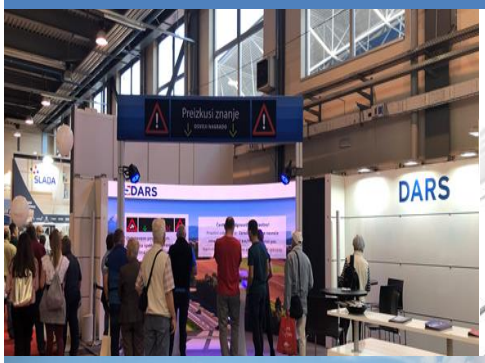
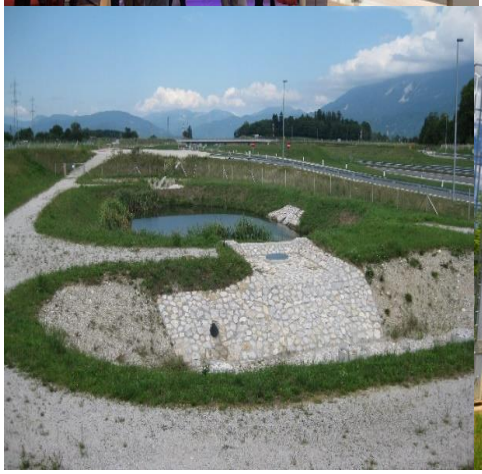
2020 Sustainability Report

DARS





Ljubljana, 30 June 2021

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.

TO BE CONTINUED...

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.

2005

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.

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.

2008

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

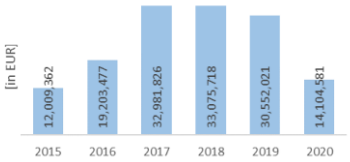
Construction works for the eastern tube of the Karavanke tunnel commenced on the Gorenjska motorway leg. Works also commenced on the northern part of the 3rd development axis, i.e. on the expressway section between Velenje and Slovenj Gradec. Due to measures to contain the COVID-19 epidemic, motorway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

The social footprint of DARS d.d.

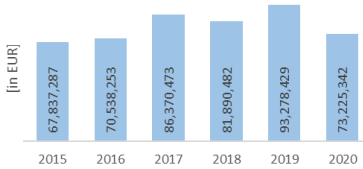
DARS D.D. IS A COMPANY OF **STRATEGIC IMPORTANCE** FOR THE REPUBLIC OF SLOVENIA AND REPRESENTS THE **LARGEST CAPITAL INVESTMENT** (UNDER THE BALANCE SHEET BOOK VALUE CRITERION) IN TRANSPORT.

DARS d. d. 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 d. d. as a responsible and forward-looking company.

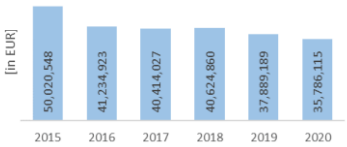
Corporate income tax
2015: €12,009,362
2016: €19,203,477
2017: €32,981,826
2018: €33,075,718
2019: €30,552,021
2020: €14,104,581



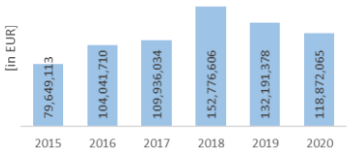
VAT
2015: €67,837,287
2016: €70,538,253
2017: €86,370,473
2018: €81,890,482
2019: €93,278,429
2020: €73,225,342



Interest payment
2015: €50,020,548
2016: €41,234,923
2017: €40,414,027
2018: €40,624,860
2019: €37,889,189
2020: €35,786,115

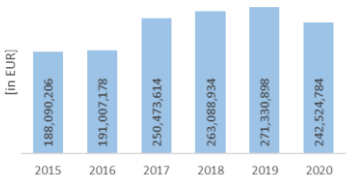


Investments in motorway development and reconstruction
2015: €79,649,113
2016: €104,041,710
2017: €109,936,034
2018: €152,776,606
2019: €132,191,378
2020: €118,872,065



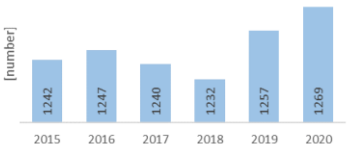
The Government of the Republic of Slovenia introduced different toll prices with respect to the EURO emission classes on 1 January 2010 based on the Decision determining the toll adjustment factors for vehicles whose maximum permitted weight exceeds 3,500kg. **Vehicles with the lowest emissions of harmful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

Toll revenue – freight traffic (and the Karavanke tunnel)
2015: €188,090,206
2016: €191,007,178
2017: €250,473,614
2018: €263,088,934
2019: €271,330,898
2020: €242,524,784

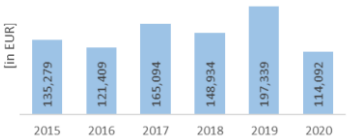


Employees are proud to be employed at DARS and perform their work in a responsible and committed manner, being loyal to the Company. We value quality work, continuous improvements and concern for the environment and traffic safety. This is how we strive to build a healthy, safe and sustainable future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

Number of employees
2015: 1242
2016: 1247
2017: 1240
2018: 1232
2019: 1257
2020: 1269



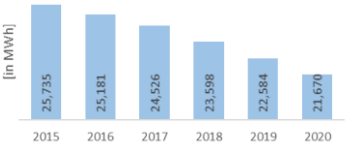
Sponsorships and donations
2015: €135,279
2016: €121,409
2017: €165,094
2018: €148,934
2019: €197,339
2020: €114,092



The environmental footprint of DARS d.d.

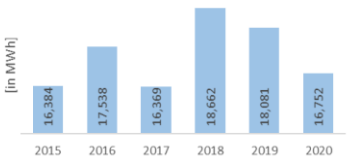
The Company is committed to environmentally friendly actions in all stages of operations and the continuous reduction of adverse environmental impacts.

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

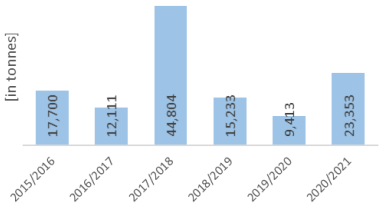


DARS d. d. ranks among the large energy consumers in Slovenia with an annual energy consumption of 42.66 GWh (in 2020).

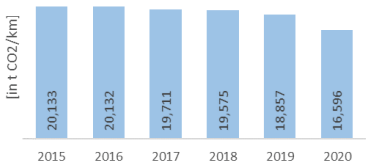
Fuel consumption
2015: 16,384 MWh
2016: 17,538 MWh
2017: 16,369 MWh
2018: 18,662 MWh
2019: 18,081 MWh
2020: 16,752 MWh



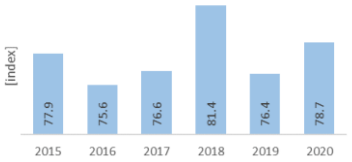
Grit consumption
2015/2016: 17,700 tonnes
2016/2017: 12,111 tonnes
2017/2018: 44,804 tonnes
2018/2019: 15,233 tonnes
2019/2020: 9,413 tonnes
2020/2021: 23,353 tonnes



Carbon footprint
2015: 20,133 t CO_2/km
2016: 20,132 t CO_2/km
2017: 19,711 t CO_2/km
2018: 19,575 t CO_2/km
2019: 18,857 t CO_2/km
2020: 16,596 t CO_2/km

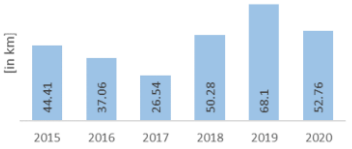


User satisfaction index
2015: 77.9
2016: 75.6
2017: 76.6
2018: 81.4
2019: 76.4
2020: 78.7



Safe motorways require renovation.

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



DarsGo – ELECTRONIC TOLLING SYSTEM and impacts on reduced fuel consumption by MW and EW users and consequently reduced emissions of $C0_2$ and other air contaminants (NO_x and $PM_{2.5}$) since the deployment of the tolling system on 1 April 2018.

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

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

Reduced NO_x emissions from the fuel of MW and EW users
2018: 84,000 kg
2019: 77,200 kg
2020: 67,500 kg

Reduced $PM_{2.5}$ emissions by MW and EW users
2018: 1700 kg
2019: 1800 kg
2020: 1580 kg

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

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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 authorised mass exceeding 3500kg (ETS in FTF)
NR	National road
DKOM	National Review Commission for Reviewing Public Procurement Procedures
NSP	National Spatial Plan
DRSI	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 Contract	Concession contract for motorway operation and maintenance in the Republic of Slovenia
IBCP	International border crossing point
MESP	Ministry of the Environment and Spatial Planning
MI	Ministry of Infrastructure
CC	Control Centre
MAM	Maximum authorised mass
RH	Replacement habitats
NMCP	National Motorway Construction Programme in the Republic of Slovenia
NAP	Noise Action Programme
PGD/PZI	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 authorised mass exceeding 3,500kg and groups of motor vehicles with two or three axles with a maximum authorised mass exceeding 3,500kg.
R4	Motor vehicles with more than three axles with a maximum authorised mass exceeding 3,500kg and groups of motor vehicles with more than three axles with a maximum authorised mass exceeding 3,500kg.
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 and supplemented)
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.
ZRSVN	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

To whom it may concern,

THE EARTH DOES NOT BELONG TO US. WE BELONG TO THE EARTH. – Marlee Matlin

This year's Sustainability Report is the fourth in a row. Every year, we present the results of our efforts to realise the Company mission, which is based on the principles of sustainable development. It features a thorough insight into the business, social and environmental operations of DARS.

Over 25 years have passed since the National Assembly of the Republic of Slovenia adopted the Motorway Company in the Republic of Slovenia Act, thus giving the green light for the establishment and operations of DARS. At the same time, it tasked the Company with building modern motorways in Slovenia that would provide safe, fast and comfortable travel for domestic and foreign users.

The current motorway network is proof that the decision on the national motorway construction project was the right one. Much of it can today be seen in our surroundings; namely, a contemporary core motorway network that is upgraded with new motorway and expressway sections and junctions, while being furnished with intelligent transport systems. The network also has a modern electronic tolling system set up for heavy vehicles in free traffic flow. The continued search for opportunities to make further improvements within the Company is also important to achieve the goal of becoming a digitised company, while staying environmentally friendly. The next step to a more digitised company is the introduction of the electronic vignette system, which is currently pending.

The year 2020 was special, as DARS, too, was marked by the Covid-19 pandemic. It resulted in a traffic drop on motorways and expressways and, consequently, reduced toll revenue. Despite that, DARS successfully realised the expectations of its owner or, rather, the State, in terms of new infrastructural projects, the largest currently being the construction of the second tube of the Karavanke tunnel and expressway on the 3rd development axis. By investing extensively in the reconstruction and maintenance of the motorway and expressway network, DARS has maintained its value, while enhancing traffic safety and fluidity.

DARS concluded the 2020 financial year with €398.6 million in revenues, which is 82.9% of the revenue generated in 2019, and a net profit of €59.5 million, which is 42.6% of the profit generated in 2019. This was the result of reduced traffic on Slovenian motorways and expressways due to the measures adopted by governments to contain the Covid-19 pandemic. The measures in particular resulted in reduced passenger transit traffic. The EBITDA margin generated provides an adequate cash flow for investments in infrastructure and sustainable solutions upon sustainable debt.

Associates who are employed throughout the motorway and expressway network made great efforts, so that DARS could achieve the goals set. We are aware that Company operations are based on employees, which is why it is planned to increase investments in employees. DARS is a reliable and caring employer, promoting a healthy and socially responsible lifestyle among employees.

We are aware that new employee competencies need to be developed. These will be necessary for future changes and must include enhanced sustainable awareness and qualifications of employees. Special attention will be placed on further enhancing employee professionalism and engagement.

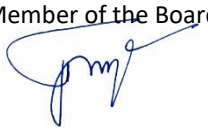
SOMEONE'S SITTING IN THE SHADE TODAY BECAUSE SOMEONE PLANTED A TREE A LONG TIME AGO. – Warren Buffett

We will continue to engage in socially responsible activities and include local communities in sustainable actions. We are well aware of the Company's impacts on the environment. This is why the Company corporate strategy also includes a commitment to sound environmental management for future generations.

By following the ISO 14001 standard and introducing green technologies and innovations where possible, an active approach has been taken to reducing environmental impacts.

Sustainable operations are only one of the major policies in the DARS corporate strategy for 2021-2025. Great importance is also attributed to continuous knowledge strengthening, innovations and efficient energy use, which 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 Manage


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 d.d. 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 d.d. 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 d.d. operates in compliance with the Corporate Governance Code for State-Owned Enterprises as adopted by 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 d.d.:

- performs individual tasks relating to spatial planning and the siting of motorways in the physical space, and tasks relating to real estate acquisition for the purposes of motorway construction on behalf of the Republic of Slovenia and for its account,
- builds motorways on its own behalf and for 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 laying down 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 d.d. and regulates the legal property relations in connection with motorways. Pursuant to the Act, DARS d.d. 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 also stipulates that DARS d.d. is to perform individual tasks relating to spatial planning and the siting of motorways in the physical space, 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 d.d. must continue building motorways and expressways that commenced prior to the enforcement of the ZDARS-1, 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 d.d. is payable.

[1] GRI GS 102-14.

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 used 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 towards 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 of environmental and energy management is a component part of the management system. The managerial 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 managerial 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 d.d. Strategy for 2017–2020 included operational goals relating to environmental and energy aspects and, consequently, also measures to mitigate environmental risks, which were further enhanced and upgraded in the DARS Strategy for 2021–2025. In 2020, the management system was further improved through the realisation of measures to mitigate environmental impacts and aspects, and by supplementing new and optimised existing environmental and energy objectives and programmes. Their realisation is monitored within the scope of the Balanced Scorecard (BSC) system and the annual management review of the Company. 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. The common denominator of the energy management system is energy inspections that are carried out in line with legislative requirements and Company needs. Based on such inspections, measures to reduce energy consumption and, consequently, indirect and direct environmental impacts are carried out.

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 more and more 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 react quickly and effectively when they do occur to minimise negative consequences for the environment. All employees in such workplaces are informed and trained to act quickly and efficiently in terms of environmental protection should such a situation arise.

The likelihood of extraordinary events is also reduced through preventive measures. Training aimed at learning to react quickly, properly and efficiently ensures that the impacts of any extraordinary events 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 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 the collected fractions of municipal waste at the level of the entire Company may be expected to be low due to long-term absence from work and particularly due to reduced traffic and controlled stopping of goods vehicles, which is related with 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 d.d. 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.

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 operated by the Company. 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 d.d. ordered noise studies in 2020 containing proposals for anti-noise measures for the 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, as well as expert bases for the renovation of noise protection barriers in cooperation with an outsourcer. The document discusses the existing anti-noise measures, which are deemed inadequate considering the current noise pollution, and sets out three types of measures (renovation, upgrade, 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 2021), in addition to the priority areas for noise mitigation.

Key performance indicators

In light of its mission, the Company has built and operated a motorway network that is closely integrated into the natural environment during the stages of siting, operation and future development. 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 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 2020, 18 inspections were carried out.

The Company's 2017–2020 Strategy placed great importance on energy efficiency and environmental protection. When preparing the 2021–2025 Strategy, the energy management system and the environmental management system were further upgraded, expanded and enhanced with respect to the needs, requirements and expectations of the relevant stakeholders and the requirements of the internal and external environment. A new strategic goal was identified, namely "Development of sustainable infrastructure and 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 d.d. ranks among the larger energy consumers in Slovenia with an annual energy consumption of 42.66GWh (in 2020). With respect to the Company processes 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 (50.8%), followed by fuel (39.3%). A minor share of energy is used for heating facilities (9.9%), which is an important energy management element due to the 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 replaced old and worn-out lighting with new LED lamps in the last five years with the aim of meeting the requirements of the Decree on limit values due to the light pollution of the environment. At metering points where lighting has been replaced, the cost was also reduced due to reduced installed capacity. In 2018, stages 3 and 4 of the lighting replacement were completed, whereby consumption was reduced due to lamp replacement and 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. In January 2020, we were included in a workgroup 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 LED colour temperature to 3000K or 2700K. Pursuant to the amendment of the 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;
- 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 reduced for heating and cooling systems, toll booth ventilation, and toll platform lighting.

Despite 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 reviews. The measures introduced to reduce energy consumption for heating have also led to a reduced carbon footprint.

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

- 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 made by DARS to reduce greenhouse gas emissions and improve energy efficiency.
- 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 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 first stage 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 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 officers on the topic of efficient energy use.

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 saving for all energy products used for heating buildings in 2020 with respect to the baseline year of 2015 amounts to 1641MWh (28%), while CO_2 greenhouse gas emissions were reduced by 464t (36%) with respect to the baseline year of 2015.

In 2020, the Company recorded reduced diesel fuel consumption, primarily on account of a mild winter and, consequently, fewer ploughing days. 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 with 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 fans installed. 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, rerouting, additional variable message signs, by coordinating all closures, and through the coordinated operation of control centres.

In 2020, 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 2020, additional silos and devices for the production of sodium chloride solutions were supplied to MMC Maribor, MMC Murska Sobota and MMC Postojnam, Vipava branch. New automated mixing devices were delivered and are already in operation at the Podtabor, Dob and Logatec branches and at MMC Postojna, MMC Hrušica, MMC Vransko, MMC Kozina and MMC Ljubljana.

In 2021, 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 2020, 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 d.d. 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 2020, 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 (Description of the HR management process) to select the best human resources. After an employment relationship has been concluded, the adequacy of the selected candidate is monitored within the scope of 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;
- the development of employees' expertise, skills and competencies for career advancement within the organisation based on internal job openings;
- 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 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.

The Company is well aware that only a healthy employee with sound conditions for safe work and in sound mental and physical fitness can successfully perform the tasks set. Many Company employees perform a range of extremely dangerous work in all weather conditions 24/7. They use diverse special work equipment to perform road works, where their safety not only depends on themselves, but also on the road users' conduct. That is why a decision was made to

upgrade the Company's occupational safety system, compliant with the requirements imposed, by acquiring the BS OHSAS 18001 certificate, which was upgraded in 2021 with the ISO 45001 certificate.

Within the scope of the Company, there are two representative trade unions 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 for 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 tampering with 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 legislation and practice (ILO Conventions, Constitution of the Republic of Slovenia, Protection Against Discrimination Act) is the fundamental Company motto when dealing with employees and is guided by an awareness that the working environment must be safe, so that employees can exploit their potentials and talents to the maximum extent. Human rights are observed by taking into account the applicable legislation, code of conduct and internal Company acts referring primarily to non-discrimination on the job, workplace harassment and fundamental economic and social human rights.

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 d.d. 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 sets out specific activities that the organisation carries out in HR development, thus reducing the identified HR risks.

In 2020, the Company identified key workplaces and key staff, and prepared foundations for the implementation of the succession policy. In addition to the timely provision of expert and competent successors for key workplaces, this also represents an important element of possible career development for employees and the establishment of employee engagement, reducing the risk of undesired fluctuation. The measurement of the organisational climate and employee satisfaction showed a higher level of employee satisfaction and engagement than in previous years. The Company began introducing a mentorship programme for new employees, implementing annual development interviews with employees, introducing the "*Vodja DARS*" newsletter as a form of professional support for managers in their work, and carrying out measures within the scope of the full Family-Friendly Company certificate, making it easier for employees to coordinate their job and family duties.

Activities in the field of HR in 2020 were largely marked by extensive emergency COVID-19 measures designed to protect employees against the possibility of infection while still allowing the efficient performance of work processes.

Concern for employees' safety and health at work
In 2020, in addition to its normal tasks, the Service had to take action to protect the health of employees due to the coronavirus outbreak. The associated activities required the most time and effort this year. On 24 February, before the first case of infection was identified in Slovenia, the first protective masks, disposable gloves and hand sanitisers were distributed to employees who come into close contact with the users of our roads in their work. The Management Board appointed a special coordination team to manage risks upon the coronavirus outbreak, which holds weekly meetings and adopts organisational and other measures as necessary in relation to the epidemic situation in the country and the number of infected in the Company. An action plan to organise work in case of an infection was prepared together with the division managers.

Home working was introduced and a strategic reserve was ensured in case of snowfall through the furlough scheme, while Company activities were limited to the bare minimum, so that the safety and fluidity of the motorways could be maintained. Our offices were rearranged so that employees sitting opposite one another were protected with plexiglass partitions, we provided hand sanitisers and face masks for all employees, etc.

Since a major increase in infections was again expected before the winter, new public procurement procedures and contracts were prepared to provide all the necessary supplies to protect employees and disinfect vehicles and work premises.

The safety of employees at work has been included in the 2021–2025 Strategy as one of the major elements for the successful planning of Company development, identified as a new strategic goal of "Providing occupational safety and strengthening employees' health", within the scope of which we identified a measurable operational goal to reduce the number of persons injured at work until 2025 by 10% with respect to the 2019 baseline year. Hence, the Company has invested a lot of funds in the purchase of new, safer and activity-specific work equipment and in the creation of a working environment that provides the maximum level of safety and health at work to employees. The measures not only apply to the provision of enhanced safety for field workers, but also to office employees who experience more and more medical problems as they get older.

Key performance indicators

In 2020 the Company was again ranked among the top ten employers in the country according to the survey conducted by the MojeDelo.com employment agency, which involved 12,000 participants.

DARS measures the organisational climate and employee satisfaction every year. The organisational climate research conducted in 2020 showed better scores for organisational climate than in the previous year, along with higher employee satisfaction. The scores of best-rated items in the research conducted show a sense of belonging, motivation and employee engagement, the presence of innovations and self-initiative, as well as aspirations for quality performance. 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 in employee engagement in recent years. In 2020, the results of measuring employee engagement at DARS show a positive engagement ratio, of which the Company is truly proud and which has commanded deep respect and responsibility for engaged employees, so that career development and personal growth can be enabled.

The Covid-19 epidemic and therewith related measures to prevent the transmission of infections called for adjustments in the performance of work in 2020 with the aim of ensuring uninterrupted Company operations and the safe performance of work to employees with no risk of infection. In that respect, the Company enabled since March 2020:

- home working for all employees whose job positions allowed such work;
- use of the "force majeure" instrument for employees who had no childcare in kindergartens or schools due to the epidemic, and
- temporary lay-off.

Practically all spheres of life were characterised in 2020 by the Covid-19 epidemic, including training at the Company. Our focus and efforts were directed to new training and educational opportunities for employees. The epidemic also brought new requirements concerning necessary knowledge and skills, to which we responded flexibly and promptly. During the measures to contain the Covid-19 epidemic, employees could attend online training and training via various portals to the topics of implementing urgent hygiene measures to contain the spread of the epidemic, strengthening managerial competencies, improving communication skills, managing time, learning foreign languages and so on.

The Covid-19 epidemic and therewith related measures to contain infections also affected the scope and content of the training courses conducted. In light of the above, the Company managed to realise a total of 12,585 training hours in 2020, which were attended by 1786 employees. On average, each employee attended ten training hours. Most in-house training courses in 2020 were conducted in digital form, other than coaching and workshops that required personal

attendance. Compared to the previous year, the volume of external training in 2020 reduced by 59%, whereby the volume of in-house training fell by 50%.

In 2020, the Company carried out the planned development activities and projects despite the restrictions deriving from measures to contain the Covid-19 epidemic. One of the key projects implemented was the identification of key jobs and key staff. Based on the activities conducted, key jobs and staff who significantly contribute to the realisation of the DARS strategy and business objectives were identified and recorded. Employees at key workplaces at DARS d.d. have extensive know-how, well-developed skills and abilities for the efficient performance of complex tasks, which is why we decided to formulate a **DARS succession protocol** in the continuation. This enables systematic career development for engaged employees and, at the same time, introduces a continuity of quality in the provision of Company services to all stakeholders.

The Company has implemented various measures for employees to better coordinate their work and family life for many years, and has been the holder of the full Family-Friendly Certificate since 2015. Employees are grateful for the possibility of flexible of arrival and departure times from work with fixed central working hours, which enables employees with 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. The project team actively monitors the implementation of measures and prepared proposals for new measures in 2020, so that employees could better coordinate their family life with job requirements.

In 2020, DARS again actively participated in the European partner project of the **KoC LOGIN** competence logistics centre, which it joined in 2019 and within the scope of which it obtained €37,000 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. Hence, 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 reduced 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.

We are aware that the social and economic security of employees is the foundation on which one may build a sense of belonging, trust and commitment to creativity and professional development. It is the basis for the affiliation of employees, provided with full compliance with the applicable labour legislation and good practice to provide social security to employees as agreed upon in the DARS Collective Agreement. Hence, professional and responsible actions were taken in view of employees who found themselves in disability procedures or procedures for changed working ability, while assistance was provided to associates who retired and those who found themselves in a difficult situation and were in need of solidarity aid.

The greatest impact on employees' social security is deteriorated health, which is why developments in that area are closely monitored. In 2020, justified absence from work amounted to 6.56% with respect to regular work, which after three years of growth, fell by 0.02 percentage points 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 supersedes the previous agreement and clearly defines procedures to efficiently recognise discrimination, sexual and other harassment and maltreatment, and take action against it, along with preventive methods and the work and competencies of the Committee for the protection of employees' dignity. In 2020, DARS did not receive or consider any reports of the violation of employees' human rights and dignity.

The fight against corruption and bribery

Policy and due diligence

In 2020, the content and procedures to consider alleged irregularities pertaining to corruption were regulated in the Dars Code of Conduct and Instructions laying down protection for whistle-blowers reporting corruptive, illegal or unethical actions (hereinafter: "Instructions"). In line with the Instructions, the appointed Integrity Board considered one anonymous report in 2020. After examining the report, the Board found no suspicion of corrupt activity, violation of the duty to prevent a conflict of interests or any other violation.

As of 1 April 2020, the Company established a new organisational unit called Compliance and Quality Operations. Taking into account the Corporate Governance Code for Companies with Capital Assets of the State (hereinafter: "SSH Code"), compliance was included in the mentioned organisational unit. 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 whistle-blowers. The SSH Code recommends the establishment of a mechanism for appropriate and efficient responses to reports, a traceability system for all reports, record-keeping and regular periodic reports to the Company supervisory bodies regarding reports, responses to them, and measures adopted. Taking into account the mentioned recommendations, 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 main risks and their management

A conflict of interest of employees in the Company structure and supervisory bodies reduces the independence and credibility of the Company among employees and the external environment. The abuse of insider information and business secrets is unacceptable, harmful and prohibited by DARS. Associates are required to inform their superiors about any circumstances (business, family or other relations within the Company) that could affect decision-making. In such a case, it is best practice that the associate be eliminated from the relevant work process.

The implications of a failure to observe the obligation to avoid a conflict of interest and the procedure to identify a conflict of interest and lobbying are set out in the act governing that area. Procedures or processes for the proper conduct of the highest governing body that ensure the prevention of conflicts of interest and manages them are indicated in the Agreement on the prevention and elimination of consequences of mobbing at the Company.

Key performance indicators

Abuse of inside information, business secrets, personal data, corruption and bribery are unacceptable for DARS and prohibited, whereby the Company has zero-tolerance for 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 Manage

Celje, 30 June 2021

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]	€2,086,559,144.07
CAPITAL INCREASE	Total capital: €2,863,136,410 Nominal value of bonds issued: €163,776,200
SHARES ISSUED	€55,650,231
No. of countries in which the Company operates[7]	1 country (Republic of Slovenia)
Number of employees[8]	1269
Net sales revenues[9]	€398,581,556
No. of Company locations[10]	39

[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

DARS makes great efforts to 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 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

[11] GRI GS 102-16.

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.

Strategic policies of DARS[12]

Figure 1: 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

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

- The development of sustainable infrastructure and the circular economy

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, environmentally friendly, energy-efficient and socially responsible manner and to provide employees, outsourcers and users with a safe and comprehensive service.

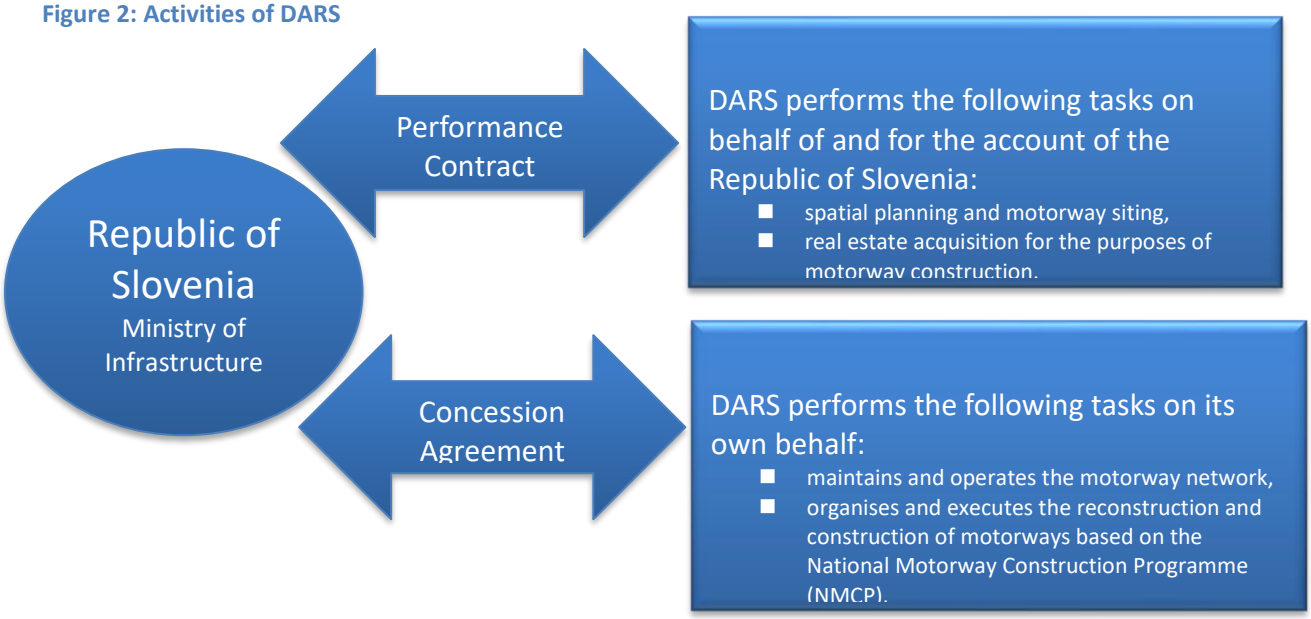
The management system policy is pursued in the following manner:

- 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 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, information security, safety and 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 d.d. 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 d.d. operates in compliance with the Corporate Governance Code for Companies with Capital Assets of the State as adopted by the SSH and the SSH Recommendations and Expectations 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 act entered into force at the end of 2010 and on its basis, DARS d.d.:

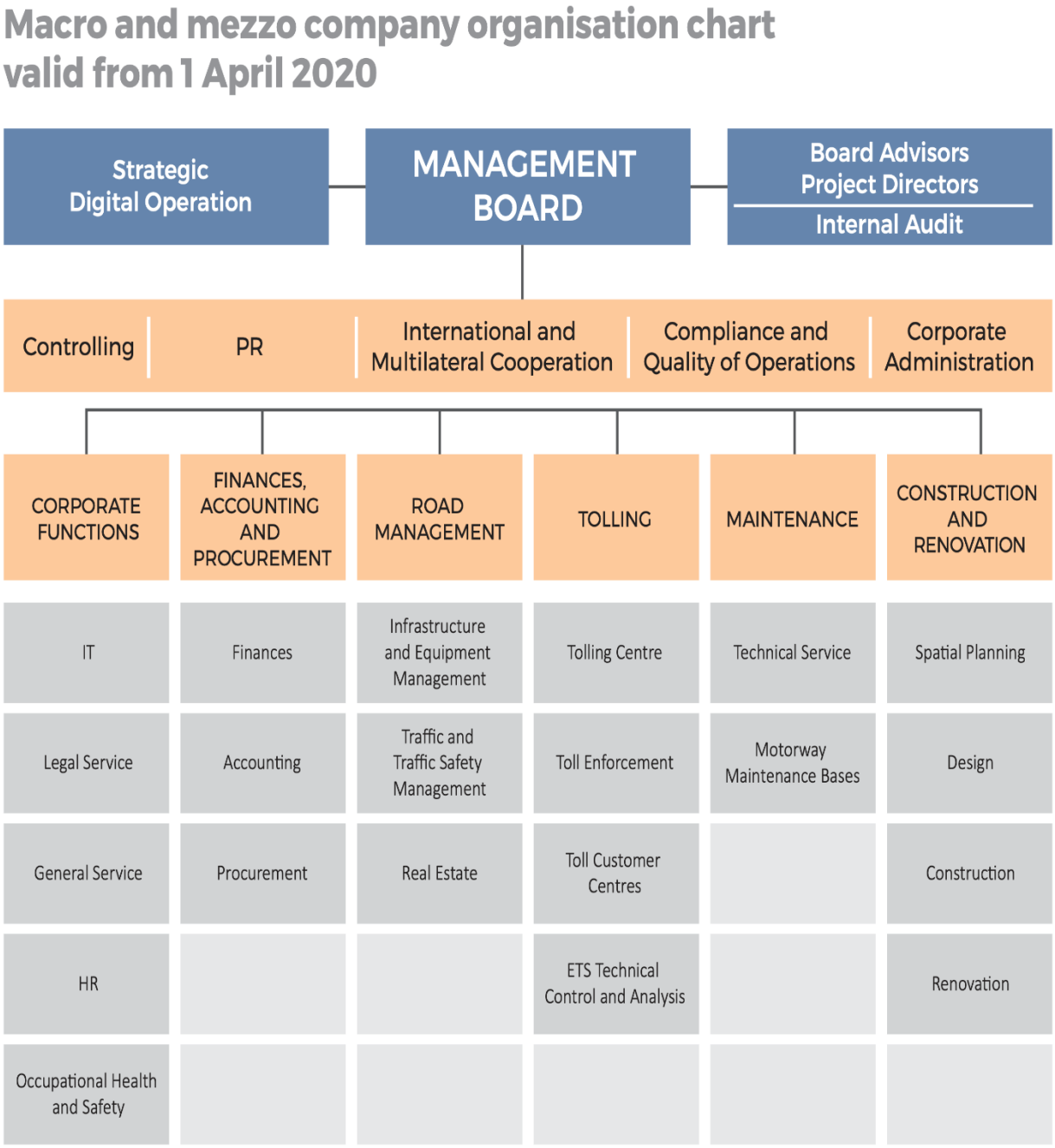
- performs individual tasks relating to spatial planning and the siting of motorways in the physical space, and tasks relating to real estate acquisition for the purposes of motorway construction on behalf of the Republic of Slovenia and for its account,
- builds motorways on its own behalf and for its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

The State maintains strategic supervision over motorway development through development documents laying down 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 d.d. and regulates the legal property relations in connection with motorways. Pursuant to the Act, DARS d.d. was transformed into a concessionaire that was awarded the right of superficies for the term of the concession relating to land where it would build, and has taken over all financial obligations related to the construction of new motorway sections. The ZDARS-1 act also stipulates that DARS d.d. is to perform individual tasks relating to spatial planning and the siting of motorways, 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 d.d. must continue building motorways and expressways that commenced prior to the enforcement of the ZDARS-1, 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 d.d. 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 d.d. the operation and maintenance of all constructed motorways, as well as infrastructural facilities and devices on them. DARS d.d. thus received the 198.8 kilometres of 2-lane and 4-lane motorways and expressways constructed until that point along with 67.5 kilometres of junctions.

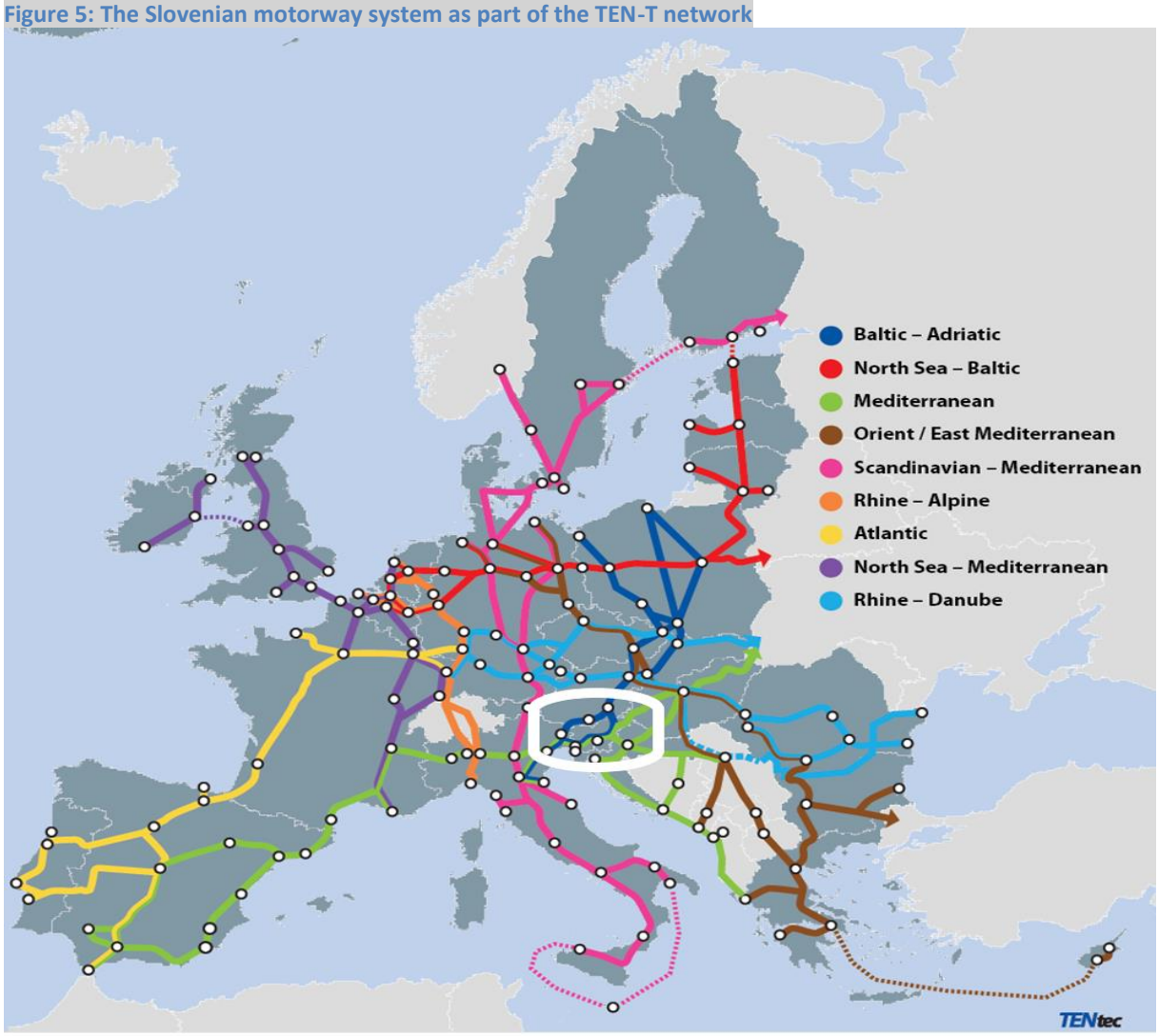
Through the implementation of the NMCP, the motorway network operated and maintained by DARS d.d. gradually expanded. At the end of 2020, DARS d.d. was responsible for the operation of 623.3 kilometres of motorways, 141.0 kilometres of junctions, 22.3 kilometres of interchanges and 38.0 kilometres of other roads.[15]

Figure 4: Motorway system in the Republic of Slovenia, December 2020

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

[15] GRI GS 102-7.

