control and management systems and the exchange of traffic information: Crocodile 3 Project**

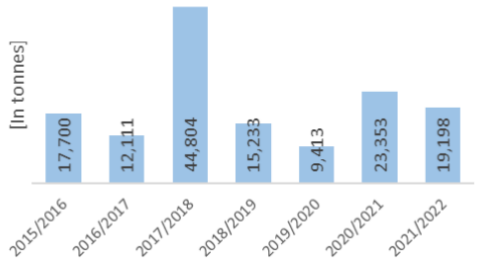
Electricity consumption
2015: 25,735 MWh
2016: 25,181 MWh
2017: 24,526 MWh
2018: 23,598 MWh
2019: 22,584 MWh
2020: 21,670 MWh
2021: 22,190 MWh



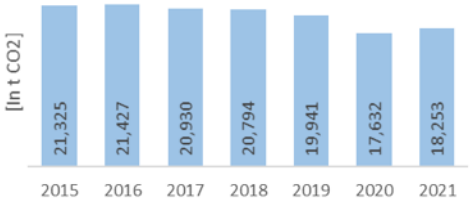
Fuel consumption
2015: 16,384 MWh
2016: 17,538 MWh
2017: 16,369 MWh
2018: 18,662 MWh
2019: 18,081 MWh
2020: 16,752 MWh
2021: 17,646 MWh



Grit consumption
2015/2016: 17,700 tonnes
2016/2017: 12,111 tonnes
2017/2018: 44,804 tonnes
2018/2019: 15,233 tonnes
2019/2020: 9,413 tonnes
2020/2021: 23,353 tonnes
2021/2022: 19,198 tonnes

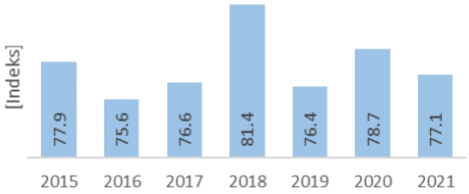


Carbon footprint
2015: 21,325 t CO_2
2016: 21,427 t CO_2
2017: 20,930 t CO_2
2018: 20,794 t CO_2
2019: 19,941 t CO_2
2020: 17,632 t CO_2
2021: 18,253 t CO_2

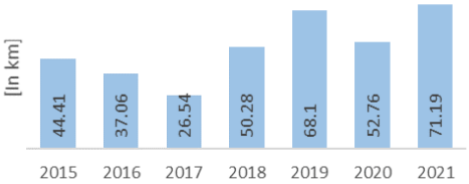


Safe motorways require renovation.

User satisfaction index
2015: 77.9
2016: 75.6
2017: 76.6
2018: 81.4
2019: 76.4
2020: 78.7
2021: 77.1



Length of reconstructed carriageways and junctions
2015: 44.41 km
2016: 37.06 km
2017: 26.54 km
2018: 50.28 km
2019: 68.1 km
2020: 52.76 km
2021: 71.19 km



Reduced fuel consumption by MW and EW users
2018: 115,000 MWh or 414 TJ
2019: 160,500 MWh or 577.8 TJ
2020: 147,700 MWh or 531.7 TJ
2021: 155,600 MWh or 560.1 TJ

Reduced CO_2 emissions by MW and EW users
2018: 29,986,000 kg CO_2
2019: 41,680,000 kg CO_2
2020: 38,350,000 kg CO_2* (actually 37,259,000)
2021: 42,254,000 kg CO_2

Reduced NO_x emissions from the fuel of MW and EW users
2018: 84,000 kg
2019: 77,200 kg
2020: 67,500 kg* (actually 35,540)
2021: 33,360 kg

Reduced $PM_{2.5}$ emissions by MW and EW users
2018: 1700 kg
2019: 1800 kg
2020: 1580 kg* (actually 700)
2021: 660 kg

* The figures for 2020 were forecasts based on 2018 and 2019 estimates.

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Acronyms and abbreviations

MW	Motorway
C-ROADS	An international pilot project to introduce cooperative systems for real-time information transfer
DARS d.d.	Družba za avtoceste v Republiki Sloveniji d.d. (Motorway Company in the Republic of Slovenia)
DarsGo	Electronic toll system in free traffic flow for heavy goods vehicles with a maximum permissible weight exceeding 3500 kg (ETS in FTF)
SR	State road
DKOM	National Review Commission for Reviewing Public Procurement Procedures
NSP	National Spatial Plan
SIA	Slovenian Infrastructure Agency
EBITDA	Earnings before interest, taxes, depreciation and amortisation
EFQM	European Foundation for Quality Management – Business Excellence model or Slovenian Business Excellence Prize
EIS	Energy control information system
MR	Main road
GRI GS	Global Reporting Initiative Global Standards
EW	Expressway
ILO	ILO Convention
ITS	Intelligent transport systems
Concession Agreement	Concession Agreement on Motorway Management and Maintenance in the Republic of Slovenia
IBC	International border crossing point
MESP	Ministry of the Environment and Spatial Planning
MI	Ministry of Infrastructure
CC	Control Centre
NDM	Maximum permissible weight
RH	Replacement habitats
NMCP	National Motorway Construction Programme in the Republic of Slovenia
NAP	Noise Action Programme
BD/DD	Basic Design/Detailed Design
NB	Noise barriers
TIC	Traffic Information Centre for Public Roads
AADT	Average Annual Daily Traffic
FTF	Free traffic flow
R3	Motor vehicles with two or three axles with a maximum permissible weight exceeding 3,500 kg and groups of motor vehicles with two or three axles with a maximum permissible weight exceeding 3,500 kg.
R4	Motor vehicles with more than three axles with a maximum permissible weight exceeding 3,500 kg and groups of motor vehicles with more than three axles with a maximum permissible weight exceeding 3,500 kg.
ROE	Return on Equity
RS	Republic of Slovenia
SDG	Sustainable Development Goals
SSH	Slovenian Sovereign Holding
TEN-T	Trans-European Transport Network
ZDARS	Motorway Company in the Republic of Slovenia Act (ZDARS-UPB1) (Official Gazette of the Republic of Slovenia, No. 20/2004)
ZDARS-1	Motorway Company in the Republic of Slovenia Act (Official Gazette of the Republic of Slovenia, No. 97/2010 – ZDARS-1)
ZGD-1	Companies Act (Official Gazette of the Republic of Slovenia, No. 42/2006, as amended)
ZJN	Public Procurement Act
ZPKROD	Act Regulating the Guarantee of the Republic of Slovenia for the Obligations of DARS d.d. for Loans and Debt Securities Raised or Issued for Refinancing Existing Debts of DARS d.d.
IRSNC	Institute of the Republic of Slovenia for Nature Conservation
ZUJF	Fiscal Balance Act (Official Gazette of the Republic of Slovenia, No. 40/2012)

I.1 Letter from the Management

Dear all,

this Sustainability Report presents how successful we have been in pursuing the mission of DARS: to optimise traffic fluidity and ensure safety and comfort on the Slovenian network of motorways and expressways by employing modern approaches and adopting a responsible attitude towards the environment.

This 2021 Sustainability Report is the fifth in a row. It contains information on the economic, environmental, social and governance effects and results of Company operations.

In light of its mission, the Company has built and operates a motorway network that is closely linked to the natural environment in the stages of siting, operation and future development of the traffic infrastructure. The Company is committed to environmentally friendly actions in all stages of operations and the continuous reduction of adverse environmental impacts.

The challenges of our time are mounting and require our constant adaptation. With its ambitious strategy for 2021—2025, DARS has a tool that will ensure its continued successful development. The Strategy is based on its forward-looking vision and six target values. It could be described with the following words: sustainable, green, digital and smart.

GENIUS AND NATURE HAVE FORMED AN ETERNAL ALLIANCE:
WHAT THE FORMER PROMISES IS CERTAINLY FULFILLED BY THE LATTER.
Friedrich von Schiller

The Company's Strategy places great importance on energy efficiency and environmental protection. As such, one of the ten strategic goals it contains is the development of sustainable infrastructure and the circular economy with the following two key indicators: to reduce the share of energy use per kilometre of the motorway network operated by the Company by five percent by 2025 compared to 2019 and to reduce the share of CO_2 emissions per kilometre of the motorway network operated by the Company by ten percent by 2025 compared to 2019.

DARS systematically manages the fields of the environment and energy, as confirmed by the acquired international ISO 14001 and ISO 50001 standards.

However, we realise that merely having the Strategy and international standards is not enough. The key to success lies in putting them into practice, in coordinating our objectives with the stakeholders and in achieving the envisaged results on a daily basis.

DARS will continue to operate responsibly by way of stakeholder engagement and cooperation, as this is the only way to be able to meet the set objectives and sustainable commitments. Safety, respect, development and responsibility are our values and they are reflected in the way we do business and in our relationship with the users of the motorway network, employees, and the social and natural environment.

Here at DARS, we know that we have a responsibility for the sustainable development of society, the whole environment, and for a responsible relationship with all of our stakeholders. This is why the Strategy is a key element of the Company's development policies dictating, among other things, continuous knowledge strengthening, innovations and efficient energy use to provide sustainably oriented operations based on three main pillars: economic, environmental and social.[1]

Valentin Hajdinjak, MSc	**Romana Fišer, MSc**	**Boštjan Rigler**	**Peter Gašperšič, PhD**	**Rožle Podboršek**
Chairman of the Board	Member of the Board	Member of the Board	Member of the Board	Member of the Board/Labour Manager

[1] GRI GS 102-14.

I.2 Non-Financial Statement of DARS

Pursuant to the provisions of paragraph 12 of Article 56 of the Companies Act and Article 70.c of the Companies Act, DARS hereby provides its Non-Financial Statement and declares that it observes the Company policies referring to **social affairs and human resources, respect for human rights and diversity, anti-corruption and anti-bribery management, and the environment.**

1. Description of the Company's business model

DARS was established in 1993 based on the ZDARS act and started operating on 1 January 1994. Until 31 December 2003, it had the status of a public undertaking in the form of a public limited company and, since 1 January 2004, it has been a public limited company in the form of a company. The sole founder and shareholder of DARS d.d. is the Republic of Slovenia, which is represented by the Slovenian Sovereign Holding (SSH) pursuant to the Slovenian Sovereign Holding Act (Official Gazette of the Republic of Slovenia, No. 25/2014; ZSDH-1).

DARS operates in compliance with the Corporate Governance Code for State-Owned Enterprises as adopted by the SSH, the Slovenian Corporate Governance Code for Listed Companies, and SSH Recommendations and Expectations as the manager of State capital assets, which are aimed at improving the corporate governance system for the capital assets of the State, company organisation and, consequently, company performance.

The ZDARS-1 act entered into force at the end of 2010 and on its basis, DARS:

- performs individual tasks relating to spatial planning and the siting of motorways, and tasks relating to real estate acquisition for the purposes of motorway construction on behalf of the Republic of Slovenia and on its account;
- builds motorways on its own behalf and on its own account;
- manages and maintains motorway sections based on the granted construction concessions.

The State maintains strategic supervision over motorway development through development documents setting out new sections and deadlines for putting the newly built sections into service.

The ZDARS-1 act sets out the status, tasks and obligations of DARS and regulates the legal property relations in connection with motorways. Pursuant to the Act, DARS was transformed into a concessionaire that was awarded the right of superficies for the term of the concession relating to land where it will build, and has taken over all the financial obligations related to the construction of new motorway sections. The ZDARS-1 act also stipulates that DARS is to perform individual tasks relating to spatial planning and motorway siting, as well as tasks relating to real estate acquisition for the purposes of motorway construction on behalf of the Republic of Slovenia and for its account. The Act further stipulates that DARS must continue building motorways and expressways that commenced prior to the enforcement of the Act, and continue managing and maintaining the existing motorways and expressways in the Republic of Slovenia.

According to the Fiscal Balance Act (ZUJF), which entered into force in 2012, the right of superficies established for the benefit of DARS is payable.

2. Policies and due diligence, policy results, the main risks and their management, key performance factors

Environment

Policy and due diligence

DARS systematically manages the environment and energy as confirmed by the obtained international ISO 14001 (environmental management system) and ISO 50001 (energy management system) standards. In relation to this, the Company has put in place an integrated management system policy setting out the quality, environmental and energy aspects, along with occupational health and safety.

The environmental and energy policy is aimed at increasing the efficient use of all types of materials and energy throughout the life cycle of a service and at identifying and managing environmental impacts and aspects reflected within the scope of the environmental and energy goals and the programmes to reduce the use of energy products, environmental impacts and, consequently, greenhouse gas emissions to the desired level. The policy applies to all business processes within the scope of Company operations.

Responsibility to the environment is expressed through:

- systematic environmental and energy management,
- the siting of motorways and expressways,
- concern for the preservation of biodiversity,
- reduced light pollution,
- carbon footprint monitoring,
- concern for animals in the MW area of influence,
- reduced air and noise emissions,
- impact of grit material on the environment,
- protection of waters,
- waste management.

Due diligence in environmental and energy management is a component part of the management system. The management review checks the suitability of the management system policy, the results of internal audits, the realisation of environmental and energy targets and programmes, measures based on energy reviews and other necessary input data. The results of the management review are resolutions that are used for continuous improvements to the environmental and energy management systems.

The main risks and their management

In accordance with its role as a motorway and expressway management and maintenance company, DARS implemented an environmental management system in previous years and an energy management system in 2017 that are used to consistently implement its environmental protection and energy management policy at all levels of its operations.

The DARS Strategy for 2022–2025 includes operational goals relating to environmental and energy aspects and, consequently, also measures to mitigate environmental risks. In 2021, the management system was further improved through the realisation of measures to mitigate environmental impacts and, therefore, environmental aspects, supplementing new

and optimising existing environmental and energy objectives and programmes, while their realisation was monitored within the scope of the Company management review. The central theme of the environmental management system includes the assessment and analysis of environmental impacts and aspects, taking into account the stages of the service life cycle that are defined in the register of environmental aspects. To reduce environmental impacts, the Company laid down indicative and operational environmental and energy targets and programmes that will be used to achieve such targets.

The risks referring to the timely monitoring and enforcement of legislative requirements in practice are mitigated with measures taken by the appointed responsible persons who cover the area of work to which the legislative amendment refers. Environmental risk, which includes the risk of inappropriate waste management with a special emphasis on hazardous waste, the risk of environmental pollution and the risk associated with the protection of areas of influence, has become increasingly important. The Company continued the activities already initiated for environmental protection. The systematic management of environmental risks reflects the environmental awareness of employees. Accidents on motorways can have a negative impact on the environment; this is why it is important to reduce risks that emerge through accidents and to react quickly and effectively when they do occur to minimise the negative consequences for the environment. All employees in such workplaces are informed and trained to act quickly and effectively in terms of environmental protection should such a situation arise.

The likelihood of incidents is also reduced through preventive measures. Training aimed at learning to react quickly, properly and efficiently ensures that the impacts of any incidents on the environment are kept to a minimum. By implementing appropriate activities within the scope of motorway maintenance, such as the cleaning and regular maintenance of retention basins to ensure their flawless functioning, implementing the Annual Programme of the Operational Monitoring of rainwater (APOM), etc., the collecting, sorting and controlled disposal of waste, implementing measures to reduce light pollution and constantly controlling carbon monoxide concentrations and visibility in tunnels, we have significantly contributed to reducing the negative impacts on the environment and controlling the risk of environmental accidents. During the covid-19 pandemic, an increase in the amount of waste protective equipment, especially gloves and masks, which are disposed of as mixed municipal waste, and an increase in the amount of waste packaging of alcohol disinfectants, which is disposed of among waste packaging, was recognized. During the pandemic, a smaller amount of collected fractions of municipal waste was detected at the level of the entire company, namely due to the long-term absence of employees from work and mainly due to the decline in traffic and the controlled stopping of trucks, which is connected with the closure of small rest areas. The existing municipal infrastructure provides sufficient capacity for the collection of municipal waste, so there is currently no demonstrated need for additional containers for separate waste collection.

DARS plans to carry out anti-noise measures based on the results of the conducted operational noise monitoring. The measures are designed to cover areas with a large number of overly affected buildings or inhabitants and areas of individual overly affected facilities along the motorway and expressway alignment.

Furthermore, the Company implemented the measures imposed by the governmental Noise Action Programmes for 2012–2017 and for 2018. The measures were implemented on five motorway sections from 2013 to 2015, and the protection of the most affected individual buildings with noise-protected rooms at 11 locations on the Slovenian motorway network was implemented in 2019.

In 2018/2019, DARS conducted the operational monitoring of noise for the motorway network under its management and prepared expert bases for the Noise Action Programme in affected areas. With a view to planning anti-noise measures, the document sets out the priority areas that were included in the Action Plan for Road Infrastructure and Equipment Managed by DARS for 2022–2024. Pursuant to this document, DARS ordered noise studies containing proposals for anti-noise measures for individual areas on the motorway network.

For the purposes of preparing the set of measures that are included in the draft revision of the Noise Action Programme, the Company prepared expert bases for the Noise Action Programme, as well as expert bases for the renovation of noise protection barriers. The document discusses existing anti-noise measures that are deemed inadequate considering the current noise pollution and sets out three types of measures (renovation, upgrade and both renovation and upgrade). With their implementation, the existing noise protection is expected to be able to provide sufficient protection against noise in overly affected areas. The Ministry of the Environment and Spatial

Planning in cooperation with the Ministry of Health and the Ministry of Infrastructure and other stakeholders, including DARS, have launched a revision of the Noise Action Programme. Substantively, the draft revision is based on the expert bases for the Noise Action Programme, which is why it includes all the priority areas envisaged in the expert bases. The draft document has already passed an inter-ministerial coordination, public discussion and another inter-ministerial coordination. It is expected that the Government will adopt the revised Noise Action Programme in early 2022.

Key performance indicators

In light of its mission, the Company has built and operated a motorway network that is closely linked to the natural environment in the stages of siting, operation and the future development of the motorway network. The Company is committed to environmentally friendly actions in all stages of operations and the continuous reduction of adverse environmental impacts.

An important part of the systematic management of the environment and energy is the management of all the compliance requirements, meaning that all the environmental and energy aspects are equally included in the compliance provision process. In terms of the environment and energy, no major deviation from the legal and other requirements was identified. In 2021, 104 inspection procedures were carried out resulting in five environment-related inspection decisions being issued.

The 2021–2025 Strategy is heavily focused on energy efficiency and environmental protection, and compared to the strategy for the past period, the energy management system and the environmental management system were further upgraded, expanded and enhanced. A new strategic goal was identified, namely “Development of sustainable infrastructure and the circular economy” with the key indicator “To reduce the share of energy use and CO_2 emissions per km of the MW and EW network”, which is followed by many measurable operational goals in the Strategy and by environmental and energy goals and programmes at the level of implementation, which will be used to achieve or surpass the set strategic goals. Within the scope of energy planning, the Company has identified indicators with energy baselines for electricity, heating, vehicle fleet, renewable energy sources and other issues that are reported to the Management Board on a quarterly basis.

DARS ranks among the large energy consumers in Slovenia with an annual energy consumption of 44.61 GWh (in 2021). With respect to the Company processes, which are characterised by the need for tunnel management and lighting, as well as road operation and maintenance, electricity accounts for the largest share of the total energy consumption (49.7%), followed by fuel (39.6%). A minor share of energy is used for heating facilities, which is an important element of energy management due to its high potential for optimisation.

A comprehensive approach to managing energy along with pertaining measures has allowed the Company to reduce electricity consumption and heating costs; a substantial part of the measures planned was executed on the basis of energy audits.

To reduce energy consumption in electricity:
- the largest group of electricity consumers includes tunnel equipment, which accounts for 47% of the total electricity consumption in the Company. In 2019, activities began to reduce reactive energy in the area of the Trojane tunnels, which will continue at other locations where that makes sense following successful implementation;
- the second largest electricity consumer is street lighting. In this respect, we have replaced old and worn-out lighting with new LED lamps in the last five years with the aim of meeting the requirements laid down in the Decree on limit values due to the light pollution of the environment. At switchboards and metering points where lighting has been replaced, the cost was also cut due to the reduced installed capacity;
- the third largest group of electricity consumers at the Company, accounting for 11% of the total consumption, is the electricity intended for the operation of motorway maintenance centres (MMC) and toll stations (TS). Due to toll system changes in 2018, the role or purpose of the toll stations is changing, since some toll stations are being abolished or rearranged into toll control points. In that respect, electricity consumption has been reduced for heating and cooling systems, toll booth ventilation, and toll platform lighting.

Despite the new MW sections opened in 2017 and 2018, which resulted in increased energy consumption, the carbon footprint has decreased from year to year due to systematic energy efficiency measures implemented on the basis of energy audits. The measures introduced to reduce energy consumption for heating have also led to a reduced carbon footprint.

To reduce energy consumption by heating, the following measures were implemented in 2016 to 2020 as a result of a comprehensive energy audit:

- Two heat pumps for heating sanitary water during the summer were installed at MMC Vransko and MMC Postojna as replacements for the deteriorated gas boilers.
- At the former TS Divača and Senožeče, deteriorated gas boilers were replaced with two heat pumps that are used to heat sanitary water in the summer months and premises in wintertime.
- The supply of natural gas was provided in line with the provisions of the Energy Act and the Public Procurement Act, and MMC Slovenske Konjice was connected to the natural gas distribution network in November 2019.
- The energy performance at MMC Hrušica was improved and a boiler room was constructed that burns woody biomass or, rather, wood chips for the purposes of heating MMC and TS Hrušica. The executed stage 1 of energy improvement at MMC Hrušica and the use of woody biomass to heat MMC and TS Hrušica had a favourable effect on reducing CO_2 emissions, which is in line with the efforts of DARS to reduce greenhouse gas emissions and improve energy efficiency.
- TS Hrušica was thoroughly refurbished in 2020.
- The first stage of the renovation of MMC Ljubljana has been completed covering the energy improvement of large and small garages and the implementation of the energy information system.
- To better monitor the consumption of energy products for heating, meters were installed that allow the much better monitoring of energy consumption and, consequently, immediate actions.
- In 2020, the energy information system was also implemented at the remaining MMCs (Kozina, Hrušica, Postojna and Ljubljana) and branches (Podtabor, Dob, Logatec, Vipava and Bertoki).
- Three workshops were organised for caretakers and maintenance crews on the topic of efficient energy use.

The reduced consumption is attributed to the abolition of toll booths, temperature optimisation in buildings through the introduction of the energy information system, and relatively favourable weather conditions. The absolute energy savings for all energy products used for heating buildings at the end of 2021 with respect to the baseline year of 2015 amounts to 1106 MWh (about 19%), while CO_2 greenhouse gas emissions were reduced by 354 t (about 27%) with respect to the baseline year of 2015.

In 2021, the Company recorded increased diesel fuel consumption, primarily on account of more ploughing days compared to the previous winter. To reduce the consumption of fuel and grit material, a wet salting system is being introduced throughout the MW and EW area, where preventive salting is done faster and at longer time intervals, since the solution remains on the pavement. Furthermore, the vehicle fleet is being updated with new environmentally cleaner vehicles. In 2020, the Company procured test vehicles powered by compressed natural gas (CNG) to conduct inspection services and supervise works at MMC Hrušica.

In respect of emission management, the Company complies with the requirements. Emissions into the air caused indirectly by MW users are particularly important in tunnel management. Tunnels longer than 500 metres are equipped with monitoring systems for exhaust gas emissions (CO) and visibility. A ventilation system is set up for adequate ventilation in the tunnel tubes, which is controlled or regulated automatically using the installed fans. Measurements are monitored by the control centres in charge of controlling traffic in individual tunnels.

By optimising traffic flows, traffic congestion is mitigated, whereby gas emissions are minimised. This is achieved by forcing freight vehicles off motorways in time, through road diversions, additional variable message signs and the coordination of all closures, as well as through the coordinated operation of control centres.

In 2021, the environmental impact of salting was also monitored within the scope of the implementation of the Annual Programme of Operational Monitoring (APOM) of rainwater from retention basins. Analyses of the individual samples taken showed no excessive presence of salting elements; in each analysis, the salting elements were within the prescribed limits.

Based on foreign and domestic experiences in wet salting, DARS decided to use a 23% NaCl solution for preventive gritting. Wet salting is when a saline solution is spread over the carriageway. So far, the Company has used FS30 wet salting (30% solution and 70% dry salt). Since the effect of wet salting is the same or even better and much cheaper (FS100), the Company expects to supply all MMCs with the relevant equipment in a few years. In 2021, additional silos and devices for the production of sodium chloride solutions were supplied to MMC Slovenske Konjice. New automated mixing devices were delivered and are already in operation at the Podtabor, Dob and Logatec branches and at MMC Postojna, the Vipava branch, MMC Hrušica, MMC Vransko, MMC Kozina, MMC Ljubljana, MMC Murska Sobota and MMC Maribor.
In 2023, it is planned to procure new modern equipment for winter road maintenance with controlled consumption in relation to temperature and the ongoing monitoring of grit release. It is

estimated that salt consumption could be reduced to somewhere between 15 and 25% per m^2 with the introduction of this modern technique.

In 2021, the Company continued the regular annual cleaning of all the most burdened oil separators (at motorway maintenance centres and branches) and basic maintenance works on retention basins (grass mowing, the removal of dumped municipal waste, repairing damaged parts and railings, and cleaning de-sanding areas and sand traps).

DARS has been erecting noise barriers along the motorway alignment to protect areas that are overly affected by traffic since 1988. Since then and by the end of 2020, 184.91 kilometres of noise barriers were erected.

In line with the law, DARS carried out operational noise monitoring for the motorway and expressway network in 2018/2019. Noise protection measures were planned on the basis of those results and included in the expert bases for the Noise Action Programme in affected areas. The priority areas were included in the Action Plan for Road Infrastructure Managed by DARS for 2021–2023. Pursuant to the plan of priority areas for noise mitigation, DARS ordered noise studies in 2020 containing proposals for anti-noise measures for individual areas on the motorway network.

Within the scope of certain section reconstructions, the Company has created test fields with various asphalt layers, thus trying to achieve noise reduction at the source. In 2020, an additional test field was set up on the Vipava expressway and the Prekmurje motorway leg with the normal wear course (SMA) and rubber bitumen.

In 2021, activities continued to implement and upgrade the environmental protection policy, with an emphasis on controlled waste management as imposed by the applicable legislation. All activities have been aimed at proper waste management with the consistent separation of waste at the source. Furthermore, the Company continued to implement its policy of the controlled disposal of all types of waste.

Social and HR affairs and the protection of human rights

Policy and due diligence

DARS is one of the most reputable employers in Slovenia according to research conducted by the Mojedelo.com employment agency. Job seekers see employment at the Company as interesting, providing a well-organised and responsible working environment and a high level of economic and social security.

Staffing at the Company is based on a prudently and carefully prepared systemic procedure to select the best human resources. After an employment relationship has been concluded, the adequacy of the selected candidate is monitored for a trial period, thereby validating the success of the procedure. Career development is provided to employees through:

- performance measurements and additional bonuses;
- horizontal promotions at the workplace;
- internal and external training provided to employees to develop their expertise, skills and competencies with possibilities for career advancement within the organisation;
- the option of co-funding tuition fees for employees who decide to obtain higher education; and
- vertical advancement within the scope of the in-house labour market based on the internal job openings and succession plan.

DARS appreciates the knowledge of its associates and manages it in a responsible manner. Skilled and well-qualified employees are the basis for efficient and successful Company operations, which is why DARS strives to ensure the continuous development of knowledge, abilities and skills for its employees through adequate training and education both within and outside the Company. Training is a systematically organised process at the Company that aims to meet the requirements of work processes and employee interests in upgrading their functional skills and expertise, thus achieving personal growth. Training in various forms is organised according to the needs and wishes of associates.

Within the scope of the Company, there are two representative trade unions and the Workers' Council with which a special participation agreement or, rather, an agreement on employee participation in management has been made. The Company holds joint consultations with the Workers' Council about all foreseen status or organisational changes at least 15 days before a decision is adopted, and sends every

document encroaching upon employee rights and obligations to the trade unions and the Workers' Council for an opinion. In this way, DARS has cooperated successfully with employees through social partners for a number of years.

The Company's corporate governance policy includes a commitment to prevent any harm to employees' personality and dignity, as well as discrimination in general. The employee selection process ensures that all candidates receive equal opportunities, irrespective of gender, age or other circumstances.

Human rights are observed by way of the applicable legislation and internal codes and agreements referring primarily to non-discrimination on the job, workplace harassment, and fundamental economic and social human rights.

DARS has zero-tolerance for any form of human rights violation. Compliance with the human rights regulations and best practices is the fundamental Company motto when dealing with employees and it is guided by an awareness that the working environment must be safe so that employees can fully utilise their potentials and talents, thereby contributing to excellent business performance. Human rights are consistently observed by taking into account the applicable legislation (Constitution of the Republic of Slovenia, ILO Conventions, Protection Against Discrimination Act, Employment Relationships Act), the DARS Code of Conduct and the internal Company acts dealing primarily with discrimination in the workplace, workplace harassment and fundamental economic and social human rights. The Company is always promoting new innovative and modern approaches to increase respectful conduct and communication in the workplace and in relation to business partners with a view to fostering an awareness and culture that contributes to bringing out the best in every employee.

The main risks and their management

Loss of competent or key staff (undesired fluctuation), increased share of actively non-engaged employees and insufficient sources to increase employee competence and thus the development of the target organisational culture

The risk of the loss of competent or key staff at DARS and of an increasing share of actively non-engaged employees is managed with the provision of a creative, safe and interesting work environment, which is the Company's strategic goal. To this end, the HR Management Strategy 2020 has been prepared, which lays down specific activities that the organisation carries out in HR development, thus reducing the identified HR risks.

The organisational climate and employee satisfaction are measured every year. The 2021 results do not show any significant negative deviations in the organisational climate and employee satisfaction; instead, they show a greater degree of employee engagement than in previous years.

We have identified key positions and key staff and prepared the foundation for the implementation of a succession policy for them. In addition to the timely provision of expert and competent successors for key positions, this also represents an important element of possible career development for employees and the strengthening of employee engagement, thus reducing the risk of undesired fluctuation. Individual development plans and the systematic development of necessary skills and competencies are being prepared for key staff.

We conducted annual development interviews with employees. They were offered the chance to attend various internal and external training sessions, which mostly took place digitally due to the COVID-19 epidemic. For the same reason, business largely took place in the digital world using modern information tools. In order to ensure that employees are well-trained for work with digital tools, we tested their digital competencies and will use the results as the basis for their further targeted training.

Employees can also choose in-service training with the co-funding of their tuition fees and are granted paid leave of absence for study obligations. New employment contracts were concluded with employees whose nature of work enables them to work from home; they can now work from home even during normal operations. There are also a variety of measures available to help employees reconcile their work and family responsibilities, to demonstrate respect for their personal lives and to help them in times of need.

Leadership has a major impact on undesirable fluctuation and the engagement of employees, which is why leaders attended various workshops, training and coaching sessions to improve their leadership competencies.

Activities in the field of HR in 2021 were again largely marked by extensive work organisation emergency measures for curbing the spread of COVID-19 designed to protect employees against the possibility of infection while still allowing the efficient performance of work processes.

Concern for health and safety at work

We entered 2021 with a continued COVID-19 pandemic situation, which only subsided in the summer months. That is why most occupational safety and health activities were intended for the implementation of measures to prevent the spread of the virus among Company employees. Employees who were able to work from home only arrived at work in emergency cases that could not be handled from home. Maintenance and tolling staff performed work in standing teams (bubbles). Most meetings and training courses during the epidemic took place remotely via electronic media. Prior to face-to-face meetings, preventive testing was provided with rapid antigen tests. Occupational Health and Safety, in cooperation with the head of the relevant organisational unit, conducted an epidemiological investigation upon each infection of a Company employee and referred employees in high-risk contact with the infected person to quarantine.

Employees were informed about the situation in Slovenia, changes in the regulations and the number of persons infected at the Company and warned about compliance with the preventive measures (19 notifications in total). In January, we also held a short video presentation on COVID-19, necessary preventive measures, actions to be taken upon suspected infection, and the importance of vaccination to stop the pandemic. Since we expected the Government to list DARS as a critical infrastructure operator, i.e. a priority group as laid down in the National Vaccination Strategy against COVID-19, we invited employees to register for vaccination within our organisation. We received 440 applications; however, our Company was not listed as a critical infrastructure operator. The Company therefore reached out to local vaccination centres, but they could only vaccinate Company employees in early May. By that time, many Company employees in priority groups had already been vaccinated, while some of them had recovered from COVID-19. In the end, Occupational Health and Safety organised vaccinations for 260 employees at the start of May at eight vaccination centres. We offered a financial incentive for vaccination and by the end of the year, 72% of all employees were vaccinated.

In the summer months, the number of people absent due to COVID-19 decreased, with almost half of them already recovered from the disease or vaccinated. This meant that the minimum conditions were met for work in larger groups and the implementation of activities that could not be conducted during the epidemic. In May and June, and then in September and October, Occupational Health and Safety carried out training sessions and periodically tested the maintenance crews for safe work in large areas (garages used for heavy goods vehicles), taking into account social distancing, wearing masks and ventilating the premises on an ongoing basis; afterwards, they also monitored compliance with the measures in the field.

As the fourth wave of the pandemic began and the number of infections increased in the autumn, we reintroduced additional measures to prevent the spread of COVID-19 according to the criteria from the Action Plan and tightened control over the implementation of these measures. When the recovered/vaccinated/tested rule became mandatory for all employees, we informed them about their obligations and organised regular verification of this rule three times weekly. With the introduction of this rule, 623 employees were required to perform self-testing, though their number decreased to 367 in the first week of October and then to 285 by the end of the year.

In addition to the above, Occupational Health and Safety provided non-stop (24 hours per day, 365 days of the year) advice to managers on adopting necessary measures in the event of a suspected infection, made daily reports about absent employees to the Management Board and to members of the working group for preventing the spread of infections, provided the necessary personal protective equipment (10,940 FFP2 masks, 42,300 surgical masks, 7800 pairs of single-use disposable gloves), disinfectants (738 litres of hand sanitiser, 398 litres for vehicle disinfection, 100 kg for workplace disinfection), 1600 rapid antigen tests for testing by medical staff and 19,000 self-testing kits.

Key performance indicators

DARS measures the organisational climate and employee satisfaction every year. The survey results for 2021 indicate that the organisational climate and employee satisfaction are stable compared to the previous year. Both indicators are ranked higher than the Slovenian average. Employees respect good and quality work, innovation and initiative, and show motivation and engagement. As in previous years, opportunities for development still remain in the reward scheme, career development and internal communications.

Employee engagement, which is measured every year using the Gallup methodology, shows the creative potential of Company employees. Concern for the creative and work potential of Company employees has been an ongoing and important organisational task that has shown positive effects on employee engagement in recent years. In 2021, the level of engagement increased compared to previous years

and is also higher than the Slovenian average, which we are especially proud of. This obliges us to deep respect and responsibility for engaged employees and to building new opportunities for their career and personal development.

As in the previous year, work in 2021 was also marked by the COVID-19 epidemic and the associated measures to prevent the transmission of infections, which called for adjustments in how we do things with the aim of ensuring uninterrupted Company operations and the safe performance of work for employees with no risk of infection. In this regard, we allowed employees to work from home wherever possible considering the nature of their work, employees who did not have childcare in kindergartens or schools due to the epidemic could use the "force majeure" instrument, and we also offered the possibility of furlough.

The COVID-19 epidemic was also a dominant factor in 2021 and, like many other areas, affected the field of education. Because we realise the importance of business digitalisation and thanks to our intensive efforts in previous years in developing appropriate business processes and increasing the computer literacy of all employees, most of the education and training sessions could be conducted in digital and electronic form through various educational portals and platforms. We took a step forward in 2021 in this regard and began establishing our own e-portal that will cater to our employees' needs for education and training. With the goal of giving employees the necessary and desired additional knowledge and skills to make them more successful and independent in their use of digital technology, we began measuring their digital competencies and, based on that, provided systematic and targeted training in computer knowledge that was tailored to the employees.

Of course, the measures aimed at curbing the spread of the coronavirus impacted the scope of the education sessions, because not every topic can be discussed in digital or electronic form. In light of the above, the Company managed to realise a total of 11,650 training hours in 2021, which were attended by 1,781 employees. On average, every employee took part in nine training hours. In-house training represented the greatest share with 74%, and the remaining 26% was external training. Employees passed various training sessions ranging from the correct use of grammar in business and project management to manager training.

Development activities in 2021 were focused on the development of the employees' digital competencies, which proved to be vital for the efficient performance of work in a modern and current business environment. In order to identify any gaps in computer and digital tool use, we measured the digital competencies of the employees who mainly use computers in their work. A targeted employee training programme was prepared on the basis of the results obtained.

The Company has been the holder of the full Family-Friendly Certificate for a number of years and as such offers employees various measures to better coordinate their work and family life. They greatly appreciate the possibility of having flexible arrival and departure times from work with fixed central working hours, which enables those that have children to carry out their family and job duties more easily. Employees in distress can use anonymous and free-of-charge psychological support and counselling to overcome the trials of life more easily. Employees' children always receive gifts upon birth and during the Christmas and New Year's holidays.

In 2021, DARS again actively participated in the European partner project of the KoC LOGINS competence logistics centre, which it joined in 2019 and within the scope of which it obtained EUR 40,000 from the European Social Fund for employee training that can be drawn by 2022. By participating in the competence centre, employees are given more opportunities to attend training for quality work and personal development.

DARS is well aware of the importance of providing occupational safety to employees, since many employees perform extremely dangerous works on roads, where their safety not only depends on themselves, but also on the conduct of road users. Therefore, safety was included in the 2021–2025 Strategy as one of the most important elements for the successful planning of Company development. One major operative strategic goal is a reduction in the number of persons injured at work by 10% by 2025, which is why the Company has dedicated a great deal of funds to the purchase of new safer work equipment and the creation of a working environment that provides the maximum level of safety and health at work to employees.

In accordance with the applicable labour legislation, the Collective Agreement and other adopted internal acts of the employer, DARS continued in 2021 to implement the established good practices that contribute considerably to improving the social security of employees and the status of future retired persons. The social security of employees is the foundation upon which employee trust, loyalty and professional development can be built.

The option of inclusion in collective supplementary pension insurance, which is provided for all employees, is an important and long-term aspect in the provision of social security to employees.

The greatest impact on employees' social security is deteriorating health, which is why developments in that area are closely monitored. In 2021, justified absence from work amounted to 6.76% with respect to regular work, up 2.95% compared to the previous year.

To protect the dignity of employees, the Company adopted in October 2019 the "Rules on the protection of employees' dignity on the job", which clearly defines procedures to efficiently recognise discrimination, sexual and other harassment and mobbing, and take action against it, along with preventive methods and the work and competencies of the Committee for the protection of employees' dignity. In 2021, we received and discussed two reports in which the existence of mobbing was not established.

The fight against corruption and bribery

Policy and due diligence

The Corporate Governance Code for State-Owned Enterprises (hereinafter the "SSH Code"), inter alia, recommends that large enterprises set up an internal alert system for suspected irregularities and illegalities within the company, also specifying the method of protection for whistleblowers. Taking into account the recommendations from the SSH Code, the Company enforced the Rules of procedure for handling alleged irregularities in corporate integrity as of 1 April 2021, a mandate for the execution of such tasks was awarded to the corporate integrity officer and a committee was appointed for the consideration of reports of alleged irregularities in corporate integrity. The Rules were adopted in order to strengthen the integrity of DARS and to improve its overall business performance and bolster its reputation. The Rules also set out the measures ensuring that DARS is a work environment where employees who file a report in good faith are protected. The Committee discussed one report in 2021.

The system for dealing with reports of alleged corporate integrity irregularities was supplemented with regulations in the Rules on the implementation of internal controls and internal investigations. Reports are referred to the internal investigation officer for consideration, provided they deem it necessary to conduct an internal investigation.

The main risks and their management

Members of the Management Board, other associates and members of the Supervisory Board may not use their job or position and the information they obtain in the course of their work to pursue an undue private interest for themselves or for anyone else. The misuse of inside information and business secrets is unacceptable, harmful and prohibited by DARS. DARS associates are required to notify their superiors about any and all circumstances (business, family or other relations outside the Company) that could affect decision-making. In such a case, it is best practice that the associate be excluded from the relevant work process.

Key performance indicators

DARS considers the misuse of inside information, business secrets, personal data, corruption and bribery unacceptable and prohibits them, and has a zero-tolerance policy regarding intentional criminal offences. The Company seeks to maintain the number of confirmed cases of corruption at zero.

Valentin Hajdinjak, MSc	**Romana Fišer, MSc**	**Boštjan Rigler**	**Peter Gašperšič, PhD**	**Rožle Podboršek**
Chairman of the Board	Member of the Board	Member of the Board	Member of the Board	Member of the Board/Labour Manager

Celje, 30 June 2022

I.3 Presentation of DARS

I.3.1 Company profile

NAME[2]	Družba za avtoceste v Republiki Sloveniji d.d. (Motorway Company in the Republic of Slovenia) DARS d.d.
REGISTERED OFFICE[3]	Ulica XIV. divizije 4, 3000 Celje Phone: +386 (0)3 426 40 71 Fax: +386 (0)3 544 20 01
BRANCH OFFICE	Dunajska 7, 1000 Ljubljana Phone: +386 (0)1 300 99 00 Fax: +386 (0)1 300 99 01
WEBSITES	www.dars.si www.promet.si
YEAR OF ESTABLISHMENT	1993
REG. ENTRY NO.	1/06158/00, District Court of Celje
FOUNDER	Republic of Slovenia
LEGAL FORM OF ORGANISATION AND OWNERSHIP[4]	State-owned public limited company (Republic of Slovenia 100%)
REGISTRATION NUMBER	5814251000
CODE OF PRINCIPAL ACTIVITY[5]	52.210 Service activities incidental to land transportation
VAT ID NUMBER	SI92473717
SHARE CAPITAL[6]	EUR 2,086,559,144.07
CAPITALISATION	Total capital: EUR 3,041,652,197 Nominal value of bonds issued: EUR 120,918,538
SHARES ISSUED	EUR 55,650,231
No. of countries in which the Company operates[7]	1 country (Republic of Slovenia)
Number of employees[8]	1234
Net sales revenues[9]	EUR 469,535,406
No. of Company locations[10]	42

[2] GRI GS 102-1.
[3] GRI GS 102-3.
[4] GRI GS 102-5.
[5] GRI GS 102-2.
[6] GRI GS 102-7.
[7] GRI GS 102-4.
[8] GRI GS 102-7.
[9] GRI GS 102-7.
[10] GRI GS 102-7.

I.3.2 Mission, vision, values, strategic policies and integrated management system policy

Mission

We improve the traffic flow while providing traffic safety and reliable and timely services on the Slovenian motorway network by employing modern approaches and adopting a responsible attitude towards the environment and stakeholders.

Vision

Connected to the future

The guidance of sustainable and digital Company operations is the integration of all strategic guidelines.

The Company vision is focused on:

- users, safe mobility and reliable and timely services supported with smart solutions;
- the environment in which we operate in a sustainable manner, and satisfying the needs and expectations of all key stakeholders;
- employees who are provided with a safe, creative and development-oriented work environment.

Core values[11]

Safety

We ensure a safe environment that we operate in: a safe working environment for our employees, a feeling of safety for our business partners and users of the Slovenian motorway network (as their reliable partner on the road) and the preservation of the natural environment.

Responsibility

With a responsible attitude towards ourselves and society, we fulfil all our assumed work commitments and ensure the quality implementation of assigned tasks, bearing in mind our users, our environment (the harmonisation of our activities with the capabilities and needs of the natural environment) and other stakeholders that we do business with (suppliers, contractors, other business partners, the owner, the local community – we are a reliable partner).

Sustainability

All three aspects of sustainable operations (economic, environmental and social) are observed in Company operations. In addition to successful and efficient Company operations in the long term, special attention is paid to reducing negative environmental impacts and cooperation with stakeholders and their inclusion in sustainable Company operations.

Reliability

We are aware that at any given moment, we share responsibility for the successful and uninterrupted life, work and realisation of the goals of individuals, companies and society as a whole, which is why we abide by the agreements made in our day-to-day operations and processes. Cooperation with stakeholders is conducted in a manner promoting mutual respect and trust.

Cooperation

We favour open communication, integration, team spirit and the search for the best solutions for the common good, both among Company employees and with the active involvement of external stakeholders, thus successfully pursuing the Company mission.

Leadership by example

We are committed to integrity and bravely face our challenges. We realise our expectations towards our associates and other stakeholders ourselves as well, being aware of the importance of leadership and operations by example. Through compliant and transparent operations, DARS builds its integrity, which is crucial for the preservation of the Company's goodwill and the attainment of sustainable business performance.

[11] GRI GS 102-16.

The strategic policies of DARS[12]

Figure 1: The strategic policies of DARS

The provision of safety, fluidity and reliable and timely services to motorway users

- Ensuring traffic safety
- Ensuring traffic fluidity
- The continued construction of new and the reconstruction of existing MW and EW sections
- The provision of reliable and timely customer services

Long-term business stability and sustainability

- Ensuring long-term stable operations
- The digital transformation of the Company
- The development of sustainable infrastructure and the circular economy

[12] GRI GS 103-1, 203-1, 201, 203.

Engaged and competent employees

- Continued enhancement of employee engagement and competence
- Leadership development
- The provision of occupational safety and the promotion of employees' health

Integrated management system policy

Through the professional and responsible performance of tasks, the management and all Company employees will devote their best efforts to fulfilling the requirements and expectations of our stakeholders: users, the owner, employees, the environment and other interested public. Our business success is carefully planned, managed and supervised. We are committed to the continuous improvement of all business processes, with an emphasis on preventative action and risk management.

Our goal is to act in a quality, energy-efficient and socially responsible manner and to provide employees, outsourcers and users with a safe, uninterrupted and comprehensive service.

The management system policy is pursued in the following manner:

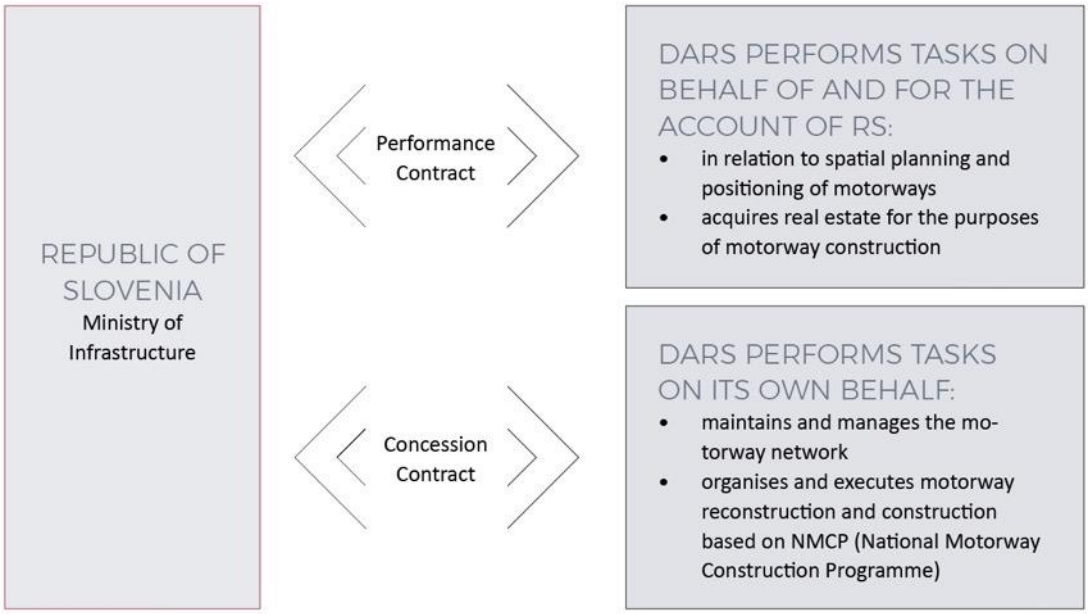
- by making responsible decisions based on specific information and facts,
- by ensuring good conditions and relations between all stakeholders within and beyond the Company,
- by promoting proactive activities with an emphasis on employee innovations,
- by managing the identified risks and implementing detected opportunities,
- by providing the desired level of confidentiality, integrity and availability of information and information resources,
- by ensuring the adequate availability of key information systems,
- by increasing the efficient use of all materials and energy throughout the service life cycle,
- through consistent compliance with the legislation, other mandatory requirements and development policies,
- through mutually beneficial cooperation with partners and other outsourcers,
- by supporting the development of the profession and acquiring new knowledge and skills,
- through active communication within the Company and with external audiences,
- through the commitment to prevent health risks and injuries of employees,
- by establishing and achieving measurable improvement targets for all areas of operation,
- by taking systematic account of all business aspects

  (the environment, energy, quality, business continuity, information protection, safety, economics) in the purchase of products and services and the design of new solutions.

The Management Board undertakes to lead by example and pursue the set objectives to the best of their abilities.

I.3.3 Activities of DARS[13]

Figure 2: Activities of DARS



DARS was established in 1993 based on the ZDARS act and started operating on 1 January 1994. Until 31 December 2003, it had the status of a public undertaking in the form of a public limited company and, since 1 January 2004, it has been a public limited company in the form of a company. The sole founder and shareholder of DARS d.d. is the Republic of Slovenia, which is represented by the Slovenian Sovereign Holding (SSH) pursuant to the Slovenian Sovereign Holding Act (Official Gazette of the Republic of Slovenia, No. 25/2014; ZSDH-1). DARS operates in compliance with the Corporate Governance Code for Companies with Capital Assets of the State as adopted by the SSH and the Recommendations and Expectations of the SSH as the manager of the State capital assets, which are aimed at improving the corporate governance system for capital assets of the State, company organisation and, consequently, company performance.

The ZDARS-1 entered into force at the end of 2010 and on its basis, DARS:
- performs individual tasks relating to spatial planning and the siting of motorways, and tasks relating to real estate acquisition for the purposes of motorway construction on behalf of the Republic of Slovenia and on its account;
- builds motorways on its own behalf and on its own account;
- manages and maintains motorway sections based on the granted construction concessions.

The State maintains strategic supervision over motorway development through development documents setting out new sections and deadlines for putting the newly built sections into service.

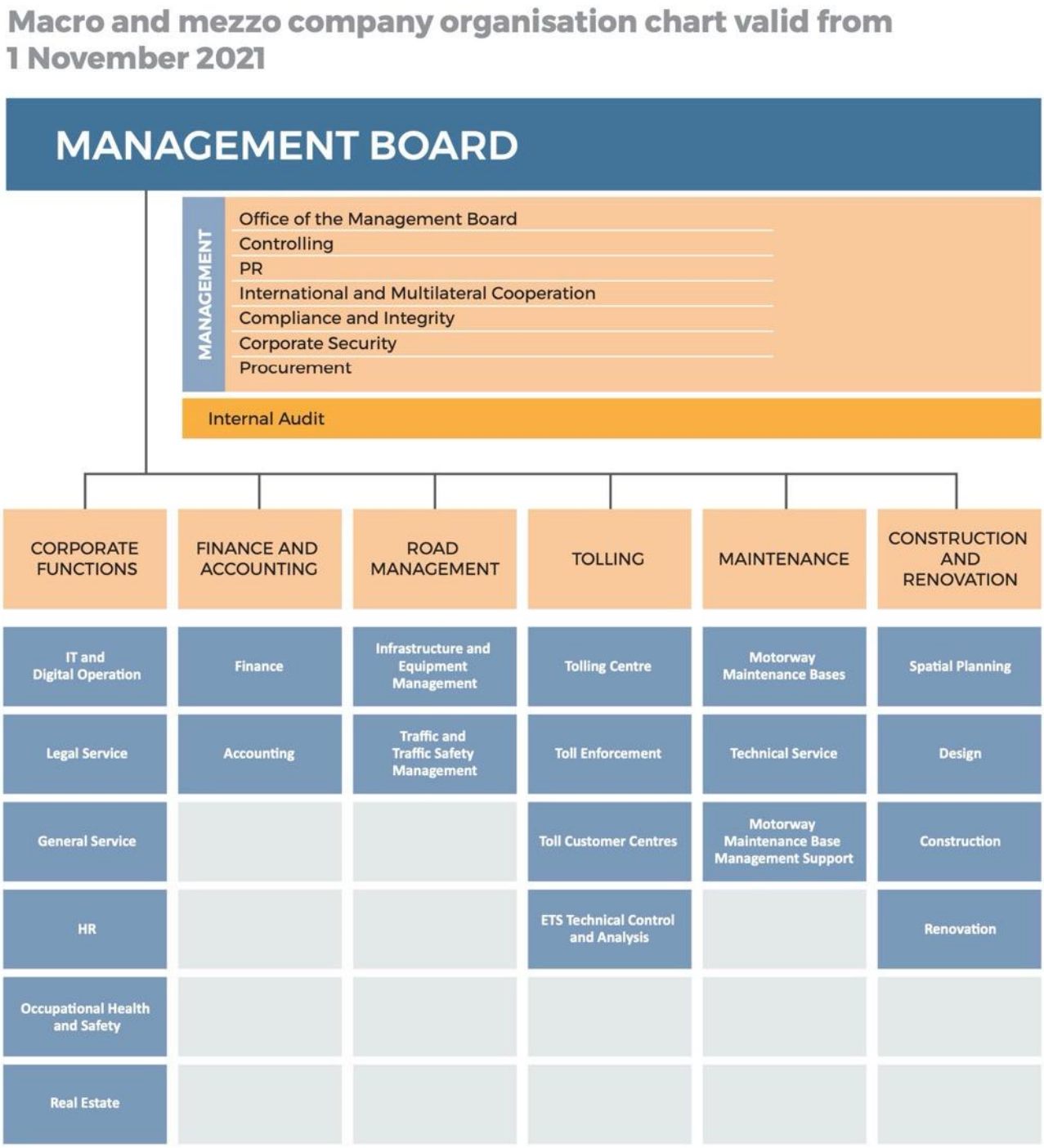
The ZDARS-1 act sets out the status, tasks and obligations of DARS and regulates the legal property relations in connection with motorways. Pursuant to the Act, DARS was transformed into a concessionaire that was awarded the right of superficies for the term of the concession relating to land where it will build, and has taken over all financial obligations related to the construction of new motorway sections. The ZDARS-1 also stipulates that DARS performs individual tasks relating to spatial planning and motorway siting, and tasks relating to real estate acquisition for the purposes of motorway construction on behalf of the Republic of Slovenia and for its account. The Act also obliges DARS to continue building motorways and expressways that commenced prior to the enforcement of the ZDARS-1, while operating and maintaining the existing motorways and expressways in the Republic of Slovenia.

According to the ZUJF, which entered into force in 2012, the right of superficies established for the benefit of DARS is payable.

[13] GRI GS 102-2.

I.3.4 Organisational structure[14]

Figure 3: The organisational structure of DARS



[14] GRI GS 102-18.

I.3.5 Motorways and expressways in the Republic of Slovenia

In 1994, under a special agreement, the Republic of Slovenia transferred to DARS the operation and maintenance of all constructed motorways, as well as infrastructural facilities and devices on them. DARS thus received 198.8 kilometres of 2-lane and 4-lane motorways and expressways and 67.5 kilometres of junctions constructed until that point.

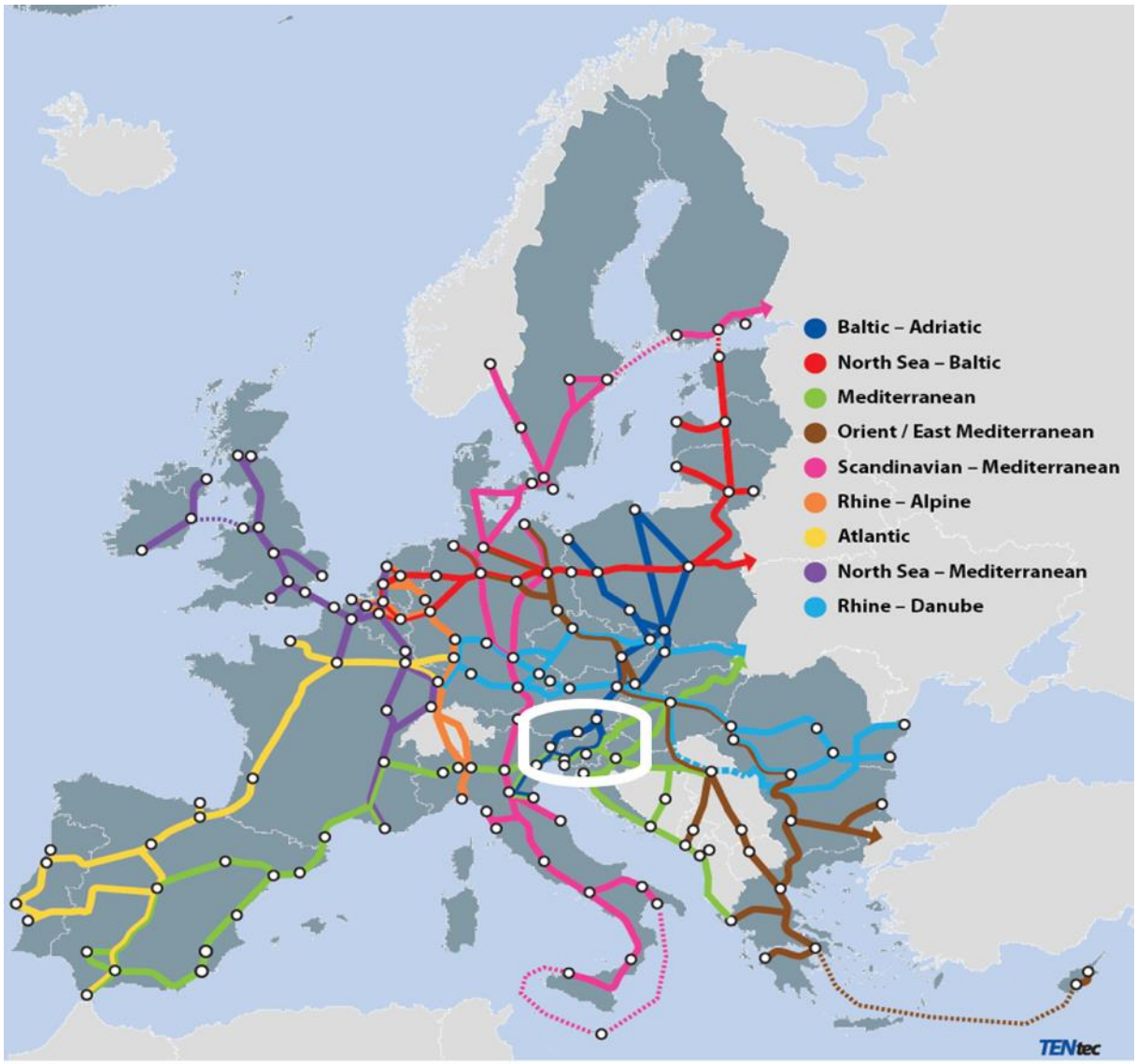
Through the implementation of the NMCP, the motorway network managed and maintained by DARS began to expand. At the end of 2021, DARS was responsible for the operation of 624.9 kilometres of motorways and expressways, 143.4 kilometres of junctions, 22.3 kilometres of interchanges and 40.8 kilometres of other roads.[15]

Figure 4: Motorway system in the Republic of Slovenia, December 2021

[15] GRI GS 102-7.

The Slovenian motorway system as part of the Trans-European Transport Network (TEN-T)

Figure 5: The Slovenian motorway system as part of the TEN-T network



Note: the nine TEN-T core network corridors are based on the CEF and TEN-T Regulations (1316/2013 & 1315/2013); they have been created as a coordination instrument to facilitate the completion of major parts of the core network of strategic importance.
Source: European Commission, Directorate-General for Mobility and Transport, TENtec Information System

I.3.6 Investments in motorway development and reconstruction[16]

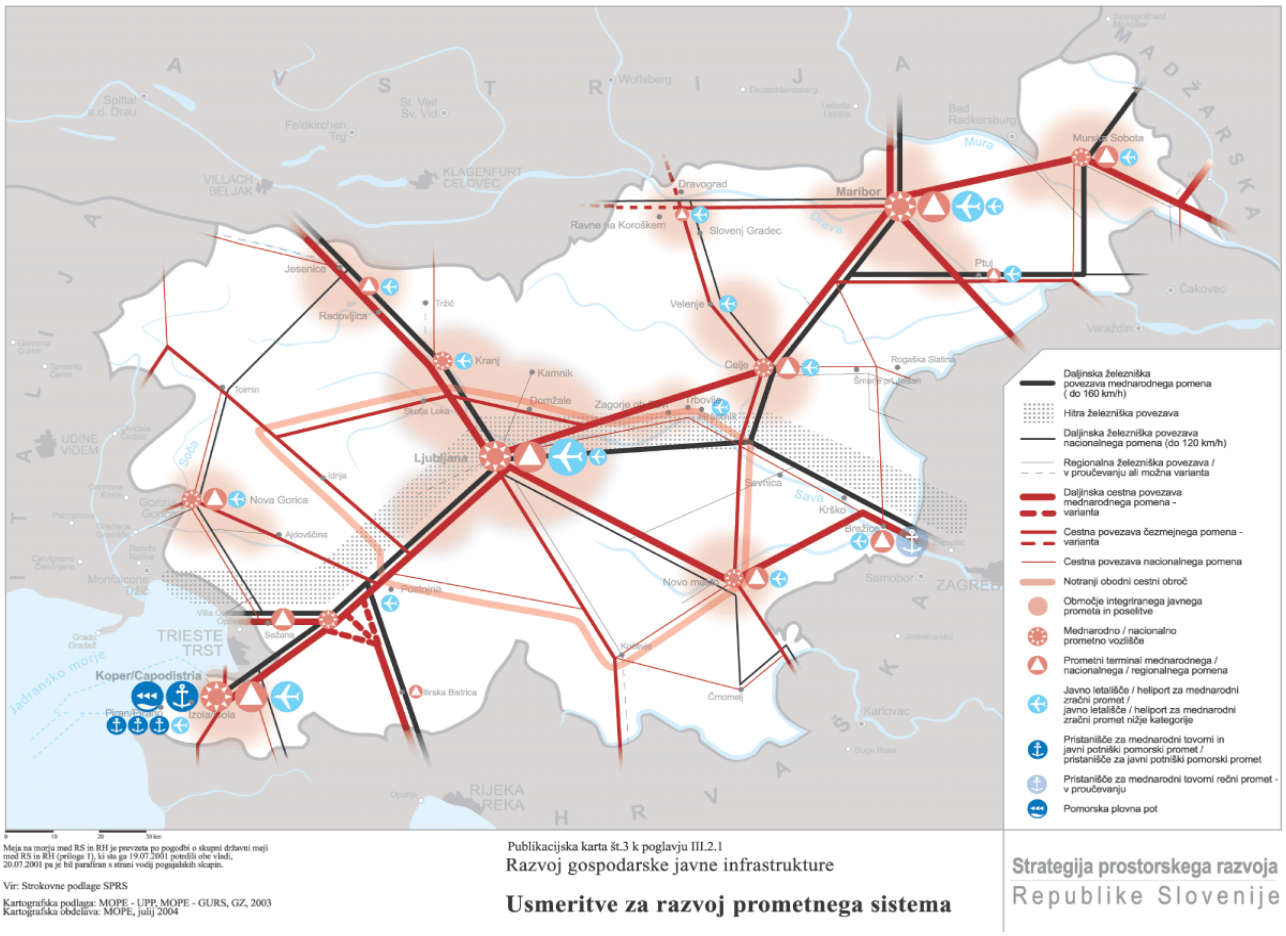
DARS has connected Slovenia with the European motorway networks, integrating international flows with many environmentally friendly structures that have merged with the environment in a responsible manner. With the construction of the motorway network, DARS has become a strategic operator; the existing motorway systems were integrated into smart international transport corridors with a focus on safety and fluidity.