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 d.d. has become a strategic operator; the existing motorway systems were integrated into smart 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.

A priority in that area is, in particular, 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

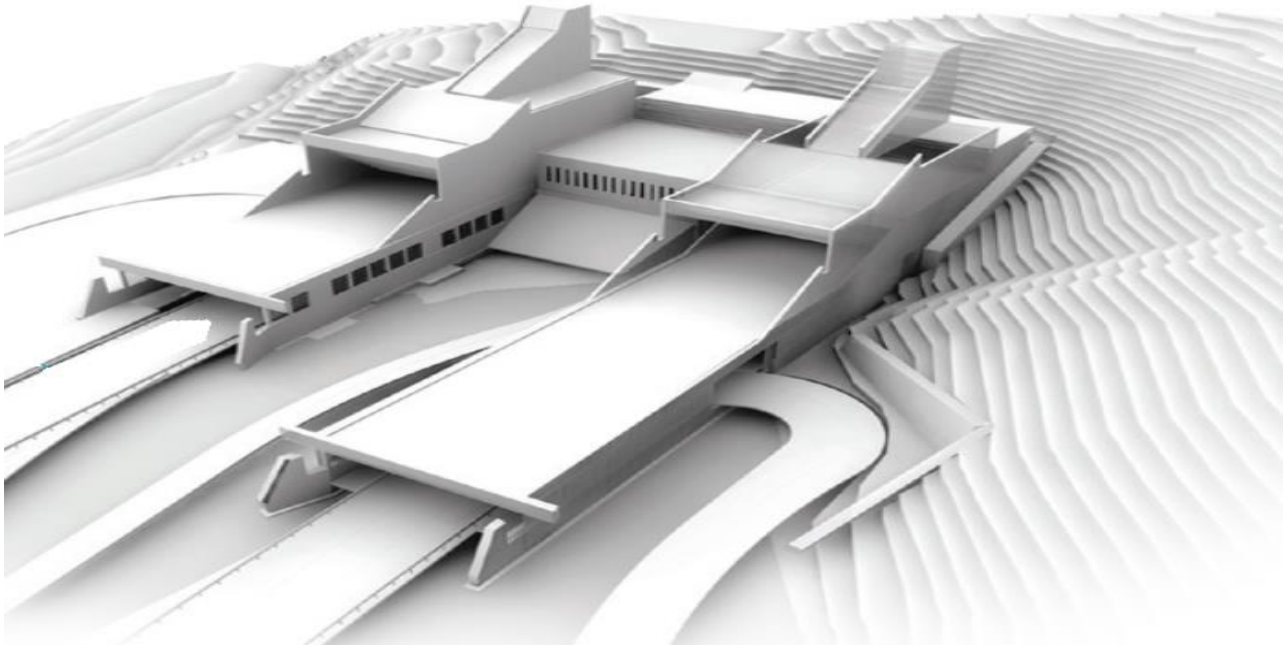
[16] GRI GS 203-1, 203-2.

development, i.e. by observing Sustainable Development Goals (SDG), as adopted by UN members, which are aimed at devoting efforts to developing the entire company, economy, science and civil society – which will play an important role in attaining the important goals of the entire Company until 2030.

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 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 anew 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.

Figure 6: Karavanke tunnel (second tube)



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 €7.95 million or 10% of eligible project costs.

A building permit has been obtained for the relevant investment and a public procurement procedure for the selection of a contractor was published, within the scope of which tenders were opened in March 2018. In July 2018, a decision on the awarding of the public contract was published, against which requests for review were filed. Due to review requests by unsuccessful tenderers and the DKOM decision granting the requests, the procedure to select the contractor was not completed in 2018. The selection procedure was also not completed in 2019, since new complaints were lodged by tenderers against each decision made by the contracting entity. The contracting entity adopted a decision on the awarding of the public contract directly upon negotiations with tenderers, whereby establishing that their tenders were admissible.

After the decision became final, a contract was signed with the contractor Cengiz on 30 January 2020. The contractor conducted the on-boarding on 2 March 2020 and commenced initial preparatory works. However, the declaration of the Covid-19 epidemic hampered the intensity of the works to a considerable extent. The contractor continued works using only subcontractors. After completing the initial preparatory works, it started excavating the portal by securing embankments with reinforced shotcrete and ground anchors. Simultaneously with works on the portal site, the contractor was mobilised and preparatory works were executed enabling the commencement of tunnel construction (the erection of temporary site arrangements, concrete mixing plants, treatment plants, etc.). The contractor erected a settlement to provide residence for its employees along with management premises in the area of provisional landfill 1a. In August 2020, the contractor completed the excavation and secured portal embankments and, on 25 August 2020,

started excavating the tunnel tube. By 31 December 2020, the tunnel excavation was completed and the foreseen support elements were built in, i.e. up to 238m in the calotte, up to 201m in the step and up to 172m in the ground arch (made of shotcrete). The material excavated from the tunnel was transported from the site and built in layer by layer at the foreseen landfill site M. The contractor built a temporary bridge across the Sava river (M3) just before the entrance to the site, while works were also underway on the bridge across the Sava river (M2) at the Hrušica site. The Mlake, Peričnik and Karavanke water distribution systems were relocated in the area of bridges M1 and M3, and a facility was erected for the contracting entity and engineer immediately next to the MMC Hrušica administrative building.

Sofinancirano s pomočjo Instrumenta za povezovanje Evrope Evropske unije

EVROPSKA UNIJA
EVROPSKI SKLAD ZA REGIONALNI RAZVOJ

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 Spatial Planning Strategy of Slovenia mentions the 3rd 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 3rd 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 national 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 3rd development axis section from Velenje South to Slovenj Gradec South in the length of 17.5km has been broken down into 8 lots, which are at different stages of design document processing and public procurement procedures for construction (two-stage public procurement procedure) with respect to priorities. In 2020, the construction of lot D Gaberke commenced. For lots F Jenina, B Škalsko jezero and H Konovo, requests were filed for the issuance of a building permit. The public contract for the qualification of tenderers in lot F Jenina has been completed and the decision has become final. For lots B Škalsko jezero and H Konovo, the public contract for the qualification of tenderers is pending. In other lots, intense efforts are being made to produce DGD design documents (for obtaining opinions and a building permit). Detailed design (PZI) documents are also being produced, while interim and final reviews of PZI documents are being conducted simultaneously. At the Šentrupert-Velenje South section measuring 14km in length, DGD and PZI documents are being produced. The investment programme has been made and is pending approval by the committee of the Ministry of Infrastructure. A contract was signed in November 2020 for the provision of expert consultancy and engineering services for the stage of the preparation and execution of construction works and other engineering services after construction for the entire section.

Figure 7: An optimised solution in the area of Velenje

For the section of the 3rd development axis south from the A2 MW to the Osredek junction measuring 5.5km in length, a building permit is being obtained through an integrated procedure for alignment and bridges. The procedure to obtain a building permit to relocate the main gas pipeline is also pending. The public contract for the qualification of tenderers (two-stage public procurement procedure) has been closed and the decision has become final. A contract for the production of DGD and PZI design documents for the Osredek-Maline section measuring 12.4km in length has been signed. Activities are underway. The investment programme has been made and is pending approval by the committee of the Ministry of Infrastructure.

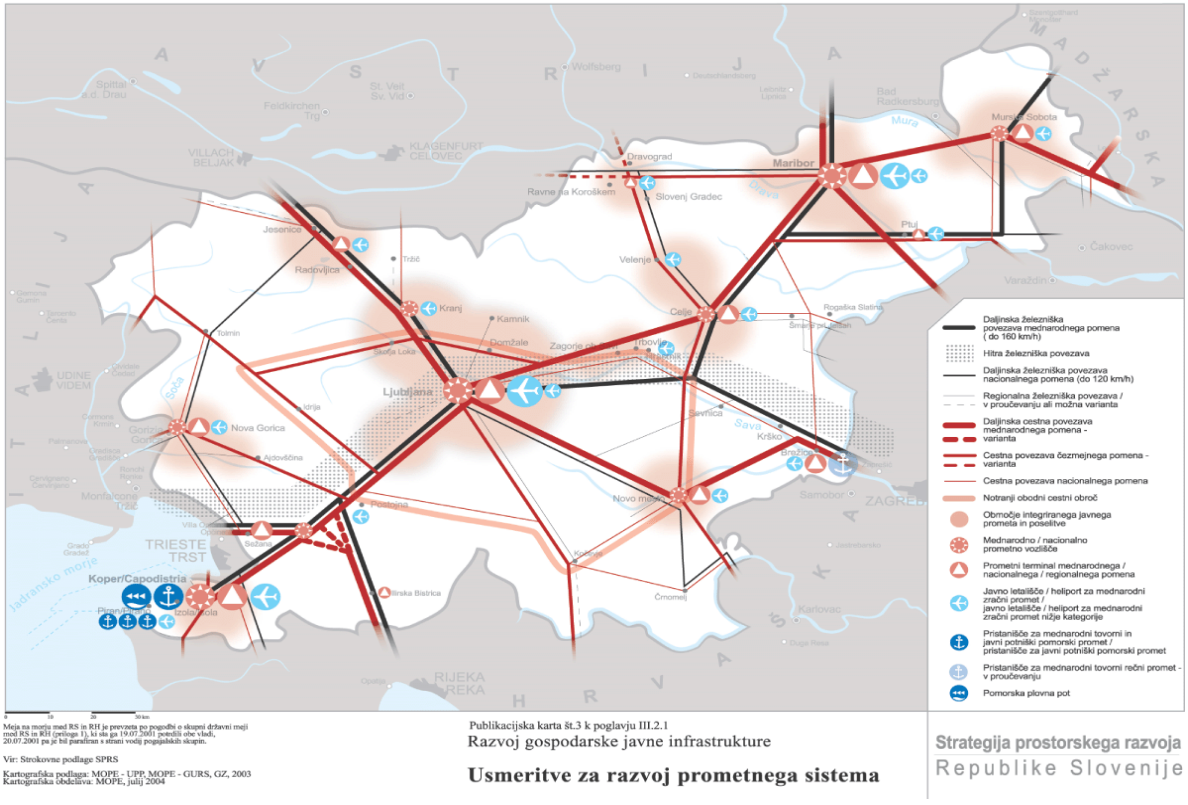
Motorway reconstruction works

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. Hence, measures need to be implemented as soon as possible at 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. Hence, reconstructions of individual bridging structures, tunnels, geotechnical structures, drainage, other equipment and parts of noise barriers are 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, HI, asphalt, drainage), to prevent the further decay of structures. Reconstruction works on structures are also foreseen at sections undergoing carriageway reconstruction, but only to the extent necessary with respect to the identified damage on a particular structure and foreseen works on the alignment.

Figure 8: Spatial development strategy of the Republic of Slovenia



I.3.6.1 Investments planned from 2020 to 2022

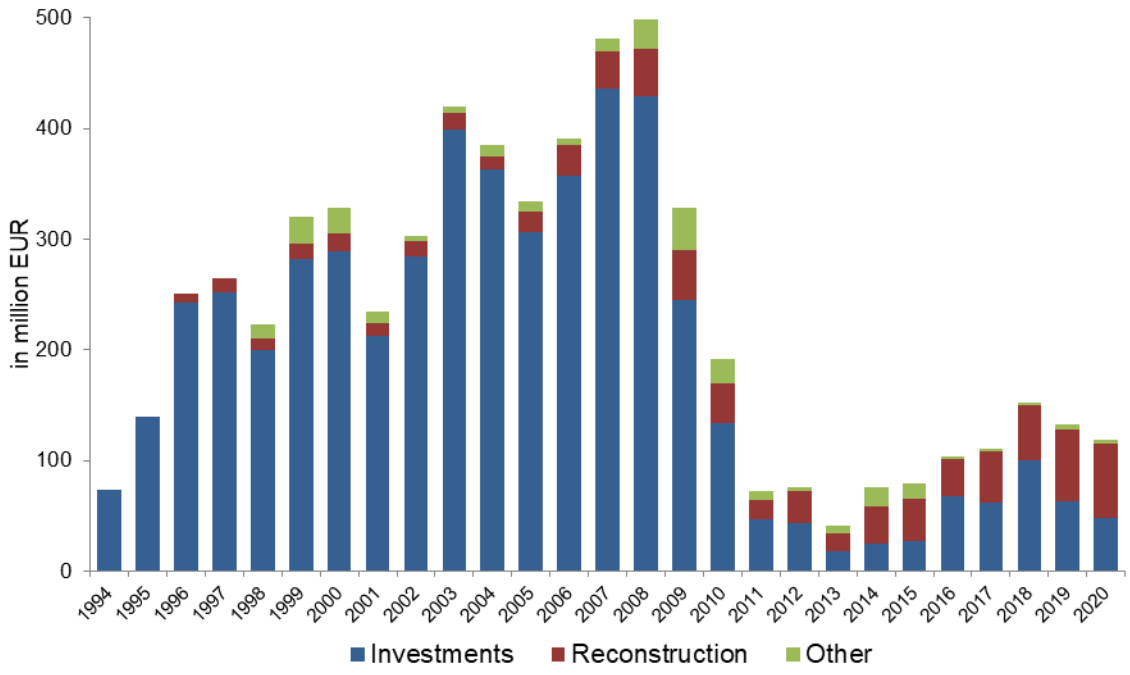
Table 1: Major investments planned by DARS from 2021 to 2023 in € million (source: Business Plan for 2021)

	Realisation 2020	Plan for 2021	Plan for 2022	Plan for 2023	Total 2020–2023
DRAGOMER motorway junction	0.01	0.15	13.70	5.73	**19.59**
CONSTRUCTION OF WIND BREAKS	1.15	0.25	6.95	8.67	**17.02**
KARAVANKE TUNNEL (second tube)	9.64	20.93	20.95	23.31	**74.83**

DarsGo system	5.20	6.30	4.41	4.06	**19.98**
E-vignettes	0.00	15.00	1.00	1.00	**17.00**
HAJDINA-ORMOŽ	0.78	1.60	17.37	18.99	**38.73**
KOSEZE–KOZARJE: expansion into a 6-lane road (construction, other)	0.00	0.24	10.50	21.45	**32.19**
Third development axis – north: Velenje–Slovenj Gradec	4.12	14.53	32.68	54.03	**105.35**
Third development axis – north: Šentrupert–Velenje	2.59	2.95	20.83	26.86	**53.23**
Third development axis – south: Novo mesto–Maline (Section I – stages 1 and 2)	1.13	8.20	31.20	31.12	**71.64**
Third development axis – south: Novo mesto–Maline (Section I – stages 3 and 4)	1.31	2.05	3.55	3.39	**10.30**
Total	**25.92**	**72.20**	**163.13**	**198.62**	**459.87**
MOTORWAY RECONSTRUCTION	66.60	97.96	99.17	102.69	**366.42**
Other investments	26.35	39.32	59.94	53.82	**179.44**
Total	**118.87**	**209.48**	**322.24**	**355.13**	**1,005.72**

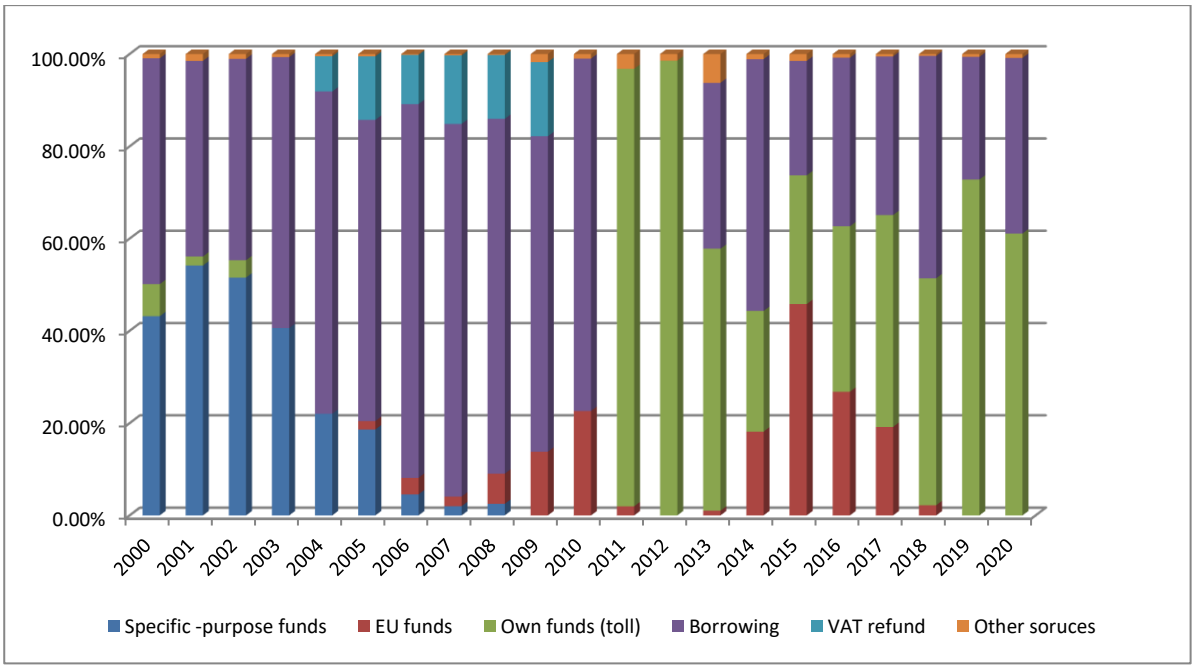
I.3.6.2 Investments in the National Motorway Construction Programme (NMCP) from 1994 to 2020

Figure 9: Investments in the National Motorway Construction Programme (NMCP) from 1994 to 2020



I.3.6.3 Financing sources for the National Motorway Construction Programme (NMCP) from 2000 to 2020

Figure 10: Financing sources for the National Motorway Construction Programme (NMCP) from 2000 to 2020



I.3.7 Self-assessment using the EFQM Excellence Model

In line with the SSH Recommendations and Expectations, DARS carries out self-assessments according to the EFQM 2020 Excellence Model.

With respect to the SSH guidelines, the self-assessment under the EFQM requirements is conducted every two years and DARS conducted the third self-assessment at the end of 2020 and the beginning of 2021. Based on it, a report with findings was drawn up along with an action plan containing 12 measures and short- and medium-term goals for Company operations in relation to quality and excellence.

The Management Board places great significance on SSH Recommendations and Expectations and has, as one of ten strategic indicators in the "DARS d.d. Strategy for 2021–2025", set the strategic goal "To achieve 550 points by 2025 with respect to the requirements of the EFQM model."

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 ISO 14001, 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.

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 d.d. 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 2020 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 supplemented) 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 fourth 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 2019 was published on the Ljubljana Stock Exchange SEOnet information system on 29 June 2020.[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 strategic sustainable development goals at DARS

DARS d.d. 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 d.d. as a responsible and forward-looking company.

Strategic policies of DARS

The DARS d.d. 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 and strategic guidelines, Integrated management system policy, where the central focus is on long-term stable operations, which also significantly relates in terms of content and strategic goals to the realisation of strategic guideline 1 (Provision of fluidity, safety and comfort to users on the motorway network) with users as target stakeholders, and strategic guideline 3 (Engaged and competent employees) with employees as target stakeholders.

It is also worth noting the role or contribution of DARS to global development, i.e. by observing the Sustainable Development Goals (SDG) as adopted by UN members, which are aimed at devoting efforts to developing the entire

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

company, economy, science and civil society – which will play an important role in the attainment of the important goals of the entire Company 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)

Figure 11: The UN global sustainable development goals (SDG)

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

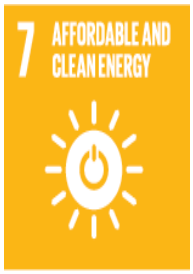
Figure 12: The connectivity of DARS's strategic goals with 8 sustainable development goals

Connected to the future

Peace, justice and strong institutions: By observing the rule of law and measures to prevent corruption and bribery, thus strengthening our integrity and reputation, we contribute to goal 16.
Relevant content: Corporate integrity and compliance.
Indicator: The Company seeks to maintain the number of confirmed cases of corruption at zero.

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 customer 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 environmental permits.



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 users in 2015. To reduce electricity consumption by 30% by 2025 and emissions of energy products for heating by 30% by 2025 with respect to the baseline year of 2015. 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.

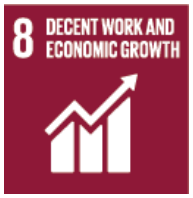
Clean water and sanitation: Through water economy and activities to protect natural water resources in the event of incidents, DARS strives for the sustainable management of water resources and their preservation.
Relevant content: Water protection, waste management.
Indicator: Compliance with legislative 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 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 d.d. 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 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 emergency events 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 emergency detectors by 20% by 2025 with respect to 2019, etc.

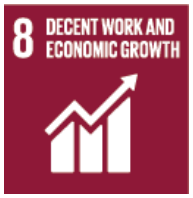
Long-term business stability



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 stable operations
Indicator: A net debt to EBITDA with the target indicator below 8; the provision of 4.1% return on equity.

Industry, innovation and infrastructure: By building and maintaining quality, reliable and sustainable motorway infrastructure, DARS d.d. contributes to regional and international economic development and social welfare. 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 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 98.8% 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 all persons injured at work will have 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 strategic and operative levels. This strengthens the understanding between individual groups of stakeholders and the Company, while enhancing mutual trust.

The stakeholders of DARS have been identified and defined on the basis of one of the self-assessment measures under 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 a stakeholder, the persons responsible for relations with a 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 content relevant to stakeholders is sent every two years and was last distributed in 2019. The 2020 Sustainability Report covers a range of relevant content as presented in the 2019 Report[20].

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

Figure 13: DARS's relations with stakeholders (indicated key stakeholders)

I.4.4 The inclusion of stakeholders and 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)	• DARS Annual Report • Annual Management Plan	The successful realisation of the legally defined role of DARS (compliance), expected realisation	✓

[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
	• 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 information and personal contacts	of the LNU 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 in the management and maintenance of the motorway network	
Supervisory Board	• SB sessions and committees	Sound performance in line with the plans, compliance	✓
Ministry of Infrastructure	• DARS Annual Report • Following up and taking account of proposals and remarks • Regular biweekly coordination meetings with the Directorate • All consents in line with the relevant legislation • Approval of government documents for borrowing • Approval of proposals for changes in 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 occurrences • 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	✓
Motorway network users	• Website of DARS d.d. (www.dars.si) • Survey: Motorway user satisfaction measurement • Social networks (Facebook, Twitter) • Events and presentation of DARS d.d. • 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	• Measuring the satisfaction of motorway and expressway users	Observation of proposals and remarks, concern for the safety and satisfaction of motorway users,	✓

Stakeholders	Communication tools and method of inclusion	Key topics/response to stakeholder requirements	Stakeholder's inclusion in the preparation of the Sustainability Report
groupings within the scope of the Slovenian Chamber of Commerce and Industry and the Chamber of Craft and Small Business	• 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 workgroups • Participation in promotional events	the long-term stable operations of DARS, indirect economic effects on the Company	
General public	• Website of DARS d.d. (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 • Managerial 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, environmental responsibility (emissions).	✓ Included parties: RTV Slovenia and STA
Suppliers	• Website • Personal contacts • Annual Report • Minutes • Workgroup documents • Design documents • Legitimate complaints • Audits • Records	Clear requests and tender requirements, the fulfilment of contractual obligations	✓ Included party: Telekom Slovenije d.d.
NGOs and institutes	• Website of DARS d.d. (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 –	–

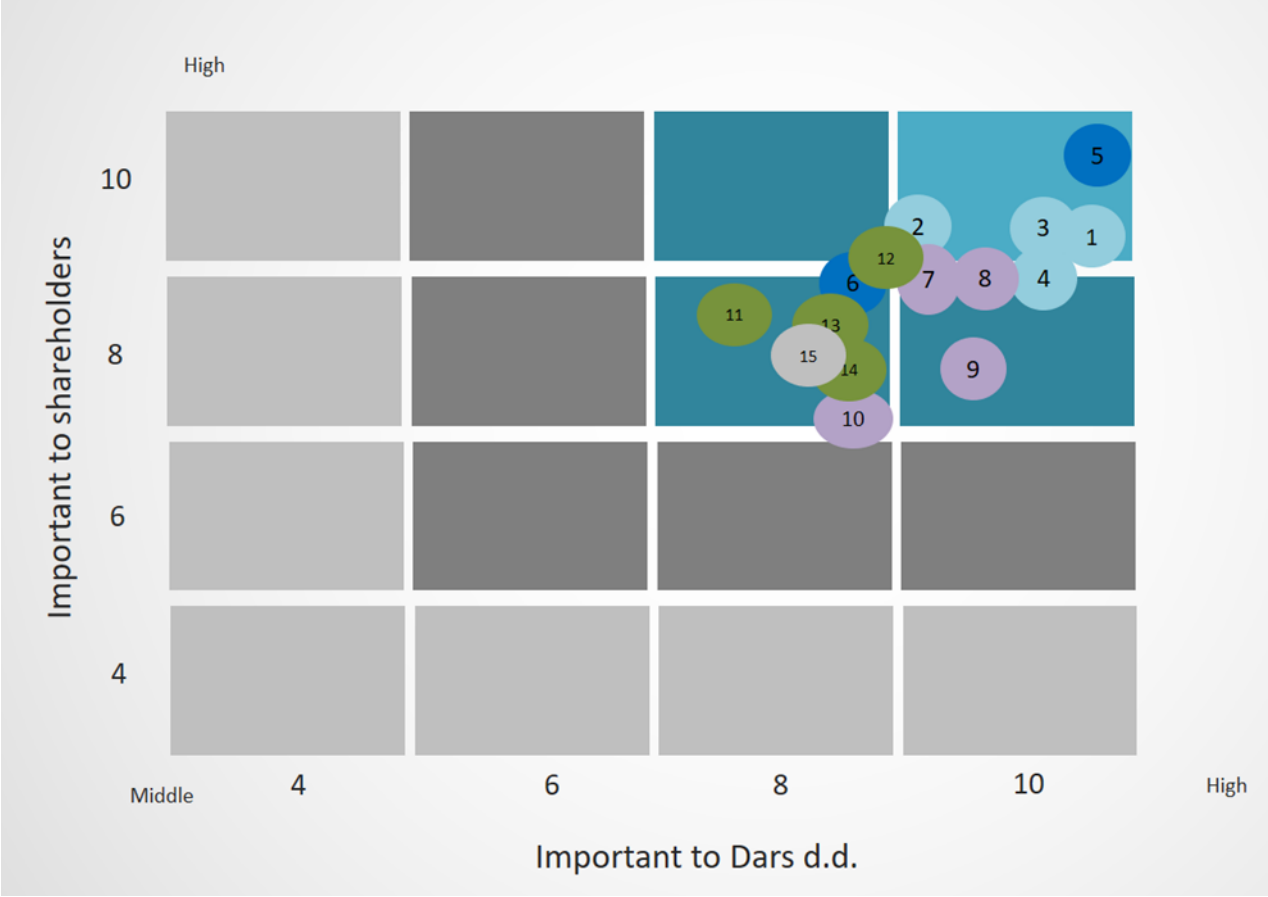
I.4.4.2 Material sustainable development issues of DARS[22]

The table below shows material issues that were relevant to DARS d.d. in 2017, 2018 and 2019 and remain as such in 2020 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 two years, on the expectations of stakeholders identified in the internal document Needs and expectations of the stakeholders of DARS d.d., 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.

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 society

[22] GRI GS 102-47.
[23] GRI GS 102-47.

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

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 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 about 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.

[24] GRI GS 102-46.

I.4.5 Corporate integrity and compliance[25]

I.4.5.1 Respect for human rights in business

DARS has zero-tolerance for any form of human rights violation. Compliance with the human rights legislation and practice (ILO Conventions, Constitution of the Republic of Slovenia, Protection Against Discrimination Act) is the fundamental Company motto when dealing with employees and is guided by an awareness that the working environment must be safe, so that employees can exploit their potentials and talents to the maximum extent. Human rights are observed by taking into account the applicable legislation, code of conduct and internal Company acts referring primarily to non-discrimination on the job, workplace harassment and fundamental economic and social human rights.

I.4.5.2 Ethics and integrity[26]

DARS has put in place mechanisms that prevent deviations as regards human rights in the broadest possible terms. The mechanisms are set out in the Dars Code of Conduct and the Rules on the protection of employees' dignity. The mentioned Rules lay down in detail the behaviour recognised and understood as workplace harassment, the procedure to resolve alleged workplace harassment, and procedures to rehabilitate victims of workplace harassment.

To inform as many employees as possible about the content of the Dars Code of Conduct and the Rules on the protection of employees' dignity, 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 in-house Avtoceste newsletter and the Preglednik bulletin.[27]

The Committee for the protection of employees' dignity thoroughly investigates each report, including anonymous ones, by examining documentary proof and conducting separate interviews with the whistle-blower, the persons investigated and any witnesses. The procedure before the Committee for the protection of employees' dignity is run as confidential, so that information is not disclosed to third parties.

We are pleased that the Company has never recorded a case of derogation from human rights. In the period from 2016 to 2019, a total of four reports were received, but no violation was established. Pursuant to its competencies, the Committee for the protection of employees' dignity put forth measures to improve the existing situation, which were implemented. No report was received in 2020.[28]

I.4.5.3 Conflicts of interest

A conflict of interest of employees and members of supervisory bodies reduces the independence and credibility of the Company among employees and the external environment. Abuse of inside information and business secrets is unacceptable, harmful and prohibited by DARS. Associates are required to inform their superiors about any circumstances (business, family or other relations within the Company) that could affect decision-making. In such a case, it is best practice that the associate be eliminated from the relevant work process.

In their work, the Supervisory Board observes and abides by the principles and recommendations of the Code of Professional Ethics of the Slovenian Directors' Association, the recommendations of the Slovenian Corporate Governance Code for Listed Companies, and the Corporate Governance Code for Companies with Capital Assets of the State, along with the applicable legislation. Supervisory Board Members sign a statement of independence of a supervisory board/SB committee member as foreseen in the Corporate Governance Code for Companies with Capital Assets of the State.

I.4.5.4 Corruption[29]

In 2020, the content and procedures to consider alleged irregularities pertaining to corruption were regulated in the Dars Code of Conduct and Instructions laying down protection for whistle-blowers reporting corruptive, illegal or

[25] GRI GS 103-1, 103-2, 103-3, 419, 419-1.
[26] GRI GS 102-16, 102-17.
[27] GRI GS 205-2.
[28] GRI GS 406-1.
[29] GRI GS 103-1, 103-2, 103-3, 205.

unethical actions (hereinafter: "Instructions"). In line with the Instructions, the appointed Integrity Board considered one anonymous report in 2020. After examining the report, the Board confirmed no suspicion of corrupt activity, violation of the duty to prevent conflicts of interest or any other violation.
As of 1 April 2020, the Company established a new organisational unit called Compliance and Quality Operations. Taking into account the Corporate Governance Code for Companies with Capital Assets of the State (hereinafter: "SSH Code"), compliance was included in the mentioned organisational unit. 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 whistle-blowers. The SSH Code recommends the establishment of a mechanism for appropriate and efficient responses to reports, a traceability system for all reports, record-keeping and regular periodic reports to the Company supervisory bodies regarding reports, responses to them, and measures adopted. Taking into account the mentioned recommendations, 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.[30]

I.4.5.5 Compliance with the regulations, codes and recommendations

There were no major discrepancies in the implementation of the above codes and recommendations in 2020. Deviations from individual recommendations are explained in the Corporate Governance Statement, which forms a part of the DARS Annual Report for 2020 pursuant to paragraph 5 of Article 70 of the Companies Act (Official Gazette of the Republic of Slovenia, No. 42/2006 with amendments and supplements).

In 2020, a total of 18 inspection decisions (17 referred to the environment) were issued in relation to the overall DARS operations (including economic, social, environmental and energy issues), whereby no fine was imposed upon the Company in 2020. The measures addressed to DARS that were imposed with inspection decisions were implemented. Due to an infringement relating to the use of plant protection products, minor offence proceedings were initiated and closed in 2021 with a fine imposed upon DARS and its responsible person.[31]

I.4.5.6 Review procedures at DKOM

Legal protection against violations in public procurement procedures is ensured in a review procedure that takes place before the National Review Commission for Reviewing Public Procurement Procedures (hereinafter "DKOM").
The table indicating the published and awarded public contracts shows that 194 public contracts were awarded in 2020. 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), 24 review requests were considered in 2020 and 19 decisions were issued by DKOM (table indicating review procedures at DKOM). One DKOM decision considered two review requests, i.e. DKOM decision No. 018-125/2020-5, while one decisions considered five review requests.

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

	2018	2019	2020
No. of partially granted review requests	-	-	2
No. of granted review requests	1	5	5
No. of annulled procedures	-	1	-
No. of dismissed review requests	-	1	1
No. of rejected review requests	6	8	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 d.d.)*

	2018	2019	2020
No. of published public contracts	176	162	189

[30] GRI GS 205-3.
[31] GRI GS 103-1, 103-2, 103-3, 307, 307-1.

No. of awarded public contracts	281	313	194

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

I.4.6 Risk management[32]

DARS d.d. 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 2020. 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 d.d. Strategy, we revise or amend the operational goals that support 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.

At the end of 2020, we adopted a new 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 the measures for reducing 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 on comprehensive intentions and orientations of the Company concerning risk control. The Company employees know that effective risk management neutralises risks to the achievement of goals arising from the external and internal business environment. Our risk management system allows us to identify, assess and manage the key risks in time. Risks 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 must identify in due time and adequately manage.

Measurable goals in risk management include:
- 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 d.d. to assess risks is explained in the text and figures below. The probability of occurrence is assessed using a 5-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 €10,000, €10,000 to €100,000, €100,000 to €1 million, €1 million to €10 million, and more than €10 million) or semi-qualitatively with grades of 1 to 5 (low, moderate, medium-high, high and very high).

[32] GRI GS 102-15.

Figure 14: Risk assessment methodology

Risk assessment methodology			Probability of occurrence				
RISK CONSEQUENCES			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 d.d. Strategy for 2017–2020 and at lower levels compared to the performance goals set within the scope of each process. In 2020, the composition of the Risk Management Board changed. 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 104 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 are implemented.

The risk management process has become a part of our strategic operations and business, which is why we are especially proud of the successful upgrades and improvements made to it. In 2020, certain improvements and modern approaches relating to the risk register were implemented. The risk register received a new, more modern visual form that shows the extent individual organisational units have implemented the measures designed to reduce the risks to an acceptable level or even below it, while the risk owners are now able to identify and manage risks on an ongoing basis more easily and regularly. The risk register now includes the implementation deadlines, additional measures and the effectiveness of the introduced measures, and it has also been brought into line with the organisational change in the Company. In the new risk register, the 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 in March and September 2020, 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,
- revenue risk,

- loss of competent or key staff (undesired fluctuation) and an increased share of actively non-engaged employees,
- concern for 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 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 d.d. 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 d.d. actively engaged in the action system of the Republic of Slovenia Crisis Unit and the Civil Protection Headquarters. In Maintenance, a lot of effort is dedicated to resolving the potential problem of having sufficient staff for the 2020/2021 winter service in the event of a coronavirus outbreak within the organisational units of Maintenance, since the provision of winter service could be impaired if a heavy snowfall event coincided with a major 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 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 does not constitute significant materiality. In light of the above and based on all 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 (2021–2023) 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 all actions foreseen in the following three years, with the addition of 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.

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 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 d.d., 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 devoted mostly 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 were 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 upon extraordinary events) 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 upon extraordinary events is very important.