The objective of the EU transport policy is to build a trans-European network of roads, railway lines, inland and maritime waterways, ports, airports and terminals that would connect Europe and strengthen the socio-economic and territorial cohesion of Europe.

[16] GRI GS 203-1, 203-2.

A priority in that area, in particular, is to eliminate bottlenecks and technical obstacles in the trans-European transport network, which also includes the construction of the second tube of the Karavanke tunnel. In addition to constructing new and modernising existing infrastructure, the European Commission supports the introduction of innovative digital technologies, alternative fuels and common standards.
It is also worth noting the role or contribution of DARS to global development, i.e. by observing Sustainable Development Goals (SDG), as adopted by UN members, which are aimed at devoting efforts to developing the whole of society, the economy, science and civil society – which will play an important role in attaining the important goals of the whole society until 2030.

Figure 6: Spatial development strategy of the Republic of Slovenia



Karavanke tunnel (second tube)

The Karavanke motorway tunnel is part of the Trans-European Transport Network (TEN-T) and connects the A2 motorway in the Republic of Slovenia with the A11 motorway in the Republic of Austria. The tunnel represents a bottleneck in this part of the network, as it was built as a single-tube two-lane tunnel in which traffic runs in both directions. Pursuant to Directive No 2004/54/EC of the European Parliament and of the Council on the minimum safety requirements for tunnels in the Trans-European Road Network, it is necessary to ensure full motorway clearance between the A2 and A11 in cooperation with Austria as soon as possible. In order to enhance fluidity and traffic safety, it is planned to build a second tunnel tube along with the missing part of the motorway and all necessary accompanying arrangements, including sites for the disposal of excess excavated material. The planned arrangements are located in the Jesenice and Kranjska Gora municipalities.

The Republic of Slovenia and the Republic of Austria received EU grants within the scope of the Connecting Europe Facility (CEF) for the construction of the second tube of the Karavanke motorway tunnel. The Republic of Slovenia received CEF funds in the maximum amount of EUR 7.95 million or 10% of eligible project costs.

An agreement with the contractor, Cengiz, was signed on 30 January 2020. The total deadline for the completion of all works is 2 May 2025 (62 months from the start of work).

By the end of 2021, the following works had been completed in the tunnel:

- excavation and installation of support elements in the top heading up to chainage 1658 m,
- excavation and installation of support elements in the bench up to chainage 1621 m,
- excavation and installation of the inverted arch (shotcrete) from 0 to 292 m, from 736 m to 1078 m and from 1345 m to 1580 m,
- base of the inner lining – west side, up to chainage 1360 m,
- base of the inner lining – east side, up to chainage 1341.3 m,
- installation of the inverted arch (cast concrete) up to chainage 852.9 m,
- installation of lean concrete up to chainage 840.2 m.

Excavation and support elements were also carried out for the GQ26 cross passage (for pedestrians), the LQ4 cross passage (for ventilation) and the EQ25 cross passage (for vehicles).

The material excavated from the tunnel was transported from the site and incorporated in excess material deposit sites M (in front of the tunnel) and 4 (Mojstrana).

Work was completed on the M-2 bridge and deviation 1-3 with connections to local roads and the relocation of the public utility lines over the new bridge. A commission inspection of the works was carried out, followed by the opening of traffic over the new bridge and deviation 1-3 at Hrušica. The removal of the old bridge over the Sava Dolinka and the development of the river banks in the area of the bridge were carried out.

On the M-1 bridge (the structure on the alignment of the missing part of the MW), work on the piles and foundation beams has been completed, followed by the completion of the superstructure from stage I (the central part).

Figure 7: Building a truss arch in the top heading

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Figure 8: Concreting of the M-1 bridge superstructure (stage I)

Third development axis

The third development axis is a future traffic link that will run from the Koroška region in the north to the region of Bela krajina in the south (from the Austrian to the Croatian border).

The Ordinance on the Spatial Planning Strategy of Slovenia mentions the third development axis as a road link from the Austrian Carinthia via Slovenj Gradec and Velenje and connecting to the motorway near Celje while continuing towards Novo mesto and Karlovac or, rather, connecting to the Zagreb–Rijeka motorway. The investment in the third development axis is included in the Resolution on the National Programme for the Development of Transport of the Republic of Slovenia until 2030. The link also includes two new state roads from the A2 motorway at Novo mesto to the Maline junction and from the Šentrupert junction on the A1 motorway to the Slovenj Gradec South junction, for which the national spatial plan decrees have been adopted.

The third development axis section from Velenje South to Slovenj Gradec South in the length of 17.5 km has been broken down into 8 lots, which are, in terms of priorities, at different stages of design document processing and public procurement procedures for construction (two-stage public procurement procedure), as well as stages of construction. The construction of Lot D Gaberke launched in October 2020 continued in 2021. Most of the works have been completed, and traffic has already been opened on the deviations of the regional roads R3-696/7912 Velenje–Škale and R3-696/7919 Škale–Graška Gora–Šmiklavž (deviation 1-16), as well as on the local road to Gaberke (deviation 1-17). Finishing works are being carried out for full completion. Regarding Lot F – Jenina, construction works have been launched in August 2021. Work is rapidly underway on the Jenina and Visočnik viaducts and the Jenina bridge. Activities are also underway on the construction of retaining and supporting structures, road deviations, the relocation of electricity power lines and the relocation of a gas transmission line. Building permit applications have been filed for Lots B – Škalsko jezero, H – Konovo and E – Velunja. The public contract for the qualification of tenderers in Lot B – Škalsko jezero and H – Konovo has been completed and the decision has become final. For Lots C – Škale and E – Velunja, the public contract for the qualification of tenderers is pending. The tenders are being examined after the opening procedure. In other lots, intense efforts are being made to produce DGD design documents. Detailed design documents are also being produced, while interim and final reviews of DD documents are being conducted simultaneously.

At the Šentrupert–Velenje South section measuring 14 km in length, DGD and DD documents are being produced while the interim and final reviews of the DD are underway. The investment programme was confirmed in December 2021. The building permit application is expected to be submitted in the first half of 2022.

Figure 9: View of the Lot D – Gaberke construction site

For the section of the third development axis south from the A2 MW to Osredek junction measuring 5.5 km in length, a building permit was obtained through an integrated procedure for alignment and bridges, but it is not yet final. The building permit to relocate the main gas pipeline, on the other hand, is final. The public contract for the qualification of tenderers (two-stage public procurement procedure) has been closed and the decision has become final. The second stage of the public contract procedure for the selection of a contractor has been suspended due to the building permit not being final. Activities for the production of DGD and DD design documents for the Osredek-Maline section measuring 12.4 km in length are underway. An Investment Programme was created and confirmed.

On the section from Maline to IBC Metlika and Črnomelj, with a total length of 30.7 km, a project implementation study was launched in October 2021, which will provide a decision on the stages of the construction of this section and the basis for the preparation of a pre-investment study.

Motorway reconstruction works

Measures to improve the condition of the infrastructure are aimed at following the needs of motorway users for the safe and comfortable use of the infrastructure. Measures therefore need to be implemented as soon as possible in certain sections and conceptual solutions need to be prepared for other sections, followed by designs and, after a successful procurement procedure, the execution of works. Considering the current experiences and familiar technologies for the execution of works, individual parts of the infrastructure are considered separately from others during the design. Reconstructions of individual bridging structures, tunnels, geotechnical structures, drainage, other equipment and parts of noise barriers are thus considered separately from carriageway reconstructions.

Carriageway reconstructions are planned on those MW sections where the condition has been assessed as “very poor” or “poor” according to the Modified Swiss Index (MSI) or in respect of which field inspections showed that measures, if implemented in due time, could significantly extend the useful life of the carriageways (resurfacing). The selected sections have been additionally checked with the expert carriageway management system PMS-DARS (dTIMS_CT – Deighton’s Total Infrastructure Management System with Concurrent Transformation), which is used for the optimum planning of carriageway reconstruction.

Bridging structures on older MW sections are planned to be reconstructed, specifically where regular and main inspections have identified damage jeopardising the continued safety of the structure and thus safe traffic in the long term, or in cases where certain parts need to be repaired (e.g. expansion joints, waterproofing, asphalt or drainage), to prevent the further decay of structures. Reconstruction works on structures are also foreseen in sections undergoing carriageway reconstruction, but only to the extent necessary with respect to identified damage on a particular structure and foreseen works on the alignment.

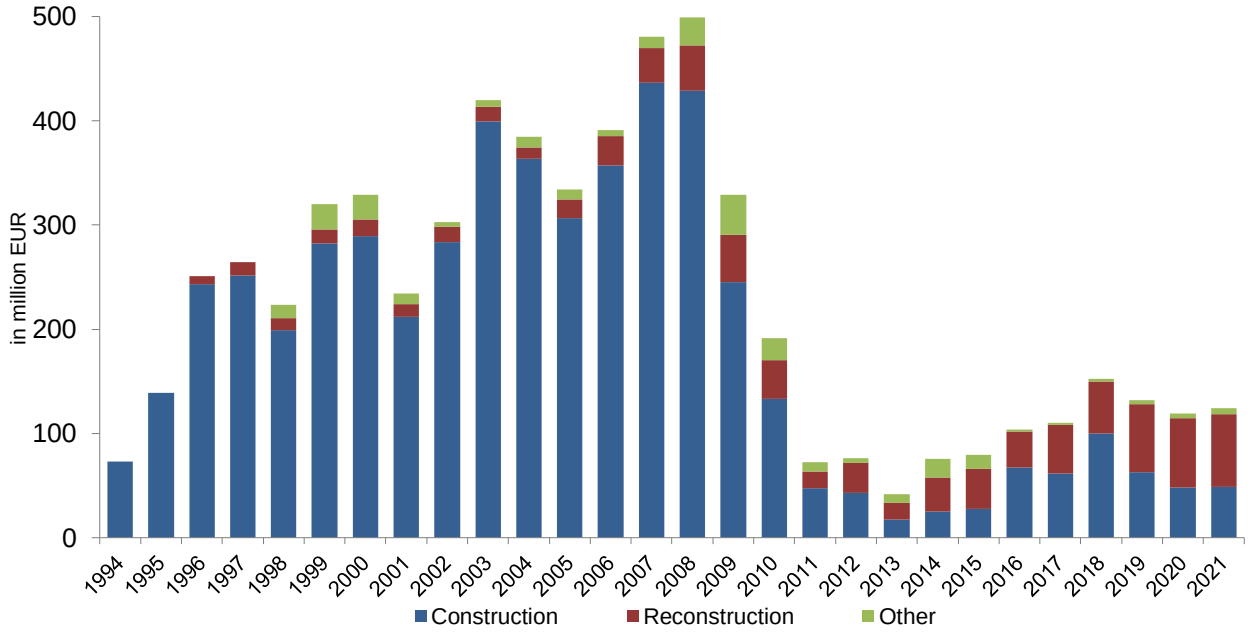
I.3.6.1 Investments planned from 2022 to 2024

Table 1: Major investments planned by DARS from 2022 to 2024 in EUR million (source: Business Plan for 2022)

	Realisation 2021	Plan for 2022	Plan for 2023	Plan for 2024	Total 2021–2024
DRAGOMER motorway junction	0.01	4.12	14.78	6.74	**25.65**
CONSTRUCTION OF WIND BREAKS	0.12	3.82	10.50	11.58	**26.01**
KARAVANKE TUNNEL (second tube)	17.24	19.85	22.28	37.88	**97.25**
DarsGo system					
E-vignettes					
HAJDINA–ORMOŽ	0.16	5.10	15.64	16.35	**37.25**
KOSEZE–KOZARJE: expansion into a 6-lane road (construction, other)	0.06	0.26	8.52	20.75	**29.59**
Third development axis – north: Velenje–Slovenj Gradec	10.82	23.15	74.81	83.87	**192.65**
Third development axis – north: Šentrupert–Velenje	1.21	6.20	29.12	46.03	**82.56**
Third development axis – south: Novo mesto–Maline (Stage I – stages 1 and 2)	0.34	16.31	26.36	31.43	**74.43**
Third development axis – south: Novo mesto–Maline (Stage I – stages 3 and 4)	2.33	3.34	2.65	20.00	**28.33**
Third development axis – south: Maline–Metlika (Črnomelj) – section 2	0.02	1.00	2.40	0.00	**3.42**
Total	**32.30**	**83.15**	**207.06**	**274.63**	**597.14**
MOTORWAY RECONSTRUCTION	69.88	111.44	98.12	97.23	**376.67**
Other investments	21.75	76.28	63.79	52.20	**214.02**
Total	**123.92**	**270.87**	**368.98**	**424.06**	**1,187.83**

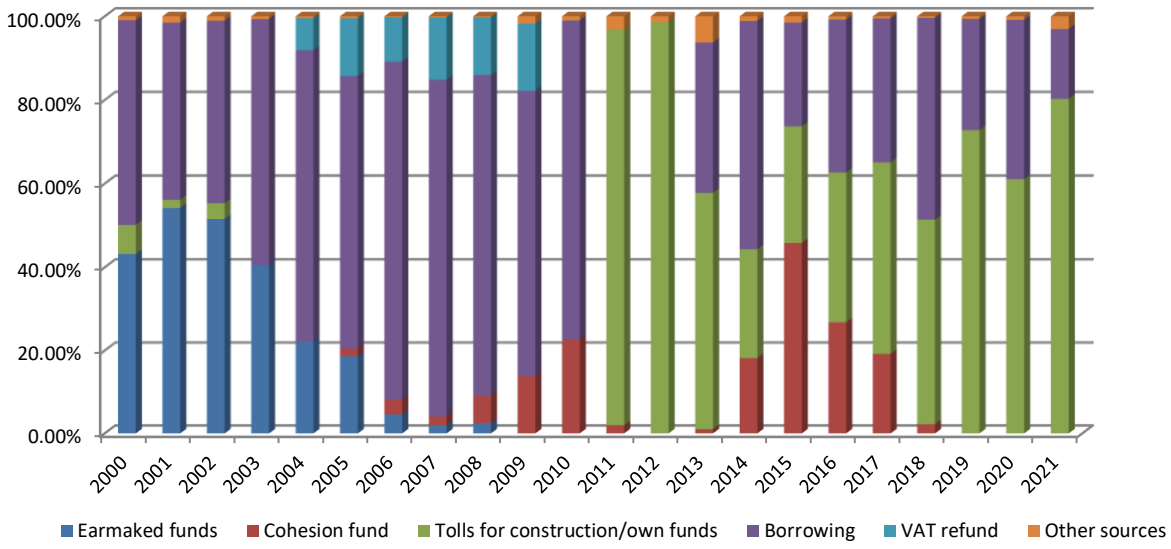
I.3.6.2 Investments in the National Motorway Construction Programme (NMCP) from 1994 to 2021

Figure 10: Investments in the National Motorway Construction Programme (NMCP) from 1994 to 2021



I.3.6.3 Financing sources for the National Motorway Construction Programme (NMCP) from 2000 to 2021

Figure 11: Financing sources for the National Motorway Construction Programme (NMCP) from 2000 to 2021



I.3.7 Self-assessment using the EFQM Excellence Model

In compliance with the Recommendations and Expectations of the SSH, DARS carries out self-assessments according to the EFQM Excellence Model.
In light of SSH guidelines, a self-assessment under EFQM requirements is conducted every two years; DARS conducted the third self-assessment in 2021 and prepared a report containing the findings, an action plan with 12 measures, as well as short-term and medium-term goals for Company operations in relation to quality and excellence.
The Management Board places great significance on the Recommendations and Expectations of the SSH and has set "To achieve 550 points by 2025 with respect to the requirements of the EFQM model" as a key indicator in the "DARS Strategy for 2021–2025".
The Supervisory Board discusses the report on the realisation of self-assessment measures under the EFQM Excellence Model every 12 months and confirms the adequacy of the introduced measures.

I.3.8 Integrated management system

The integrated management system includes the quality aspect according to the requirements of the ISO 9001 standard, the environmental management aspect according to the requirements of the ISO 14001 standard, the occupational health and safety aspect according to the requirements of the ISO 45001 standard, the energy management aspect according to the ISO 50001 standard, and the information security aspect according to the ISO/IEC 27001 standard. Together, these aspects form a unified management system as described in the Rules of Procedure for the Management System and related documents.
Continuous improvements using the PDCA approach (plan-do-check-act) form the basis for the integrated management system and the requirements of the standards. This approach is the driving force for the progress and optimisation of business processes in all areas of Company operations.
In 2021, the Company started establishing a business continuity system as per the requirements of the ISO 22301 standard.
To ensure the credibility of the quality management system, environmental management system, occupational health and safety system, energy management system and information security system according to the requirements of the ISO 9001, ISO 14001, ISO/IEC 27001, ISO 45001 and ISO 50001 standards, these are successfully approved every year by an external accredited institution.

I.4 About the Report

The report on the sustainable development of DARS contains information on the economic, environmental, social and governance effects and results of Company operations. The Strategy of DARS pursues long-term goals focused on sustainable development and steers the Company towards socially responsible future operations. With reports on its sustainable development, the Company on the one hand provides quality information on its socially responsible actions to its stakeholders and, on the other, makes decisions on future socially responsible actions based on cooperation and the identification of stakeholders' needs and interests. Our key motto is the connectivity of our business operations in all possible forms and with all possible stakeholders.

I.4.1 Sustainability reporting

Non-Financial Statement

The Sustainability Report of DARS for 2021 contains all the necessary information for the publication of the Non-Financial Statement and is, therefore, in line with the amendments to the Companies Act (Official Gazette of the Republic of Slovenia, No. 42/2006 as amended) and the requirements set out in the Guidelines on non-financial reporting (methodology for reporting non-financial information), as adopted and published in the EU Official Journal in July 2017, and in the requirements laid down in the Directive as regards the disclosure of non-financial and diversity information by certain large undertakings and groups. The Guidelines became applicable in 2018, i.e. in relation to information for the 2017 financial year.

The fifth Sustainability Report of the Company under GRI standards

The first independent Sustainability Report of DARS, which the Company published for 2017, was a significant milestone for the Company as regards reporting on its sustainable development, where the Company observes the international sustainability reporting standards of the Global Reporting Initiative (GRI GS), core option, [17]and significantly improves the quality of the sustainability section in previous annual reports, making it a comprehensive report emphasising the materiality of Company operations. The Company has also reported on its sustainable development or corporate social responsibility in its annual reports since 2009. The last Sustainability Report for 2020 was published on the Ljubljana Stock Exchange SEOnet information system on 29 June 2021.[18] The Sustainability Report was prepared by all the expert services of DARS. The Sustainability Report of DARS refers to an individual financial and calendar year, and will be published every year by the Company.[19]

I.4.2 The realisation of the strategic sustainable development goals at DARS

DARS is well aware of its responsibility to people, the environment and society. Therefore, it exercises social responsibility in a sustainable manner in all projects and long-term plans at all levels. Ambitious and clearly defined goals ensure that the public will continue to identify DARS as a responsible and forward-looking company.

The strategic policies of DARS

The DARS Strategy for 2021–2025, which integrates the Company vision and its stakeholders with three key strategic guidelines of DARS, is shown in detail in chapter I.3.2 Mission, vision, values, strategic guidelines and integrated management system policy, where the central focus is on long-term stable operations and sustainability (with an emphasis on the environment), which also significantly relates in terms of content and strategic goals to the realisation of strategic guideline 1 (Provision of safety, fluidity and reliable and timely services to motorway users) with users as the target stakeholders, and strategic guideline 3 (Engaged and competent employees) with employees as the target stakeholders.

It is also worth noting the role or contribution of DARS to global development, i.e. by observing Sustainable Development Goals (SDG), as adopted by UN members, which are aimed at devoting efforts to developing the whole of society, the economy, science and civil society – which will play an important role in attaining the important goals of the whole society until 2030.

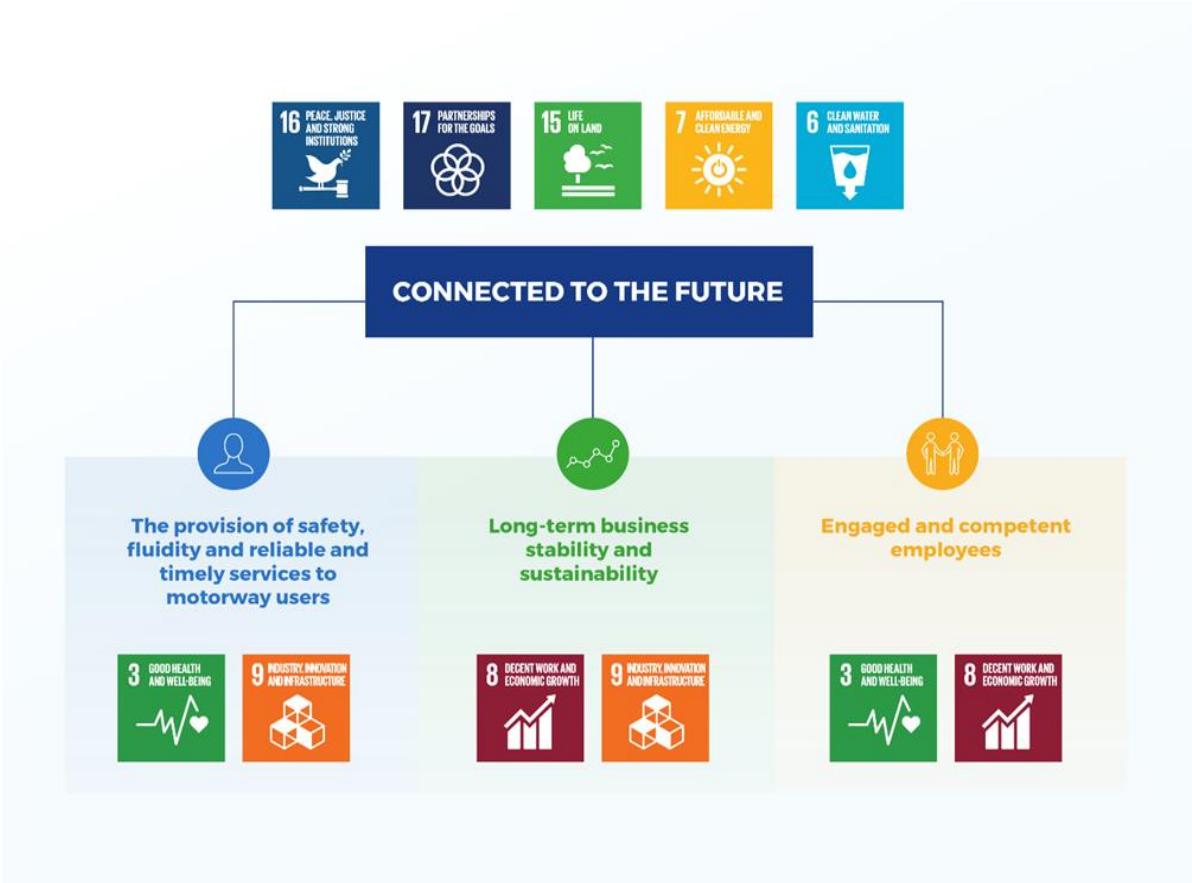
Below are all 17 sustainable development goals, which are also available on the Ministry of Foreign Affairs link at http://www.mzz.gov.si/zunanja_politika_in_mednarodno_pravo/mednarodno_razvojno_sodelovanje_in_humanitarna_pomoc/politike_mrs/cilji_trajnostnega_razvoja/ https://sustainabledevelopment.un.org/sdgs).

[17] GRI GS 102-54.
[18] GRI GS 102-51.
[19] GRI GS 102-50, 102-52.

Figure 12: The UN global sustainable development goals (SDG)

With its activities, DARS strives to contribute to eight sustainable development goals; the connectivity of the vision and the strategic goals of DARS is evident from the figure below.

Figure 13: The connectivity of DARS's strategic goals with the eight sustainable development goals



Connected to the future

Peace, justice and strong institutions: By observing the rule of law and measures to prevent corruption, thus strengthening our integrity and reputation, we contribute to goal 16.
Relevant content: Corporate integrity
Indicator: Number of persons informed, in % / number of DARS employees.

Partnerships for the goals: The motto of Company operations is connectivity in all possible forms, since that is the only way to contribute to a more sustainable society.
Relevant content: Indirect economic effects on the Company, the provision of fluidity, safety and comfort to MW users, inclusion in the community and development.
Indicator: To achieve a user satisfaction index of 80 by 2025.

Life on land: DARS's focus on biodiversity and environmental responsibility contributes to the protection of terrestrial ecosystems.
Relevant content: Spatial planning and siting, biodiversity, waste management and water protection.
Indicator: Fulfilment of the requirements set out in the environmental consents.

Affordable and clean energy: DARS strives for energy efficiency, a low carbon footprint and measures to reduce energy consumption, which contributes to goal 7.
Relevant content: Energy use, emissions.
Indicator: To reduce electricity consumption by 15% by 2025 with respect to the existing condition of electricity consumers in 2015. To reduce consumption of energy products for heating by 30% by 2025 and emissions of energy products for heating by 30% by 2025 with respect to the 2015 baseline year. To reduce average fuel consumption for work vehicles and machinery and light-duty vehicles by 2% by 2025 with respect to the 2019 baseline year. To increase the share of energy from renewable sources by 2025 in the total consumption for heating by 15% and for electricity by 1% with respect to 2019.

Clean water and sanitation: Through the economic use of water and activities to protect natural water resources in the event of incidents, DARS strives for the sustainable management of water resources and their preservation.
Relevant content: Water protection, waste management.
Indicator: Compliance with the legislative requirements and good Company practice.

Ensuring traffic safety, fluidity and comfort to users on the motorway network

Good health and well-being: With its efforts to improve safety in road traffic and to reduce the number of traffic accidents, DARS actively contributes to the realisation of goal 3.
Relevant content: The provision of fluidity, safety and comfort to motorway users.
Indicator: The provision of reliable and timely customer services: the provision of accurate and timely traffic information and the efficient provision of information to drivers: a 20% growth in active traffic information searches in the DARS communication channels by 2025 with respect to 2019, renovation of 12 minor rest areas and their handover to lessees by mid-2023.

Industry, innovation and infrastructure: By building and maintaining quality, reliable and sustainable motorway infrastructure, DARS wishes to provide users with safety and comfort.
Relevant content: The provision of fluidity, safety and comfort to motorway users.
Indicator: The continued construction of new and the reconstruction of existing MW and EW sections: reducing the number of category III and IV traffic accidents on MW by 20% by 2025 with respect to 2019 by: reducing the average duration of a closed road due to traffic accidents and incidents by 5% by 2025 with respect to 2019; increasing the number of sections supervised with speed radar systems by 2023 (28 radar boxes); increasing the number of incident detectors by 20% by 2025 with respect to 2019, etc.

Long-term business stability

Decent work and economic growth: With successful business operations and the promotion of new innovative and modern approaches, DARS strives to achieve goal 8.
Relevant content: Long-term business stability.
Indicator: A net debt to the EBITDA with the target indicator below 8; the provision of a 4.1% return on equity.

Industry, innovation and infrastructure: By building and maintaining quality, reliable and sustainable motorway infrastructure, DARS contributes to regional and international economic development and the welfare of society. With the deployment of electronic tolling, it seeks to promote the use of environmentally cleaner technologies.
Relevant content: Long-term stable operations, indirect economic effects on the Company.
Indicator: Digital transformation of the Company: to reduce the number of manually prepared reports by 30%; to develop sustainable infrastructure and a circular economy: the development of the motorway network pursuant to the owner's directions and the financial capacities of DARS: the length of the reconstructed carriageways – at least 55 km/year. To provide full control of the DarsGo system pursuant to the provisions laid down in the service level agreement by 2021.

Engaged and competent employees

Decent work and economic growth: With the role of a reliable and prudent employer, DARS contributes to the achievement of goal 8. DARS strives for safe employment, which is why 99.35% of its employees have permanent employment contracts.
Relevant content: Long-term stable operations, engaged and competent employees, and a creative and interesting working environment.
Indicator: The ratio between engaged and actively non-engaged workers increases to more than 1 in 2025.

Good health and well-being: With concern for the employees' safety and health, DARS contributes to goal 3.
Relevant content: The creation of a safe working environment.
Indicator: The provision of employee safety (the number of persons injured at work will be reduced by 10% by 2025 with respect to the baseline year of 2019) and the promotion of employees' health (reducing sick leave by 10% by 2025 with respect to the 2019 baseline year).

I.4.3 The Company and its stakeholders

The Company cooperates with its stakeholder groups in a correct and balanced way, engaging in two-way communication. While realising its mission, the Company identifies and monitors the needs and interests of stakeholders through a web of mutual relations at the strategic and operative levels. This strengthens the understanding between individual groups of stakeholders and the Company and enhances mutual trust.

The stakeholders of DARS have been identified and defined on the basis of one of the self-assessment measures under the EFQM requirements and are set out in the document "Needs and expectations of stakeholders". The document defines all the relevant stakeholders, identifies a stakeholder's influence on the Company, the needs and expectations of the stakeholder, the persons responsible for relations with the stakeholder, the persons cooperating with individual stakeholders, and the method of monitoring the perception of a stakeholder. The inclusion and management of stakeholders is conducted in various ways with respect to the influence of a particular stakeholder on the Company and the influence of the Company on a particular group of stakeholders. The questionnaire for the selection of relevant content is sent to stakeholders every three years and was last distributed in 2019. The 2021 Sustainability Report covers a range of relevant content that has not changed compared to last year[20].

Figure 14: DARS's relations with stakeholders (indicated key stakeholders)

[20] GRI GS 102-40, 102-42.

I.4.4 The inclusion of stakeholders and the materiality matrix

I.4.4.1 Communication tools, method and frequency of stakeholder involvement, key topics and response to stakeholder requirements

Table 2: Communication tools, method and frequency of stakeholder involvement, key topics and response to stakeholder requirements[21]

Stakeholders	Communication tools and method of inclusion	Key topics/response to stakeholder requirements	Stakeholder's inclusion in the preparation of the Sustainability Report
Employees	• In-house communication tools: intranet, email, notice boards, in-house newsletter, bulletin, events • Project to identify and monitor the organisational climate at the Company • Workers' assemblies	Possibilities for creative work and development, good relations and fair payment for good performance, concern for safety and health at work, long-term stable operations	✓
SSH (owner's representative)	• Annual Report of DARS • Annual Management Plan • Criteria for the performance assessments of companies with capital assets of the State • SSH Recommendations and Expectations • Corporate Governance Code for Companies with Capital Assets of the State • Annual report on the management of the capital investments of RS and SSH • Feedback and personal contacts	The successful realisation of the legally defined role of DARS (compliance), expected realisation of the Annual Management Plan criteria, long-term stable operations, improved corporate governance practices, sustainable development, increased return on equity, the introduction of lean enterprise, the optimisation of business processes and operating costs, active debt management, the fluidity and safety of the motorway network, the financially sustainable construction of the motorway network, and the provision of due quality and motorway management and maintenance	✓
Supervisory Board	• SB sessions and committees	Sound performance in line with the plans, compliance	✓
Ministry of Infrastructure	• Annual Report of DARS • Following up and taking account of proposals and remarks • Regular coordination • All consents in line with the relevant legislation • Approval of government documents for borrowing • Approval of proposals for changes in the toll pricing policy	The successful realisation of the legally defined role of DARS, long-term stable operations, indirect economic effects, compliance, the provision of fluidity, safety and comfort to MW users and customer privacy, active debt management, the fluidity and safety of the motorway network, the financially sustainable construction of the motorway network, and the provision of due quality in the operation and maintenance of the motorway network	✓
Slovenian Traffic Safety Agency	• Press conferences upon major safety events • Events (Sožitje or Symbiosis project and other events related to improving traffic safety) • Periodic plans to ensure road traffic safety (annually)	Resolution on the National Programme on Road Traffic Safety 2013–2022 National Programme 2013–2022 Comprehensive consideration of the issue of traffic safety, increased effects in the implementation of traffic safety projects	✓
Ministry of Finance	• Consents to all borrowings • Consents to the section of the Business Plan setting out the refinancing of the Company debt (based on the Act Regulating the Guarantee of the Republic of Slovenia for the Obligations of DARS d.d. for Loans and Debt Securities Raised or Issued for Refinancing Existing Debts of DARS d.d.)	The management of the debt secured with Republic of Slovenia guarantees and any impact on the public debt, the provision of financial sustainability	✓

[21] GRI GS 102-43, 102-44.

Stakeholders	Communication tools and method of inclusion	Key topics/response to stakeholder requirements	Stakeholder's inclusion in the preparation of the Sustainability Report
Motorway network users	• Website of DARS (www.dars.si) • Survey: Motorway user satisfaction measurement • Social networks (Facebook, Twitter) • Events and presentation of DARS • The mobile application Promet+ • Telephone and personal contacts • Website of the Traffic Information Centre – TIC (www.promet.si) • TIC Call Centre • Website of the DarsGo system (www.darsgo.si) • DarsGo services • User call centre for the DarsGo system • Market communications • Other communication tools: promotional gifts, information material for various target groups, etc.	Observation of proposals and remarks, concern for the safety and satisfaction of motorway and expressway users, the timely and complete provision of information on road conditions and other events affecting traffic safety and fluidity	✓ Included on the basis of an analysis of the motorway and expressway user satisfaction measurement questionnaire
Road haulier interest groupings within the scope of the Slovenian Chamber of Commerce and Industry and the Chamber of Craft and Small Business	• Measuring the satisfaction of motorway and expressway users • Following up and taking account of proposals and remarks • Harmonisation of toll pricing policy measures • Feedback on the quality of services and the overall experience in MW and EW use • Participation in training events and working groups • Participation in promotional events	Observation of proposals and remarks, concern for the safety and satisfaction of motorway users, the long-term stable operations of DARS, indirect economic effects on the Company	✓
General public	• Website of DARS (www.dars.si) • Social networks (Facebook, Twitter) • The mobile application Promet+ • Telephone and personal contacts • Other communication tools: events, etc. • Donations, sponsorships, socially responsible projects	Transparency of Company operations, the timely and complete provision of information on road conditions and other events affecting traffic safety and fluidity	–
Local communities, civil initiatives, individuals	• Complaints, compliments, opinions • Meeting minutes • Presence in the media • Management review	The requests and incentives received are examined and, if justified, taken into account or, if unjustified, rejected.	–
The media	• Presence in the media • Clipping	Updated and transparent replies to questions from the press, the proactive provision of information on Company operations, traffic fluidity and other events affecting traffic safety and fluidity, corporate integrity, and environmental responsibility (emissions).	✓ Included parties: RTV Slovenia and STA
Suppliers	• Website • Personal contacts • Annual Report • Minutes • Working group documents • Design documents • Legitimate complaints • Audits • Records	Clear requests and tender requirements, the fulfilment of contractual obligations	✓ Included party: Telekom Slovenije d.d.

Stakeholders	Communication tools and method of inclusion	Key topics/response to stakeholder requirements	Stakeholder's inclusion in the preparation of the Sustainability Report
NGOs and institutes	• Website of DARS (www.dars.si) • Social networks (Facebook, Twitter) • Presence in the media	Transparency of operations, long-term stable operations and indirect economic, social and environmental impacts on the Company, the provision of fluidity, safety and comfort to MW users, customer privacy, concern for employees, environmental responsibility (emissions)	✓ Included parties: Varna pot institute and Vozim institute
External stakeholders (European Commission, European Association of Operators of Toll Road Infrastructures)	• Website • Other communication tools: events, etc. • Meetings • Minutes • Telephone and personal contacts	Enforcement of EU legislation Influencing the development of European legislation and regulations, obtaining information on developments in European institutions, transferring the good practice of other motorway operators	–

I.4.4.2 Material sustainable development issues of DARS[22]

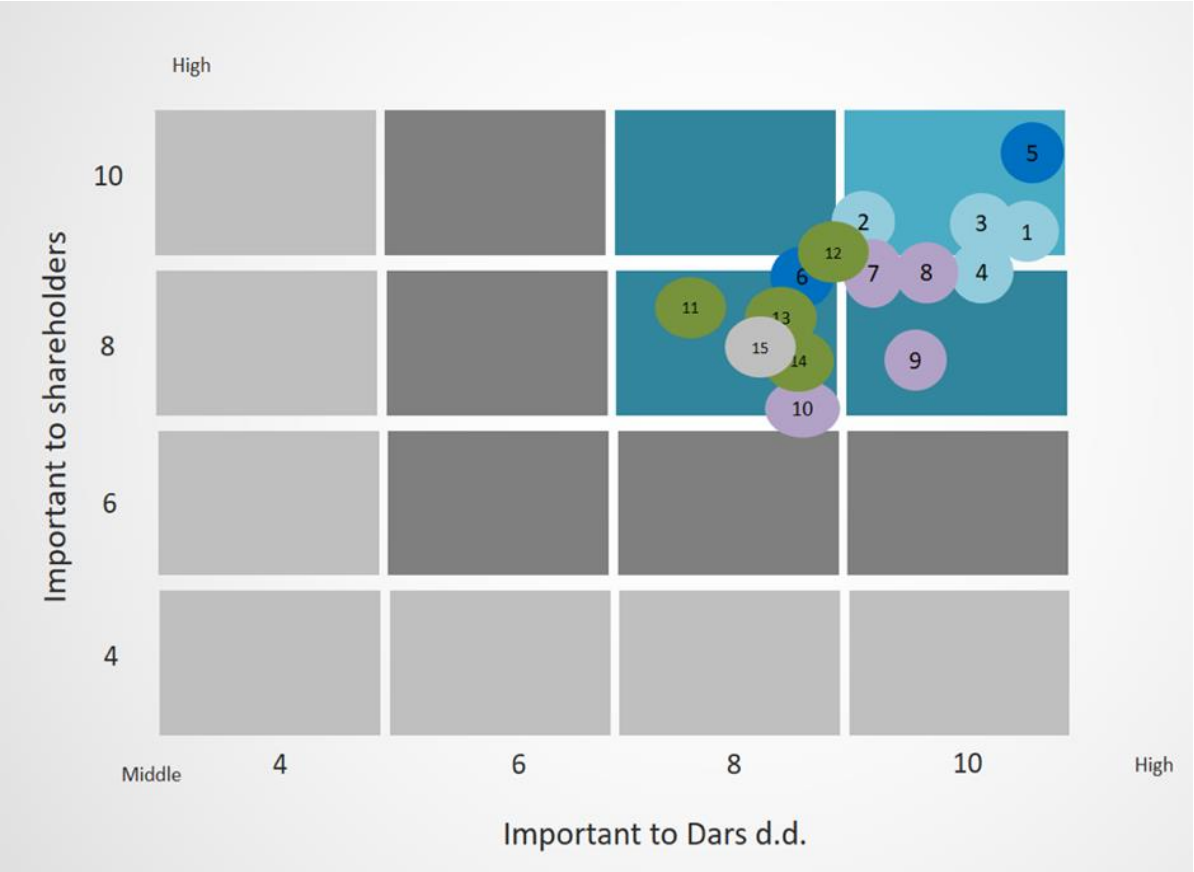
The table below shows material issues that were relevant to DARS in 2017, 2018, 2019 and 2020 and remain as such in 2021 as well. Material issues were selected on the basis of the GRI standards, the Company's strategic policies and its impact on the environment, society and the economy.

The materiality matrix (below) shows which content is the most important in respect of the Company and stakeholders. The table shows the stakeholders and the method of their inclusion in the preparation of the Sustainability Report. The scores are based on a modified questionnaire on the importance of individual material content that is sent by DARS to the stakeholders every three years, on the expectations of stakeholders identified in the internal document Needs and expectations of DARS stakeholders, on the analysis of the Questionnaire identifying the employee climate and satisfaction, and the Report on motorway user satisfaction measurement.

The content referring to the provision of fluidity, safety and comfort to motorway users was identified as crucial. This content was identified as the most important by the Company and stakeholders. It is followed by content referring to corporate governance, business performance and concern for employees. The chart does not show content that is not relevant or very important to the Company.

[22] GRI GS 102-47.

Table 3: An overview of the most important material issues for stakeholders and DARS (materiality matrix)[23]



Seq. No.	MATERIAL CONTENT
1	Long-term stable operations
2	Indirect economic impact on the Company
3	Corporate integrity
4	Compliance
5	The provision of fluidity, safety and comfort for motorway network users
6	Privacy of clients/beneficiaries
7	Engaged and competent employees
8	The creation of a safe working environment
9	The development of a creative and interesting working environment
10	Diversity and equal opportunities, non-discrimination
11	Effluents and waste
12	Emissions
13	Energy
14	Biodiversity
15	Inclusion in the local community

[23] GRI GS 102-47.

I.4.4.3 Methodology used for the Sustainability Report[24]

When drawing up the Sustainability Report, DARS observed the instructions set out in the GRI 101 sustainability reporting standards: Foundations. The table below shows how the Company observed the sustainability reporting principles to identify the content of the Report.

Sustainability reporting principle	Compliance with the principles in the sustainability report
Inclusion of stakeholders	The content of the Sustainability Report is based on the expectations of the stakeholders included in the preparation of the Sustainability Report.
Sustainability framework	By addressing sustainable development goals, DARS has put its operations in a wider social and environmental context. Certain indicators show how the Company contributes to individual goals. The Report is mostly limited to the Company, but will expand reasonably in the future with respect to the Company's impact on sustainable development.
Materiality	The content of the Report is based on the materiality matrix in which material content was selected with respect to its importance to stakeholders and the Company. The sustainable development of DARS derives from its strategy and values.
Completeness	When selecting material content, all relevant indicators relating to business performance, the environment and society were selected. The Company used a comprehensive approach to the writing in respect of its impact on sustainable development.

When collecting and indicating data, DARS observed the principles of: accuracy, balance, clarity, comparability, reliability and timeliness.

The Report contains all the relevant information from standard 102: General Disclosures, as required for the core option of reporting. Based on relevancy, the Company selected some additional indicators, but does not report on certain indicators, as they are irrelevant. Based on the materiality matrix, the Company selected the material content that is most relevant to operations and reported on them with respect to GRI 200: Economic Disclosures, GRI 300: Environmental Disclosures and GRI 400: Social Disclosures. All material content is also explained and described in terms of the management approach required in the standard GRI 103: Management Approach.

I.4.5 Corporate integrity[25]

I.4.5.1 Compliance with the regulations, codes and recommendations

Inspections and minor offence proceedings

In relation to the overall business of DARS in 2021 (involving the economic, social, environmental and energy fields), five decisions were issued as a result of inspections for compliance with environmental laws and other regulations. Due to a violation relating to the use of plant protection products, minor offence proceedings were initiated and closed with a fine.[26]

Review procedures at DKOM

Legal protection against violations in public procurement procedures is ensured in a pre-review procedure before the contracting authority and in a review procedure before the National Review Commission for Reviewing Public Procurement Procedures (hereinafter "DKOM").

The table indicating the published and awarded public contracts shows that, in 2021 DARS published 137 and awarded 168 public contracts. Based on the Legal Protection in Public Procurement Procedures Act (Official Gazette of the Republic of Slovenia, No. 43/11, 60/11 – ZTP-D, 63/13, 90/14 – ZDU-1I, 60/17 and 72/19), 19 review requests were

[24] GRI GS 102-46.
[25] GRI GS 103-1, 103-2, 103-3, 419, 419-1.
[26] GRI GS 103-1, 103-2, 103-3, 307, 307-1.

considered in 2021 and 17 decisions were issued by DKOM (Table 4: Review procedures at DKOM). DKOM has yet to decide in two proceedings.

Table 4: Review procedures at DKOM (data for DARS)*

	2018	2019	2020	2021
No. of partially granted review requests	-	-	2	-
No. of granted review requests	1	5	5	7
No. of annulled procedures	-	1	-	-
No. of dismissed review requests	-	1	1	-
No. of rejected review requests	6	8	10	10
No. of stayed procedures	2	1	1	-

* The data has been taken from www.dkom.si.

Table 5: Published and awarded public contracts on the eNaročanje portal (data for DARS)*

	2018	2019	2020	2021
No. of published public contracts	176	162	189	137
No. of awarded public contracts	281	313	194	168

* The data has been taken from https://ejn.gov.si/statist, https://www.enarocanje.si/

I.4.5.2 Compliance with the provisions of the codes and recommendations that apply to DARS

Deviations from the individual provisions of codes and recommendations that apply to DARS are explained in the Corporate Governance Statement, which forms a part of the DARS Annual Report for 2021 pursuant to paragraph 5 of Article 70 of the Companies Act (Official Gazette of the Republic of Slovenia, No. 42/2006 – as amended).

System for dealing with reports of alleged corporate integrity irregularities[27]

The Corporate Governance Code for State-Owned Enterprises (hereinafter the "SSH Code"), inter alia, recommends that large enterprises set up an internal alert system for suspected irregularities and illegalities within the company, also specifying the method of protection for whistleblowers. Taking into account the recommendations from the SSH Code, the Company enforced the Rules of procedure for handling alleged irregularities in corporate integrity as of 1 April 2021, a mandate for the execution of such tasks was awarded to the corporate integrity officer and a committee was appointed for the consideration of reports of alleged irregularities in corporate integrity. The Rules were adopted in order to strengthen the integrity of DARS and to improve its overall business performance and bolster its reputation. The Rules also set out the measures ensuring that DARS is a work environment where employees who file a report in good faith are protected. The Committee discussed one report in 2021.[28]

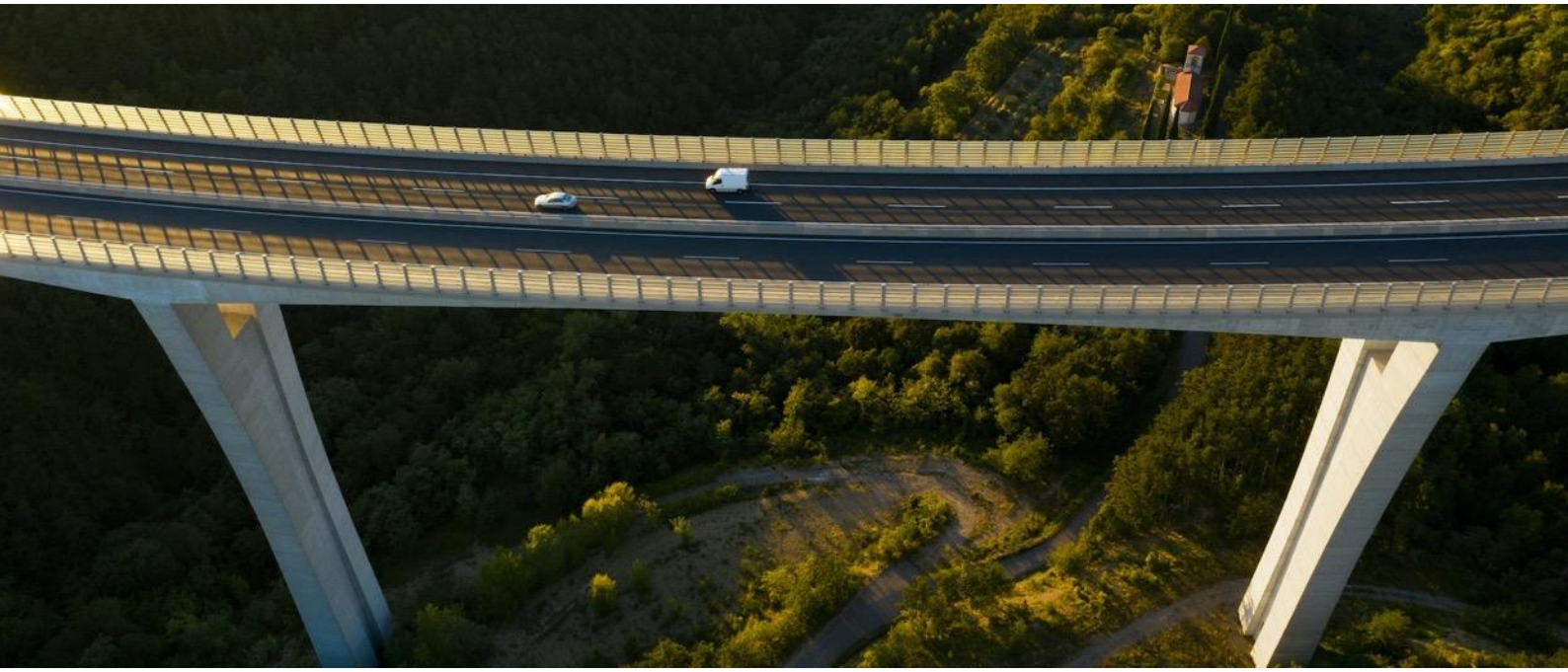
The system for dealing with reports of alleged corporate integrity irregularities was supplemented with regulations in the Rules on the implementation of internal controls and internal investigations. Reports are referred to the internal investigation officer for consideration, provided they deem it necessary to conduct an internal investigation.

Conflict of interest

Members of the Management Board, other associates and members of the Supervisory Board may not use their job or position and the information they obtain in the course of their work to pursue an undue private interest for themselves or for anyone else. The misuse of inside information and business secrets is unacceptable, harmful and prohibited by DARS. DARS associates are required to notify their superiors about any and all circumstances (business, family or other relations outside the Company) that could affect decision-making. In such a case, it is best practice that the associate be excluded from the relevant work process.

[27] GRI GS 103-1, 103-2, 103-3, 205.
[28] GRI GS 205-3.

I.4.6 Risk management[29]



DARS is aware of the severity of the consequences that could arise if various types of risk were to be realised. In the increasingly uncertain business environment, risk management represents a significant factor in business performance, which is why the Company pays a great deal of attention to the timely detection of risks and their successful management.

The risk management process has become a strategic part of our business, so the Company is especially proud of its successful management of risks in 2021. The Company manages risks with three lines of defence. The first line of defence is the management, which is responsible for the establishment and successful functioning of internal controls and for the daily implementation of risk management procedures. The management is tasked with identifying and assessing risks while defining a proper response to the risks in line with the goals of the organisation. The second line of defence includes the functions carrying out supervision over business processes and risks (quality, accounting controls, physical protection and similar controls, etc.). Employees in these posts are in charge of the proper introduction of the risk management system. Efforts are made to promote the identification of exposure to individual risks, the monitoring of the introduction of risk management procedures and the development of a risk reporting system. The third line of defence is internal auditing. In accordance with the adopted DARS Strategy, we revise or amend the operational goals supporting the strategic goals, based on which strategic risks are identified. The system is reviewed and supplemented on an ongoing basis, so that the key risks the Company is exposed to are identified, evaluated and managed in due time.

We adopted a document entitled “Risk Management” that sets out the risk management policy, the competencies and responsibilities in risk identification, evaluation and control, the risk assessment methodology and measures to reduce risks to an acceptable level, internal controls and others. Each organisational unit’s risks are classified according to the following risk aspects: strategic, financial, corruption, regulatory non-compliance, operational, organisational, environmental, energy and information. The risk management policy is a statement of the comprehensive intentions and orientations of the Company concerning risk control. The Company’s employees know that effective risk management neutralises risks affecting the achievement of goals arising from the external and internal business environments. Our risk management system allows us to identify, assess and manage the key risks in time. Risks

[29] GRI GS 102-15.

endanger our strategic, operational and performance goals. There are different types of risks inherent in our business processes, which the persons responsible for these processes need to identify in due time and adequately manage.

Measurable goals in risk management in 2021 included:

- four reviews by the risk owners per year and, if necessary, supplementation of the register of risks and measures to reduce the risks to an acceptable level or even below it;
- four reviews by the risk owners per year to evaluate the effectiveness of the measures taken;
- four meetings of the Risk Management Board per year and submitting a draft risk register to the Management Board for confirmation.

The methodology used by DARS to assess risks is explained in the text and figures below. The probability of occurrence is assessed using a five-level scale: highly unlikely (10–20 years), very unlikely (5–10 years), fairly likely (1–5 years), very likely (1 month to 1 year), highly likely (1 day to 1 month), with the consequences of the risk expressed either in terms of value using a five-level scale (less than EUR 10,000, EUR 10,000 to EUR 100,000, EUR 100,000 to EUR1 million, EUR 1 million to EUR 10 million, and more than EUR 10 million) or semi-qualitatively with grades of 1 to 5 (low, moderate, medium, high and very high).

Figure 15: Risk assessment methodology

Risk assessment methodology

RISK CONSEQUENCES			Probability of occurrence				
			HIGHLY UNLIKELY (10–20 years)	VERY UNLIKELY (5–10 years)	FAIRLY LIKELY (1–5 years)	VERY LIKELY (1 month to 1 year)	HIGHLY LIKELY (1 day to 1 month)
Consequences expressed in terms of value (EUR)	Consequences expressed semi-qualitatively – impact on key stakeholder (user)	GRADE	1	2	3	4	5
VERY HIGH (50–100m)	Very high / very strong impact	5	5	10	15	20	25
HIGH (10–50m)	High / strong impact	4	4	8	12	16	20
MEDIUM-HIGH (1–10m)	Medium-high / medium impact	3	3	6	9	12	15
MODERATE (0.1–1m)	Moderate / partial impact	2	2	4	6	8	10
LOW (<0.1m)	Low / no consequences, no impact	1	1	2	3	4	5

LEGEND

Extremely high risk level (unacceptable) = 17–25
High risk level (unacceptable) = 9–16
Medium risk level (permissible, acceptable) = 5–8
Low risk level (acceptable) = 1–4

Risks have been identified based on the strategic and operational goals set at the highest level in the DARS Strategy for 2021–2025 and at lower levels compared to the performance goals set within the scope of each process. The Risk Management Board members worked towards raising awareness of the importance of the risk register and mutual cooperation in particular, of the preparation of risk mitigation measures and of monitoring the effectiveness of the introduced measures. The Risk Management Board also paid particular attention to the identification and assessment of corruption risks and regulatory non-compliance risks by the risk owners in each organisational unit.

We redesigned the visual presentation of both the highest risks and the number of introduced and implemented measures by individual organisational units. We also visually presented the overall level of measure implementation and the highest identified risk in the Company.

The risk owners identified and prepared measures with the aim of reducing the risks to an acceptable level or even below it. The effectiveness of the introduced measures will be evaluated by the risk owners after they have been implemented. In the risk register, risk owners also identify and manage risks related to other areas, for example corporate compliance or the harmonisation and fulfilment of relevant legislative requirements, deceit, fraud and corruption.

Risk management is integrated at all levels of Company operations and regular checks are made for new threats and consequent risks, such as the pandemic, based on which new measures and approaches were introduced.

The identified risks to which special attention was paid were:

- the pandemic,
- limited funds available for investments in development,
- an increasing number of accidents and a decreasing level of safety,
- dependence on outsourcers,
- loss of income from the functioning of the new DarsGo system and the operation of the DarsGo system,
- failure of key information systems,
- the economic viability of investments in assets,
- revenue risk,
- loss of competent or key staff (undesired fluctuation) and an increased share of actively non-engaged employees,
- concern for employees' health and safety at work, and
- environmental protection.

The pandemic

We have closely and continuously monitored the spread of the coronavirus since its occurrence in the EU, taking necessary and suitable measures at all levels of the organisation of work in order to ensure uninterrupted and optimal operations. The central focus of the Management Board and the newly established Coronavirus Coordination Team is a concern for the health and safety of employees and motorway and expressway users.

The Management Board of DARS and the competent expert services started providing information and warnings on the behaviour and conduct of employees and preventive measures at the Company regarding the coronavirus before the epidemic was declared in the Republic of Slovenia. The Company prepared an Action plan laying down preventive measures and procedures for the execution of work processes, the execution of business activities in and outside the work environment, and the measures of DARS expert services to ensure the implementation of the Action Plan. Its implementation is tailored to the needs and conditions in the work environments or, rather, the current business processes.

Upon the declaration of the coronavirus epidemic in Slovenia, DARS actively engaged in the action system of the Republic of Slovenia Crisis Unit and the Civil Protection Headquarters. In Maintenance, a lot of effort had to be dedicated to solving the potential problem of having sufficient staff for the winter service in the event of a coronavirus outbreak within the Maintenance organisational units, since the provision of winter services could be impaired if a heavy snowfall event coincided with an increased absence of staff.

The Company Management also approached the assessment of the economic consequences resulting from the pandemic and prepared a Report on the foreseen impact of the current condition related to COVID-19 on Company operations for the Supervisory Board. Based on publicly available information, the Management Board considered many serious yet plausible scenarios in view of the potential development of the outbreak and the expected impact on society and the economic environment in which the Company operates, including measures already adopted by the Slovenian Government. All the necessary routine works have been adapted to the current conditions. The Company manages its financial position, which is why the fulfilment of its financial liabilities will not be jeopardised due to the coronavirus. A sound liquidity position allows us to service debts regularly. Furthermore, the fulfilment of financial commitments will not be at risk due to sufficient financial capacity.

The Company analyses all activities on an ongoing basis and has already established a system for documenting all actions taken. The goal of such activities is to identify the best practices that will provide the basis for all activities during future emergency conditions.

It has been found that the measures adopted due to the coronavirus affect the attainment of the Company's business goals, but according to the Management Board, will not endanger the Company's financial sustainability and operations and do not constitute significant materiality. In light of the above and based on all the possible scenarios considered, we believe that the liquidity risk in the next 12 months will not be as high, meaning that the Company will continue operations without interruptions and that the principle of a going concern is applicable. By keeping a liquidity reserve in the form of deposits and obtained long-term credit lines, we have provided a high level of liquidity, thus enabling the Company to settle all due liabilities at any moment.

We believe that we, as the management, have adopted all reasonable measures to prepare all scenarios and methods to assess the situation on an ongoing basis and to monitor the effects of the actions taken. Due to the efficient management of various risks related to the coronavirus and resulting action plans, Company operations will be undisturbed in the next 12 months following the reporting date.

Limited funds available for investments in development

To provide and properly allocate funds for the reconstruction of motorway infrastructure, the Road Infrastructure Department in cooperation with the Department for Reconstructions again prepared an Action Plan for a 3-year period (2022–2024) based on the results obtained through infrastructure monitoring, analyses of the expert system and expert groups, and through the expert assessments of proposed actions, thus providing bases for the proper planning of investment reconstruction works. The document lists the indicative values for works, primarily to inform the relevant services in advance of the foreseen needs for the provision of funds for investments in the existing infrastructure. The competent services must adjust the planning of the funds required for investments in existing infrastructure to meet the needs expressed in the relevant document.

Every year, there are unforeseen events (pandemic, earthquake, glaze ice, the bora in combination with snow, floods, etc.) that can weaken our operations and endanger the traffic safety of employees and users. This is why we need to introduce modern systems that allow us to ensure the best possible monitoring of the condition of the infrastructure and the traffic safety of users, as this is the only way to pursue the Company's strategy.

Special emphasis must be placed on developing road digitalisation. Motorway digitalisation is a challenging transformation that includes mobility, technological and infrastructural changes. With this, motorways are becoming a part of the digital transformation of society. To achieve this goal, we will need to digitalise the infrastructural, systemic and management levels, which in turn requires having available the full range of data generated by sensor networks. In this sense, it is necessary to introduce new traffic detection and infrastructural systems, provide sufficient capacities for the transmission and exchange of information, to manage huge amounts of data and to prepare appropriate software environments for such implementation.

Investments in development are also necessary in the field of maintenance, where we face increasing requirements for motorway fluidity, meaning minimal disruptions to traffic during regular maintenance. This is why it is necessary to invest in the development of new technologies related to the summer and winter maintenance of MWs/EWs, where investments in the machinery and equipment or motorway maintenance centres and branches are vital.