Although traffic safety improved in 2020, this can be attributed primarily to the pandemic and the resulting decrease in traffic. Data from the traffic counters shows a major reduction in traffic loads, which has resulted in reduced congestion and therewith related traffic accidents (rear-end collisions), but also in increased travelling speed. The latter entails a significant increase of vehicles in the high-speed categories (over 180 km/h). We informed the Police about the events and at the same time started activities to establish the motorway police.

At the end of 2020, the Police signed an agreement to establish systems for section speed control. A public procurement procedure will be carried out in 2021 and a provider will be selected. Deployment costs for such systems will be incurred after the provider obtains all the necessary documents for system operation, which is expected to take at least six to nine months. Therefore, more funds will not be required until 2022.

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 the 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 based on findings from the first year of the system's functioning, as well as improvements at the system level.

We reviewed the achievement of the service level for the first two years of the system's operation. By collecting data on the system's operation and by carrying out 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 how much of the contractual value is paid to the provider on account of the system's technical operation and efficiency; payment of the contractual value depends on elements tied to the level of quality the provider is required to achieve during the system's functioning. By measuring the service level, we ensure higher quality system operation and indirectly limit/decrease the risks related to revenue from the payment of tolls for vehicles with a maximum authorised mass exceeding 3.5 tonnes, which is the largest and most important source of Company revenue.

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 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 internal audit of the ISO 27001:2013 system was performed with respect to DarsGo, a security check was performed and measures to reduce the identified risks were implemented. The system was stable and ensured the uninterrupted 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.

Failure of key information systems

A failure of key information systems is managed with the ongoing monitoring of the IT systems and an immediate response to extraordinary events. 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 the 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 that could affect the confidentiality, integrity or availability of the information

systems and information infrastructure are managed through the maintenance of the IT risk assessment, regular system maintenance, regular backup processes, firewalls and anti-virus software, upgrades to software and hardware, updates to security policies, raising user awareness on information security and, above all, by implementing a clear vision of the development of the Company information system.

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

Economic viability of investments

The risk of the economic viability of investments is managed by DARS d.d. 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 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 2020, the Company completed the project to introduce the BMS DARS expert management system for bridging structures, which was initiated in 2017 and is planned to be put in operation starting in 2021.

For projects related to the energy efficiency of the Company, the Company prepares 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 pre-investment study or investment study and, during the production of the Basic Design (DGD) and Detailed Design (PZI) documents, with the produced investment programme, which is discussed by a committee within DARS d.d., 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 possible tolls are made in line with the applicable methodology.

The COVID-19 pandemic caused our toll revenue to decrease in 2020 and it will be affected in 2021 as well.

All amendments to the implementing regulations referring to toll collection and toll prices must be approved by the Ministry of Infrastructure. DARS d.d. 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.

Tolls collected in relation to vehicles with a maximum authorised mass exceeding 3.5 tonnes are constantly decreasing due to vehicle fleet modernisations, provided that the toll per kilometre travelled remains unchanged. On 1 September 2020, rebates on the deferred payments of tolls were eliminated at the proposal of DARS d.d. On 1 January 2021, the Karavanke tunnel toll for vehicles with a maximum authorised mass of up to 3.5 tonnes increased by 1.6%. Some of the initiatives put forth by DARS d.d. in 2020 were not accepted (toll indexation on the toll road network, indexation of vignette prices).

Pursuant to the Government's plans, the introduction of the electronic vignette is scheduled for 1 December 2021. The annual vignette will be valid for 365 days from the date of purchase, which means a loss of revenue compared to the current annual vignette validity system (until 31 January).

DARS actively participates in the development and evaluation of proposals for amending the Eurovignette Directive (1999/62/EC). Following the transitional period, when the prescribed ratios between the annual and short-term vignette prices will have to be observed, the price of the annual vignette will need to be increased to avoid a significant loss of revenue. The level of shortfall will depend on the completion of the EU legislative process. The Company has already started arguing for a change in the pricing policy to manage this risk.

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 d.d. 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 sets out specific activities that the organisation carries out in HR development, thus reducing the identified HR risks.

In 2020, the Company identified key workplaces and key staff, and prepared foundations for the implementation of the succession policy. In addition to the timely provision of expert and competent successors for key workplaces, this also represents an important element of possible career development for employees and the establishment of employee engagement, reducing the risk of undesired fluctuation. The measurement of the organisational climate and employee satisfaction showed a higher level of employee satisfaction and engagement than in previous years. The Company began introducing a mentorship programme for new employees, implementing annual development interviews with employees, introducing the "*Vodja DARS*" newsletter as a form of professional support for managers in their work, and carrying out measures within the scope of the full Family-Friendly Company certificate, making it easier for employees to coordinate their job and family duties.
Activities in the field of HR in 2020 were largely marked by extensive emergency COVID-19 measures 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
In 2020, in addition to its normal tasks, the Service had to take action to protect the health of employees due to the coronavirus outbreak. The associated activities required the most time and effort this year. On 24 February, before the first case of infection was identified in Slovenia, the first protective masks, disposable gloves and hand sanitisers were distributed to employees who come into close contact with the users of our roads in their work. The Management Board appointed a special coordination team to manage risks upon the coronavirus outbreak, which holds weekly meetings and adopts organisational and other measures as necessary in relation to the epidemic situation in the country and the number of infected in the Company. An action plan to organise work in case of an infection was prepared together with the division managers.

Home working was introduced and a strategic reserve was ensured in case of snowfall through the furlough scheme, while Company activities were limited to the bare minimum, so that the safety and fluidity of the motorways could be maintained. Our offices were rearranged so that employees sitting opposite one another were protected with plexiglass partitions, we provided hand sanitisers and face masks for all employees, etc.

The work of contractors at the Company's business premises (regular servicing and inspections of the work and fire-fighting equipment), which was suspended during the first wave, has been proceeding as usual since 18 May, taking into account the instructions to prevent the spread of infections. During the two waves of the epidemic, the Occupational Health and Safety Service also carried out periodic safe work training and training tests for toll employees, organised medical examinations of employees and performed internal control at work in the field.

Since a major increase in infections was again expected before the winter, new public procurement procedures and contracts were prepared to provide all the necessary supplies to protect employees and disinfect vehicles and work premises.

The safety of employees at work has been included in the draft 2021–2025 Strategy as one of the major elements in 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 invested a lot of funds in the purchase of new, safer and activity-specific work equipment and the creation of a working environment that provides the maximum level of safety and health at work for employees. The measures not only apply to the provision of enhanced safety for field workers, but also to office employees who experience more and more medical problems as they get older.

Environmental protection
In accordance with its role as a motorway and expressway management and maintenance company, DARS d.d. 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 d.d. Strategy for 2017–2020 includes operational goals relating to environmental and energy aspects and, consequently, also measures to mitigate environmental risks. In 2020, the management system was further improved through the realisation of measures to mitigate environmental impacts and, therefore, environmental aspects as supplemented new and optimised 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 more and more 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 react quickly and effectively when they do occur to minimise negative consequences for the environment. All employees in such workplaces are informed and trained to act quickly and efficiently in terms of environmental protection should such a situation arise.

The likelihood of extraordinary events is also reduced through preventive measures. Training aimed at learning to react quickly, properly and efficiently ensures that the impacts of any extraordinary events 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 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 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 d.d. 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 in five motorway sections from 2013 to 2015, and the protection of the most affected individual residential buildings near the motorway network was implemented in 2019, i.e. active anti-noise measures at 11 locations on the Slovenian motorway network.

In 2018/2019, DARS conducted operational noise monitoring in cooperation with its outsourcers for the motorway network operated by DARS. 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 operated by the Company. 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 d.d. ordered noise studies in 2020 containing proposals for anti-noise measures for the 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, as well as expert bases for the renovation of noise protection barriers in cooperation with an outsourcer. The document discusses the existing anti-noise measures, which are deemed inadequate considering the current noise pollution, and sets out three types of measures (renovation, upgrade, 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 2021), in addition to the priority areas for noise mitigation.

I.5 PERFORMANCE REPORT

I.5.1 Economic highlights from operations

The long-term strategic goal of DARS d.d. 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 d.d. contributes to regional and international economic development and welfare.[33]

In the 2020 financial year, DARS generated net sales revenues amounting to €398.6 million, which is a drop by 17 percentage points compared to 2019. Toll revenue, which accounts for 92.8% of the total revenues, was 17% lower than in 2019. Despite a good start in 2020, when an increase in toll revenue was recorded, the declaration of the pandemic and measures to contain COVID-19 led to a severe economic downturn, which in turn caused a major decline in traffic and thus toll revenue. In terms of value, vignette sales decreased by 26%, with 4,402,258 vignettes sold in 2020. The largest drop was recorded in the sale of weekly and monthly vignettes.

The net profit of DARS d.d. for the period from 1 January to 31 December 2020 amounted to €59.5 million and decreased by 57% compared to the net profit generated in 2019.

Table 6: Key performance data by year[34]

Key performance data by year	2018	2019	2020	2020/2019 index
ECONOMIC				
Net sales revenues	465,605,859	480,750,876	398,581,556	83
EBIT	222,394,940	210,990,006	108,954,947	52
EBITDA	397,476,660	422,009,626	321,804,934	76
Net profit or loss for the accounting period	154,421,963	139,611,455	59,526,614	43
Share capital	2,322,284,140	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	102
Total assets as at 31 December	5,656,311,816	5,307,039,906	5,175,871,112	98
Debt repayment – principal	219,555,539	212,849,148	238,361,387	112
Payment of interest*	40,624,860	37,889,189	35,786,115	94
ENVIRONMENTAL – energy consumption in MWh				
Electricity	23,598	22,584	21,670	96
Fuel	18,662	18,081	16,752	93
Natural gas	1,443	1,386	1,564	113
LPG propane	1,964	1,857	1,736	93
LPG propane butane	852	475	428	90
Heating oil	238	97	58	60
District heating	638	550	0	/
Biomass	0	0	452	/
MW km	623	623	623	100
No. of employees	1,232	1,257	1,269	101

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

Operating margin	47.8%	44.1%	27.3%	62
EBITDA margin	85.37%	87.78%	80.7%	92
Net margin	33.2%	29.2%	14.9%	51
Return on equity (ROE)	5.35%	4.79%	2.06%	43

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

Figure 15: Net sales revenues and cash flow from operating activities (EBITDA) for 2016–2020

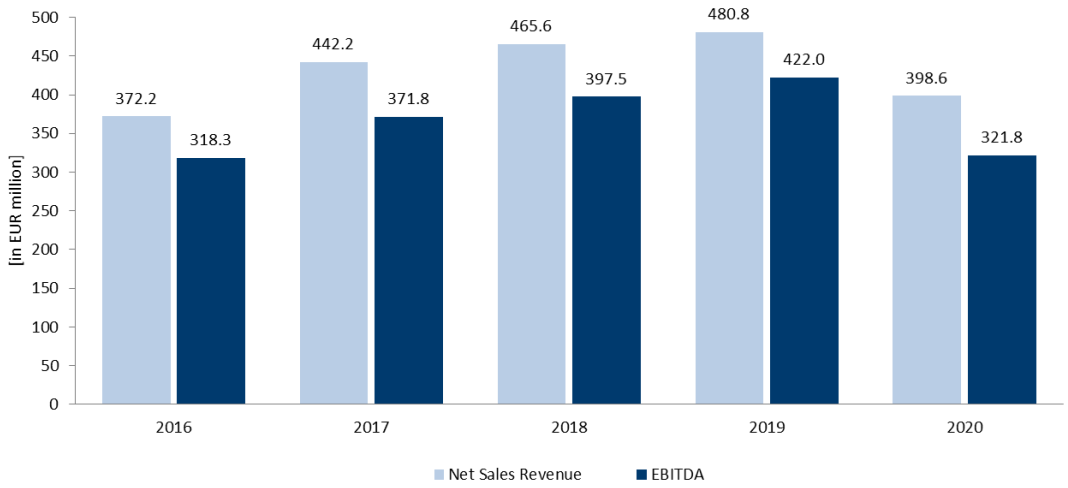


Figure 16: DARS d.d. revenues in 2020

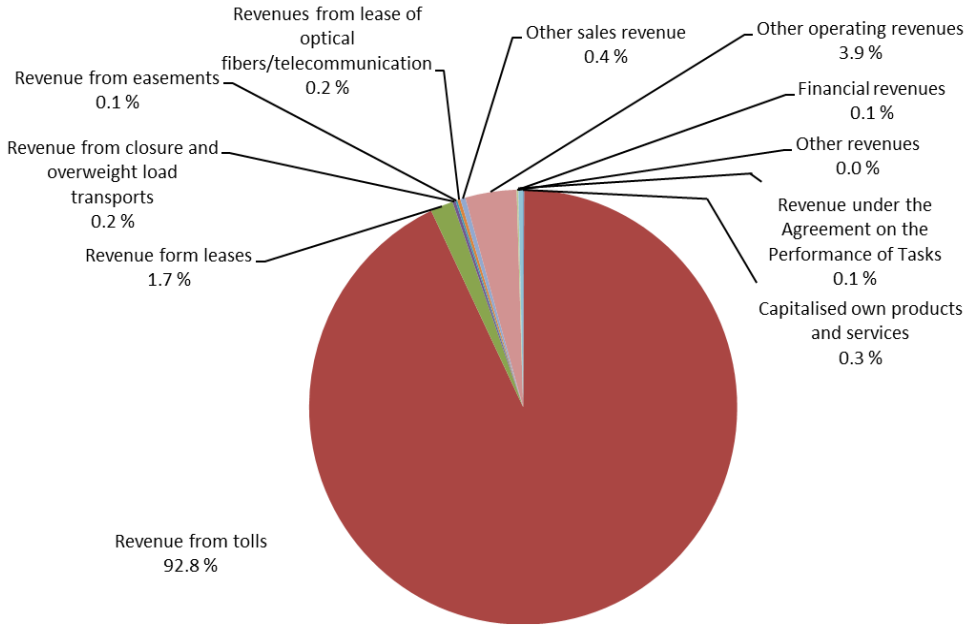


Table 7: Indirectly created and distributed economic value of DARS in 2020[35]

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

I.5.2 A responsible attitude to customers and user satisfaction

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

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 2020, the Company generated toll revenue amounting to €386.9 million, which is 79.6% less than in 2019 and results from a major drop in traffic due to the Covid-19 pandemic.

DARS d.d. 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 d.d., 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 3 successfully enforced changes to toll and vignette prices.

Charging for the use of infrastructure and sustainable development

In its proposal to amend Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructure, the European Commission indicated:

[35] GRI GS 201-1.

"An efficient and reliable transport system is essential for the smooth functioning of the internal market and is a key sector of the economy. While road transport plays the most important role in the inland transport system, it is a source of a number of socio-economic and environmental challenges (e.g. climate change, air pollution, noise, congestion). Distance-based road pricing can play a key role in incentivising cleaner, more efficient operations, and its coherent design is crucial to ensuring the fair treatment of road users and sustainable infrastructure financing."

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 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 authorised mass exceeding 3.5t) 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 authorised mass of up to including 3.5t) 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 toll, 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 94% of the kilometres travelled were by vehicles with a MAM exceeding 3.5t of 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 authorised mass exceeding 3.5t

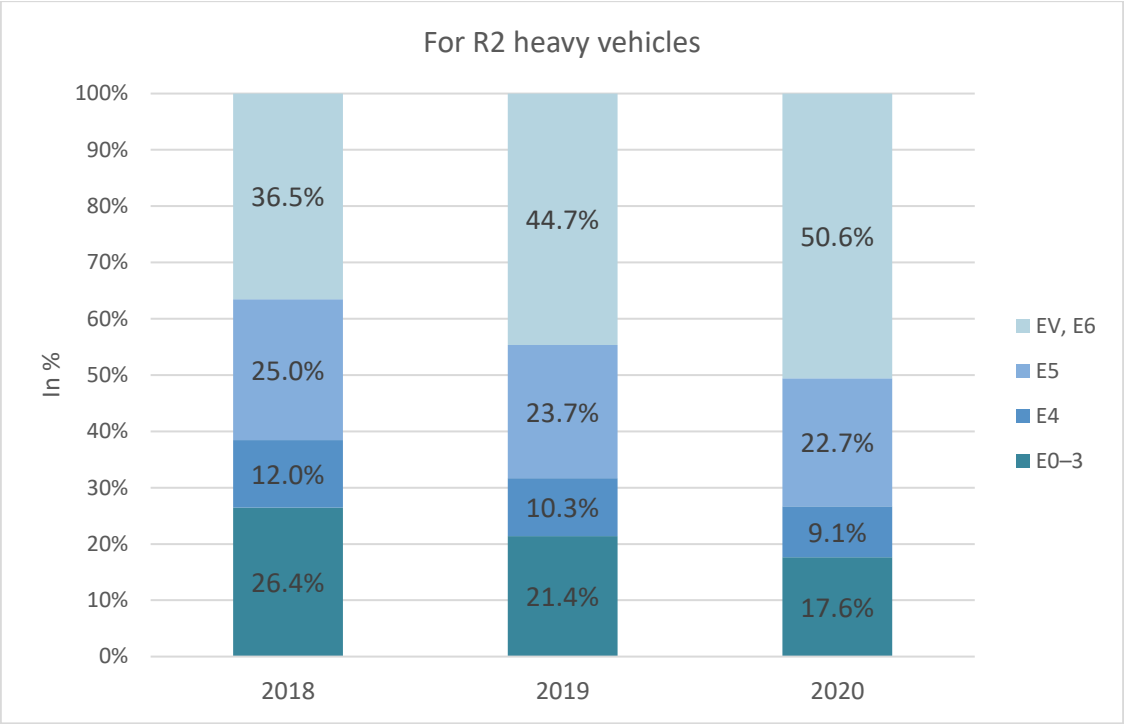
After successfully deploying the electronic tolling system in free traffic flow for vehicles with a maximum authorised mass (MAM) exceeding 3.5 tonnes (DarsGo system)[36] in 2018, the Company carried out activities in 2019 and 2020 to ensure stable operations and eliminate deficiencies, introduced changes 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.

Toll revenue from vehicles with a maximum authorised mass exceeding 3.5t in 2020 decreased by 9.9% compared to 2019. The number of toll kilometres in the DarsGo system decreased in 2020 compared to 2019, i.e. by 9.4%. The main reason for reduced revenues is the Covid-19 pandemic and therewith related reduced heavy traffic. The largest drop in revenues was recorded during the first wave of the epidemic in March, April and May 2020. Later on, revenues almost reached the level recorded in 2019.

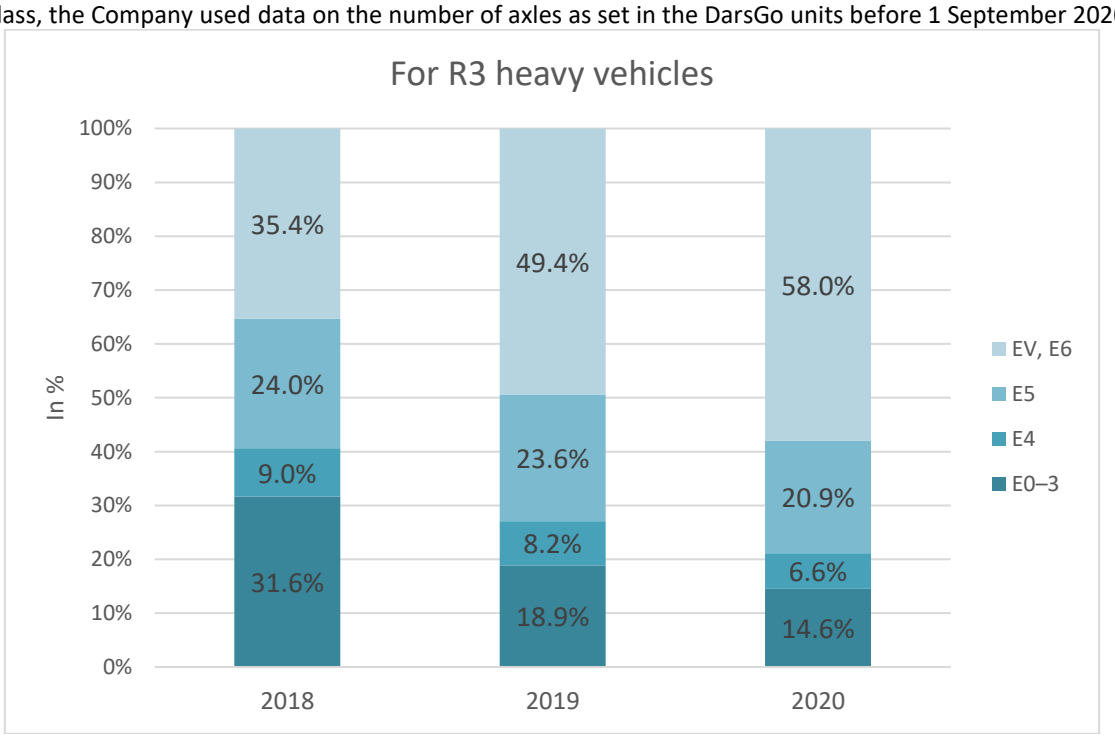
The charts below show the reduction in the share of "dirty" vehicles from 2018 to 2020 and the increase in "clean" vehicles in EURO emission classes EEV and VI.

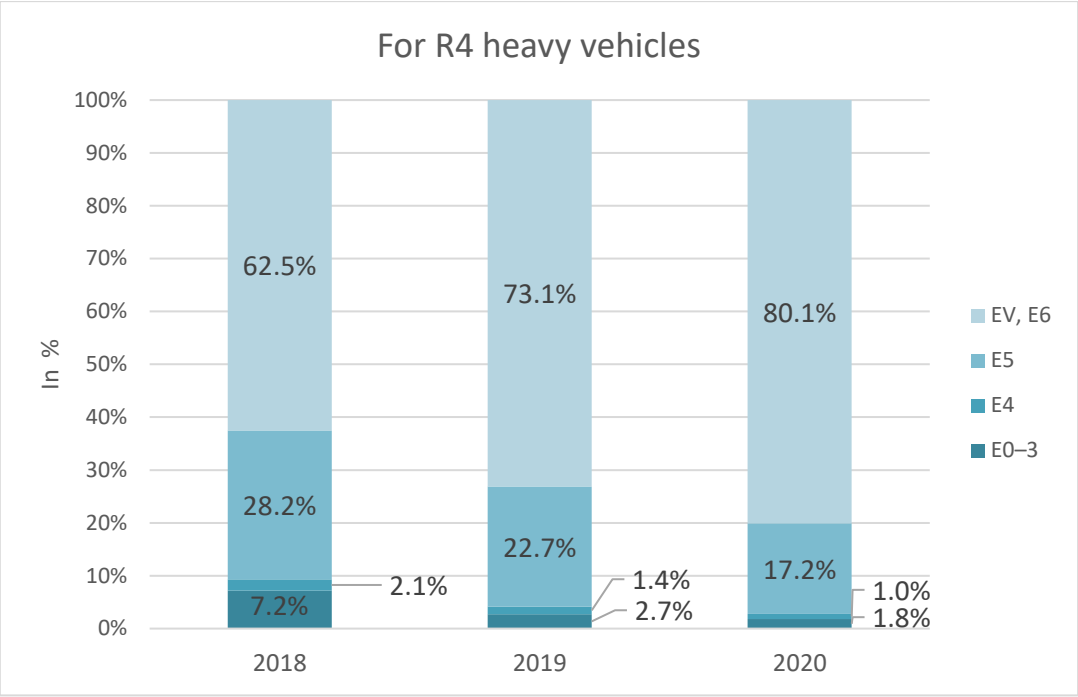
Figure 17: EURO emission classes for R2, R3 and R4 toll classes

[36] GRI GS 102-2.



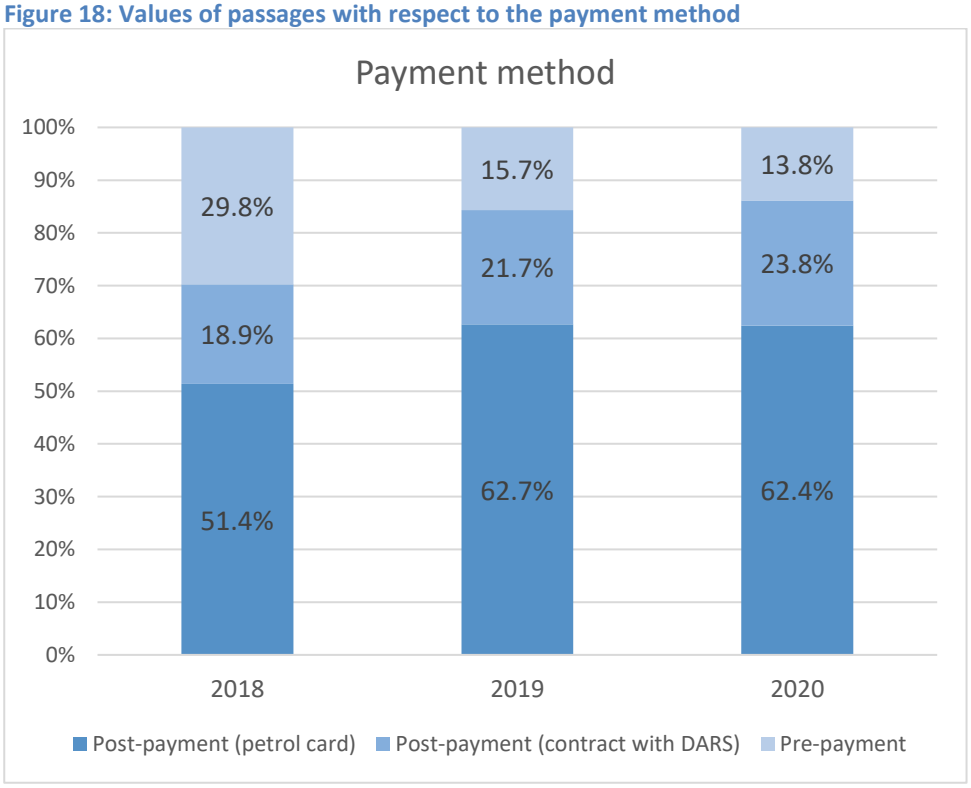
Note: The new toll class for two-axle goods vehicles (R2) was introduced on 1 September 2020. To rank vehicles in the R2 toll class, the Company used data on the number of axles as set in the DarsGo units before 1 September 2020.





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

Figure 18: Values of passages with respect to the payment method



The introduction of the DarsGo system has also yielded positive environmental and economic effects for vehicles with a maximum authorised mass (MAM) 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 8: Summary of the results from the recalculation of vehicles for class 3 buses and class 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 authorised mass exceeding 3.5t

Toll revenue from vehicles with a maximum authorised mass exceeding 3.5t in 2020 decreased by 26% compared to 2019. The number of vignettes sold in 2020 fell by 41% compared to 2019, whereby the drop was the largest for short-term vignettes. The main reason for the reduced revenue is the Covid-19 pandemic, which mostly affected the sale of short-term vignettes, predominantly bought by transit users, while the drop in annual vignettes amounted to 3%.

In 2020, tender documents were prepared for the deployment of the electronic vignette and the notice was published in September 2020. A major change that will be introduced with the electronic vignettes is that the vignette will no longer have to be affixed to the windscreen and that the annual vignette will be valid for 12 months from the purchase.

Toll supervision

The main goal of toll supervision is to provide regular income to the Company from the toll paid. Toll supervision is tasked with raising awareness among toll road users about the obligation to pay tolls, since such funds provide a high level of the service rendered by DARS to its users. In toll supervision, 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 situations foreseen, thus enabling fast and efficient responsiveness to supervision.

Supervision 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.

Toll supervisors conducted 190,611 supervisory hours in 2020 (212,636 in 2019). There were 52,896 payment orders issued (68,019 in 2019). 2293 warnings were handed out and 89 minor offence decisions were issued. Among those, 43,720 (83%) payment orders were issued to offenders who had no vignette or had affixed it improperly. Electronic tolling offenders (tolling in free traffic flow for vehicles with MAM exceeding 3,500kg) received 8038 (15%) payment orders.

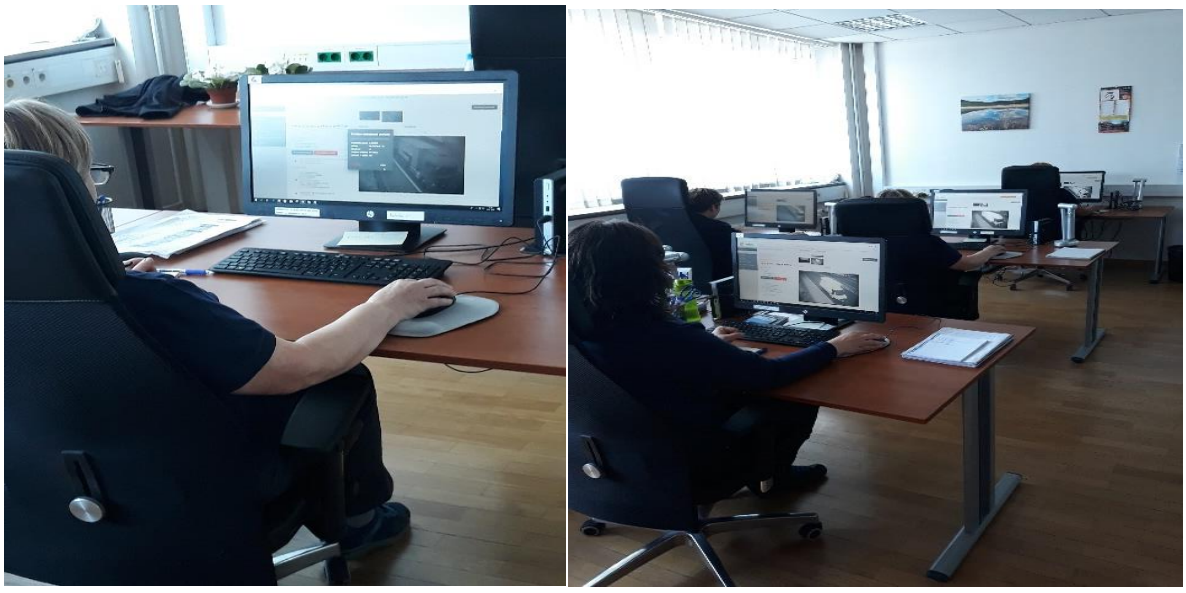
In addition to controlling toll payments, toll supervisors also carry out control under the provisions of the Road Traffic Rules Act and the Roads Act. They issued 1088 (2%) payment orders to drivers who failed to observe traffic limits (winter conditions, bora wind and traffic restriction order). There were 50 payment orders issued for improper parking at rest areas and the removal of damaged or broken-down vehicles from motorways and expressways.

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.

In light of that, a new feature was introduced in the work methodology that has and will surprise many a user of toll roads who fail to pay tolls in line with regulations. This new methodology has enabled us to discover those toll road users who eagerly and cunningly avoid toll payment. By analysing data from various systems and subsystems, we collect data that is enriched with the knowledge of traffic dynamics in a manner allowing us to obtain the information required for our work. Based on such information, certain tasks are performed in the field with a vehicle adapted to toll supervision, discovering the worst cases of abusive practice in toll payments. The project has been taken up by a selected team of employees in toll supervision who have already discovered some major fraudsters among the Slovenian road hauliers.

Figure 21: A team of toll supervisors with their vehicles

Figure 22: Work at the Toll Control Centre

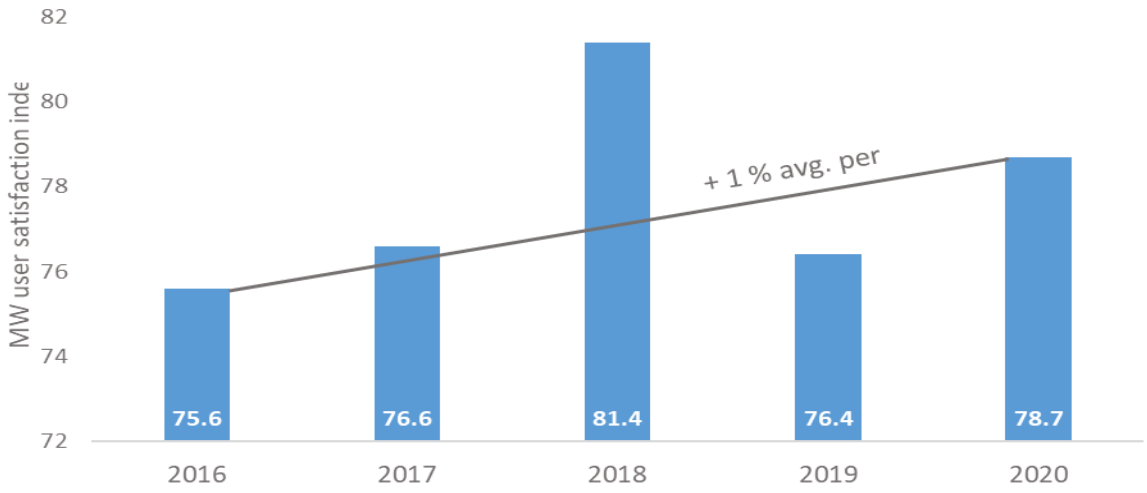


I.5.2.2 Satisfaction and a responsible attitude to motorway users

Motorway user satisfaction measurement

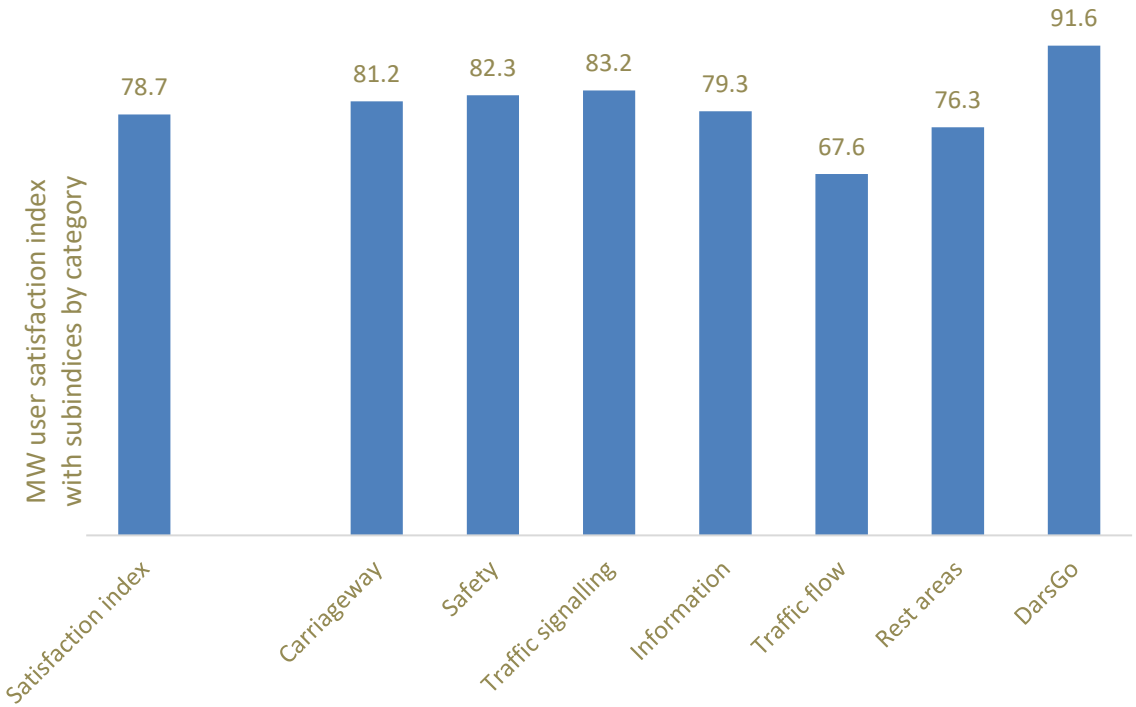
Based on a continued motorway user satisfaction survey, DARS realises its commitments to customers and strives to know and measure their expectations. The user satisfaction index is one of the key indicators of the Company and part of its strategy.

Figure 23: 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.

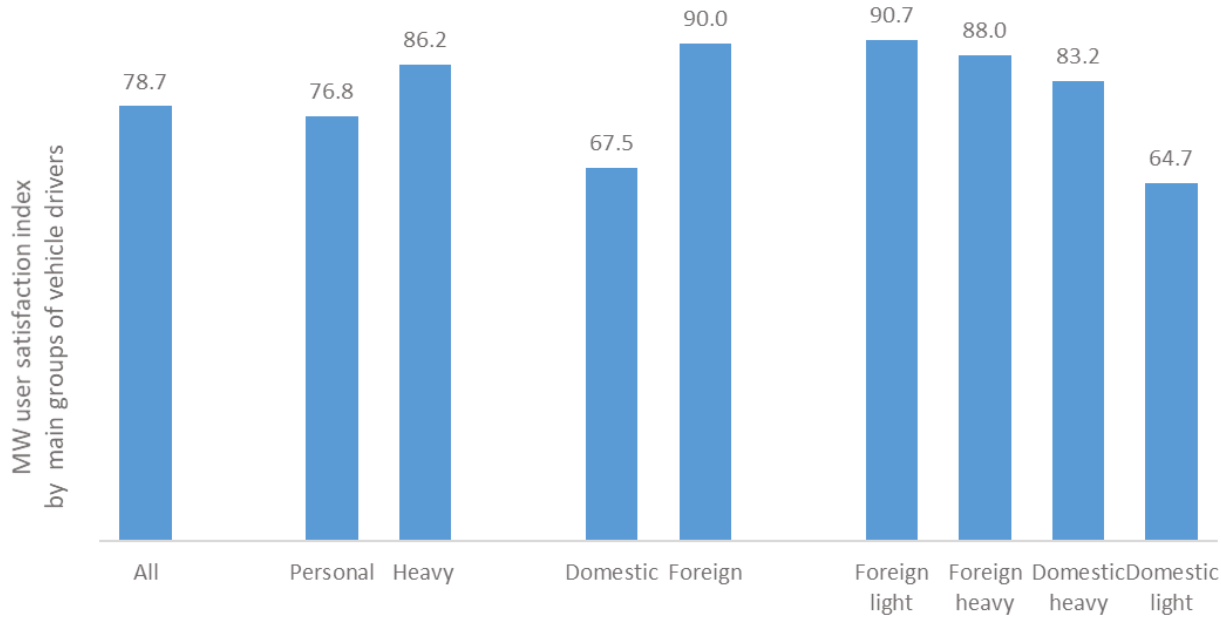
Figure 24: Satisfaction sub-indices – by field



Traffic fluidity was rated the worst as in previous years, but has improved compared to previous measurements. Somewhat worse scores, but better than in the previous measurements, were given to rest areas. As in previous years, DarsGo electronic tolling was rated best. Respondents also expressed a high level of satisfaction over signalling and safety.