The underlying mission of DARS, including during the pandemic, is to keep the motorways passable without restrictions, which may only be provided with the regular delivery, maintenance and upgrades of machinery and equipment.

An increasing number of accidents and a decreasing level of safety

To prevent an increase in the number of traffic accidents or, rather, to improve traffic safety, the Company, as the entity operating and maintaining the motorway network, is required to act with due expertise and to take appropriate and effective action with indirect or direct effects. In terms of traffic safety, we are required to observe the requirements of domestic legislation and the obligations imposed by European regulations. Based on the good practice examples and studies conducted, we carry out various projects relating to traffic safety, the use of advanced IT and the introduction of smart infrastructure. Projects within the scope of which efforts are mostly devoted to:

- design solutions improving road throughput and reducing the number of conflict points;
- the good condition of the road infrastructure, which is required for safe driving (optimum carriageways, the visibility of road markings and traffic signs);
- the use of road furniture mitigating the consequences in the event of a driver's error, thus reducing the number of fatalities or injuries;
- the preparation of motions for amendments and supplements to the statutory and implementing regulations providing the introduction of modern technical traffic solutions and the use of more efficient road furniture.

While keeping track of new developments abroad and efficiently utilising in-house knowledge, everything indicated provides conditions for improved traffic safety. In the overall concept of designing and building new sections, reconstructions, maintenance, new ITS technologies and traffic management, safety has improved in relation to increased traffic. Positive results have been shown in the areas of information provision to users, coordination (carried out from control centres, primarily in case of actions by operative teams on-site and in incidents) and the provision of measures tailored to traffic and weather conditions. Furthermore, efforts have been made to implement safety campaigns on an ongoing basis and to cooperate actively with stakeholders to promote traffic safety. Crisis communication in incidents is very important.

Traffic safety deteriorated in 2021 and returned to the pre-pandemic levels. The most notable were traffic accidents involving rear-end collisions into stopped vehicles in traffic jams. Traffic loads are also gradually approaching the values from 2019, resulting in an increased likelihood of accidents.

Dependence on outsourcers

The risk of dependence on outsourcers is managed by the Company through the diligent monitoring of all information related to the operations of its business partners, the preparation of measures to prevent the impact of events that are detrimental to Company operations (amendments to contractual provisions, consensual terminations of contracts) and the maintenance of healthy business relationships. While selecting a provider within the scope of a public procurement procedure, the foreseen implementation periods, payment terms and guarantees are thoroughly examined, milestones for the completion of each stage are set, quality negotiations are ensured and relevant references are requested from successful tenderers. To control the performance of contracts, the Company has appointed contract custodians who oversee the performance of a contract throughout its life cycle, i.e. from the preparation of tender documents to the conclusion of the contract, during the execution of the transaction and up to the expiry of the warranty period, if foreseen. Furthermore, custodians may monitor the validity of individual documents, e.g. guarantees, and are obliged to notify the competent services to revise them on an ongoing basis. Investment costs, both regular and incurred due to subsequent project changes, are monitored on an ongoing basis. All projects in all stages are carried out in a manner involving an engineer who comprehensively manages a particular project. It is vital that we procure strategic materials (salt, oil, etc.) and always have a backup supplier at our disposal. Separate contracts have been concluded for the supply of each type of gritting salt and we plan to sign a framework agreement with multiple suppliers for the supply of diesel fuel for our internal pumps.

Loss of income from the functioning of the new DarsGo system and the operation of the DarsGo system

After successfully deploying the system in 2018, the Company carried out activities in the reporting period to eliminate deficiencies, introduced changes and upgrades to the system to enhance the user experience and made improvements at the system level.

We reviewed the achievement of the service level for the last quarter of the third year of system operation and the first and part of the second quarter of the fourth year of system operation. By collecting data on system operations and by implementing our own methodological model for assessing the service level, which was developed in collaboration with a quality supervisor, we can calculate and control the level of service achieved by the system. The achieved service level affects the payment of the contract value to the provider for technical system operation and efficiency; the payment of the contract value depends on elements tied to the quality level that the provider is required to achieve during system operation. By measuring the service level, we ensure a higher quality of system operation and indirectly limit/decrease the risks related to revenue from the payment of tolls for vehicles with a maximum permissible weight exceeding 3.5 tonnes, which is the largest and most important source of Company revenue. The Company has taken over a data warehouse, where data from the source information systems needed for tolling will be transferred and with the help of which the contracting authority will be able to conduct analyses intended for the comprehensive monitoring and control of the DarsGo system operation.

The Company holds regular meetings with the provider to review and monitor the system's functioning and uses incident management to record any deviations in its functioning, which are then generally remedied or improved by the provider within the expected deadlines and using the envisaged procedures. The efficiency of system operations is regularly monitored using control methods that are independent of the provider, deviations are analysed and actions are taken as necessary. An information security management system (ISMS) and a business continuity management system (BCMS) have been set up to ensure that the system can operate 24/7. Relevant activities were carried out for the purpose of information security and business continuity (periodic security inspections, improvements to ensure security). We regularly monitor and introduce all legislative changes. In the reporting period, an external assessment of the ISO system was conducted in respect of the DarsGo system, a management review of the ISMS and BCMS systems, along with some actions deriving from the management review and a business continuity drill. The system was stable and ensured the foreseen availability of the respective software solutions during the reporting period. By maintaining the high availability of technology and through project management principles and our security policy, the risks were kept within manageable limits. Through the continuous monitoring and control of the provider's planned activities necessary for the operation of the DarsGo system, and through adequate process management, we improve the system's functioning and effectively and efficiently resolve any operating issues or user problems, thereby ensuring the continuous development of and improvements to all elements of the DarsGo system. We manage a user service network by providing toll user points that are accessible to users of DarsGo services; we established a new point of sale in Ilirska Bistrica and equipped and set up our own mobile point of sale. We also increased the number of suitably trained mobile toll inspection units to increase the extent of identified offences related to tolls collected. For the same reason, we concluded Annex 14 to the DarsGo agreement and began activities to set up two additional control gantries on two radial roads into the country. In the last quarter, we harmonised the solutions for setting up new DarsGo gantries (Srmin radial road, third development axis north and south, Markovci–Gorišnica) and for the reconstruction of existing ones (Zadobrova – LJ (Šmartinska)). We established a point of sale at the Petrol service station in Dolga vas to ensure faster

DarsGo service provision for users entering the country. In light of the global shortage of semiconductors, we started ordering DarsGo units for 2023 with a view to ensuring that we will have a sufficient number of units available on time.

During the reporting period, we agreed with the contractor on the activities necessary for the implementation of the DarsGo system into the e-vignette system so that the sale of e-vignettes will proceed on schedule.

Failure of key information systems

A failure of key information systems is managed with the ongoing monitoring of the information systems and an immediate response to incidents. A system ensuring the uninterrupted operation of the information system has been established (duplication of the most vital parts of the IT equipment) and safety measures have been introduced to protect and safeguard information systems from unauthorised interference and loss of data.

In addition to internal and external quality system assessments under the obtained ISO 27001 and ISO 9001 quality certificates, independent security checks of information technology are also conducted as one of the methods to identify threats. The identified threats and risks that could affect the confidentiality, integrity or availability of information systems and information infrastructure are managed through the maintenance of the IT risk assessment and the implementation of relevant risk mitigation measures. We have established appropriate controls pursuant to the requirements of the ISO 27001 standard and we regularly maintain all our information systems, both software and hardware. This includes making backups, firewall and antivirus software maintenance and the updating of security policies. We also place a great deal of emphasis on raising users' awareness about information security. The execution of a clear development vision for the Company's information system is also essential.

The key systems have been set up with a 24/7/365 maintenance system operated by outsourcers and with monitoring and timely notifications and recording of all incidents and outages.

Economic viability of investments in assets

The risk of the economic viability of investments in assets is managed by DARS using various control mechanisms. To examine the economic viability of measures on road infrastructure, the Company has used the expert PMS DARS system for several years and has also conducted expert economic assessments for minor investments with the help of external experts. In stage 1, the Company primarily examines the functionality of individual infrastructural elements and safety for motorway users, and then goes on to examine the durability and level of damage. In 2021, we used the BMS DARS expert management system to plan measures for bridging structures for the first time.

For projects related to the energy efficiency of the Company, we prepare cost-benefit analyses, which provide the basis for decision-making on the implementation of a particular measure. For ITS systems, the Company primarily examines viability in terms of safety for motorway users, and for reconstructions and investments in electrical and mechanical equipment in tunnels, the Company takes into account several different aspects, which are included in the long-term planning programme for the refurbishment of electrical and mechanical equipment in tunnels.

For the purposes of managing the risk of the eligibility of investments in mechanical equipment, a comprehensive analysis of all machinery and equipment was performed in 2017 and a medium-term plan of investments in their refurbishment was prepared for the 2018–2022 period. Investments in new MW and EW sections are designed in all stages with the production of a detailed design or conceptual design and, during the production of the DGD and DD documents, with the produced Investment programme, which is discussed by a committee within DARS, approved by the Company Management Board, and later sent to the Committee for the consideration and approval of investment documents, which is established within the scope of the Ministry of Infrastructure.

Revenue risk

Revenue risk is managed by monitoring data and preparing revenue forecasts as realistically as possible, identifying any deviations from the business plan and by planning measures that would overcome any gap. Calculations of toll road costs and the highest permissible tolls are performed in line with the applicable methodology.

The COVID-19 pandemic caused our toll revenue to decrease by 17% in 2020 and it continued to have an effect in 2021 as well, although our toll revenue nearly reached the 2019 levels mostly due to the increased traffic of heavy goods vehicles.

Tolls collected in relation to vehicles with a maximum permissible weight exceeding 3.5 tonnes are generally decreasing if the toll per kilometre travelled remains unchanged, i.e. due to vehicle fleet modernisations providing lower toll payments for vehicles in higher EURO emission classes. The initiatives put forth to the MI by DARS in 2020 and 2021 to index toll and vignette prices on the toll road network were not accepted.

All amendments to the implementing regulations referring to toll collection and toll prices must be approved by the Ministry of Infrastructure. DARS seeks to harmonise such amendments in advance with the Transport Associations of

the Slovenian Chamber of Commerce and Industry and the Chamber of Craft and Small Business, which is why it is important that we maintain good partnership relations with them at all times. The sale of electronic vignettes within the e-vignette system was launched on 1 December 2021. Only the yearly vignette was available in electronic form at first; however, the selection was expanded to include short-term vignettes in January 2022. By the end of January 2022, the sale of all types of vignette stickers was finally discontinued. The yearly vignette is valid for 365 days from the date of purchase, which means a partial loss of revenue compared to the current yearly vignette validity system (until 31 January).

DARS actively participated in 2021 in the development and evaluation of proposals for amending the Eurovignette Directive (1999/62/EC) while the proposal was being adopted by EU bodies and competent committees. Our proposals were sent to the competent ministry and the ASECAP association of motorway operators. New risks brought by the Directive include mandatory price ratios for yearly and short-term vignettes, the mandatory introduction of a daily vignette, the distinction between toll prices with respect to CO2 emissions, the mandatory introduction of a fee for external air and noise pollution costs, the option that toll revenue should be invested in the transport sector, but outside the motorway network, and the possibility of toll exemption and reduction for parts of a network and new vehicle categories. Following the 8-year transition period, when the prescribed ratios between the yearly and short-term vignette prices will have to be observed, the price of the yearly vignette will need to be increased (by EUR 20 to EUR 40) to avoid a significant loss of revenue (estimated at EUR 30 to EUR 50 million per annum). Furthermore, the adoption of the amended Directive will increase development costs for the DarsGo system and toll inspection costs.

Loss of competent or key staff (undesired fluctuation) and an increased share of actively non-engaged employees

The risk of the loss of competent or key staff at DARS and of an increasing share of actively non-engaged employees is managed with the provision of a creative, safe and interesting work environment, which is the Company's strategic goal. To this end, the HR Management Strategy 2020 has been prepared, which lays down specific activities that the organisation carries out in HR development and in systemically reducing the identified HR risks.

The organisational climate and employee satisfaction are measured every year. The 2021 results do not show any significant negative deviations in the organisational climate and employee satisfaction; instead, they show a greater degree of employee engagement than in previous years.

We have identified key positions and key staff and prepared the foundation for the implementation of a succession policy for them. In addition to the timely provision of expert and competent successors for key positions, this also represents an important element of career development for employees and the strengthening of employee engagement, thus reducing the risk of undesired fluctuation. Individual development plans and systematic development of the necessary skills and competencies are prepared for key staff.

We conduct annual development interviews with all employees. They were offered the chance to attend various internal and external training sessions, which mostly took place online due to the COVID-19 epidemic. For the same reason, business largely took place in the digital world using modern information tools. In order to ensure that employees are well-trained for work with digital tools, we tested their digital competencies and will use the results as the basis for their further targeted training. Employees can choose in-service training with the co-funding of their tuition fees and are granted paid leave of absence for study obligations. New employment contracts were concluded with employees whose nature of work enables them to work from home; they can now work from home even during normal operations. There are also a variety of measures available to help employees reconcile their work and family responsibilities, to demonstrate respect for their personal lives and to help them in times of need.

Leadership has a major impact on the undesirable fluctuation and the engagement of employees, which is why leaders attend various workshops, training and coaching sessions to improve their leadership competencies. Regular annual measurements of employee satisfaction and engagement are performed to monitor the state of employees and enable appropriate action.

Activities in the field of HR in 2021 were again largely marked by the extensive work organisation of emergency measures for curbing the spread of COVID-19 designed to protect employees against the possibility of infection while still allowing the efficient performance of work processes.

Concern for health and safety at work

We entered 2021 with a continued COVID-19 pandemic situation, which only subsided in the summer months. That is why most occupational safety and health activities were intended for the implementation of measures to prevent the spread of the virus among Company employees. Employees who were able to work from home only arrived at work in emergency cases that could not be handled from home. Maintenance and tolling staff performed work in standing teams (bubbles). Most meetings and training courses took place remotely via electronic media. Prior to face-to-face meetings, preventive testing was provided with rapid antigen tests. Occupational Health and Safety, in cooperation with

the head of the relevant organisational unit, conducted an epidemiological investigation upon each infection of a Company employee and referred employees in high-risk contact with the infected person to quarantine.

Employees were informed about the situation in Slovenia, changes in the regulations and the number of persons infected at the Company and warned about compliance with the preventive measures (19 notifications in total). In January, we also prepared a short video presentation on coronavirus, necessary preventive measures, actions to be taken upon suspected infection, and the importance of vaccination to stop the pandemic. Occupational Health and Safety organised vaccinations for 260 employees at the start of May at eight vaccination centres.

In the second half of May, the number of people absent due to COVID-19 dropped below five. Nearly half of the employees had already recovered from the disease or been vaccinated. This meant that the minimum conditions were met for work in larger groups and the implementation of activities that could not be conducted safely during the epidemic. In May and June, and then in September and October, Occupational Health and Safety carried out training sessions and periodically tested the maintenance crews for safe work in large areas (garages used for heavy goods vehicles), taking into account social distancing, wearing masks and ventilating the premises on an ongoing basis.

As the fourth wave of the pandemic began and the number of infections increased in the autumn, we reintroduced additional measures to prevent the spread of the coronavirus according to the criteria from the Action Plan and tightened control over the implementation of these measures. When the recovered/vaccinated/tested rule became mandatory for all employees, we informed them about their obligations and organised regular verification of this rule three times weekly. With the introduction of this rule, 623 employees were required to perform self-testing, though their number decreased to 367 in the first week of October and then to 285 by the end of the year, as 72% of all employees had been vaccinated by then, partly due to the financial incentive provided.

In addition to the above, Occupational Health and Safety provided non-stop (24 hours per day, 365 days of the year) advice to managers on adopting necessary measures in the event of a suspected infection, made daily reports about absent employees to the Management Board and to members of the working group for preventing the spread of infections, provided the necessary personal protective equipment, hand sanitiser, disinfectants for use in vehicles and work premises, rapid antigen tests for testing by medical staff and self-testing kits.

Environmental protection

In accordance with its role as a motorway and expressway management and maintenance company, DARS implemented an environmental management system in previous years and an energy management system in 2017 that are used to consistently implement its environmental protection and energy management policy at all levels of its operations.

The DARS Strategy for 2021–2025 includes operational goals relating to environmental and energy aspects and, consequently, also measures to mitigate environmental risks. In 2021, the management system was further improved through the realisation of measures to mitigate environmental impacts and, therefore, environmental aspects, supplementing new and optimising existing environmental and energy objectives and programmes, while their realisation was monitored within the scope of the Company management review. The central theme of the environmental management system includes the assessment and analysis of environmental impacts and aspects, taking into account the stages of the service life cycle that are defined in the register of environmental aspects. To reduce environmental impacts, the Company laid down indicative and operational environmental and energy targets and programmes that will be used to achieve such targets.

The risks referring to the timely monitoring and enforcement of legislative requirements in practice are mitigated with measures taken by the appointed responsible persons who cover the area of work to which the legislative amendment refers. Environmental risk, which includes the risk of inappropriate waste management with a special emphasis on hazardous waste, the risk of environmental pollution and the risk associated with the protection of areas of influence, has become increasingly important. The Company continued the activities already initiated for environmental protection. The systematic management of environmental risks reflects the environmental awareness of employees. Accidents on motorways can have a negative impact on the environment; this is why it is important to reduce risks that emerge through accidents and to react quickly and effectively when they do occur to minimise the negative consequences for the environment. All employees in such workplaces are informed and trained to act quickly and effectively in terms of environmental protection should such a situation arise.

The likelihood of incidents is also reduced through preventive measures. Training aimed at learning to react quickly, properly and efficiently ensures that the impacts of any incidents on the environment are kept to a minimum. By implementing appropriate activities within the scope of motorway maintenance, such as the cleaning and regular maintenance of retention basins to ensure their flawless functioning, implementing the Annual Programme of the Operational Monitoring of rainwater (APOM), etc., the collecting, sorting and controlled disposal of waste, implementing measures to reduce light pollution and constantly controlling carbon monoxide concentrations and

visibility in tunnels, we have significantly contributed to reducing the negative impacts on the environment and controlling the risk of environmental accidents. Upon the COVID-19 pandemic, the volumes of generated waste protective products, primarily gloves and masks, which are disposed of as mixed municipal waste, and of generated waste alcohol-based sanitiser packaging, which is disposed of as waste packaging, are expected to increase. In 2021, the volume of collected fractions of municipal waste at the level of the entire Company can be expected to be low due to long-term absence from work and particularly due to the reduced traffic and the controlled stopping of goods vehicles, which is related to the closure of small rest areas. It is assumed that the existing municipal infrastructure provides sufficient capacities to collect municipal waste, which is why no need has been expressed for additional containers for separate waste collection.

DARS plans to carry out anti-noise measures based on the results of the conducted operational noise monitoring. The measures are designed to cover areas with a large number of overly affected buildings or inhabitants and areas of individual overly affected facilities along the motorway and expressway alignment.

Furthermore, the Company implemented the measures imposed by the governmental Noise Action Programmes for 2012–2017 and for 2018. The measures were implemented on five motorway sections from 2013 to 2015, and the protection of the most affected individual buildings with noise-protected rooms at 11 locations on the Slovenian motorway network was implemented in 2019.

In 2018/2019, DARS conducted the operational monitoring of noise for the motorway network under its management and prepared expert bases for the Noise Action Programme in affected areas. With a view to planning anti-noise measures, the document sets out the priority areas that were included in the Action Plan for Road Infrastructure and Equipment Managed by DARS for 2022–2024. Pursuant to this document, DARS ordered noise studies containing proposals for anti-noise measures for individual areas on the motorway network.

For the purposes of preparing the set of measures that are included in the draft revision of the Noise Action Programme, the Company prepared expert bases for the Noise Action Programme, as well as expert bases for the renovation of noise protection barriers. The document discusses existing anti-noise measures that are deemed inadequate considering the current noise pollution and sets out three types of measures (renovation, upgrade and both renovation and upgrade). With their implementation, the existing noise protection is expected to be able to provide sufficient protection against noise in overly affected areas. The Ministry of the Environment and Spatial Planning in cooperation with the Ministry of Health and the Ministry of Infrastructure and other stakeholders, including DARS, have launched a revision of the Noise Action Programme. Substantively, the draft revision is based on the expert bases for the Noise Action Programme, which is why it includes all the priority areas envisaged in the expert bases. The draft document has already passed an inter-ministerial coordination, public discussion and another inter-ministerial coordination. It is expected that the Government will adopt the revised Noise Action Programme in early 2022.

I.5 PERFORMANCE REPORT

I.5.1 Economic highlights from operations

The long-term strategic goal of DARS is to become a stable operator capable of using income generated from tolls and other revenue to ensure the sustained development of the Company, its long-term stable and socially responsible operations, and the safe use of the motorway network. By building and maintaining quality, reliable and sustainable motorway infrastructure, DARS contributes to regional and international economic development and welfare.[30]

In the 2021 financial year, DARS generated net sales revenues amounting to EUR 469.5 million, up 18 percentage points compared to 2020. Toll revenue, which accounts for 93.2% of the total revenues, was 18% higher than in 2020. Following the drop in 2020 resulting from the COVID-19 epidemic, toll revenue increased again in 2021, missing 2019 levels by only 2 percent. In 2021, the number of vignettes sold reached 6,736,810, which is a 24% increase. Revenue growth from the sale of short-term vignettes was particularly high – as much as 70 percent.

The net profit of DARS for the period from 1 January to 31 December 2021 amounted to EUR 112.7 million and increased by 89% compared to the net profit in 2020.

[30] GRI GS 103-1, 103-2, 103-3, 201, 203.

Table 6: Key performance data by year[31]

Key performance data by year	2018	2019	2020	2021	2021/2020 index
ECONOMIC					
Net sales revenues	465,605,859	480,750,876	398,581,556	469,535,406	118
Operating profit or loss	222,394,940	210,990,006	108,954,947	169,167,087	155
EBITDA	397,476,660	422,009,626	321,804,934	390,145,355	121
Net profit or loss for the accounting period	154,421,963	139,611,455	59,526,614	112,703,369	189
Share capital	2,322,284,140	2,086,559,144	2,086,559,144	2,086,559,144	100
Equity as at 31 December	2,963,264,000	2,863,136,410	2,922,963,531	3,041,652,197	104
Total assets as at 31 December	5,656,311,816	5,307,039,906	5,175,871,112	5,092,759,905	98
Debt repayment – principal	219,555,539	212,849,148	238,361,387	183,625,351	77
Payment of interest*	40,624,860	37,889,189	35,786,115	32,283,754	90
ENVIRONMENTAL – energy consumption in MWh					
Electricity	23,598	22,584	21,670	22,190	102
Fuel	18,662	18,081	16,752	17,646	105
Natural gas	1,443	1,386	1,564	1,812	116
LPG propane	1,964	1,857	1,736	1,994	115
LPG propane butane	852	475	428	403	94
Heating oil	238	97	58	82	141
District heating	638	550	0	0	/
Biomass	0	0	452	482	107
MW km	623	623	623	625	100
No. of employees	1,232	1,257	1,269	1,234	97
Operating margin	47.8%	44.1%	27.3%	36.0%	132
EBITDA margin	85.37%	87.78%	80.7%	83.1%	103
Net margin	33.2%	29.2%	14.9%	24.0%	161
Return on equity (ROE)	5.35%	4.79%	2.06%	3.78%	183

* The data refers to actual outflows for interest on received loans and bonds in an individual year.

[31] GRI GS 201-1.

Figure 16: Net sales revenues and cash flow from operating activities (EBITDA) for 2017–2021

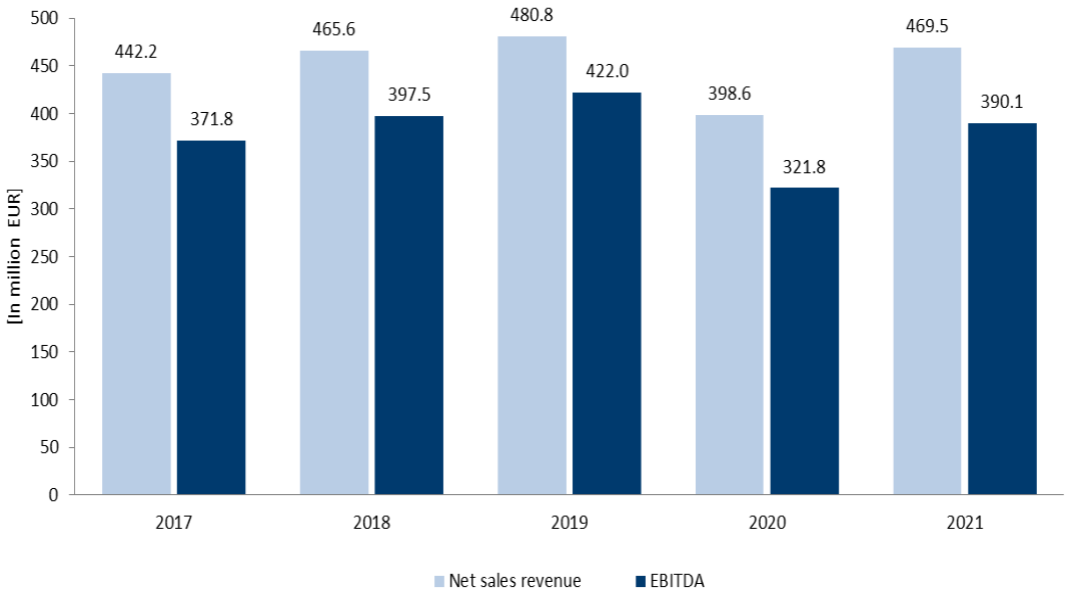


Figure 17: DARS revenues in 2021

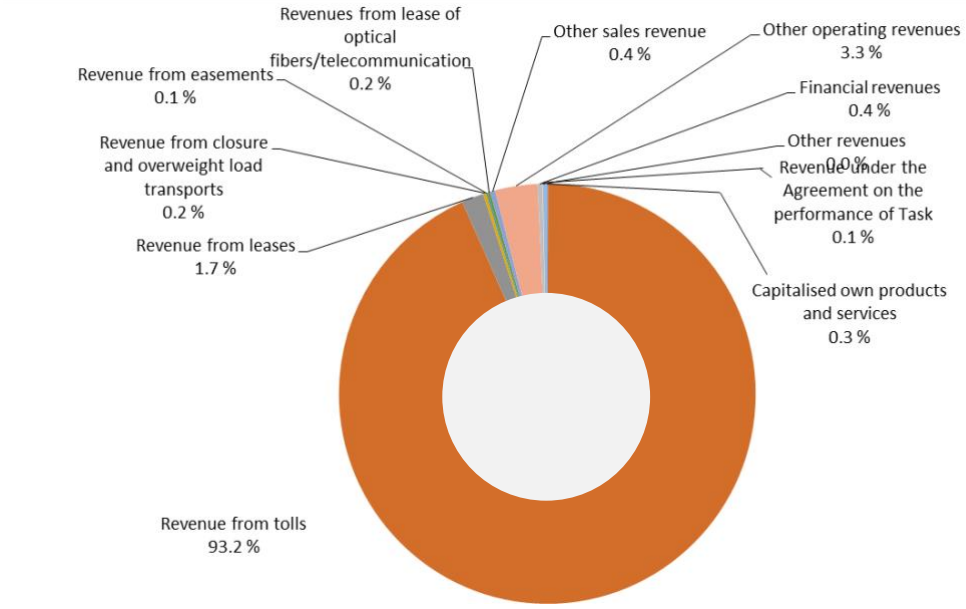


Table 7: Indirectly created and distributed economic value of DARS in 2021[32]

	2016	2017	2018	2019	2020	2021
Revenue (direct economic value) (1)	**372,497,825**	**442,411,843**	**466,246,838**	**481,358,110**	**399,731,986**	**470,159,549**
– from sales	372,161,638	442,244,312	465,605,859	480,750,876	398,581,556	469,535,406
– from the sale of assets/real estate	336,187	167,531	640,979	607,234	1,150,430	624,143
Distributed economic value (2)	**294,378,679**	**317,224,881**	**344,641,792**	**410,888,602**	**384,077,024**	**409,386,053**
– Cost of goods, material and services	36,740,431	38,635,453	47,646,986	50,383,003	44,369,700	48,350,592
Costs (excluding labour costs)	**195,755,737**	**203,242,941**	**226,137,622**	**265,820,555**	**260,411,511**	**270,205,903**
Labour costs	**37,910,486**	**39,730,512**	**40,847,516**	**45,244,673**	**46,832,708**	**47,936,062**
Loss upon the elimination of fixed assets	**80,143**	**615,603**	**3,749,710**	**30,864,914**	**26,717,740**	**31,481,217**
Disbursements to equity owners and other providers of funds	**41,234,923**	**40,414,027**	**40,624,860**	**37,889,189**	**35,786,115**	**32,283,754**
– dividends	0	0	0	0	0	0
– interest	41,234,923	40,414,027	40,624,860	37,889,189	35,786,115	32,283,754
Corporate income tax	**19,203,477**	**32,981,826**	**33,075,718**	**30,552,021**	**14,104,581**	**27,237,468**
Investments in the social environment	**193,913**	**239,973**	**206,367**	**517,251**	**224,369**	**241,650**
– sponsorships and donations	121,409	165,094	148,934	197,339	114,092	112,319
– other (duties, use-of-construction-land charge, etc.)	72,504	74,879	57,432	319,912	110,277	129,331
Directly generated economic value (1–2)	**78,119,146**	**125,186,962**	**121,605,046**	**70,469,508**	**15,654,962**	**60,773,495**

I.5.2 A responsible attitude to customers and user satisfaction

I.5.2.1 The use of toll roads, toll revenue and toll inspection

The main product of DARS and pricing

The main product of DARS is the use of toll roads, while payments for the use of toll roads account for the majority of DARS revenues.

An optimum level of toll revenue provides a safe, fluid and quality network of motorways and expressways, which is why DARS considers it a responsibility to pursue a corresponding pricing policy and the maximum safety and mobility of users.

Toll revenue – the basis for a long-term safe, fluid and quality network and mobility

In 2021, the Company generated toll revenue amounting to EUR 456.18 million, which is 18% more than in 2020. Following the drop in 2020 resulting from the COVID-19 epidemic, toll revenue increased again in 2021 and was only 2 percent behind 2019 levels, while toll revenue generated from heavy vehicles exceeded them.

DARS strives to cover all or the largest possible share of toll road costs with toll revenue. Along with financing costs, the cost of infrastructure investments accounts for the largest share of annual toll road costs, followed by the current costs related to management, routine and investment maintenance, and tolling. Toll and vignette prices are set out by the Slovenian government, while DARS, as the operator, is allowed to put forth and substantiate its own proposals. Since 2013, the Company has managed to reduce the gap between the total annual toll road costs and the annual toll revenue with three successfully enforced changes to toll and vignette prices.

Charging for the use of infrastructure and sustainable development

The normative regulation of toll collection has become a tool for achieving not only a single market and the non-discriminatory movement of goods, services and people in the EU, but also environmental goals through toll prices and

[32] GRI GS 201-1.

charging methods (for a fixed term or for a specific distance travelled). The European Community promotes the application of the "polluter pays" and "user pays" principles, thus promoting "financially and environmentally sustainable and socially just road traffic."

Toll prices for heavy goods vehicles (with a maximum permissible weight exceeding 3.5 t) and vignette prices in Slovenia are based on the distance travelled and the costs caused by vehicles, while the prices for light vehicles (with a maximum permissible weight of up to including 3.5 t) are based on the term of infrastructure use.

The "user pays" principle is implemented by DARS when setting DARS toll prices, since it takes into account a calculation methodology based on the principle of consideration for infrastructure costs pursuant to the applicable EU Directive 1999/62/EC and the Decree on the methodology for the calculation of costs of toll roads (Official Gazette of the Republic of Slovenia, No. 46/19). By pursuing the optimum (i.e. maximum admissible) amount of tolls, DARS keeps the road infrastructure safe and at the same time ensures that users do not pay unreasonably high costs for MW and EW use.

The **"polluter pays" principle** is enforced by DARS with its toll pricing policy for heavy vehicles that differentiates the infrastructure charge with respect to the impact caused by vehicles on the environment (the social costs of air pollution), thus having a positive impact on the environment and air quality, since users are encouraged to use cleaner vehicles when travelling through Slovenia. In 2020, almost 95% of the kilometres travelled were by vehicles with a maximum permissible weight exceeding 3.5 t in the cleanest emission classes (EURO V, EEV and EURO VI), whereas only about a quarter of such vehicles were registered on Slovenian roads in 2013. In 2013, the pricing initiative to use cleaner vehicles for travelling on Slovenian MWs and EWs was smaller, i.e. the difference in the price was much smaller (22.5% lower price for the cleanest vehicles, today 40%). The price difference, however, implies a certain risk to the stability of DARS toll revenue and calls for the regulation of revenue under such conditions with occasional price increases.

Tolling for vehicles with a maximum permissible weight exceeding 3.5 t

After successfully deploying the electronic tolling system in free traffic flow for vehicles with a maximum permissible weight exceeding 3.5 tonnes (DarsGo system)[33] in 2018, the Company carried out activities in 2019 and 2020 to ensure stable operations and eliminate deficiencies, and introduced changes and upgrades to the system, primarily in terms of enhancing the user experience – for users and operators. Many improvements were made to the control system, which ensures that users do not avoid paying tolls. A well-functioning control system is crucial for the provision of revenue from heavy vehicle tolling.

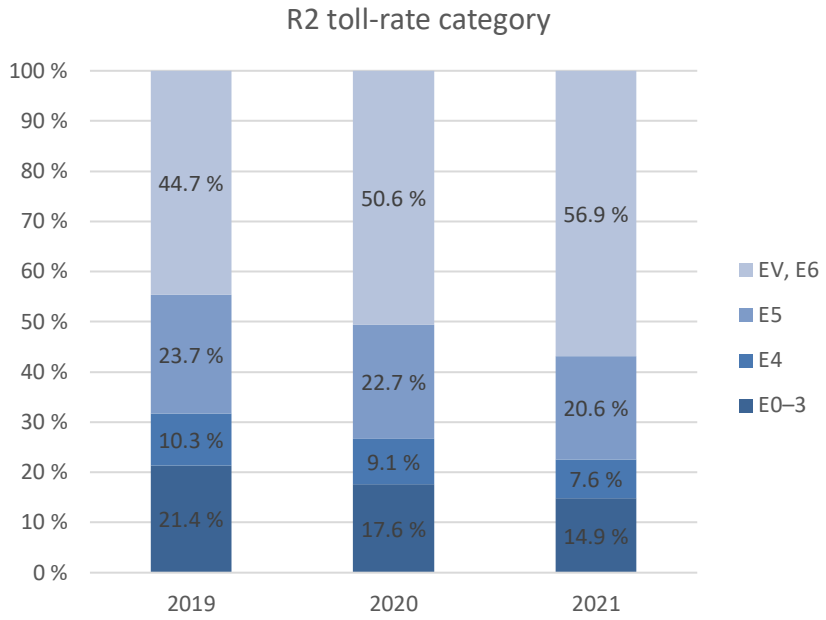
The table and charts below show the reduction in the share of "dirty" vehicles from 2019 to 2021 and the increase in "clean" vehicles in EURO emission classes EEV and VI.

Table 8: Share of EURO emission classes in toll km travelled with heavy vehicles on the toll road network (excluding the Karavanke tunnel)

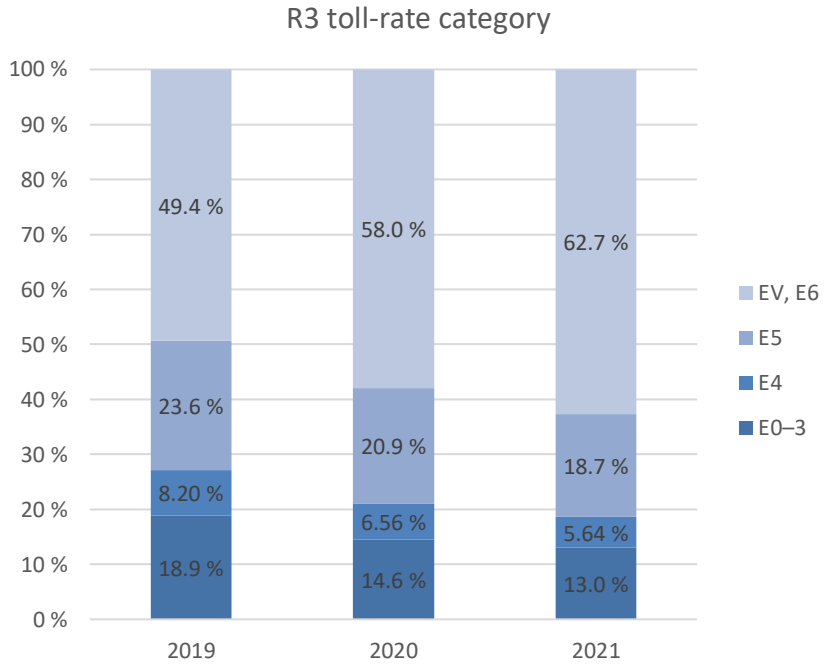
All toll-rate categories	2019	2020	2021
E0–3	5.9%	4.0%	3.3%
E4	2.9%	2.0%	1.6%
E5	22.9%	17.9%	14.3%
EV, E6	68.3%	76.1%	80.7%

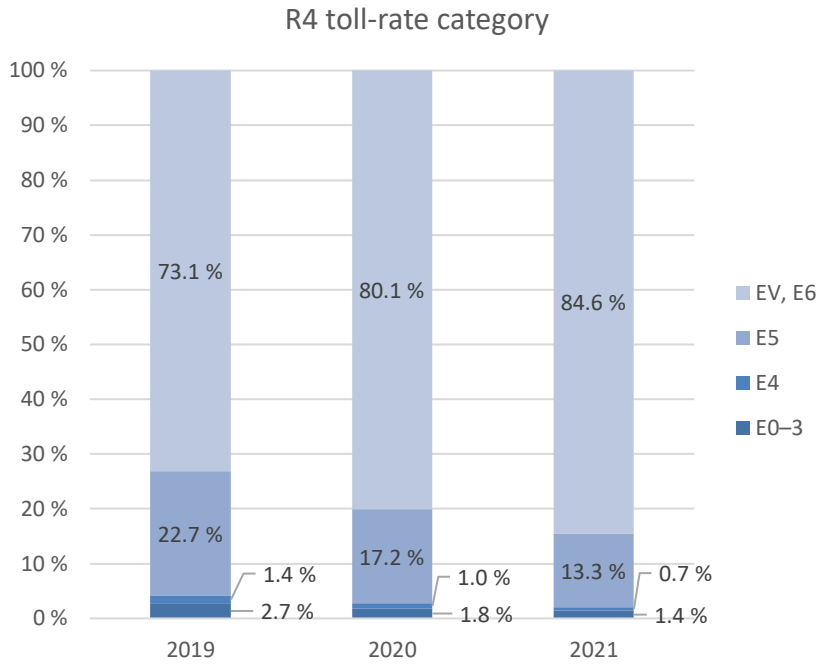
[33] GRI GS 102-2.

Figure 18: EURO emission classes for R2, R3 and R4 toll-rate categories



Note: The new toll-rate category for two-axle vehicles (R2) was introduced on 1 September 2020. To rank vehicles in the R2 toll-rate category, the Company used data on the number of axles as set in the DarsGo units before 1 September 2020.





The functioning of the DarsGo tolling system is reliable and DARS manages all the risks that could threaten revenue from the tolling of heavy goods vehicles.

The introduction of the DarsGo system has also yielded positive environmental and economic effects for vehicles with a maximum permissible weight exceeding 3.5 tonnes. The Energy Efficiency Centre of the Jožef Stefan Institute evaluated the effects of the deployment of the DarsGo electronic tolling system on reduced fuel consumption and consequently reduced emissions of carbon dioxide ($C0_2$), nitrogen oxides (NO_x) and dust particles ($PM_{2.5}$) within the scope of a research paper.

Figure 19: A vehicle under the DarsGo control gantry

Figure 20: DarsGo unit

The old tolling system caused increased consumption due to vehicles stopping and accelerating at toll stations, as is evident in the table below for individual groups of vehicles. Taking into account that the predominant share of heavy goods vehicles had already used the ABC system, the relative savings are somewhat smaller. A detailed overview of the effects is set out in chapter I.5.6.7.

Table 9: Summary of the results from the recalculation of vehicles for category 3 buses and category 3 and 4 trucks

	Bus Class 3		Cargo vehicle Class 3		Cargo vehicle Class 4	
Previous driving regime through a tool station	**ABC**	**Stopping**	**ABC**	**Stopping**	**ABC**	**Stopping**
Time t [s]	38.99	59.89	38.29	34.57	47.4	78.26
Energy E [kWh]	2.52	4.88	1.91	4.41	5.64	10.67
Diesel fuel equivalent [l]	0.25	0.49	0.19	0.44	0.56	1.07

Tolling for vehicles with a maximum permissible weight of up to 3.5 t

Toll revenue from light-duty vehicles in 2021 increased by 24% to EUR 179.41 million compared to 2020. In 2021, the number of vignettes sold reached 6,736,810, which is a 53% increase. Revenue growth from the sale of short-term vignettes was particularly high – as much as 70 percent.

The sale of electronic vignettes within the e-vignette system was launched on 1 December 2021. After initially only selling yearly electronic vignettes, the sale of short-term vignettes was launched in January 2022. By the end of January 2022, the sale of all types of vignette stickers was finally discontinued. A major change introduced with the electronic vignettes is that the vignette no longer has to be affixed to the windscreen and that the annual vignette is valid for 12 months from the purchase.

Toll inspection

The main goal of toll inspection is to provide regular income to the Company from the tolls paid. Toll inspection is tasked with raising awareness among toll road users about the obligation to pay tolls, since such funds provide the high level of the service rendered by DARS to its users. In toll inspection, the Company relies on excellent knowledge of the entire toll payment issue, both in view of DARS and of society as a whole. This allows the Company to prepare in advance for the foreseen situations, thus enabling fast and efficient responsiveness to inspection.

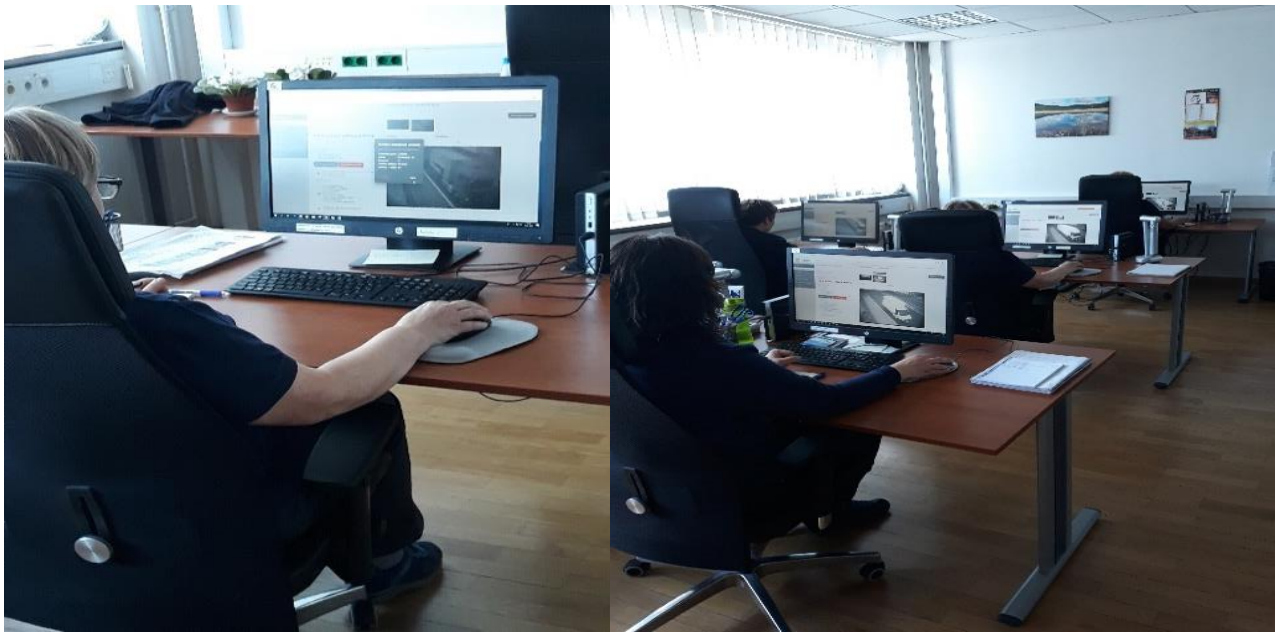
Inspection is necessary because the values of many users of the Slovenian motorways and expressways are deviant and, as such, they try to use them without paying tolls. Most such violations have been found to be committed by foreign nationals who fail to purchase vignettes. There are also an increasing number of violations committed by heavy-duty vehicles.

In 2021, toll inspectors issued 68,224 penalty notices (57,992 of which were due to a failure to pay the toll for vignette vehicles, 7311 due to a failure to pay the toll for goods vehicles, 2886 under the Road Traffic Rules Act, and 35 under the Roads Act). The number of penalty notices issued was 28.9% higher than in 2020. The field of toll inspection in 2021 upgraded its methodologies of inspection focused on goods vehicles and applied the findings and good practices in the planning and establishment of inspection for the eVinjeta (e-Vignette) project.

We are aware that the general and expert public always keeps an eye on our work, which is why we insist that the work be performed legitimately, professionally, transparently and efficiently.

Figure 21: A team of toll inspectors with their vehicles

Figure 22: Work at the Toll Inspection Operational Centre

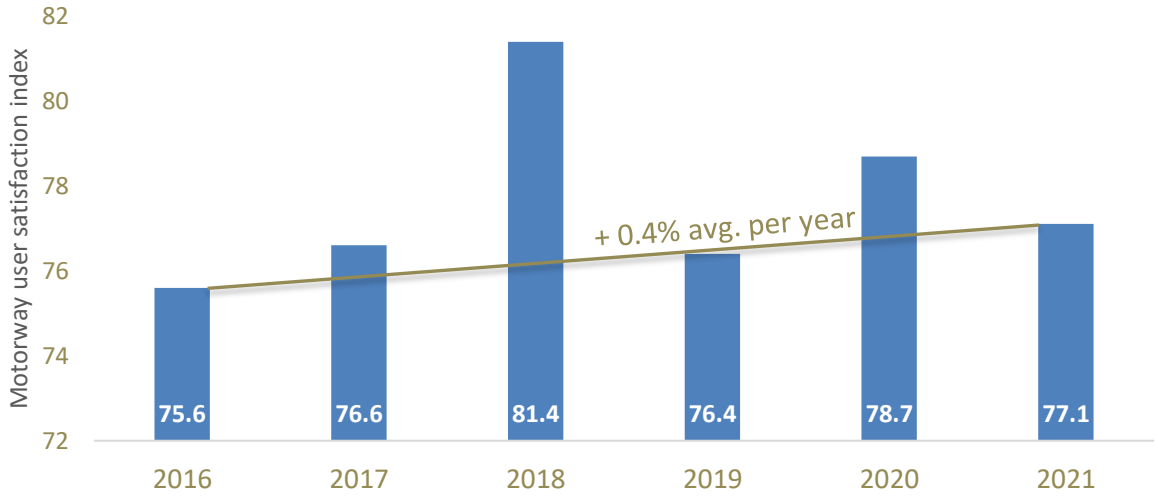


I.5.2.2 Satisfaction and a responsible attitude to motorway users

Motorway user satisfaction measurement

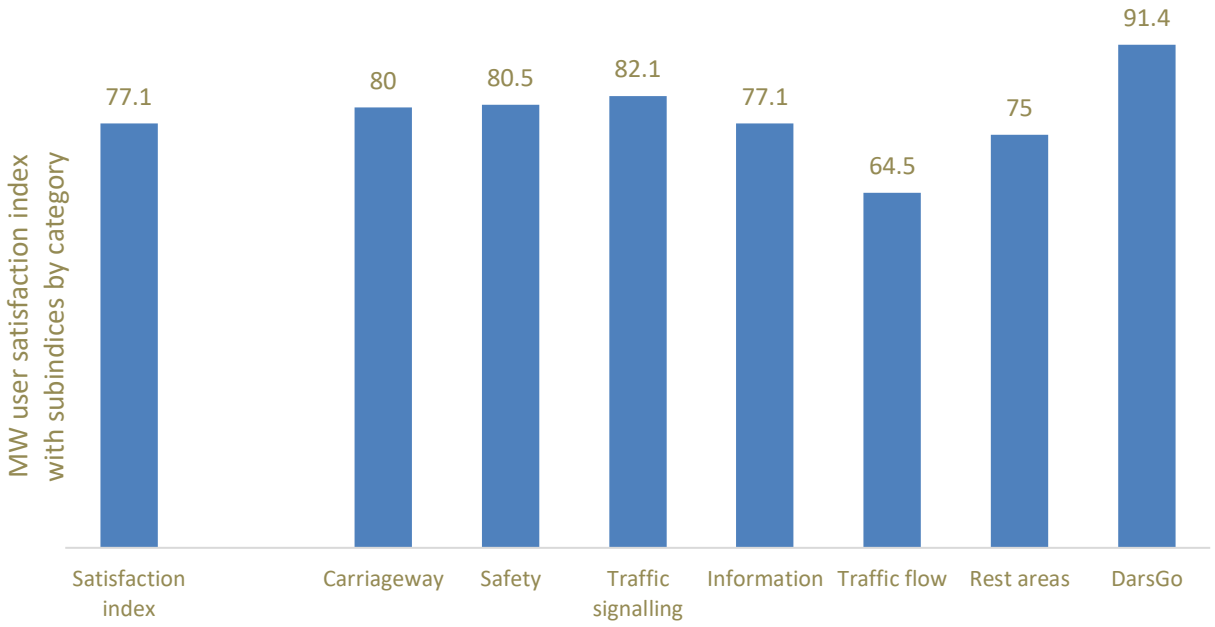
DARS has been conducting regular motorway user satisfaction surveys for a number of years. They allow us to more easily make good on our commitments to customers while striving to know and measure their expectations. The user satisfaction index is one of the key indicators of the Company and part of its strategy.

Figure 23: Motorway user satisfaction index by year



In the survey, respondents assessed their satisfaction with several factors affecting customer satisfaction with the motorways and covering the following categories or aspects of the user experience: carriageway, safety, signalling, information provision, fluidity, rest areas and electronic tolling (DarsGo system). The results for a particular category are evident in the figure below.

Figure 24: Satisfaction sub-indices – by field

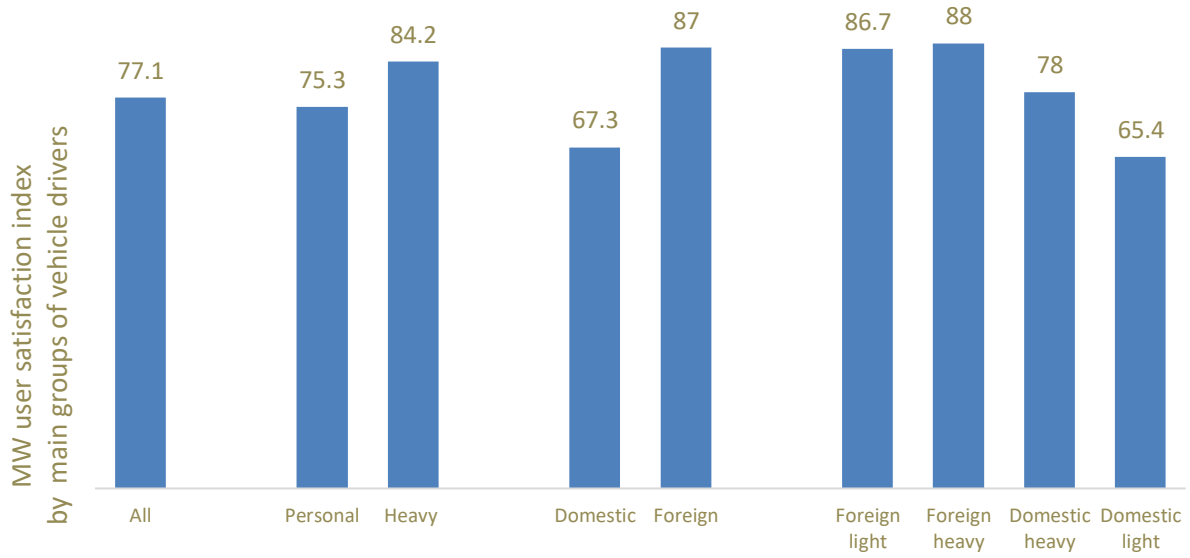


Foreign drivers remain more satisfied than domestic drivers. Foreign passenger car drivers are the most satisfied, while domestic passenger car drivers are the least satisfied, although the satisfaction of this group has been growing since 2019. As in previous years, DarsGo electronic tolling was rated best. Respondents also expressed a high level of satisfaction over signalling and safety.

Traffic fluidity is the weakest point in the users' opinion, but it has improved compared to previous measurements. Somewhat worse scores were given to rest areas.

The trend of greater satisfaction among foreign drivers than domestic drivers continued in 2021. Similarly, goods vehicle drivers are generally more satisfied with our motorways, particularly foreign goods vehicle drivers.

Figure 25: Satisfaction with respect to groups of drivers



Sales channels and market communication as a reflection of the attitude towards customers

The responsible attitude of DARS to its customers is reflected through its efforts to provide users with simple access to a network of its own and contractual points of sale and a wide range of payment means, thus contributing to reduced transaction costs for customers and improved satisfaction.

Market communication in relation to the use of road infrastructure covers the provision of information on the obligations, terms and methods of toll payment, whereby DARS distinguishes between and addresses two customer segments – drivers of goods vehicles and drivers of passenger cars. In that case, the goal is to enable smooth toll payments, without unnecessary complications and to resolve complaints as quickly as possible.

To ensure the strategic goals and promises in the Company strategy – fluidity, safety and comfort – it is necessary to achieve behavioural changes in the customers (MW users), such as safe driving, observing proper procedures in the event of traffic accidents, the provision of information on road conditions, the use of infrastructure outside rush hours, the use of alternative routes or transport means during major reconstruction works that reduce fluidity, etc., in parallel with the technological, technical and organisational input.

The provision of traffic safety requires close contact between the operator and motorway users, with two-way communication rather than merely one-way in the sense of information provision. Enhanced safety, however, requires the operator's investments in infrastructure and changed driving habits and culture. This is a learning process that we seek to accelerate, using available marketing and communication methods, from market research to safety campaigns and advertising.

I.5.2.3 Market communication for enhanced traffic safety

Awareness-raising via electronic portals and media

In 2021, graphic traffic signalling information displays (electronic gantries above motorways and expressways) showed national preventive content and content relating to current road and traffic conditions.

Focus in media advertisements for increased traffic safety and fluidity was placed on radio ads, which were used to warn about leaving a lane open for emergency vehicles in case of congestion, about the proper use of the overtaking lane, and about environmental protection and waste discarded by motorway users while driving.

Figure 26: Rescue lane

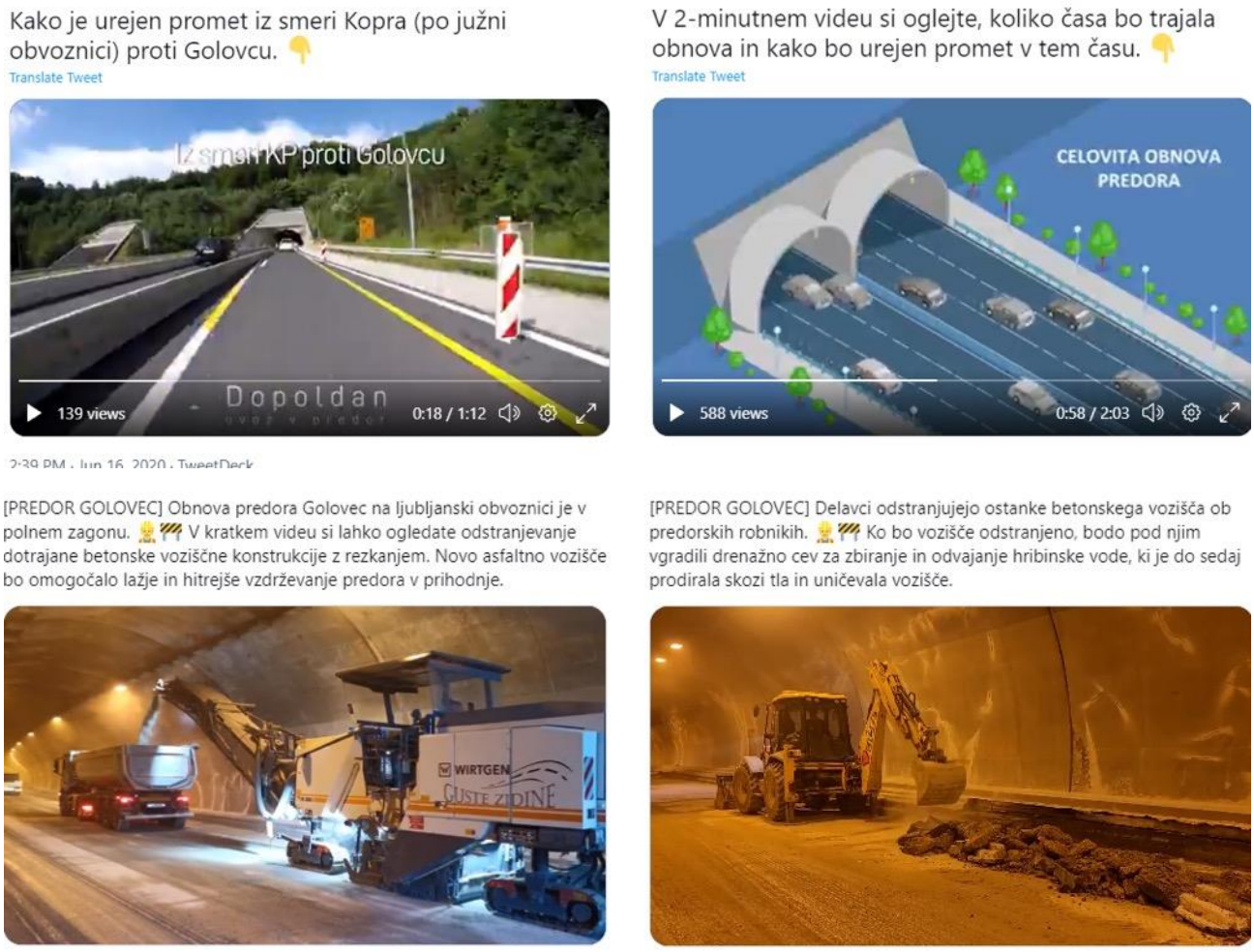
Info campaign "Golovec tunnel reconstruction"

The reconstruction of the western tube of the Golovec tunnel in spring 2021 was carried out in line with the plans and agreements made. As in the reconstruction of the western tube that took place in the summer of 2020, all the teams were well-prepared, traffic flowed as expected, and the works were carried out according to the time schedules and the public responded favourably. An extensive media campaign was launched to inform a wide range of motorway users. Although it involved the junction of the eastern and southern parts of the Ljubljana bypass ring with the Dolenjska motorway leg, an area with the heaviest traffic on the Slovenian motorway network, there were no long-lasting traffic congestion incidents while the eastern tube was fully closed for traffic. This also reduced the impact on the environment.

During the course of the reconstruction, we posted information about the following on social networks:

- purpose of the reconstruction,
- timeline of works,
- traffic arrangements (change of road closure type),
- driving through the closure,
- available alternative routes,
- progress of the construction and the electro-mechanical work.

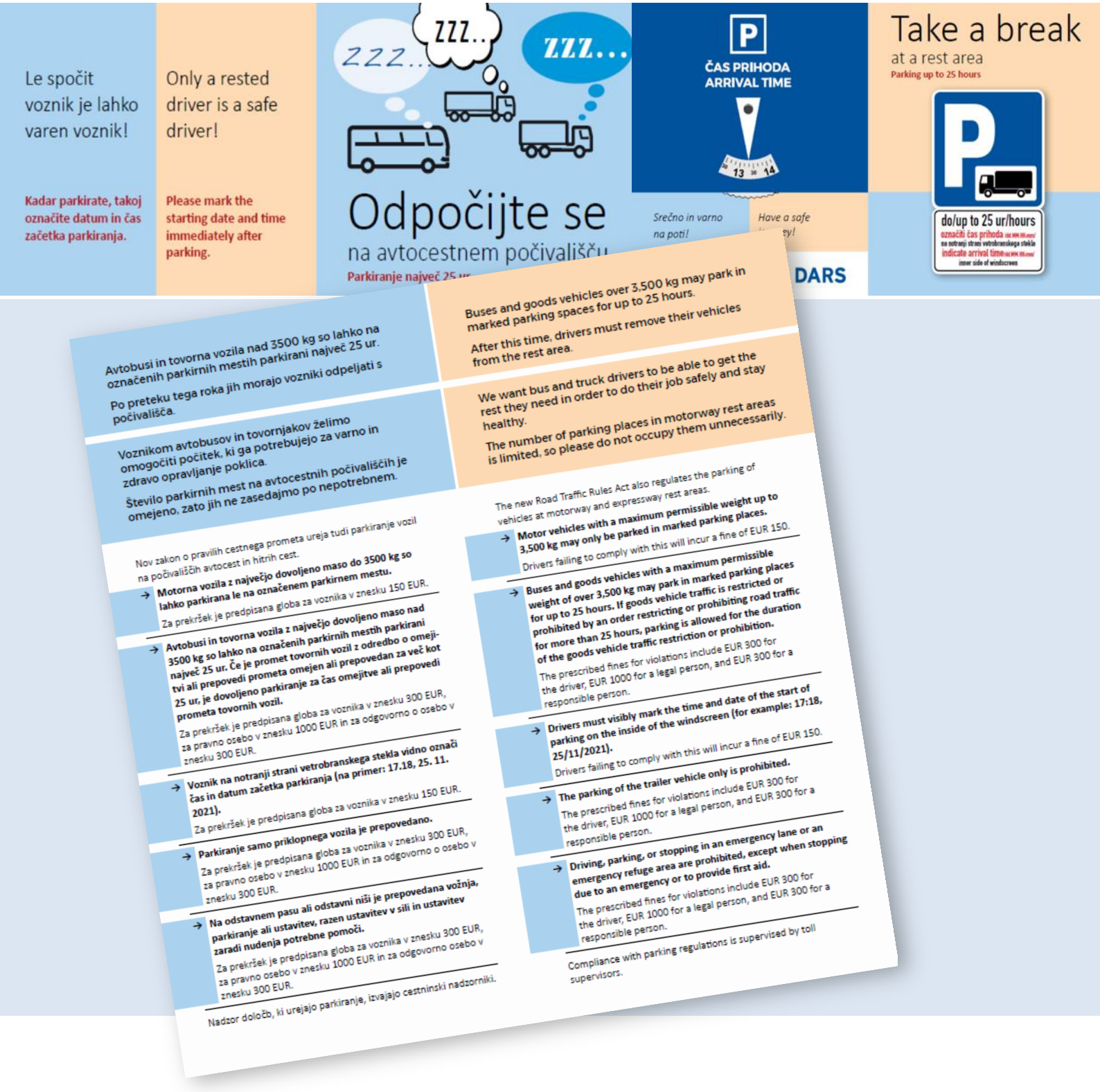
Figure 27: Social network posts



Information about restricted parking for heavy vehicles at rest areas

Towards the end of 2021, rest areas on the Slovenian motorway network were equipped with new signs restricting the parking of buses and goods vehicles with a maximum permissible weight of over 3.5 tonnes to a maximum of 25 hours. The aim was to enable drivers to get the rest they need in order to do their job safely. Since the number of parking places in motorway rest areas is limited, they should not be occupied unnecessarily. All stakeholders were informed about the new parking arrangement and information leaflets were distributed to drivers at rest areas.

Figure 28: Information leaflet about time-restricted parking for heavy vehicles



Cooperation with the VOZIM Institute

The basis for cooperation is to provide support for the execution of innovative interactive workshops that are conducted by confronting secondary school students with the experience of a person injured in a traffic accident. Students at workshops also received instructions for driving along motorways and expressways.

Cooperation with the Reševalni pas institute

In the course of the awareness campaign on the importance of proper positioning in a standstill on the motorway or expressway, free “Save a Life” stickers were sent to interested users.

Figure 29: The “Save a Life” stickers

I.5.3 Traffic and concern for safety

In the desire to improve traffic safety every year, the Company continued to pursue all actions – existing and new ones – and made intense efforts to offer users a safe journey along the MW/EW. Safety campaigns and cooperation with stakeholders in that area have a positive effect on traffic safety, which is why activities in that area are very broad and continued. Due to circumstances related to the COVID-19 epidemic, these campaigns ran primarily on social networks and using applications, which are particularly efficient tools for campaign distribution. Below is a comparison of incidents by year and the consequences of traffic accidents on MWs and EWs by year, whereby the growth of incidents and certain consequences of traffic accidents have been recorded due to increasing traffic from year to year.

Compared to 2019, the number of incidents increased by 23% along with the number of goods vehicles, which are a major indicator in the generation of incidents.

Figure 30: Comparison of processed emergency events by year at control centres

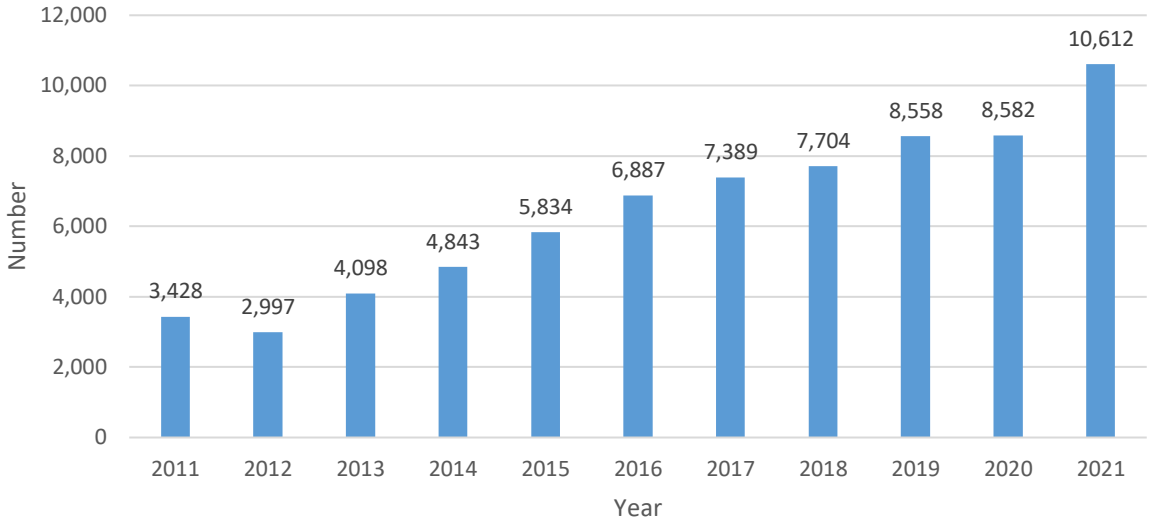


Figure 31: Consequences of traffic accidents on MWs and EWs by year

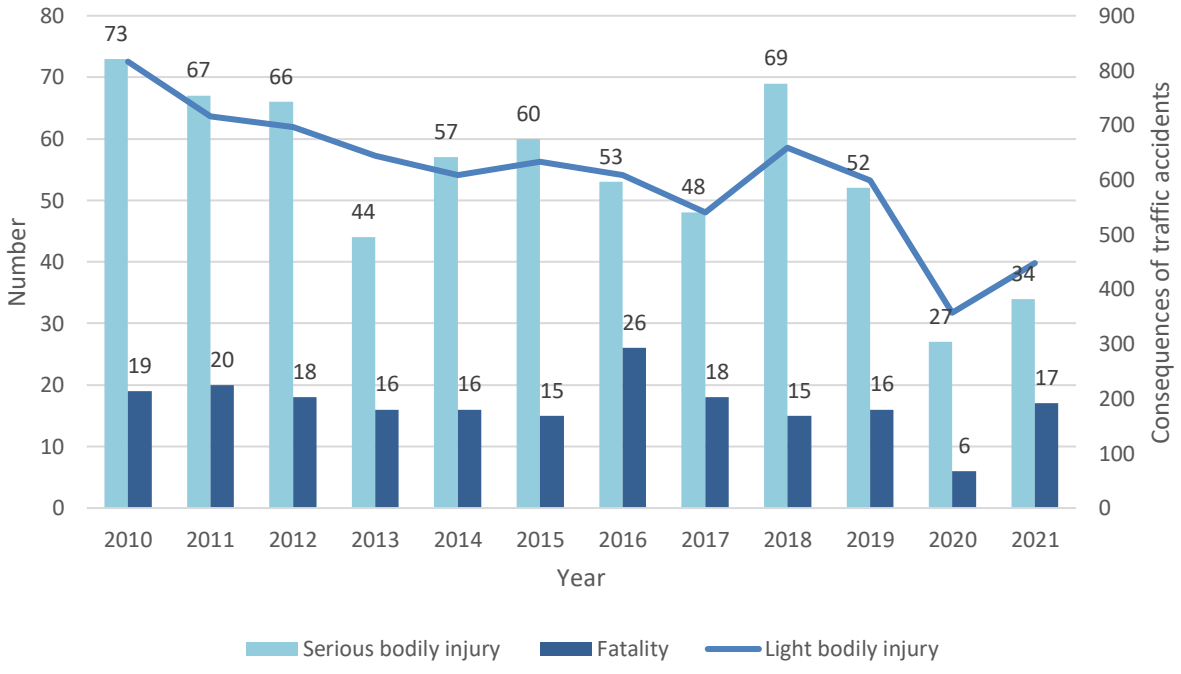
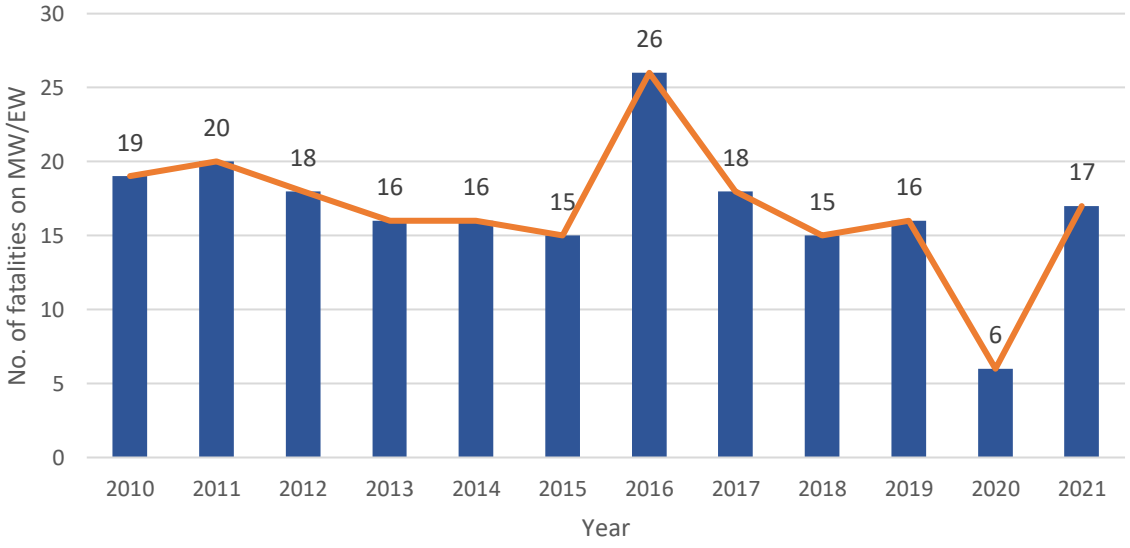


Table 10: Data on traffic accidents on motorways and expressways from 2011 to 2021

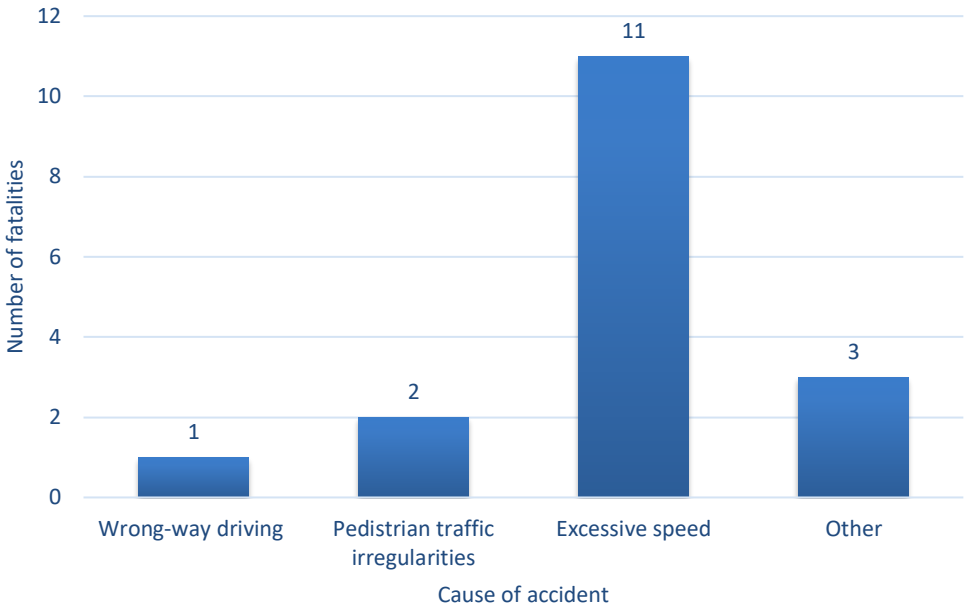
Year	Road category	Light bodily injury	Serious bodily injury	Fatality
2011	MW	647	60	16
	EW	69	7	4
2012	MW	631	59	18
	EW	66	7	0
2013	MW	564	44	16
	EW	80	0	0
2014	MW	548	51	16
	EW	61	6	0
2015	MW	551	55	13
	EW	82	5	2
2016	MW	545	46	23
	EW	64	7	3
2017	MW	491	43	16
	EW	49	5	2
2018	MW	601	63	13
	EW	58	6	2
2019	MW	534	49	15
	EW	65	3	1
2020	MW	303	26	6
	EW	56	1	0
2021	MW	398	33	17
	EW	50	1	0

Figure 32: Fatalities on MWs and EWs by year



Excessive speed is one of the most frequent causes of accidents, as is evident in the figure below.

Figure 33: Number of fatalities with respect to the cause of the accident in 2021



Note: Incorrect driving direction: this not only includes driving in the opposite direction, but also (mostly) run-offs from the MW/EW onto the embankment.

The result of the EuroRAP protocols: traffic safety has improved in the long run given continuous traffic growth, but with occasional short-term lapses.

The last consecutive Risk Rating included the 2018–2020 period. The resulting Star Rating shows that Slovenian motorways and expressways are safe, as they achieve the desired standard of three stars, some sections even four stars. Given the design of the roads and the permitted normative driving speed of 130 km/h, a higher rating cannot be obtained.

Motorway Police

June 2021 saw the launch of the Motorway Police, specifically the Ljubljana Specialised Motorway Police Unit. The increased supervision in the first months of operation of this unit has already resulted in improved traffic safety trends. We are particularly pleased that the number of violations involving overloaded goods vehicles has decreased, as they cause the most damage to our infrastructure, resulting in more frequent investment in its reconstruction that we, as the operator, must make. The operational units of the Motorway Police and the permanent presence of the police in the Control Centre in Dragomlje also provide a high added value to the work of traffic supervisors.

The Maribor, Novo mesto, Celje and Koper Specialised Motorway Police Units will be formed in 2022, further increasing the level of supervision. DARS (Traffic and Traffic Safety Management Service) has regular meetings with the Motorway Police where it discusses ongoing issues and adjusts measures to improve traffic safety and fluidity on the MW/EW.

Figure 34: Launch of the Motorway Police Administration (event in Postojna upon the official start-up)

Traffic safety in tunnels- Incidents

There were a total of 48 accidents and incidents in tunnels longer than 500 metres in 2021, where emergency services were needed along with the temporary closure of the whole tunnel or a part of it. There were a number of different primary causes of the events (31%), most of which involved overheight vehicles (27%), followed by vehicle breakdowns (27%), and by category I or II accidents (23%). Two fire events were recorded due to the self-ignition of passenger cars. Tunnel traffic had to be temporarily closed, partially or fully, for a total of over 42 hours. Passenger cars were involved in more than half of the events (56%), while goods vehicles were involved in 31% of the events. The events only caused material damage.

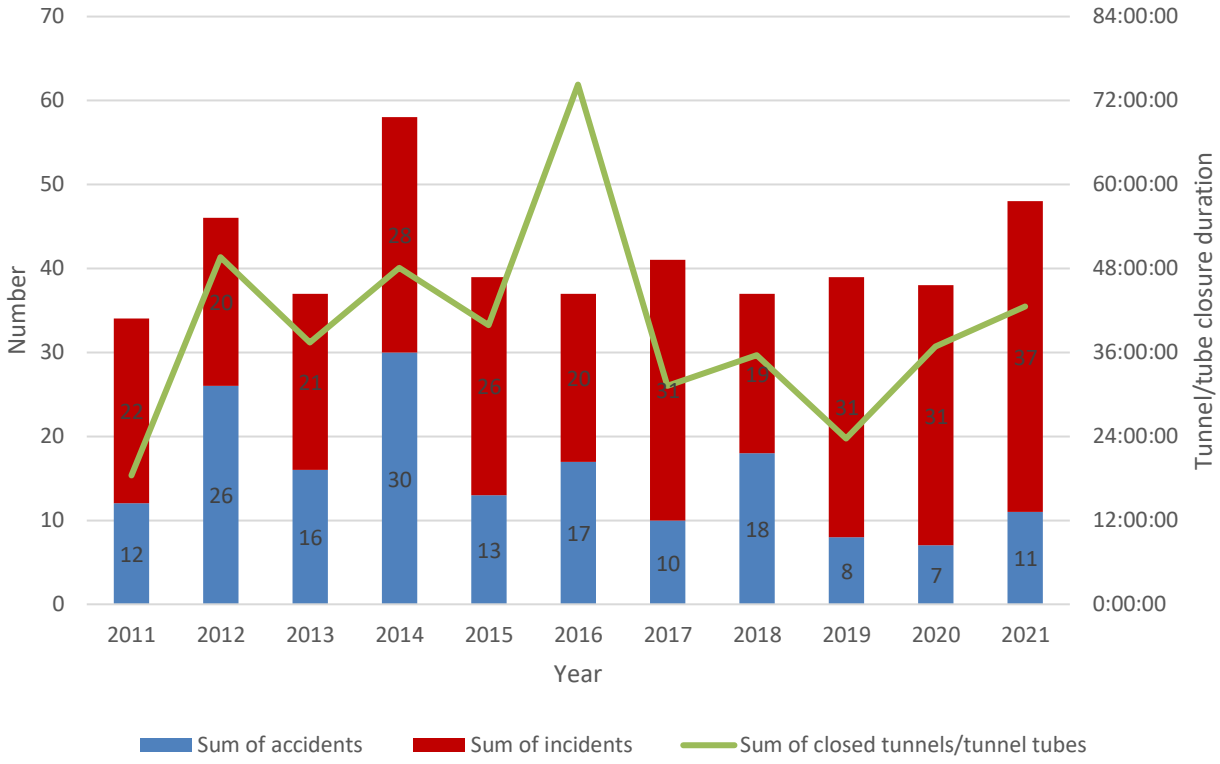
The competent services of DARS and the external emergency services and the police responded effectively to the events. For example, in each of the two fire events, it only took about an hour for the tunnel tube where the fire occurred to be reopened for traffic. We should also mention the well-coordinated action of the Slovenian and Austrian services during the unexpected failure of the main and auxiliary server of the Karavanke tunnel surveillance and control system due to a factory defect in the SSDs. A special operating regime had to be established in the tunnel for nearly 17 hours before the defect could be eliminated.

In addition to the above events, the left tube of the Kastelec tunnel had to be preventively closed twice for a total of 30 hours in October due to the bora wind.

Regarding motorway tunnels, it has been found for 2021 that:

- the number of events is relatively small and at a level comparable to recent years;
- these events were mostly caused by the actions of users, which is something that is practically beyond the control of DARS, while the hard drive failure event at the Karavanke resulted in internal corrective action being launched by ASFINAG and DARS;
- the participants were not injured due to the events and the direct damage to the tunnels and the installed equipment was minimal;
- no increases in the number of events were found with the exception of the Primorska motorway branch tunnels, where overheight vehicles drive to/from the Port of Koper, but they are stopped by the tunnel systems before entering the tunnel;
- the operation of tunnel safety systems and the response of the competent services to incidents was efficient.

Figure 35: Accidents and incidents in tunnels longer than 500 m from 2011 to 2021



Rescue drills and employee training for incidents in tunnels

DARS unit drills and training and joint training for heads of rescue services for tunnels longer than 500 m are set out in operating plans for protection and rescue.

Seven rescue drills were planned for 2021, four of them central and three practical. Due to the COVID-19 epidemic, only the drill for the Karavanke tunnel was postponed to 2022 at the request of ASFINAG. All the drills were conducted under special epidemic measures and all participants showed a responsible and professional attitude.

Most of the planned training for DARS units and joint training for heads of rescue services was carried out. All unperformed activities are carried over to 2022.
The following will be carried out in 2022:

- training for DARS employees responsible for taking action in incidents (traffic supervisors);
- regular drills (three practical, four central).

The activities will be carried out in the spring and autumn sets according to the tunnel systems where the same rescue services intervene. Drills will be conducted according to individual drill plans that are coordinated with the drill participants in advance.

I.5.4 Projects in traffic management and concern for user safety[34]

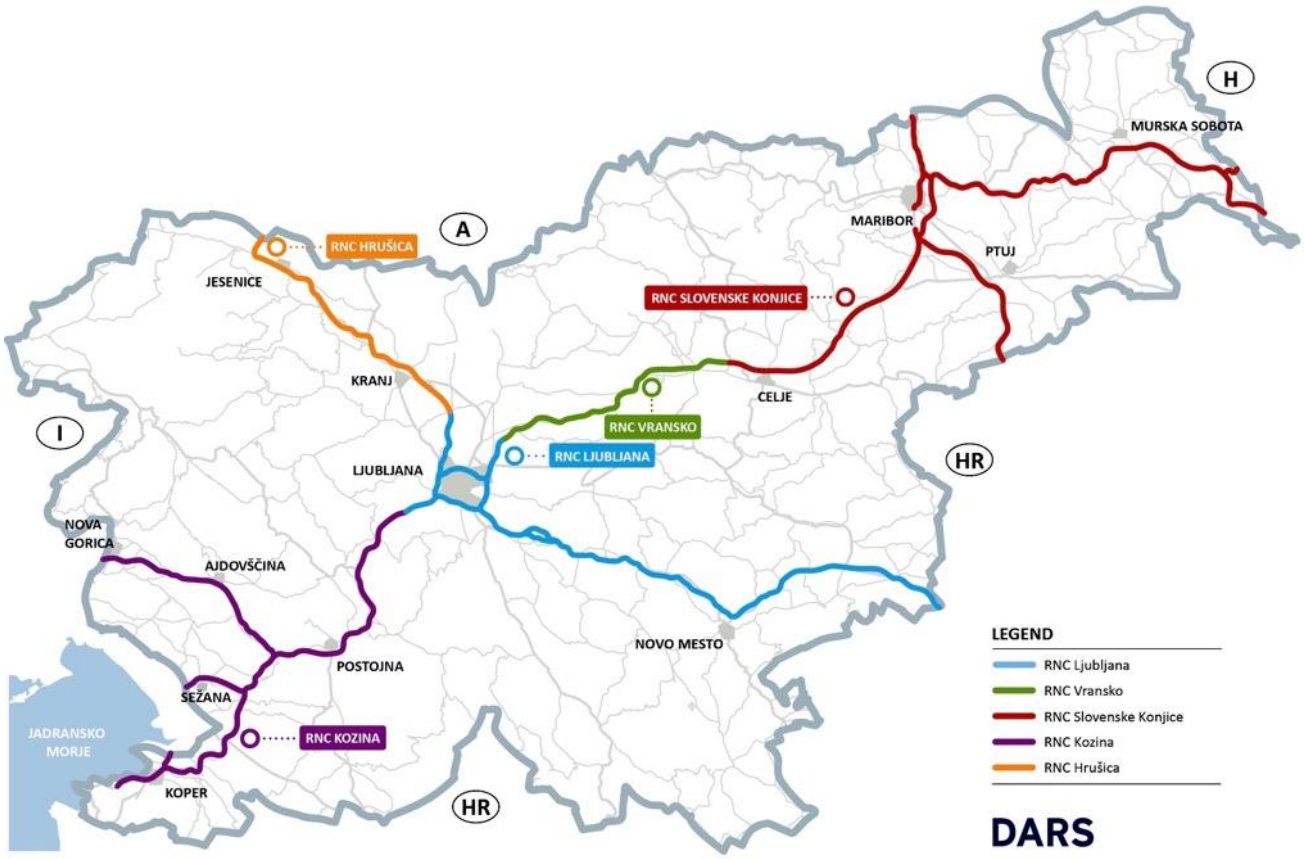
DARS carries out many different measures every year that are directly related to safety, the comfort of motorway users and traffic fluidity. A prerequisite for good throughput is that the motorway system is furnished with state-of-the-art equipment. Modern equipment for traffic control, management and safety ensures fewer traffic accidents, faster detection and, consequently, reduced congestion. Greater safety for maintenance crews and other on-site interventions is ensured using modern equipment and an ever-faster flow of information.

I.5.4.1 Traffic control and management[35]

24/7 traffic control and management

The Kozina, Ljubljana, Vransko, Slovenske Konjice and Hrušica Control Centres and the Main Control Centre (MCC) with their teams of traffic supervisors see to uninterrupted traffic control and provide optimum safety and fluidity on the Slovenian motorways and expressways. The Main Control Centre covers the entire MW/EW area in the Republic of Slovenia, while linking regional control centres and coordinating actions between them. Among other things, it provides traffic control and management at the national and international levels, ensuring that international traffic management plans are implemented without interruptions. In addition to coordinating the regional control centres, the MCC also coordinates other DARS divisions and external intervention services during major events, whereby we have established a high level of cooperation with the new Ljubljana Specialised Motorway Police Unit.

Figure 36: Traffic Control and Management Centres



[34] GRI GS 103-1, 103-2, 103-3, 416, 416-1.
[35] GRI 103-2, 103-3, 416, 416-1.

Accidents involving fires in tunnels and major changing weather conditions, such as sleet, reduced visibility, snow blizzard, heavy winds and mass traffic accidents, call for the maximum expertise and proper actions by traffic supervisors.

Lately, a great deal of attention has been paid to traffic safety and fluidity, which is why measures are adjusted to the current conditions on the motorway, while traffic condition detection systems are upgraded. This allows the Company to react faster to events and thus reduce dangerous situations and unnecessary congestion.

In 2021, the Traffic Department successfully adapted the work processes in the control centres in response to the COVID-19 epidemic. The working hours of control centre employees were adjusted as necessary and the traffic control and management actions were coordinated with all stakeholders (Police, Administration of the Republic of Slovenia for Civil Protection and Disaster Relief, Toll Enforcement, etc.).

In 2021, the MCC successfully ran and coordinated all the major activities for ensuring traffic safety and fluidity on the motorways and expressways. Among other things, we should mention the two most important events, specifically the implementation of the winter service and the transport of protected persons within the framework of the Slovenian Presidency of the Council of the European Union.

Motorway traffic is controlled by qualified certified traffic supervisors

In 2021, the training of traffic supervisors continued with the aim of obtaining the national vocational qualification for a road traffic supervisor. Traffic supervisors at RCC Ljubljana successfully completed training using the Šentvid tunnel simulator. The training is organised and held once per year.

In 2021, DARS acquired a simulator for traffic control and management systems (TCMS) on which the traffic supervisors of all control centres were trained. Periodic training on the TCMS and tunnel simulators is scheduled every year in order to achieve better response times in emergencies and to ensure that control centre employees know how to react. In addition to the training, we also plan other training and education courses on the topic of traffic and traffic safety.

Awareness-raising on the importance of safe driving and the provision of information on traffic fluidity

DARS strives to provide conditions for safe driving and the maximum possible traffic fluidity. The provision of traffic safety is also at the focus of efforts made by other institutions that have an important effect on awareness-raising among users and DARS actively cooperates with such institutions or carries out certain activities (primarily those relating to traffic on the MWs/EWs) on its own.

The following activities and preventive campaigns (available at https://www.dars.si/Sporocila_za_javnost/5/prometna_varnost, www.promet.si and on social networks) were carried out to provide maximum traffic safety:

- Common efforts to improve safety with the start of the motorcycle season – safe driving training for motorcyclists.
- Cooperation with the VOZIM Institute in the form of innovative interactive workshops called “I still drive - but I cannot walk” where the personal experiences of those injured in traffic accidents are presented.
- **“You are not safe in the motorway emergency lane”.** This is the oldest preventive campaign of DARS and we will use it again, as there are still instances of drivers wrongly driving in the emergency lane, even though they should not.
- **“Save a life” –** Observe proper positioning in case of congestion on the motorway, thus allowing emergency teams to arrive at the scene of the traffic accident as soon as possible. This preventive notice may be displayed on the gantries when there are no other active events.
- **“Observe the safety distance”** is an important preventive notice primarily due to the proven fact that there would be fewer traffic accidents on all roads had distances between vehicles been correct (more appropriate). This preventive notice is still shown at locations where additional traffic signalling, the so-called “caps”, had been established.
- **“Drive on the right, overtake on the left”** is a preventive notice that the Company started displaying in 2019. This may be displayed on the gantries when there are no other active events and when traffic in the driving lane falls below 1200 vehicles per hour. In heavy traffic, such content is no longer appropriate, since driving conditions change.
- Other important content, such as the provision of traffic information concerning waiting times (congestion) at border crossings, indicating alternatives (better routes) and information related to the epidemic that affect traffic and traffic events.

Figure 37: Variable Message Signs

In addition to the above campaigns, we also participated in the preventive campaigns “Alcohol”, “Speed” and “Telephone” by the Slovenian Traffic Safety Agency. Their primary aim was to appeal to drivers to not drink and drive and to reduce/adjust their speed on the road.

Measures in traffic management and concern for user safety

- Curbing speed and increasing fluidity
- Replacement of safety barriers and traffic signs
- Additional signs about safety distance
- Erection of safety barriers on structures to prevent vehicles from skidding off the structures
- Replacement of signposts at motorway exit points
- Replacement of end terminals and erection of additional safety barriers and crash cushions

The management of intelligent transport systems (ITS) or smart motorways

All investments are somehow related to enhanced traffic safety. Major investments included:

- Implementation of six road weather stations
- Implementation of ten new thermographic cameras for video detection
- Integration of new variable message signs at the traffic control centres
- Launch of a traffic management project involving the radial roads to Ljubljana
- Modernisation of the traffic lights by upgrading the video detection system at the Tomačevo roundabout
- Implementation of the C-ITS pilot project

Implementation of European projects

In the 2016–2021 period, DARS was part of the international C-Roads project, which is aimed at improving traffic and transport conditions through the implementation of internationally coordinated applied ITS solutions on the corridor road network. In 2021, the first part of the C-ITS cooperative systems pilot projects were implemented with mobile connections between vehicles and infrastructure with LTE networks and with a microwave connection (C-ITS G5) for information transmission between the infrastructure and vehicles. Internal and cross-border tests in terms of interoperability were conducted. We will continue the C-Roads 2 project involving the integration of existing systems into the C-ITS and the expansion of the scope of C-ITS technology.

Within the scope of the European Crocodile project, the Kažipot application was further developed in terms of the exchange of traffic data with neighbouring countries. That especially includes the introduction of the DATEX II standard and its inclusion in GeoRSS. Furthermore, tools for tasks at DARS control centres were developed with the implementation of additional international standards, and improvements and upgrades to the DarsPromet+ application deriving from the use of such tools. Within the scope of the preparation of plans for international traffic management, plans for emergency traffic management were drawn up that were harmonised with the neighbouring countries.

We launched pilot projects that will be the basis for the digitalisation of roads and autonomous driving in the future. Projects in this area that are being carried out include the digitalisation of the infrastructure (lidar and laser images of infrastructure, the input of fixed and variable message signs in digital applications), digitalisation of the traffic data via traffic detectors (thermographic cameras, detection via fibre optics) and the transmission of this data from the infrastructure to the user (C-ITS, 5G, G5, IoT).

I.5.4.2 Sustainable mobility and alternative fuels

Based on the findings and recommendations in the Strategy in the procedures to establish the relevant infrastructure for the supply of vehicles with alternative drive energy products, DARS conducted an analysis of such supply throughout the motorway and expressway network in the Republic of Slovenia. The situation is satisfactory as regards electricity

supply, with 72 charging stations available at rest areas, while another 55 are planned to be set up by 2025, which will suffice for the needs foreseen with respect to the projected number of electric vehicles and the number of recharges at motorway rest areas in 2025. DARS is also launching activities to establish an electricity supply at minor rest areas (12 locations), namely a total of 24 charging stations with a nominal power of 55 kW.

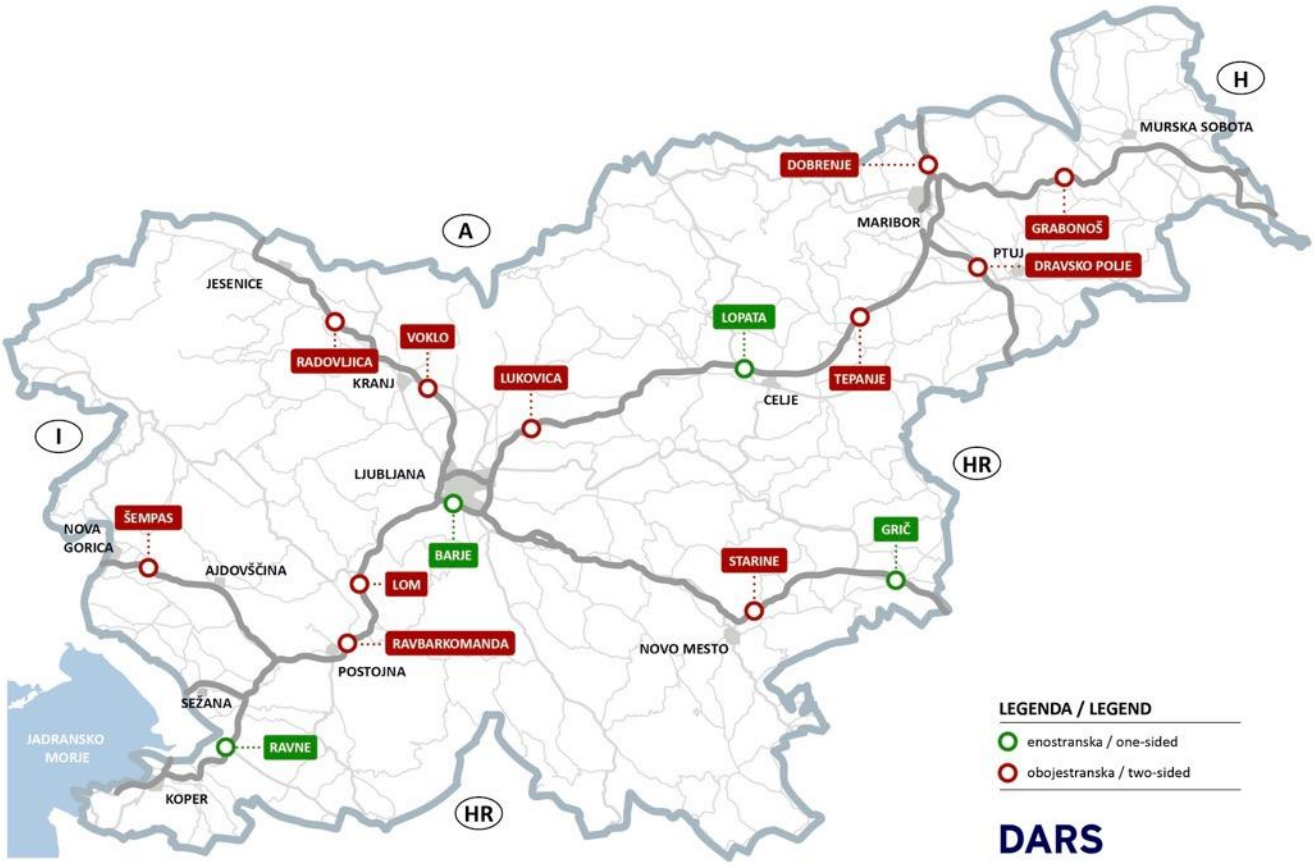
Vehicle supply using other alternative driving energy products on the motorway and expressway network in the Republic of Slovenia is currently not possible, but it is planned to set up filling points for compressed natural gas (CNG) and liquefied natural gas (LNG).

The DARS Strategy for 2021–2025 also includes the strategic goal (SC 7 – Development of sustainable infrastructure and circular economy) of providing charging stations to charge electric vehicles at key Company facilities. By the end of 2021, a total of 22 charging stations with the nominal power of 22 kW (20 stations) and 11 kW (2 stations) were installed at these locations.

In line with the general trends for the management of traffic conditions to provide conditions for the development of sustainable mobility and the efficient supply of alternative fuels, DARS is also preparing certain solutions that will contribute to the realisation of this. One of them is the preparation and implementation of a project to set up a computer software tool for supervising, forecasting and planning the charging of electric vehicles, which is a component part of an efficient supply for vehicles with alternative fuels and the related provision of appropriate infrastructure to supply vehicles with such propellants.

Keeping track of the trends and development of sustainable mobility also calls for certain changes to the concept of rest area development. This is why DARS plans to prepare a conceptual design for the so-called mobility hub pursuant to its management strategy for rest areas on the motorway network by 2025. This also requires changes to be made in line with the changes of traffic and traffic flows (habits), when rest stops are no longer limited merely to the motorways and the provision of services to motorway users in transit, but adopts the role of connecting the mobility between motorways and other traffic (mobile) flows.

Figure 38: Locations of charging stations for electric cars



I.5.4.3 The management of intelligent transport systems (ITS) or smart motorways

Overhaul of electrical and mechanical equipment in tunnels

In 2021, the electrical and mechanical equipment of the left tube of the Golovec tunnel was rehabilitated. We equipped the tunnel with ventilation fans and LED lighting, replaced its variable message signs (VMS), updated its control equipment and upgraded its electrical and mechanical system and its surveillance control system – the SCADA SCS.

The Strmec cut-and-cover was equipped with LED lighting and LED studs for visual traffic guidance and its SCADA SCS was upgraded.

A system for the periodic two-way management of traffic in the Markovec tunnel was established. We upgraded the fire safety systems and the SCADA SCS that manages the forced ventilation system of both tunnel tubes. The automatic traffic detection system was upgraded from one-way to two-way operation.

The digital radio system (DAB+) was established in the Šentvid tunnel, offering a large number of radio stations and featuring a public announcement system for broadcasting messages in the event of an incident in the tunnel. The SCADA SCS of the fire safety system was harmonised and the operation and management of the LED studs for visual traffic guidance was modernised.

The hydrant network of the Kastelec and Dekani tunnels was upgraded with anti-freezing protection for the fire-fighting water supply. We replaced and upgraded the variable message signs (VMS) in the Kastelec, Dekani, Mali vrh, Debeli hrib tunnels and in the Medvedjek 1 and Medvedjek 2 cut-and-cover tunnels. We began modernising the Pletovarje and Golo Rebro tunnel systems and replacing old video detection equipment.

Figure 39: Ventilation in the Golovec tunnel **Figure 40: Overhaul of the Golovec tunnel**

Establishing intelligent transport systems

By setting up new variable message signs (VMS), also furnished with new video surveillance cameras and microwave detectors, and by installing new automatic traffic counters, also detecting driving in the opposite direction, the Company has enhanced the visibility of traffic conditions in order to improve the provision of information to users and traffic safety.

Ten new thermographic surveillance cameras were installed along with six road weather stations for the monitoring of traffic and weather incidents on the Primorska motorway branch.

An overhaul of the emergency call system and cable ducts from the Golovec tunnel to the Trebnje West junction was launched. We also began works involved in the installation of a new communication fibre optic cable at the Blagovica–Slovenske Konjice section.

Public lighting at the Lenart junction was rehabilitated and the broken-down electrical enclosures at MMC Kozina were replaced. We renovated the public lighting on the northern Ljubljana ring road, between Šmartinska junction and the Tomačevo roundabout, and modernised the traffic lights by upgrading the video detection system.

We set up the server and upgraded the software so that camera images are uploaded directly to the Promet.si website and the Kažipot app. We established and organised access to the video equipment at the Karavanke platform, the Lukovica and Ravbarkomanda rest areas and at the Mlake viaduct.

Pilot projects were implemented for a Bluetooth-based queue detection system at the Obrežje border crossing. We also implemented pilot projects for the detection of available parking spaces for goods vehicles at rest areas.

The integration of new variable message signs at the traffic control centres was completed. We began setting up control points at motorway rest areas and new variable message signs on the A3 motorway. We signed a contract for a traffic management project involving the radial roads to Ljubljana that envisages using automatic speed limits in this area to slow down traffic. The control centre in Dragomelj was equipped with a computer simulator where traffic supervisors from regional control centres will be able to train.

Figure 41: Variable Message Signs

Figure 42: New surveillance cameras on the motorway alignment

Figure 43: SOS call posts every 2 km – quick location of the caller

Upon a vehicle breakdown, it is recommended to use the SOS call post available to drivers every two kilometres in order to identify the driver's location more easily. The SOS call allows DARS employees to take action more quickly. The systems are regularly upgraded and their uninterrupted operation is ensured. In 2020, the refurbishment of the emergency call system at the Golovec–Domžale MW, the Vipava–Šempeter EW and the Divača–Kozina MW was completed.

I.5.4.4 Telecommunications

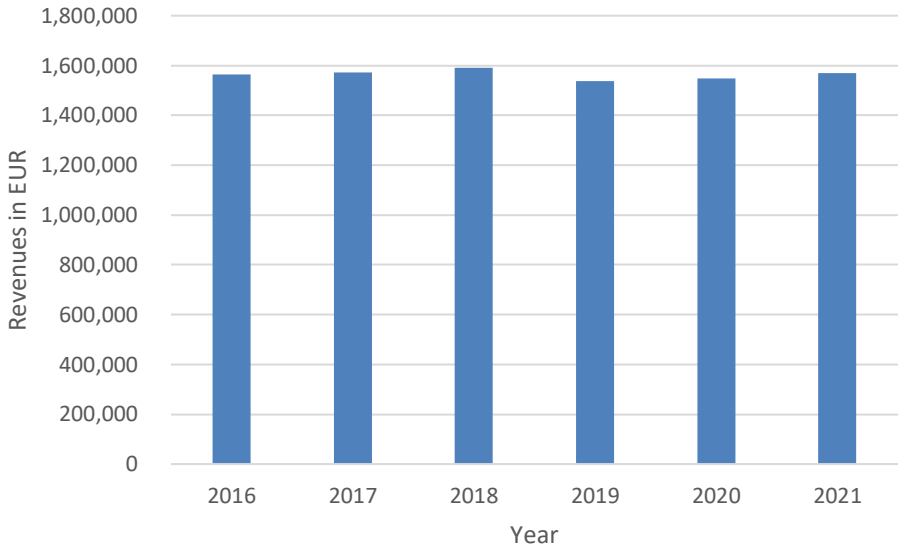
In 2021, the Telecommunications Department began establishing a functional MPLS network. An MPLS (Multiprotocol Label Switching) network enables better management of the telecommunications network, greater reliability and more security for the transmission of data between different systems. A new segment for the e-VIN (electronic vignette) network was introduced, which takes full advantage of the MPLS network. The Telecommunications Department manages over 600 L2 network devices, over 200 L3 network devices and over 1400 km of fibre optic cables of different capacities with 12, 24, 48, 96 and 288 fibres.

Figure 44: Map of the most important telecommunication hubs from the control application

In the period of increased teleworking, it was important to upgrade communications equipment to increase the reliability and capacity of the network to transmit the increasing amount of data. By allowing teleworking, less work needs to be done at company locations and in the field, resulting in lower pollution due to reduced vehicle use and energy consumption.

Due to the specifics of constructing a fibre optic network, some of the fibre remained unused and has been offered for lease to external users, which is an additional source of revenue and a way for the Company to recover part of the funds invested. By marketing surplus telecommunication capacities, in particular fibre optics, the Telecommunications Department is contributing to the greater utilisation of the infrastructure and making a significant contribution to the digitalisation of society. Several new contracts were signed for the lease of telecommunication capacities.

Figure 45: Revenue from the marketing of surplus telecommunication capacities by year



Some rest areas offer drivers Wi-Fi access to certain DARS information. The range of broadband services provided at motorway rest areas contribute to the improved image, identity and safety of the motorway network.

Figure 46: Locations with Wi-Fi Internet access on MWs and EWs provided by DARS

I.5.4.5 Implementation of European projects

Within the scope of the European Crocodile project, projects to exchange traffic data with neighbouring countries continue. The Crocodile III project is underway and is based on the renovation of control centres in terms of enhanced data exchange and the preparation of international traffic management plans.

Within the scope of the European C-Roads project, pilot projects were implemented with microwave technology in the area of the Primorska motorway leg, as well as with mobile technology throughout Slovenia. The basis for a hybrid system and data transmission from tunnel systems to the Kažipot and C-ITS devices was prepared in the continuation. The implementation of C-ITS systems in Slovenia represents an important step toward the digitalisation of the Slovenian motorway network and at the same time the beginning of the support systems for future autonomous driving.

The establishment of interoperability through the European C-Roads project

Within the scope of the C-Roads project, pilot projects are being carried out and the deployment of a common platform for cross-border interoperability is being coordinated. It involves pilot projects to introduce systems for real-time information transfer based on vehicle to vehicle, vehicle to infrastructure and infrastructure to vehicle communication, whereby DARS contributes significantly to the realisation of EU priorities concerning cooperative intelligent transport systems. The C-Roads project was used to implement pilot cooperative intelligent transport systems (C-ITS) with microwave technology in the area of the Primorska motorway leg, where the automatic transmission of traffic data from the tunnel systems to the Kažipot system and the C-ITS system has also been implemented. We also upgraded the road weather stations and thermographic cameras in the area, which helps to better detect conditions on motorways and expressways. In 2021, we carried out the cross-border interoperability testing of C-ITS services with other Member States. The tests were successful and our report summarises many of the findings with suggestions for improvements, which represent an important contribution to improving the specifications at the level of the common C-Roads platform. We also provide C-ITS services via the mobile network using the Promet+ mobile app, which is available to users

throughout Slovenia. In 2021, special emphasis was placed on the development of a hybrid C-ITS solution, where a basic IP interface for the international exchange of C-ITS messages according to the C-Roads specifications has been developed. We have joined a group of six European countries developing such an interface and have successfully established mutual communications. In June 2021, we also participated in the C-ITS Road-show as the main event of the C-Roads consortium, where Member States presented their achievements in the project.

Figures 47 and 48: Various C-ITS system technologies and message displays in the vehicle

I.5.4.6 Provision of traffic information

At the European level, traffic information in Slovenia is processed in the most optimal way and sent to users. Receiving quality traffic information faster is a condition for optimum traffic fluidity and safety. Traffic events in Slovenia are detected very quickly and information is available to users in a few seconds. The channels through which information flows multiply every year, since different users (with respect to the age and type of transport means) use different communication channels.

DARS follows the development of information channels and the detection of events by regularly introducing new technologies, pilot systems and by participating in international working groups in that area.

The Traffic Information Centre: a source of credible and updated traffic information

Content on the website www.promet.si that is monitored the most by users:

- events and traffic conditions on a map,
- road cameras,
- fuel prices,
- wind measuring locations of the Burja system,
- the virtual assistant Stane.

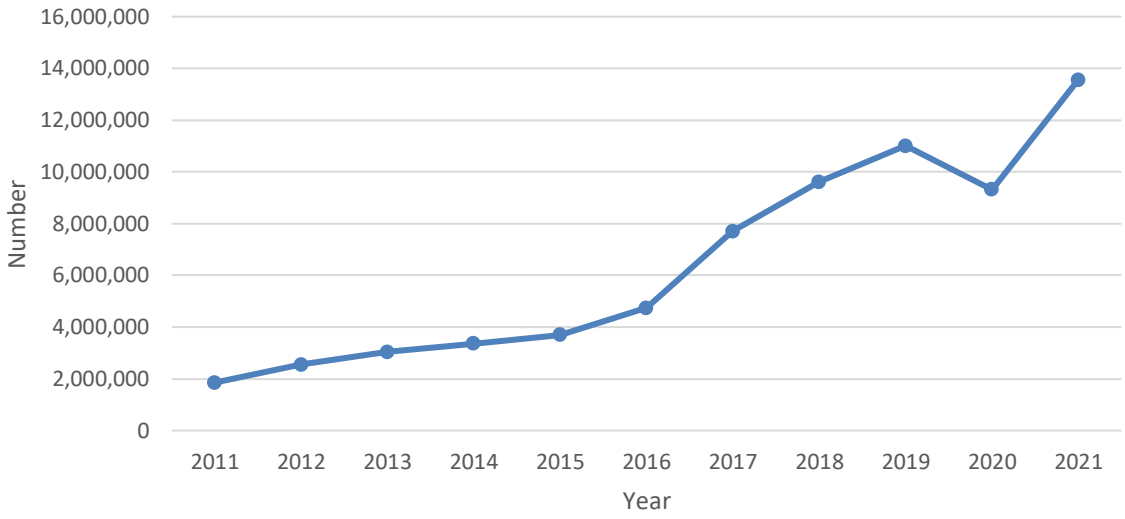
It is now possible to create your own user account (My Profile/Login), through which users can subscribe to information by email, e.g. weekly traffic forecasts, special warnings for trucks, etc.

In the past 15 years, the Traffic Information Centre:

- sent over 530,000 pieces of information on events occurring on the national road network: on average, 35,515 a year, 2959 a month and 98 a day,
- received over 1,000,000 calls in the last eight years alone, while the website was visited by over 10,000,000 different users in that period.

The growth of traffic and events is reflected in the difference between events in the first year of TIC operations (2006) and those that occurred in 2019. In 2006, the TIC reported about 11,545 events and, in 2019, about 107,346 events. The COVID-19 crisis has caused a decrease in the number of events in 2020 and 2021, but that number increased rapidly in 2021 compared to 2020 and is already nearly at 2019 levels. This means that the need for traffic information is increasing again. Despite the lower number of events, the information channels were used to a greater extent than in 2019. The activities of the Traffic Information Centre and the PR department of DARS are a major factor in the promotion of traffic information.

Figure 49: Active use of traffic information



A demonstration of the active use of traffic information shows the use of several channels through which users access traffic information (Internet, Twitter, Facebook, mobile phone app and calls made to TIC).

Due to the COVID-19 epidemic situation, the active use of traffic information provided by the TIC in 2020 decreased to the level from 2018. Although the decrease was much more pronounced in the traditional media, it managed to increase above the 2019 levels in 2021, a result of the use of new tools, the improvement of existing tools and promotion, among other things.

International traffic management (TMP)

DARS has cooperated with neighbouring countries in international traffic management for several years.

In 2021, motorway operators in Slovenia (DARS MCC) and the neighbouring countries used the TMP system several times to notify each other and coordinate actions. It has proven to be a good tool that improves and speeds up mutual communication. However, advancements in digitalisation dictate the continuous adaptation and upgrading of the system.

This is the first fully digitalised system for international traffic management in Europe. It is a major step forward towards faster and internationally harmonised information provision and traffic management on the main road connections in that part of Europe. Furthermore, it enables a much-improved response to major unforeseen emergencies requiring immediate operative international coordination.

Motorway network traffic management (Slovenian TMP)
In 2021, we successfully completed the national traffic management plans designed to improve actions and traffic redirection operations in the event of motorway closure. They were harmonised with the SIA and the police, and the experience gained in drafting international plans has been a great help in their production. The national plans were tested at the end of 2021 and will serve as a basic guide for road operators in cases where traffic is redirected to a parallel road network due to emergencies.

I.5.4.7 Conformity in relation to the impacts of products/services on safety and health[36]

DARS has placed great emphasis on the preventive identification of potential risks affecting the safety and health of all Company stakeholders for a number of years, which is reflected in the technical measures adopted on the road, in the acquisition of new work equipment and in organisational measures. The basis is the relevant legislation and a risk assessment for the employees' health and safety at work setting out measures and guidelines to prevent the deterioration of health on the part of the relevant stakeholders (employees, outsources, users, etc.). The measures are described in detail within the scope of point I.5.5.5 Occupational health and safety.

In 2021, as well as in the previous three years, no inspection measure was imposed on DARS by the Labour Inspectorate of the Republic of Slovenia.

In terms of the environment and energy, no major deviation from the legal and other requirements was identified. In 2021, 104 inspection procedures were carried out resulting in five environment-related inspection decisions being issued. Data on compliance regarding the environment and energy is detailed in chapter I.4.5.1 Compliance with the regulations, codes and recommendations, which is presented for each area of DARS's operations, including for the environment and energy.

I.5.4.8 Customer privacy

DARS devotes special attention to personal data processing pursuant to the applicable legislation. The data protection officer at the Company has been appointed and we treat the personal data of our employees, business partners and other stakeholders in our business processes with care, and respect their privacy.

We collect, process and store personal data only for specified, clear and legally permissible purposes and to the extent strictly necessary.

The legality of processing and personal data protection is provided by:
- responsible and authorised persons,
- defined method of data processing,
- defined purpose of data processing,
- legal bases for data processing, and
- personal data users.

[36] GRI GS 416-2.

Hardware and software are protected in line with the internal acts and principles for managing access to information solutions.

Different forms of employee training and awareness concerning personal data protection are carried out, since well-informed employees can contribute significantly to the compliance of personal data processing at the Company.

In 2021, the Information Commissioner initiated two proceedings against DARS, one of which was closed by decision and the other is pending.[37]

I.5.5 Sustainable relationships with employees[38]

Engaged and competent employees are one of the three strategic guidelines of DARS deriving from the DARS Strategy for 2021–2025. The key strategic goals within the scope of that strategic guideline are:

- continued enhancement of employee engagement and competence,
- leadership development and
- the provision of occupational safety and the promotion of employees' health.

DARS is well aware that highly motivated, engaged and properly trained employees are the key to success and crucial for achieving and surpassing the set strategic goals. It is employees who create the key added value for our organisation with their knowledge, engagement and commitment, which is why:

- the Company enables employees to strengthen their competencies on an ongoing basis within the scope of in-house and external training, thus promoting their personal development;
- the Company provides for the development of managers and their competencies, encouraging them on their path to leadership;
- we ensure the safety and health of employees;
- employees are given the option to coordinate their family life and job duties more easily within the scope of measures deriving from the full Family-Friendly Company certificate;
- proposals for improvements and sound ideas of employees are considered and awarded;
- recognitions and commendations of employees are awarded for their achievements and efforts at work;
- the Company sees to sound intergenerational cooperation;
- upon difficult life challenges, employees are provided with a high level of social security, solidarity aid and psychosocial support and counselling;
- the Company protects the employees' dignity at work using the relevant internal rules and acts that are implemented consistently, and has zero tolerance towards any form of violation of human rights and dignity.

I.5.5.1 Key data on employees

Key data on employees has been collected on the basis of HR records.[39]

Table 11: Key data on DARS employees for 2020–2021[40]

	2020	2021
Status of employees at DARS[41]		
Number of employees at DARS – incl. replacements	1,269	1,234
Number of employees at DARS – excl. replacements	1,263	1,233

[37] GRI GS 103-1, 103-2, 103-3, 418, 418-1.
[38] GRI GS 103-1, 103-2, 103-3, 202-1.
[39] GRI GS 102-8.
[40] GRI GS 401-1.
[41] GRI GS 401-1.

Demographic data on employees		
Average age of employees	46.4 years	46.9 years
Percentage of women employed	25.5%	25.2%
Number of men employed	946	923
Number of women employed	323	311
Employee educational structure		
Percentage of employees with up to level 4 education	35.5%	35.3%
Percentage of employees with level 5 education	32.2%	31.8%
Percentage of employees with level 6 education	18.7%	18.9%
Percentage of employees with level 7 or higher education	13.6%	14.0%
Social security of DARS employees		
Number of solidarity benefits granted	53	58
Number of employees with disability status	46	48
Number of procedures introduced for disability recognition	19	27
Number registered in voluntary pension insurance	52	23
Sick leave rate	6.56	6.76%
Employee development – education and training		
Scope of education in hours per employee[42]	10	9
Value of education per employee	132	111
Number of participants in education	1,788	1,781

I.5.5.2 DARS is a reputable employer[43]

The Company has been one of the most reputable employers in Slovenia for a number of years according to research conducted by the MojeDelo.com agency. Job seekers and experts see employment at the Company as interesting, providing a well-organised and responsible working environment and a high level of economic and social security.

Staffing at the Company is based on a prudently and carefully prepared systemic procedure to select the best human resources. After an employment relationship has been concluded, the adequacy of the selected candidate is monitored for a trial period, thereby validating the success of the procedure. Career development is provided to employees through:

- performance measurements and additional bonuses;
- horizontal promotions at the workplace;
- internal and external training provided to employees to develop their expertise, skills and competencies with possibilities for career advancement within the organisation;
- the option of co-funding tuition fees for employees who decide to obtain higher education; and
- vertical advancement within the scope of the in-house labour market based on the internal job openings and succession plan.

Most processes at DARS are conducted by Company employees, while investments and the management of the DarsGo system are conducted by contractual partners.[44]

[42] GRI GS 404-1.
[43] GRI GS 103-1, 103-2, 103-3, 401.
[44] GRI GS 102-8.

I.5.5.3 Employees realise the Company mission

Recruitment

In order to achieve the set business objectives for 2021 and uninterrupted operations, the Company recruited new people pursuant to the adopted Operative implementation section of the HR plan for 2021. A total of 41 external and 12 in-house vacancy notices were published in 2021, i.e. a total of 53 vacancies. In 2021, 60 employees left DARS, mostly due to retirement, while 25 persons were recruited.

At the end of 2021, DARS employed 1234 workers, which is thirty-five (35) fewer than the previous year.[45]

Figure 50: Number of employees at DARS from 2015 to 2021

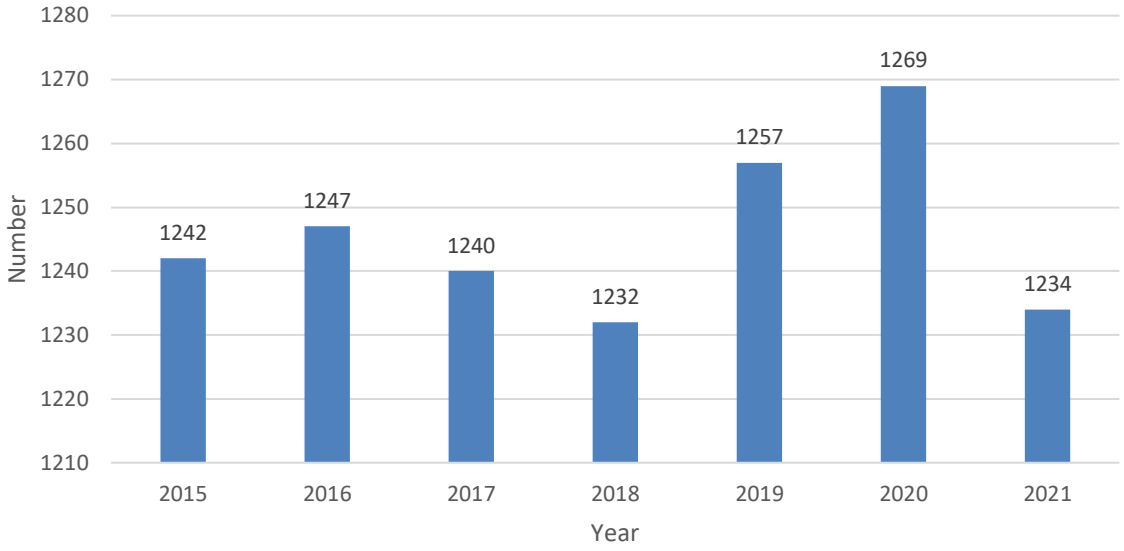
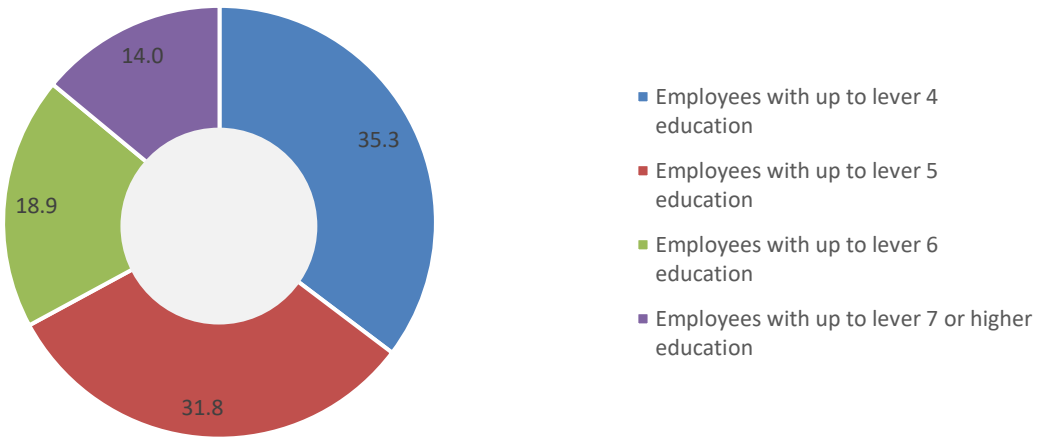


Figure 51: Employees at DARS with respect to education level as at 31 December 2021 (%)[46]



[45] GRI GS 401-1.
[46] GRI GS 405-1.