The trend of greater satisfaction among foreign drivers than domestic drivers continued in 2020. Particular satisfaction with the Slovenian motorways was expressed by foreign drivers of passenger cars.

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 heavy vehicles and drivers of passenger cars. In that case, the goal is to enable ongoing toll payments, without unnecessary complications and to resolve warranty claims 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.

Segmentation of motorway users

Customer orientation is the Company’s key strategic policy that is pursued through three aspects of operations: the provision of safety, fluidity and comfort to motorway users. To better know and understand the motorway users and their needs, habits and information, motorway users were segmented in 2020. This was done with the aim of enhancing the market orientation of the Company. The goal of the segmentation was to get familiarised with motorway users in terms of both structure and behaviour.

Based on the study, six segments of passenger car drivers were identified and distinguished for the purpose of motorway use. Four segments were identified among the heavy vehicle drivers and distinguished by route travelled.

The segments identified will allow us to better pursue the Company vision of understanding the needs of motorway users or, rather, each sub-group. In further plans and development, it will also be easier to tailor the Company services and products, purchase channel and communication to various user profiles.

I.5.2.3 Market communication for enhanced traffic safety

Awareness-raising via electronic portals and media

In 2020, graphic traffic signalling information displays (electronic portals above motorways and expressways) showed national preventive content, topical content related to measures to contain the epidemic and content relating to current road and traffic conditions.

Due to the epidemic and, consequently, reduced traffic on motorways, the volume of ads in the media for enhanced traffic safety and fluidity was cut down. Focus was placed on radio ads, which were used to warn about making a passage 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: Stay healthy

Figure 27: Emergency passage

Info campaign "Golovec tunnel reconstruction"

The reconstruction of the eastern tube of the Golovec tunnel was carried out in 2020 in line with the plans and agreements made. All the teams were well prepared, traffic flowed as expected, 2-months of work 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. Hence, the impact on the environment was also minor.

Figure 28: Advert for the reconstruction of the Golovec tunnel

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.

Learning aid for pupils to promote adequate safety distance

In 2020, the Company continued to present its safety contents with the "**English tenses chart**" leaflet. This is a learning aid for 6th graders in primary school presenting English tenses that may be used by pupils for several years. The comic in the leaflet presents the importance of ensuring traffic safety (safety distance).

The leaflet was printed in cooperation with the Mogenas youth advertising network, which has run a project of useful free-of-charge leaflets for pupils across Slovenia for a number of years, and the English tenses chart was perked up with a comic by the renowned comic artist and illustrator Ciril Horjak. In 2020, the 7th generation of pupils learned about English tenses alongside coloured comic hero content. The volume of the charts is adjusted to the number of 6th graders and it was printed in slightly over 20,000 copies. Pupils receive it in September.

Figure 29: Learning aid raising awareness on the importance of traffic safety

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 emergency events by year and the implications of traffic accidents on the MWs and EWs by year, whereby the growth of emergency events and certain implications of traffic accidents have been recorded due to the increasing traffic from year to year.

Despite the decrease in traffic caused by the pandemic, we detected numerous extraordinary events related to specific situations (goods vehicle convoys, border control, special traffic arrangements due to epidemiological measures, more maintenance and reconstruction, more road closures, etc.). Since a decrease in traffic does not mean a decrease in the number of events (figure Comparison of emergency events by year), we conducted traffic management and safety activities at the highest level (despite the limitations – infection of our employees and other stakeholders).

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

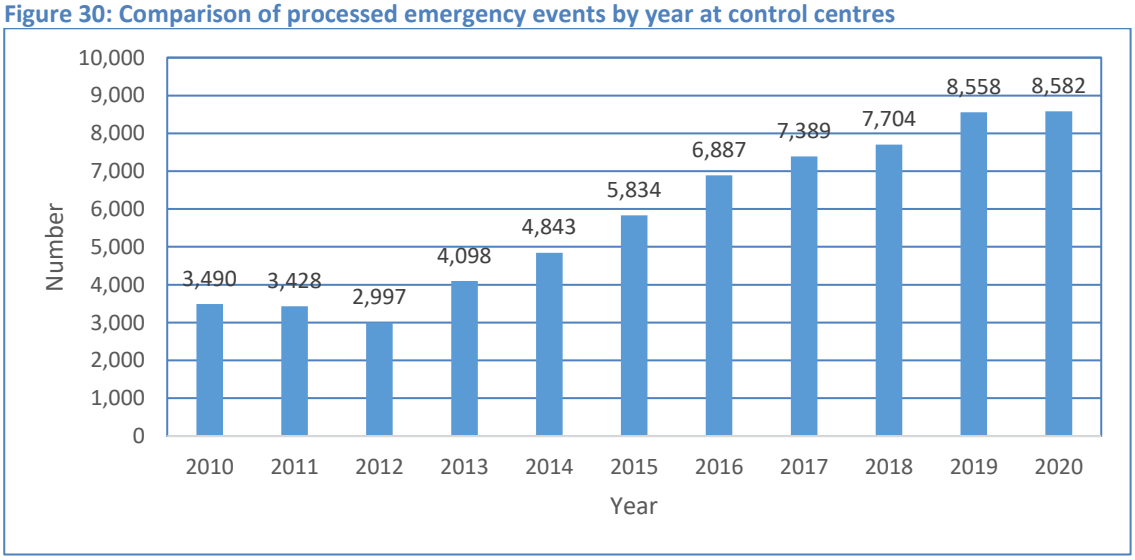


Figure 31: Implications of traffic accidents on MWs and EWs by year

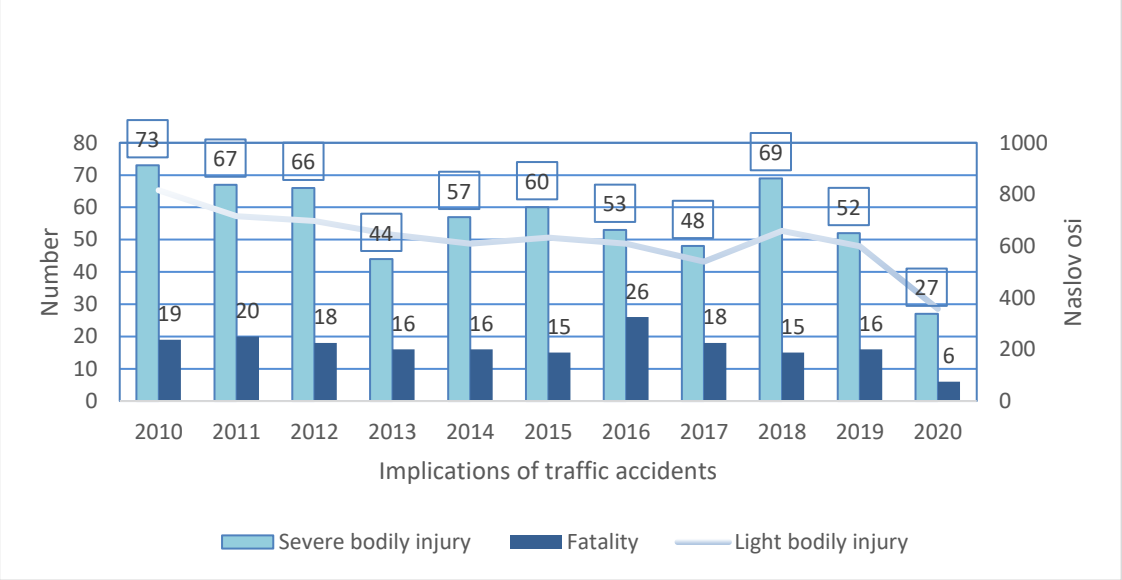
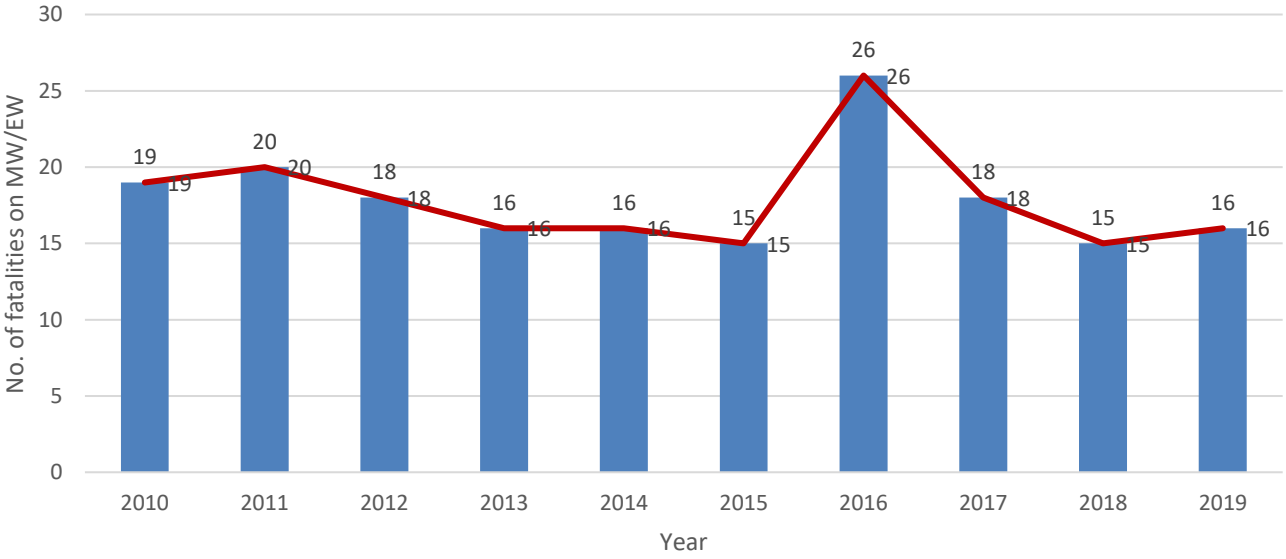


Table 9: Data on traffic accidents on motorways and expressways from 2010 to 2020

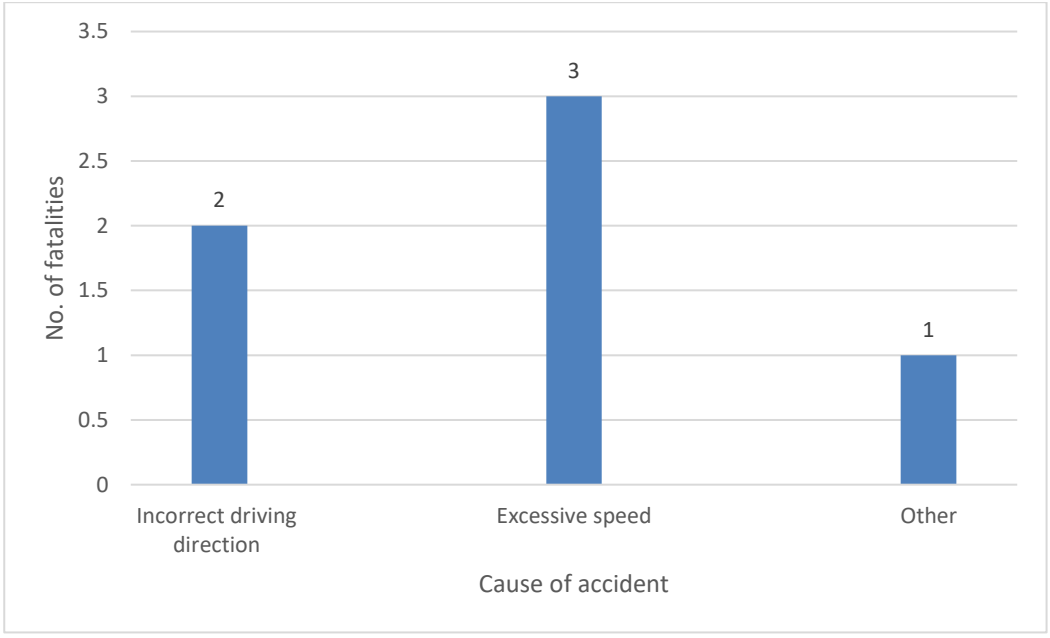
Year	Road category	Light bodily injury	Severe bodily injury	Fatality
2010	MW	674	60	18
	EW	142	13	1
2011	MW	647	60	16
	EW	69	7	4
2012	MW	631	59	18
	EW	66	7	0
2013	MW	564	44	16
	EW	80	0	0
2014	MW	548	51	16
	EW	61	6	0
2015	MW	551	55	13
	EW	82	5	2
2016	MW	545	46	23
	EW	64	7	3
2017	MW	491	43	16
	EW	49	5	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

Figure 32: Implications of traffic accidents 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 accident in 2020



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 EuroPAP protocols: traffic safety has improved in the long run given continuous traffic growth, but with occasional short-term lapses.
The latest consecutive Risk Rating was made for the 2015-2017 period and provided the basis for the so-called relative traffic safety indicator "Accident Level", which shows the number of traffic accidents with serious bodily injuries or fatalities in a 3-year period with respect to the number of kilometres travelled. Previous periods were: 2006–2008, 2009–2011 and 2012–2014. The next assessment will be made in 2021 for the period of 2018–2020.

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.

Motorway police

By signing an Agreement on mutual cooperation to improve safety on the motorways and expressways in the Republic of Slovenia, activities started in 2020 to establish motorway police that will start operating in the second half of 2021. Its tasks will be related to traffic management and mostly to the identification of the gravest traffic violations and criminal offences. The work of toll supervisors at the Control Centre in Drogomlje will also be supplemented by the constant presence of a police officer at the Centre.

The management of DARS took part in an event commemorating the official launch of the Motorway Police Administration (figure below). The new organisational unit of the General Police Directorate, based in Postojna, started operating on 1 April 2021. The motorway police will be based in Postojna and the first patrols are planned to be on the motorway network in summer 2021.

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

Traffic safety in tunnels

Extraordinary events

There were a total of 38 accidents and incidents in tunnels longer than 500 metres in 2020, where emergency services were needed along with the temporary closure of the whole tunnel or a part of it. The most common primary causes of the events were vehicle breakdowns (34%), followed by other events (32%), e.g. obstructions, pedestrians, too high vehicles, and by category I or II accidents (18%). Three fire events were recorded due to self-ignition: two passenger cars and one goods vehicle. Tunnel traffic had to be temporarily closed, partially or fully, for a total of 37 hours. Passenger cars were involved in more than half of the events (55%), while goods vehicles were involved in 39% of the events. One participant was seriously injured in the events.

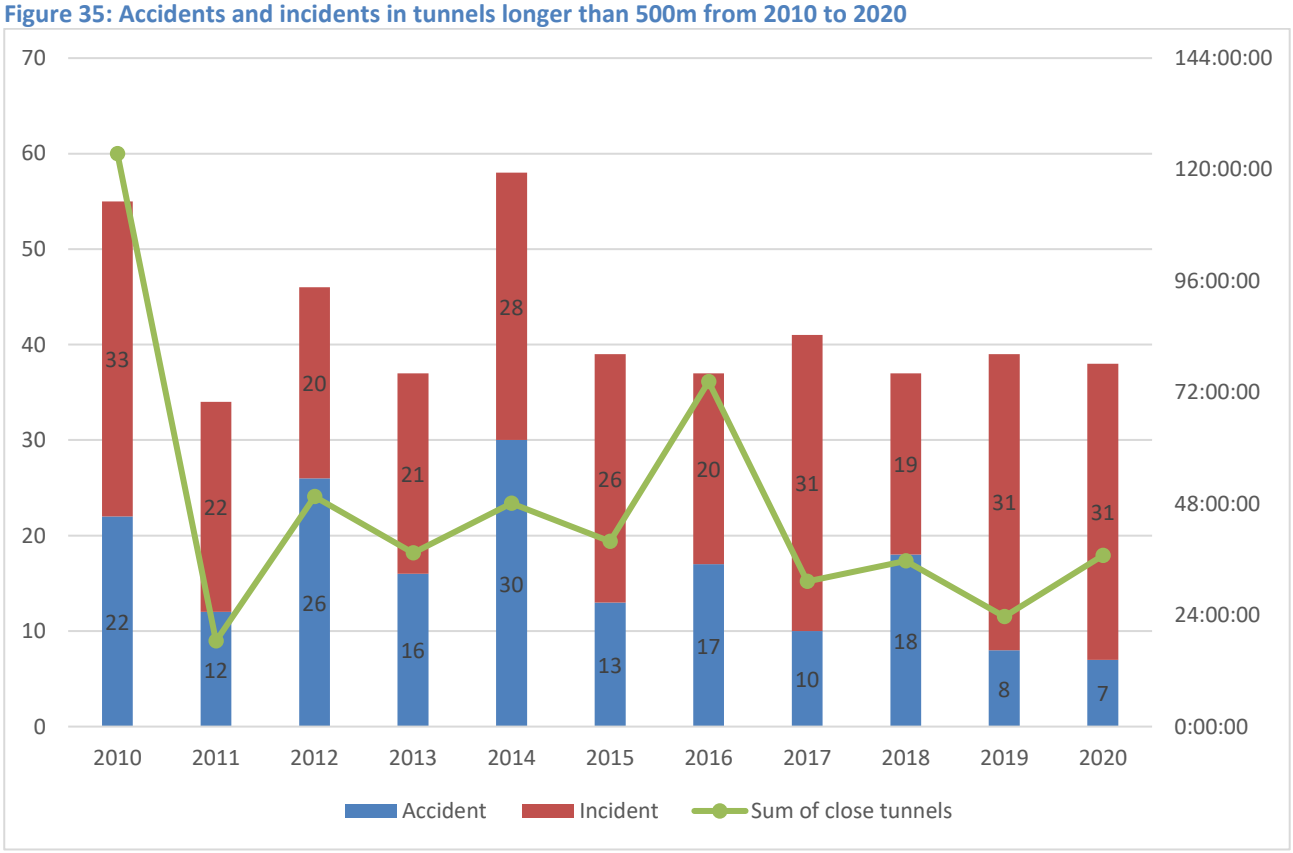
Among the individual events, it is necessary to highlight the fire events in the Pletovarje, Karavanke and Trojane tunnels, as well as the efficient operation of the safety systems and the action of emergency services. The events passed practically without consequences and interrupted the normal flow of traffic for a total of only about 7.5 hours. The fire on the goods vehicle in the Pletovarje tunnel on 29 April 2020 had an increased fire potential, but it did not develop, partly due to the driver reacting with composure. In the case of a passenger car fire in the Karavanke tunnel on 3 February 2020, the efficient operation of the upgraded ventilation system was confirmed in practice, which enabled the safe movement of participants within the tunnel and coordinated action by the emergency services of both countries.

We should also mention the event involving multiple vehicles in the Trojane tunnel on 3 December 2020. Due to a failure to maintain a safe following distance in the tunnel, which was temporarily in blinking mode, a total of seven goods vehicles and one passenger car were involved in collisions at three locations across a distance of 1,500m, making access to participants in the middle difficult. One participant was seriously injured, and in addition to the damage to the vehicles, there was also minor damage to the tunnel lining. Unrestricted traffic through the tunnel was re-established after approximately 6.5 hours.

A longer closure of the tunnel was also required in the Markovec tunnel on 6 October 2020, when an open-box bed fell off a tipper lorry after hitting a fan, leaving the damaged fan hanging from the ceiling.

Regarding motorway tunnels, it has been found for 2020 that:
- the number of events is still relatively small and at a level comparable to recent years;
- these events were caused by the actions of users, which is something DARS d.d. has almost no direct influence on;
- the direct consequences of the events were minor for those involved and the tunnels with installed equipment;
- no concentration of events was identified;
- the operation of tunnel safety systems and the response of the competent services to extraordinary events was efficient.

Figure 35: Accidents and incidents in tunnels longer than 500m from 2010 to 2020



* The sum of incidents for 2019 is 31 and not 30 as indicated in the 2019 Sustainability Report. The 2019 Sustainability Report lacked an event in the Markovec tunnel that happened on 23 December 2019; the lack was due to a delay in the preparation of DARS Report No. 6.1.8./2020-DG-P16 of 7 January 2020 on the event.

Rescue drills and employee training for extraordinary events in tunnels

DARS unit drills and training and joint training for heads of rescue services for tunnels longer than 500m are set out in operating plans for protection and rescue. Seven rescue drills were planned for 2020, but they were postponed indefinitely due to the COVID-19 epidemic. They will be carried out in 2021 as soon as the health situation allows it, together with the practical exercises for the Trojane tunnels, the tunnels on the Ljubljana ring road and the Karavanke tunnel (a joint exercise of Austrian and Slovenian units will be organised by ASFINAG).

The COVID-19 epidemic is also the reason why the realisation of the periodic training programme for DARS d.d. units and the joint training for heads of rescue services for individual tunnel systems in 2020 was as low as 14%. The remaining activities will be carried out in 2021.

I.5.4 Projects in traffic management and concern for user safety[37]

DARS d.d. 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 technicians and the successful execution of other on-site interventions is ensured using modern equipment and an ever-faster flow of information. The most important link between devices and systems and MW users is the toll supervisors at the Control Centre who closely monitor traffic flows and take action upon any events. That provides optimum traffic safety and fluidity on MW/EW.

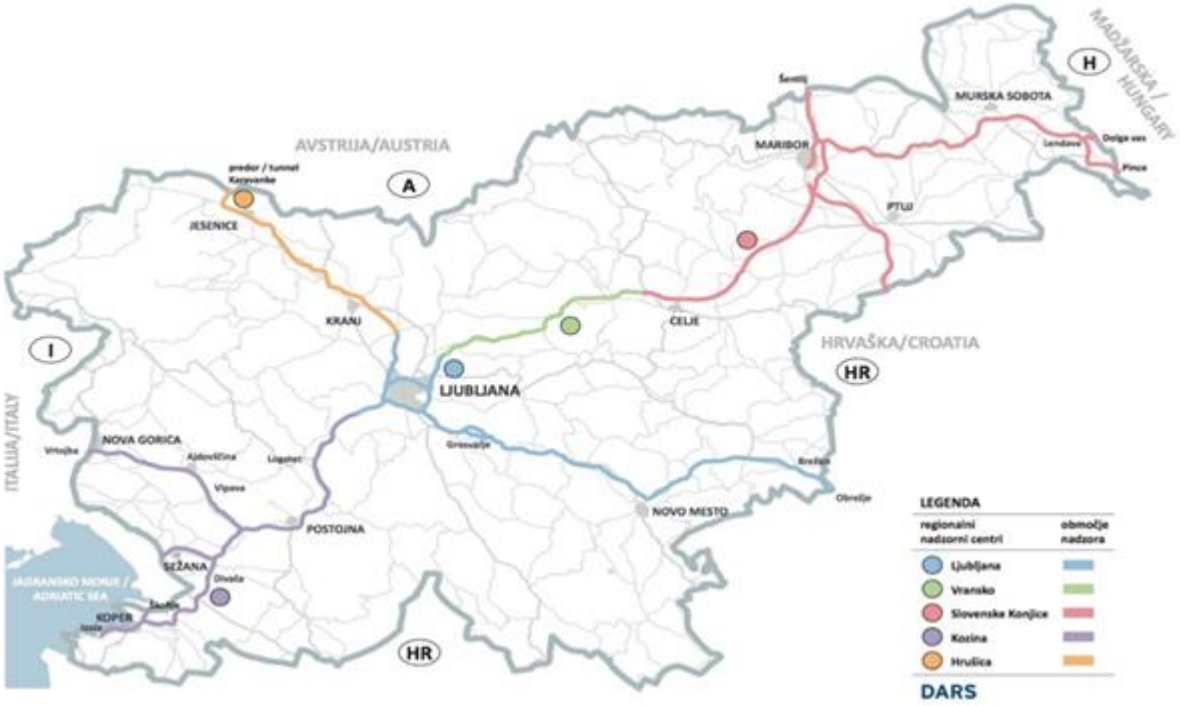
I.5.4.1 Traffic control and management[38]

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 Slovenian motorways and expressways. The Main Control Centre (MCC) 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 for traffic control and management at the national and international level, ensuring that international traffic management plans are implemented without interruptions.

The figure below shows the areas covered by a particular traffic control and management centre at DARS d.d. on the Slovenian MWs and EWs working 24/7.

Figure 36: Traffic Control and Management Centres



[37] GRI GS 103-1, 103-2, 103-3, 416, 416-1.
[38] GRI 103-2, 103-3, 416, 416-1.

Accidents involving fires in tunnels, mass accidents and major changing weather conditions, such as sleet, reduced visibility, snow blizzards, heavy winds and mass traffic accidents, call for 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 addition to upgrading traffic detection, a great deal of activities are carried out to automate traffic and integrate systems.

In 2020, 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 the stakeholders (Police, Administration of the Republic of Slovenia for Civil Protection and Disaster Relief, Toll Supervision, etc.).

Motorway traffic is controlled by qualified certified traffic supervisors

In 2020, 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. The TCMS simulator acquisition project continued in 2020, i.e. progress was made at its 2nd stage (out of a total of four stages, which are expected to be completed in May 2021), which included launching the simulator at the Dragomelj facility.

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

DARS d.d. 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 d.d. 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” at which 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 place 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 the 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 1,200 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 Traffic Signs

In addition to the above campaigns, we also participated in the preventive campaigns “Alcohol” and “Speed” 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 for 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

Management of intelligent transport systems (ITS) or smart motorways

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

- Integration of new variable message signs (VMS) at the Kompolje control point (CP) in the Traffic Control and Management System (TCMS)
- Integration of new VMS at the Pesnica CP in the TCMS
- Integration of new VMS at the Prepolje CP in the TCMS
- Integration of new VMS in the TCMS at MW section Brezovica–Divača including the Gabrk–Sežana MW interchange (CC Kozina) – partly
- Integration of new VMS in the TCMS on parts of the northern, eastern and southern Ljubljana ring road and on the Zadobrova–Lukovica MW section (CC Ljubljana) – partly
- Integration of refurbished VMS in the TCMS (Senožeče, Kastelec, Dekani, Bertoki 1, Bertoki 2, Fram–Slivnica, the semi-gantry on the bridge crossing the Mura river)
- Implementation of 24 new traffic counter sites, of which 22 sites enable the detection of driving in the opposite direction
- Implementation of VMS at the Podlehnik–Gruškovje MW section and integration in the TCMS
- Implementation of new IP cameras for video surveillance
- Implementation of the C-ITS pilot project

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 both microwave and mobile technology in the area of the Primorska motorway leg. The basis for a hybrid system and data transmission from tunnel systems to the Kažipot and C-ITS devices was prepared in the continuation.

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 63 charging stations available at rest areas, while another 32 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 also plans to establish electricity supply at minor rest areas (12 locations), namely a total of 24 charging stations with a nominal power of 55kW.

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 47 filling points for compressed natural gas (CNG) and 18 filling points for 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 ten charging points with the nominal power of 2 x 50kW and 8 x 22kW to charge electric vehicles at key Company facilities by 2025.

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 can no longer be 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 Management of intelligent transport systems (ITS) or smart motorways

Overhaul of electrical and mechanical equipment in tunnels

All tunnels on Slovenian motorways comply with the provisions of the EU Directives. New projects are being prepared based on risk analyses, taking into account technical requirements to ensure traffic safety and the economy of tunnel construction, use and maintenance. In that respect, the hydrant networks in the Kastelec and Dekani tunnels were refurbished and documents were prepared for ventilation in tunnels shorter than 1000 metres. LED lighting began to be installed in tunnels (Golovec and Strmec cut-and-cover). An important aspect is setting up a long-term refurbishment plan. Within its scope, traffic signalling at the Kastelec, Dekani, Pletovarje, Golo rebro, Debeli hrib and Mali vrh tunnels and at the Medvedjek I and II cut-and-covers was refurbished.

Within the scope of the refurbishment of the Golovec tunnel, refurbishment started on the electrical and mechanical equipment. The refurbishment of the electrical and mechanical equipment in the left tube (replacement of lighting with LED lighting, traffic detection, pre-treatment for ventilation, expansion of the drive unit, installation of fire alarm signalling and radiation cable) was completed. Within the scope of the project, lighting in the Strmec cut-and-cover was replaced with LED lighting, which will result in major energy savings.

Figure 39: LED lighting in the Golovec tunnel

Establishing Variable Message Signs (VMS)

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.

Upgrades were made to the traffic control and management systems. The refurbishment of seven VMS gantries was completed. The integration of new control points at Pesnica and Prepolje is coming to an end and will enable the management of the Slovenske Konjice VMS. The project for the execution of a traffic control management system (TCMS) at MW Brezovica–Divača, northern, eastern and southern Ljubljana bypass, and MW Zadobrova–Lukovica, within the scope of which 26 VMS gantries were erected, has been completed. The project to erect variable message signs at the Zakl and Podlehnik MW junctions was also completed. All the new traffic equipment was integrated in the Traffic Control and Management System (TCMS) at the Ljubljana and Kozina control centres, where the traffic supervisors monitor and manage traffic on the motorways and expressways 24/7.

DARS has over 1400 cameras installed in tunnels, former and existing toll stations, dangerous sections, control points and in buildings. All cameras are connected to the control centres by optical transmission. In 2020, 50 new surveillance cameras were set up. The centralisation of the north-south video surveillance system was completed. Tests of the mobile surveillance camera were conducted and one inspection vehicle located at MMC Vransko was equipped.

Figure 40: Variable Traffic Signs

Figure 41: New surveillance cameras on the motorway alignment

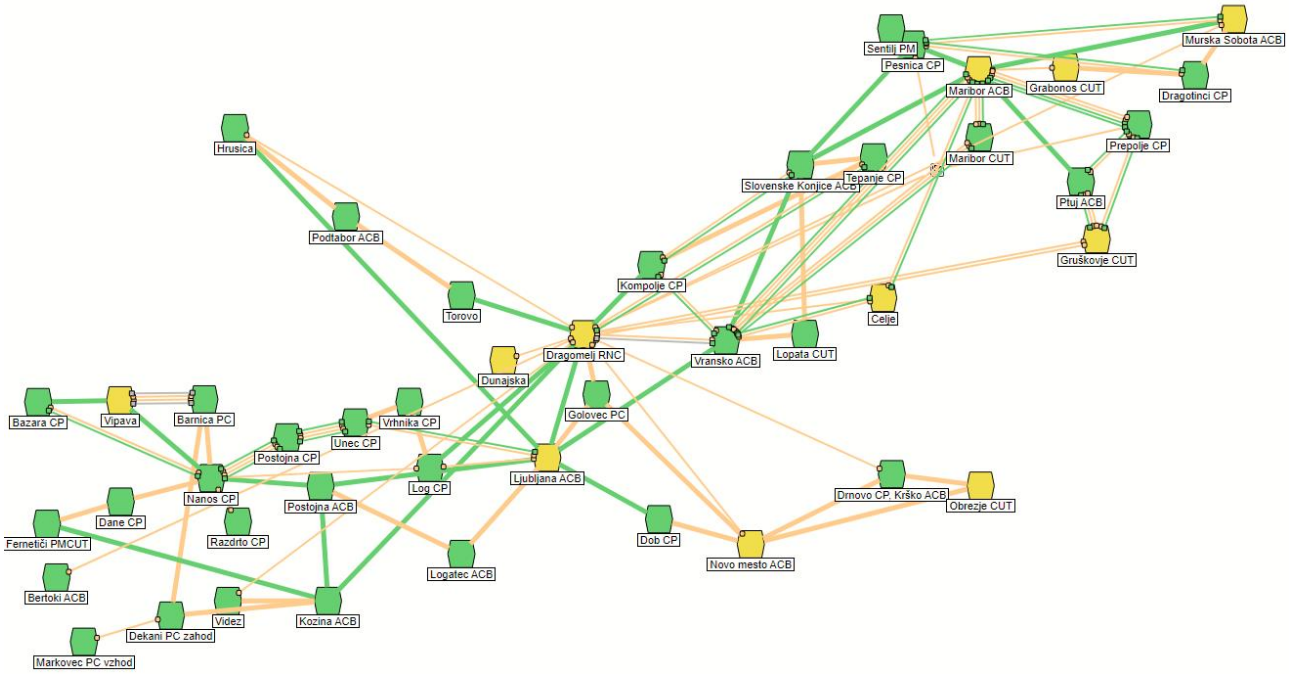
Figure 42: SOS posts every 2km – quick location of the caller

Upon a vehicle breakdown, it is recommended to use the SOS call post available to drivers every 2 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 KVS system at the Golovec-Domžale MW, the Vipava-Šempeter EW and the Divača-Kozina MW was completed.

I.5.4.4 Telecommunications

A new telecommunications department was set up in 2020. Within the scope of the new department, goals were defined along with planning policies, the area of operations, and the method of work. A record of equipment operated and maintained by the department was also established. The department manages over 500 L2 network devices, over 200 L3 network devices and over 1300km of fibre optic cables of various capacities.

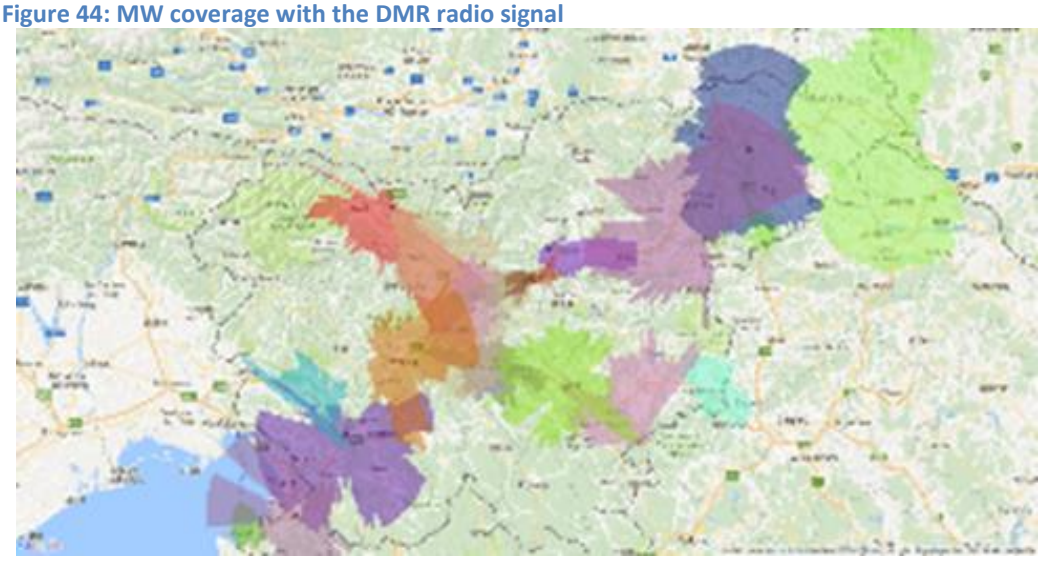
Figure 43: Printout of telecommunication hubs



In 2020, DARS continued to upgrade its own communication network. To that end, it updated the communication equipment in terms of ensuring reliability and increasing data transmission. Telecommunication hubs at MMC Vransko, MMC Novo mesto, MMC Slovenske Konjice, MMC Murska Sobota, MMC Kozina and some minor ones were updated or, rather, upgraded.

The DMR radio system used by DARS to communicate with field maintenance crews was also upgraded. The coverage of motorways with the DMR radio signal is evident from the figure below.

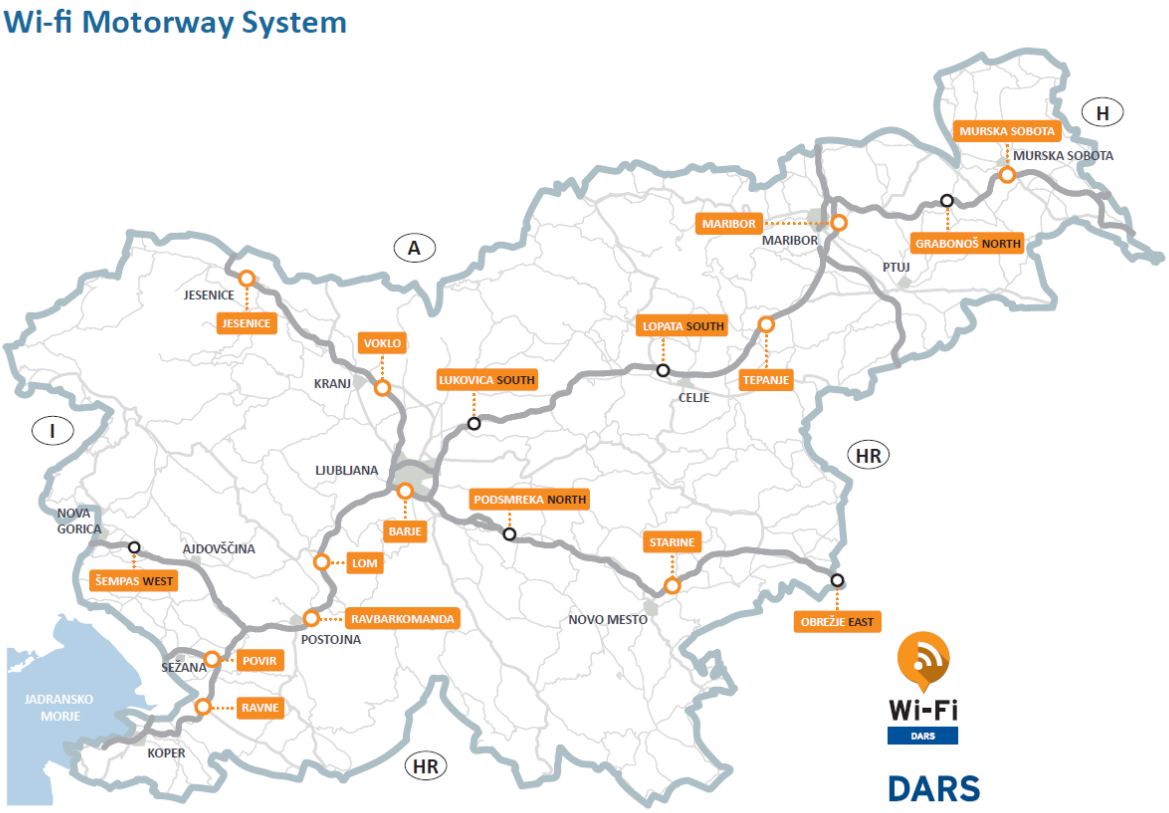
Figure 44: MW coverage with the DMR radio signal



In the fibre optic infrastructure, capacity increased upon the installation of optic cables containing multiple fibres. Some 50km of fibre optic cables were laid. Due to the specifics of constructing a fibre optic network, sufficient fibre remained unused and has been offered for lease to external users, which is an additional source of revenue for the Company. Some new contracts were signed for the lease of telecommunication capacities.

Wi-Fi access to the Internet at rest areas continued to be provided and expanded. Broadband services at rest areas along the motorway for motorway users contribute to the improved image, identity and safety of the motorway network.

Figure 45: Locations with Wi-Fi Internet access on MWs and EWs provided by DARS



I.5.4.5 Implementation of European projects

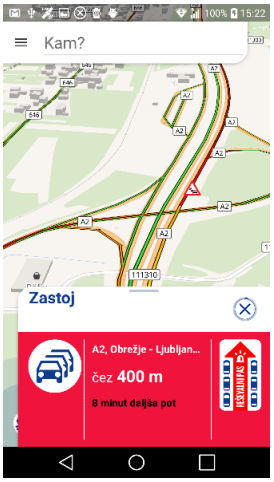
Within the scope of the European Crocodile project, projects to exchange traffic data with neighbouring countries continue. The Crocodile III project is underway and is based on the renovation of control centres in terms of enhanced data exchange and the preparation of international traffic management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

Within the scope of the European C-Roads project, pilot projects were implemented with both microwave and mobile technology in the area of the Primorska motorway leg. 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 establishment of interoperability through the European C-Roads project

Within the scope of the C-Roads project, pilot projects are being carried out, the set-up of a common platform is being coordinated and cross-border interoperability is being provided. 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 and mobile technology in the area of the Primorska motorway leg. After successfully performing the basic tests, the microwave pilot C-ITS system was upgraded in 2020 to the latest versions of the standards, a safety mechanism in communication was implemented using digital certificates, and a range of usage examples for transferring traffic signs to a vehicle was added. In parallel, a basis for the hybrid system was created that enabled the implementation of a project for the automatic transfer of traffic data from tunnel systems to the Kažipot system and C-ITS devices. In mobile technology, we upgraded the user interface and functionality of the Promet+ mobile application, and conducted tests on the driving simulators with an evaluation of the user experience.

Figure 46: Various C-ITS system technologies and message displays in the vehicle



Traffic control and management systems and the exchange of traffic information

Within the scope of the Connecting Europe Facility (CEF), the CROCODILE 2 project was completed. However, CROCODILE 3 continues and is intended for co-financing activities in traffic control and management systems, the exchange of traffic information and the provision of information to users. In addition to Slovenia, participating countries include Austria, Cyprus, the Czech Republic, Italy, Hungary and Croatia. DARS d.d. participates in the project by carrying out activities related to traffic control and management (collecting and processing traffic data, providing information on traffic conditions, and upgrading electrical and mechanical equipment). International traffic management plans are also under preparation.

Figure 47: Systems for traffic control and management, the exchange of traffic information and the provision of information to users

International cooperation in the development of autonomous driving

In 2018, the Memorandum of understanding on cross-border cooperation in developing and testing electric, integrated and autonomous vehicles was signed by the Austrian Federal Ministry of Transport, Innovation and Technology, the Hungarian Ministry of National Development and the Slovenian Ministry of Infrastructure. Based on that document, a memorandum of understanding was prepared on tripartite cooperation between DARS d.d., ASFINAG and MAGYAR KOZUT on the cooperative, connected and automated mobility (CCAM) of road operators in Slovenia, Austria and Hungary. This will enable all participants to obtain common knowledge and coordinated development in CCAM activities. Within that scope, activities were carried out in 6 workgroups:

- communication infrastructure for automated driving,
- cooperative intelligent transport systems (C-ITS),
- physical and digital infrastructure (HD road and map),
- international traffic management,
- testing automated driving along motorways,
- rules and legislation for automated driving.

I.5.4.6 Provision of traffic information

The organisation of collecting and transmitting traffic information in Slovenia follows the best practices in Europe. DARS or, rather, the Traffic Information Centre (TIC) not only follows the policies and directives of EU institutions (e.g. Delegated Regulation 2015/962) and the Slovenian legislation, but also the commitment to provide top quality services to users. Prompt and quality traffic information is a prerequisite 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 age and type of transport means) use different communication channels.

DARS keeps track of the development of information channels and event detection technologies. This is why it regularly introduces novelties that contribute to fast and reliable traffic information. The Traffic Information Centre is included in the relevant international workgroups and has regular contact with similar centres across Europe.

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,
- traffic forecast,
- wind measurement locations of the Burja system,
- the virtual assistant Stane.

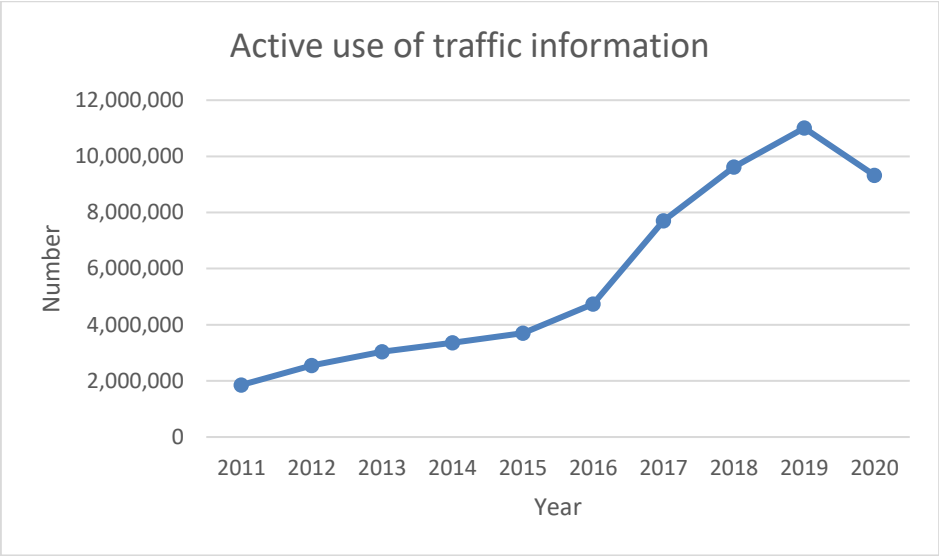
It is now possible to create your own user account (My PIC), through which the user may subscribe to information by email, e.g. weekly traffic forecasts, special warnings for trucks, etc.

In the past 14 years, the Traffic Information Centre:

- sent over 460,000 pieces of information on events occurring on the national road network: on average, 32,680 a year, 2723 a month and 91 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 year 2020 was an exception, as the impact of the COVID-19 crisis on traffic was also reflected in the number of events. As a result, the need for traffic information decreased, which was particularly evident during the morning, afternoon and seasonal rush hours.

Figure 48: 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, 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 decreased to the level from 2018. In traditional media, the decrease was even bigger, but we managed to mitigate it by becoming more active in the use of new tools (Twitter, Facebook). Experiences in 2020 showed that the use of our own information channels will fluctuate even more than in the past due to unpredictable conditions, which is why the TIC has been preparing for that with organisational and technical adaptations.

International traffic management (TMP)

DARS d.d. has cooperated with neighbouring countries in international traffic management for several years.
In 2018, a new project was launched: the production of international traffic management plans with all neighbouring countries. In 2019, plans were harmonised and drawn up with the first tests successful, after which the system was put into service by the control centres run by motorway operators from five countries (Austria, Croatia, Italy, Hungary and Slovenia).

Although development in this area was also slowed by the COVID-19 epidemic situation, some progress was made. In 2020, we performed some tests and we also used the plans in practice several times. We also used the time to eliminate technical and organisational obstacles to the integration of the system into the information systems of individual centres in neighbouring countries.

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.

In 2020, we successfully completed the procedures for starting the production of national plans, which will be modelled on their international counterparts. Of course, many local specifics and limitations will have to be taken into account. Work and experience in international projects, which are prepared in accordance with the European guidelines, are of great help in the improved implementation of national plans.

I.5.4.7 Conformity in relation to the impacts of products/services on safety and health[39]

DARS d.d. 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 2020, as well as in the previous two years, no inspection measure was imposed on DARS d.d. 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 2020, there were 18 inspection procedures conducted; data on compliance regarding the environment and energy is detailed in the chapter Compliance with laws, rules, 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 d.d. devotes attention to personal data processing pursuant to the applicable legislation. The data protection officer at the Company has been appointed. The legality of processing and personal data protection are 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.

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

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 2020, the Company received and considered 11 requests by individuals for the notification of their own personal data. No complaint was received. The information commissioner initiated no procedure against DARS d.d. in 2020, whereas one inspection procedure already initiated was closed in 2020.[40]

The protection of the personal data of clients in the DarsGo system is governed by the general legislation on personal data protection and the Road Tolling Act (ZCestn), which sets out restrictions on holding data about the location and movement of a vehicle in Article 30. Technical solutions for data processing are subject to the legislation governing personal data protection. All the data collected, processed and stored in the DarsGo system is subject to Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector. A data retention concept was created that covers all relevant assets, such as systems and interfaces, and processed and transmitted data; a component part of the concept is also a personal data protection concept. The duration of data retention has been harmonised with the legislation. Furthermore, a document has been drawn up describing different groups of data and retention periods.

[39] GRI GS 416-2.
[40] GRI GS 103-1, 103-2, 103-3, 418, 418-1.

I.5.5 Sustainable relationships with employees[41]

Engaged and competent employees are one of the three strategic guidelines of DARS d.d. deriving from the adopted DARS d.d. Strategy for 2017–2020. The key strategic goals within the scope of the strategic guideline are:

- the constant strengthening of competencies;
- leadership development;
- the provision of a creative, safe and stimulating environment.

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 pursues the strategic goals set out in the DARS d.d. Strategy for 2017-2020 in HR development:

1. 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;
2. the Company provides for the development of managers and their competencies, encouraging them on their path to leadership;
3. striving to provide a creative, safe and stimulating working environment where:
   - we ensure the safety and health of employees;
   - employees are given the possibility 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;
   - employees are provided with a high level of social security and solidarity aid upon difficult life challenges;
   - 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 the 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.[42]

Table 10: Key data on DARS employees for 2019–2020[43]

	2019	2020
Status of employees at DARS d.d.[44]		
Number of employees at DARS d.d. - incl. replacements	1,257	1,269
Number of employees at DARS d.d. - excl. replacements	1,249	1,263
Demographic data on employees		
Average age of employees	46 years	46.4 years
Percentage of women employed	25.6%	25.5%
Number of men employed	935	946
Number of women employed	322	323
Employee education structure		
Percentage of employees with up to level 4 education	35.9%	35.5%
Percentage of employees with level 5 education	32.8%	32.2%
Percentage of employees with level 6 education	18.2%	18.7%

[41] GRI GS 103-1, 103-2, 103-3, 202-1.
[42] GRI GS 102-8.
[43] GRI GS 401-1.
[44] GRI GS 401-1.

Percentage of employees with level 7 or higher education	13.1%	13.6%
Social security of DARS d.d. employees		
Number of solidarity benefits granted	59	53
Number of employees with disability status	43	46
Number of procedures introduced for disability recognition	27	19
Number registered in voluntary pension insurance	52	52
Sick leave rate	6.58%	6.56
Employee development – education and training		
Scope of education in hours per employee[45]	21	10
Value of training per employee	209	132
Number of participants in education	3,654	1,788

I.5.5.2 DARS d.d. is a reputable employer[46]

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. In 2020 the Company was again ranked among the top ten employers in the country according to the survey conducted by the MojeDelo.com employment agency, which involved 12,000 participants.

Staffing at the Company is based on a prudently and carefully prepared systemic procedure (Description of the HR management process) to select the best human resources. After an employment relationship has been concluded, the adequacy of the selected candidate is monitored within the scope of 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;
- the development of employees' expertise, skills and competencies for career advancement within the organisation based on internal job openings;
- 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 and succession plan.

Most processes at DARS d.d. are conducted by Company employees, while investments and the management of the DarsGo system are conducted by contractual partners.[47]

I.5.5.3 Employees realise the Company mission

Employment

In order to achieve the set business objectives for 2020 and uninterrupted operations, the Company recruited new people pursuant to the adopted Operative implementation section of the HR plan for 2020. A total of 67 external and 37 in-house vacancy notices were published in 2020, hence a total of 104 job vacancies. In 2020, 41 employees left DARS d.d., mostly due to retirement, while 53 persons were recruited. At the end of 2020, DARS employed 1269 workers, which is 8 more than the previous year.[48]

[45] GRI GS 404-1.
[46] GRI GS 103-1, 103-2, 103-3, 401.
[47] GRI GS 102-8.
[48] GRI GS 401-1.

Figure 49: Number of employees at DARS d.d. from 2015 to 2020

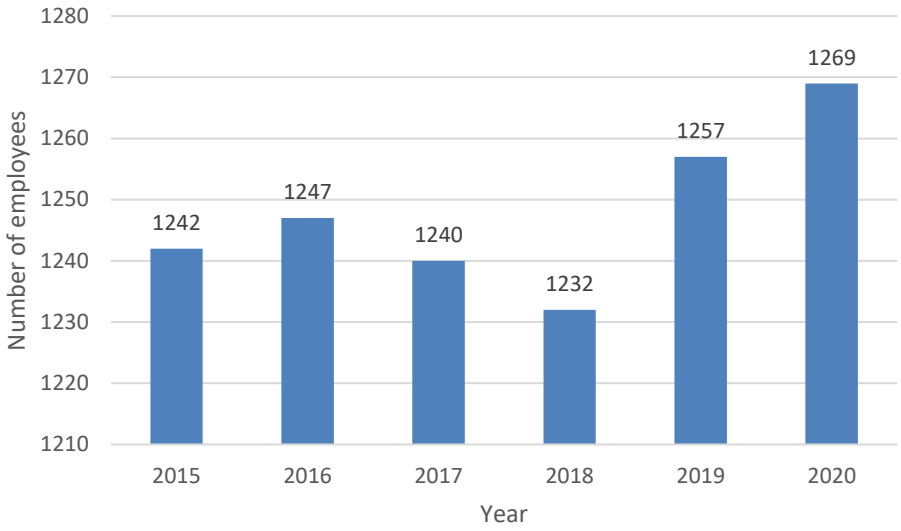


Figure 50: Employees at DARS with respect to education level as at 31 December 2020 (in percentage)[49]

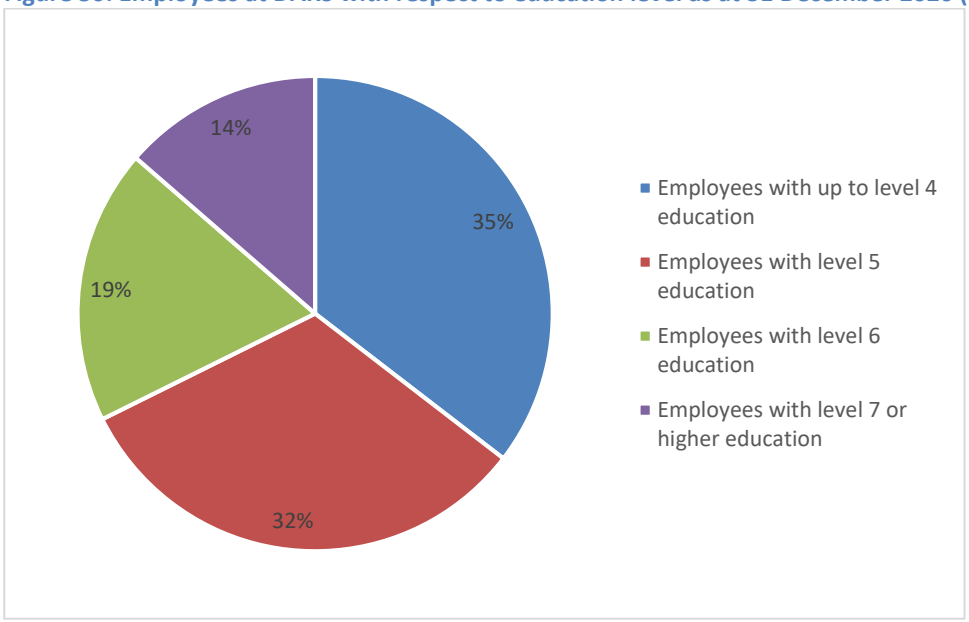


Table 11: Employees at DARS with respect to type of employment (part-time, full-time) as at 31 December 2020[50]

Type of employment in respect of working hours	2016		2017		2018		2019		2020	
	number	%	number	%	number	%	number	%	number	%
Part-time	16	1	15	1	11	0.9	11	0.9	17	1.3
Full-time	1,231	99	1,225	99	1,221	99.1	1,246	99.1	1,252	98.7
Total	**1,247**	**100**	**1,240**	**100**	**1,232**	**100.0**	**1,257**	**100.0**	**1,269**	**100.0**

[49] GRI GS 405-1.
[50] GRI GS 102-8.

Table 12: Employees at DARS with respect to the type of employment (temporary, permanent) for 2015–2020 (as at 31 December 2020)[51]

Type of employment	2016		2017		2018		2019		2020	
	number	%	number	%	number	%	number	%	number	%
Temporary	20	2	34	3	4	0.3	12	0.9	15	1.2
Permanent	1,227	98	1,206	97	1,228	99.7	1,245	99.1	1,254	98.8
Total	**1,247**	**100**	**1,240**	**100**	**1,232**	**100.0**	**1,257**	**100.0**	**1,269**	**100.0**

Under the Collective Agreement, Dars d.d. employs 99% of all employees on a permanent basis.[52]

Table 13: DARS employees with respect to the type and form of employment in 2020 by gender[53]

	2020		
Type of employment	**Men**	**Women**	**Total**
Permanent	938	316	1,254
Temporary	8	7	15
Form of employment in respect of working hours	**Men**	**Women**	**Total**
Full-time	939	313	1,252
Part-time	7	10	17

Table 14: Parental leave and part-time work[54]

	Women	Men	Total
No. of employees on parental leave in 2020	12	0	12
No. of employees who came back from parental leave	6	0	6
No. of employees who came back from parental leave and still worked for the Company after 12 months	6	0	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

Table 15: Fluctuation

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

The main reasons for fluctuation in 2020 were retirement and the termination of employment or, rather, the expiry of a fixed-term employment contract. The Company recruited 53 persons, while 41 employees left, mostly aged between 58 and 70.[55]

[51] GRI GS 102-8.
[52] GRI GS 102-41.
[53] GRI GS 102-8.
[54] GRI GS 401-3.
[55] GRI GS 401-1.

Table 16: Fluctuation by age, gender and region in 2020

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	1	0	2	4	1	5	2	16
Dolenjska	1	1	0	0	0	0	0	2	4
Gorenjska	0	0	0	0	1	0	0	0	1
Primorsko-notranjska	2	0	1	1	1	1	3	0	9
Štajerska	1	0	3	1	1	0	5	0	11
TOTAL	**5**	**2**	**4**	**4**	**7**	**2**	**13**	**4**	**41**

Table 17: Recruitments by age, gender and region in 2020

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	2	7	6	3	8	3	2	1	32
Dolenjska	2	0	2	0	0	0	0	0	4
Gorenjska	1	0	0	0	2	1	0	0	4
Primorsko-notranjska	1	0	1	0	3	0	0	0	5
Štajerska	1	0	1	0	5	0	1	0	8
TOTAL	**7**	**7**	**10**	**3**	**18**	**4**	**3**	**1**	**53**

The average total length of service of Company employees in 2020 amounted to 24.5 years, while the length of service of employees at DARS alone amounted to 14.6 years.

Figure 51: Employees at DARS with respect to age as at 31 December 2020[56]

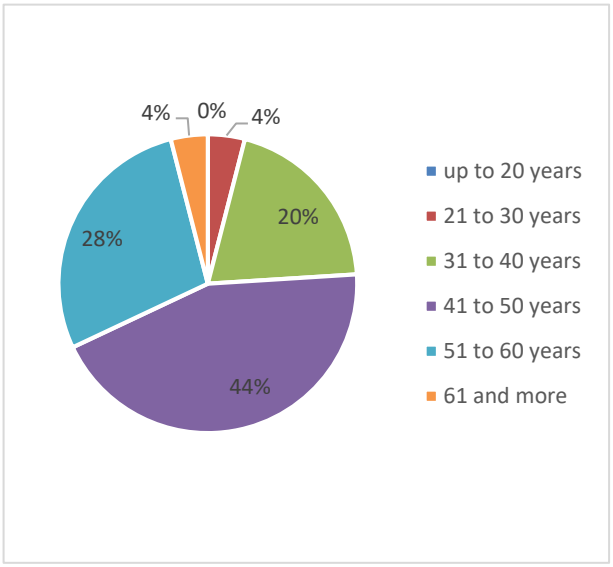
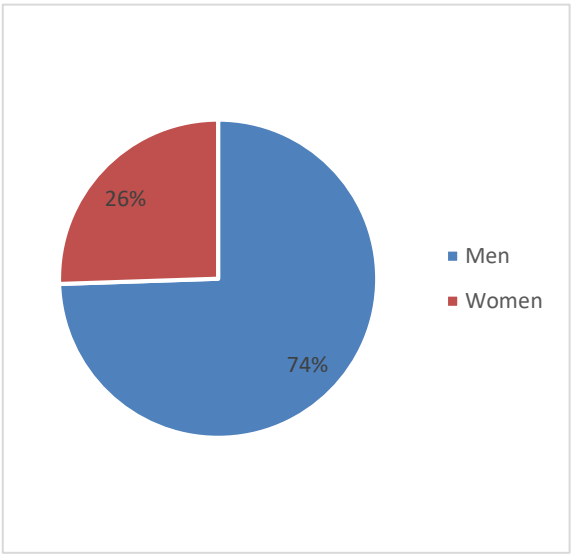


Figure 52: Employees at DARS with respect to gender as at 31 December 2020[57]



[56] GRI GS 405-1.
[57] GRI GS 405-1.

Figure 53: Employees at DARS by gender, age and region of employment as at 31 December 2020[58]

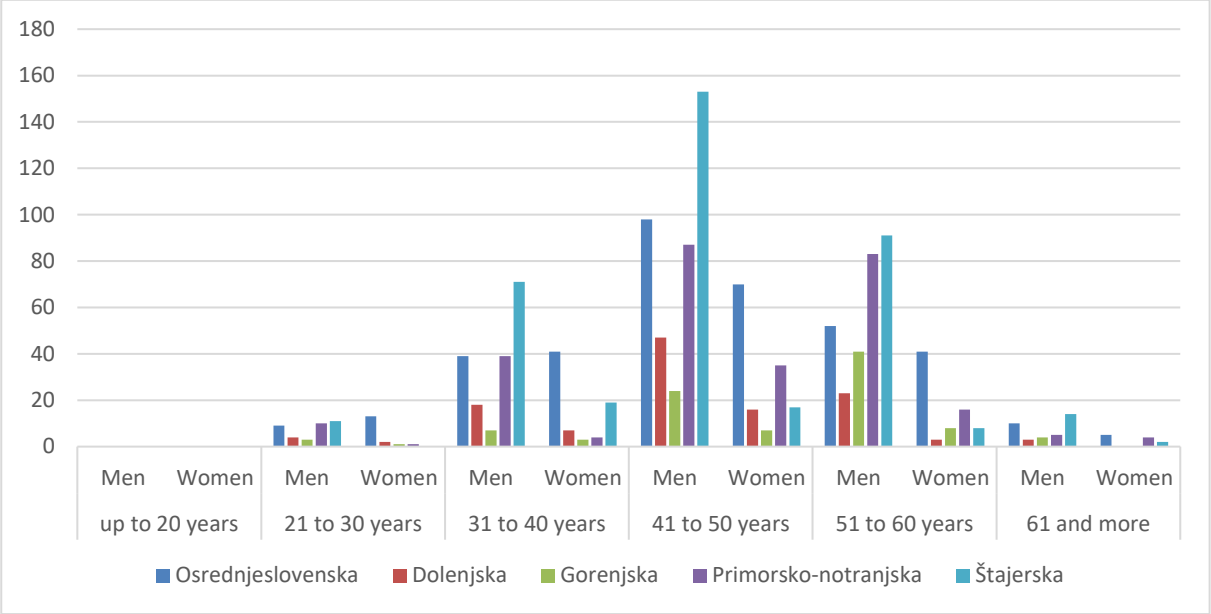
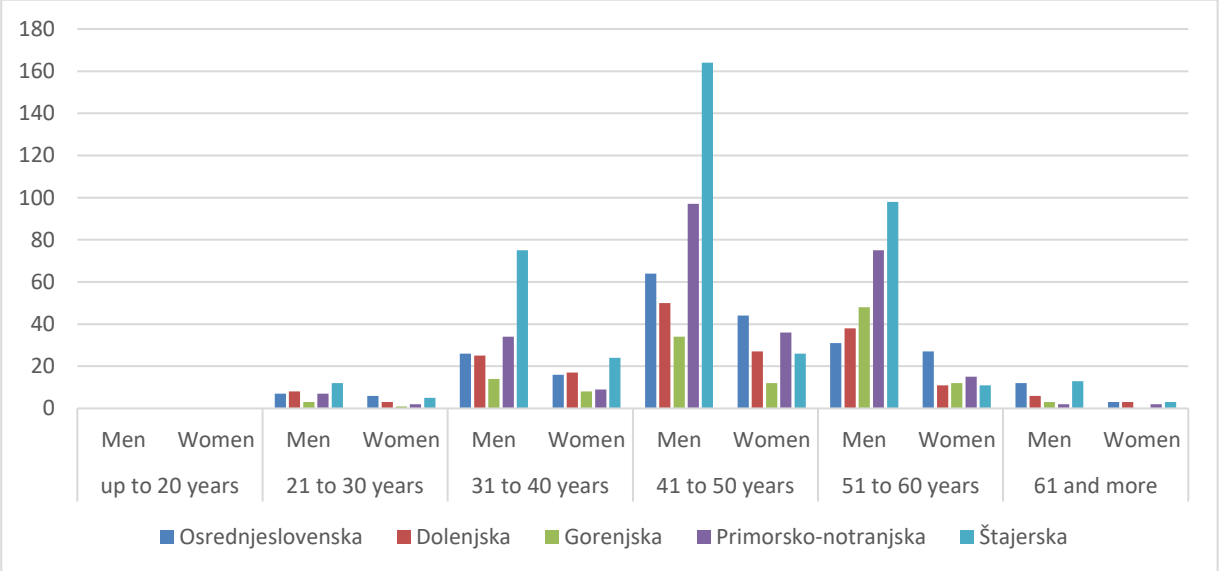


Figure 54: Employees at DARS by gender, age and region of residence as at 31 December 2020[59]



I.5.5.4 Knowledge is the basis of our successful operations[60]

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

[58] GRI GS 102-8.
[59] GRI GS 102-8.
[60] GRI GS 103-1, 103-2, 103-3, 404, 404-1.

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 d.d. 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, hence, their personal and professional development are investments that allow the Company to develop successfully and realise its strategic goals.

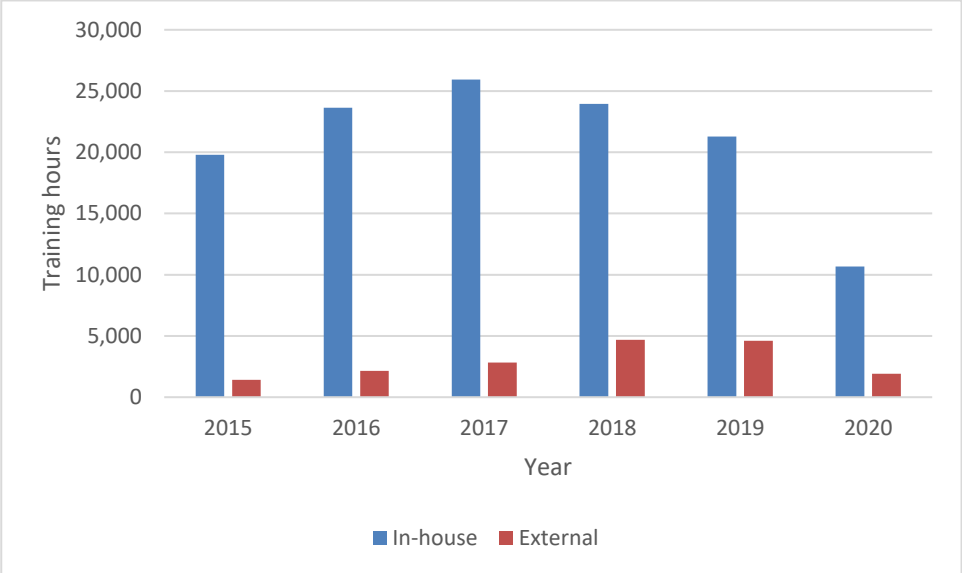
Practically all spheres of life were characterised in 2020 by the Covid-19 epidemic, including training at the Company. Our focus and efforts were directed to new training and educational opportunities for employees. The epidemic also brought new requirements concerning necessary knowledge and skills, to which we responded flexibly and promptly. During the measures to contain the Covid-19 epidemic, employees could attend online training and training via various portals to the topics of implementing urgent hygiene measures to contain the spread of the epidemic, strengthening managerial competencies, improving communication skills, managing time, learning foreign languages and so on.

DARS has strived for several years to provide quality digital operations to the maximum extent possible and this was further emphasised during the Covid-19 epidemic, which is why various forms of computer training and training on the use of digital platforms and applications was conducted in 2020, allowing employees to obtain additional knowledge and skills for the successful and autonomous use of digital technology in their regular work. A great deal of attention was also placed on knowledge about using computer applications that provide easy and optimal work from home, since over 300 employees on average worked from home on a monthly basis.

The Covid-19 epidemic and therewith related measures to contain infections also affected the scope and content of the training courses conducted. In light of the above, the Company managed to realise a total of 12,585 training hours in 2020, which were attended by 1786 employees. On average, each employee attended ten training hours. Most in-house training courses in 2020 were conducted in digital form, other than coaching and workshops that required personal attendance.

In 2020, 1903 training hours were realised in the form of external employee training and were attended by 194 employees, while 10,682 training hours were realised in the form of in-house training and were attended by 1594 employees. Compared to the previous year, the volume of external training in 2020 reduced by 59%, while the volume of in-house training fell by 50%.

Figure 55: Number of training hours at DARS in the 2015–2020 period



DARS strives to make knowledge for professional and personal development available to employees to the maximum possible extent within the organisation. To achieve that goal, a great deal of energy is dedicated to the organisation of in-house training that can be attended by a large number of employees, while external training is provided mostly to expert staff, so that they can obtain the expert and specific knowledge needed for their work. In 2020, the Covid-19

epidemic hindered the organisation and execution of training courses, but nevertheless did not subdue efforts to obtain knowledge.

Table 18: Number of participants in education and training at DARS in the 2015–2020 period

No. of participants/year	2015	2016	2017	2018	2019	2020	2020/2019 index
In-house education and training	1,727	2,110	2,143	2,244	3,275	1,594	48
External education	119	165	210	306	379	194	51

Table 19: Number of training hours at DARS in 2020 by gender[61]

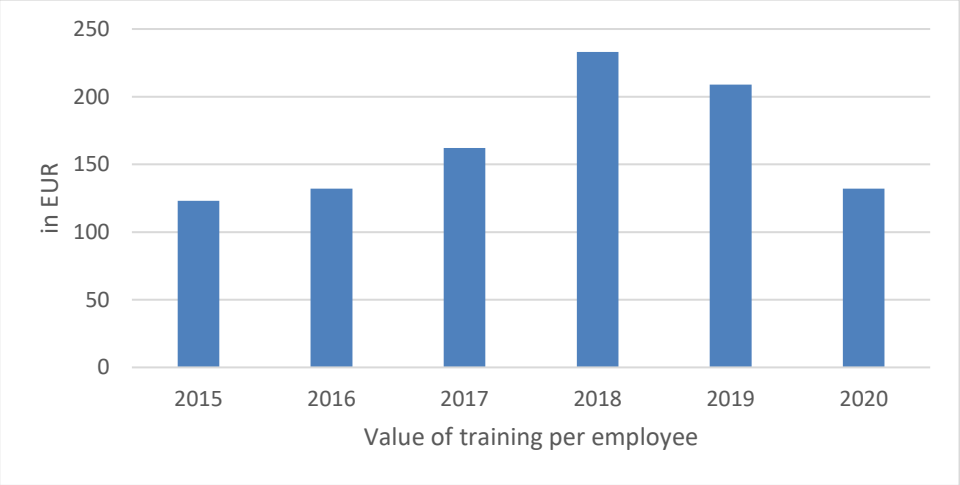
	Number of employees	Total No. of training hours	No. of training hours per employee
Men	946	8,027	8.49
Women	323	4,558	14.11

Table 20: Number of training hours at DARS in 2020 by employee category[62]

Employee category	Number of employees	Total No. of training hours	No. of training hours per employee
Operative workplaces	963	7,539	7.83
Overhead expert workplaces	306	5,046	16.49

In 2020, the value of external training per employee amounted to €74, which is 31% less than in 2019, while the value of in-house training per employee amounted to €58 and decreased by 43% compared to the previous year.

Figure 56: Value of education and training per employee at DARS in the 2015–2020 period[63]



[61] GRI GS 404-1.
[62] GRI GS 404-1.
[63] GRI GS 404-1.

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 2020, the Company co-financed tuition fees for 14 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 in the field they are educated in. In 2020, 12 secondary school and university students were accepted for internship in cooperation with educational institutions.

No. of participants/year	2015	2016	2017	2018	2019	2020	2020/2019 index
Internship	17	13	13	25	12	11	92

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. Hence, a total of 8 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 133 motorcycle riders.

HR development

In 2020, the Company carried out the planned development activities and projects despite the restrictions deriving from measures to contain the Covid-19 epidemic. One of the key projects implemented was the identification of key jobs and key staff. Based on the activities conducted, key jobs and staff who significantly contribute to the realisation of DARS's strategy and business objectives were identified and recorded. Employees at key workplaces at DARS d.d. have extensive know-how, well-developed skills and abilities for the efficient performance of complex tasks, which is why we decided to formulate a **DARS succession protocol** in the continuation. This enables systematic career development for engaged employees and, at the same time, introduces a continuity of quality in the provision of Company services to all stakeholders.

An important step in the development of DARS employees is also the introduction of annual development interviews. Annual development interviews are a foundation for successful employee management and development. They enable the identification of ambitions and the guidance and development of employees' talents. In 2020, all substantive and organisational bases for the introduction of annual development interviews with employees were formulated. The training of managers for their quality implementation was also organised and carried out.

Like every year, the organisational climate and employee satisfaction were again measured in 2020. The analysis of the results showed a better score for organisational climate than in the previous year, along with increased employee satisfaction and engagement. The scores of the best-rated items show a sense of belonging, motivation and employee engagement, innovations and self-initiative, as well as aspirations for quality performance. There are challenges in specific categories, e.g. internal communications and information provision, the reward scheme and career development, and certain measures were adopted to address them.

In 2020, DARS again actively participated in the European partner project of the **KoC LOGIN** competence logistics centre, which it joined in 2019 and within the scope of which it obtained €37,000 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.

Great emphasis is placed on safe driving, which is provided to all newly employed workers and occasionally to all those who travel a lot for business purposes, since all Company employees are ambassadors of traffic safety.

Figure 57: Employee training (driving skills and concern for traffic safety)

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. They set an example with their work, which is why their managerial competencies were further developed in 2020 towards leadership. In doing so, we try to eliminate the gaps identified in competence measurements according to the 360-degree feedback model and the needs deriving from organisational climate and culture. Managers receive expert support in various ways. The latter most frequently includes coaching and development workshops, while the Company also started publishing the VODJA DARS bulletin for managers at all levels of management, thus providing current information to managers, while directing and supporting their managerial work.

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 2020, 78 employees received jubilee awards for 20, 30 or 40 years of service at DARS, 15 employees received recognitions for exceptional work achievements and hard work, while 3 employees received the golden award for lifetime achievements. Recipients are naturally also innovators. Hence, the recipients of the recognition for improvements and innovations are two associates, while one associate received the title of innovator of the year.