Table 12: Employees at DARS with respect to the type of employment (part-time, full-time) as at 31 December 2021[47]

Type of employment in respect of working hours	2016		2017		2018		2019		2020		2021	
	number	(%)	number	(%)	number	(%)	number	(%)	number	(%)	number	(%)
Part-time	16	1	15	1	11	0.9	11	0.9	17	1.3	18	1.46
Full-time	1,231	99	1,225	99	1,221	99.1	1,246	99.1	1,252	98.7	1,216	98.54
Total	**1,247**	**100**	**1,240**	**100**	**1,232**	**100**	**1,257**	**100**	**1,269**	**100**	**1,234**	**100**

Table 13: Employees at DARS with respect to the type of employment (temporary, permanent) for 2015–2021 (as at 31 December)[48]

Type of employment	2016		2017		2018		2019		2020		2021	
	number	(%)	number	(%)	number	(%)	number	(%)	number	(%)	number	(%)
Temporary	20	2	34	3	4	0.3	12	0.9	15	1.2	8	0.65
Permanent	1,227	98	1,206	97	1,228	99.7	1,245	99.1	1,254	98.8	1,226	99.35
Total	**1,247**	**100**	**1,240**	**100**	**1,232**	**100**	**1,257**	**100**	**1,269**	**100**	**1,234**	**100**

Under the Collective Agreement, DARS employs 99% of all employees on a permanent basis.[49]

Table 14: DARS employees with respect to the type and form of employment in 2021 by gender[50]

Type of employment	Men	Women	Total
Permanent	917	309	1,226
Temporary	6	2	8
Form of employment in respect of working hours	**Men**	**Women**	**Total**
Full-time	916	300	1,216
Part-time	7	11	18

Table 15: Parental leave and part-time work[51]

	Women	Men	Total
No. of employees on parental leave in 2021	11	1	12
No. of employees who came back from parental leave	5	1	6
No. of employees who came back from parental leave and still worked for the Company after 12 months	5	1	6
The rate of reinstatement and the rate of employee retention after the end of parental leave are at 100%.			
No. of employees working part-time	3	0	3

[47] GRI GS 102-8.
[48] GRI GS 102-8.
[49] GRI GS 102-41.
[50] GRI GS 102-8.
[51] GRI GS 401-3.

Table 16: Fluctuation

	2016	2017	2018	2019	2020	2021
Fluctuation in %	2.35	4.43	7	3	3.25	4.63

The main reasons for the fluctuation in 2021 were retirement and the termination of employment or, rather, the expiry of a fixed-term employment contract. The Company recruited 25 persons, while 60 employees left, mostly aged between 58 and 66.[52]

Table 17: Fluctuation by age, gender and region in 2021

REGION	up to 40 years		41 to 50 years		51 to 60 years		61 and more		TOTAL
	Men	Women	Men	Women	Men	Women	Men	Women	
Osrednjeslovenska	1	4	3	2	3	2	2	3	20
Dolenjska	1	1	0	0	0	1	3	0	6
Gorenjska	0	0	1	0	5	0	2	0	8
Primorsko-notranjska	1	0	1	1	3	0	2	3	11
Štajerska	0	1	2	0	4	0	8	0	15
TOTAL	**3**	**6**	**7**	**3**	**15**	**3**	**17**	**6**	**60**

Table 18: Recruitments by age, gender and region in 2021

REGION	up to 30 years		31 to 40 years		41 to 50 years		51 and more		TOTAL
	Men	Women	Men	Women	Men	Women	Men	Women	
Osrednjeslovenska	1	1	1	2	3	0	1	0	9
Dolenjska	0	0	0	0	0	0	0	0	0
Gorenjska	0	1	0	1	3	1	0	0	6
Primorsko-notranjska	0	0	0	0	2	0	0	0	2
Štajerska	2	0	2	0	4	0	0	0	8
TOTAL	**3**	**2**	**3**	**3**	**12**	**1**	**1**	**0**	**25**

The average total length of service of Company employees in 2021 amounted to 25.1 years, while the length of service of employees at DARS alone amounted to 15.5 years.

[52] GRI GS 401-1.

Figure 52: Employees at DARS with respect to age as at 31 December 2021 (%)[53]

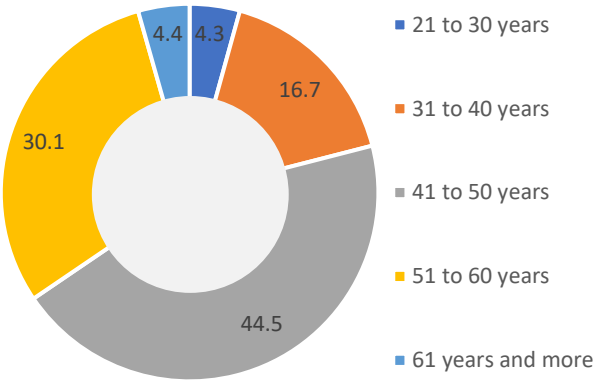


Figure 53: Employees at DARS with respect to gender as at 31 December 2021 (%)[54]

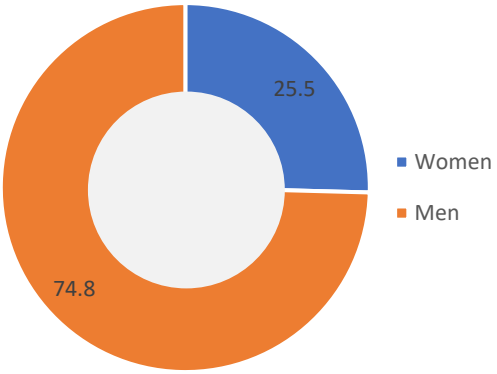
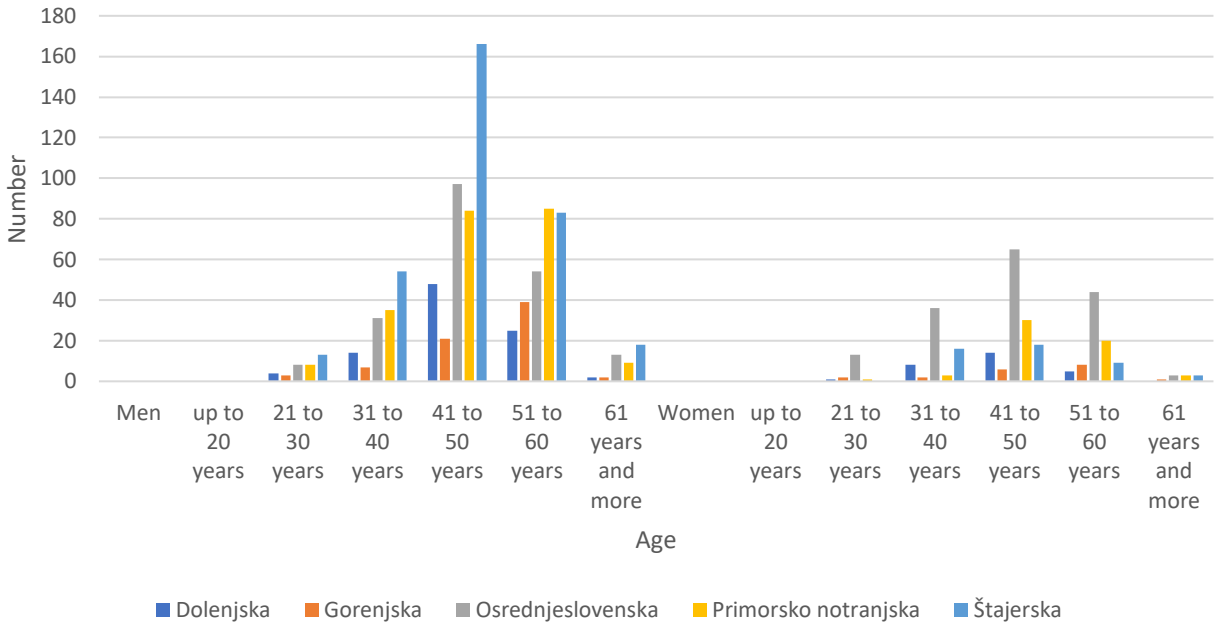
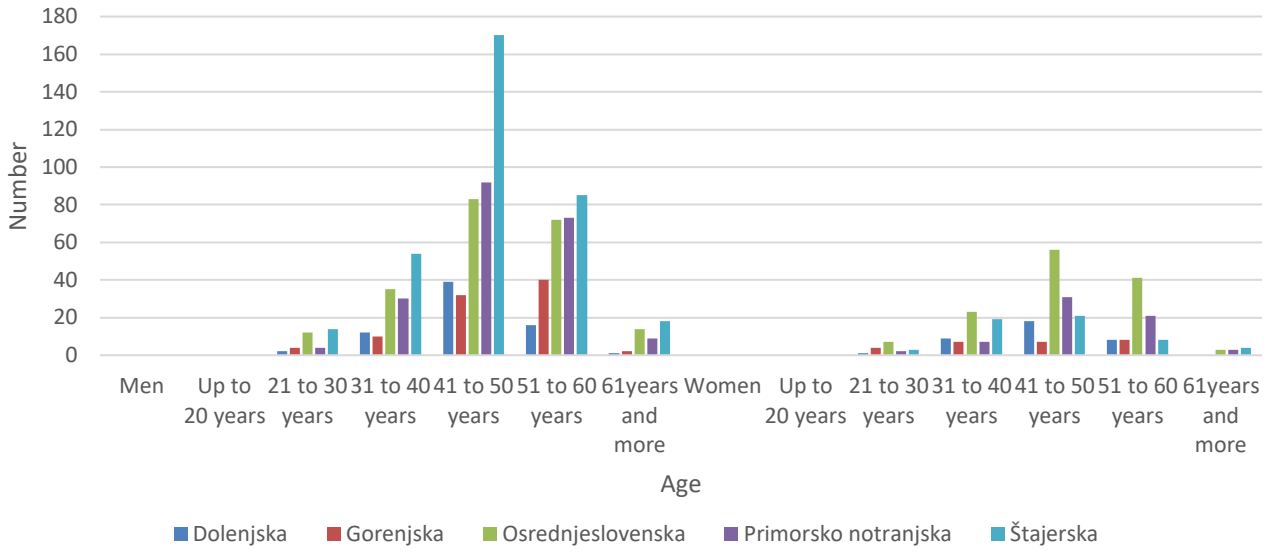


Figure 54: Employees at DARS by gender, age and region of employment as at 31 December 2021[55]



[53] GRI GS 405-1.
[54] GRI GS 405-1.
[55] GRI GS 102-8.

Figure 55: Employees at DARS by gender, age and region of residence as at 31 December 2021[56]



I.5.5.4 Knowledge is the basis of our successful operations[57]

DARS appreciates the knowledge of its associates and manages it in a responsible manner. Skilled and well-qualified employees are the basis for efficient and successful Company operations, which is why DARS strives to ensure the continuous development of knowledge, abilities and skills for its employees through adequate training and education both within and outside the Company. Training is a systematically organised process at the Company that aims to meet the requirements of work processes and employee interests in upgrading their functional skills and expertise, thus achieving personal growth. Training in various forms is organised according to the needs and wishes of associates.

Investing in people because it is a sound investment

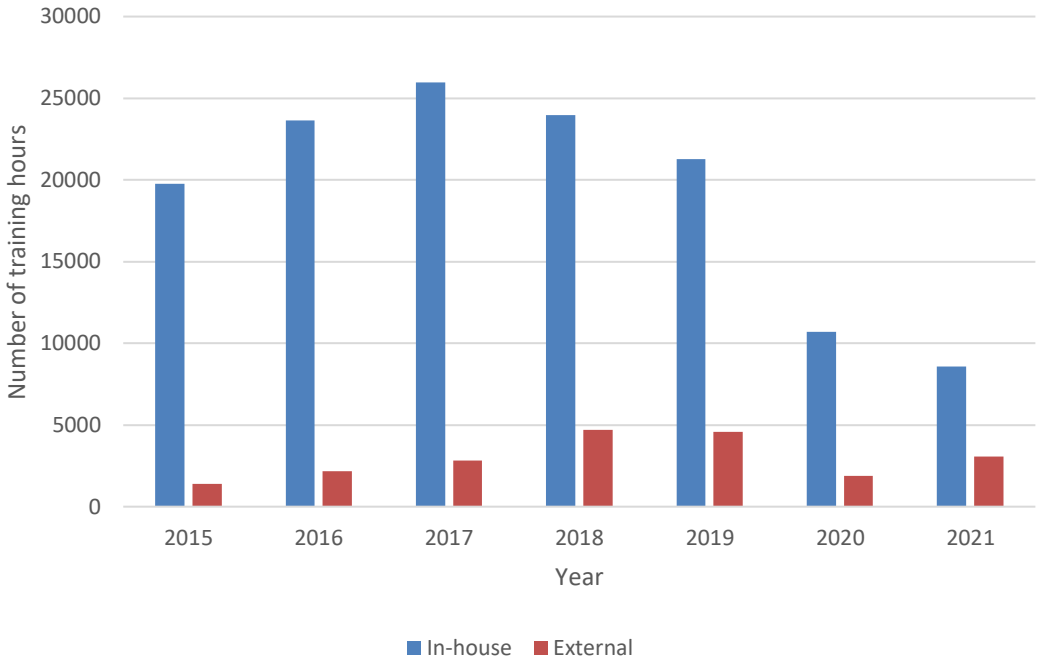
The successful operations of DARS are not taken for granted. Success is brought about by people who know how to and are willing to achieve the set goals, people who care about the quality of the work performed and the satisfaction of users. Such people evolve within the organisation and develop, grow and become a part of the organisation through challenges. This is why investments in employee knowledge and their personal and professional development are investments that allow the Company to develop successfully and realise its strategic goals.

The COVID-19 epidemic was also a dominant factor in 2021 and, like many other areas, affected the field of education. Because we realise the importance of business digitalisation and thanks to our intensive efforts in previous years in developing appropriate business processes and increasing the computer literacy of all employees, most of the education and training sessions could be conducted in digital and electronic form through various educational portals and platforms. We took a step forward in 2021 in this regard and began establishing our own e-portal that will cater to our employees' needs for education and training. With the goal of giving employees the necessary and desired additional knowledge and skills to make them more successful and independent in their use of digital technology, we began measuring their digital competencies and, based on that, provided systematic and targeted training in computer knowledge that was tailored to the employees.

Of course, the measures aimed at curbing the spread of the coronavirus impacted the scope of the education sessions, because not every topic can be discussed in digital or electronic form. In light of the above, the Company managed to realise a total of 11,650 training hours in 2021, which were attended by 1781 employees. On average, every employee took part in nine training hours. In-house training represented the greatest share with 74%, and the remaining 26% was external training. Employees passed various training sessions ranging from the correct use of grammar in business and project management to manager training.

[56] GRI GS 102-8.
[57] GRI GS 103-1, 103-2, 103-3, 404, 404-1.

Figure 56: Number of training hours at DARS in the 2015–2021 period



By organising in-house training courses, we want to give as many employees as possible the opportunity to participate in training and thus gain knowledge for both professional and personal development. To our experts and employees who need to keep up with developments in the profession and regulatory and technological changes for their work, we provide opportunities to acquire highly technical and specialist skills outside our Company and abroad. Unfortunately, the possibility of employees attending training in 2021 was still significantly impacted by the COVID-19 epidemic.

Table 19: Number of participants in education and training at DARS in the 2015–2021 period

No. of participants/year	2015	2016	2017	2018	2019	2020	2021	2021/2020 index
In-house education and training	1,727	2,110	2,143	2,244	3,275	1,594	1,535	96
External education	119	165	210	306	379	194	246	127

Table 20: Number of training hours at DARS in 2021 by gender[58]

	Number of employees	Total No. of training hours	No. of training hours per employee
Men	923	8,736	9.46
Women	311	2,914	9.37

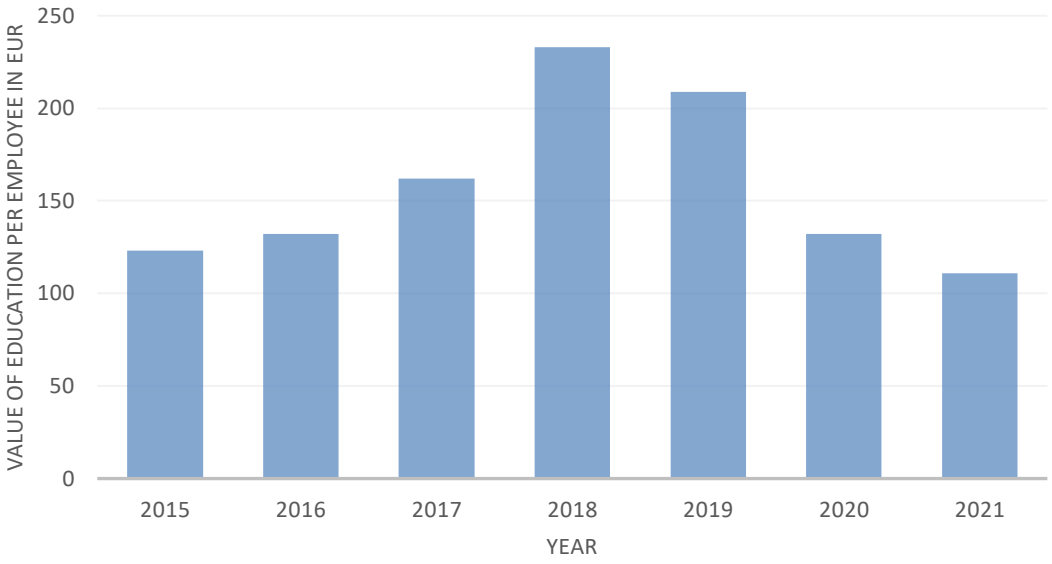
[58] GRI GS 404-1.

Table 21: Number of training hours at DARS in 2021 by employee category[59]

Employee category	Number of employees	Total No. of training hours	No. of training hours per employee
Operative workplaces	975	5,942	6.09
Overhead expert workplaces	259	5,708	22.04

In 2021, the value of the external training per employee amounted to EUR 37, while the value of in-house training per employee amounted to EUR 45.

Figure 57: Value of education and training per employee at DARS in the 2015–2021 period[60]



Promoting education

Education spreads knowledge and provides new opportunities for personal and professional development, which is why associates who want to improve their level of education and enrol in work-study programmes are supported by co-financing their tuition fees and granting them paid leave of absence for their study commitments. In 2021, the Company co-financed tuition fees for 11 employees and granted paid educational leave of absence for study obligations.

Helping with the first steps on the job

We are aware that first impressions and work experiences are vital for employee engagement, focus on development and the constructive cooperation of young people in the work process that they enter after graduating. This is why DARS strives to help secondary school and university students obtain practical experience, providing them with a realistic and professional insight into the field they are educated in. In 2021, 11 secondary school and university students were accepted for internship in cooperation with educational institutions.

No. of participants/year	2015	2016	2017	2018	2019	2020	2021	2021/2020 index
Internship	17	13	13	25	12	11	11	100

[59] GRI GS 404-1.
[60] GRI GS 404-1.

Knowledge has true value when it is shared with others

In addition to educating and training Company employees, some attention was also placed on the users of Company services, i.e. on strengthening their driving skills and on concern for traffic safety. As such, a total of eight safe driving training courses were organised at MMC Postojna for external participants riding motorcycles in cooperation with the Police and Traffic Safety Agency, which were attended by 160 motorcycle riders.

HR development

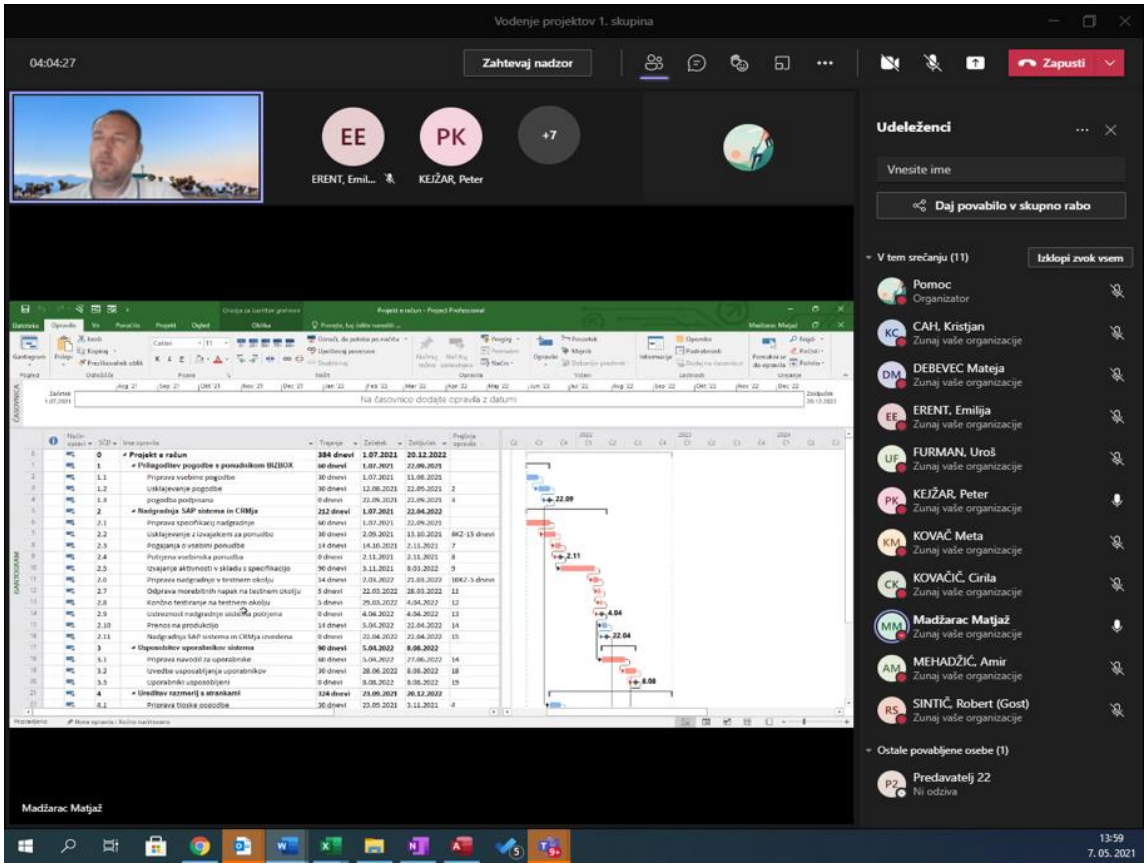
Development activities in 2021 were focused on the development of the employees' digital competencies, which proved to be vital for the efficient performance of work in a modern and current business environment. In order to identify any gaps in computer and digital tool use, we measured the digital competencies of the employees who mainly use computers in their work. A targeted employee training programme was prepared on the basis of the results obtained.

DARS has identified the employees in key positions who have extensive know-how and well-developed skills and abilities for the efficient performance of complex tasks. Their systematic professional and personal development is important for the quality of our services, which is why annual development interviews were held with them in 2021 and the groundwork was laid for the development of their potential and ambitions. As the cornerstone of successful employee management and development, the annual development interviews were also conducted with other employees in 2021, as far as the epidemiological circumstances of COVID-19 allowed.

In 2021, DARS again actively participated in the European partner project of the **KoC LOGINS** competence logistics centre, which it joined in 2019 and within the scope of which it obtained EUR 40,000 from the European Social Fund for employee training that can be drawn by 2022. By participating in the competence centre, employees are given more opportunities to attend training for quality work and personal development.

In 2021, the focus was more on strengthening project management knowledge and skills, but in the pursuit of increasing road safety, we also provided our employees with safe driving training, as we do every year, especially for new employees and those with a lot of business travel, considering that our employees are ambassadors for road safety.

Figure 58: Employee training in project management



DARS managers – generators of employee engagement

Managers at DARS have a major impact on employee engagement and motivation in addition to important organisational and professional tasks in their field of work. Monitoring and evaluating employee performance is one of the crucial tasks of managers, which has a key impact on employee motivation and engagement, which is why we have given this topic more attention in 2021. In order to evaluate employee performance as objectively as possible, training was provided on evaluation methods and how to deal constructively with any complaints or disagreements with the evaluation by employees. To keep managers updated and to support them professionally, they also received the VODJA DARS (DARS MANAGER) bulletin.

Awarding achievements and the engagement of Company employees

Efforts are made to notice the engagement, work achievements and successes of employees, and to recognise and reward them every year. In 2021, 93 employees received jubilee awards for 20, 30 or 40 years of service at DARS, 16 employees received recognitions for exceptional work achievements and hard work, while three employees received the golden award for lifetime achievements. Three innovators also received awards, one of whom was named Innovator of the Year.

Respecting the family life of employees

The Company has been the holder of the full Family-Friendly Certificate for a number of years and as such offers employees various measures to better coordinate their work and family life. They greatly appreciate the possibility of having flexible arrival and departure times from work with fixed central working hours, which enables those that have children to carry out their family and job duties more easily. Employees in distress can use anonymous and free-of-charge psychological support and counselling to overcome the trials of life more easily. Employees' children always receive gifts upon birth and during the Christmas and New Year's holidays.

POLNI CERTIFIKAT
Družini prijazno podjetje

The social security of employees is imperative

In accordance with the applicable labour legislation, the Collective Agreement and other adopted internal acts of the employer, DARS continued in 2021 to implement the established good practices that contribute considerably to improving the social security of employees and the status of future retired persons. The social security of employees is the foundation upon which employee trust, loyalty and professional development can be built.

The option of inclusion in collective supplementary pension insurance, which is provided for all employees, is an important and long-term aspect in the provision of social security to employees.

In 2021, we continued to exercise professional and responsible care to ensure that all the measures taken in respect of employees involved in disability procedures, changed work capacity procedures, retirement procedures and support for those employees who were in a difficult life situation and needed solidarity aid were handled accurately and fully. There were 27 disability procedures pending in 2021, whereby six employees were granted a disability status anew. We also actively monitor the health of our employees, recognising that a deterioration in their health has a major impact on the organisation of work and the work process. In 2021, justified absence from work amounted to 6.76% with respect to regular work, up 2.95% compared to the previous year.

27 employees retired, while 32 employees continue to work after reaching the pensionable age for the statutory retirement pension. The Company also signed 14 contracts with its retired employees for their part-time or occasional work.

I.5.5.5 Occupational health and safety[61]

Occupational health and safety system (GRI 403-1)[62]

As a company employing over 1250 people, DARS provides a wide range of work in construction, tolling, and the operation and maintenance of motorways and expressways across the country. A diversified organisational structure, diverse work processes and the geographical distribution of workers also call for appropriate expert support for the provision of occupational health and safety and fire safety to employees. Therefore, the Company has established the Occupational Health and Safety service with four expert associates who meet the relevant requirements.

Occupational safety has also been included in the 2021–2025 Strategy. One major operative strategic goal is to reduce the number of persons injured at work by 10% by 2025 with respect to the baseline year, and the same goes for reducing sick leave. A considerable amount of funds have been invested in the purchase of new safer work equipment and the creation of a working environment that provides the maximum level of safety and health at work to employees. The occupational health and safety system includes employees with their representatives in the Workers' Council.

Hazard identification, risk assessment, and incident investigation (GRI 403-2)[63]

Identifying and assessing new risks for occupational health and safety is a day-to-day process at the Company. Employees are encouraged to report to their superiors and directly to Occupational Health and Safety about deficiencies, dangerous phenomena and incidents without reservations. The information received is analysed by the Service and new measures are proposed.

In 2021, we adopted an amendment to the risk assessment based on the coronavirus pandemic and Occupational Health and Safety focused on preventing the spread of infections among employees.

The Service:

- monitored the current situation in the world and in Slovenia and reported on it at regular weekly meetings of the working group for preventing the spread of COVID-19 infections;
- monitored NIJZ recommendations and regulatory changes and kept managers informed;
- prepared 19 notices for employees;
- provided round-the-clock (24 hours a day, 365 days a year) advice to managers on what measures to take when employees were suspected of being infected;
- coordinated weekly with managers and occupational health services for more than six months regarding employee quarantines (27 applications for quarantine for a total of 151 employees), and during the second half of the year (without coordination with occupational health services) arranged quarantines for another 100 or so employees who had been in high-risk contact with an infected employee;
- made daily reports to the Management Board and to members of the working group for preventing the spread of infections about employees absent due to infection and quarantine;
- in the first half of the year, before meetings and when the number of infected people increased, rapid antigen testing was carried out by two final-year students from the College of Nursing and the Faculty of Medicine;
- organised vaccination of employees against the coronavirus in nine health centres across Slovenia in the spring months. We encouraged employees to get vaccinated and by the end of the year, we had reached 72% vaccination coverage of all employees;
- provided the necessary personal protective equipment, disinfectants, rapid antigen tests for testing by medical staff and self-testing kits.

Occupational health services (GRI GS 403-3)[64]

DARS has organisational units at locations on the motorways throughout Slovenia. As such, we have five contracts for occupational health services with health facilities near our units. Contract custodians in Occupational Health and Safety ensure that employees are referred for preliminary and periodic check-ups in a timely manner, and that their managers

[61] GRI GS 103-1, 103-2, 103-3, 403-1, 403-2, 403-3.
[62] GRI GS 403-1.
[63] GRI GS 403-2.
[64] GRI GS 403-3.

are informed if there are any health limitations. In 2021, the epidemic disrupted the implementation of the check-ups and there were minor delays, which we expect to resolve before the summer.

Worker participation in decision-making on issues relating to occupational health and safety (GRI 403-4)[65]

Employees are involved in issues concerning their safety at work through the Workers' Council, which has set up a special occupational health and safety committee. Employees' initiatives are discussed at committee meetings with representatives of Occupational Health and Safety and included in further consultation procedures (meetings between the Workers' Council and the Management Board).

Worker training on occupational health and safety (GRI 403-5)[66]

The variety of work procedures and equipment also calls for a great deal of time to train workers for safe work. We train workers when they join the Company. In 2021, despite the difficult situation related to the risk of spreading infections, we were also able to carry out periodic training for maintenance workers. 554 workers attended full-day workshops with presentations related to their area of work. The training sessions were carried out in large rooms (garages) when there were fewer infections (May, June, September, October), taking into account preventive measures (wearing masks, ventilation, safety distance).

Promotion of worker health (GRI 403-6)[67]

DARS has adopted a five-year plan for health promotion until 2023. Concern for the preservation of employees' health is imperative to the Company, since most workplaces at the Company are assessed as high-risk jobs and call for compliance with stringent health requirements. The key purpose of promoting health is to preserve and strengthen the physical and mental health of employees.

Aware that employees' health is one of the key bases for creative work and Company performance, health promotion activities have been carried out for a number of years, whereby the Company has also received national and European recognitions for best practice in health promotion. The basis for the implementation of target activities is an analysis of employees' health based on the data received from occupational health service providers and data on sick leave received from the National Institute of Public Health.

In 2021, activities were mainly focused on raising awareness about urgent care and the implementation of actions to prevent coronavirus infections, managing stress and mental distress, and preserving physical fitness due to the COVID-19 epidemic. To provide a range of recreational activities to employees, the Company decided to establish the DARS Sports Club. Employees can also be covered by collective accident insurance.

Activities to ensure worker safety due to external impacts (GRI 403-7)[68]

Maintenance crews and toll inspectors perform work on the road alongside running traffic. Their safety is endangered by drivers speeding and not observing the traffic signs posted. Accidents occur involving collisions with traffic signs and Company employees. The Company therefore dedicates a great deal of attention and funds to the enhanced provision of information to users regarding road works (traffic information in the media, the Kažipot application, notices on gantries and other traffic signs) and the enhanced protection of employees with traffic closure signs that include crash cushions. Despite this, there were 21 crashes into road work sites in 2021, resulting in two on-call maintenance technicians being injured. We estimate that this high number of collisions may also be due to a failure to respect the minimum safety distance between goods vehicles (travelling in convoys). We expect that with a greater presence of the motorway police, the number of infringements of the rules and dangerous incidents on the road will decrease in the future.

Work-related injuries (GRI 403-9)[69, 70]

In 2021, 31 workers were injured at work. As usual, the majority of the injured were maintenance crew members (28), including two toll inspectors (sprained ankle when leaving the car and a fall while walking in a rest area) and one Toll

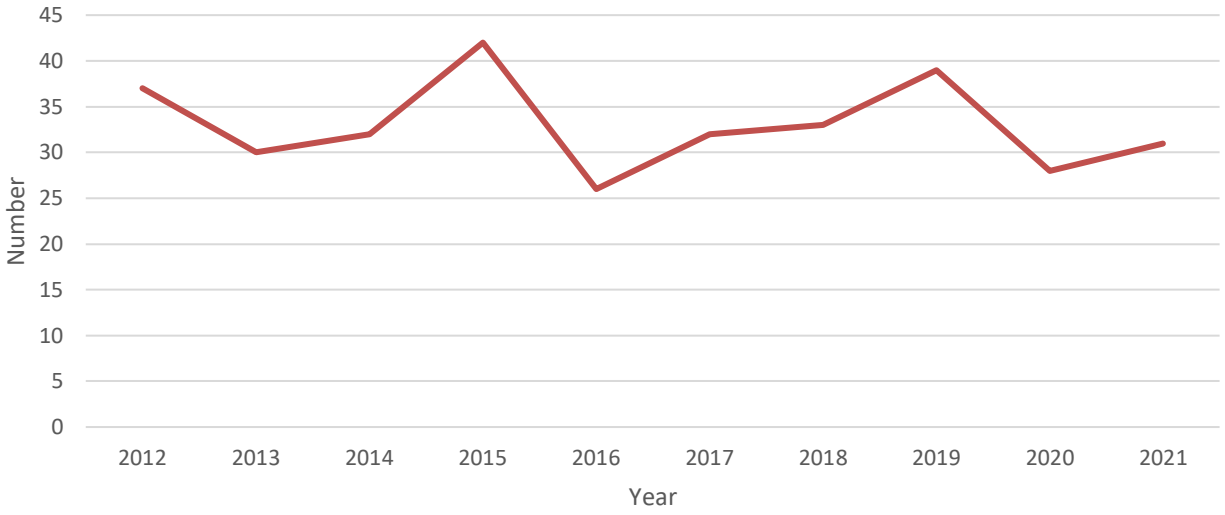
[65] GRI GS 403-4.
[66] GRI GS 403-5.
[67] GRI GS 403-6.
[68] GRI GS 403-7.
[69] GRI GS 403-9.
[70] GRI GS 403-2.

User Centre employee (a fall on an icy surface). The injuries did not result in workers' disability, while two workers took prolonged sick leave (over 30 days). In three cases, there were light bodily injuries and employees needed no sick leave.

The 368 working days lost due to injuries in 2021 are the fewest in the last 11 years. The sick leave due to work-related injuries was also among the lowest (9,413 hours, taking into account the treatment of three workers who had been injured in previous years).

In 2021, the most common injuries resulting in sick leave included being struck by an object or being crushed against an object (9) and slips and falls at work and walking on a slope (5). The most common injuries were to the fingers and the foot (six times each), while workers injured their ankle, hand, back, head and eye three times and their knee two times. The most frequent accidents at work occurred in May (5), on Tuesday (8), before lunch – between 8:00 and 10:00. By the end of the year, two workers who were injured in December had not yet completed treatment.

Figure 59: Number of people injured at work



Accidents involving injuries suffered by maintenance crews
In 2021, the most common accidents involving maintenance crews were injuries to the fingers and to the foot (six times each).

Figure 60: Number of injuries per body part

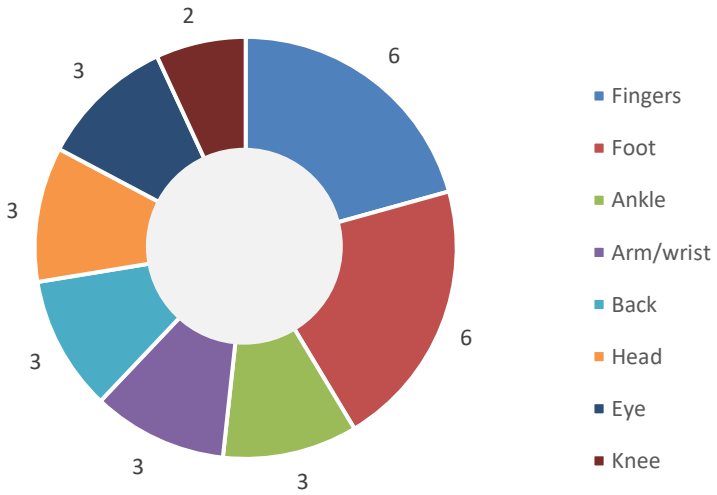
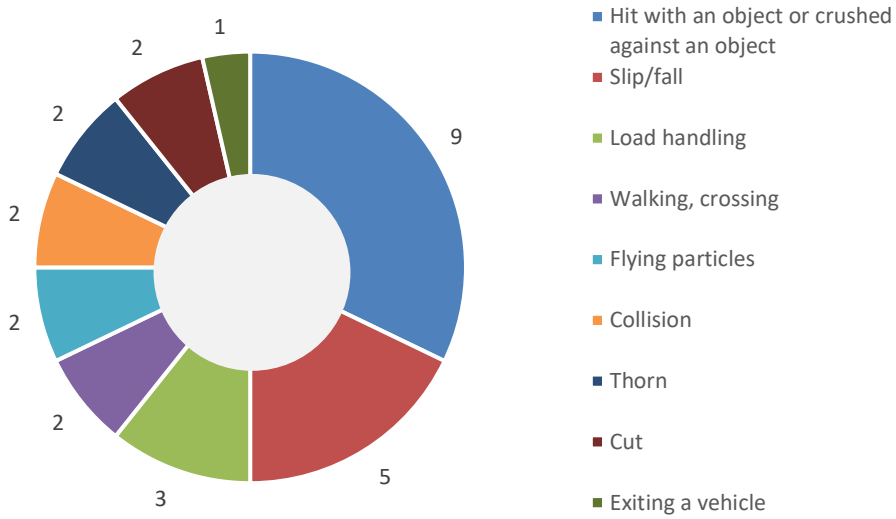


Figure 61: Circumstances and number of accidents resulting in injuries



In 2021, the most common injuries resulting in prolonged sick leave included being struck by an object or being crushed against an object (9) and slips and falls when walking on a slope (5).

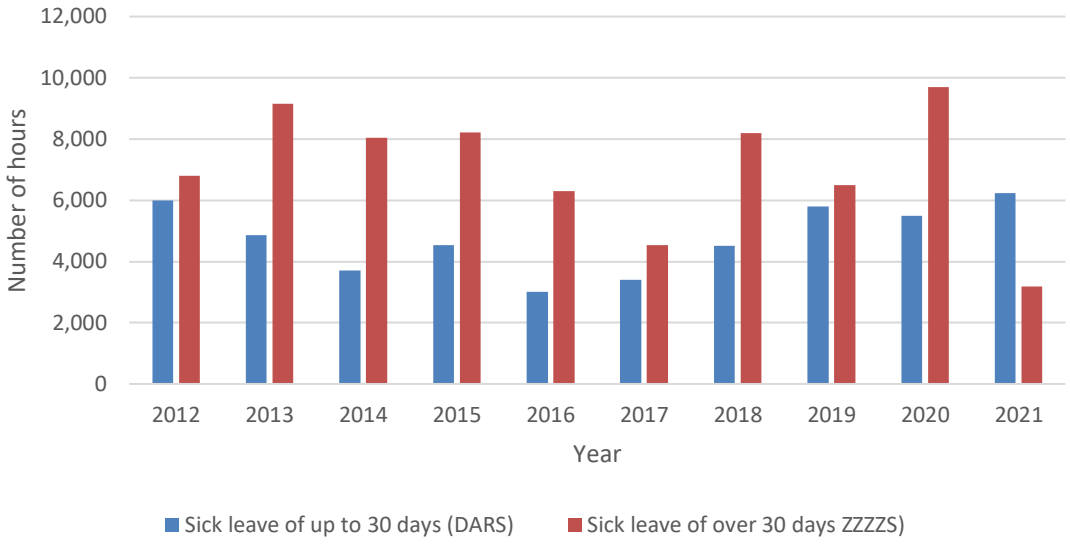
Injuries caused by being struck by an object or being crushed against an object occur when replacing damaged safety barriers and traffic signs. Slips and falls on a slope are mainly caused by the surface being steep, wet, icy or slippery due to high grass. The most frequent cause of other accidents involved quick movements and lack of attention on the part of employees.

Table 22: Occupational safety indicators in 2021

Occupational safety indicators for persons involved/year	Number
Average No. of all employees	1,251
No. of hours worked	2,635,648
Number of injured employees	31
Accidents resulting in a fatality	0
of which seriously injured (disabled)	0
Employees on sick leave for more than 30 days	2
Frequency index = No. of all employees injured x 100/No. of employees	2.48
Disability index Average No. of days lost per employee	0.29
Severity Average duration of absence	11.9
Level of work-related injuries (No. of injured employees/ No. of hours worked) x 200,000 hours	2.35

In 2021, sick leave due to work-related injuries was among the lowest in the last 11 years. However, there was a high amount of sick leave due to COVID-19 infections.

Figure 62: Sick leave in hours as a result of work-related accidents



Work-related ill health (GRI GS 403-10)[71]

The Company has recorded no case of work-related ill health. However, it has been found that more and more workers have health restrictions for work. Doctors have also highlighted the issue of musculoskeletal and connective tissue diseases. It has been estimated that such disorders result mainly from the ageing of the Company manpower (degenerative changes). Without doubt, they are also affected by work in unfavourable weather conditions (in wind, rain and snow), which cannot be avoided in road maintenance. Last year, there was also a lot of sick leave due to coronavirus infections among workers. In 2021, 273 workers became ill with COVID-19. Thanks to the implementation of preventive measures and timely action (quarantines), transmission of the virus between colleagues occurred in only a few cases.

I.5.5.6 Organisational climate and employee satisfaction and engagement

Organisational climate and employee satisfaction and engagement

The organisational climate emanates commitment to quality

DARS measures the organisational climate and employee satisfaction every year. We believe that employees can only optimally develop their potentials and motivation in an organisation in which they feel good. This is why continuous efforts are being made – while the results guide us in such efforts – to preserve those organisational advantages that promote creativity, a sense of belonging and motivation in employees, and to improve areas where there are opportunities for development in the working environment.

The survey results for 2021 indicate that the organisational climate and employee satisfaction are stable compared to the previous year. Both indicators are ranked higher than the Slovenian average. Employees respect good and quality work, innovation and initiative, and show motivation and engagement. As in previous years, opportunities for development still remain in the reward scheme, career development and internal communications.

Employee engagement – organisational performance

Employee engagement, which is measured every year using the Gallup methodology, shows the creative potential of Company employees. Concern for the creative and work potential of Company employees has been an ongoing and important organisational task that has shown positive effects on employee engagement in recent years. In 2021, the level of engagement increased compared to previous years and is also higher than the Slovenian average, which we are

[71] GRI GS 403-10.

especially proud of. This obliges us to deep respect and responsibility for engaged employees and to building new opportunities for their career and personal development.

Elderly employees constitute a treasure box of know-how at DARS

Aware that demographic and other changes to the labour market need to be taken seriously, the Company actively participated in the project of providing comprehensive support to companies for the active ageing of the labour force – ASI project – in 2018, where it was recognised as a best practice example. We sincerely value and respect the knowledge and work of our seniors, which is why we allow our employees to continue to participate in our business after they retire. In 2021, 14 of the Company's retired employees continued working with us under a contract on part-time employment and occasional work.

Offering employees additional benefits and solidarity aid[72]

- DARS pays in additional funds for supplementary pension insurance for all employees, i.e. EUR 39.63 per employee and further contributes 25% to the employee's own contribution.
- Employees have accident insurance under favourable terms.
- DARS helped 58 employees in distress by providing them with financial solidarity aid in 2021.
- There were 144 employees who received jubilee benefits in 2021.

As in the previous year, work in 2021 was also marked by the COVID-19 epidemic and the associated measures to prevent the transmission of infections, which called for adjustments in how we do things with the aim of ensuring uninterrupted Company operations and the safe performance of work for employees with no risk of infection. In this regard, we allowed employees to work from home wherever possible considering the nature of their work, employees who did not have childcare in kindergartens or schools due to the epidemic could use the "force majeure" instrument, and we also offered the possibility of furlough.

Home working as a new form of cooperation with employees

Working from home turned into a highly efficient form of work during the COVID-19 epidemic. In concern for the well-being of our home-working employees, an in-house survey was conducted in 2020 among employees regarding their perception of home working, the obstacles they face, their commitment and the way they see the option of home working during future emergency conditions. The results of the survey showed that employees were very satisfied with the IT support and means for home working that they received from the employer, so that they could do their job with due quality and better coordinate family and job duties, and that they appreciated the time saved that they had previously spent on commuting. These results have been the motivation and basis for us to develop internal policies that allow employees to work from home even in normal times. In 2021, more than 400 employees signed new employment contracts that allow them to work from home according to the hybrid model even in normal working conditions.

Exemplary cooperation with social partners

Within the scope of the Company, there are two representative trade unions and the Workers' Council with which a special participation agreement or, rather, an agreement on employee participation in management has been made. The Company holds joint consultations with the Workers' Council about all foreseen status or organisational changes at least 15 days before a decision is adopted, and sends every document encroaching upon employee rights and obligations to the trade unions and the Workers' Council for an opinion. In this way, DARS has cooperated successfully with employees through social partners for a number of years.

Responsible concern for employees' health

Concern for employees' health is based on long-lasting efforts and activities to promote health at work. The Company has received national recognition for a good practice example from the Ministry of Labour, Family and Social Affairs, and from the European Network for Workplace Health Promotion (ENWHP). Considerable emphasis is placed on employee recreation, which is organised throughout Slovenia.

[72] GRI GS 201-3.

DARS uses a responsible approach to resolving any case of disability or changed ability to work due to health impairment. Special efforts are made to find an adequate solution on a case-by-case basis. The Company employs 48 disabled persons who can do work in work processes in line with their remaining ability to work.

Promoting innovations and improvements

We continuously promote new innovative and modern approaches while developing new and improving the existing services of the Company, including with a view to increasing energy efficiency. A creative and innovative mindset is our guide because we know that this is the only way to develop innovative services with high added value for the organisation, employees, users and the owner.

Employees at all levels of the organisation are committed to putting forth initiatives, improvements and innovations that increase the efficiency of business processes and the consumption of natural assets, preserve biodiversity and introduce new technologies.

Respecting human rights and dignity[73]

DARS has zero-tolerance for any form of human rights violation. Compliance with the human rights regulations and best practices is the fundamental Company motto when dealing with employees and it is guided by an awareness that the working environment must be safe so that employees can fully utilise their potentials and talents, thereby contributing to excellent business performance.

Human rights are consistently observed by taking into account the applicable legislation (Constitution of the Republic of Slovenia, ILO Conventions, Protection Against Discrimination Act, Employment Relationships Act), the DARS Code of Conduct and the internal Company acts dealing primarily with discrimination in the workplace, workplace harassment and fundamental economic and social human rights. The Company is always promoting new innovative and modern approaches to increase respectful conduct and communication in the workplace and in relation to business partners with a view to fostering an awareness and culture that contributes to bringing out the best in every employee. In 2021, we received and discussed two reports in which the existence of mobbing was not established.

Ethics and integrity[74]

DARS has effective mechanisms in place to identify irregularities in corporate integrity. To this end, the Company adopted the Rules of procedure for handling alleged irregularities in corporate integrity. The Rules are based on the principles implemented in the DARS Code of Ethics, which commit DARS to the highest standards of fair, lawful, independent and transparent conduct by all employees of DARS and its external associates. The committee in charge of the procedures in this area dealt with one anonymous report in 2021.[75]To familiarise as many employees as possible with the content of these Rules and the DARS Code of Ethics, the documents have been published on the intranet and posted on notice boards in individual organisational units. The contents of the documents were also presented to employees in the Avtoceste in-house newsletter and the Preglednik bulletin.[76]

Diversity and equal opportunities[77]

The Company's Supervisory Board adopted the Diversity Policy of DARS in 2018, which was drawn up on the basis of the Slovenian Corporate Governance Code for Listed Companies and the Corporate Governance Code for State-Owned Enterprises by the Slovenian Sovereign Holding. The Policy sets out the approach to diversity in the managing and supervisory bodies (Supervisory Board committees) of the Company. The Diversity Policy is used to promote diversity in the management and supervision, while setting criteria that enable the Supervisory Board to substantiate its choices. It is necessary to take into account all the relevant aspects of diversity to ensure that the managing and supervisory bodies have the sufficiently diverse opinions, expertise and experience needed for an in-depth understanding of current events and the management of long-term risks and opportunities related to Company operations.

The goal of the Policy is to promote the diversity of members in terms of their knowledge, skills, experience, professional qualification, age, gender, method of work and other aspects used to the benefit of the Company.

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[73] GRI GS 103-1, 103-2, 103-3, 406, 406-1.
[74] GRI GS 102-16, 102-17.
[75] GRI GS 406-1.
[76] GRI GS 205-2.
[77] GRI GS 103-1, 103-2, 103-3, 405, 405-1.

The purpose of the Policy is to increase the efficiency of the managing and supervisory bodies of the Company as a whole, which will affect the development of operations and the business reputation of the Company. The advantage of a diverse composition in the managing and supervisory bodies is one of the essential elements in the preservation of jobs and the competitive edges of the Company. The realisation of the Diversity Policy in the managing and supervisory bodies at the Company is in the focus of the shareholders when appointing the Supervisory Board, the Supervisory Board itself, the Supervisory Board Committee for Remuneration and Management Board Assessments and other Supervisory Board committees, and at the focus of the Workers' Council when appointing the Labour Manager.

The Supervisory Board Committee for Remuneration and the Supervisory Board observe the Policy while appointing members of the Management Board, drawing up proposals for Supervisory Board members for the General Meeting, appointing members of the Supervisory Board committees, jointly specifying the terms for the appointment of the Labour Manager, and self-assessing the work performed by the Supervisory Board, which should also include an assessment of the composition of the Management and Supervisory Boards in terms of ensuring diversity.

The Supervisory Board has several options for procedures to select candidates or recruitment channels enabling the attraction of a wide enough range of candidates, namely direct search, public vacancy notice or a combination of both.

The measurable goals of selected diversity aspects are: compliance with the criteria for members of the managing and supervisory bodies, such as the professional diversity of members, interdisciplinary knowledge, age structure, the continuity of work and gender representation.

The implementation of the Policy is monitored by the Supervisory Board Committee for Remuneration, which reports to the Supervisory Board about this at least once a year. The Supervisory Board reports annually on the implementation of the Policy within the scope of the Corporate Governance Statement, which is a component part of the Company's Annual Report.

Table 23: Structure of the management bodies by gender (as at 31 December 2021)[78]

Body	Men	Women	Total	Men in %
Supervisory Board	8	1	9	89
SB Remuneration Committee	3	0	3	100
SB Audit Committee	3	1	4	75
SB Investment Committee	3	0	3	100
Management Board	4	1	5	80
Division Directors	4	2	6	67
Workers' Council	12	3	15	80
Total	**37**	**8**	**45**	**82**

[78] GRI GS 405-1.

I.5.6 Responsibility to the environment

In light of its mission, the Company has built and operated a motorway network that is closely linked to the natural environment in the stages of siting, operation and the future development of the motorway network. The Company is committed to environmentally friendly actions in all stages of operations and the continuous reduction of adverse environmental impacts.[79]

Figure 63: Responsibility to the environment

I.5.6.1 Systematic environmental and energy management[80]

DARS systematically manages the environment and energy, as confirmed by the acquired international ISO 14001 and ISO 50001 standards.

[79] GRI GS 103-1, 307.
[80] GRI GS 103-2, 103-3, 307.

Achieving environmental compliance [81]

An important part of the systematic management of the environment and energy is the management of all the compliance requirements, meaning that all the environmental and energy aspects are equally included in the compliance provision process.

In terms of the environment and energy, no major deviation from the legal and other requirements was identified. In 2021, 104 inspection procedures were carried out resulting in five environment-related inspection decisions being issued. Data on compliance regarding the environment and energy is detailed in chapter I.4.5.1 Compliance with the regulations, codes and recommendations, which is presented for each area of DARS's operations, including for the environment and energy.

Cooperation with outsourcers and suppliers

Cooperation with outsourcers and suppliers is a component part of the Company management systems and is systematically managed. In respect of the environment and energy, it is vital that cooperation is based on public procurement, which includes the Decree on green public procurement, as set out in detail in chapter I.5.8 Responsibility to suppliers/contractors.

Use of materials[82]

The total volume of materials used for investments is evident in the construction log book for a particular project, which is also the basis for the billing of works. Amounts are shown in line with the inventory of works and in various units of measurement.

DARS, as the motorway and expressway operator, considers information on the length of newly built roads and reconstructed sections in a particular year as important in terms of sustainability.

Table 24: Length of reconstructed carriageways and newly built roads

	2015	2016	2017	2018	2019	2020	2021
Length of reconstructed carriageways of individual sections (km)	44.41	37.06	26.54	50.28	68.1	**52.8**	**71.2**
Length of newly built roads (km)	5.03	0	7.26	5.69	0	**0**	**6.8***

* This includes recategorised sections of managed roads.

In the following Sustainability Reports, DARS will show the amounts of reused or recycled materials resulting from the fulfilment of the requirements set out in the Decree on green public procurement, as described in the chapter Construction waste.

I.5.6.2 The siting of motorways and expressways[83,84]

Spatial planning and siting is a process involving plans for the use of space and the distribution of activities in space. The process considers and harmonises the needs and interests of individual sectors and users of the space, the main goal being harmonised spatial development ensuring the economical, just and sustainable use of space.

National infrastructure, which also includes motorways and expressways, is typically sited by way of national spatial plans (NSP). The national spatial plan, as adopted by the Slovenian Government, includes all planned spatial arrangements, identifies their area, spatial and implementing conditions, permitted deviations and provides the basis for the preparation of building permit designs and the acquisition of the land required for construction. Procedures to prepare NSPs are run and coordinated by the ministry responsible for spatial planning, the initiator for NSP preparation is the ministry responsible for infrastructure, the entity contracting expert bases and the NSP is typically the investor, with the other participants in the procedure being spatial planning authorities, the service responsible for strategic and normal environmental impact assessments, municipalities (local community)[85] and the general public.[86]

[81] GRI GS 103-1, 103-2, 103-3, 307, 307-1.
[82] GRI GS 301-1.
[83] GRI GS 102-11, 102-12.
[84] GRI GS 103-2, 103-3, 304-1, 304, 304-2, 304-3.
[85] GRI GS 103-1, 103-2, 103-3, 413-1.
[86] GRI GS 102-12.

DARS carries out individual tasks related to spatial planning and motorway siting in procedures to prepare the NSP so as to cooperate and provide all documents required for the latter.

The procedure to position a motorway on-site starts with the preparation of an initiative, followed by a decision on national spatial planning. In the continuation of the procedure, a study of variant solutions is performed with a proposal for the most suitable variant that will provide the basis for NSP preparation for the selected variant and the adoption of an NSP decree. All the mentioned key documents are adopted or confirmed by the Government of the Republic of Slovenia.

In 2021, siting activities were carried out for the following important projects (including cooperation with the local community):[87]

- SR Slovenj Gradec–Dravograd,
- SR Otiški vrh–Holmec,
- SR Šentrupert–Velenje with the Podgora–Letuš connecting road,
- MR Ptuj–Markovci,
- Postojna–Jelšane MW,
- Koper–Dragonja EW,
- ecoduct at MW section Unec–Postojna.
- Karavanke platform,
- expansion of the Ljubljana motorway ring and radial motorways.

In line with the spatial planning regulations, it is necessary to perform a strategic environmental impact assessment for works that could have a major impact on the environment, including motorways, during the siting stage, and an environmental impact assessment procedure in subsequent stages of design and building permit acquisition. In such procedures, environmental impacts are identified and assessed, along with the inclusion of requirements to protect the environment, conserve nature, and preserve human health and cultural heritage in the design. In the final stage of the procedure, approval is obtained from the ministry responsible for the environment on the acceptability of the planned works in environmental terms and, in the closing stage of the EIA procedure, which is conducted in subsequent stages of design and building permit acquisition, an environmental permit is obtained.

Environmental protection is a major aspect in the process of variant solution planning, while its environmental acceptability is vital for the assessment of its overall acceptability. Some 10% of the land in Slovenia falls within nature conservation areas and 35.5% falls within Natura 2000. Furthermore, it is necessary to take into account the cultural heritage conservation regimes, water protection areas and prime farming land areas, while including expected climate change, since the designed structures must be climate-resilient. In the process of designing variants and searching for solutions, works in floodplains are particularly demanding to plan.

Inclusion of the public (including the local community) in procedures to prepare national spatial plans[88]

In addition to the environmental protection aspect, it is imperative for the successful siting of roads that the planned spatial arrangement is acceptable to the local environment.

Spatial planning is in the general interest, which is why it primarily follows the public interest and common benefits; however, private interests, which must not override the public interest, are also assessed during planning. Private interest is mostly protected through the cooperation of the public in procedures to prepare spatial plans, cooperation of persons with a legal interest in procedures to issue individual administrative acts (accessory participants in administrative procedures to permit construction or other works under sectoral regulations), and with the option of legal protection against general and individual legal acts. Public interest is protected in the preparation of spatial plans through the cooperation of spatial planning authorities and the evaluation of different variants for a particular spatial arrangement.

The public is included in the spatial planning process pursuant to the applicable regulations, which, inter alia, implement the principles of the Aarhus Convention. The applicable regulations governing spatial planning place great emphasis on the early inclusion of the public. In practice, this means that the public is involved in the procedure to prepare an NSP when all the options are still open and may, therefore, influence the basic considerations regarding the planning of

[87] GRI GS 413-1.
[88] GRI GS 413-1.

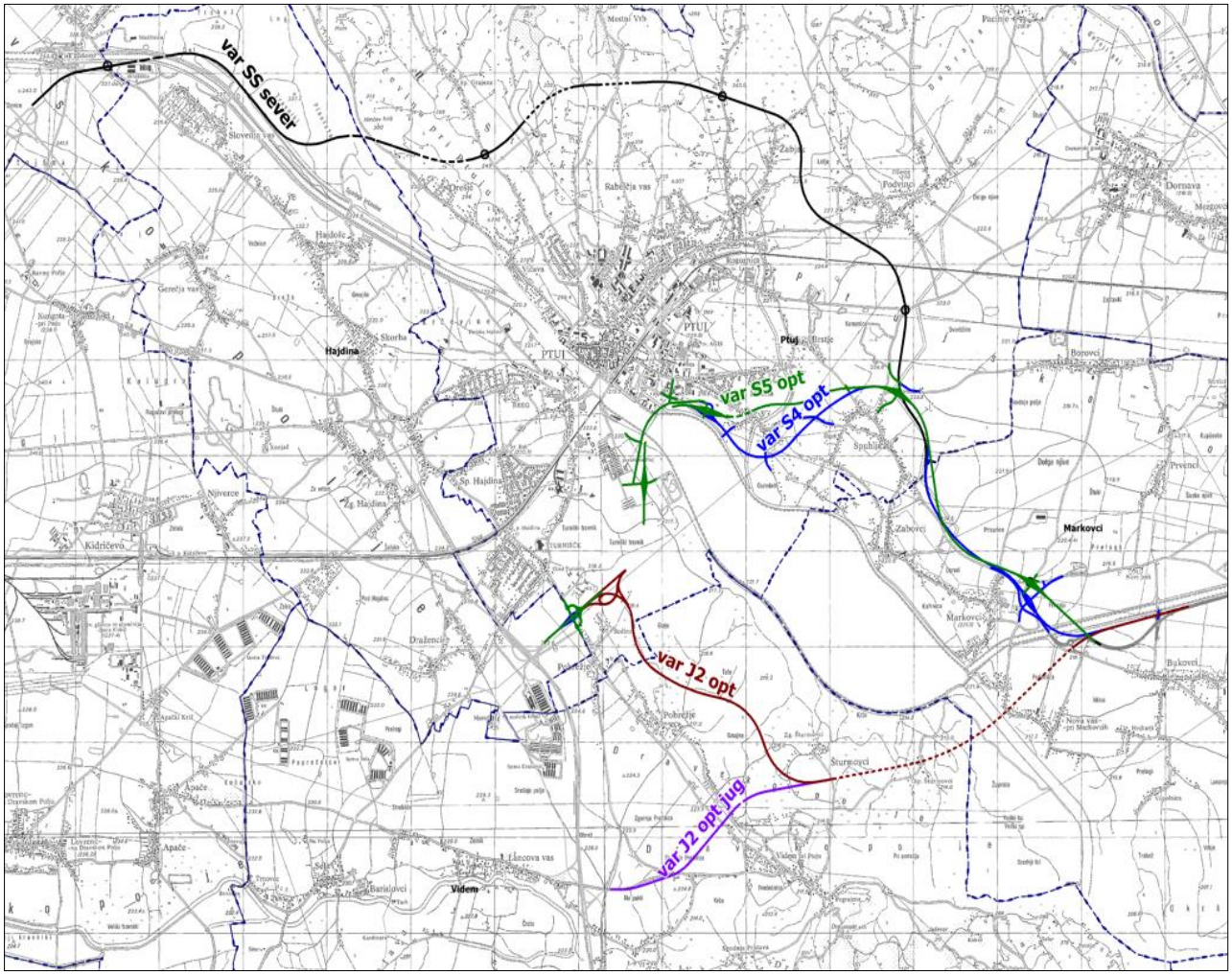
individual spatial arrangements, which is also in line with the principles of the Aarhus Convention foreseeing the following activities:

1. provision of information, access to public information and the publication of documents and acts being prepared with the aim of informing the public about them and allowing people to respond;
2. public participation in decision-making, where the public can be actively involved in the procedure to prepare an act with remarks, which are taken into consideration;
3. public access to justice and the possibility of judicial examination of the decisions adopted by other authorities.

During NSP preparation, the public has the possibility of participating in the following stages:
- publication of an initiative,
- preparation of a variant study if workshops and consultations are organised,
- public unveiling of a variant study,
- publication of an NSP proposal.

All the main stages of the procedure to prepare an NSP are open to the public, meaning that the public is informed about the current texts and graphics of the documents being prepared. The cooperation of the public covers both the publication of materials and the public unveiling of documents, public consultations, collection of proposals and remarks, and the preparation of positions regarding such remarks and proposals. Furthermore, the public may ask for information relating to a particular NSP at any time or obtain it on the website.