Respecting the family life of employees

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Družini prijazno podjetje

The Company has implemented various measures for employees to better coordinate their work and family life for years and has been the holder of the full Family-Friendly Certificate since 2015. Employees are grateful for the possibility of flexible time or arrival and departure from work with fixed central working hours, which enables employees with 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. The project team actively monitors the implementation of measures and prepared proposals for new measures in 2020, so that employees could better coordinate their family life with job requirements.

Social security of employees is imperative

We are aware that the social and economic security of employees is the foundation on which one may build a sense of belonging, trust and commitment to creativity and professional development. It is the basis for the affiliation of employees, provided with full compliance with the applicable labour legislation and good practice to provide social security to employees as agreed upon in the DARS Collective Agreement. Hence, professional and responsible actions were taken in view of employees who found themselves in disability procedures or procedures for changed working ability, while assistance was provided to associates who retired and those who found themselves in a difficult situation and were in need of solidarity aid.

The greatest impact on employees' social security is deteriorated health, which is why developments in that area are closely monitored. In 2020, justified absence from work amounted to 6.56% with respect to regular work, which after three years of growth, fell by 0.02 percentage points compared to the previous year.

In 2020, there were 19 disability procedures pending, whereby seven employees were granted a disability status anew. In 2020, 23 employees retired, while 18 employees continue to work after fulfilling conditions for retirement. Based on the contract for the part-time or occasional work of retired persons, 18 retired associates worked for DARS in 2020. The option of inclusion in collective supplementary pension insurance, which is provided for all employees, is seen by the Company as an important and long-term aspect in the provision of model social security to employees.

I.5.5.5 Occupational health and safety[64]

Occupational health and safety system (GRI 403-1)[65]

As a company employing over 1260 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 an Occupational Safety and Health (OSH) Service with four expert associates who meet the relevant requirements.

The Company is well aware that only a healthy employee with sound conditions for safe work and in sound mental and physical fitness can successfully perform the tasks set. Many Company employees perform a range of extremely dangerous work in all weather conditions 24/7. They use diverse special work equipment to perform road works, where their safety not only depends on themselves, but also on the road users' conduct. That is why a decision was made to upgrade the Company's occupational safety system, compliant with the requirements imposed, by acquiring the BS OHSAS 18001 certificate, which was upgraded in 2021 with the ISO 45001 certificate.

Occupational safety has also been included in the 2021-2025 Strategy of DARS. 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 great deal 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 accident investigation (GRI 403-2)[66]

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 the OHS Service about deficiencies, dangerous phenomena and incidents without reservations. The information received is analysed by the Service and new measures are proposed. Upon major changes to the work process, the relevant risk assessment is reviewed. Employees are also aware of the possibility of declining work as laid down in the Health and Safety at Work Act. In 2020, a special challenge was the pandemic of the coronavirus disease. Since conditions in that area change practically on a daily basis, the Company management has decided to set up a special team that meets weekly and adopts the relevant measures to prevent the spread of infections at the Company. The team has prepared an action plan of measures to prevent the spread of Covid-19. The plan defines preventive technical and organisational measures in relation to the spread of infections at the Company (number of persons infected) to provide stable Company operations and employees' health at work. All managers must inform the OHS Service about any suspected infection and the latter then performs the tasks of an epidemiological service, deciding together with managers on putting employees in quarantine. The Company management is informed about all suspected infections, confirmed infections and quarantine cases on a daily basis. Employees are informed of the necessary measures with instructions and notices that are tailored to the current condition.

Occupational health services (GRI GS 403-3)[67]

DARS has concluded 5 contracts for the provision of occupational health services throughout Slovenia.
The contracted occupational health services perform the following tasks:

- preliminary medical exams;

[64] GRI GS 103-1, 103-2, 103-3, 403-1, 403-2, 403-3.
[65] GRI GS 403-1.
[66] GRI GS 403-2.
[67] GRI GS 403-3.

- periodical medical exams;
- emergency targeted medical exams;
- managerial medical exams;
- consultancy services to the client for the purposes of a risk assessment;
- participation in the preparation of work documents for the disability committee;
- production of an annual report and analysis of performed medical exams, and
- in the last year, the referral of employees to quarantine and the provision of information to employees in high-risk contact with persons infected with Covid-19.

Employees are informed of the time of the medical exam by email through their superiors with whom the date and time of the medical exam is coordinated in advance.
All activities concerning the referral of employees are conducted by the Occupational Safety and Health (OSH) Service.

Worker participation in decision-making on issues relating to occupational health and safety (GRI 403-4)[68]

Employees are involved in issues concerning their safety at work through the Workers' Council, which has set up a special OHS committee. Employees' initiatives are discussed at committee meetings with representatives of the OHS Service and included in further consultation procedures (meetings between the Workers' Council and the management).

Worker training on occupational health and safety (GRI 403-5)[69]

The diversity of work procedures and work equipment also calls for a great deal of time to train workers for safe work. Such training is conducted by employees at the Occupational Safety and Health Service and direct superiors. Upon the purchase of new work equipment, manufacturers' representatives show in theory and practice how to handle and maintain the work equipment properly. Qualifications are certified by the responsible OHS officer. Training is carried out in theory and practice. Training courses are conducted to present instructions by way of computer presentations and then with practical work on machines and equipment. Training is not a one-off event and is repeated and revised periodically for workplaces involving many hazards, while the qualification of employees and compliance with instructions are also checked upon internal control. In 2020, more attention was placed on preventive actions and control over the implementation of measures to prevent the spread of the coronavirus.

Promotion of worker health (GRI 403-6)[70]

DARS has adopted a 5-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 that is based on the data received from occupational health service providers and data on sick leave received from the National Institute of Public Health.
In 2020, activities were mainly focused on raising awareness on urgent care and the implementation of actions to prevent Covid-19 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)[71]

Maintenance officers and toll supervisors 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. Hence, the Company provides a great deal of attention and funds for the enhanced provision of information to users regarding road works (traffic information in the media, the Kažipot application, notices on gantries

[68] GRI GS 403-4.
[69] GRI GS 403-5.
[70] GRI GS 403-6.
[71] GRI GS 403-7.

and other traffic signs) and the enhanced protection of employees with traffic closure signs that include crash cushions. Despite this, there were eight crashes into road work sites in 2020. In one case, a user crashed into an inspection vehicle driving along the emergency lane. The inspection officer suffered light bodily injuries.

Work-related injuries (GRI 403-9)[72, 73]

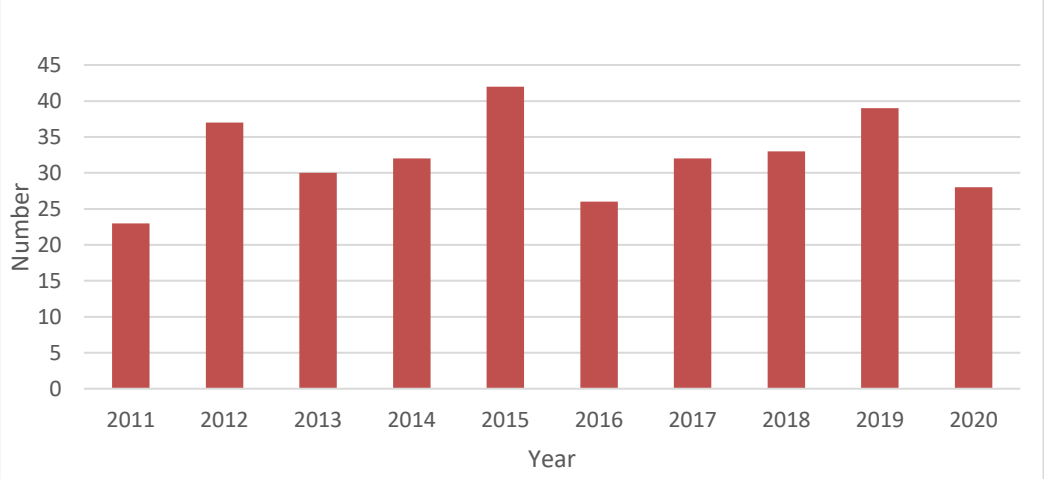
The Company makes periodical risk assessments of occupational health and safety, where the following risks are assessed as the highest:

- Mechanical factors (hazards involving the use of work equipment, moving parts of machines and devices, transport (traffic), etc.): Measures implemented that improve worker safety: the regular servicing and inspections of machines and devices, a noise line between the driving and emergency lanes, the purchase of a large number of crash cushions to protect Company employees working within road closures, outsourcers and users.
- Factors relating to the method of work and the distribution of workplaces (hazards of tripping, slipping, falling, sharp edges, etc.): Measures implemented that improve worker safety: use of the relevant protective footwear (mid-cut S3 boots), the purchase of protective sets for work at height and on steep slopes (embankments); to avoid walking along steep embankments, the Company purchases remote-controlled walk-behind mowers to mow steep embankments, the purchase of attachments (cutters) for trimming and removing bushes and minor trees.
- Electricity (hazard of direct and indirect contact with voltage): regular employee training, regular measurements of electrical installations and lightning conductors; by relocating charging units from signalling trailers to facilities, the Company ensures that employees only handle direct current of low voltage.

On these grounds (mostly indents 1 and 2), the number of severe accidents and disabilities among employees reduced by 87% compared to a 5-year period (from 2011 to 2015 and from 2016 to 2020).

Company operations in 2020 were characterised by the Covid-19 pandemic. DARS d.d. began to implement preventive measures immediately after the outbreak of the virus in Slovenia. Home working was introduced and Company activities were limited to the most urgent ones, yet work-related accidents nevertheless occurred. Before the epidemic (in winter), 6 Company employees suffered work-related injuries. A total of 28 work-related accidents occurred last year. As usual, the majority of the injured were maintenance technicians (25), along with two toll supervisors (hands caught while closing doors) and one employee from the business field (fainting, a fall down the stairs). The injuries did not result in fatalities or workers' disability; however, 10 workers took prolonged sick leave (over 30 days). In two cases, there were light bodily injuries and employees needed no sick leave. All employees who were injured in 2020 also completed treatment that year.

Figure 58: Number of work-related injuries



Accidents involving injuries suffered by maintenance officers

In 2020, the most frequent accidents suffered by maintenance officers involved knee injuries (5 times), followed by head trauma (4 times), while 3 accidents resulted in back, arm and leg injuries.

[72] GRI GS 403-9.
[73] GRI GS 403-2.

Figure 59: The chart shows accidents with respect to body parts

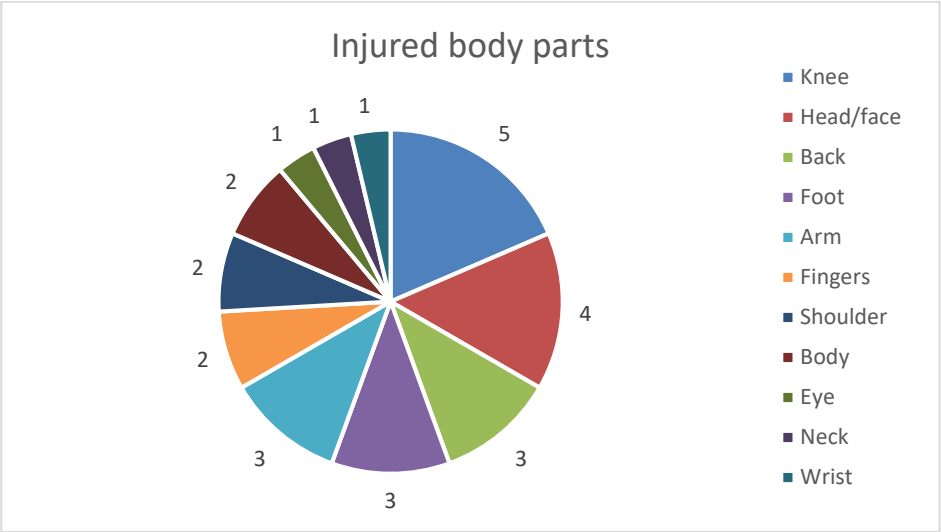
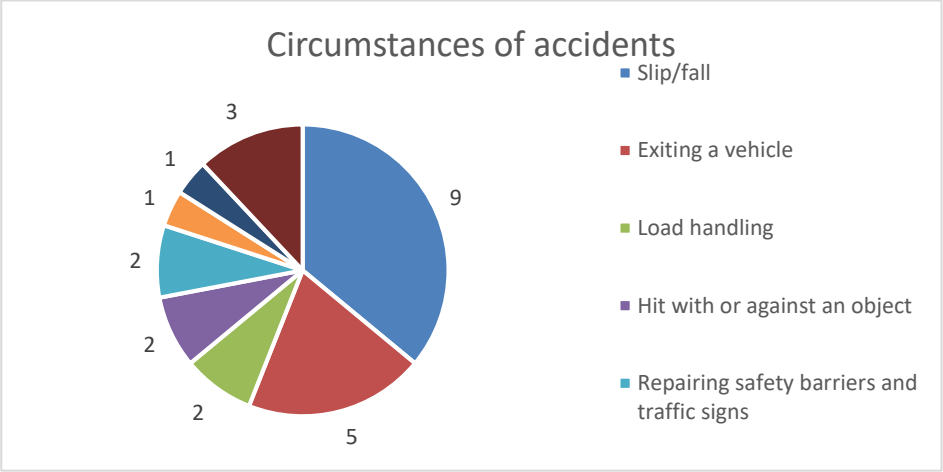


Figure 60: Circumstances of accidents resulting in injuries



Considering work-related accidents resulting in prolonged sick leave in 2020, employees most often slipped and fell while walking along the embankment (9 times) and while getting into and out of a vehicle (5 times).

The causes for accidents involving falls on embankments can mostly be attributed to the surface being steep, wet, icy or slippery due to high grass. When getting into or out of a vehicle, the cause for accidents can mostly be attributed to employees leaving a truck cabin improperly or jumping down from tipping bodies. The most frequent cause of other accidents involved quick movements and lack of attention on the part of employees.

Near accidents (incidents)

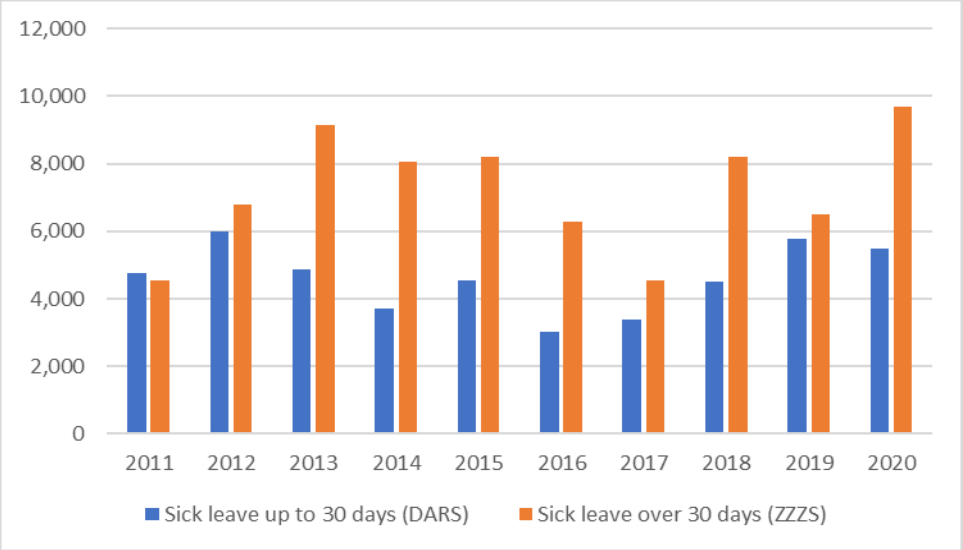
There are plenty of cases where a work-related accident almost happened, but did not due to luck or a turn of events. Employees report about them to their superiors and also upon internal control and other opportunities to expert associates from the OHS Service. Events are considered immediately and measures are taken to prevent such events, but with more serious consequences, from happening.

Table 21: Occupational safety indicators in 2020

Occupational safety indicators for persons involved/year	Number
Average No. of all employees	1,260
No. of hours worked	2,645,303
Number of injured employees	28
Accidents resulting in fatality	0
of which seriously injured (disabled)	0
Employees on sick leave more than 30 days	10

Frequency index = No. of all workers injured x 100/No. of employees	2.22
Disability index Average No. of days lost per employee	0.71
Severity Average duration of absence	32.2
Level of work-related injuries (No. of injured employees/ No. of hours worked) x 200,000 hours	2.11

Figure 61: Sick leave in hours as a result of work-related accidents



In 2020, sick leave due to work-related injuries was high, since two employees were on sick leave all year, having suffered serious bodily injuries in a collision of vehicles with a road works site that happened in 2013 and 2019. Furthermore, three employees who suffered injuries at the end of 2019 also continued medical treatment.

Work-related ill health (GRI GS 403-10)[74]

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 aging 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.

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 well. 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 organisational climate research conducted in 2020 showed better scores for organisational climate than in the previous year, along with higher employee satisfaction. The scores of best-rated items in the research conducted show a sense of belonging, motivation and employee engagement, the presence of innovations and self-initiative, as well as aspirations for quality performance. As in previous years, opportunities for development still exist in the reward scheme, career development and internal communications.

[74] GRI GS 403-10.

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 in employee engagement in recent years. In 2020, the results of measuring employee engagement at DARS show a positive engagement ratio, of which the Company is truly proud and which has commanded deep respect and responsibility for engaged employees, so that career development and personal growth can be enabled.

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 aging of the labour force – ASI project – in 2018, where it was recognised as a best practice example. In addition to various development and support activities for elderly employees, the Company also prepared a strategy for handling elderly employees, which is still being put into effect in certain areas. Major emphasis continues to be placed on sound intergenerational understanding and the cooperation of employees.

Offering employees additional benefits and solidarity aid[75]

- DARS pays in additional funds for supplementary pension insurance for all employees, i.e. €39.63 per employee and further contributes 25% to the employee's own contribution.
- Employees have accident insurance under favourable terms.
- DARS helped 53 employees in distress by providing them with financial solidarity aid in 2020.
- There were 171 employees who received jubilee benefits in 2020.

The Covid-19 epidemic and therewith related measures to prevent the transmission of infections called for adjustments in the performance of work in 2020 with the aim of ensuring uninterrupted Company operations and the safe performance of work to employees with no risk of infection. In that respect, the Company enabled since March 2020:

- home working for all employees whose job positions allowed such work;
- use of the "force majeure" instrument for employees who had no childcare in kindergartens or schools due to the epidemic, and
- temporary lay-off.

Home working as a new form of cooperation with employees

Over 300 employees worked from home in the first wave of the Covid-19 epidemic. In concern for their well-being and unforeseen challenges, an in-house survey was conducted 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 DARS, 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. The results were a stimulation to enable home working for employees during normal working conditions as well, which is why the Rules on home working were prepared and adopted. Based on the Rules, over 400 new employment contracts were concluded enabling employees to work from home during normal working conditions as well.

Exemplary cooperation with social partners

Within the scope of the Company, there are two representative trade unions 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 for 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,

[75] GRI GS 201-3.

and from the European Network for Workplace Health Promotion (ENWHP). Considerable emphasis is placed on employee recreation, which is organised throughout Slovenia. To organise recreation for all employees more efficiently, the Company established the DARS Sports Club in 2020. 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. The Company employs 46 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 mind-set 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[76]

DARS is actively committed to the respect for human rights and has zero-tolerance for any violation, which is why it takes appropriate action upon any infringement. In 2009, DARS took a systematic approach to the consideration and prevention of unlawful practices and concluded an Agreement on the prevention and elimination of workplace harassment consequences at DARS d.d. with the Workers' Council. To protect the dignity of employees, the Company adopted in October 2019 the "Rules on the protection of employees' dignity on the job", which supersedes the previous agreement and clearly defines procedures to efficiently recognise discrimination, sexual and other harassment and maltreatment, and take action against it, along with preventive methods and the work and competencies of the Committee for the protection of employees' dignity. In 2020, DARS did not receive or consider any reports of the violation of employees' human rights and dignity.

Diversity and equal opportunities[77]

The Company's Supervisory Board adopted the Diversity Policy of DARS d.d. in 2018, which was drawn up on the basis of the Slovenian Corporate Governance Code for Listed Companies and the Corporate Governance Code for Companies with Capital Assets of the State 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 management 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.

The purpose of the Policy is to increase the efficiency of the management 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 management 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 management and supervisory bodies at the Company is in the focus of the shareholders when they appoint the Supervisory Board, Supervisory Board HR committee and in the assessment of the Management Board, Supervisory Board and other Supervisory Board committees, and at the focus of the Workers' Council when appointing the Labour Manager.

The Supervisory Board HR committee 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,

[76] GRI GS 103-1, 103-2, 103-3, 406, 406-1.
[77] GRI GS 103-1, 103-2, 103-3, 405, 405-1.

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, rather, 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 management 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 HR committee, 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 22: Structure of the management bodies by gender (as at 31 December 2020)[78]

Body	Men	Women	Total	Men in %
Supervisory Board	8	1	9	89
SB HR 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
Department managers	3	2	5	60
Workers' Council	12	3	15	80
Total	**36**	**8**	**44**	**82**

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 with 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 62: Responsibility to the environment

I.5.6.1 Systematic environmental and energy management[80]

[78] GRI GS 405-1.
[79] GRI GS 103-1, 307.
[80] GRI GS 103-2, 103-3, 307.

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

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 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 2020, there were 17 environmental inspection procedures conducted; data on compliance as regards the environment and energy is detailed in the chapter Compliance with laws, rules, codes and recommendations, which is presented for each area of DARS 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/outsourcers.

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 metric units.

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.

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[81] GRI GS 103-1, 103-2, 103-3, 307, 307-1.
[82] GRI GS 301-1.

Table 23: Length of reconstructed carriageways and newly built roads

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

In the following Sustainability Reports, DARS d.d. will show the amounts of reused or recycled materials resulting from compliance with 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 developers, the service responsible for comprehensive and normal environmental impact assessments, municipalities (local community)[85] and the general public.[86]

DARS d.d. carries out individual tasks related to spatial planning and motorway siting in procedures to prepare the NSP so as to cooperate and provide all the 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 NSP preparation. 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 2020, siting activities were carried out for the following important projects (including cooperation with the local community):[87]
- NR Slovenj Gradec–Dravograd,
- NR Otiški vrh–Holmec,
- NR Šentrupert–Velenje with the Podgora–Letuš connecting road,
- MR Ptuj–Markovci,
- Postojna/Divača–Jelšane MW,
- Koper–Dragonja EW,
- ecoduct at MW section Unec–Postojna.

In line with the Spatial Planning Act, it is necessary to perform an overall 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 design stages. In such procedures, environmental impacts are identified and assessed, along with the inclusion of requirements to protect the environment, conserve nature, and preserve

[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.
[87] GRI GS 413-1.

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 design stages, 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 account of 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.

Since 1998, 150 environmental permits have been issued for individual road sections, alignment sections or structures.

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 be 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 prejudice 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 legal interest in procedures to issue individual administrative acts (notice parties 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 developers 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 individual spatial arrangements, which is also in line with the principles of the Aarhus Convention foreseeing the following activities:

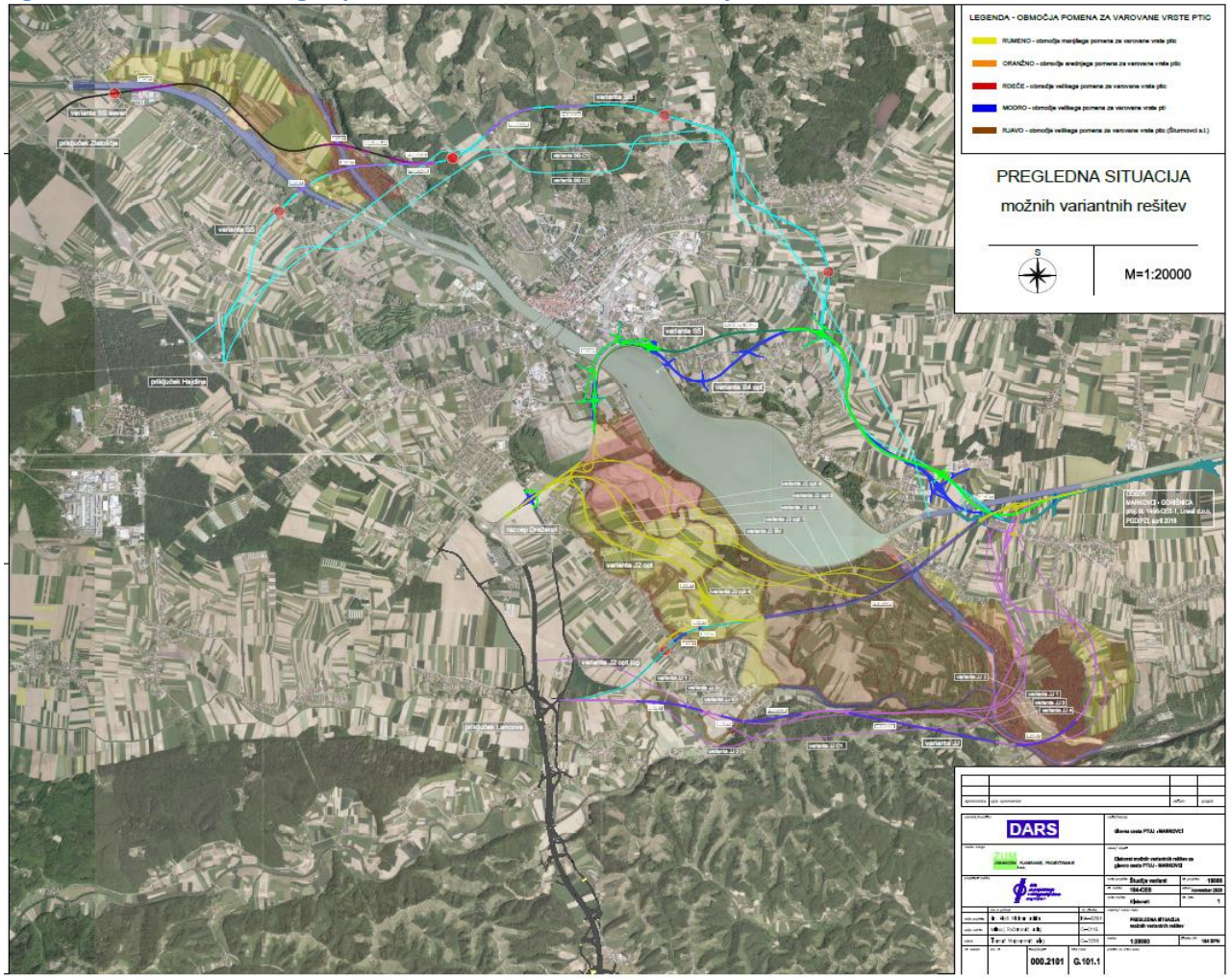
1. provision of information, access to public information and the publication of documents and acts being prepared with the aim of informing the public about them and allowing people to respond;
2. public participation in decision-making, where the public can be actively involved in the procedure to 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.

[88] GRI GS 413-1.

Figure 63: Overview drawing of possible variant solutions to the Ptuj-Markovci main road



The figure above shows a set of variants for the alignment of the Ptuj-Markovci main road that were examined within the scope of the Variant Study. Among all of them, only seven are potentially feasible, while materials for the acquisition of supplemented guidelines of spatial developers were produced for the five most feasible variants. Most variants were dismissed due to requirements for environmental protection and nature conservation, while other variants were questionable economically as a result of requirements for environmental protection and nature conservation and therewith related extensive redressive and/or mitigating measures. 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, a special workgroup was established for this NSP to coordinate solutions in the NSP preparation procedure that includes representatives of the Ministry of Infrastructure, 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 developers. A decision on the variants to be taken into consideration and evaluated in the variant study/pre-investment assessment will be adopted by the mentioned workgroup.

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. Hence, Slovenia is an area with above-average biodiversity and one of the richest natural environments in Europe and the world.

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

The greatest risk in the location of demanding infrastructure, such 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. If this is not possible and the MW or EW alignment encroaches upon important nature conservation areas with various statuses or the NATURA 2000 area, 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 deer 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]

An example is the Pomurje motorway leg, where replacement habitats were provided and which is one of the first cases of such nature conservation measures.

Figure 64: Pomurje motorway leg

Spodnja Senarska-Cogetinci section (section length 9.5km):[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: 500m^2 (25m x 20m).
  - Location of the replacement habitat after execution (land plots and parts of them): c.m. Zgornje Verjane: 442/1, 443/1, 444, 445/1; v 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: 1942m^2.
  - 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 17.4km):[92]

- Gosposko (establishment of a rough meadow):

[90] GRI GS 102-12.
[91] GRI GS 304-1, 304-2, 304-3.
[92] GRI GS 304-1, 304-2, 304-3.

- Size/surface area of the (then existing) habitat that was affected by motorway construction: app. 60ha.
- 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: 25ha (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.

- Črni log–Hotiška gmajna (afforestation):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: 330ha (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: 207,905m^2. (To connect these forested areas by afforestation into a single forested area, it is necessary to provide only some 20ha.)
    Size/surface area after execution:
    - surfaces being overgrown 72,000m^2
    - new forest edge 7,900m^2
    - new forest stock 128,000m^2
  - 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 7.8km):[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: 10ha.
  - 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: 35ha proposed by MESP, 17ha 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: 500m^2 (25m x 20m).
  - 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):

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

- Size/surface area of the (then existing) habitat that was affected by motorway construction: 56ha proposed by MESP, 3.4ha 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 436m,
  - arrangement of a rough marsh meadow with various levels of humidity on a surface area of 21,155m^2,
  - re-establishment of a blind branch of the Globovnica stream in the length of 160m,
  - execution of substitute flood prevention arrangement, i.e. construction of a new flood defence and expansion of the existing defence in the length of 451m.
- 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.

- Kamenšak south (afforestation between the forest and motorway):
  - Size/surface area of the (then existing) habitat that was affected by motorway construction: 56ha proposed by MESP, 3.4ha 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: 635m or 20ha.
  - 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 16.5km):[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 at a distance of 3km.
  - Location of the (then existing) habitat that was affected by motorway construction: RR section Lendava–Pince from Dolnji Lakoš to Petišovci.
  - Size/surface area of the replacement habitat provided: 2039m^2.
  - Location of the replacement habitat provided: in the area between km 5+890 and km 5+970.

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

Figure 65: Establishment of a replacement biotope for amph

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.

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

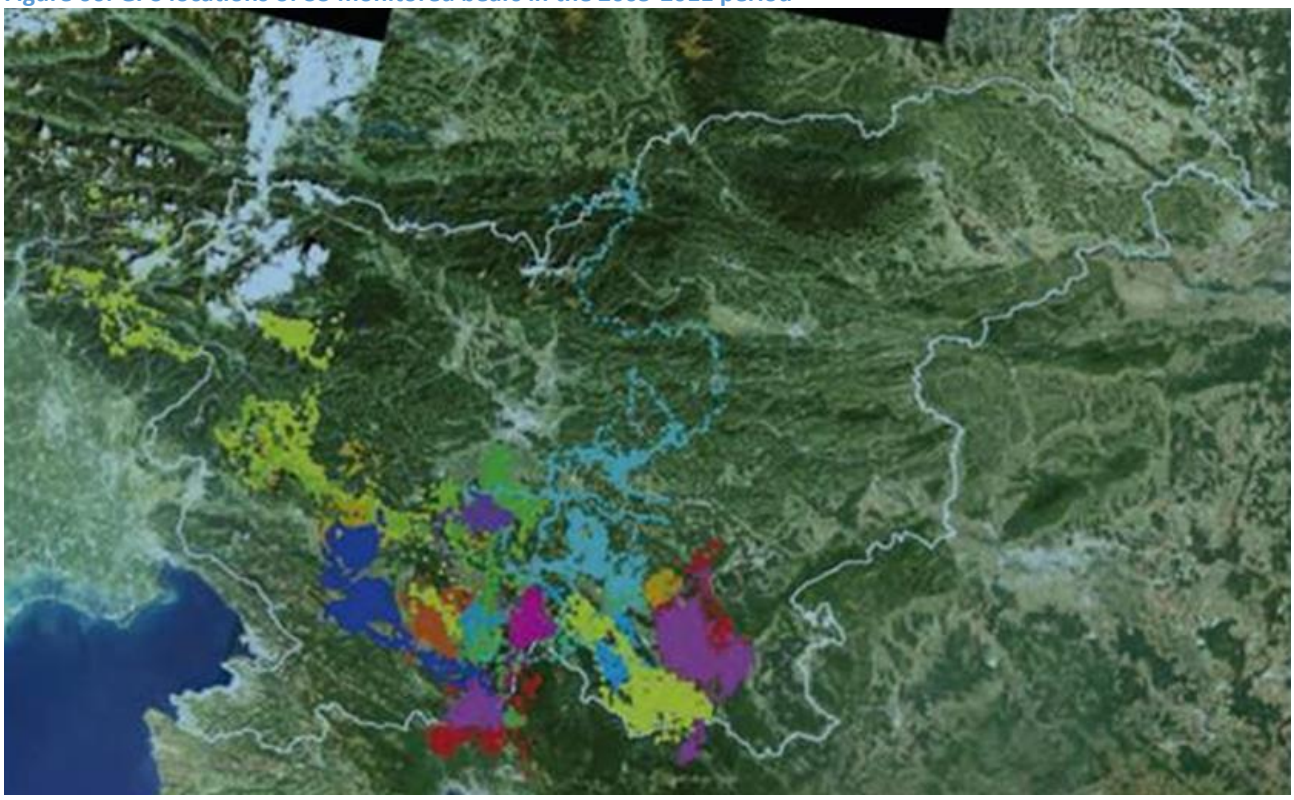
Adequate measures to provide animal passages across the future MW or EW are foreseen in the preparation of the NSP for newly planned roads. Pursuant to the legislation governing spatial development, guidelines are obtained from spatial developers in the procedure to prepare NSP, which need to be taken into account during the siting and design of a new MW or EW section. Spatial developers are, among others, the Ministry of Agriculture, Forestry and Food, the Forestry and Hunting Directorate, and the Ministry of the Environment and Spatial Planning or, rather, 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 of wider dimensions, etc.). In light of the above, it is not possible to provide a numerical scope of the measures planned and the estimated value of such structures.

In some 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 30km in length and is the first constructed section of the contemporary 4-lane motorway in Slovenia, DARS d.d. started conducting 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 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 66: 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)

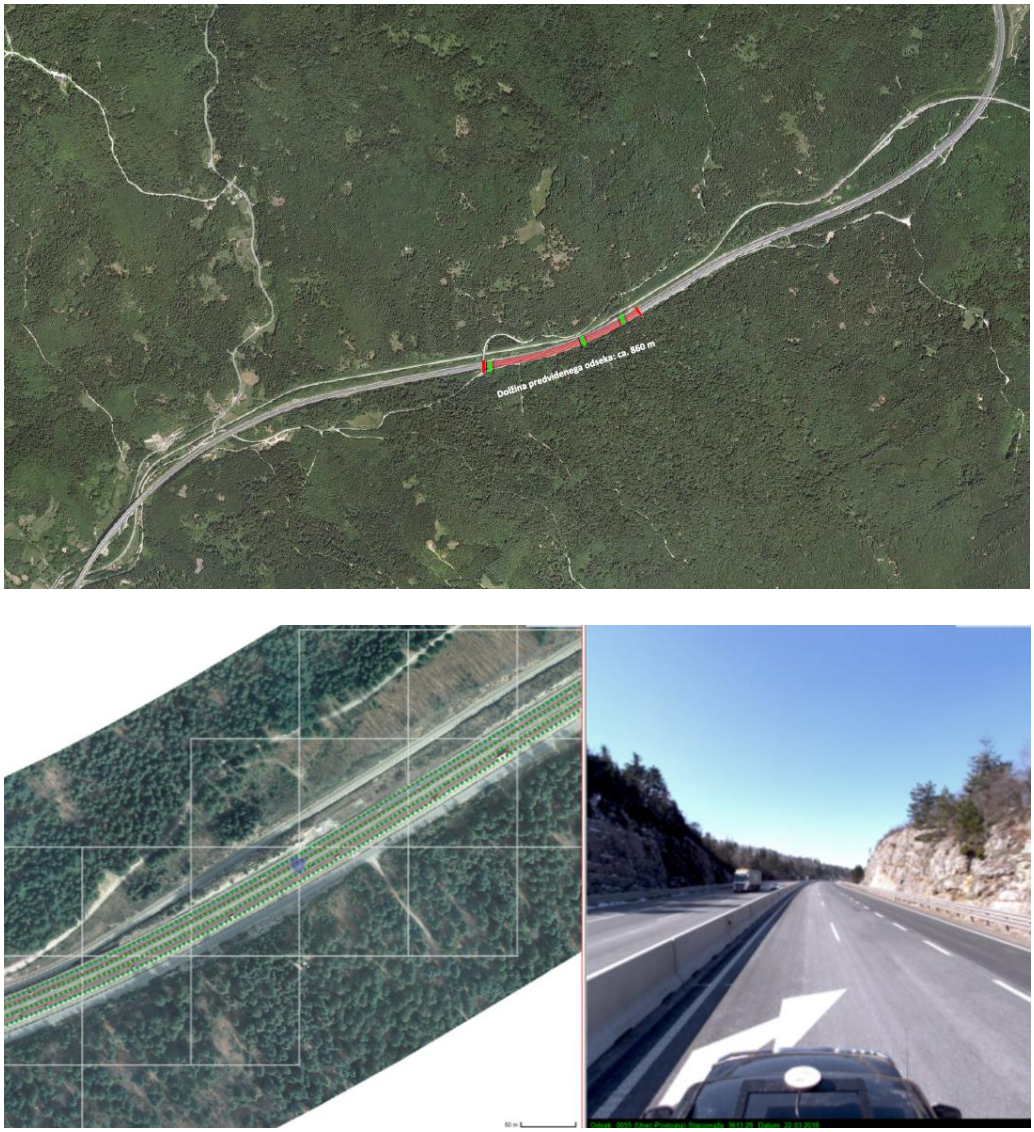
In previous years, several measures were implemented in that section (e.g. the erection of electric safety fences) in cooperation with DARS d.d., along with monitoring their performance. The project LIFE DINALP BEAR (the comprehensive management and conservation of brown bears in the northern Dinaric 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 made 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.

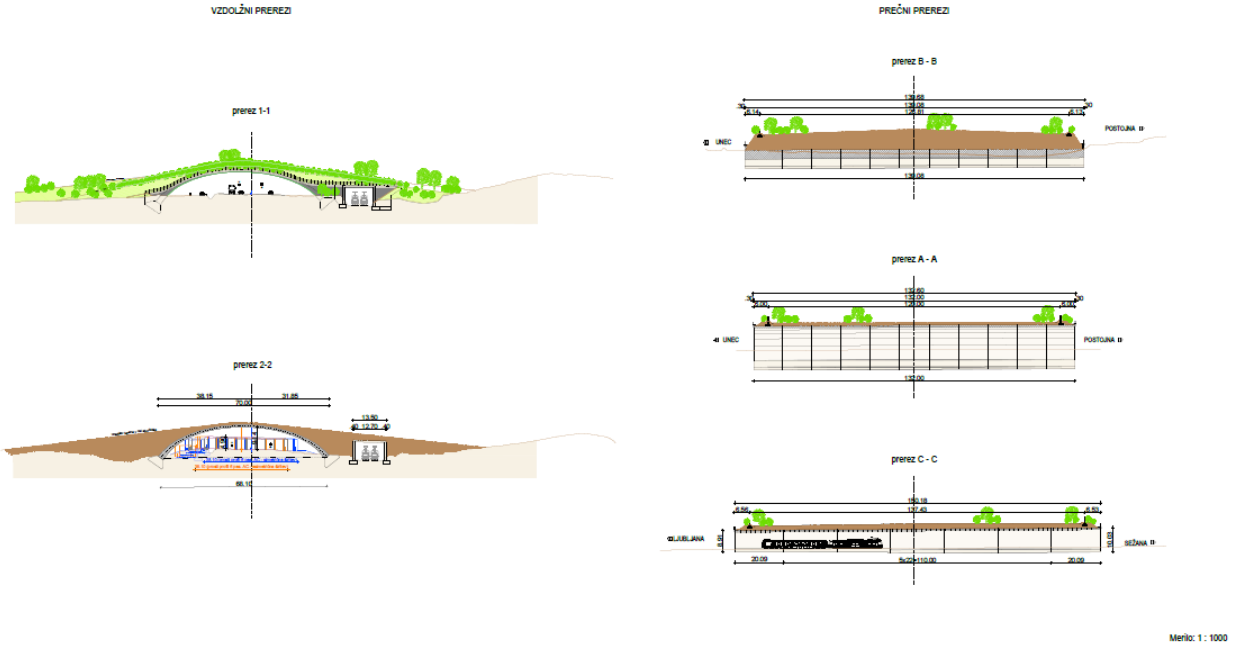
Experts defined a roughly 800-metre-long section of the Vrhnika-Postojna MW section (Unec-Postojna subsection) that is best suited for a green bridge (ecoduct) and would contribute to the reduced mortality of wild animals on roads and increased safety for all road users, in addition to providing migration routes for large mammals and gene flow between the Dinarides and the Alps.

Figure 67: Proposal for the siting location of the planned green bridge or ecoduct (Unec-Postojna subsection)



The materials produced will provide grounds for the production of expert bases 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, a variant was selected that will be processed in the ecoduct initiative. The initiative will be sent in 2021 to the Land Transport Directorate at the Ministry of Infrastructure and to the Ministry of the Environment and Spatial Planning (DzKPS), which have initiated and prepared the national spatial plan for the ecoduct.

Figure 68: Figure of the planned green bridge or ecoduct (Unec-Postojna subsection)



I.5.6.4 Energy management[95]

DARS d.d. ranks among the larger energy consumers in Slovenia with an annual energy consumption of 42.66GWh (in 2020). 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 (50.8%), followed by fuel (39.3%). A minor share of energy is used for heating facilities, which is an important element of energy management due to high potential for optimisation.

The Company's 2017–2020 Strategy placed great importance on energy efficiency and environmental protection. When preparing the 2021-2025 Strategy, the energy management system and the environmental management system were further upgraded, expanded and enhanced with respect to the needs and expectations of the relevant stakeholders and the requirements of the internal and external environment.

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 (68.67kWh/km) with respect to 2019 (72.25kWh/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 of 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 24: Energy consumption (MWh)

		2015	2016	2017	2018	2019	2020
Electricity	MWh	25,735	25,181	24,526	23,598	22,584	21,670
Fuel	MWh	16,384	17,538	16,369	18,662	18,081	16,752
Natural gas	MWh	1,866	1,524	1,676	1,443	1,386	1,564
LPG propane	MWh	2,018	2,253	2,123	1,964	1,857	1,736
LPG propane butane	MWh	1,171	1,225	1,105	852	475	428
Heating oil	MWh	238	344	291	238	97	58

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

Biomass							452
District heating	MWh	586	810	778	638	550	0
Total	**MWh**	**47,998**	**48,875**	**46,868**	**47,395**	**45,030**	**42,660**

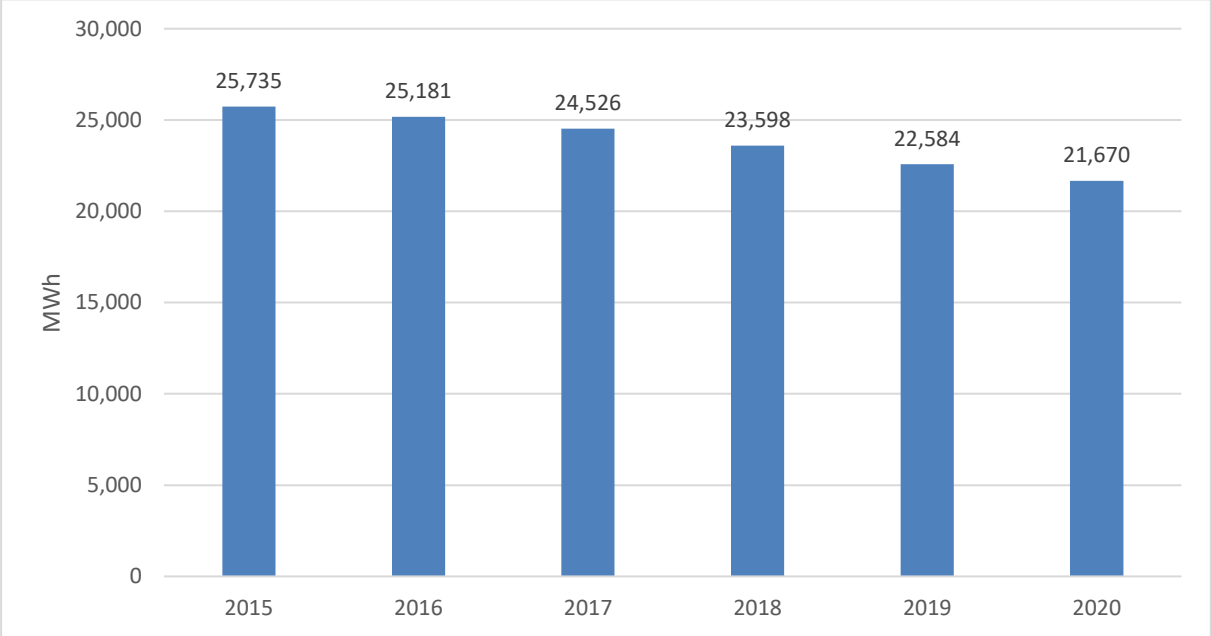
Table 25: Energy consumption (TJ)[96]

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

Electricity

The Company keeps introducing measures to reduce electricity consumption.

Figure 69: Total electricity consumption (MWh)[97]



The largest group of electricity consumers includes tunnel equipment, which accounts for 47% of the total electricity consumption at 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.

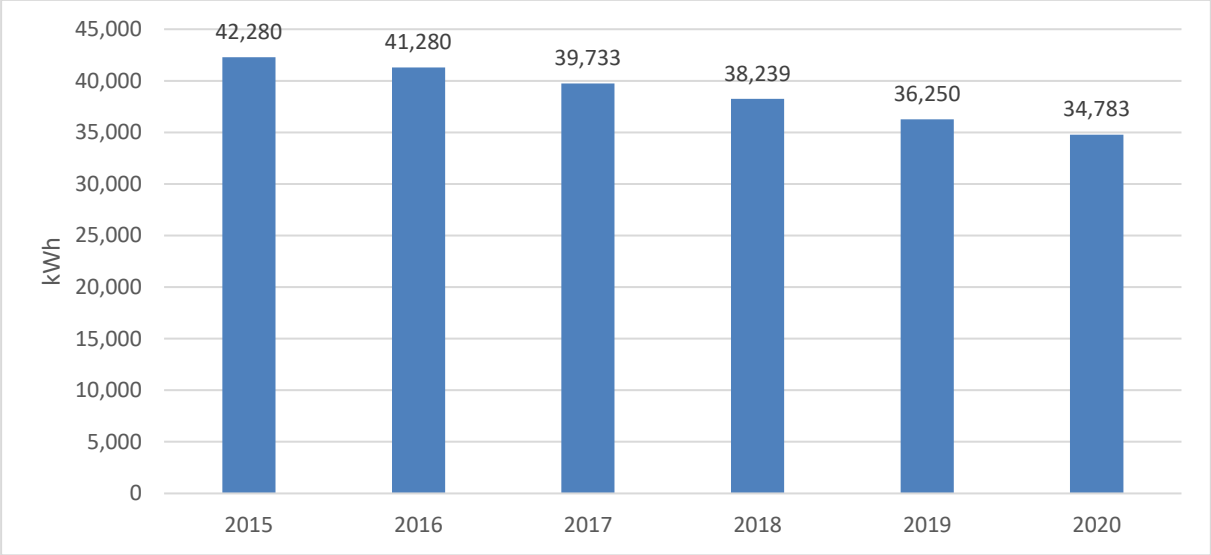
[96] GRI GS 302-3.
[97] GRI GS 302-3.

The second-largest electricity consumer is street lighting. In this respect, we replaced old and worn-out lighting with new LED lamps in the last five years with the aim of meeting the requirements of 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 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.

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 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 supervision, 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 70: Total electricity consumption per MW kilometre (kWh/km)

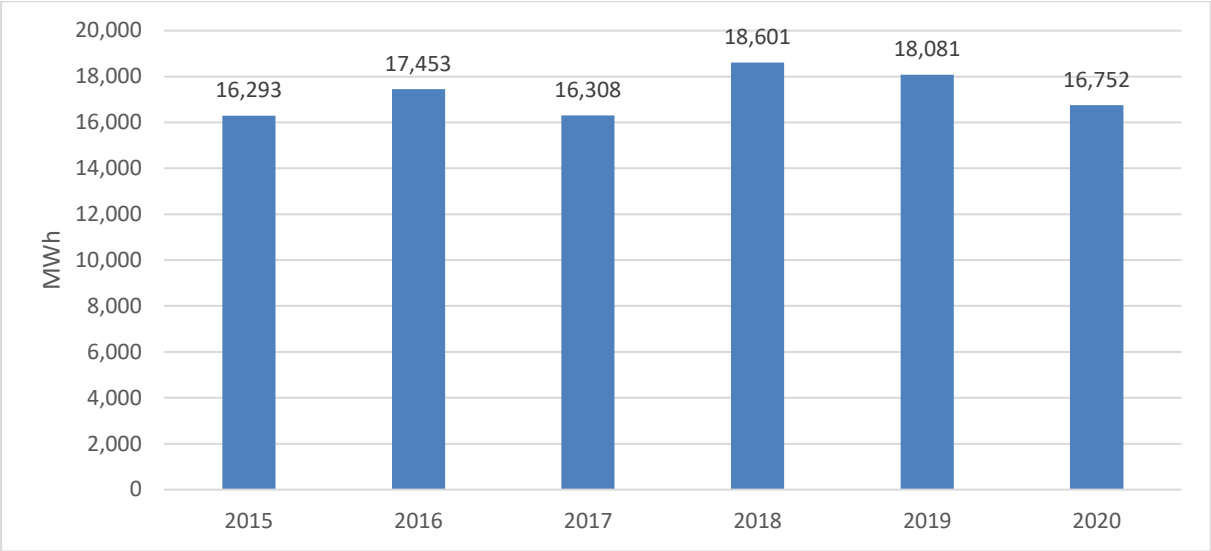


Fuel for the vehicle fleet

In 2020, the Company had 700 work vehicles, 178 of which were heavy goods vehicles for winter service and annual maintenance, 145 were light commercial vehicles that were primarily used for regular inspections and minor maintenance works, 122 were combination vehicles, 38 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 2020, the Company recorded reduced diesel fuel consumption, primarily on account of a mild winter and, consequently, fewer ploughing days. 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 165 passenger cars and 32 toll supervision vehicles in 2020.

Figure 71: 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, including a change of energy product.

Within the scope of a comprehensive energy inspection 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 a branch in Ptuj, MMC Novo mesto with a branch in Drnovo and MMC Slovenske Konjice). By implementing the system, facility administrators gained a useful tool to monitor the consumption of energy products and take actions to reduce energy consumption.

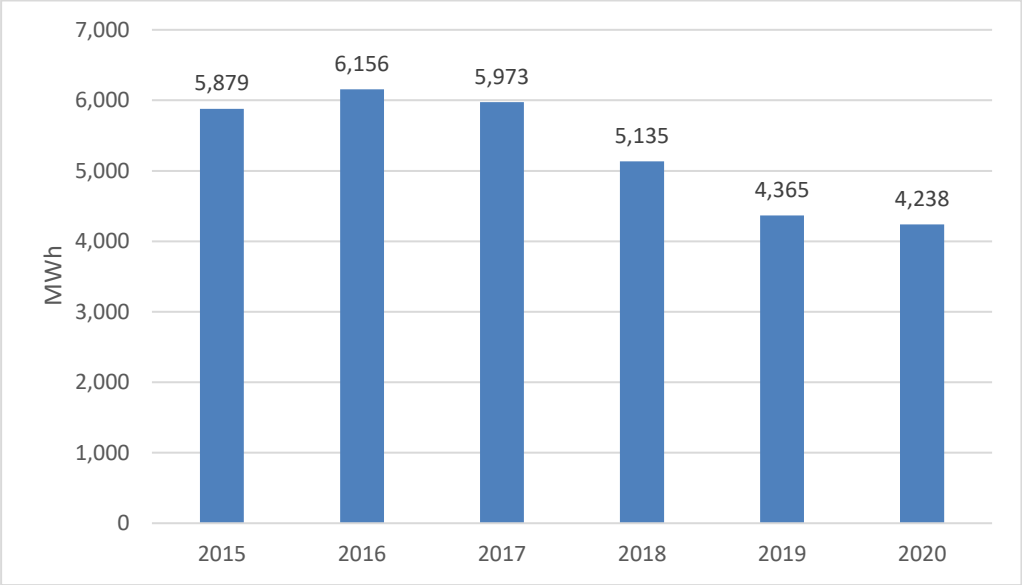
To reduce energy consumption in heating, the following measures were implemented in 2016 to 2020 as a result of a comprehensive energy review:

- 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 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 made by DARS to reduce greenhouse gas emissions and improve energy efficiency.
- TS Hrušica was thoroughly refurbished in 2020.
- The first stage 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 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 officers on the topic of efficient energy use.

The diagrams 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 with respect to the baseline year of 2015 amounts to 1641MWh (28%), while CO_2 greenhouse gas emissions were reduced by 464t (36%) with respect to the baseline year of 2015.[98]

Figure 72: Energy consumption for heating (MWh)



[98] GRI GS 302-4.

Figure 73: Heat energy consumption per m² of heated surfaces

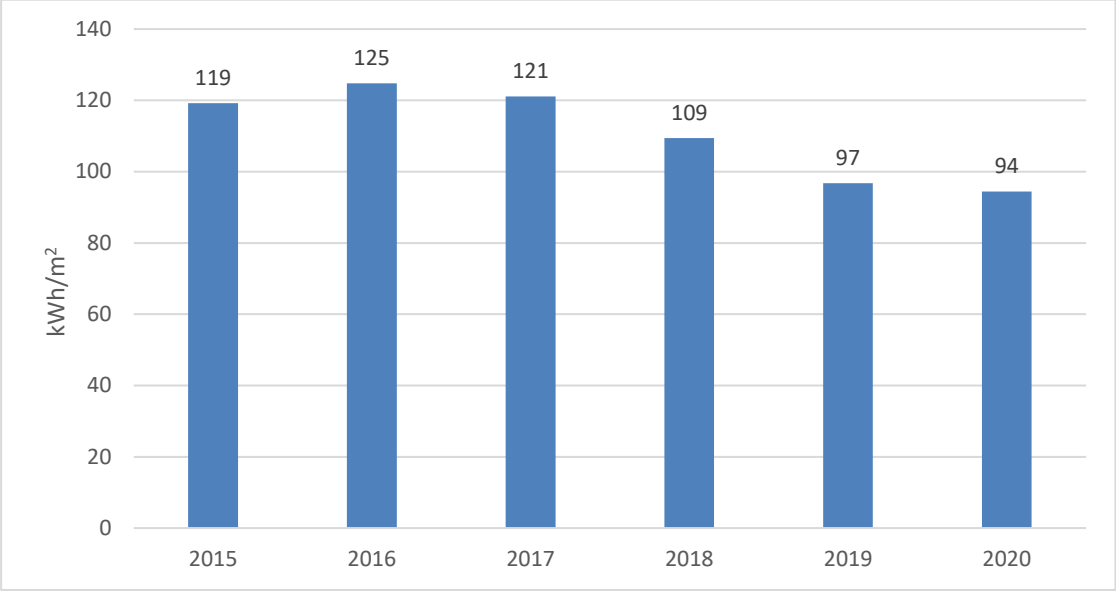
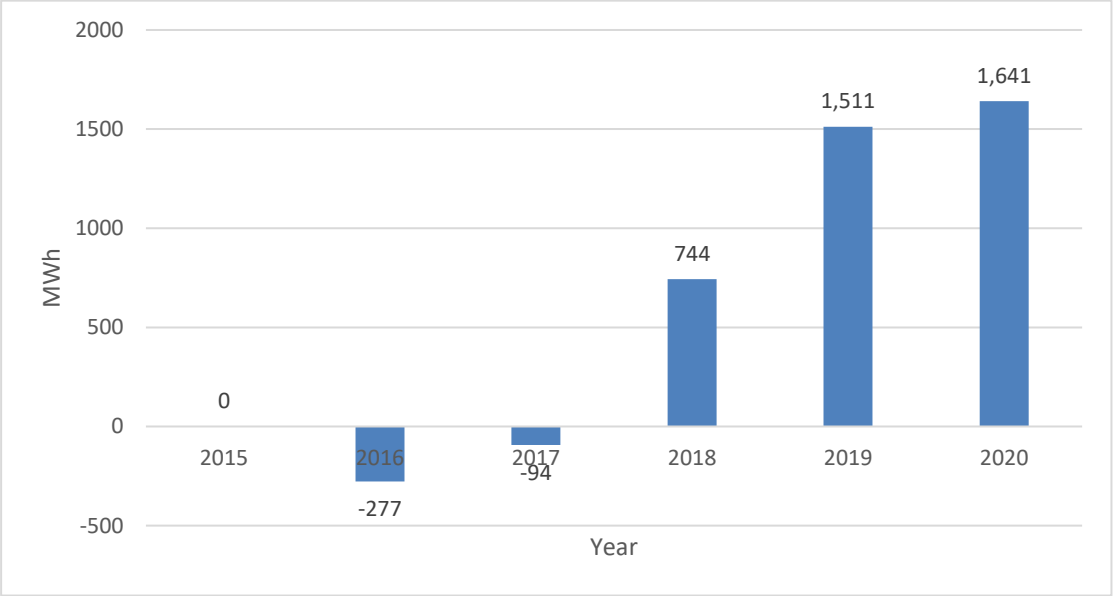


Figure 74: Savings in energy consumption for heating with respect to the 2015 baseline year (MWh)[99]



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

[99] GRI GS 302-4.

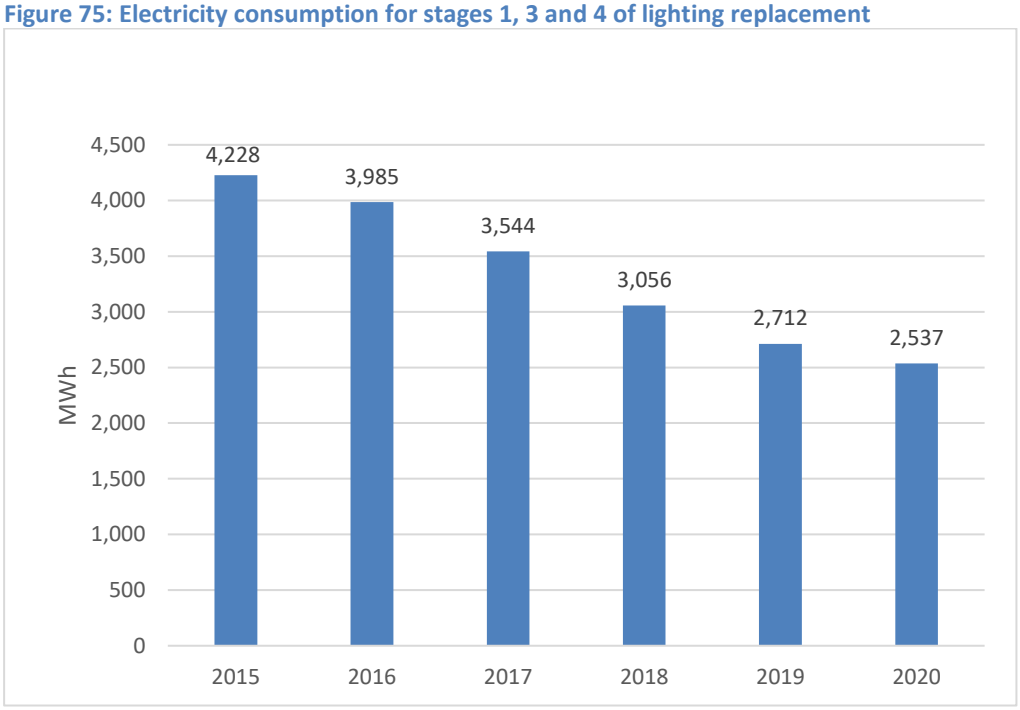
2020, we were included in a workgroup that was put together and is now active within the scope of the Ministry of the Environment and Spatial Planning to prepare amendments to a decree foreseeing the reduction of LED colour temperature to 3000K or 2700K. Pursuant to the amended decree, the Company procured 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.

Figure 75: Electricity consumption for stages 1, 3 and 4 of lighting replacement

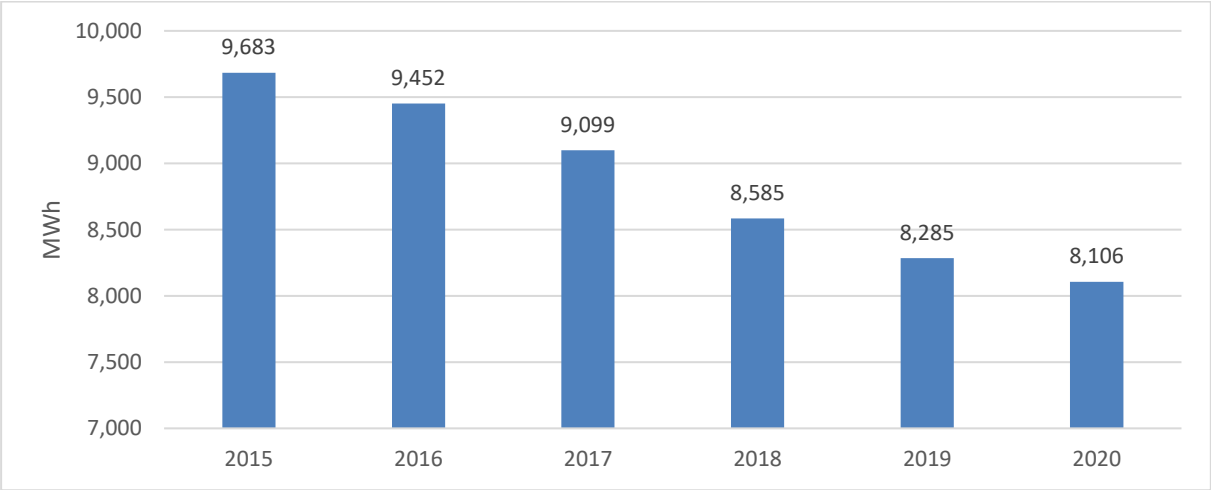


In stage 2, the lights at all MMCs were replaced.

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 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 76: 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 2020, an invitation to tender was prepared 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 will calculate which of the schemes (PX2, PX3, self-supply) is more suitable for a particular facility, and prepare all 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.

I.5.6.6 Carbon footprint monitoring[100]

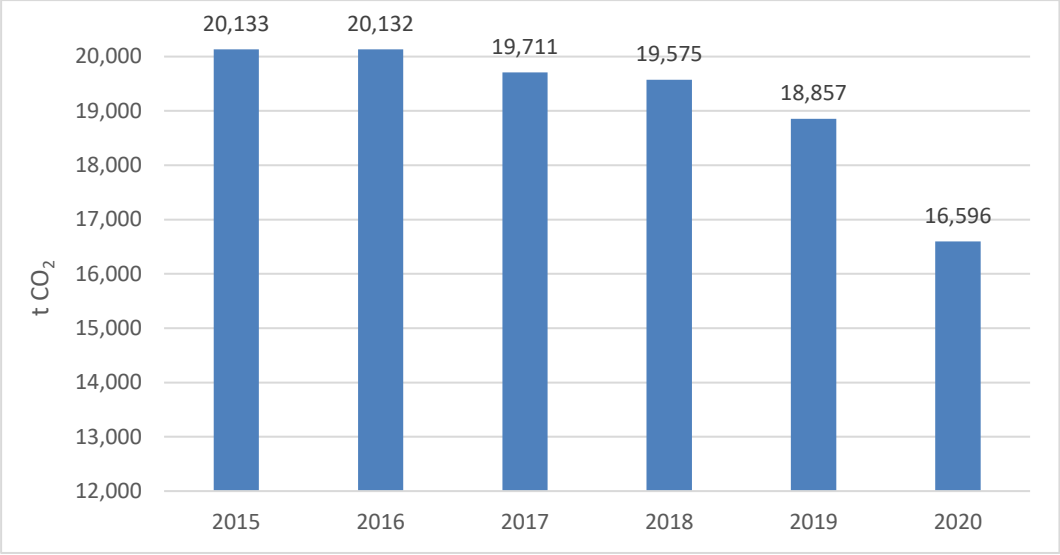
Carbon footprint is the total amount of greenhouse gas emissions related to the operations of DARS. The carbon footprint calculation at the Company level took into account all direct greenhouse gas emissions (CO_2 and other) that are generated at DARS locations.

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 for 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 emission generated by MW and EW users. Chapter I.5.6.7 shows the reduced fuel consumption by the users of vehicles with a maximum authorised mass exceeding 3.5 tonnes due to the deployment of the DarsGo system.

Despite new MW sections opening in 2017 and 2018, which resulted in increased energy consumption, the carbon footprint has decreased from year to year due to systematic measures in efficient energy use as implemented on the basis of energy reviews and shown in the figure below.

Figure 77: Carbon footprint by year



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

Figure 78: Carbon footprint per MW km

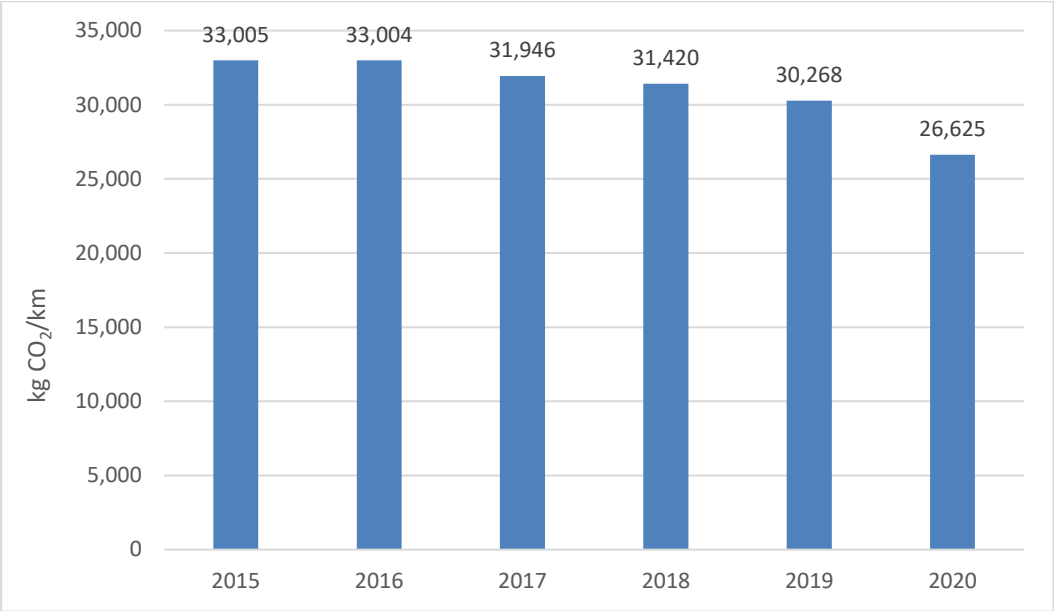
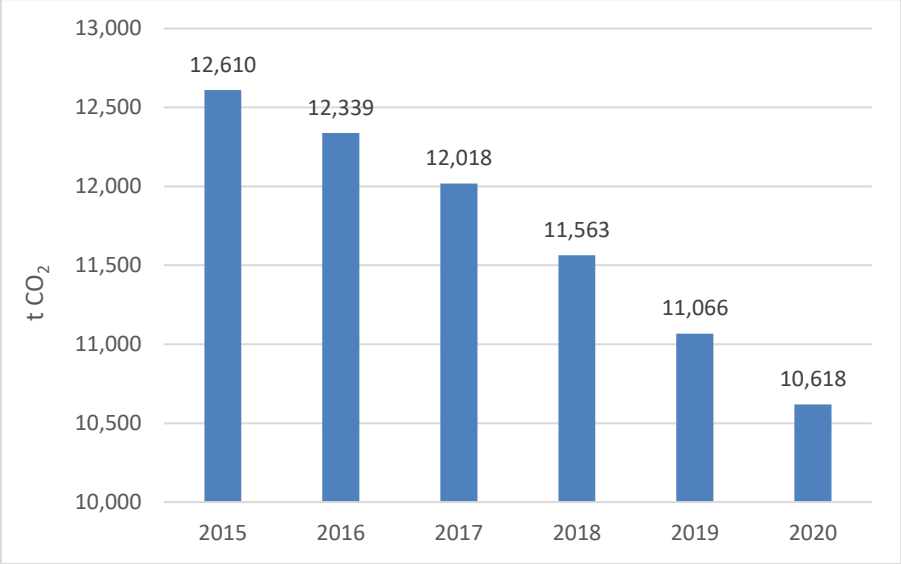
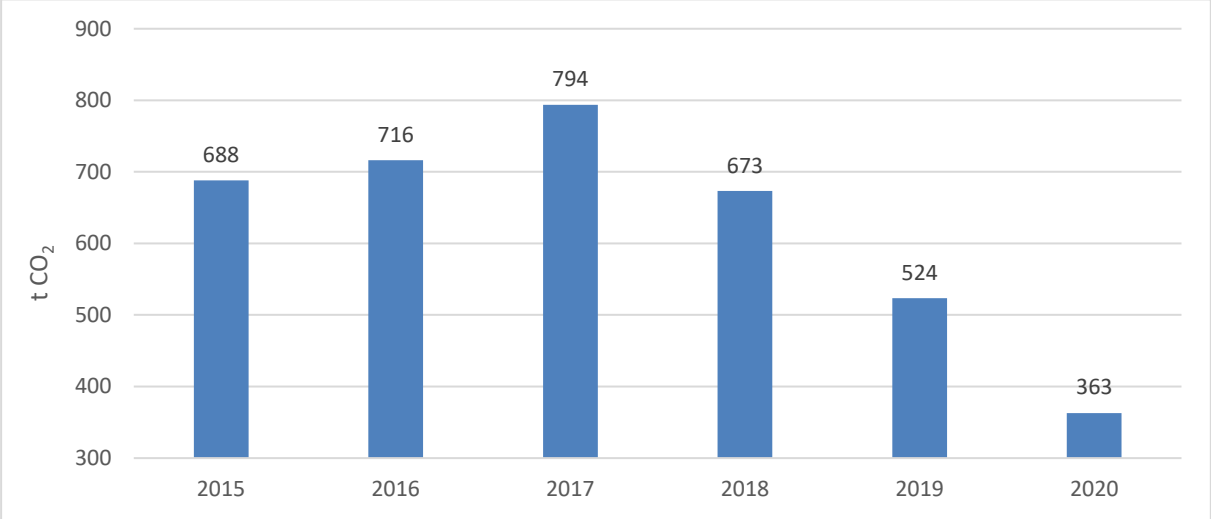


Figure 79: Carbon footprint – electricity



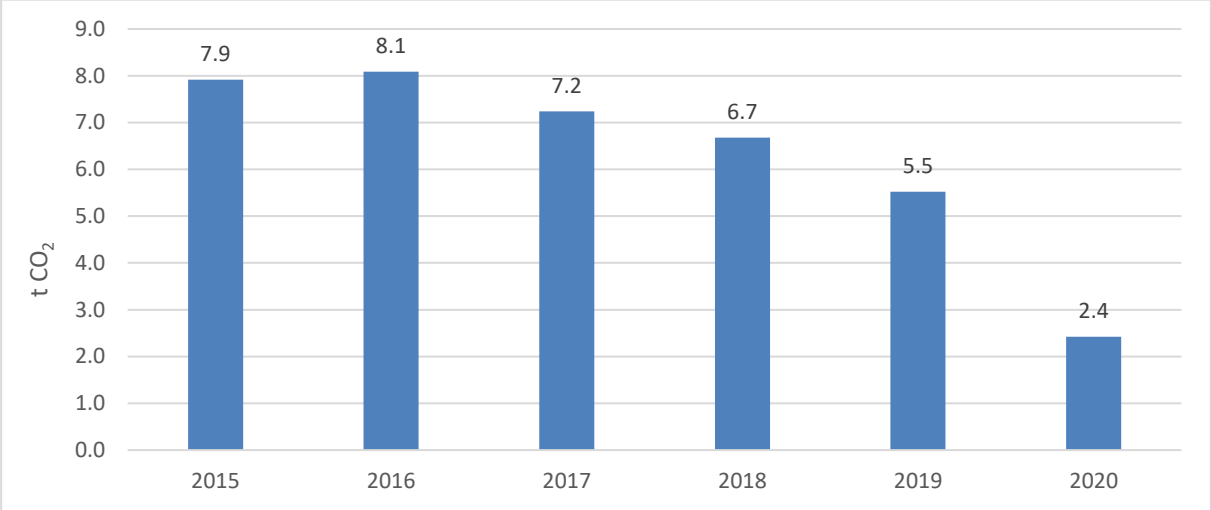
The measures introduced to reduce electricity consumption have also led to a reduced carbon footprint.

Figure 80: Carbon footprint – heating



The measures introduced to reduce energy consumption for heating have also led to a reduced carbon footprint.

Figure 81: 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 authorised mass 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 for vehicles with a maximum authorised mass (MAM) 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 for the first 3 months of 2018, before the toll system was changed on 1 April, were calculated, 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 26: Total reduction of emissions due to the deployment of electronic tolling in Slovenia[102]

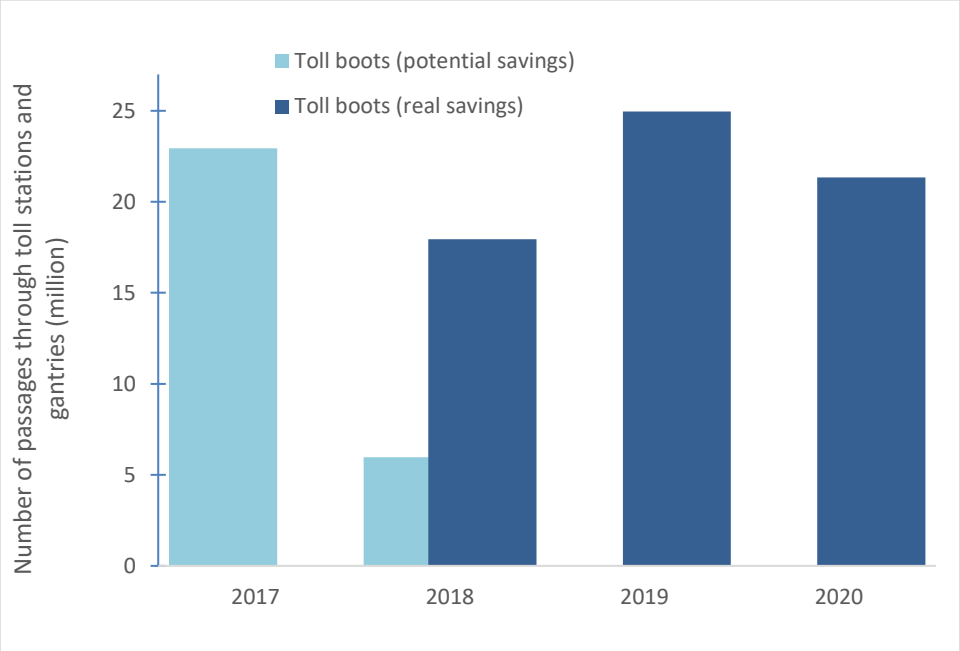
Year	No. of passages through toll stations	Fuel savings [t]	Fuel savings [GWh]	CO_2 emissions [t]	NO_x emissions [t]	$PM_{2.5}$ emissions [t]
2017	22,936,633	0 (potential saving *12,456*)	0 (potential saving *147*)	0 (potential saving *38,308*)	0 (potential saving 140)	0 (potential saving *2.3*)
2018*	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	35.54	0.70

*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 real savings after 1 April 2018 and in 2019 and 2020 are shown in bold colour. In 2020, fuel savings and CO_2 emissions reduced due to a smaller number of passages by heavy goods vehicles on account of the pandemic, while the huge drops in NO_x and $PM_{2.5}$ emissions are mostly affected by heavy vehicles transferring to higher EURO emission classes.