Figure 64: Overview drawing of variant solutions to the Ptuj–Markovci main road



The Study of Potential Variant Solutions was produced as part of the preparation of the variant study for the Ptuj–Markovci main road. Among all the assessed variants, only seven are potentially feasible, while materials for the acquisition of supplemented guidelines of spatial developers were produced for the five most feasible variants (pictured above). Most variants were dismissed due to requirements for environmental protection and nature conservation and the associated extensive redressive and/or mitigating measures, while other variants were questionable economically. Some variants are problematic in terms of acceptability in the local environment.

Due to the complexity of the space in which the road is sited or, rather, due to the conflicting positions of local communities and nature conservation restrictions, the NSP preparation procedure has come to a halt. In order to speed it up, a working group was established for this NSP to coordinate solutions in the NSP preparation procedure that includes representatives of the Ministry of Infrastructure, the Ministry of the Environment and Spatial Planning and DARS, representatives of local communities (mayors of the affected municipalities, representatives of the civil society initiative, representatives of the common municipal administration) and representatives of individual spatial planning authorities. As a result of the working group's efforts, a new variant has been developed that is believed to represent a compromise solution.

A decision on the variants to be taken into consideration and evaluated in the variant study/pre-investment study will be adopted by the mentioned working group.

I.5.6.3 Concern for the preservation of biodiversity[89]

A special challenge when siting motorways is to preserve biodiversity, since Slovenia features extremely diverse and relatively well-preserved nature. As such, Slovenia is considered an area with above-average biodiversity and one of the richest natural environments in Europe and the world.

The greatest risk in siting infrastructure as complex as motorways is the risk of a high level of fragmentation of natural habitats. Therefore, the inclusion of principles for the preservation of biodiversity in spatial planning procedures is vital to make the planned works admissible.

The baseline in spatial planning is to avoid areas of high environmental value.

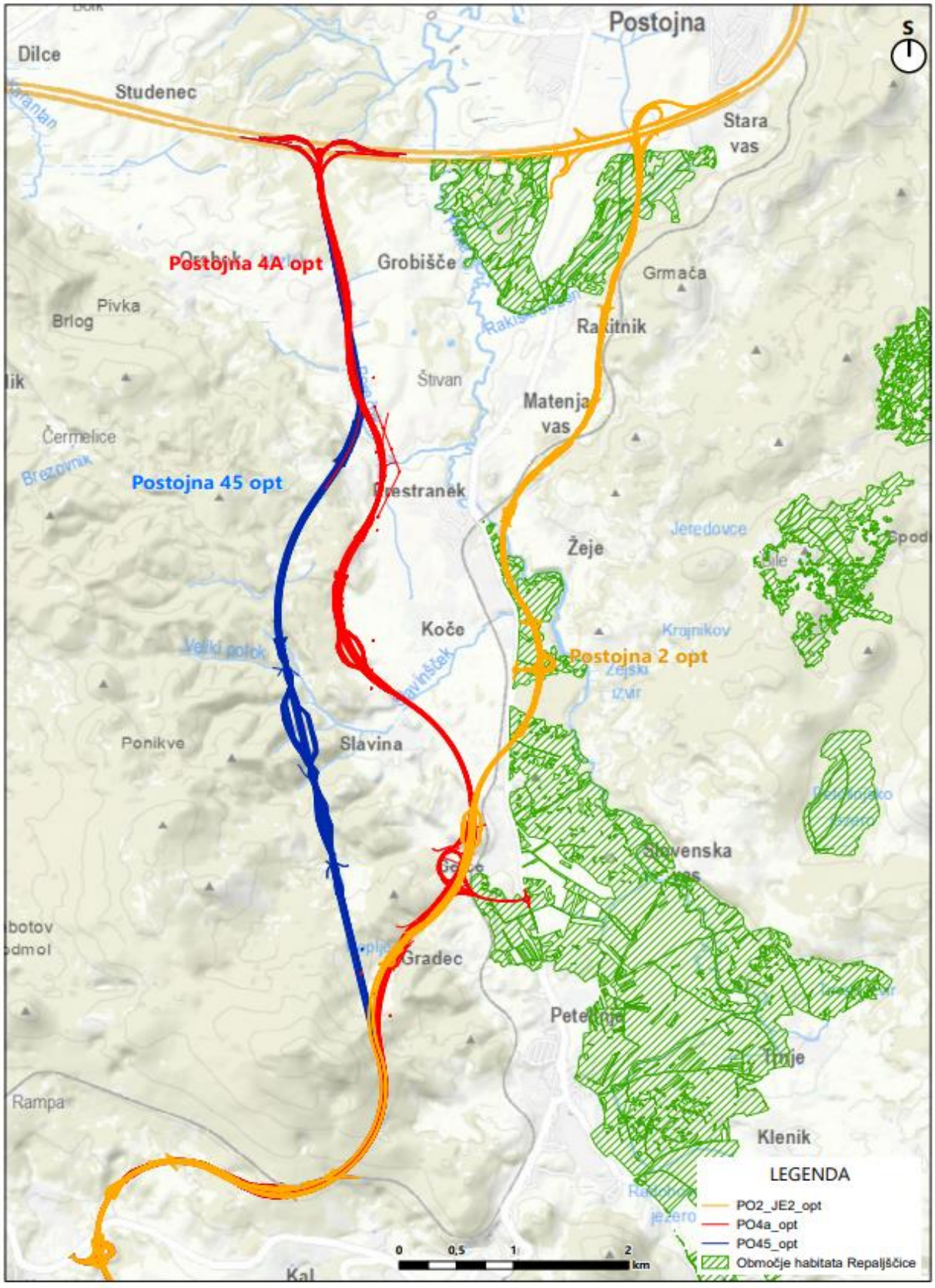
An example of this is the planning of the Postojna–Jelšane motorway variants. As part of the second round of the variant study, intensive coordination with the IRSNC was carried out. This resulted in one of the variants being dropped due to the extensive encroachment on the natural habitat of the whinchat in the Natura 2000 area (pictured below). This means that the subject variant was excluded from consideration in the variant study.

Additionally, as a result of the coordination with the IRSNC, an analysis of the presence of environmental DNA of the olm (*Proteus anguinus*) in the spring of Replje pri Gradcu is under preparation as part of the strategic environmental impact assessment.

When works in areas of high environmental value are unavoidable and the MW or EW alignment encroaches upon important nature conservation areas with various statuses or the NATURA 2000 areas, it is necessary to provide replacement habitats (RH) as a nature conservation measure or to implement other measures to mitigate negative impacts. It is necessary to provide suitable passages or underpasses linking game animals and other wildlife habitats to preserve them. Measures also need to be implemented to reduce the impact to an acceptable level where works are planned to be done in special bird conservation areas, which cover 27% of the Slovenian territory.[90]

[89] GRI GS 103-1, 103-2, 103-3, 304, 304-1, 304-2, 304-3.
[90] GRI GS 102-12.

Figure 65: The routes of the Postojna–Jelšane MW variants (the whinchat habitat areas are shown in green hatching)



An example shown in the figure below is the Pomurje motorway leg, where replacement habitats were provided and which is one of the first cases of such nature conservation measures. The following are the MW/EW sections located in

protected areas or areas of high biodiversity value, the significant impacts of the activities on biodiversity and the habitats that are protected or re-established.

Figure 66: Pomurje motorway leg

Spodnja Senarska–Cogetinci section (section length 9.5 km):[91]

- Verjane (establishment of a replacement biotope for amphibians):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: not provided.
  - Location of the (then existing) habitat that was affected by motorway construction: east of Spodnja Senarska, the motorway crossed a forest fragment. A part of the population was cut off from the spawning ground south of the motorway along Stara Pesnica.
  - Size/surface area of the replacement habitat provided: 500 m^2 (25 m x 20 m).
  - Location of the replacement habitat after execution (land plots and parts of them): c.m. Zgornje Verjane: 442/1, 443/1, 444, 445/1; at km 17+300 north of the motorway (puddle).

- Komarnica (establishment of a replacement biotope for amphibians and the conservation of marsh meadows):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: not provided.
  - Location of the (then existing) habitat that was affected by motorway construction: area of marsh meadows near Komarnica along the Cogetinski potok stream.
  - Size/surface area of the replacement habitat provided: 1942 m2.
  - Location of the replacement habitat after execution (land plots and parts of them): c.m. Cogetinci: 1295, 300/2, 303, 306, 307/1, 307/2, 308/2, 339/2; c.m. Spodnja Senarska: 158/4, 159/1, 159/2, 160/1, 733/2; km 22+550 north of the motorway.

Beltinci–Lendava section (section length 17.4 km):[92]

- Gosposko (establishment of a rough meadow):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: app. 60 ha.
  - Location of the (then existing) habitat that was affected by motorway construction: area of Črni log and Gosposko.
  - Size/surface area of the replacement habitat provided: 25 ha (a part of the population within the influence strip will remain there, which is why it was necessary to find a replacement for the missing part of the population).
  - Location of the replacement habitat after execution (land plots and parts of them): c.m. Brezovica v Prekmurju: 633, 634, 635, 636, 637, 638/1, 638/2, 639, 640, 641, 642, 643, 644, 645/1, 645/2, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658/1, 658/2, 659, 661, 1193, 1194, 1195, 1196, 1197, 1198, 1199, 1200, 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1213, 1214, 1215, 1216, 1217, 1390, 1391, 1392, 1393, 1394, 1395, 1396, 1397/1, 1397/2, 1400, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409/1, 1409/2, 1410, 1411, 1412, 1413, 1415, 1416, 1417/1, 1417/2, 1418, 1419, 1420, 1421, 1422, 1423, 1424, 1425, 1426, 1427, 1428, 1429, 1430, 1431, 1432, 1433, 1434, 1435, 1436, 1437, 1438, 1439, 1440, 1441.

[91] GRI GS 304-1, 304-2, 304-3.
[92] GRI GS 304-1, 304-2, 304-3.

- Črni log–Hotiška gmajna (afforestation):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: 330 ha (i.e. 300-metre strip on both sides of the road where the impact of the road will be known during operation).
  - Location of the (then existing) habitat that was affected by motorway construction: forested surfaces in Črni log.
  - Size/surface area of the replacement habitat provided: 207,905 m2. (Only about 20 ha needs to be provided to connect these forested areas by afforestation into a single forested area.)
  - Size/surface area after execution:
    - surfaces being overgrown 72,000 m2
    - new forest edge 7,900 m2
    - new forest stock 128,000 m2
  - Location of the replacement habitat after execution (land plots and parts of them): c.m. Mala Polana: 151, 154, 155, 156, 157/1, 157/2, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183/1, 183/2, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 195, 196, 197, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 240, 241, 243, 244, 245, 246, 247, 248, 249, 250, 252, 253, 255, 256, 257, 258, 259, 260, 261, 2757, 2762.

Lenart–Spodnja Senarska section (section length 7.8 km):[93]

- Komarnik north (establishment of rough meadows):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: not provided.
  - Location of the (then existing) habitat that was affected by motorway construction: c.m. Zamarkova, land plot No.: 1013/1, 1027/2, 1030/1, 1030/2, 1033/5, 1033/9, 1037/2, 1037/4, 1037/5, 1038/12, 1033/8, 1025/3, 1365/39, 1025/3.
  - Size/surface area of the replacement habitat provided: 10 ha.
  - Location of the replacement habitat after execution (land plots and parts of them): c.m. Zamarkova, land plot No.: 1013/1, 1025/3, 1027/1, 1027/2, 1030/1, 1030/2, 1033/5, 1033/8, 1033/9, 1037/2, 1037/4, 1037/5, 1038/12, 1365/39.

- Črni les (replacement biotope for amphibians):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: 35 ha proposed by MESP, 17 ha proposed in EIA.
  - Location of the (then existing) habitat that was affected by motorway construction: south of the MW junction Lenart proposed by MESP; north of the planned MW junction Lenart proposed in EIA.
  - Size/surface area of the replacement habitat provided: 500 m2 (25 m x 20 m).
  - Location of the replacement habitat after execution (land plots and parts of them): c.m. Zamarkova, land plot No.: 717, 735; c.m. Varda, land plot No.: 230, 245/1, 245/2.

- Kamenšak north (establishment of rough marsh meadows and re-establishment of blind river branch Globovnica):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: 56 ha proposed by MESP, 3.4 ha proposed in EIA.
  - Location of the (then existing) habitat that was affected by motorway construction: provision of rough marsh meadows between the Radehova lake, Velke channel, existing road link between Biš and Radehova and the Pesnica channel. After examining the mentioned, another location was proposed (and realised).
  - Size/surface area of the replacement habitat provided:
    - renaturation of the Globovnica stream in the length of 436 m,
    - arrangement of a rough marsh meadow with various levels of humidity on a surface area of 21,155 m2,
    - re-establishment of a blind branch of the Globovnica stream in the length of 160 m,
    - execution of substitute flood prevention arrangement, i.e. construction of a new flood defence and expansion of the existing defence in the length of 451 m.
  - Location of the replacement habitat after execution (land plots and parts of them): c.m. Zamarkova, land plot No.: 1393, 1395, 1554, 1555, 1556, 1557, 1558, 1559, 538/1, 574/2, 574/3; c.m. Radehova, land plot No.: 454/2, 709, 723, 724.

[93] GRI GS 304-1, 304-2, 304-3.

- Kamenšak south (afforestation between the forest and motorway):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: 56 ha proposed by MESP, 3.4 ha proposed in EIA.
  - Location of the (then existing) habitat that was affected by motorway construction: c.m. Zamarkova, land plot No.: 1418, 1419, 1420, 1421, 1470, 1471; c.m. Radehova, land plot No.: 460/1, 469.
  - Size/surface area of the replacement habitat provided: not provided.
  - Location of the replacement habitat after execution (land plots and parts of them): c.m. Zamarkova, land plot No.: 1418, 1419, 1420, 1421, 1470, 1471; c.m. Radehova, land plot No.: 460/1, 469.

- Daffodil site in Veržej (site arrangement):
  - Size/surface area of the site provided: 635 m or 20 ha.
  - Location of the site after execution: Goriško Landscape Park, areas of Cankova and Rogašovci municipalities (coordinate X: 160418, coordinate Y: 590152).

Lendava–Pince section (section length 16.5 km):[94]
- Petišovci (establishment of a replacement biotope for amphibians):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: interrupted migration routes for a distance of 3 km.
  - Location of the (then existing) habitat that was affected by motorway construction: regional road section Lendava–Pince from Dolnji Lakoš to Petišovci.
  - Size/surface area of the replacement habitat provided: 2039 m2.
  - Location of the replacement habitat provided: in the area between km 5+890 and km 5+970.

Figure 67: Establishment of a replacement biotope for amphibians

Establishment of the replacement habitat was executed in the following steps:
- production of a design to establish and preserve the replacement habitat,
- confirmation of the design by the Institute of the Republic of Slovenia for Nature Conservation,
- technical arrangement of the replacement habitat (execution),
- active development steering towards the desired state until the establishment of the replacement habitat,
- confirmation by the Institute of the Republic of Slovenia for Nature Conservation that the replacement habitat has been established,
- transfer of state-owned land plots in the replacement habitat to management by the relevant operator,
- conservation of the replacement habitat.

After establishing the replacement habitat, DARS transfers state-owned agricultural land plots and forests to the Farmland and Forest Fund of the Republic of Slovenia and state-owned riparian land to the Ministry of the Environment and Spatial Planning.

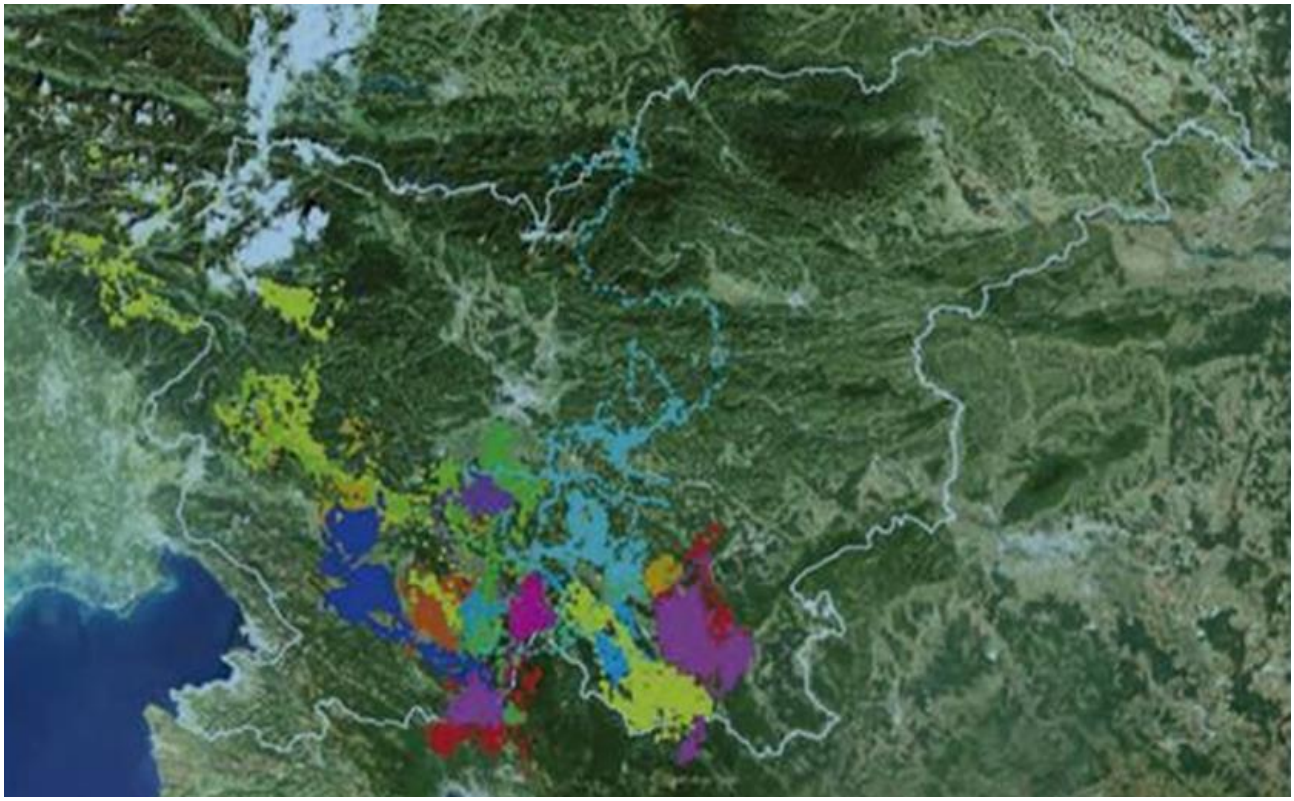
[94] GRI GS 304-1, 304-2, 304-3.

Since its establishment in 1993, DARS has ensured all the necessary measures to ensure the reduced fragmentation of migration habitats for species by establishing wildlife crossings during the siting and construction of MW and EW sections pursuant to the requirements of the competent services and spatial planning authorities.

Adequate measures to provide animal passages across the future MW or EW are foreseen in the preparation of the NSP for newly planned roads. Pursuant to the legislation governing spatial development, guidelines are obtained from spatial planning authorities in the procedure to prepare the NSP, which need to be taken into account during the siting and design of a new MW or EW section. Spatial planning authorities are, among others, the Ministry of Agriculture, Forestry and Food, the Forestry and Hunting Directorate, the Ministry of the Environment and Spatial Planning, and the Institute of the Republic of Slovenia for Nature Conservation, which provide guidance for planning measures to provide the adequate integration of migration corridors within the scope of the guidelines. Their requirements are reflected in the siting and in design solutions for the planned MW or EW section, which have to ensure animal passages across it. Mostly, such measures are not solely intended for animal passages, but also involved adjusted solutions for MW or EW arrangements that also serve other purposes (e.g. a viaduct instead of a landfill, a dirt track underpass with wider dimensions, etc.). In cases where proper migration corridors cannot be provided in such a way, a special structure is foreseen within the scope of the NSP that is intended solely for animal passages (ecoduct).

On the MW section between Vrhnika and Postojna, which measures some 30 km in length and is the first constructed section of a modern 4-lane motorway in Slovenia, DARS started monitoring in 1997 with the aim of searching for optimal locations to erect bridging structures and provide other possible measures that would reduce the fragmentation of habitats in the area of the Vrhnika–Postojna motorway section, thus enabling animals (predominantly bears) to cross the motorway safely. Monitoring was completed with the paper "Expert bases for the construction of bridging structures (ecoducts) for the safer passage of brown bears (*Ursus arctos*) and other large mammals across the Vrhnika–Razdrto–Čebulovica motorway sections" (Department of Forestry and Renewable Resources, Biotechnical Faculty, University of Ljubljana, and Slovenian Forestry Institute, November 2000). In the conclusion of the study, three areas of the most likely brown bear crossings were defined, i.e. between Verd and Planina, between Unec and the Ravbarkomanda viaduct, and between Razdrto and Čebulovica. Further measures for animal passages were proposed for the first two areas (between Vrhnika and Postojna), while no additional measures were found to be necessary for the last area (between Postojna and Čebulovica).

Figure 68: GPS locations of 33 monitored bears in the 2005–2011 period*



* Locations marked with the same colour were recorded for the same bear (source: Jerina et al., 2012)
In previous years, several measures were implemented in that section (e.g. the erection of electric safety fences) in cooperation with DARS, along with monitoring their performance. The project LIFE DINALP BEAR (the comprehensive management and conservation of brown bears in the northern Dinaric Mountains and the Alps) was completed at the end of June 2019.

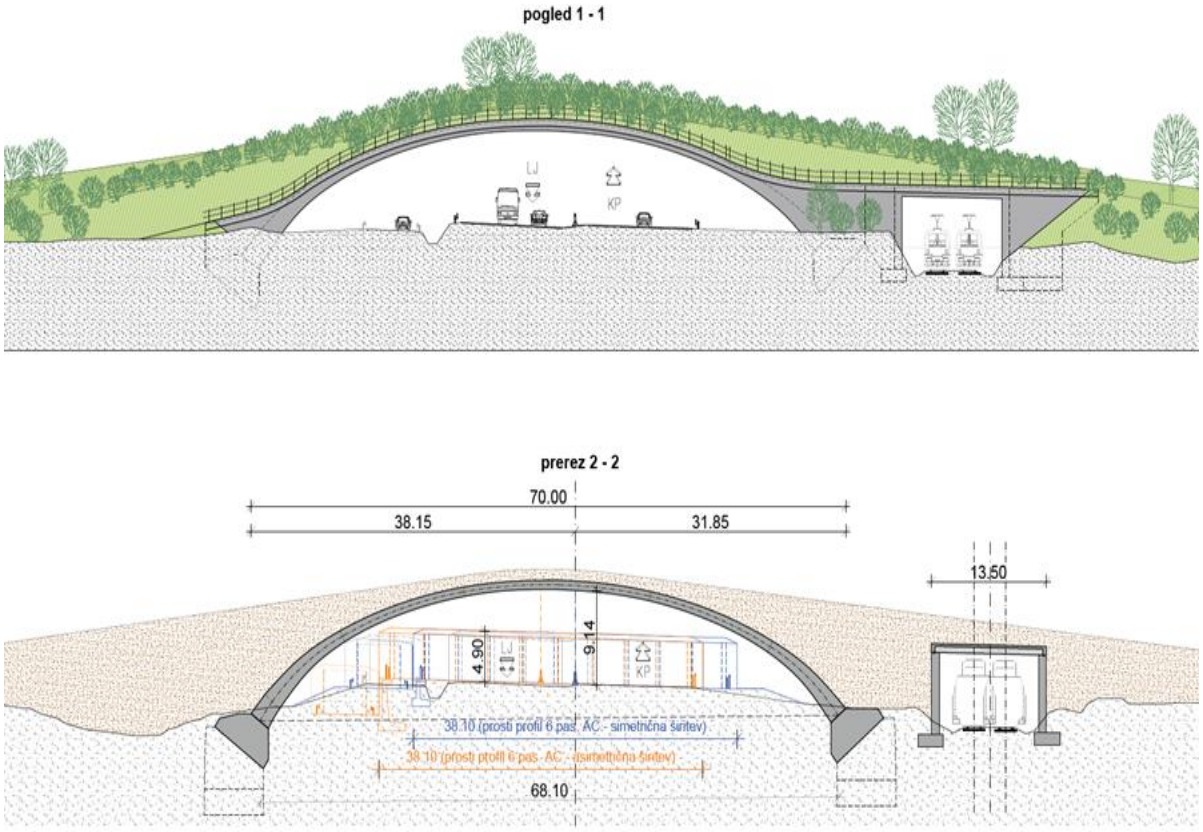
The Plan of investments in traffic and traffic infrastructure for 2020–2025 adopted in December 2019, among other things, defines the obligation to provide adequate migration corridors for large beasts and other large mammal species on the existing MW network, but no more than two.

In September 2019, expert bases were created for the provision of adequate migration corridors for large beasts and other large mammal species on the Vrhnika–Postojna motorway section (Environmental Protection College, Velenje), which describe the existing situation, provide an analysis of the guidelines for designing measures already provided in the past, and propose measures to establish functional migration corridors across the motorway at the Vrhnika–Postojna section.
Experts defined a roughly 800-metre-long section of the Vrhnika–Postojna MW section (Unec–Postojna subsection) that is best suited for a green bridge (ecoduct) and would contribute to the reduced mortality of wild animals on roads and increased safety for all road users, in addition to providing migration routes for large mammals and gene flow between the Dinarides and the Alps.

Figure 69: Proposal for the siting location of the planned green bridge or ecoduct (Unec–Postojna subsection)

The materials produced will provide grounds for national spatial planning and the analysis of the guidelines. Activities in relation to this task commenced at the end of 2019, when a range of several possible ecoduct variants were made, which differed in terms of the location and execution of the structure. At the end of 2020, the variant proposed in the national spatial planning initiative was selected. After the initiative was published in 2021, the spatial planning authorities submitted their guidelines and opinions relating to it. The initiative or the chosen variant was also presented at a public discussion to the interested public. The response to the proposed project has been overwhelmingly positive. Based on the guidelines and opinions received, an analysis of the guidelines was carried out in 2021. The Government of the Republic of Slovenia is expected to adopt a decision on national spatial planning in 2022.

Figure 70: Figure of the planned green bridge or ecoduct (Unec–Postojna subsection)



I.5.6.4 Energy management[95]

DARS ranks among the large energy consumers in Slovenia with an annual energy consumption of 44.61 GWh (in 2021). With respect to the Company processes, which are characterised by the need for tunnel management and lighting, as well as road operation and maintenance, electricity accounts for the largest share of the total energy consumption (49.7%), followed by fuel (39.6%). A minor share of energy is used for heating facilities, which is an important element of energy management due to the high potential for optimisation.

The 2021–2025 Strategy is heavily focused on energy efficiency and environmental protection, and compared to the strategy for the past period, the energy management system and the environmental management system were further upgraded, expanded and enhanced.

A new strategic goal was identified, namely "Development of sustainable infrastructure and a circular economy," within the scope of which the following measurable key indicators were specified:

- To reduce the share of energy use by 5% per MW and EW km managed by 2025 (68.67 kWh/km) with respect to 2019 (72.25 kWh/km).
- To reduce the share of CO_2 emissions per MW and EW km managed by 10% by 2025 (27.24 tonnes CO_2/km) with respect to 2019 (30.27 tonnes CO_2/km).

Operational goals supporting the key indicators are:

- Electricity consumption will have been reduced by 15% by 2025 with respect to the existing condition of electricity users in 2015.
- To reduce the consumption of energy products for heating by 30% by 2025 and emissions of CO_2 from products for heating by 30% by 2025 with respect to the baseline year of 2015.
- To reduce the average fuel consumption for work vehicles and machinery and light-duty vehicles by 2% by 2025 with respect to 2019.
- To increase the share of energy from renewable sources by 2025 in the total consumption for:
  - heating by 15% with respect to 2019,
  - electricity by 1% with respect to 2019.
- To establish at least one energy community that will be based on renewable energy sources by 2025.
- To provide 20% of the passenger vehicle fleet for business travel powered by alternative fuels (electric or CNG or hybrids) and 10% of light-duty vehicles powered by compressed natural gas (CNG). The final estimate will be given after one year of testing a CNG vehicle at MMC Hrušica and the availability of pumps on the Slovenian territory at the end of 2021.

Total energy consumption

The table below shows energy consumption and trends in energy consumption by energy product. A comprehensive approach to managing energy and pertaining measures have allowed the Company to reduce energy consumption, specifically electricity and heating, where a substantial part of the planned measures was executed on the basis of energy inspections.

Table 25: Energy consumption (MWh)

		2015	2016	2017	2018	2019	2020	2021
Electricity	MWh	25,735	25,181	24,526	23,598	22,584	21,670	22,190
Fuel	MWh	16,384	17,538	16,369	18,662	18,081	16,752	17,646
Natural gas	MWh	1,866	1,524	1,676	1,443	1,386	1,564	1,812
LPG propane	MWh	2,018	2,253	2,123	1,964	1,857	1,736	1,994
LPG propane butane	MWh	1,171	1,225	1,105	852	475	428	403
Heating oil	MWh	238	344	291	238	97	58	82
Biomass							452	482
District heating	MWh	586	810	778	638	550	0	0
Total	**MWh**	**47,998**	**48,875**	**46,868**	**47,395**	**45,030**	**42,660**	**44,609**

[95] GRI GS 103-1, 103-2, 103-3, 302, 302-1, 302-3, 302-4.

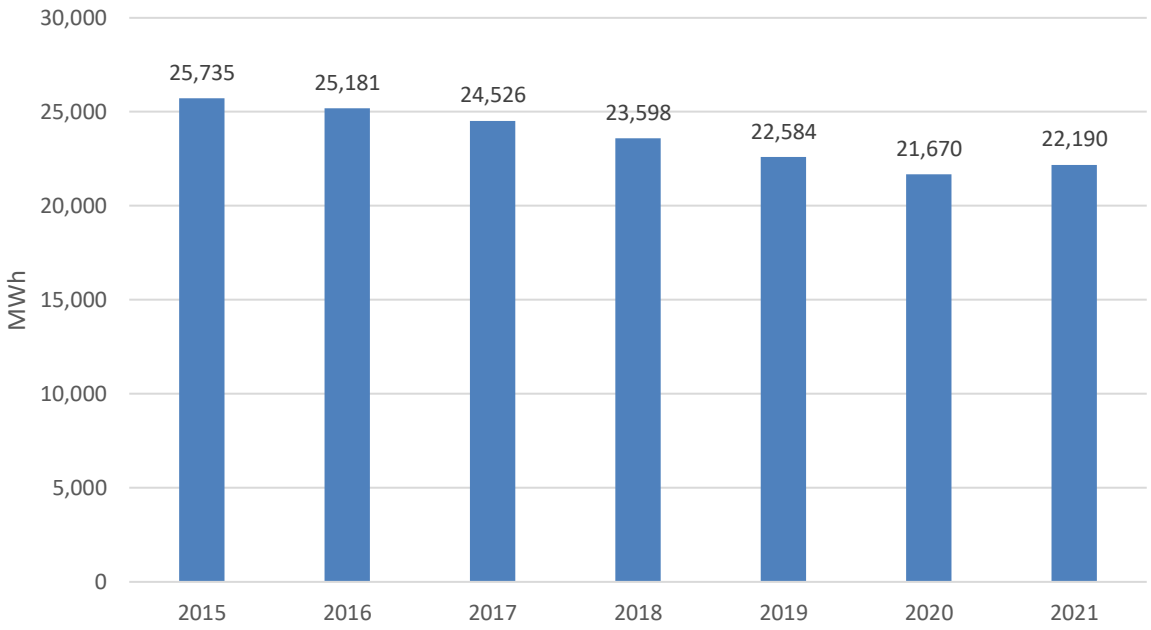
Table 26: Energy consumption (TJ)[96]

		2015	2016	2017	2018	2019	2020	2021
Electricity	**TJ**	86.9	92.6	90.7	88.3	85.0	78.0	79.9
Fuel	**TJ**	62.8	58.7	62.8	58.7	67.0	60.3	63.5
Natural gas	**TJ**	5.9	6.7	5.5	6.0	5.2	5.6	6.5
LPG propane	**TJ**	5.1	7.3	8.1	7.6	7.1	6.2	7.2
LPG propane butane	**TJ**	3.6	4.2	4.4	4.0	3.1	1.5	1.5
Heating oil	**TJ**	0.9	0.9	1.2	1.0	0.9	0.2	0.3
Biomass							1.6	1.7
District heating	**TJ**	1.7	2.1	2.9	2.8	2.3	0.0	0.0
Total	**TJ**	**166.9**	**172.5**	**175.6**	**168.5**	**170.4**	**153.6**	**160.6**

Electricity

The Company keeps introducing measures to reduce electricity consumption.

Figure 71: Total electricity consumption (MWh)[97]



The largest group of electricity consumers includes tunnel equipment, which accounts for 47% of the total electricity consumption in the Company. Electricity in tunnels is mainly used for lighting, ventilation and other devices. In 2019, activities began to reduce reactive energy in the area of the Trojane tunnels (medium voltage cables were disconnected and an agreement is being harmonised between Elektro Celje and Elektro Ljubljana), which will continue at other locations where it makes sense following successful implementation.

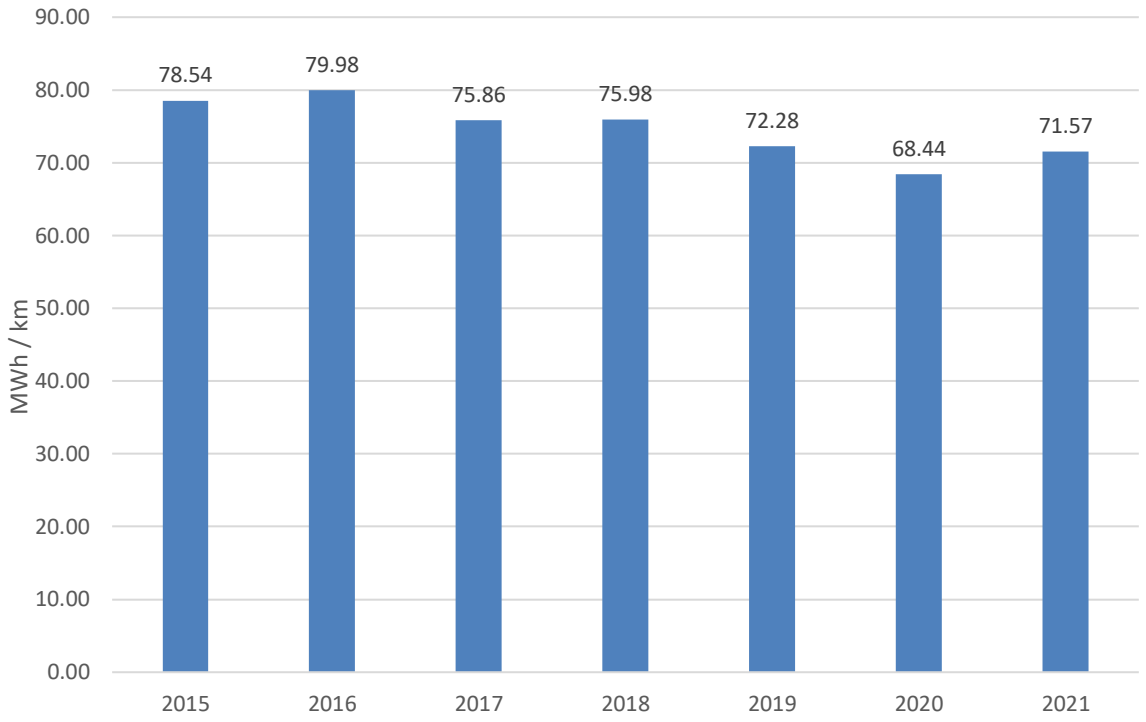
The second-largest electricity consumer is street lighting. In this respect, we have replaced old and worn-out lighting with new LED lamps in the last five years with the aim of meeting the requirements laid down in the Decree on limit values due to the light pollution of the environment. At switchboards and metering points where lighting has been replaced, the cost was also cut due to the reduced installed capacity. The project to replace lighting pursuant to the Decree on limit values due to light pollution of the environment, stage 5, is currently being amended.

[96] GRI GS 302-3.
[97] GRI GS 302-3.

The third-largest group of electricity consumers in the Company, accounting for 11% of the total consumption, is the electricity intended for the operation of motorway maintenance centres (MMC) and toll stations (TS). Due to toll system changes in 2018, the role or purpose of the toll stations is changing, since some toll stations are being abolished or rearranged into toll control points. In that respect, electricity consumption has been reduced for heating and cooling systems, toll booth ventilation, and toll platform lighting. Lighting at frontal toll stations was rearranged for the purposes of toll inspection, while lighting at lateral toll stations is now only provided at access and exit ramps.

The chart below shows the effects of the measures introduced in electricity management per kilometre of maintained MW.

Figure 72: Total electricity consumption per MW kilometre (kWh/km)

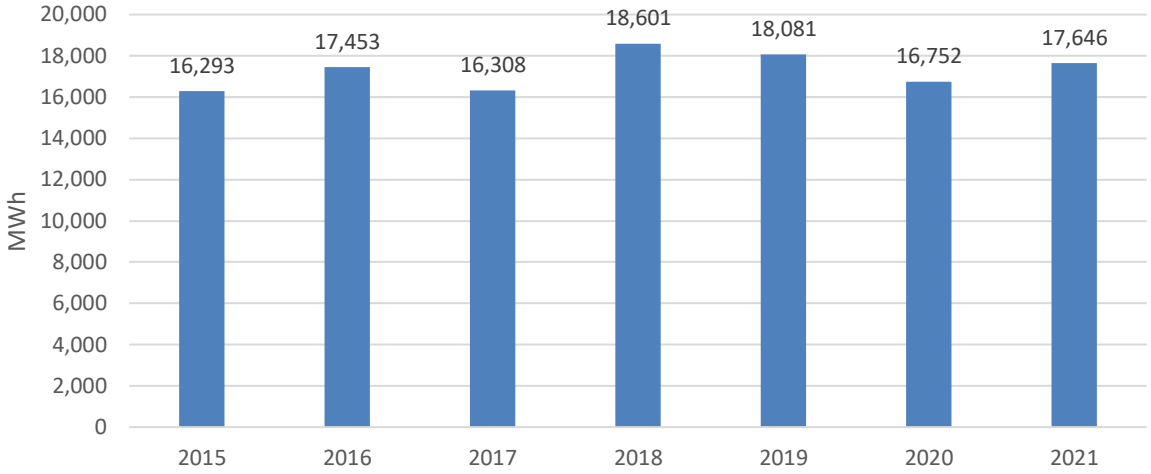


Fuel for the vehicle fleet

In 2021, the Company had 690 work vehicles, 176 of which were heavy goods vehicles for winter service and annual maintenance, 143 were light-duty vehicles that were primarily used for regular inspections and minor maintenance works, 124 were combination vehicles, 37 were special-purpose vehicles used for the special-purpose maintenance of structures and alignment, 41 were all-purpose vehicles for winter, summer and technical maintenance, and there were 176 units of various work machinery used for winter and summer maintenance. In 2021, the Company recorded increased diesel fuel consumption, primarily on account of more ploughing days compared to the previous winter. To reduce the consumption of fuel and grit material, a wet salting system is being introduced throughout the MW and EW area, where preventive salting is done faster and at longer time intervals, since the solution remains on the pavement. Furthermore, the vehicle fleet is being updated with new environmentally cleaner vehicles. In 2020, the Company procured test vehicles powered by compressed natural gas (CNG) to conduct inspection services and supervise works at MMC Hrušica.

In addition to the previously indicated work vehicles, the Company also had 157 passenger cars and 35 toll inspection vehicles in 2021.

Figure 73: Annual fuel consumption (MWh)



Heating

The largest energy consumers for heating at DARS are 9 motorway maintenance centres (MMCs) and 7 branches, followed by the office building in Celje and 10 buildings that remained after the removal of the toll stations and the intended use of which changed. Facilities at 6 locations are connected to the natural gas network, one MMC uses LPG propane butane for heating and one MMC uses woody biomass (chipped wood) for heating, while other buildings use LPG propane for heating and two buildings (Log and Rogla) exclusively use light fuel oil for heating, whereby a comprehensive restoration is planned for them in 2022 and 2023, including a change of energy product.

Within the scope of a comprehensive energy audit in 2015 and 2016, one of the measures foreseen was the introduction of an energy information system (EIS), which was installed at MMC Vransko on a test basis, after which it was installed at 6 locations in 2018 and 2019 situated in the eastern cohesion region (MMC Murska Sobota, MMC Maribor with the Ptuj branch, MMC Novo mesto with the Drnovo branch, and MMC Slovenske Konjice), and then in 2020 and 2021 at the facilities in the western cohesion region (MMC Kozina with the Bertoki branch, MMC Postojna with the Vipava and Logatec branches, MMC Ljubljana with the DOB branch, MMC Hrušica with the Podtabor branch and TS Hrušica). By implementing the system, facility administrators gained a useful tool to monitor the consumption of energy products and take actions to reduce energy consumption.

To reduce energy consumption by heating, the following measures were implemented in 2016 to 2020 as a result of a comprehensive energy audit:

- Two heat pumps for heating sanitary water during the summer were installed at MMC Vransko and MMC Postojna as replacements for the deteriorated gas boilers.
- At the former TS Divača and Senožeče, deteriorated gas boilers were replaced with two heat pumps that are used to heat sanitary water in the summer months and premises in wintertime.
- The supply of natural gas was provided in line with the provisions of the Energy Act and the Public Procurement Act, and MMC Slovenske Konjice was connected to the natural gas distribution network in November 2019.
- The energy performance at MMC Hrušica was improved and a boiler room was constructed that burns woody biomass or, rather, wood chips for the purposes of heating MMC and TS Hrušica. The executed stage 1 of energy improvement at MMC Hrušica and the use of woody biomass to heat MMC and TS Hrušica had a favourable effect on reducing CO_2 emissions, which is in line with the efforts of DARS to reduce greenhouse gas emissions and improve energy efficiency.
- TS Hrušica was thoroughly refurbished in 2020.
- The first stage of the renovation of MMC Ljubljana has been completed covering the energy improvement of large and small garages and the implementation of the energy information system.
- To better monitor the consumption of energy products for heating, meters were installed that allow the much better monitoring of energy consumption and, consequently, immediate actions.
- In 2020, the energy information system was also implemented at the remaining MMCs (Kozina, Hrušica, Postojna and Ljubljana) and branches (Podtabor, Dob, Logatec, Vipava and Bertoki).
- Three workshops were organised for caretakers and maintenance crews on the topic of efficient energy use.

The charts in the figures below show energy consumption for heating in MWh and per m^2 of heated surface. The reduced consumption is attributed to the abolition of toll booths, temperature optimisation in buildings through the introduction of the energy information system, and relatively favourable weather conditions. The absolute energy savings for all energy products used for heating buildings at the end of 2021 with respect to the baseline year of 2015 amounts to 1106 MWh (about 19%), while CO_2 greenhouse gas emissions were reduced by 354 t (about 27%) with respect to the baseline year of 2015.[98]

Figure 74: Energy consumption for heating (MWh)

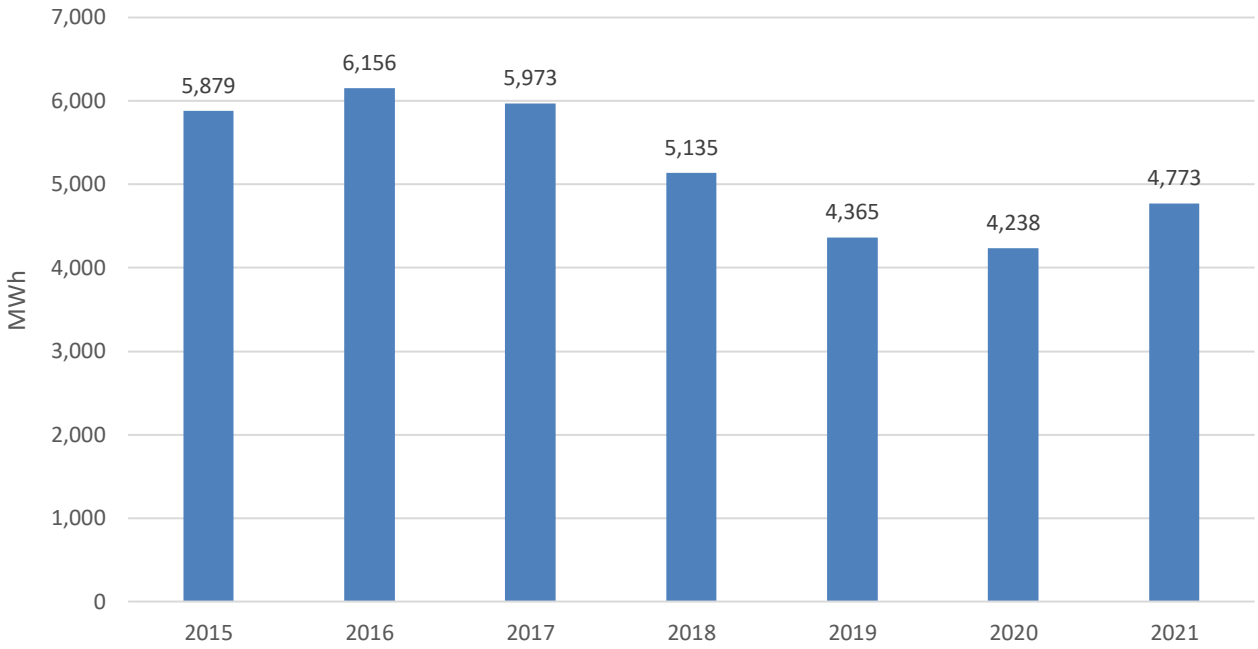
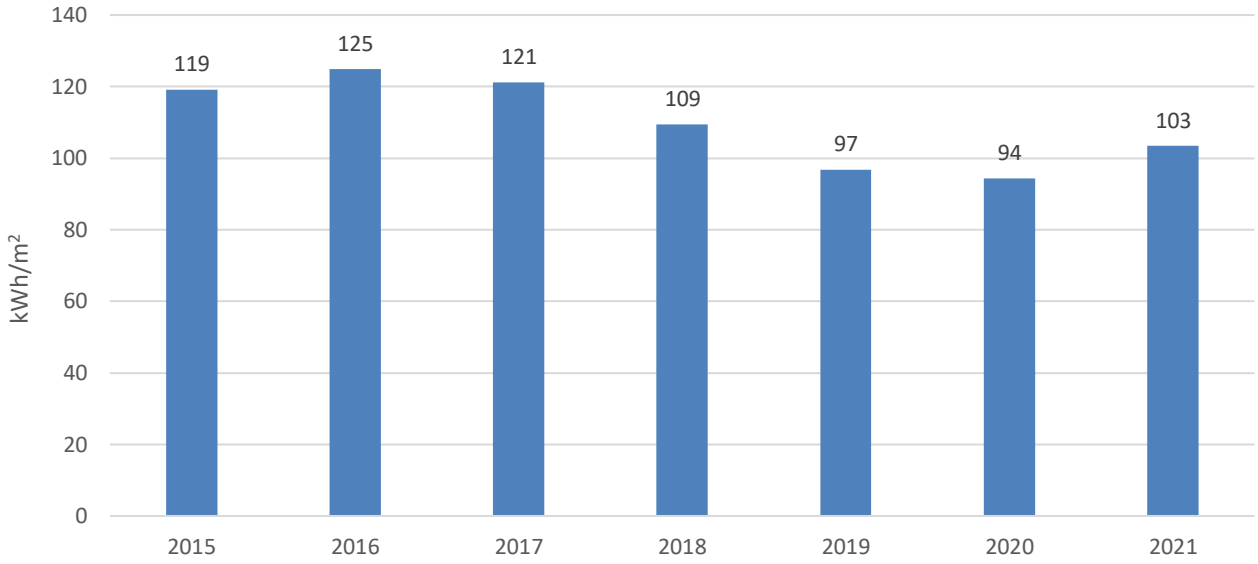
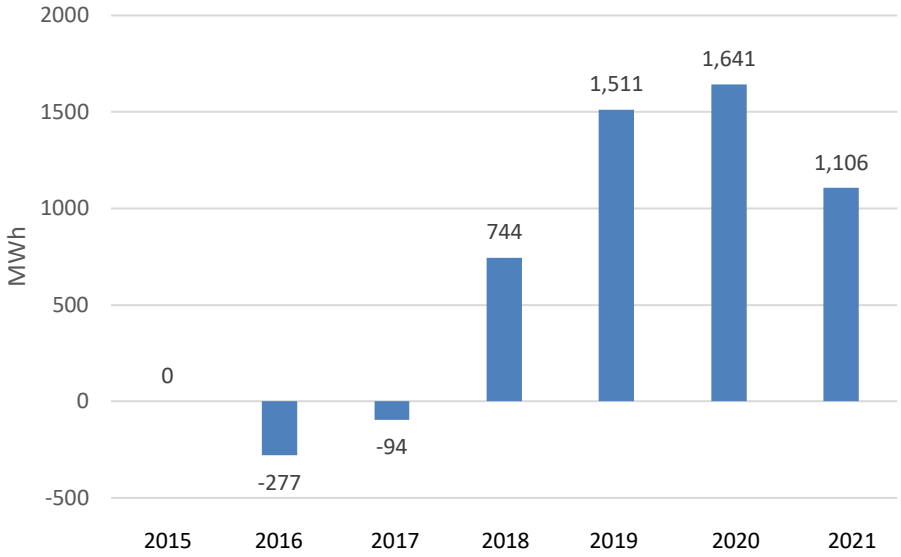


Figure 75: Heat energy consumption per m^2 of heated surfaces



[98] GRI GS 302-4.

Figure 76: Savings in energy consumption for heating with respect to the 2015 baseline year (MWh)[99]



I.5.6.5 Light pollution

Light pollution is the emission of light from light sources that increases the natural illumination of the environment. The International Commission on Illumination (CIE) does not use the term "light pollution" but the term "light trespass." One of the first EU Member States to adopt a Decree on limit values due to light pollution of the environment was Slovenia. The Decree requires the lighting operator to use lamps with an upward light output ratio of 0% (ULOR = 0), thus reducing the electricity consumption intended for lighting. On 21 January 2020, we were included in a working group that was put together and is now active within the scope of the Ministry of the Environment and Spatial Planning to prepare amendments to a decree foreseeing the reduction of the LED colour temperature to 3000 K or 2700 K. Pursuant to the amended decree, the Company procured an amended Detailed Design (PZI) for the 5th stage street lighting replacement, the public contract for which is planned to be awarded and executed this year.

With the amended Detailed Design, we propose that design documents be adjusted accordingly with respect to the evident reduction in colour temperature as per the newly prepared Decree on limit values due to light pollution of the environment.

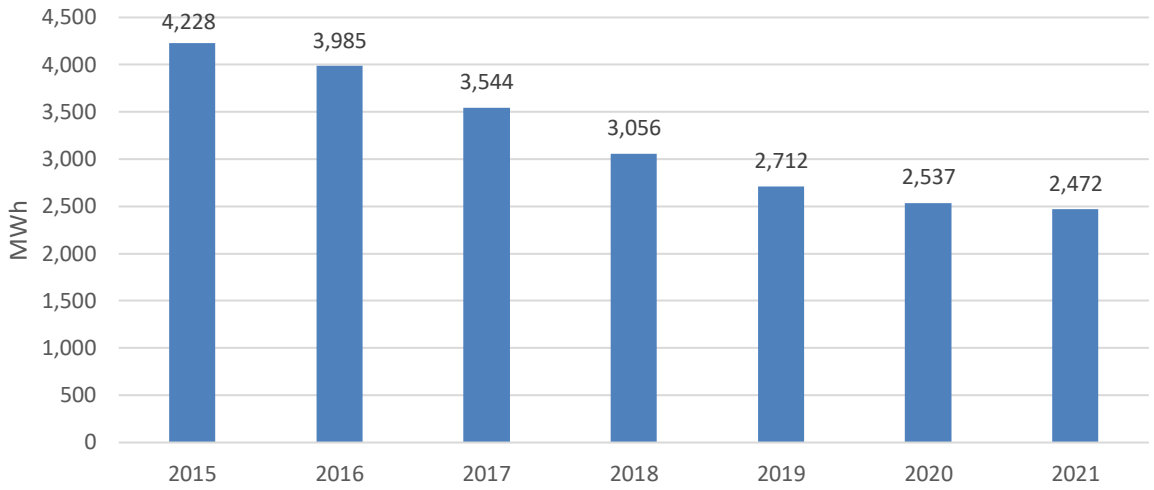
In 2016, stage 1 lighting replacement was completed, in which inadequate lights on the Dolenjska and Primorska MW legs and on the Ljubljana ring were replaced. The stages were broken down into the following lots:

- Lot 1: A1 Šentilj–Koper; Ljubljana–Koper and H6 Koper–Semedela,
- Lot 2: A2 Karavanke–Obrežje; Ljubljana–Obrežje and the Ljubljana ring road,
- Lot 3: A3 Gabrk–Fernetiči and H4 Razdrto–Vrtojba.

Reduced electricity consumption for lighting is an indicator of reduced light pollution, which is shown in the figure below based on the successful completion of several stages of lighting replacement.

[99] GRI GS 302-4.

Figure 77: Electricity consumption for stages 1, 3 and 4 of lighting replacement



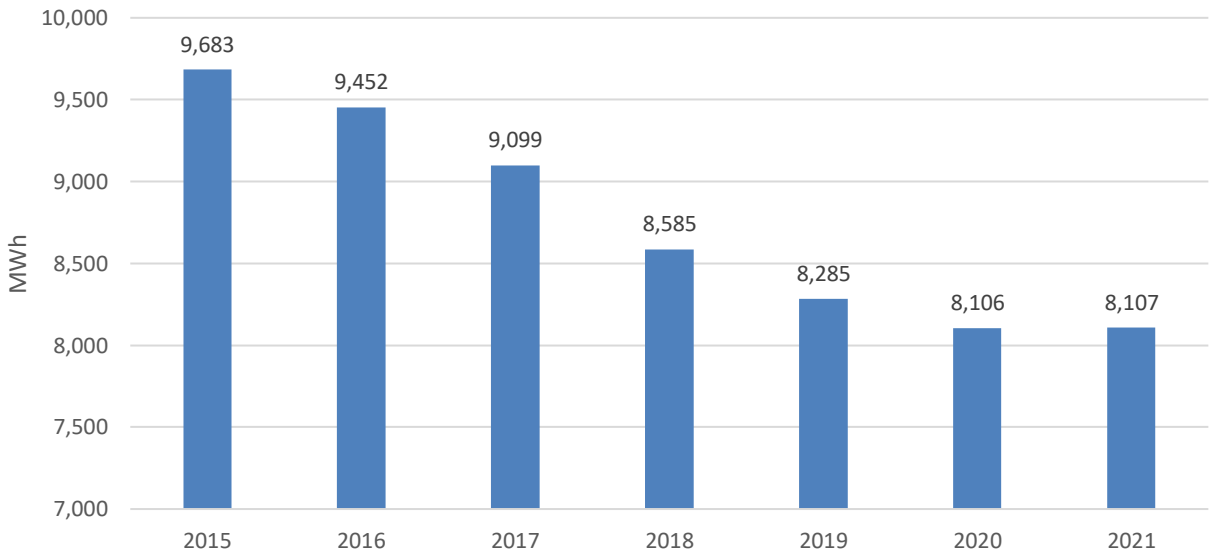
In stage 2, the lights at all MMCs were replaced.

In 2018, the Company completed stages 3 and 4 of lighting replacement, whereupon 1500 lamps were replaced in the following sections:

- A1 Šentilj–Koper,
- A2 Karavanke–Obrežje,
- A5 Maribor–Pince,
- H2 Pesnica–Maribor (Tezno),
- H3 Zadobrova–Koseze, Zadobrova–Tomačevo (lighting in the central reservation from the Tomačevo roundabout to the Zadobrova interchange),
- H5 Škofije–Sermin–Koper,
- H7 Dolga vas–Hungarian border.

The above figure includes all the metering points at motorway junctions where lighting was replaced and electricity meters were installed. The data does not include places where investment maintenance must be carried out, but where the Company has no electricity meters of its own (petrol stations).

Figure 78: Electricity consumption – lighting (MWh)



In addition to outdoor lighting on the motorway network, the Company executed a tender procedure under which lighting will be replaced with LED lamps in addition to the electrical and mechanical equipment in the Golovec tunnel and the Strmec cut-and-cover.

The figure above shows the reduced electricity consumption intended for overall lighting. In addition to the measures implemented with the replacement of the lamps, the graph also shows reduced consumption on account of the abolition or changed intended use of toll stations.

In 2020, the Company was actively involved in the study of economically, environmentally and energy-acceptable measures to reduce electricity consumption. A project was prepared for stage 5 of the replacement of lighting, which has not yet been executed, since a procedure was initiated to amend the Decree on limit values due to light pollution of the environment. In 2021, an invitation to tender was carried out to obtain a provider for the economic and technical analysis of solar power stations to be set up at DARS facilities (MMCs Kozina and Vransko, Ptuj branch, Vipavski križ cut-and-cover, TS Log and regional control centre Dragomelj). In the analysis, the provider calculated which of the schemes (PX2, PX3, self-supply) is more suitable for a particular facility, and prepared all the documents for execution. The execution for a particular facility depends on the economic viability of the investment, which is also subject to the foreseen grants. The required electrical consents and contracts with electricity distribution companies are still being finalised.

A letter of intent was signed with Holding Slovenske elektrarne, d.o.o. on mutual collaboration in the examination of potential sites and the preparation of investment documents for individual site projects related to setting up photovoltaic power plants along the Slovenian motorway network managed by DARS.

I.5.6.6 Carbon footprint monitoring[100]

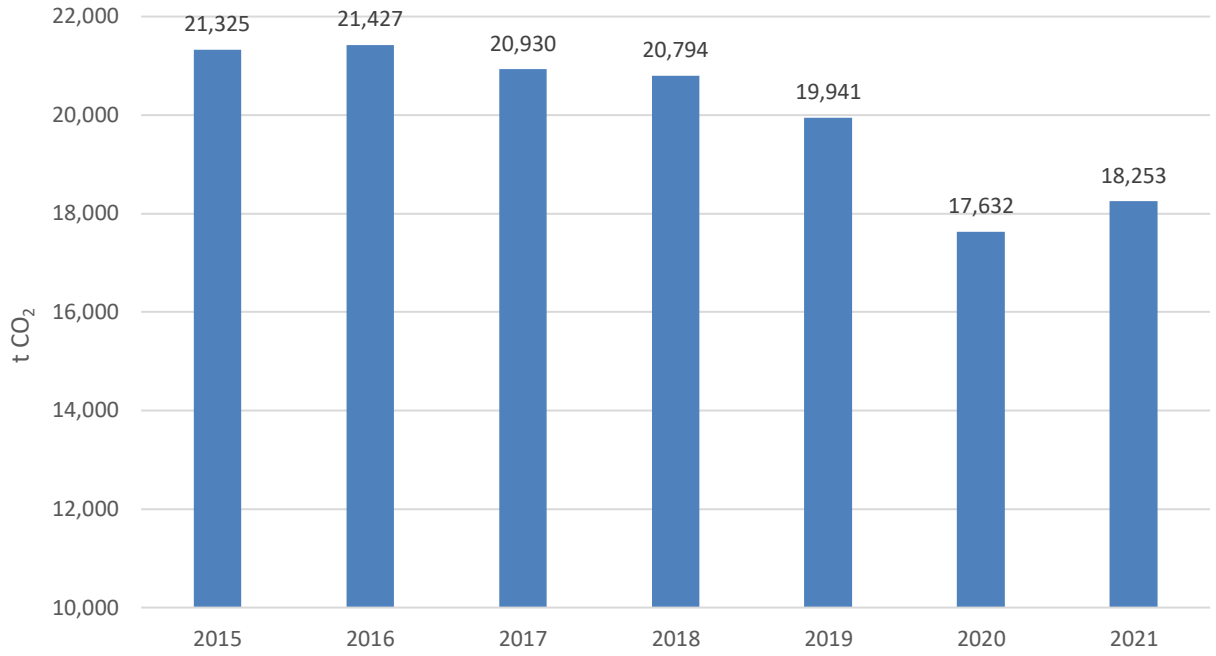
The carbon footprint is the total amount of greenhouse gas emissions related to the operations of DARS. The carbon footprint calculation at the Company level took into account all direct greenhouse gas emissions (CO_2 and other) that are generated at DARS locations.

The calculation of the carbon footprint took into account the emission factors indicated in ANNEX III: Emission factors for determining reduced carbon dioxide emissions, page 1996 / No. 14 / 24 March 2017, Official Gazette of the Republic of Slovenia.[101]
These include: fuel consumption by own vehicle fleet, energy consumption for heating (natural gas, LPG propane, LPG propane butane, extra-light fuel oil (ELFO) and district heating), loss of coolants, employees' transport to and from work and transport by aircraft (European and overseas flights). The carbon footprint calculation also took into account indirect emissions deriving from the use of purchased energy, i.e. the consumption of electricity, heat, water and auxiliary materials. The calculation does not include the amount of greenhouse gas emissions generated by MW and EW users. Chapter I.5.6.7 shows the reduced fuel consumption by the users of vehicles with a maximum permissible weight exceeding 3.5 tonnes due to the deployment of the DarsGo system.

In 2021, the use of electricity, fuels and heating energy has increased compared to the previous year, with a consequent increase in the carbon footprint of the Company as a whole.

[100] GRI GS 103-1, 103-2, 103-3, 305, 305-2.
[101] GRI GS 103-1, 103-2, 103-3, 305-2.

Figure 79: Carbon footprint by year



Note: To standardise the calculation, the carbon footprint values have been aligned from 2015 to 2020 for the same amount of energy use.

Figure 80: Carbon footprint per MW km

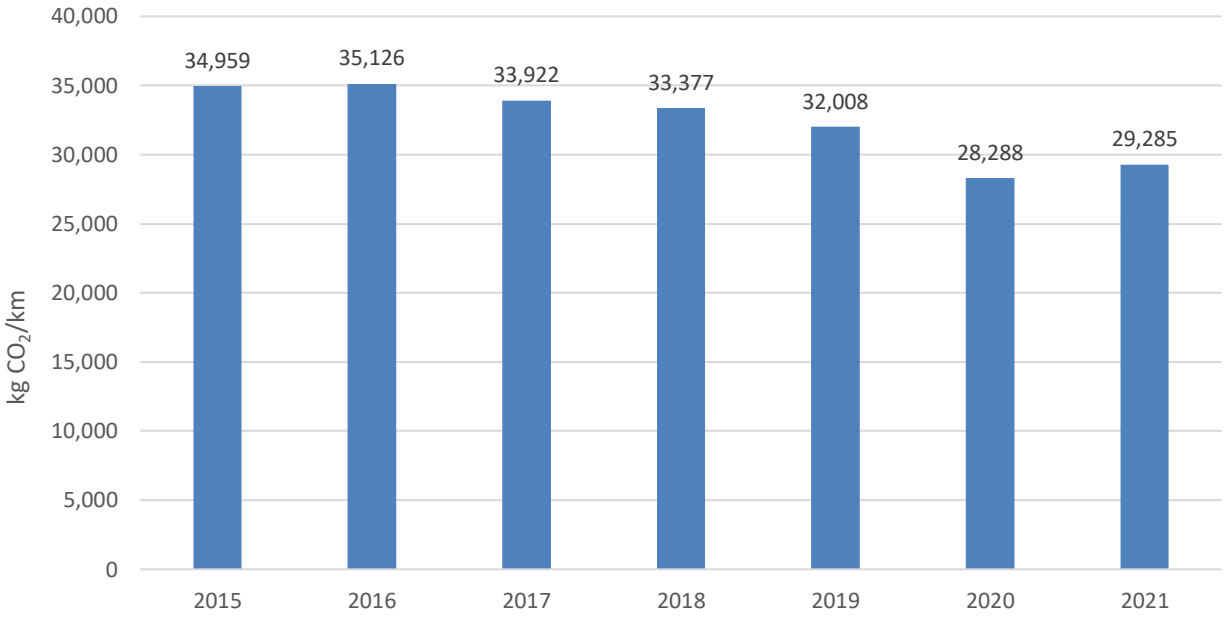


Figure 81: Carbon footprint – electricity

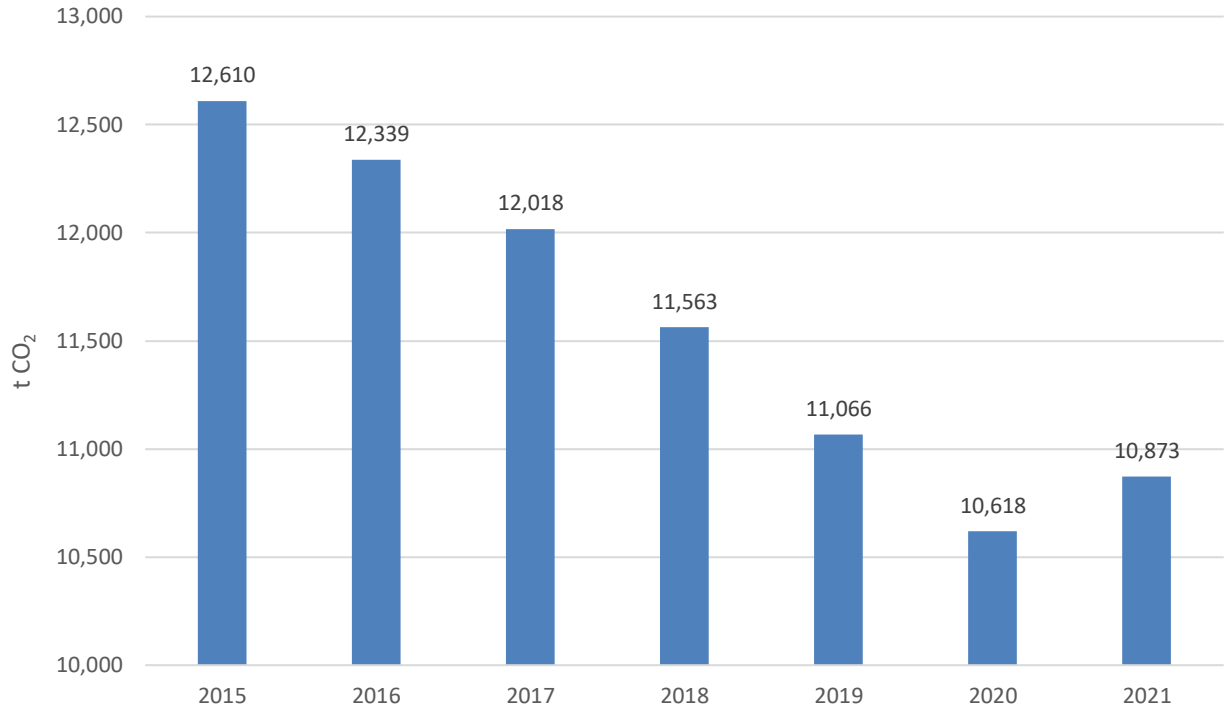


Figure 82: Carbon footprint – heating

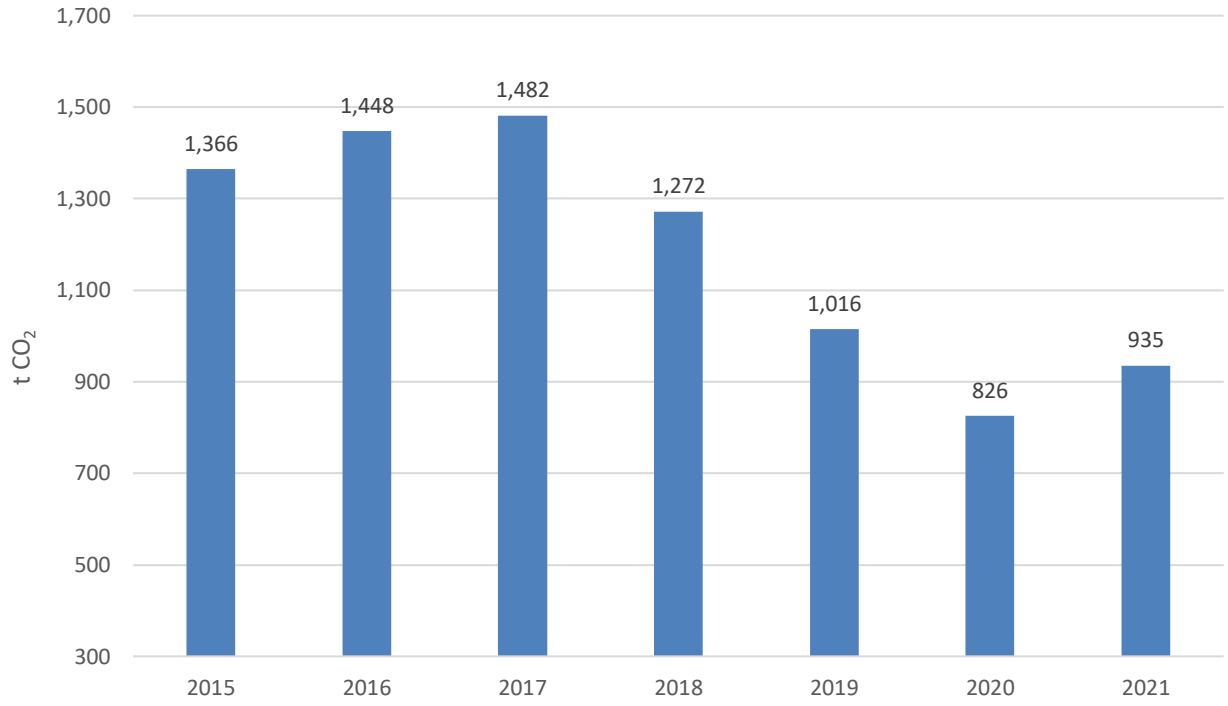
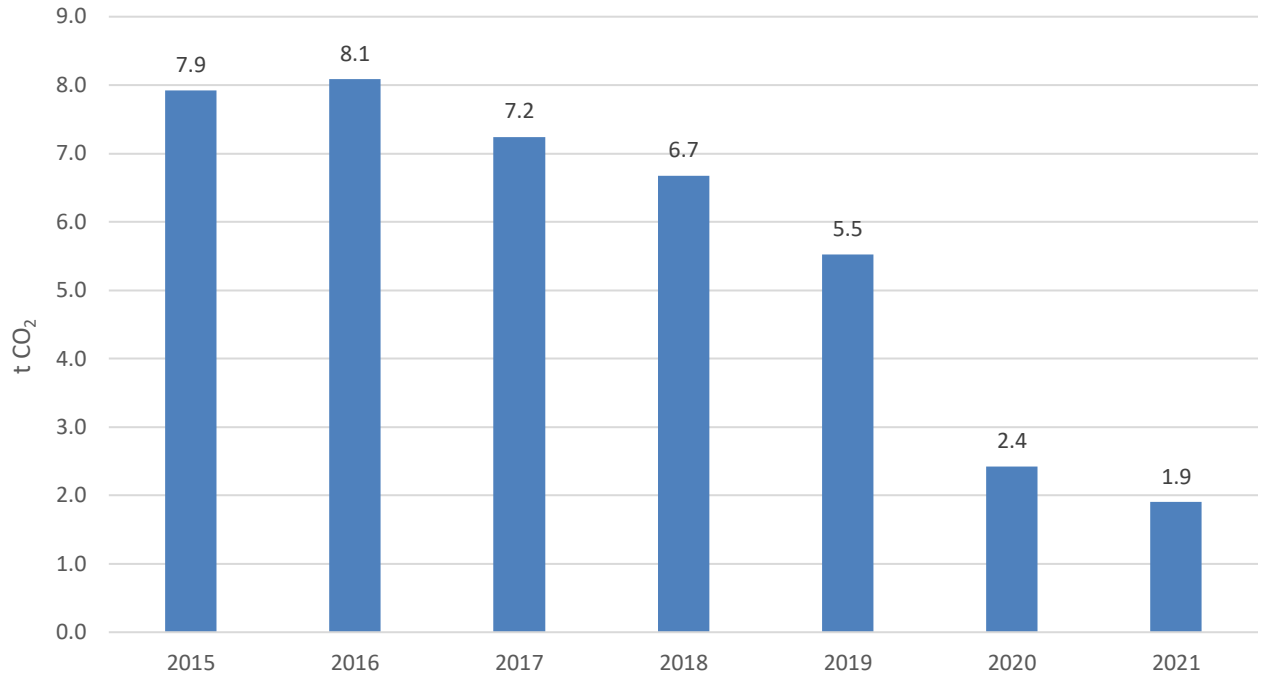


Figure 83: Carbon footprint – use of office paper



Despite the fact that the consumption of office paper is not significant, we believe that every contribution to a reduced carbon footprint is important and demonstrates the employees' efforts to use printed documents rationally upon the gradual digitalisation and computerisation of operations.

I.5.6.7 Reduced fuel consumption by the users of vehicles with a maximum permissible weight exceeding 3.5 tonnes due to the deployment of the DarsGo system.

As presented below, the introduction of the DarsGo system has also yielded positive environmental and economic effects in vehicles with a maximum permissible weight exceeding 3.5 tonnes. Tolling in the DarsGo system is conducted in free traffic flow, whereby heavy goods vehicles no longer stop at toll stations, which is why its introduction has reduced emissions and fuel consumption.

To that end, the Energy Efficiency Centre of the Jožef Stefan Institute evaluated the effects of the deployment of the DarsGo electronic tolling system on reduced fuel consumption and consequently reduced emissions of carbon dioxide ($C0_2$), nitrogen oxides (NO_x) and dust particles ($PM_{2.5}$) in a research paper.

Potential savings may be calculated for 2017, since the DarsGo system had not yet been introduced (based on passages through toll stations). Potential savings were calculated for the first 3 months of 2018, before the toll system was changed on 1 April, while the actual savings were calculated for the remaining months. The calculation of emission reduction upon the introduction of the DarsGo system took into account data from the DarsGo system, i.e. actual passages under toll gantries that are erected in the direct proximity of former toll stations.

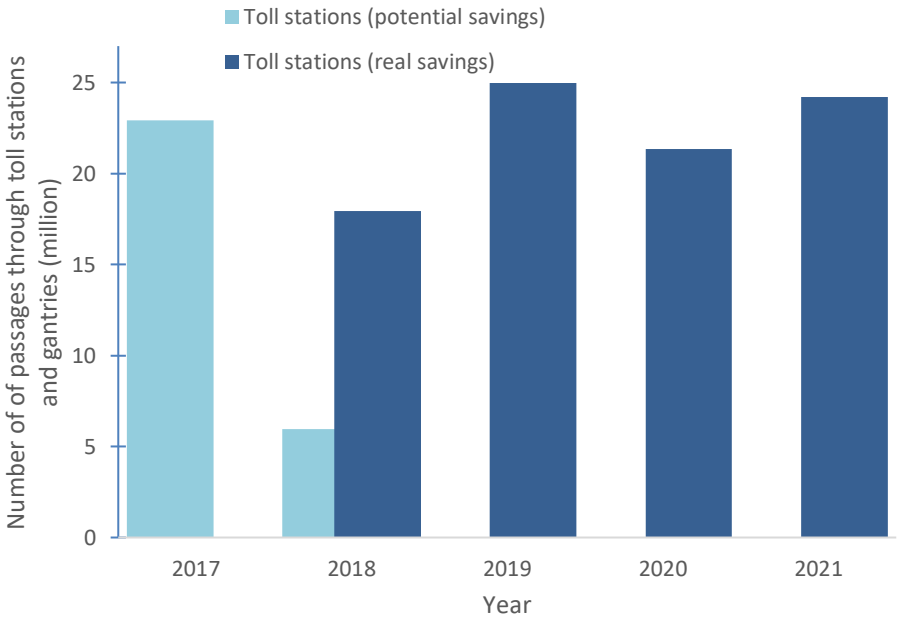
Table 27: Total reduction of emissions due to the deployment of electronic tolling in Slovenia[102]

Year	No. of passages through toll stations	Fuel savings [t]	Fuel savings [GWh]	CO_2 emissions [t]	NO_x emissions [t]	$PM_{2.5}$ emissions [t]
2017	22,936,633	0 (potential saving *12,456*)	0 (potential saving *147*)	0 (potential saving *38,308*)	0 (potential saving 140)	0 (potential saving *2.3*)
2018*	23,927,107 (5,728,548 in I–III 2018)	9,750 (potential total saving *12,995*)	115 (potential total saving *154*)	29,986 (potential total saving *39,966*)	84 (potential total saving *112)*	1.7 (potential total saving *2.2*)
2019	24,960,247	13,553	160.5	41,680	77.2	1.80
2020	21,333,005	11,585	137.1	37,259	35.56	0.70
2021	24,196,493	13,141	155.6	42,254	33.36	0.66

*Savings occurred after 1 April 2018 due to the deployment of the tolling system. Before then, only potential savings can be discussed.

The results from the table above are shown below. Potential savings before April 2018 are shown in light colour, while the actual savings after 1 April 2018 are shown in dark colour. In 2021, fuel savings and CO_2 emissions increased due to a higher number of passages by heavy goods vehicles, while the drops in NO_x and $PM_{2.5}$ emissions are mostly affected by heavy vehicles transferring to higher EURO emission classes.

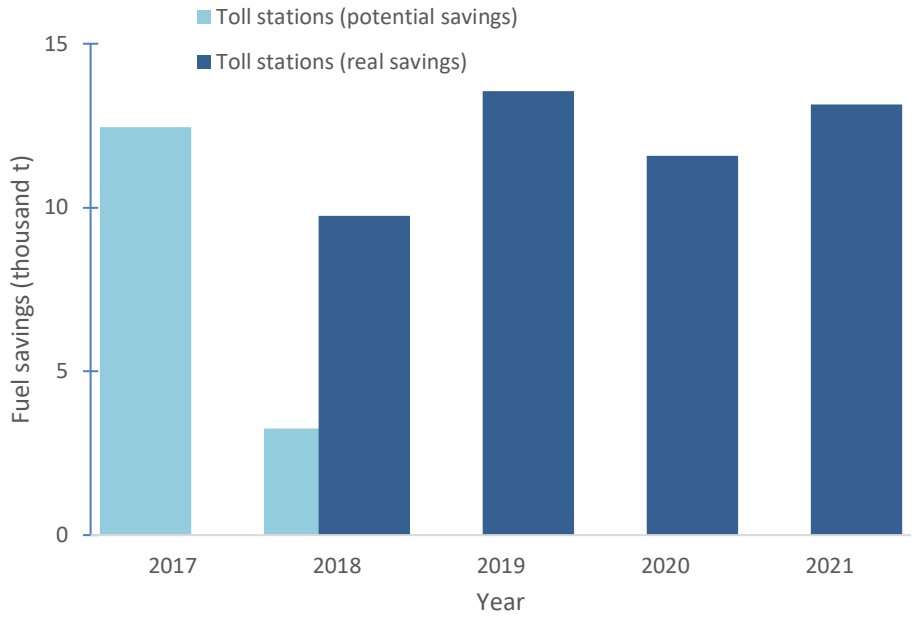
Figure 84: No. of passages through toll stations and under toll gantries from 2017 to 2021



[102] GRI GS 302-3, 305-2.

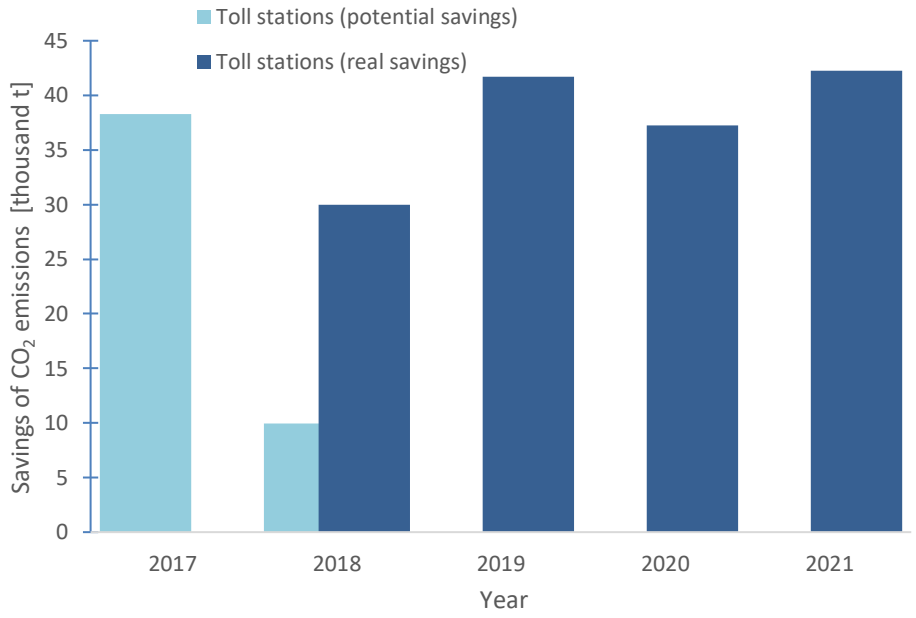
The figure below shows potential and real fuel savings due to the deployment of the DarsGo system without stopping at toll stations, i.e. from 2017 to 2021.

Figure 85: Potential and real fuel savings due to the deployment of the DarsGo system without stopping at toll stations from 2017 to 2021



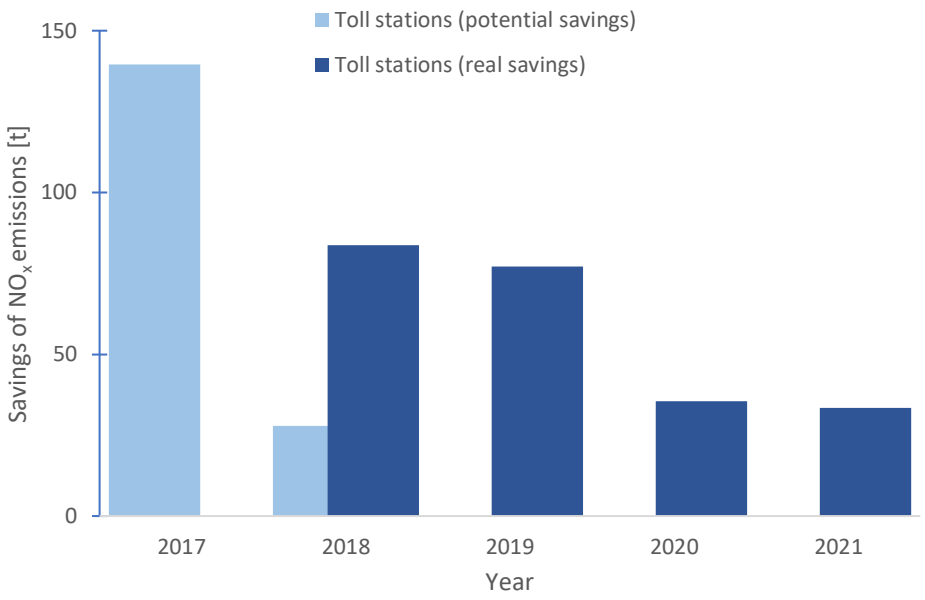
The figure below shows potential and real savings of CO_2 emissions due to the deployment of the DarsGo system without stopping at toll stations.

Figure 86: Potential and real CO_2 emission savings due to the deployment of the DarsGo system without stopping at toll stations from 2017 to 2021



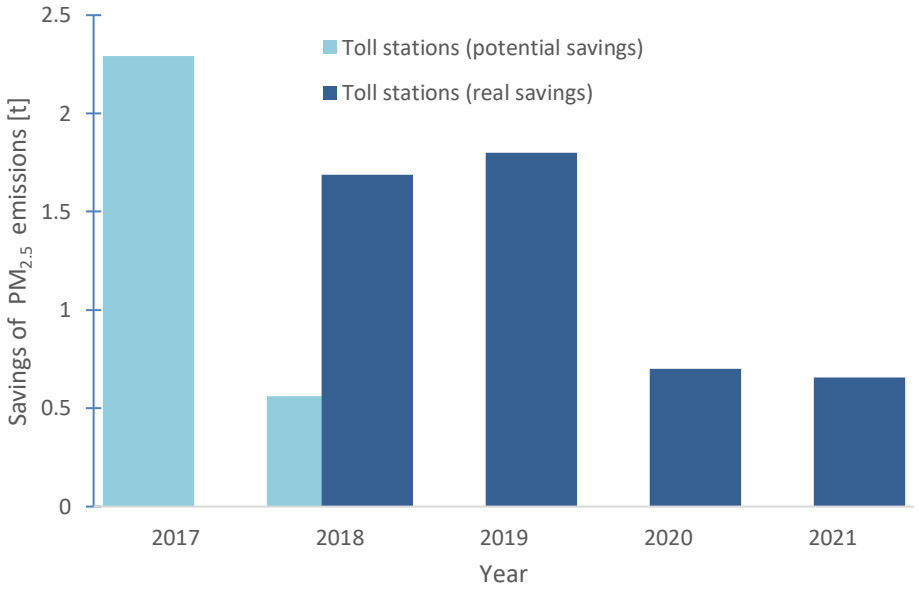
The figure below shows the potential and real savings of NO_x emissions due to the deployment of the DarsGo system without stopping at toll stations.

Figure 87: Potential and real NO_x emission savings due to the deployment of the DarsGo system without stopping at toll stations from 2017 to 2021



The figure below shows potential and real savings of $PM_{2.5}$ particle emissions due to the deployment of the DarsGo system without stopping at toll stations.

Figure 88: Potential and real $PM_{2.5}$ emission savings due to the deployment of the DarsGo system without stopping at toll stations from 2017 to 2021



As evident from previous data, the deployment of the DarsGo system is one of the most important environmental measures in the Republic of Slovenia. In recognition of the successfully deployed electronic tolling system, DARS received an award for environmentally friendly service in 2019 within the scope of the Environmental gathering organised by the Finance newspaper on 7 November 2019.

I.5.6.8 Emissions into the air[103]

Emissions into the air resulting from Company activities are emissions of exhaust gases from the vehicle fleet and emissions from own heating sources for business premises. In respect of emission management, the Company complies with the requirements.

Emissions into the air caused indirectly by MW users are particularly important in tunnel management. Tunnels longer than 500 metres are equipped with monitoring systems for exhaust gas emissions (CO) and visibility. A ventilation system is set up for adequate ventilation in the tunnel tubes, which is controlled or regulated automatically using the installed fans. Measurements are monitored by the control centres in charge of controlling traffic in individual tunnels.

Control Centre (CC) Hrušica monitors the parameters in the Karavanke Tunnel, CC Ljubljana in the Golovec and Šentvid tunnels, CC Kozina in the Kastelec, Dekani, Podnanos and Barnica tunnels and in the Rebernice II cut-and-cover, and CC Vransko and Slovenske Konjice in the Cenkova, Golo rebro, Pletovarje, Ločica, Jasovnik, Trojane and Podmilj tunnels.

By optimising traffic flows, traffic congestion is mitigated, whereby gas emissions are minimised. This is achieved by forcing freight vehicles off motorways in time, through road diversions, additional variable message signs and the coordination of all closures, as well as through the coordinated operation of control centres.

I.5.6.9 Concern for animals in the MW area of influence[104]

The invasion of wild animals onto the motorway presents a significant risk for:
- the safety of all participants in motorway traffic and animals,
- the safety of motorway maintenance workers who have to remove or catch the animals,
- material damage and severe trauma;
- serious accidents resulting in fatalities or severe bodily injury.

Therefore, DARS has made efforts from the very beginning to minimise such cases by regularly checking the barriers, using deterrent devices and including the issue of animal passages in procedures to prepare the national spatial plan. We have adapted or expanded all our underpasses, which are located in areas where animal crossings have been recorded, in such a way that they now have an unobstructed path for the crossing of animals in addition to the road surface in the underpass. The prevention of animal roadkill on all traffic routes (state roads, motorways and railways) is important both in terms of animal mortality rates and traffic safety improvement. To that end, DARS has furnished all MW junctions with acoustic deterrent devices for game animals, which are installed on indicators. A total of 571 deterrent devices have been set up.

There are over 1000 structures – overpasses, underpasses, bridges, viaducts, tunnels, cut-and-cover structures and culverts – that animals use for crossing above or below the motorway.

In addition, by extending bridging structures over watercourses, the necessary path for animals crossing under bridges near watercourses is also ensured. Animals use several overpasses to cross roads and there are some objects that have been built exclusively for the purpose of animal crossings (ecoducts); some are extended overpasses where, in addition to a local road, a suitable width of grassy belt is provided for animals to cross. Culverts are adjusted below motorways for smaller mammals, amphibians and otters, with a built-in dry ledge intended for such animals.

To reduce the number of animals found astray on the motorway, the Company has decided to furnish all junctions on the motorway with an acoustic deterrent device for animals. This device was initially tested by colleagues from MMC Hrušica in 2007 on the Gorenjska motorway leg. Research on its effectiveness confirmed that there is significantly less roadkill (by as much as 92%) on roads protected by the device. The acoustic deterrent device for animals is a device with built-in electronics that repels animals from the protected motorway junction using ultrasound, infrasound, seismic tones and vibrations. They are installed in existing roadside pillars and prevent animals from accessing the motorway.

[103] GRI GS 103-1, 103-2, 305-2.
[104] GRI GS 304-2.

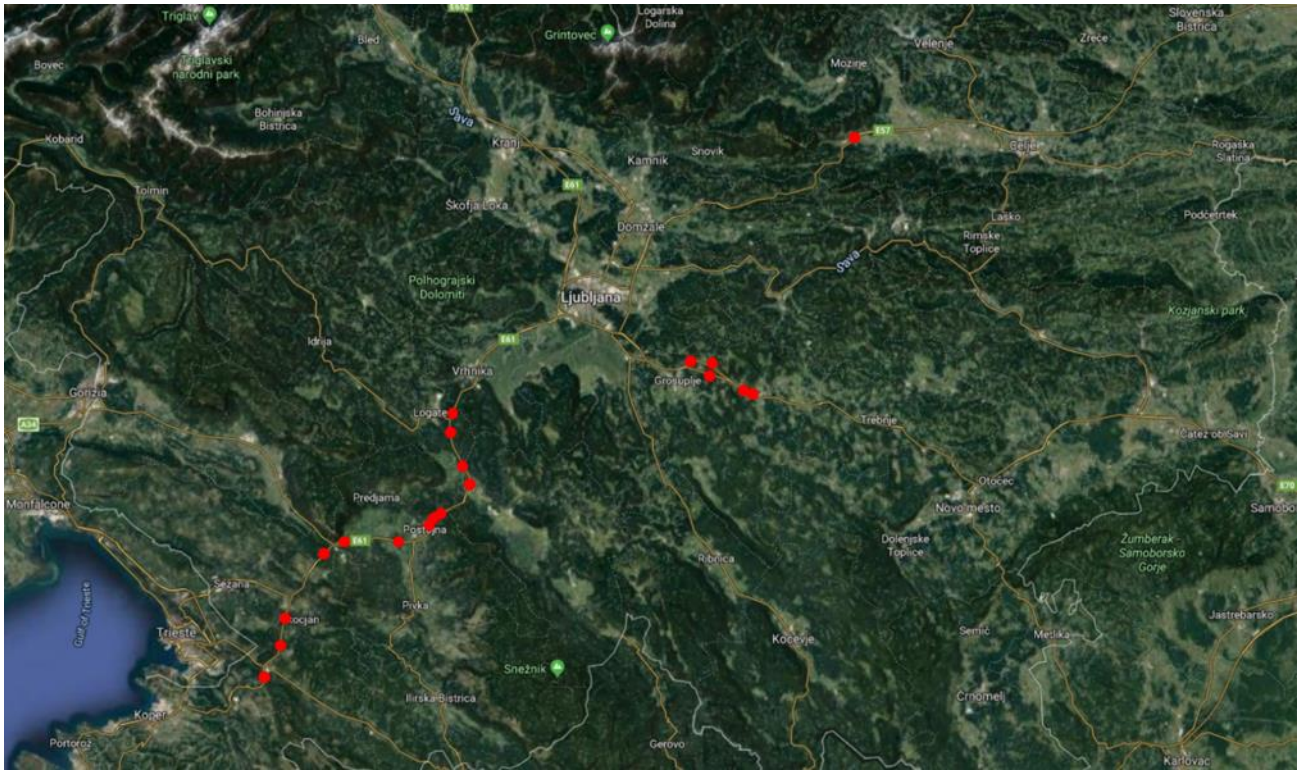
Figure 89: Acoustic deterrent device for animals

In the second half of 2018, some 100 new wildlife deterrents were installed on indicator lamps at junctions on the Dolenjska motorway leg and partly in the area of Ljubljana. Furthermore, in cooperation with Eurofins ERICo, an institute for environmental research from Velenje, the Company has been installing electric fences in the area of Logatec towards Postojna. The electric fence is supposed to prevent the crossing of bears.

The prevention of animal roadkill on all traffic routes (state roads, motorways and railways) is important both in terms of animal mortality rates and traffic safety improvement. With a focus on the brown bear, a total of 180 bears were run over between 2005 and 2016 in Slovenia according to the data provided by Eurofins ERICo, which on average amounts to 15 a year or some 15% of the total identified bear mortality in Slovenia. Runovers increase twice, i.e. in late spring (May and June) and early autumn (August and October).

In 10 years, 18% of the bears were hit on the motorway, 37% on main, regional, municipal and forest roads, while 45% were hit on railway tracks.

Figure 90: Spatial distribution of locations in Slovenia where bears were hit on the motorway between 2004 and 2018



Most bears were hit on the Primorska MW leg between Logatec and Postojna, in the area around Razdrto, between Divača and Kozina, and on the Dolenjska MW leg, particularly between Grosuplje and Ivančna Gorica.

Animals often get onto the motorway at motorway junctions, where the safety rail ends, which is difficult to prevent. The Slovenian motorway system has a total of 123 motorway junctions; if that is multiplied by a factor of 2 (entry and exit ramps), this means almost 250 potential "free" entrances.

The number of passages by motorway section:
- Štajerska leg: slightly more than 10 crossings;
- Podravje leg: slightly more than 30 passages, 3 of which are flat amphibian passages;

- Gorenjska leg: some 27 passages, including dirt roads;
- Dolenjska leg: 38 passages (mostly underpasses and culverts);
- Primorska leg: 1 cut-and-cover (on H4 Vipava expressway), and 28 overpasses and 16 underpasses between Brezovica and Senožeče.

Otherwise, animals can use paths for crossing under viaducts and bridges and above tunnels throughout the motorway network.

Below is an example of a successful animal protection measure. DARS participates in the LIFE DINALP BEAR LIFE13 NAT/SI/000505 project. Within the scope of the action "C.4 Reducing traffic-related brown bear mortality", an electric fence is being installed on the exterior side of the existing wire MW safety barrier on selected sections of the A1 Ljubljana–Postojna motorway. The electric fence is a 3-wire system that prevents bears from climbing the fence and accessing the motorway. This has so far been set up over a total distance of some 30 km in the mentioned section of the Primorska leg, i.e. 15 km along each carriageway towards Koper and Ljubljana.

Figure 91: Animal protection measures

To reduce the number of animals found astray on the motorway, the Company has decided to furnish all junctions on the motorway covered by MMC Murska Sobota with an acoustic deterrent device for animals within a reasonable time. This device was first used in 2007 by associates from MMC Hrušica, who later equipped all junctions on both sides of the Gorenjska motorway section.

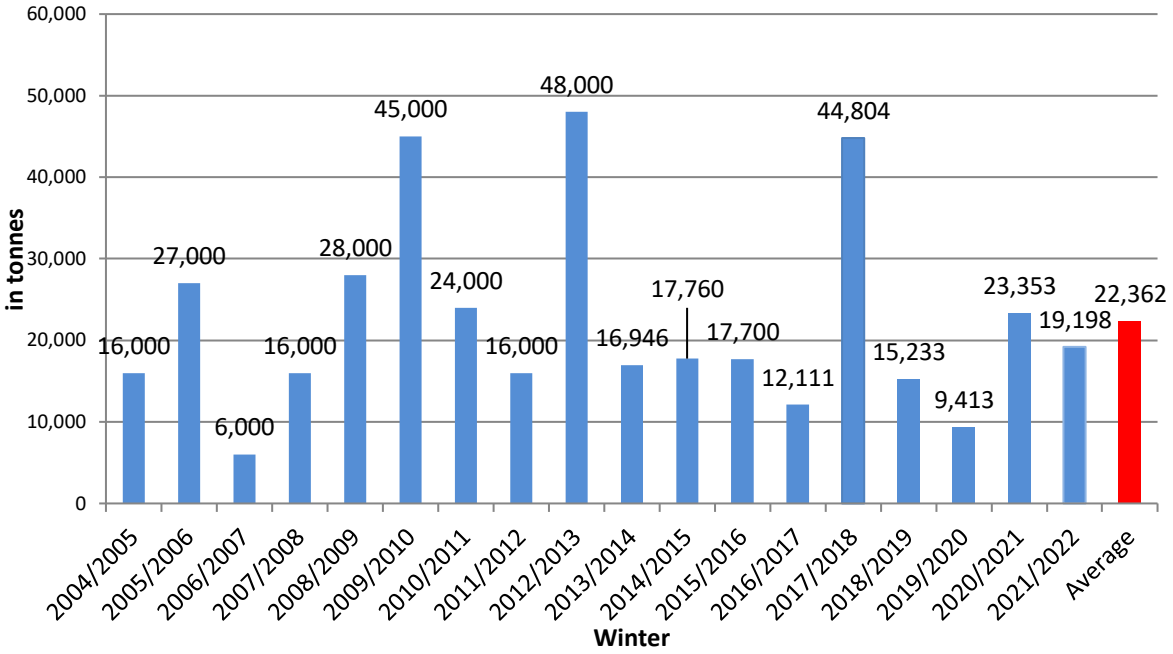
I.5.6.10 Environmental impacts of road gritting[105]

To maintain good driving conditions, substantial amounts of grit salt are used every winter on Slovenian motorways. Its impact on the environment is still uncertain and a current issue worldwide, since Europe and America mostly use NaCl and, to a minor extent, $CaCl_2$ and $MgCl_2$ during low temperatures. Due to the range of harmful effects of chlorides on the environment and structures, there is a strong tendency to reduce grit amounts in all countries. This is why the Company started using wet salting as preventive gritting, which is conducted on average 100 days a year.

To prevent slippery roads and ensure safe road conditions in winter, roads are gritted using various grit materials. These materials have a minimum impact on the ground, the quality of surface and groundwater, flora, fauna, humans, animals, facilities (road lanes, bridges, viaducts and buildings) and vehicles.

[105] GRI GS 103-1, 103-2, 103-3, 301, 301-1, 304-2.

Figure 92: Consumption of gritting materials in tonnes



In 2021, the environmental impact of salting was also monitored within the scope of the implementation of the Annual Programme of Operational Monitoring (APOM) of rainwater from retention basins. Analyses of the individual samples taken showed no excessive presence of salting elements; in each analysis, the salting elements were within the prescribed limits.

Wet salting

Based on foreign and domestic experiences with wet salting, DARS decided to use a 23% NaCl solution for preventive gritting. Wet salting is when a saline solution is spread over the carriageway. So far, the Company has used FS30 wet salting (30% solution and 70% dry salt). Since the effect of wet salting is the same or even better and much cheaper (FS100), the Company expects to supply all MMCs with the relevant equipment in a few years. In 2021, additional silos and devices for the production of sodium chloride solutions were supplied to MMC Slovenske Konjice. New automated mixing devices were delivered and are already in operation at the Podtabor, Dob and Logatec branches and at MMC Postojna, the Vipava branch, MMC Hrušica, MMC Vransko, MMC Kozina, MMC Ljubljana, MMC Murska Sobota and MMC Maribor.

Figure 93: New automated mixing devices

Notably, environmental pollution was thereby reduced by some 25%. The number of traffic accidents is also reduced or, rather, came close to the number of accidents in other seasons of the year.

The most obvious negative impact of salt on the infrastructure and the environment can be seen in the form of:

- accelerated corrosion of vehicles in traffic and the corrosion of the reinforcement in reinforced concrete and iron and steel structures;
- damage to vegetation on the roadside due to contact with salt, which is run off the road by traffic or drained upon snow thaw,
- damage to trees and shrubs resulting from balance changes in the absorption of nutrients through roots and leaves, and
- damage to fish and other animals feeding on the fish due to the high concentrations of chloride ions in roadside watercourses and wetlands.

Use of new technologies

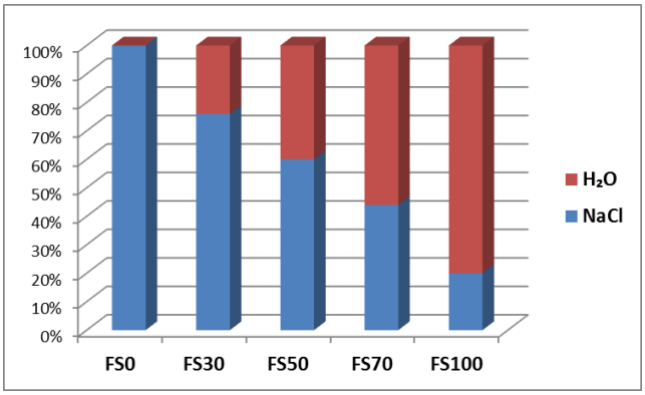
In 2023, it is planned to procure new modern equipment for winter road maintenance with controlled consumption in relation to temperature and the ongoing monitoring of grit release. It is estimated that salt consumption could be reduced to somewhere between 15 and 25% per m^2 with the introduction of this modern technique.

Example of a negative impact of salt on traffic structures

Concrete, rock or asphalt cracking takes place when all the pores are saturated with water, which is evident in the picture below. After a certain number of freezing and thawing cycles, along with the use of grit material, frost damage occurs. Due to salting and temperature fluctuations on the surface and inside the cracks, internal stress increases resulting in cracks on surface layers. Due to the presence of chlorides, steel also corrodes.

Figure 94: The impact of salting on the pavement (source: own footage, 2010)

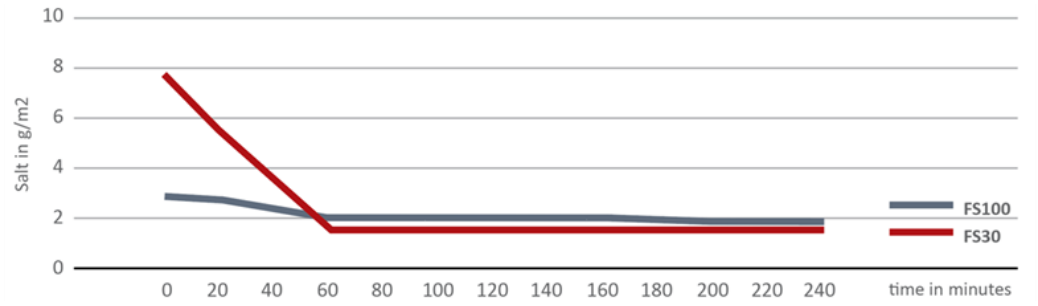
Figure 95: Types of solution for wet salting



Measuring salt residue upon the use of FS30 and FS100

The chart shows that the effect of wet salting (FS30) equals liquid salting (FS100) after some 50 minutes or that the effect of liquid salting lasts even longer and has more effect than wet salting. Measurements performed by German colleagues showed a loss of up to 70% in the first 20 minutes after salting, i.e. only 2 g/m^2 of wet salt (FS30) remains from the initial amount of 7.5 g/m^2, and after 60 minutes only 1.5 g/m^2. Interestingly, the loss in FS100 is smaller and, if 3 g/m^2 is sprayed, almost 2 g/m^2 remains after 60 minutes.

Figure 96: Duration of the effect of wet salting (FS30) and liquid salting (FS100)



Road conditions for which liquid salting is recommended
Liquid salting is not suitable for all conditions. The basic condition is that the road temperature stays above -6 °C.

A special contribution to the new practice was made by experienced road maintenance services in countries that are large salt consumers in winter, such as Austria, Germany, Norway, Sweden, Switzerland, etc. Along with the strengthening of environmental awareness, i.e. the need for environmental protection, grit requirements also emerged. This was a new grit technology with an increased content of saline that significantly reduced environmental pollution, while preserving traffic safety on European roads.

Assuming that the use of new grit technologies using FS30, FS50 and FS100 would amount to "merely" 25% of the purchase cost of salt, the calculation of the financial implications of the use of new grit technologies is simple.

In the 2019/2020 winter, 2814 m^3 of 23% NaCl solution was used for preventive liquid salting, 4951 m^3 in the 2020/2021 winter, and 7248 m^3 in the 2021/2022 winter, thus recording an increase in liquid salting.

I.5.6.11 Protection of waters[106]

Run-off wastewater is drained from the motorway pursuant to the Decree on the emission of substances in the discharge of meteoric water from public roads by way of dispersed or controlled point drainage via 759 retention basins, which are indicated by MW leg in the table below.

In 2020, the Company continued the regular annual cleaning of all the most burdened oil separators (at motorway maintenance centres and branches) and the basic maintenance of retention basins (grass mowing, the removal of dumped municipal waste, repairing damaged parts and railings, and cleaning de-sanding areas and sand traps). Hazardous and non-hazardous waste is generated during the cleaning of retention basins and oil separators. The disposal of the latter is subject to a contractual relationship with the recipient of the relevant waste, which has a valid environmental permit. Pursuant to the legislative requirements, internal instructions on waste management and the rules of procedure for oil separator maintenance, an operating log, which forms a component part of the Report on the inspection and operation of retention basins along motorways and expressways, is to be completed for every intervention on an oil separator or retention basin for each calendar year separately.

Measurements were conducted 5 times in 2021 at the representative Sneberje retention basin with the aim of monitoring the emissions of substances into nature. The operational monitoring of run-off wastewater from the roads managed by DARS was conducted within this scope, measuring the pollution of the water discharged from retention basins. Operational monitoring was conducted on the basis of the Annual Programme of Operational Monitoring (APOM), which was sent to the Ministry of Infrastructure for review and to the Ministry of the Environment and Spatial Planning for approval pursuant to the Decree on the emission of substances in the discharge of meteoric water from public roads. Based on the analyses carried out, we conclude that the limit values set out in Annex 2 Limit values for parameters for run-off wastewater were exceeded at the third measurement (August 2021). This is due to the reconstruction of a part of the northern Ljubljana ring road. Only one sampling of run-off wastewater was found to exceed the PAH parameter, which was carried out on 23 August 2021, five days after the reconstructed AC section was put into service (18 August 2021). The next two sampling rounds found no exceeding of the limit values or the PAH parameter was within the detection limit.

[106] GRI GS 103-1, 103-2, 103-3, 306, 306-1.

Table 28: Number of retention basins along the MW legs

Designation and name of MW leg	Number of retention basins along MW leg
A1 Šentilj–Sermin	336
A2 Karavanke–Obrežje	186
A3 Gabrk–Fernetiči	12
A4 Slivnica–Gruškovje	29
A5 Maribor–Pince	88
H3 Northern Ljubljana ring road	1
H4 Razdrto–Vrtojba	94
H5 Škofije–Sermin–Koper	5
H6 Koper–Lucija	7
H7 Dolga vas–Hungarian border	1
Total	**759**

Figure 97: Retention basins along MW

In 2021, the Maintenance Division continued basic maintenance works and the regular annual cleaning of all retention basins (mowing, removal of discarded municipal waste, repair of damaged parts and railings, and cleaning de-sanding areas and sand traps), while cleaning works on oil separators at selected retention basins with the most burdened oil separators were not conducted. Pursuant to legislative requirements, internal instructions on waste management and the rules of procedure for oil separator maintenance, an operating log that forms a component part of the Report on the inspection and operation of retention basins along motorways and expressways is to be completed for every intervention on a retention basin. The report is made for each calendar year separately.

In order to manage the road network comprehensively, to maintain motorways efficiently and rationally and, above all, to take timely action in the event of accidents, the operator needs information on the condition of the facilities and devices, including the systems for the retention and discharge of surface water from the roads.

In autumn 2020, in collaboration with the external contractor IRGO Consulting, d.o.o., we began inspecting the condition of all 759 retention basins along the road network managed by DARS.

The condition of the retention and drainage devices for run-off wastewater is monitored through periodic and non-periodic inspections, which include a visual inspection and, where necessary, measurements. The inspections are carried out on the basis of the Roads Act (Official Gazette of the Republic of Slovenia, Nos. 109/10 and 48/12; “ZCes-1”) and the Rules on the regular maintenance of public roads (Official Gazette of the Republic of Slovenia, No. 38/16). The condition will be monitored on all sections managed by DARS that have been opened for traffic or are scheduled to be opened for traffic during the execution of the work under the contract. By the end of 2021, 284 periodic inspections had been carried out. No non-periodic inspections have been carried out.

The inspections are performed according to the internal methodology for monitoring the condition of drainage facilities and devices with an emphasis on retention basins.

Work under the contract for monitoring the condition of retention and drainage devices will be carried out over the course of eight years. Within that period, an initial inspection of all the retention facilities with the associated equipment, inlets and outlets (snapshot of the zero state) is planned to be carried out within three years from the signing of the contract, followed by periodic inspections of all retention basins over the course of five years from the previous inspection of their condition.

To protect waters, waste tunnel washing water is removed from the location of origin, which is one of the ongoing tasks of the Maintenance Division. The disposal of such wastewater is also subject to a contractual relationship with recipients that have a permit to handle such waste as issued by the ministry. Since such a contract for MMC Vransko expired in 2020, a new procedure was conducted and a new contractual recipient of such wastewater was obtained.

Water discharge by quality and destination[107]

The total volume of planned and unplanned water discharges:

- Destination: Within the scope of services of general economic interest, water from septic tanks is treated at locations where septic tanks are still in service. The authorised recipient of the waste also receives tunnel washing water that is generated upon washing and cleaning tunnels on the motorway alignment.
- Quality of water, including treatment method: Wastewater is handed over to the recipient of the waste, which makes sure that it is treated.
- Water was reused by some other organisation: no.

Significant spills in relation to wastewater and waste[108]

In respect of spills in the last 5-year period, one truly major incident was recorded involving an oil spill (burning oil). The incident happened in February 2018 upon a major accident involving two trucks, one carrying oil and the other carrying flammable wood waste cargo. Upon the collision, oil started leaking, a fire occurred and the oil discharged into the nearest retention basin. Since fire-fighting action followed, the component for extinguishing burning oil was present within the scope of the spillage. The entire incident was successfully managed and all hazardous components were retained in the nearest retention basin. This was followed by the cleaning of all the affected surfaces. The incident was successfully managed and no major ecological consequences occurred despite the complexity of the event.

Additional information for the mentioned spillage:

- Location of the spill: The spill occurred in February 2018. Motorway section 068 at km 6.580. Location near the former TS Dane; the nearest town is Sežana.
- Place of the spill: The spillage took place on motorway surfaces and down the drainage system into the first retention basin.
- Volume of spillage: full oil tank and large volumes of the substance for extinguishing burning oil. When cleaning the retention basin, 115.90 m^3 of waste oily liquid was removed and taken for destruction.
- Spillage material broken down by: oil spills (ground or water surfaces), fuel spills (ground or water surfaces), waste spills (ground or water surfaces), chemical spills (ground or water surfaces). The waste material was an oily liquid mixed with burnt wooden waste and extinguishing fluid (foam).
- Effects of the substantial spill: The incident was successfully managed by the entire intervention crew, so that no negative effects of major dimensions occurred.

I.5.6.12 Noise emissions[109]

DARS has been erecting noise barriers along the motorway alignment to protect areas that are overly affected by traffic since 1988. Since then and by the end of 2021, 184.91 kilometres of noise barriers have been erected.

The Noise Action Programme for the first phase major roads and railways requires that operators of road and railway infrastructure implement measures to limit excessive noise pollution, which comprise two lots.

The Company carried out measures imposed by the governmental Noise Action Programme. The measures included in the Noise Action Programme (Lot B) in five motorway sections were implemented from 2013 to 2015, and the protection of the most affected individual residential buildings along the motorway network was executed in 2019 – active noise protection measures at 11 locations along the Slovenian motorway network.

Lot B was implemented by DARS in 2013 and 2015 within the scope of the Environmental and Road Infrastructure Development Action Programme, i.e. through the Construction of Noise Barriers on Five Motorway Sections in the Republic of Slovenia (Brezovica–Vrhnika, Dramlje–Celje, Celje–Arja vas and Malence–Šmarje-Sap) project, which was co-funded with EU cohesion funds in the amount of 85%. By implementing noise protection measures, the operator will be able to prevent excessive noise pollution of the environment caused by traffic in the relevant sections. Overall, 31.4 kilometres or nearly 141 thousand square metres of new noise barriers were constructed at five motorway sections within this project.

[107] GRI GS 306-1.
[108] GRI GS 306-3.
[109] GRI GS 102-12.

The project was completed in August 2018 with the elimination of identified deficiencies at the Dramlje–Celje–Arja vas section, i.e. on barriers measuring 10.4 kilometres in length. In addition to the active noise protection, the so-called passive protection of certain residential buildings in such sections was undertaken, meaning that inadequate building furniture was replaced with such that provides adequate living conditions in a residential building.

Lot A (NAP) foresees protection for 11 structures along the motorway that are the most exposed. Based on the preliminary noise protection study and the proposal for noise protection for the structures, the Company obtained Detailed Design (PZI) documents in 2017 for 12 of the 14 locations, since 2 locations are subject to consideration within the scope of the national spatial plans for other investments. Passive protection was already prepared for those structures and executed near individual residential buildings in 2018. In 2019, the protection of the most affected individual residential buildings along the motorway network was executed – active noise protection measures at 11 locations along the Slovenian motorway network.

In 2018/2019, the Company performed operational noise monitoring for the motorway and expressway network in cooperation with outsourcers. Model calculations of noise were made within the project on the basis of 2016 traffic loads to determine the noise pollution impact on façades, i.e. for all buildings with noise-protected rooms and buildings with potentially noise-protected rooms on all MW and EW sections that we manage. Operational monitoring was conducted alongside the preparation of expert bases for the Noise Action Programme in affected areas. In order to design noise protection measures, the document discusses the existing built-up areas where measures need to be taken and sets out the priorities and key orientations for the planning of anti-noise measures to make the measures as efficient and acceptable as possible with respect to the funds invested.

The priority areas were included in the Action Plan for Road Infrastructure Managed by DARS for 2021–2023. Pursuant to the plan of priority areas for noise mitigation, DARS ordered noise studies in 2020 containing proposals for anti-noise measures for individual areas on the motorway network.

For the purposes of preparing a set of measures that will be included in the revised Noise Action Programme, the Company prepared expert bases for the Noise Action Programme to reduce noise pollution and expert bases for the renovation of noise barriers in cooperation with an outsourcer. The document discusses existing anti-noise measures that are deemed inadequate considering the current noise pollution and sets out three types of measures (renovation, upgrade and both renovation and upgrade). With their implementation, the existing noise protection is expected to be able to provide sufficient protection against noise in overly affected areas. Areas with existing protection discussed in the document where measures are planned will be included in the revised Noise Action Programme (expected in the first half of 2022), in addition to the priority areas for noise mitigation.

Within the scope of the reconstruction of certain sections, the Company has created test fields with various asphalt layers, thus trying to achieve noise reduction at the source, since 2015.

Within the scope of rearrangements of frontal TS areas in Pesnica, Tepanje, Kompolje, Log and Bazara, the Company created a less noisy wear course, the so-called drainage asphalt including rubberised bitumen, which reduces noise at the source, in 2018 and 2019. In 2020, two additional test fields were set up, on the Vipava expressway and the Prekmurje motorway leg, with the normal wear course (SMA) and rubber bitumen.

Figure 98: Noise measurements

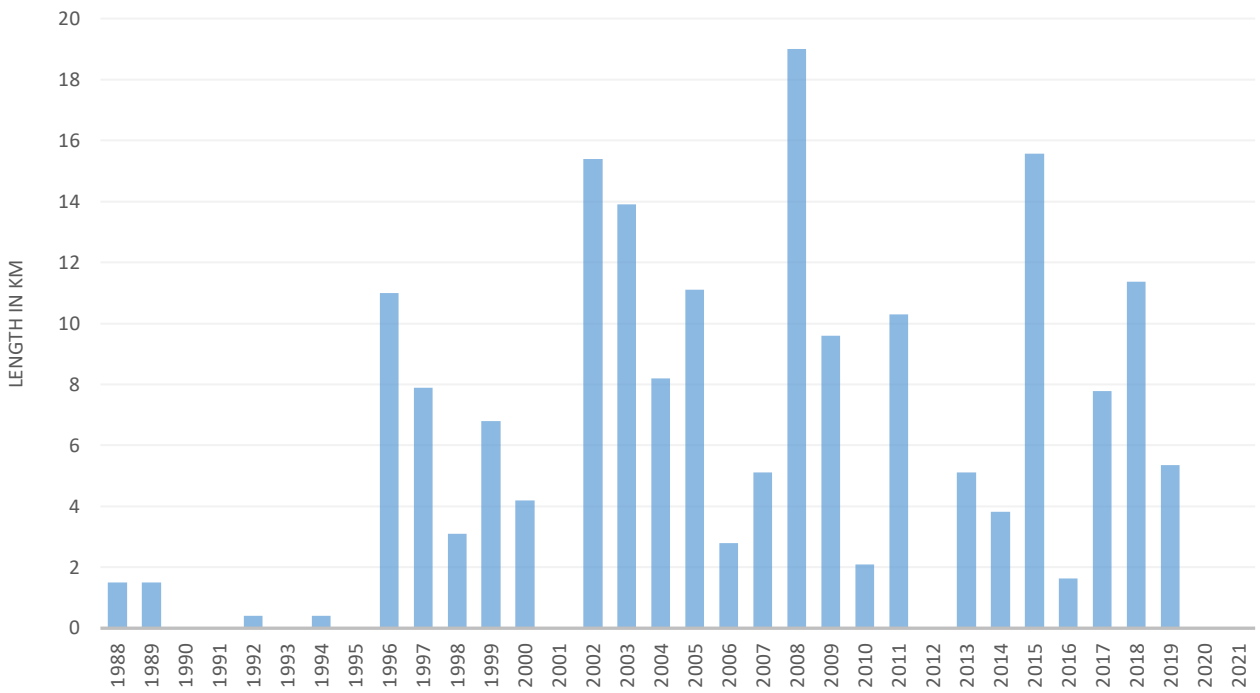
Based on the adoption of the methodology for noise protection monitoring on motorways and expressways, the Company began recording the condition of noise protection with the assistance of a contracted specialist. Based on the collected and analysed data, part of the noise protection was included in the Plan of Measures on Infrastructure for 2022–2024. The data collected was included in the preparation of expert bases for the renovation of noise barriers, which have been prepared in cooperation with an outsourcer. This defines which noise barriers should be renewed within their existing clearances and which should be comprehensively reconstructed, for which guidelines and bases for the planned reconstruction had to be prepared at the same time. The preparation of the programme takes into account the age of the noise barriers, the adequacy of the existing clearances of the noise barriers with respect to the latest noise monitoring results, and the condition of the noise barriers. Based on the document, the sequence and scope of noise barrier reconstruction in the following years will be planned.

With respect to the integration of the motorway network into the environment, the Company received 69 complaints in 2021 from the interested public relating to the issue of noise. The complaints have been adequately considered and managed.

Based on the amended Noise Action Programme, DARS will start implementing measures to reduce noise pollution along the roads managed by DARS, when such measures are included and confirmed in the amended Noise Action Programme.

DARS has been erecting noise barriers along the motorway alignment due to traffic since 1988. In that period, a total of 181.4 km of noise barriers were built within the scope of the new construction of motorway sections and the existing motorway network during its use. Noise barriers were constructed as evident in the chart below.

Figure 99: Noise barrier construction along the motorway network in RS between 1988 and 2021



In the period between 2015 and 2017, noise barriers were built within the scope of new section construction (MW Draženci–Gruškovje, EW Koper–Izola, MW junction Šmarje - Sap) and within the scope of additional measures following the implementation of the first noise assessment (MW Pesnica–Zrkovska cesta). With respect to design documents, the Company made the following between 2015 and 2017:

- MW Draženci–Podlehnik: 8 lots of noise barriers in the length of 6247 m,
- MW Draženci MW–IBC Gruškovje (stage 2.a) in the length of 1176 m,
- MW junction Šmarje - Sap: 4 lots of noise barriers in the length of 1414 m,
- EW Koper–Izola: 8 lots of noise barriers in the length of 1110 m,
- MW section Pesnica–Zrkovska: an additional barrier in the length of 259 m.

In the period between 2015 and 2018, the following noise barriers were erected on the existing motorway network:

- MW Brezovica–Vrhnika: 11 noise barriers in the length of 7615 m,
- MW Dramlje–Celje: 20 noise barriers in the length of 7953 m,
- MW Dramlje–Celje–Arja vas: 19 noise barriers in the length of 10,511 m,
- MW Brezovica–Vrhnika: 3 noise barriers within the scope of the rearrangement of toll station Log in the length of 852 m.

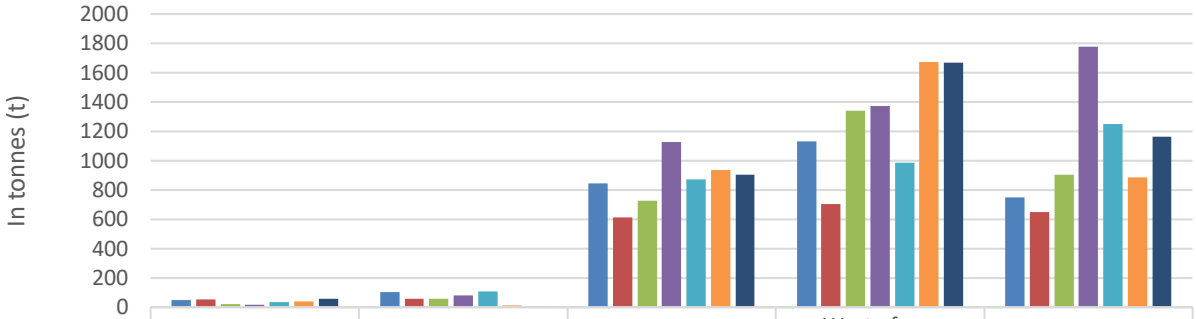
In that period, 20 noise barriers were erected in the total length of 7953 m in 2015 within the scope of the Noise Action Programme, Lot B, on the existing Dramlje–Celje motorway section. In 2018, DARS eliminated deficiencies on 10,400 m of the barrier in this motorway section. In 2019, 5357 metres of noise barriers with the total area of 18,001 m² were constructed at ten locations within the scope of Lot A of the Noise Action Programme. In 2020 and 2021, no active noise protection measures were executed on any road section operated by DARS.

I.5.6.13 Waste management[110]

In 2021, activities continued to implement and upgrade the environmental protection policy, with an emphasis placed on controlled waste management as imposed by the applicable legislation. All activities have been aimed at proper waste management with the consistent separation of waste at its source. Furthermore, the Company continued to implement its policy of the controlled disposal of all types of waste.

Waste can be divided into two groups: non-hazardous and hazardous waste. As in previous years, non-hazardous waste collected in 2021 mostly included waste generated during investment works for the comprehensive reconstruction of individual motorway sections (asphalt waste, concrete waste, scrap iron and waste soil). These are followed by waste generated during road maintenance, i.e. waste from sand traps, septic tank wastewater, tunnel wash water, scrap plastic, worn-out tyres). The Company also noticed a growing trend in hazardous waste, i.e. mostly waste oil, water containing oil, sludge, waste paint and varnish and absorbent sand (used to clean up roads after accidents).

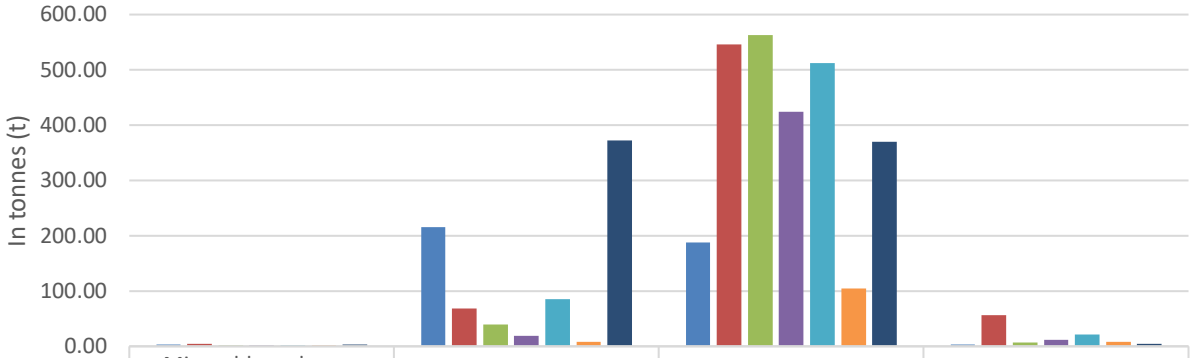
Figure 100: The volume of non-hazardous waste handed over in the 2015–2021 period[111]



	Waste plastic	End-of-life tyres	Iron and steel	Waste from desanding	Tunnel wash water
2015	49	106	845	1131	748
2016	54	60	611	704	651
2017	20	59	729	1343	905
2018	18	80	1129	1375	1776
2019	37	110	871	987	1249
2020	41	13	938	1674	886
2021	59	4	903	1668	1164

[110] GRI GS 103-1, 103-2, 103-3, 306, 306-2.
[111] GRI GS 306-1.

Figure 101: The volume of hazardous waste handed over in the 2015–2021 period



	Mineral-based non-chlorinated engine gear and lubricating oils	Sluddges from oil/water separatorns	Oil water from oil/water separations	Construction materials containing asbestos
2015	3.71	216.00	188.30	2.86
2016	4.33	67.85	546.30	56.71
2017	2.20	39.16	563.34	7.26
2018	1.49	18.43	423.70	11.52
2019	2.15	84.75	511.95	21.95
2020	2.30	7.72	104.42	8.09
2021	2.85	371.76	369.37	4.72

Due to greater consistency and the increasing emphasis placed on waste separation, the volumes of waste continue to grow in most cases. This is, however, not true for municipal waste, which is managed by the service of general economic interest within the competence of a particular local community.

A major action in previous years was the construction of draining racks for leaching waste sand from sand traps. In 2017, the construction of a draining rack for MMC Novo mesto was completed as the last in the project to put at least one draining rack at each motorway maintenance centre. The draining racks have already been put to good use and, as a result, the amount of waste sand from the sand traps, which could not be disposed of anywhere until the construction of the sand traps, has increased.

In relation to waste management, a record on waste management as set out by the ministry and managed by the Slovenian Environment Agency (IS Odpadki) is kept throughout the year and a report on waste management for the year preceding the previous one will be prepared at the beginning of the year.

Pursuant to the prescribed waste management procedures, the Company has introduced and properly maintained a system of separate waste and raw material collection. Separate waste collection is arranged at all unit locations by preventing waste mixing and supplementing containers for temporary waste storage until it is handed over to the waste disposal contractor for the specific type of waste in line with the needs. Electronic records on waste management, as managed by the Slovenian Environment Agency (IS Odpadki), are kept at the Company level. A report on waste management for the previous year is also prepared annually by the prescribed date. The Company has a waste management plan.

Most of the hazardous and non-hazardous types of waste are generated during motorway maintenance. Therefore, various measures are taken to separate waste consistently and, as a result, the volume of collected waste has increased (e.g. by building draining racks in previous years, the volume of waste from sand traps has increased from year to year, since the waste had not been recorded as an independent waste category before the drainage racks were built). The Company has contracted recipients for each type of separately collected waste, which must have a valid environmental permit for handling such waste that is issued by the Ministry. Despite everything, the Maintenance Division is often faced with the issue of a certain type of waste or, rather, with the issue of different interpretations of a particular type of waste. In that respect, the biggest problem in 2019 was waste tyres, for which a scheme is to be finalised at the Ministry level. In maintenance, large amounts of truck tyre casings have been recorded, which are considered by the contractual recipient of waste tyres to be municipal waste rather than waste tyres; however utility companies do not

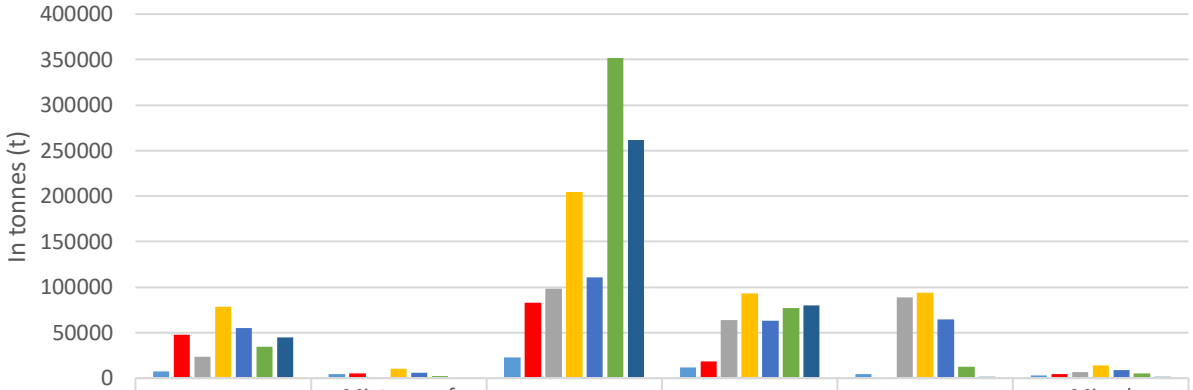
collect such waste claiming that it is waste tyres, which must be collected by the contractual recipient of such waste. The issue is still ongoing and has not yet been resolved. The issue of the operation or non-operation of certain companies that collect hazardous waste (e.g. Kemis) also includes the disposal of certain hazardous waste (packaging waste from plant protection products and waste plant protection products). This issue, too, is still open and being resolved.

In maintenance, the issue of unauthorised dumps has arisen increasingly often; these ordinarily appear on Company land plots outside the area of the motorway surfaces, where constant supervision is not possible (surfaces for noise barriers and outer motorway barriers, access roads to structures outside the motorway barrier and similar). Unauthorised dumps most often contain construction waste, while some dumps also contain various municipal waste. Since it is difficult or almost impossible to find the perpetrator, the removal of such unauthorised dumps falls within the responsibility of the land owner based on an inspection decision, which may also imply a considerable financial cost when large volumes of waste are involved.

Construction waste management

In investments, DARS also acts as a producer of construction waste. The legal regulation of the area has been transposed by DARS into its own investment execution process. An additional requirement is therefore included in the Terms of Reference for the procurement of design documents, which provide the basis for the procurement of construction works and their execution, under which the design engineer is required to take due account of the applicable legislation in that area. The result is the Plan for handling construction waste, based on which the requirements are transferred to the invitation to tender for the contractor. In addition to the general requirements, designs also need to take into account all other environmental conditions deriving from other acts applicable in the relevant area (WPA, Natura, etc.). The invitation to tender obliges the contractor to manage construction waste properly. To that end, an authorisation is issued to the waste disposal contractor upon the commencement of construction works.

Figure 102: The volume of hazardous waste handed over in the 2015–2021 period (by type and disposal method)[112]



	Concrete	Mixtures of concrete, bricks, tiles and ceramics	Bitumino us mixtures	Soil and stones	Dredging spoil	Mixed construction and demolition waste
2015	7547	4127	23047	11509	4171	3036
2016	47589	5340	83117	18037	914	4380
2017	23163	792	98016	63427	88884	6417
2018	78299	10258	204179	92972	93968	13832
2019	54978	5648	110943	62976	64382	8519
2020	34380	2085	351868	76923	12362	4882
2021	45088	296	261944	80223	1462	1858

[112] GRI GS 306-2.

I.5.6.14 Reuse of waste[113]

DARS strives to have the generated construction waste used to the maximum possible extent in the execution of works, provided that the material is compliant with the project requirements.[114] As such, several projects have already involved in-situ recycling or materials used in new asphalt mixtures or for the execution of certain other construction works (fills, embankments, etc.). In 2018, the existing pavement structure was reconstructed using cold in-place recycling (IN SITU) in 3 projects, i.e. the reconstruction of section 0602 Hrušica–Lipce and the demolition and rearrangement of the Log and Nanos toll stations. This procedure ensures that the existing material is preserved to the maximum possible extent and that a substantial part of the excess removed material is used in recycling.

I.5.6.15 Waste recycling[115]

In this area, DARS played an active part in the preparation of the Decree on green public procurement, which entered into force on 1 January 2018. The main provision in the Decree sets out that reclaimed asphalt pavement (asphalt granulate obtained upon the reconstruction of a road) should be used in pavement construction for that road as a priority for the production of bituminous mixtures and, secondarily, for the layers stabilised with hydraulic or bituminous binder, buffer zone (including roadside verges), bed, embankments and fills, i.e. in the necessary amount. All this is to be foreseen in the design documents for road reconstruction, where the type and amount of materials created during the reconstruction that is fit for reuse or recycling in individual road elements to be reconstructed must be evident.

[113] GRI GS 306-2.
[114] GRI GS 306-2.
[115] GRI GS 306-2.

I.5.7 Inclusion in the wider society

I.5.7.1 Inclusion in the local community[116]

The local community is involved in all stages of motorway siting and its proposal and initiatives are taken into account properly, as described in detail in chapter I.5.6.2.

I.5.7.2 Awards, commitments and memberships

I.5.7.2.1 Recognitions and awards

In recent years, DARS has received the following recognitions and awards:

- recognition by the Faculty of Electrical Engineering of the University of Ljubljana for exemplary cooperation and contribution to development for 2020;
- DARS, one of the most respected employers for 2020;
- recognition for environmentally friendly service to DARS in 2019;
- DARS, respected employer in 2018;
- DARS, one of the most respected employers for 2016;
- DARS, respected employer in 2015;
- DARS, the most respected employer in Logistics and Traffic for 2013;
- award from the European Network for Workplace Health Promotion (ENWHP) for a good practice example for 2013;
- recognition by the Ministry of Labour, Family, Social Affairs and Equal Opportunities for a good practice example in workplace health promotion for 2012;
- together with the Republic of Slovenia, DARS received a special Max Fabiani jubilee award in 2015.

DARS and the Republic of Slovenia received a special Max Fabiani jubilee award from the Town and Spatial Planning Association of Slovenia, Maks Fabiani Foundation, the Ministry of Culture and the Ministry of the Environment and Spatial Planning. The award was presented for the project and realisation of the Slovenian motorway network, with the following justification:The future belongs to determined, prudent and wholehearted people. Those people who base their decisions on wisdom, strength and knowledge. These certainly include everyone who has contributed to the idea, realisation and concern for the present-day motorway network, which spans over 600 kilometres. They are the ones the Max Fabiani award is dedicated to.

By constructing motorways, the Republic of Slovenia pursued its strategic goals to provide adequate internal links, links with the wider European region, improve traffic safety, promote economic development, increase direct economic effects and reduce the negative impact of traffic on the environment.

The over 600-kilometre-long motorway network featuring magnificent structures (from the longest bridge crossing the Mura River, the 1065-metre-long and 95-metre-high Črni Kal viaduct, the almost 3000-metre-long double-tube Trojane tunnel and the 7864-metre-long Karavanke tunnel) provides many advantages, since motorways are still a faster, safer and environmentally friendly form of mobility. Almost half of all traffic was realised on motorways and expressways, which take up almost 10% of the length of the entire national road network.

On the other hand, statistical data has revealed that motorways remain the safest, since the fewest traffic accidents take place on motorways and expressways (4-lane roads are 4.5 times safer than main roads and 7.3 times safer than regional roads). Analyses have shown that the amount of congestion has dropped despite increasing traffic.

DARS has evolved from the entity constructing motorways and expressways into a responsible operator of built assets. This means that it monitors and manages motorways, expressways and accompanying structures and facilities in a systematic and standardised manner and in coordination with foreign operators. It makes sure that regular maintenance and reconstruction works are done on the network, since their importance grows by the year, allowing the Company to implement suitable measures to achieve the planned service life of a structure and provide the necessary level of service

[116] GRI GS 103-1, 103-2, 103-3, 413-1.

and traffic safety. DARS implements measures pursuant to the European Directives and the goal of enhancing traffic fluidity and user safety.

Investments and projects in future years pursue two key goals: motorway fluidity and increased user safety. These are also the essential issues that the Company addresses with responsible management and in line with the business excellence vision and responsible management and maintenance by employees.

Upon this occasion, DARS would like to thank everyone who designed the motorways, all contractors, the owner and the stakeholders for a safe and fluid motorway system for our users.

I.5.7.3 Commitments to external initiatives[117]

DARS voluntarily participates in incentives promoting ethical conduct and environmental, social and economically sustainable operations. External initiatives are included in siting procedures, which is defined in detail in chapters I.5.6.2 and I.5.6.3. Initiatives referring to noise and related measures are described in detail in chapter I.5.6.12.

I.5.7.4 Membership of associations[118]

The Company actively cooperates with related companies abroad and is also a member of several international organisations. It is most active in the European Association of Operators of Toll Road Infrastructures (ASECAP). A detailed presentation of international cooperation is provided below.

International cooperation and the acquisition of European grants
DARS has been systematically building ever better international connections for a number of years in line with its commitment to the Company vision, which is focused on integration in various areas. In 2021, bilateral cooperation with neighbouring countries, as well as cooperation within international associations and platforms, was strengthened again after the decline in the first year of the pandemic. DARS representatives participated in several international events and thus contributed to the greater recognisability of the Company while also gaining information in a wide variety of areas.

Through our cooperation in the ASECAP (L'Association Européenne des Concessionnaires d'Autoroutes et d'Ouvrages à Péage, more on: http://asecap.com/) international association, where we are active in various committees and working groups for tolling, sustainable business, traffic safety and smart mobility, we co-develop the Association's plans of work and help prepare European legislation related to our field. In the World Road Association (PIARC, more on: https://www.piarc.org/en/), we participate in the Winter Service and the Finance and Procurement technical committees and we are also a part of the EETS Facilitation Platform (EFP). In addition to formal membership, we are also present at events organised by other professional associations, such as the IRF (International Road Federation), IBTTA (International Bridge, Tunnel and Turnpike Association, more on: https://www.ibtta.org/) and CEDR (Conference of European Directors of Roads, more on: https://www.cedr.eu).

Many Company activities are also related to the acquisition of EU funds; DARS received a total of EUR 10,923,324.68 in grants in 2021. We received funds under the Connecting Europe Facility (CEF) for the cross-border Karavanke road tunnel construction project, i.e. we received EUR 1,766,637.59, which represents 10% of the eligible costs. In cross-border cooperation and the harmonisation of ITS applications, the Company received EUR 202,598.22 for the Crocodile 3 project, which is co-funded in the amount of 20% of the eligible costs. For the C-Roads Slovenia pilot project, which is co-funded in the amount of 50%, the Company received EUR 277,746.53, as well as EUR 336,052.50 for the C-Roads Slovenia 2 project, which is the continuation of the original project.

In 2021, the production of documentation needed for the construction of the expressway for the 2nd section of the third development axis – north, from the Velenje South junction to the Slovenj Gradec South junction, was included as a replacement project in the programme for the implementation of the European Cohesion Policy 2014–2020. We received EUR 8,340,289.84 of funds from the European Regional Development Fund, which represents 80% of the eligible costs, of the works that have been completed from the launch of the project in 2018 to October 2021.

[117] GRI GS 102-12.
[118] GRI GS 102-13.

I.5.7.5 Sponsorships and donations

The Company is well aware of the responsibility it has to people and the environment in which it operates. Through awareness and preventive campaigns in the areas of traffic, traffic safety and environmental protection, it plays an active part in current social events, positively co-developing them to the best of its abilities.

In corporate social responsibility, special attention is dedicated to content relating to traffic safety, education and preventive actions on the roads operated by the Company. The funds are intended for projects involving preventive actions in traffic and for expert meetings related to traffic, safety and road construction, maintenance and operation. Support is also provided to fire brigades and others intervening in the event of emergencies on the motorway system operated by the Company.

The funds intended for sponsorships (pursuant to SSH Recommendations, sponsorships are only provided as an exception and are listed as deviations from the Recommendations in the Company's business report) and donations in the last five years are evident in the table below. We have concluded 32 donation and four sponsorship agreements for 2021.

Table 29: Funds for sponsorships and donations

Funds	2016	2017	2018	2019	2020	2021
Sponsorships	20,491	18,892	27,800	56,839	5,852	7,600
Donations	100,918	146,203	121,134	140,501	108,240	104,719
TOTAL	121,409	165,094	148,934	197,339	114,092	112,319

I.5.8 Responsibility to suppliers/contractors[119]

In 2021, DARS successfully cooperated with many suppliers/contractors (164) at home and abroad, although most business cooperation focused on suppliers/contractors from Slovenia (99% in terms of value) providing construction works (17%), services (66%) and goods (17%) due to the specific nature of operations; detailed data on the amount, structure and location of suppliers/contractors is evident below.[120]

Complex public procurement procedures at DARS, which is one of the largest contracting entities in the Republic of Slovenia, are carried out by competent employees with the acquired additional qualification "public procurement expert in the Republic of Slovenia".

I.5.8.1 Criteria for the awarding of a public contract[121]

When procuring goods, services and construction works, DARS is bound to observe the Public Procurement Act. The criteria for awarding a public contract are set out in detail in Article 84 of the Public Procurement Act and require a contracting authority or entity to award a public contract based on the most economically advantageous tender.

The most economically advantageous tender is identified based on the price or cost using the cost-efficiency approach, e.g. the calculation of life cycle costs as set out by the law, and may also include the best price to quality ratio assessed based on the criteria referring to quality and environmental or social aspects related to the subject of the public contract. Such criteria may, for example, include:

- quality, including technical advantages, aesthetic and functional characteristics, availability, design for all users, social, environmental and innovative characteristics and therewith related trading and terms;
- the organisation, qualification and experience of the staff conducting the public contract if the quality of the staff can have a major effect on the level of public contract performance;
- after-sales services, technical assistance and delivery terms, such as the delivery date or the completion of works, the delivery or implementation procedure and the duration of supplies or works.

The contracting authority or entity is not allowed to use the price as the sole criterion for awarding a public contract for the services of software development, architectural and engineering services, and translation and consulting services.

The criteria for awarding a public contract must be non-discriminatory, proportional and related to the subject of the public contract. It is deemed that criteria are related to the subject of a public contract if they refer to construction works, goods or services to be provided in line with the public contract, i.e. in any respect and at any level of their service life, including factors that are related to a special procedure for the production, provision or marketing of such construction works, goods or services or with a special procedure for the second level of their service life, even if such factors are not part of them in content.

In the documents related to awarding a public contract, the contracting authority or entity identifies a relative weighting awarded to each criterion selected for the determination of the most economically advantageous tender, unless the latter is determined solely on the basis of the price. The mentioned weightings may be defined as a range with a suitable maximum difference. When a weighting cannot be indicated for objective reasons, the contracting authority or entity indicates the criteria in a descending order of relevance.[122]

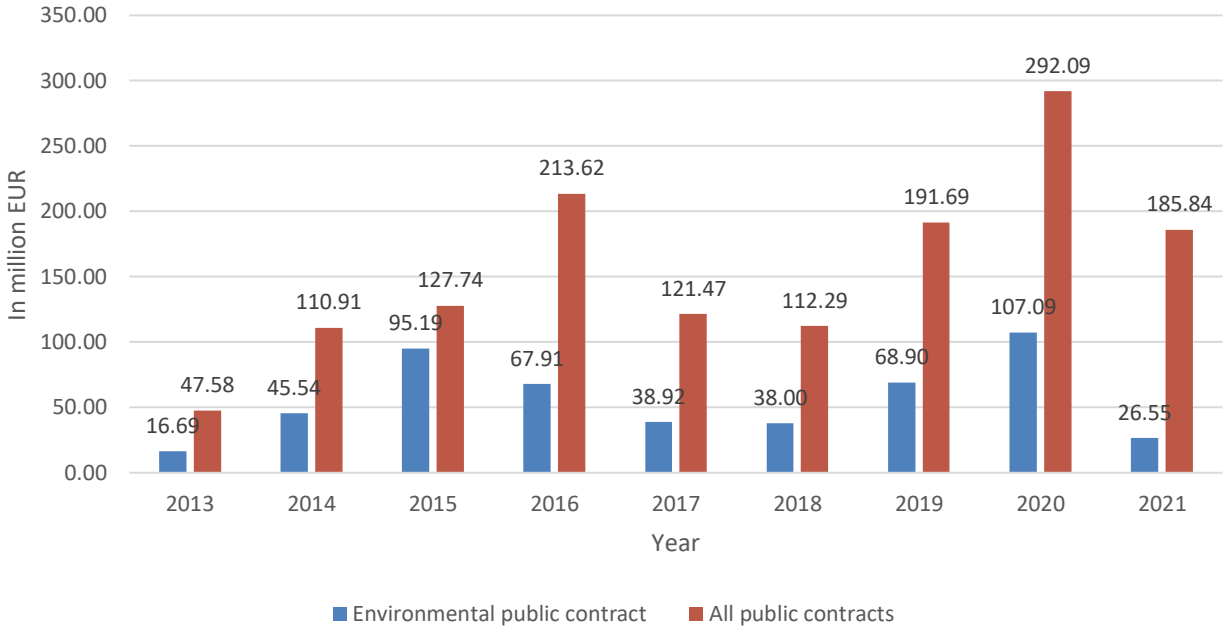
I.5.8.2 Suppliers/contractors (local, abroad)

The Public Procurement Portal eJN[123], which is managed by the Ministry of Public Administration, has the STATIST module, where it is possible to obtain statistical data relating to public procurement in the Republic of Slovenia. The

[119] GRI GS 103-1, 103-2, 103-3, 308, 308-1.
[120] GRI GS 102-9.
[121] GRI GS 103-1, 103-2, 103-3, 204, 102-10.
[122] GRI GS 102-9.
[123] Source: https://ejn.gov.si/statist, https://www.enarocanje.si/

data for 2021 shows that 1022 contracting authorities/entities awarded public contracts in the total amount of EUR 5,157,461,827.16 (excluding VAT). The total number of public contracts awarded in the Republic of Slovenia in 2021 was 7062. The environmental aspect was taken into account in 1486 or 19.17% of the contracts awarded.[124]
Changes in the total public contracts awarded by DARS and the growth in public contract value in which the environmental aspect was observed from 2013 to 2021 (in EUR million) are shown below.

Figure 103: Public contracts and "environmental" public contracts for 2013–2021



The data for 2021 shows that DARS awarded public contracts in the total amount of EUR 185,842,633.70 (excluding VAT). The total number of published invitations to tender was 137, while 168 public contracts were awarded. The environmental aspect was taken into account in 26 or 14.29% of the contracts awarded, which in terms of value means EUR 26.557 million or 15.48%.

The Decree on green public procurement (Official Gazette of the Republic of Slovenia, Nos. 51/17, 64/19 and 121/21) prescribes that green public procurement is mandatory for 22 product groups of procurement. The Decree no longer sets out obligatory environmental requirements as in the previous regulation, but sets out in Article 6 which environmental aspects should be considered by the contracting authority or entity when awarding public contracts and the goals that must be achieved in each public procurement procedure for the subjects set out in Article 4 of the Decree. Pursuant to Article 8 of the Decree, new cases of environmental requirements and criteria that may be included by the contracting authority or entity in a public procurement procedure to achieve the goals set out in paragraph 2 of Article 6 of the Decree have been prepared and made available on that website. Although the cases of environmental requirements and criteria for green public procurement are similar in several places to the fundamental and additional environmental requirements from the previous regulation, the new cases have been updated, supplemented for the newly added subject of green public procurement, and are more flexible and not binding, while providing contracting authorities/entities with more options to achieve the required goal in a particular subject.

In parallel with data on the conducted public procurement procedures taking into account the environmental aspect, as statistically monitored at https://ejn.gov.si/statist, an overview of conducted public procurement procedures taking into account the Decree on green public procurement, which entered into force on 1 January 2018, will be prepared every year.

[124] GRI GS 308-1.

Table 30: Contracting authorities/entities with the highest value of awarded public contracts in 2021

Contracting authority/entity	In EUR (excl. VAT)
2TDK, Družba za razvoj projekta, d.o.o.	663,568,565.93
MINISTRY OF INFRASTRUCTURE, SLOVENIAN INFRASTRUCTURE AGENCY	411,015,048.16
DRUŽBA ZA AVTOCESTE V REPUBLIKI SLOVENIJI, D.D.	185,842,633.70
MINISTRY OF PUBLIC ADMINISTRATION	163,641,876.57
INSTITUTE OF ONCOLOGY LJUBLJANA	149,046,250.96
UNIVERSITY MEDICAL CENTRE MARIBOR	146,049,359.76
UNIVERSITY MEDICAL CENTRE LJUBLJANA	144,843,804.07
Javni lekarniški zavod Mariborske lekarne Maribor	133,373,754.69
MINISTRY OF DEFENCE	132,012,971.12
CITY OF LJUBLJANA	119,419,374.37
Total	**2,248,813,639.33**

The value of the public contracts awarded by the top 10 contracting authorities/entities accounts for 43% of all public contracts awarded.

In the period between 1 January and 31 December 2021, DARS awarded public contracts worth EUR 185,842,633.70. There were 137 public contracts published on the Public Procurement Portal. The Company awarded 168 public contracts to 164 tenderers.

Data on the share of the acquisition of goods, services and construction works, and the location of suppliers or providers is evident in the table below.[125]

Table 31: Awarded contracts by the subject of the contract*

Subject of the contract	In EUR (excl. VAT)	Percentage (%)	of awarded contracts	Percentage (%)
Goods	22,110,983.27	11.89%	24	17.50%
Construction works	116,962,802.31	62.94%	23	16.70%
Services	46,768,848.12	25.17%	90	65.80%
Total	**185,842,633.70**	**100.00%**	**137**	**100.00%**

* The data has been taken from https://www.enarocanje.si/.

Table 32: Registered office or the location of tenderers

Location	Value	No. of tenderers	No. of awarded public contracts
SI	167,625,503.62	160	133
EU	17,525,180.08	3	3
Non-EU	**691,950.00**	**1**	**1**

The table above shows that 0.37% of public contracts were awarded to tenderers domiciled outside the Republic of Slovenia or, in terms of value, EUR 691,950.00 (excluding VAT).[126]

[125] GRI GS 102-9.
[126] GRI GS 204-1.

Data on the major supplies of goods, services and construction works in 2021 is evident in the table below.[127]

Table 33: Major suppliers and types of construction works, goods and services supplied in 2021 (in EUR)

Supplier (construction works)	In EUR (excl. VAT)
External quality control for the construction of the expressway from the Velenje South junction to the Slovenj Gradec South junction on the third development axis north – Lot F Jenina	37,389,469.62
Construction of a new DARS office building	15,979,959.88
Reconstruction of the road and structures at MW 0809/0909 Sv. Jurij ob Ščavnici–Vučja vas from km 7,740 to km 8,499, 0174 junction Vučja vas and MW 0810/0910 Vučja vas–Murska Sobota from km 0,000 to km 5,494	12,715,658.20
Carriageway resurfacing at A2 MW 0028 and 0628 Drnovo–Brežice from km 10,350 to km 11,717 and 0029 and 0629 Brežice–Obrežje from km 0,000 to km 8,150	11,697,711.57
Carriageway resurfacing and preventive protection at MW sections A3 0068/0668 Gabrk–Sežana E, 0069/0669 Sežana E–Sežana W, 0670 Sežana W–Fernetiči and 0165 junction Sežana E	7,790,187.91
Supplier (goods)	**In EUR (excl. VAT)**
Supply of diesel fuel to the contracting entity's internal pumps	6,800,000.00
Supply of gritting material: Lot 1: Sodium chloride (NaCl), grade M (medium salt), wet, in bulk for salt facilities, Lot 2: Sodium chloride (NaCl), grade M (medium salt), semi-dry, salt for silos, in bulk for salt facilities, Lot 3: Sodium chloride (NaCl), grade EF (extra fine salt), dry, vacuum-evaporated salt for silos, Lot 4: Calcium chloride ($CaCl_2$) – solution, granulated form	6,090,300.00
Supply of trailers and safety equipment: Lot 2: Illuminated panel for traffic lane closure, Lot 3: Variable message sign, Lot 4: Impact attenuator trailer, Lot 5: Forklift	2,312,000.00
Supply of natural gas in 2022–2025	1,448,000.00
Supply of vertical signalling equipment	919,756.00
Supplier (services)	**In EUR (excl. VAT)**
Establishment and operation of e-vignette system	15,681,247.00
Drafting expert opinions, checking the load-bearing capacity of structures, controlling clearances and axle loads in special overweight transport	1,914,580.00
Servicing of crash cushions: Lot 1: VECO STOP crash cushions, Lot 2: TAU 80 and TAU 100 crash cushions, Lot 3: QUAD QUARD crash cushions, Lot 4: TAU TUBE XLarge 110 and TAU TUBE Parallel 110 crash cushions, Lot 5: OBEX P4 end terminals	1,715,775.50
Maintenance of silos and mixing devices: Lot 1: Silos and mixing devices from Holten, Lot 2: Silos and mixing devices from Blumer and Riko	1,302,180.00
Upgrade, maintenance and support of IS Kažipot with C-ITS functionalities	998,150.00

[127] GRI GS 102-9.

I.5.9 Communication

Communication strategy

The DARS Communication Strategy, which is aligned with the DARS Strategy for 2021–2025 and further includes the management of the Company's social networks (Vozimo pametno Facebook profile and the @DARS_SI Twitter profile).

Communication goals follow the business goals that are defined in the DARS Strategy for 2021–2025. The business goals include the provision of safety, fluidity and comfort to motorway network users, long-term stable operations, and competent and engaged employees. Communication goals have been broken down into:

- short-term: to inform all stakeholders of the importance of reconstruction or maintenance works; to improve the provision of information to motorway network users about works, weather conditions and congestion; to educate and inform all stakeholders about the introduction of new features and measures to improve traffic safety; to properly present the Company's business results to all stakeholders, particularly key decision-makers; to present socially responsible Company operations to stakeholders; to strengthen in-house communication with employees;
- long-term: to maintain or increase the reputation of and trust in the Company.

The communication of DARS is proactive, with possibilities for improvement mostly involving social networks and in crisis events, which is why the Company started activities to make them. The overarching communication strategy nurtures relations with all key stakeholders or audiences in the long run. These include motorway users, the media, employees, decision-makers, business partners, experts, non-governmental organisations and the wider social environment.

Public relations are a continued, important and planned process for the management and steering of continuous changes to the organisation and the environment, a systematically planned and directed process of influencing public acceptance through mutually satisfactory, interactive and proactive communications based on the open, democratic and characteristic operations of both parties – the organisation and the public.

In public relations, communication is the underlying tool or technique to establish a relationship between the organisation and audiences (internal and external). The message of public relations is directed towards specific target audiences and mostly tries to influence positions that consequently affect the behaviour of such target audiences.

Due to its nature and areas of operations, DARS most often encounters external audiences, such as local inhabitants around construction sites or near motorway alignments, motorway and expressway users, entities leasing rest areas, representatives of civil initiatives, environmental organisations, state institutions, media representatives and other co-makers of public opinion.

The media are primarily channels that are used to establish contact and build relationships between DARS and its internal and external audiences. DARS systematically maintains regular contact with domestic and, if necessary, foreign media and their representatives. The Company is guided by promptness, a professional approach and transparency.

Compliance with the internal rules (Rules on the method of provision of information to the media by DARS d.d.) and national regulations (Mass Media Act, Public Information Access Act), proper organisation, a professional approach along with the active and constructive cooperation of all those involved ensure that information is provided in due time, is credible and, most of all, is in the best possible interest of DARS; based on that, the Company builds an open relationship with the media. In particular, the sound internal cooperation of all stakeholders involved ensures that appearances in the media can be effective, while reducing the risk of misinterpretation in media publications and misunderstandings.

DARS, as a public limited company, is required to keep price-sensitive information confidential until it is published on SEOnet, the electronic information provision system of the Ljubljana Stock Exchange. Such information cannot be commented on or made public until it is published in the prescribed manner.

Press releases are also published on the Company website and social networks. The Company prepares press releases for the media, organises press conferences, makes press statements and invites the media to important business events.

Employees at DARS are informed about the basic information on Company operations, plans and all relevant activities at the Company to the greatest possible extent. Well-informed employees are also motivated for work and are considered messengers and credible Company representatives in the general public. The Company also encourages employees to share their thoughts on the accuracy and veracity of internal and external reporting in a safe environment.

DARS uses rules laying down the protection of business secrets and information for members of the management and supervisory bodies and other persons with access to inside information during the term of office and after its expiry.

Method of response upon rumours and media reports relating to the Company

If indications in the media are false, the Company denies them in line with the Mass Media Act. Otherwise, the Company publishes all the important information that may affect the business decisions of investors and the interested public on a regular and ongoing basis. If the Company fails to respond to misstatements in articles, it would allow matters to remain unexplained in public, which would not contribute to the quality provision of information to the public.

Persons responsible for communication with the owner

Communication with the owner falls within the responsibility of the Management Board and the Chairperson of the Supervisory Board.

Publication of business reports and statements

The Company observes the highest publication standards for business reports, as laid down in the Market in Financial Instruments Act and Ljubljana Stock Exchange Recommendations. It publishes a financial calendar indicating all major business publications and events on its website and SEOnet every year.

I.5.10 Persons responsible for communication, content and data in the Report

Service responsible for issues referring to the 2021 Sustainability Report:[128]

- PR (pr@dars.si)

Persons responsible for the content and data in the 2021 Sustainability Report:

- Person responsible for the preparation of the Sustainability Report: Jože Knez, MSc (joze.knez@dars.si)
- Coordination of the preparation of the Sustainability Report, general and other contents: Metka Petek, MSc (metka.petek@dars.si)
- Investments in NMCP from 1994 to 2021: Nika Drakulič (nika.drakulic@dars.si) and Aleš Petek (ales.petek@dars.si)
- Sources of NMCP funding for 2000–2021: Dejan Šeško, MSc (dejan.sesko@dars.si)
- Communication tools, methods of including stakeholders and highlighted topics: Marjan Koler (marjan.koler@dars.si)
- Risk management: Metka Petek, MSc (metka.petek@dars.si)
- Economic highlights from operations: Nika Drakulič (nika.drakulic@dars.si) and Aleš Petek (ales.petek@dars.si)
- Use of toll roads, toll revenue and toll inspection: Branka Videtič (branka.videtic@dars.si) and Emilija Erent (emilija.erent@dars.si)
- Satisfaction and a responsible attitude to motorway users: Marjan Koler (marjan.koler@dars.si) with associates
- Traffic and safety concerns: Ulrich Zorin (ulrich.zorin@dars.si) with associates
- Projects in traffic management and concern for user safety: Ulrich Zorin (ulrich.zorin@dars.si) with associates
- Sustainable relationships with employees: Roman Didović (roman.didovic@dars.si) and Helena Pleslič (helena.pleslic@dars.si)

[128] GRI GS 102-53.

- Occupational health and safety: Jože Nose (joze.nose@dars.si)
- Corporate integrity: Tina Plut (tina.plut@dars.si)
- Diversity and equal opportunities: Saša Sedlar (sasa.sedlar@dars.si)
- Responsibility to the environment:
  - Systematic environmental and energy management: Jože Knez, MSc (joze.knez@dars.si)
  - Use of materials: Matic Poznič (matic.poznic@dars.si)
  - The siting of motorways and expressways, and inclusion in the local community: Ana Sodnik Prah (ana.sodnik@dars.si)
  - Concern for the preservation of biodiversity: Ana Sodnik Prah (ana.sodnik@dars.si)
  - Energy management: Jože Knez, MSc (joze.knez@dars.si), Božidar Volk (bozidar.volk@dars.si), Kristjan Zobovnik (kristjan.zobovnik@dars.si)
  - Fuel for the vehicle fleet: Janko Kernel (janko.kernel@dars.si) and Mirko Miklič (mirko.miklic@dars.si)
  - Heating: Marjan Levstek (marjan.levstek@dars.si)
  - Light pollution: Božidar Volk (bozidar.volk@dars.si), Kristjan Zobovnik (kristjan.zobovnik@dars.si)
  - Carbon footprint monitoring: Jože Knez, MSc (joze.knez@dars.si)
  - Reducing the fuel consumption of the users of vehicles with a maximum permissible weight exceeding 3.5 tonnes due to the deployment DarsGo: Gorazd Cah (gorazd.cah@dars.si)
  - Air emissions: Aleksander Udovič (aleksander.udovic@dars.si)
  - Concern for animals in the MW area of influence: Damijan Jaklin (damijan.jaklin@dars.si), Jana Vrhovnik (jana.vrhovnik@dars.si) and Janko Kernel (janko.kernel@dars.si)
  - Environmental impacts of road gritting: Damijan Jaklin (damijan.jaklin@dars.si), Jana Vrhovnik (jana.vrhovnik@dars.si) and Janko Kernel (janko.kernel@dars.si)
  - Protection of waters: Aleksander Udovič (aleksander.udovic@dars.si) and Jana Kejžar (jana.kejzar@dars.si)
  - Noise emissions and waste management: Aleksander Udovič (aleksander.udovic@dars.si) and Matic Poznič (matic.poznic@dars.si)
  - Construction waste management: Matic Poznič (matic.poznic@dars.si) and Aleksander Udovič (aleksander.udovic@dars.si)
  - Inclusion in broader society, sponsorships and donations, communications: Marjan Koler (marjan.koler@dars.si) with associates
- International cooperation and the acquisition of European grants: Alenka Košič (alenka.kosic@dars.si)
- Responsibility to suppliers/contractors: Eva Vratarič (eva.vrataric@dars.si)

I.5.11 Supervisory Board, Management Board, project teams, committees and other Company bodies[129]

Supervisory Board:
- Pavle Hevka (Chair)
- Robert Rožič, PhD (Vice-Chair)
- Anton Guzej (Member)
- Jože Oberstar (Member)
- Štefan Šumah, PhD (Member)
- Jožef Zimšek (Member)
- Nataša Ivančevič (employee representative)
- Martin Stožir (employee representative)
- Branko Švigelj (employee representative)

Integrity Committee (until 31 March 2021):
- Rožle Podboršek, management representative
- Roman Didović, Head of HR Management
- Melita Trop Đukić, Head of Legal Service

Management Board:
- Valentin Hajdinjak, MSc (Chairman)
- Romana Fišer, MSc (Member)
- Boštjan Rigler (Member)
- Peter Gašperšič, PhD (Member)
- Rožle Podboršek (Member/Labour Manager)

Committee for the protection of employees' dignity:
- Rožle Podboršek, management representative, Chair
- Nataša Ivančevič, Workers' Council representative, Member
- Helena Černač Tavčar, representative of the Railway Transport Union of Slovenia, Member
- Boštjan Juhart, representative of the Trade Union of Transport and Communications Workers
- Blaž Poljanšek, representative of HR Management, Member

[129] GRI GS 102-18.

Committee for alleged corporate integrity irregularities (as of 1 April 2021):
- Tina Plut, Corporate Integrity Officer, Committee Chair
- Rožle Podboršek, management representative, Committee Vice-Chair
- Mojca Klun Kešeljević, Legal Service, Committee Member
- Blaž Poljanšek, HR Management, Committee Member

Energy Committee:
- Jože Knez, MSc, Chair
- Božidar Volk
- Jože Nose
- Janko Kernel
- Marjan Levstek
- Kristjan Zobovnik
- Sašo Svetlin
- Mihec Bojc

Improvements Committee:
- Aleksander Udovič, Chair
- Peter Kejžar
- Jože Knez, MSc
- Peter Kejžar
- Marjan Koler
- Aleksander Morano
- Janko Kernel

Railway Transport Union of Slovenia, DARS trade union unit:
- Helena Černač Tavčar, Chair of Regional Unit (RU) DARS Postojna, Chair of all four RUs
- Božena Pergar, Chair of RU DARS Ljubljana
- Igor Kolar, Chair of RU DARS Tepanje
- Tomaž Dolanc, Chair of RU DARS Maintenance

Trade Union of Transport and Communications Workers of Slovenia – Trade Union of Motorway Workers DARS:
- Mitja Stojnšek, Chair of Presidency of the Trade Union of Motorway Workers
- Aleksander Dekleva, Chair of the Trade Union of Primorska Motorway Workers
- Amir Mehadžić, Chair of the Trade Union of A2 Motorway Workers
- Jože Fric, Chair of the Trade Union of Štajerska Motorway Workers

Workers' Council:
- Martin Stožir, Chairman of the Workers' Council
- Nataša Ivančevič, Vice-Chair of the Workers' Council
- Maruša Mazovec
- Jernej Srebot
- Branko Švigelj
- Anton Grčman
- Boštjan Juhart
- David Marko
- Damir Lisić
- Darko Kodrič
- Marjan Božič
- Andrej Vidonja
- Saša Todorović
- Mateja Gerželj
- Igor Kolar

Family-Friendly Company Committee:
- Mojca Štendler, Chair
- Tatjana Topole, Vice-Chair
- Nataša Ivančevič
- Boštjan Smrdelj
- Brigita Piltaver Imperl
- Ester Pipan
- Miljana Knafelc
- Saša Sedlar
- Simon Rehberger
- Branko Švigelj
- Željko Kotnik

Occupational Safety Committee, organised within the scope of the Workers' Council:
- Igor Kolar, Chair
- Anton Grčman
- Mihael Debevec
- Božena Pergar
- Mitja Stojnšek
- Jernej Srebot
- Branko Švigelj

I.6 GRI indicators

Table 34: GRI indicators[130]

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
GRI 102 General Disclosures				
Organisational profile				
102-1	Name of the organisation	**DARS d.d.**	**I.3.1/22**	
102-2	Activities, brands, products, and services	**DARS d.d.**	**I.3.1/22: Company profile** **I.3.3/26: Activities of DARS** **I.5.2.1/61: The use of toll roads, toll revenue and toll inspection**	
102-3	Location of headquarters	**DARS d.d.**	**I.3.1/22**	
102-4	Location of operations	**DARS d.d.**	**I.3.1/22**	
102-5	Ownership and legal form	**DARS d.d.**	**I.3.1/22**	
102-6	Markets served (geographic location, sectors served and types of customers and beneficiaries)	**DARS d.d.**		**The Company operates in the Republic of Slovenia. Customers and beneficiaries are all legal entities (domestic and foreign) and natural persons using the motorway network.**
102-7	Scale of the organisation	**DARS d.d.**	**I.3.1/22: Share capital** **I.3.1/22: Number of employees** **I.3.1/22: Net sales revenues** **I.3.1/22: No. of Company locations** **I.3.5/28: MW and EW km**	
102-8	Information on employees and other workers	**DARS d.d.**	**I.5.5.1/88, 89: Key data on employees** **I.5.5.2/89: DARS, respected employer** **I.5.5.3/91-94: Data on employees**	**The Company does not report on contractual workers.** **There are no seasonal fluctuations in the number of employees within the scope of a calendar year.**
102-9	Supply chain	**DARS d.d.**	**I.5.8/150-153: Suppliers/contractors** **I.5.8/150: Structure of suppliers** **I.5.8/152: Data on the share of the acquisition of goods, services and construction works, the location of suppliers; tables 31 and 32**	
102-10	Significant changes to the organisation and its supply chain	**DARS d.d.**	**I.5.8.1/150: Criteria for the selection of suppliers**	**Changes to the supply chain refer to the selection of new suppliers, which is conducted in compliance with the applicable legislation.**
102-11	Precautionary Principle or approach	**DARS d.d.**	**I.5.6.2/108**	

[130] GRI GS 102-55.

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
102-12	External initiatives	**DARS d.d.**	**I.5.7.3/148: Commitments to external initiatives** **I.5.6.2/108: Siting of motorways** **I.5.6.3/111: Biodiversity** **I.5.6.12/140: Noise emissions**	
102-13	Membership of associations	**DARS d.d.**	**I.5.7.4/148**	
Strategy				
102-14	Statement from the senior decision-maker	**DARS d.d.**	**I.1/11: Letter from the Management**	
102-15	Key impacts, risks, and opportunities	**DARS d.d.**	**I.4.6/48**	
Ethics and integrity				
102-16	Values, principles, standards and norms of behaviour	**DARS d.d.**	**I.3.2/23: Mission, vision, values, strategic policies and integrated management system policy** **I.5.5.6/105: Ethics and integrity**	
102-17	Mechanisms for advice and concerns about ethics	**DARS d.d.**	**I.5.5.6/105: Ethics and integrity**	
Governance				
102-18	Governance structure	**DARS d.d.**	**I.3.4/27: Governance structure** **I.5.11/158: Supervisory Board, Management Board, project teams, committees and other Company bodies**	
Inclusion of stakeholders				
102-40	List of stakeholder groups	**DARS d.d.**	**I.4.3/41**	
102-41	Collective bargaining agreements	**DARS d.d.**	**I.5.5.3/91**	
102-42	Identifying and selecting stakeholders	**DARS d.d.**	**I.4.3/41**	
102-43	Approach to stakeholder engagement	**DARS d.d.**	**I.4.4.1/42, 43, 44**	**The Company cooperates with the indicated stakeholders on a regular basis.**
102-44	Key topics and concerns raised through stakeholder engagement, and the organisation's response to them (including through its reporting)	**DARS d.d.**	**I.4.4.1/42, 43, 44**	**The Company responds to the identified stakeholder requests and expectations through systematic monitoring and response as evident from the document "Needs and expectations of DARS stakeholders".**
Reporting method				
102-45	Entities included in the consolidated financial statements	**DARS d.d.**		**The Company reports on its operations in the Sustainability Report. The Company produces no consolidated statements, as it owns no company.**
102-46	Defining report content and topic Boundaries	**DARS d.d.**	**I.4.4.3/46**	
102-47	List of material topics	**DARS d.d.**	**I.4.4.2/44, 45**	
102-48	Restatements of information (given in previous reports, and the	**DARS d.d.**		**No restatements are necessary or, rather, the information from**

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
	reasons for such restatements)			**previous reports has not changed.**
102-49	Changes in reporting	**DARS d.d.**		**No restatements are necessary or, rather, the information from previous reports has not changed.**
102-50	Reporting period	**DARS d.d.**	**I.4.1/37**	
102-51	Date of the most recent report	**DARS d.d.**	**I.4.1/37**	
102-52	Reporting cycle	**DARS d.d.**	**I.4.1/37**	
102-53	Contact point for questions regarding the report	**DARS d.d.**	**I.5.10/156**	
102-54	Claims of reporting in accordance with the GRI Standards	**DARS d.d.**	**I.4.1/37**	
102-55	GRI content index	**DARS d.d.**	**I.6/160**	
102-56	External assurance	**DARS d.d.**		**The Sustainability Reports will be audited every three years (the last audit was for 2020).**
Specific Disclosures				
GRI 200 Economic Disclosures				
GRI 201 Economic Performance				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.3.2/24: Mission, vision, values, strategic policies and integrated management system policy** **I.5.1/57: Economic highlights from operations**	**The DARS Strategy is reviewed and amended at annual strategic conferences. Supervision over the realisation of the Strategy is checked by the Management Board through a system of balanced indicators (BSC) and annual strategic conferences and, if required, with the adoption of necessary measures.**
201-1	Direct economic value generated and distributed	**DARS d.d.**	**I.5.1/58, 60**	
201-3	Defined benefit plan obligations and other retirement plans	**DARS d.d.**	**I.5.5.6/104: Offering employees additional benefits and solidarity aid**	**No report is made by the Company (on any of the indents).**
GRI 202 Market Presence				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.5/88**	
202-1	Ratios of standard entry-level wage by gender compared to the local minimum wage	**DARS d.d.**	**I.5.5/88**	**The basic employee salary at DARS equals the value of the pay grade for the post for which the employee has concluded an employment contract and does not depend**

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
				on gender, location or activity. **The average salary at DARS exceeds the Slovenian average.** **The Company does not report on the ratio.**
GRI 203 Indirect Economic Impacts				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.3.2/24: Mission, vision, values, strategic policies and integrated management system policy** **I.5.1/57: Economic highlights from operations**	**The DARS Strategy is reviewed and, if necessary, amended at annual strategic conferences.** **Supervision over the realisation of the Strategy is checked by the Management Board through a system of balanced indicators (BSC) and annual strategic conferences and, if required, with the adoption of necessary measures.**
203-1	Infrastructure investments and services supported	**DARS d.d.**	**I.3.6/29**	
203-2	Significant indirect economic impacts	**DARS d.d.**	**I.3.6/29**	
GRI 204 Procurement Practices				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.8/150**	
204-1	Proportion of spending on local suppliers	**DARS d.d.**	**I.5.8.2/152: Table 32: Registered office or the location of tenderers**	**Local suppliers are defined as suppliers in the territory of the Republic of Slovenia.**
GRI 205 Anti-corruption				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.4.5.2/47**	**The evaluation of the approach is performed by the person responsible for compliance, who was appointed on 1 January 2021.**
205-2	Communication and training about anti-corruption policies and procedures	**DARS d.d.**	**I.4.5.2/47** **I.5.5.6/105**	**We only report about informing employees of the DARS Code of Conduct and the Rules on the protection of employees' dignity.**
205-3	Confirmed incidents of corruption and actions taken	**DARS d.d.**	**I.4.5.2/47**	**All reports refer to persons rather than to DARS.**
GRI 300 Environmental Disclosures				

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
GRI 301 Materials				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.6.10/135: Environmental impacts of road gritting** **I.5.6.10/136: Wet salting**	
301-1	Materials used by weight or volume	**DARS d.d.**	**I.5.6.1/108: Use of materials** **I.5.6.10/135-138: Environmental impacts of road gritting**	**We only report on the consumption of grit material.**
GRI 302 Energy				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.6.4/119**	**The Company has put in place the ISO 50001 standard, which demonstrates a systematic management approach.**
302-1	Energy consumption within the organisation	**DARS d.d.**	**I.5.6.4/119-124**	**The data shown is based on specific measurements of the consumption of energy products with meters.** **The report includes data in kWh, MWh or GWh, the conversion factor of 1 kWh being 3,600,000 J. (Source: Bojan Kravt, Strojniški priročnik)** **The Company uses no steam nor does it sell energy and, therefore, makes no report thereof.** **The Company does not obtain energy from renewable sources yet.** **The report on fuel consumption shows the total consumption for renewable and non-renewable sources.** **The report contains no sources for cooling.**
302-3	Energy intensity	**DARS d.d.**	**I.5.6.4/Energy management: 119, 120, 122, 123: Tables 25 and 26, Figures 70 and 73** **I.5.6.7/130: Table 27: Total reduction of emissions due to the deployment of electronic tolling in Slovenia**	
302-4	Reduction of energy consumption	**DARS d.d.**	**I.5.6.4/120: Figure 70: Total electricity consumption** **I.5.6.4/123: Figure 73: Energy consumption for heating** **I.5.6.4/124: Figure 75: Savings in energy consumption for heating with respect to the 2015 baseline year** **I.5.6.5/125: Figure 76: Electricity consumption for stages 1, 3 and 4 of lighting replacement**	**The report includes data in MWH.** **The report includes data in kWh or MWh, the conversion factor of 1 kWh being 3,600,000 J.** **(Source: Bojan Kravt, Strojniški priročnik)** **In 2017, the Company set out energy bases**

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
			I.5.6.5/125: Figure 77: Electricity consumption – lighting	**for individual groups of energy products in the internal document "Organisational rules for the implementation of energy planning".** **Absolute electricity savings amount to 3600 MWh with respect to the 2015 baseline year. The absolute energy saving for all energy products used for heating buildings with respect to the baseline year of 2015 amounts to 1101 MWh (19%), while CO_2 greenhouse gas emissions were reduced by 354 t (28%) with respect to the baseline year of 2015.** **The Company has put in place the ISO 50001 standard, which provides a methodological basis for the consideration of the area.**
GRI 304 Biodiversity				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.6.2/108: Siting of motorways and expressways** **I.5.6.3/111: Concern for the preservation of biodiversity**	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	**DARS d.d.**	**I.5.6.2/108: Siting of motorways and expressways** **I.5.6.3/111-115: Geographic location, position and relation to the protected Natura 2000 area, type of activities in the protected area, size in the nature conservation area or protected Natura 2000 area**	**The Company reports on the geographic location, position and relation to the protected Natura 2000 area and the type of activities in the protected area. No report is made as to MW and EW surfaces in protected areas.**
304-2	Significant impacts of activities, products, and services on biodiversity	**DARS d.d.**	**I.5.6.2/108: Methods to avoid conservation and protected areas during MW construction** **I.5.6.3/111-115: Measures to preserve biodiversity, the execution of replacement habitats and other cases of nature conservation measures** **I.5.6.9/133-135: Concern for animals in the MW area of influence** **I.5.6.10/135: Environmental impacts of road gritting**	**The Company reports on methods to avoid conservation and protected areas during motorway construction, measures to preserve biodiversity, the execution of replacement habitats and other cases of**

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
				nature conservation measures.
304-3	Habitats protected or restored	**DARS d.d.**	**I.5.6.2/108: Planned and successfully executed measures confirmed by experts** **I.5.6.3/111-115: Re-established habitat locations, planned and successfully executed measures confirmed by experts and monitoring**	**The Company reports on re-established habitat locations, and the planned and successfully executed measures confirmed by experts and monitoring.**
GRI 305 Emissions				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.6.6/126: Carbon footprint monitoring** **I.5.6.8/133: Emissions into the air**	
305-2	Energy indirect (Scope 2) GHG emissions	**DARS d.d.**	**I.5.6.6/126-129: Carbon footprint monitoring** **I.5.6.7/130: Table 27: Total reduction of emissions due to the deployment of electronic tolling in Slovenia** **I.5.6.8/133: Emissions into the air**	**The Company only reports on CO_2 emissions, which are calculated on the basis of actual consumption, emission factors and reduced emissions by users as a result of the deployment of the DarsGo system.**
GRI 306 Effluents and Waste				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.6.11/138: Protection of waters** **I.5.6.13/143: Waste management**	**The evaluation of the approach is based on the requirements of the ISO 14001 standard.**
306-1	Water discharge by quality and destination	**DARS d.d.**	**I.5.6.11/138-140: Protection of waters** **I.5.6.13/143, 144: Figures 99, 100: Volume of disposed of waste tunnel washing water and water from oil-water separators contaminated with oil** **I.5.6.11/138-140: Water discharge by quality and destination**	**The Company reports no other data.**
306-2	Waste by type and disposal method	**DARS d.d.**	**I.5.6.13/143-145: Waste management** **I.5.6.14/146: Reuse of waste** **I.5.6.15/146: Waste recycling**	**A record of waste is kept on the basis of record sheets.**
306-3	Significant spills	**DARS d.d.**	**I.5.6.11/140: Significant spills in relation to wastewater and waste**	
GRI 307 Environmental Compliance				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.4.5.1/46: Compliance with the regulations, codes and recommendations** **I.5.6; I.5.6.1/107, 108**	
307-1	Non-compliance with environmental laws and regulations	**DARS d.d.**	**I.4.5.1/46: Compliance with the regulations, codes and recommendations** **5.6.1/108: Achieving environmental compliance**	
GRI 308 Supplier Environmental Assessment				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.8/150: Responsibility to suppliers/contractors**	

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
			I.5.8.1/150: Criteria for the awarding of a public contract	
308-1	New suppliers that were screened using environmental criteria	**DARS d.d.**	**I.5.8.2/150: Suppliers/contractors (local, abroad)** **I.5.8.2/151: Figure 102: Public contracts and "environmental" public contracts for 2013–2020**	
GRI 400 Social Disclosures				
GRI 401 Employment				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.5.2/89**	
401-1	New employee hires and employee turnover	**DARS d.d.**	**I.5.5.1/88, 89: Key data on employees** **I.5.5.3/90-94: Employees realise the Company mission**	**In 2021, the share of new hires at the Company is 1.93% and the share of resignations is 4.63%.**
401-3	Parental leave	**DARS d.d.**	**I.5.5.3/91: Table 15: Parental leave and part-time work**	**The Company only reports on absolute values in relation to the use of parental leave and part-time work.**
GRI 403 Occupational Health and Safety				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.5.5/99**	**The Company has put in place and certified a management system for occupational health and safety and fire safety pursuant to the requirements of the BS OHSAS 18001 or ISO 45001 standard.**
403-1	Occupational health and safety management system	**DARS d.d.**	**I.5.5.5/99**	**The occupational health and safety management system derives from the requirements laid down in the legislation (ZVZD-1) and the Company's own decision to introduce the BS OHSAS 18001 or ISO 45001 standard.**
403-2	Hazard identification, risk assessment and accident investigation	**DARS d.d.**	**I.5.5.5/99, 100**	**The occupational health and safety system is improved on the basis of the BS OHSAS 18001 or ISO 45001 standard.**
403-3	Occupational health services	**DARS d.d.**	**I.5.5.5/99**	
403-4	Worker participation, consultation and	**DARS d.d.**	**I.5.5.5/100**	**The Workers' Council typically meets once a**

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
	communication on occupational health and safety			**month. Minutes with resolutions are kept at meetings and are made available to all employees on the intranet.**
403-5	Worker training on occupational health and safety	**DARS d.d.**	**I.5.5.5/100**	
403-6	Promotion of worker health	**DARS d.d.**	**I.5.5.5/100**	**The Company does not report on the condition of contractors.**
403-7	The prevention and mitigation of occupational health and safety impacts directly linked to business relationships	**DARS d.d.**	**I.5.5.5/100**	
403-8	Employees covered by an occupational health and safety management system	**DARS d.d.**	**I.5.5.5/99**	**All employees are included in the occupational health and safety system within the overall scope of Company operations.**
403-9	Work-related injuries	**DARS d.d.**	**I.5.5.5/99, 100, 101: Figure 58: Number of people injured at work; Figure 61: Sick leave in hours as a result of work-related accidents; Figure 60: Circumstances of accidents resulting in injuries; Table 22: Occupational safety indicators; Figure 61: Sick leave in hours as a result of work-related accidents**	**The Company only reports absolute values.** **The Company only reports about Company employees.**
403-10	Work-related ill health	**DARS d.d.**	**I.5.5.5/103**	
GRI 404 Training and Education				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.5.4/94-98**	
404-1	Average hours of training per year per employee	**DARS d.d.**	**1.5.5.1/89** **I.5.5.4/95: Table 20: No. of training hours/gender** **I.5.5.4/96: Table 21: No. of training hours/employee category**	
GRI 405 Diversity and Equal Opportunity				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.5.6/105, 106: Diversity of the governing bodies**	**The Company's Supervisory Board adopted a Diversity Policy in 2018.**
405-1	Diversity of governance bodies and employees	**DARS d.d.**	**I.5.5.3/90-94: Employee diversity with respect to the level of education, age and gender** **I.5.5.6/105, 106: Table 23: Structure of the governing bodies by gender**	**The Company does not report by age category for governing bodies.** **The Company does not report on employee categories.**
GRI 406 Non-discrimination				
103-1 103-2	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.5.6/105: Respecting human rights and dignity**	

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
103-3				
406-1	Incidents of discrimination and corrective actions taken	**DARS d.d.**	**I.4.5.2/47: Ethics and integrity** **I.5.5.6/105: Respecting human rights and dignity**	
GRI 413 Local Communities				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.6.2/108: Siting of motorways and expressways** **I.5.7.1/140: Inclusion in the local community**	
413-1	Operations with local community engagement, impact assessments, and development programmes	**DARS d.d.**	**I.5.7.1/147: Inclusion in the local community** **I.5.6.2/108, 109, 110: Siting of motorways and expressways**	**The Company only reports on projects in which it cooperates with the local community in siting procedures (NSP).**
GRI 416 Customer Health and Safety				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.4/77: Projects in traffic management and concern for user safety** **I.5.4.1/77: Traffic control and management**	
416-1	Assessment of the health and safety impacts of product and service categories	**DARS, users**	**I.5.4/77, 78, 79: Projects in traffic management and concern for user safety** **I.5.4.1/77, 78, 79: Traffic control and management**	**All the measures implemented involving the motorway, accompanying infrastructure and motorway maintenance also take into account the improvement of the safety of motorway users.**
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	**DARS, users**	**I.5.4.7/87**	
GRI 418 Customer Privacy				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.4.8/88**	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	**DARS d.d.**	**I.5.4.8/88**	
GRI 419 Socioeconomic Compliance				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.4.5/46**	
419-1	Non-compliance with laws and regulations in the social and economic area	**DARS d.d.**	**I.4.5/46**	