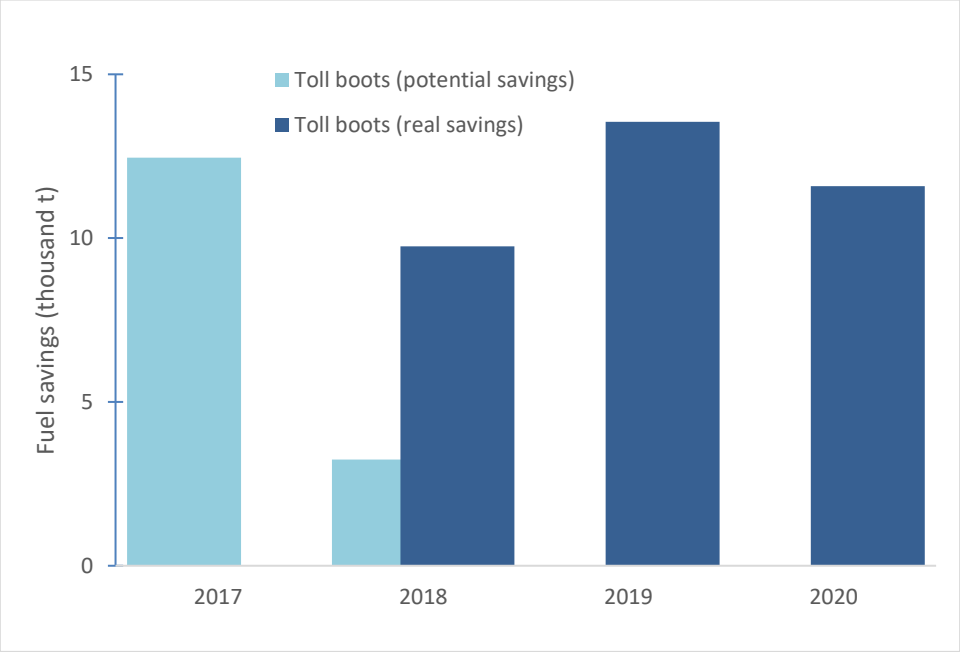
[102] GRI GS 302-3, 305-2

Figure 82: No. of passages through toll stations and under toll gantries from 2017 to 2020



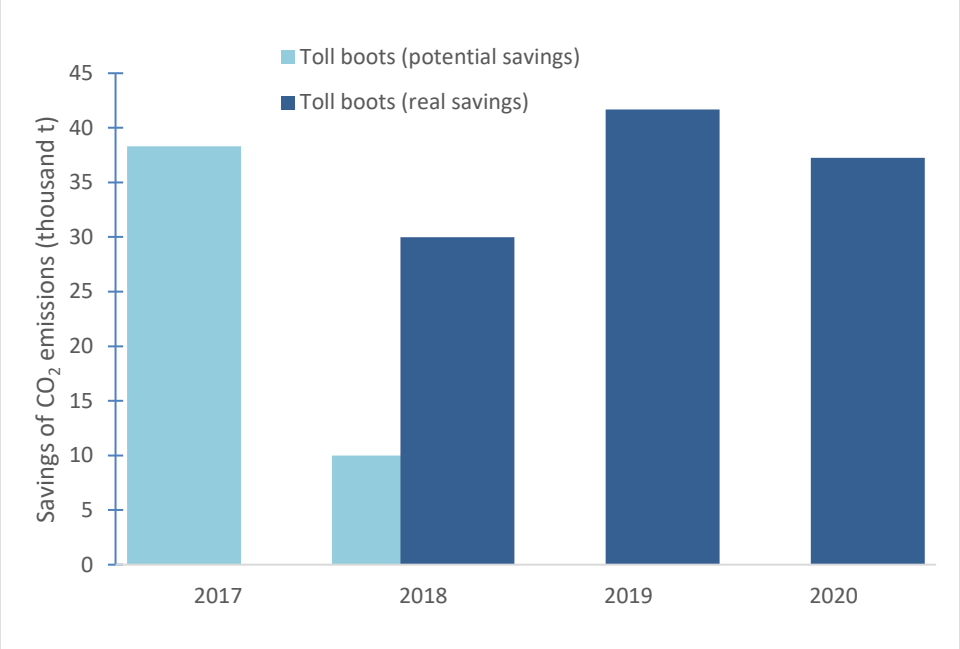
The figure below shows potential and real fuel savings due to the deployment of the DarsGo system without stopping at toll stations, i.e. from 2017 to 2020. It is evident that fuel savings increased in 2019 and decreased in 2020 due to the pandemic. Both units have been used: fuel mass in tonnes (left) and its energy in GWh (right).

Figure 83: Potential and real fuel savings due to the deployment of the DarsGo system without stopping at toll stations from 2017 to 2020



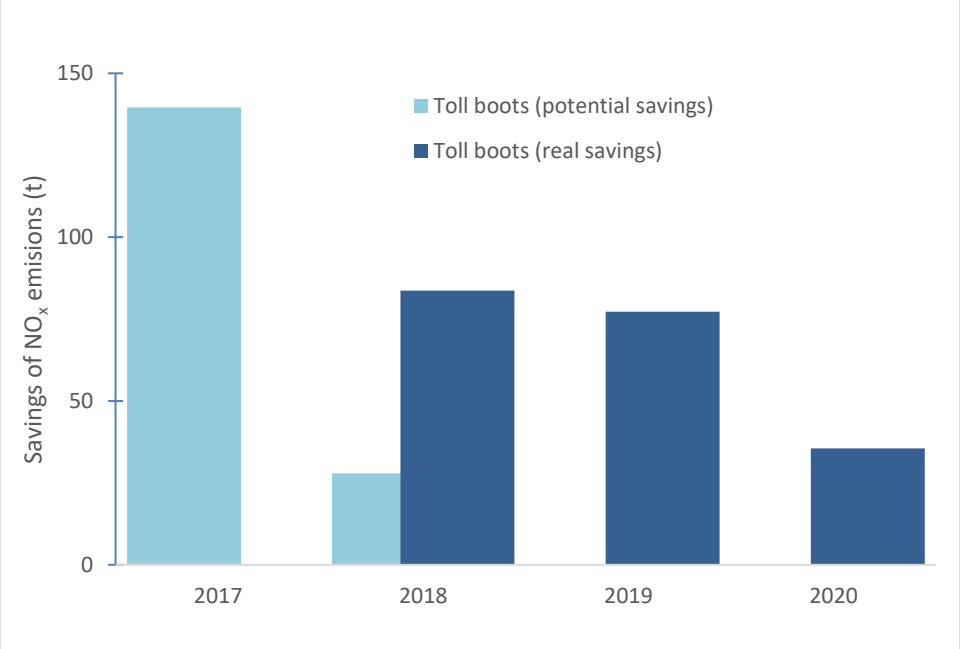
The figure below shows the potential and real savings of CO_2 emissions due to the deployment of the DarsGo system without stopping at toll stations. It is possible to observe a trend of reduced emissions in the future, which is mostly the subject of the increased number of passages.

Figure 84: Potential and real CO_2 emission savings due to the deployment of the DarsGo system without stopping at toll stations from 2017 to 2020



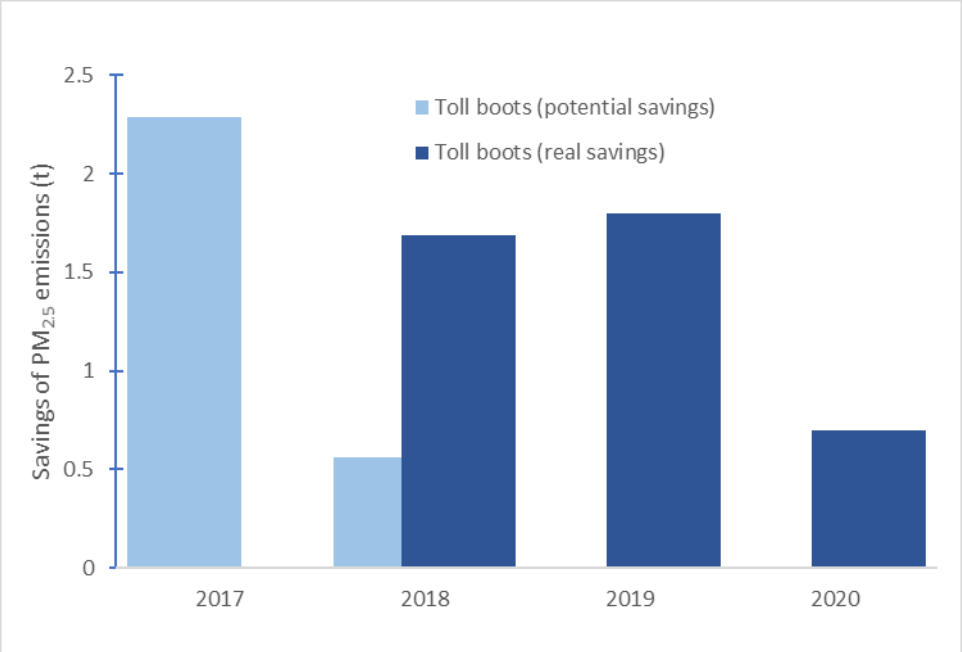
The figure below shows the potential and real savings of NO_x emissions due to the deployment of the DarsGo system without stopping at toll stations.

Figure 85: Potential and real NO_x emission savings due to the deployment of the DarsGo system without stopping at toll stations from 2017 to 2020



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

Figure 86: Potential and real $PM_{2.5}$ emission savings due to the deployment of the DarsGo system without stopping at toll stations from 2017 to 2020



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 fans installed. 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.

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

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 injuries.

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 unfortified path for the crossing of animals in addition to the road surface in the underpass. The prevention of animal roadkill on all traffic routes (national roads, motorways and railways) is important both in terms of animal mortality rates and traffic safety improvement. To that end, Dars installed electric fences on the Logatec-Postojna section and furnished all MW junctions with acoustic deterrent devices for deer, 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 for the crossing of animals is provided. 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 a sonic 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 sonic 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.

[104] GRI GS 304-2.

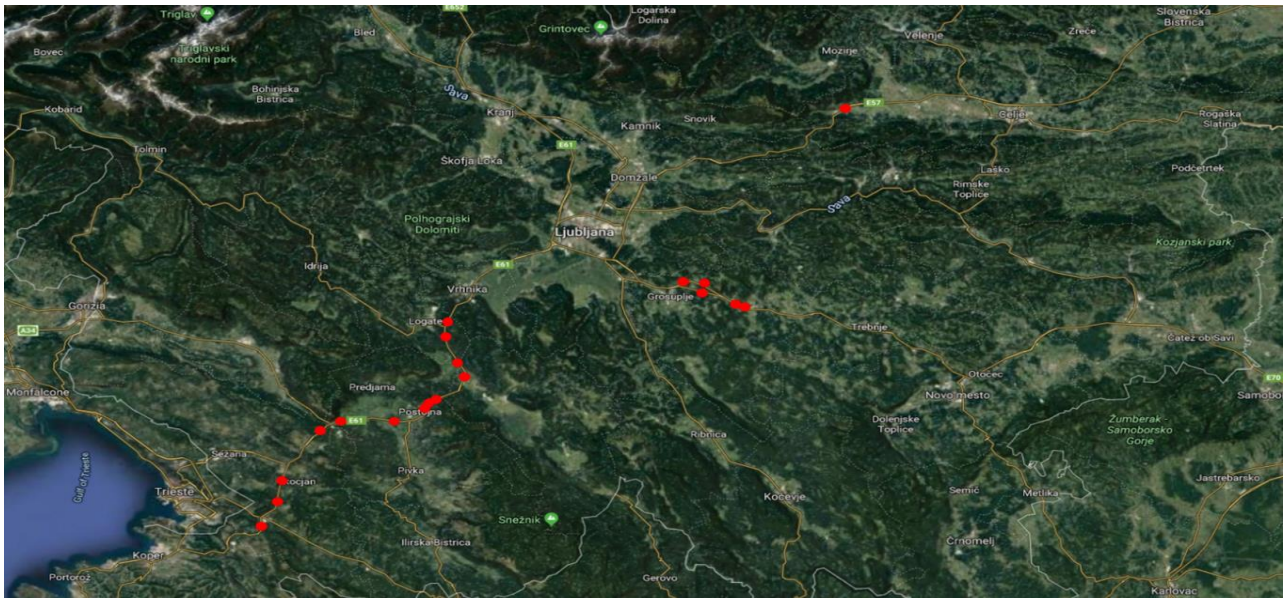
Figure 87: Acoustic deterrent device for animals

In the second half of 2018, some 100 new deer deterrents were installed on indicator lamps at junctions on the Dolenjska motorway leg and partly in the area of Ljubljana. Furthermore, in cooperation with the company 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 (national 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 88: 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 30km in the mentioned section of the Primorska leg, i.e. 15km along each carriageway towards Koper and Ljubljana.

Figure 89: 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 a sonic 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.

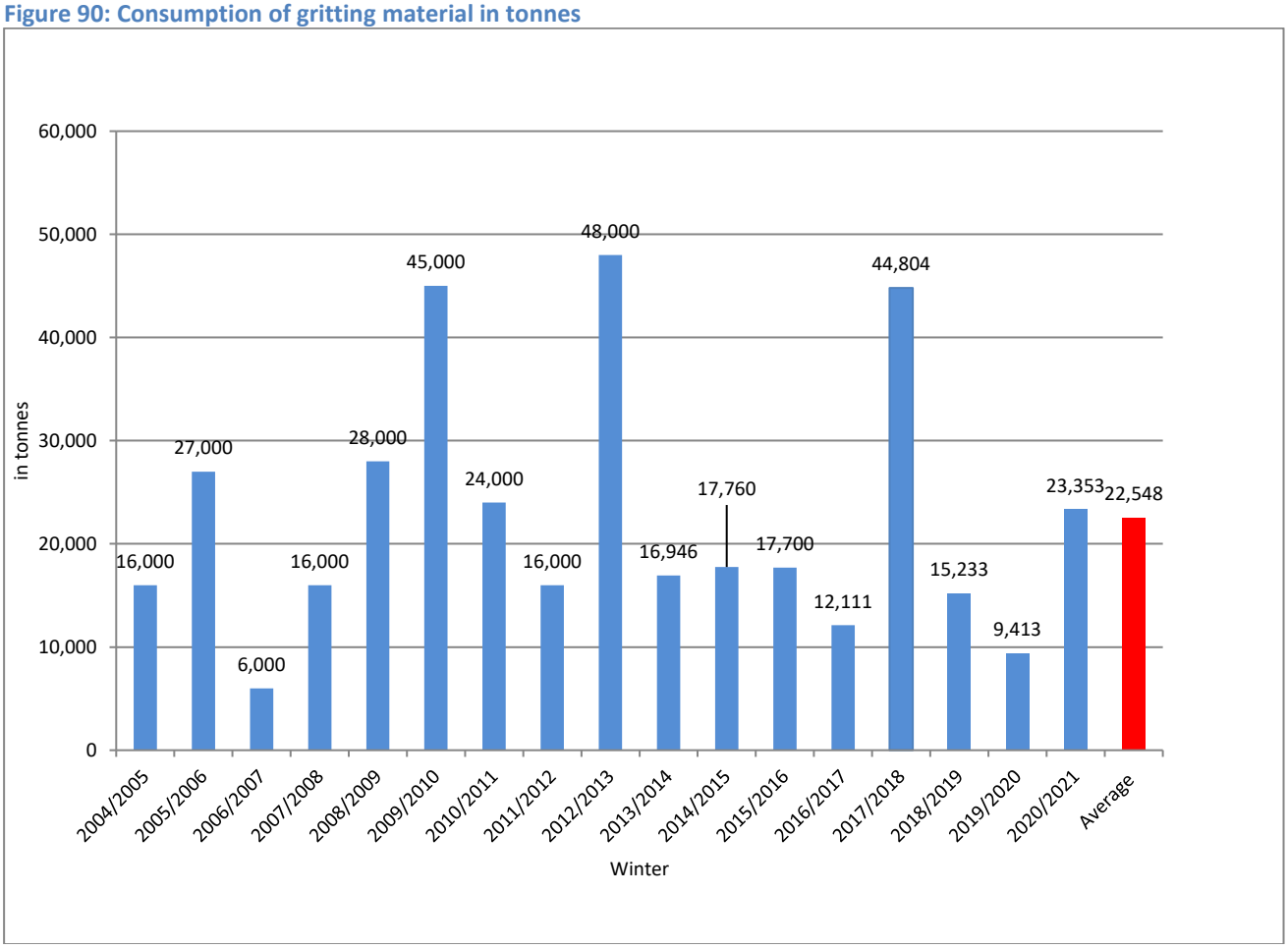
I.5.6.10 Environmental impacts of road gritting[105]

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 90: Consumption of gritting material in tonnes



In 2020, 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 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 2020, additional silos and devices for the production of sodium chloride solutions were supplied to MMC Maribor, MMC Murska Sobota and MMC Postojnam, Vipava branch. New automated mixing devices were delivered and are already in operation at the Podtabor, Dob and Logatec branches and at MMC Postojna, MMC Hrušica, MMC Vransko, MMC Kozina and MMC Ljubljana.

Figure 91: New automated mixing devices

Notably, environmental pollution thereby reduced by some 25%. The number of traffic accidents is also reduced or, rather, came close to the number of accident 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 high concentrations of chloride ions in roadside watercourses and wetlands.

Use of new technologies

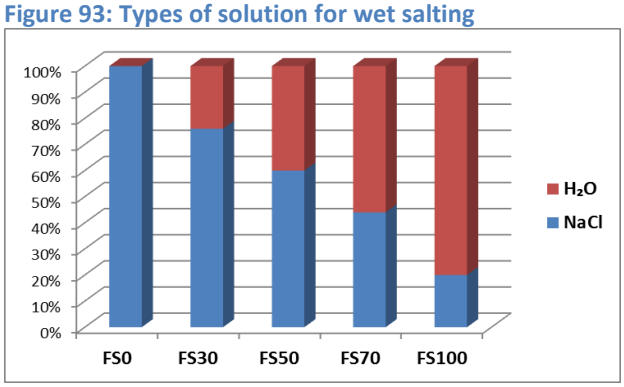
In 2021, it is planned to procure new modern equipment for winter road maintenance with controlled consumption in relation to temperature and the ongoing monitoring of grit release. It is estimated that salt consumption could be reduced to somewhere between 15 and 25% per m^2 with the introduction of 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 92: The impact of salting on the pavement (source: own footage, 2010)

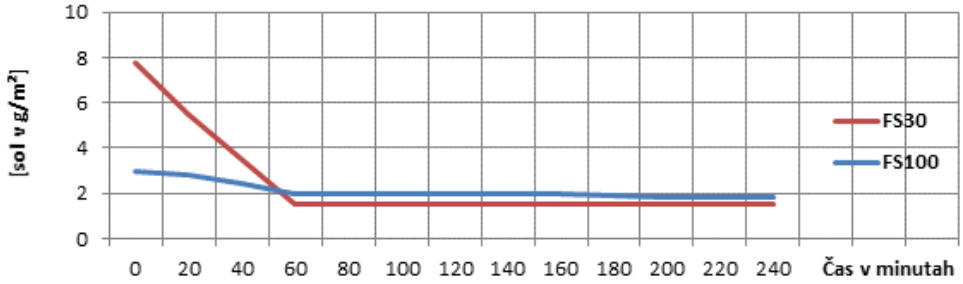
Figure 93: Types of solution for wet salting



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 2g/m^2 of wet salt (FS30) remains from the initial amount of 7.5g/m^2, and after 60 minutes only 1.5g/m^2. Interestingly, the loss in FS100 is smaller and, if 3g/m^2 is sprayed, almost 2g/m^2 remains after 60 minutes.

Figure 94: 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.

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, 2814m^3 of 23% NaCl solution was used for preventive liquid salting, while 4951m^3 of the solution was used in the 2020/2021 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 pubic 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 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 issued by the Slovenian Environment Agency. 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 2020 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 d.d. 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. The measurements showed that the parameters of drainage water from the retention basins were within the limits set by the mentioned Decree and could as such be discharged into nature without further treatment.

Table 27: 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 95: Retention basins along MW

In 2020, the Maintenance Service 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. The public procurement procedure to obtain the most favourable qualified provider for the relevant works was underway all year long, which is why the contract was signed no early than in November 2020. Since wintertime is not appropriate for such works, all such works

[106] GRI GS 103-1, 103-2, 103-3, 306, 306-1.

were postponed to 2021. 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.

To protect waters, waste tunnel washing water is removed from the location of origin, which is one of the ongoing tasks of the Maintenance Service. 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 make sure that it is treated.
- Was water 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 that refers to an oil spill (burning naphtha). The incident happened in February 2018 upon a terrible 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 naphtha 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 highly demanding 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 naphtha. When cleaning the retention basin, 115.90m^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).

[107] GRI GS 306-1.
[108] GRI GS 306-3.

- Effects of the substantial spill: The incident was successfully managed with the entire intervention crew, so that no negative effects of major dimensions occurred.

I.5.6.12 Noise emissions[109]

DARS has erected noise barriers along the motorway alignment due to traffic since 1988. Since then and by the end of 2020, 184.91 kilometres of noise barriers were erected.
The Noise Action Programme for 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.

Furthermore, the Company carried out measures imposed by the governmental Noise Action Programme. The measures included in the Noise Action Programme (Lot B) at 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.

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 at 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 d.d. ordered noise studies in 2020 containing proposals for anti-noise measures for the individual areas on the motorway network.

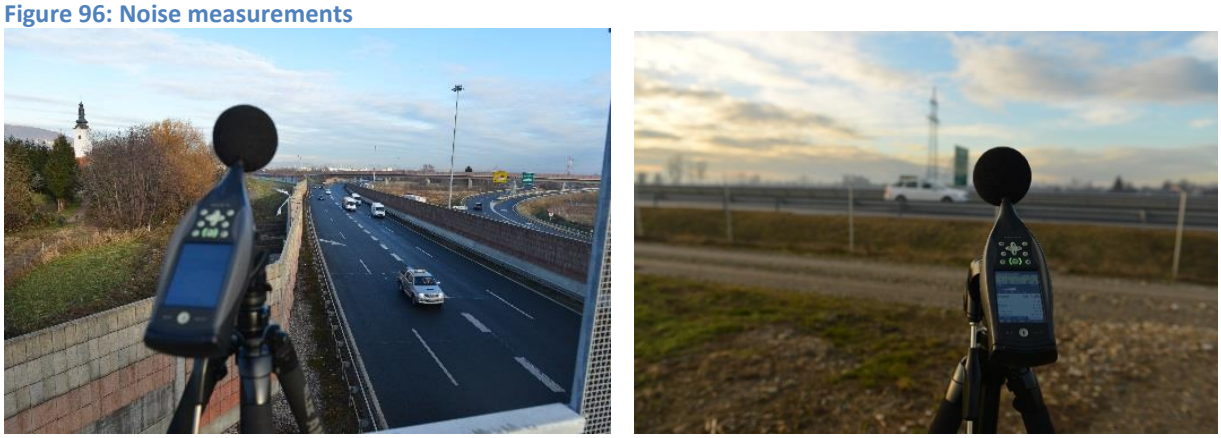
[109] GRI GS 102-12.

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 the existing anti-noise measures, which are deemed inadequate considering the current noise pollution, and sets out three types of measures (renovation, upgrade, 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, which is expected in 2021 for the 2018–2023 period, 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, 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.

Figure 96: Noise measurements



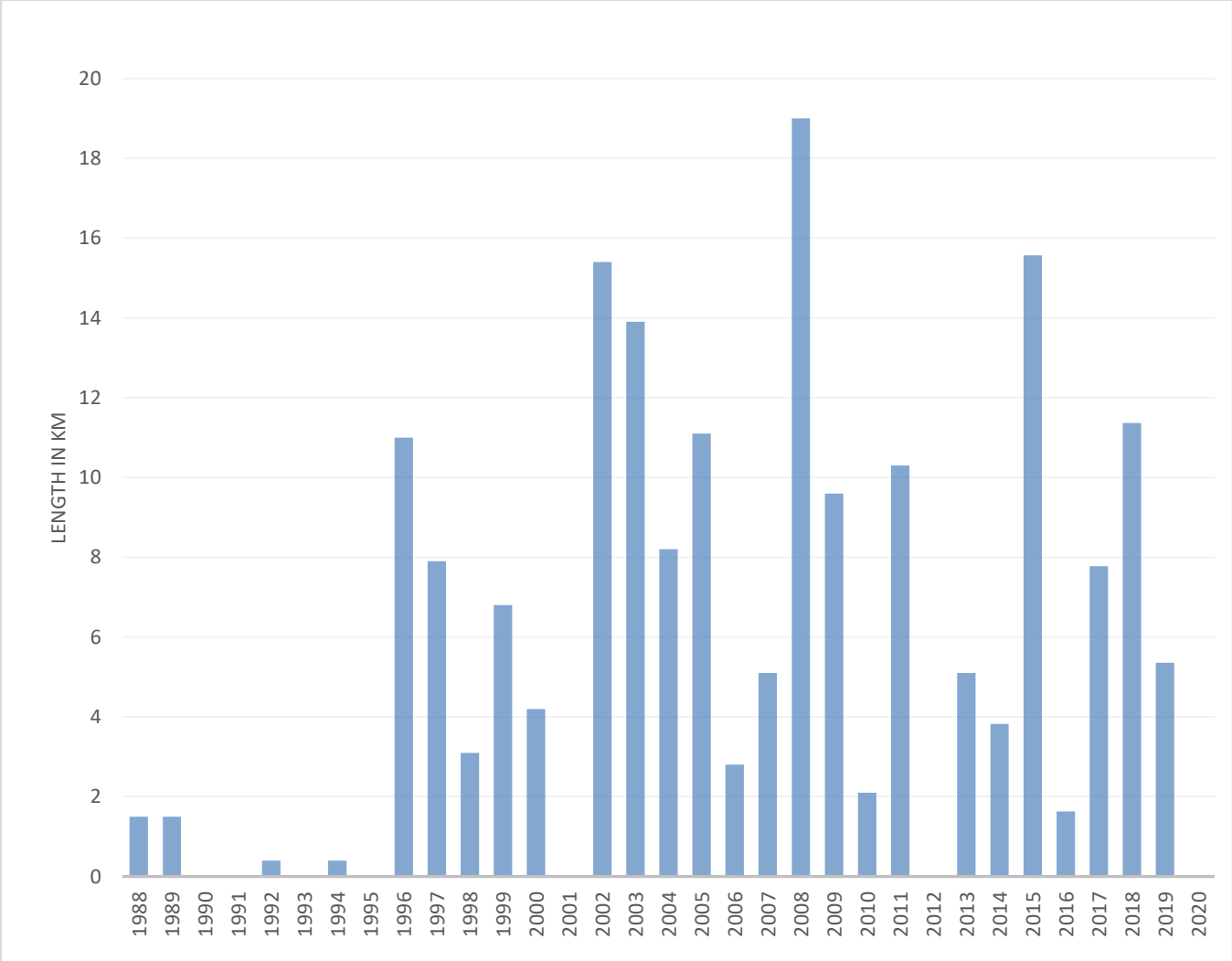
Based on the adoption of the methodology for noise protection monitoring on motorways and expressways, the Company began recording the condition of noise protection with the assistance of a contracted specialist. Based on the collected and analysed data, part of the noise protection was included in the Plan of Measures on Infrastructure for 2021–2023. 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 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 92 complaints in 2020 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 d.d. will start implementing measures to reduce noise pollution along MWs and EWs, 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 181.4km 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 97: Noise barrier construction along the motorway network in RS between 1988 and 2020



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 the design documents, the Company constructed the following between 2015 and 2017:

- MW Draženci–Podlehnik: 8 lots of noise barriers in the length of 6247m,
- MW Draženci MW–IBC Gruškovje (stage 2.a) in the length of 1176m,
- MW junction Šmarje-Sap: 4 lots of noise barriers in the length of 1414m,
- EW Koper–Izola: 8 lots of noise barriers in the length of 1110m,
- MW section Pesnica–Zrkovska: an additional barrier in the length of 259m.

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 7,615m,
- MW Dramlje–Celje: 20 noise barriers in the length of 7,953m,
- MW Dramlje–Celje–Arja vas: 19 noise barriers in the length of 10,511m,

- MW Brezovica–Vrhnika: 3 noise barriers within the scope of the rearrangement of toll station Log in the length of 852m.

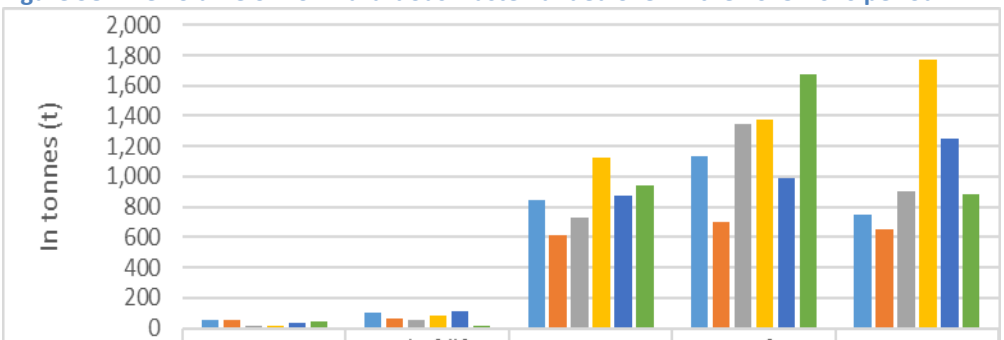
In that period, 20 noise barriers were erected in the total length of 7953m in 2015 within the scope of the Noise Action Programme, Lot B, on the existing Dramlje–Celje motorway section. In 2018, DARS d.d. eliminated deficiencies on 10,400m of the barrier in this motorway section. In 2019, 5,357 metres of noise barriers with the total area of 18,001m^2 were constructed at ten locations within the scope of lot A of the Noise Action Programme. In 2020, no noise protection measures were executed at any road section operated by DARS.

I.5.6.13 Waste management[110]

In 2020, 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 2018 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 grit basins, 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).

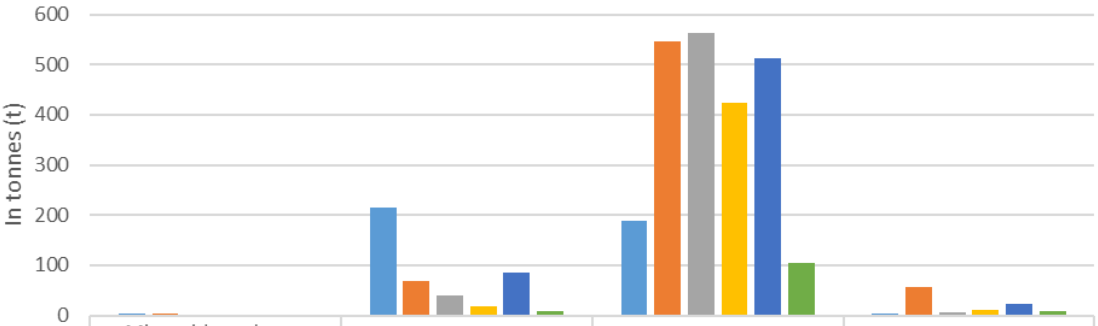
Figure 98: The volume of non-hazardous waste handed over in the 2015-2020 period[111]



	Waste plastic	End-of-life tyres	Iron and steel	Waste from desanding	Waste water solutions
2015	49	106	845	1,131	748
2016	54	60	611	704	651
2017	20	59	729	1,343	905
2018	18	80	1,129	1,375	1,776
2019	37	110	871	987	1,249
2020	41	13	938	1,674	886

[110] GRI GS 103-1, 103-2, 103-3, 306, 306-2.
[111] GRI GS 306-1.

Figure 99: The volume of hazardous waste handed over in the 2015-2020 period



	Mineral-based non-chlorinated engine gear and lubricating oils	Sluddges from oil/water separatorns	Oil water from oil/water separators	Construction materials containing asbestos
2015	4	216	188	3
2016	4	68	546	57
2017	2	39	563	7
2018	1	18	424	12
2019	2	85	512	22
2020	2	8	104	8

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 public service obligation 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.

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 different hazardous and non-hazardous waste is 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 department 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 referred to waste tyres, where 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

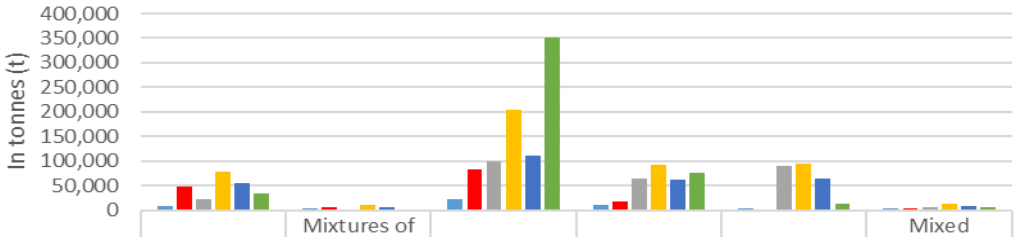
waste (e.g. Kemis) also includes the disposal of certain hazardous waste (packaging waste from plant protection products and waste plant protection products). This issue, too, is still open and being resolved.

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 barrier, 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 great financial cost when large volumes of waste are involved.

Construction waste management

In investments, DARS d.d. also acts as a producer of construction waste. The legal regulation of the area has been transposed by DARS d.d. into its own investment execution process. Hence, an additional requirement is 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 (VVO, 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 100: The volume of hazardous waste handed over in the 2015-2020 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	7,547	4,127	23,047	11,509	4,171	3,036
2016	47,589	5,340	83,117	18,037	914	4,380
2017	23,163	792	98,016	63,427	88,884	6,417
2018	78,299	10,258	204,179	92,972	93,968	13,832
2019	54,978	5,648	110,943	62,976	64,382	8,519
2020	34,380	2,085	351,868	76,923	12,362	4,882

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] Hence, several projects have

[112] GRI GS 306-2.
[113] GRI GS 306-2.
[114] GRI GS 306-2.

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 d.d. 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.

I.5.7 Inclusion of broader society

I.5.7.1 Inclusion of 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 d.d. 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 d.d. received a special Max Fabiani jubilee award in 2015.

DARS d.d. 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.

[115] GRI GS 306-2.
[116] GRI GS 103-1, 103-2, 103-3, 413-1.

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 Maks 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 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 d.d. 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]

DARS d.d. has been a representative member of the Slovenian Chamber of Commerce and Industry since 2005, where its principal activity is defined as “Service activities incidental to land transport”. It publishes its environmental efforts and sustainability achievements in practice within the scope of the Zeleno omrežje Slovenije network. DARS d.d. is also a corporate member of the Slovenian Directors’ Association, a member of the Slovenian Intelligent Transport Systems Association operating within the scope of the Electrotechnical Association of Slovenia, the Association of Employers of Slovenia and, by way of its employees, a member of the

[117] GRI GS 102-12.
[118] GRI GS 102-13.

Slovenian Chamber of Engineers, the Slovenian Corporate Treasurers Association, the Slovenian Institute of Auditors, the Institute of Business Law, the Institute for Corporate Security Studies, etc.

The Company is actively cooperating with related companies abroad and is also a member of several international organisations. In addition to global associations such as IBTTA and PIARC, 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 d.d. has been trying to establish and maintain the best international connections possible for a number of years in line with its commitment to the Company vision, which is focused on integration in various areas. By participating in international associations, such as the ASECAP (L'Association Européenne des Concessionnaires d'Autoroutes et d'Ouvrages à Péage, European Association of Operators of Toll Road Infrastructures, more at: http://asecap.com/), PIARC (World Road Association, more at: https://www.piarc.org/en/) and indirectly the IBTTA (International Bridge, Tunnel and Turnpike Association, more at: https://www.ibtta.org/), DARS is an important partner in the development of legal bases and organisational policies in road infrastructure management, maintenance and financing. Its representatives attend public consultations and participate in important research studies and public opinion surveys, attend meetings with related business entities, cooperate with representatives of European institutions, in workgroups and on platforms that are used to co-develop new trends in traffic and infrastructure, thus preserving the achieved values. DARS is also fully engaged in bilateral cooperation, be it within the scope of intensive business correspondence between comparable organisations or in the organisation of international visits. Unlike in previous years, all such meetings were conducted online or, rather, in digital form after the epidemic was declared in 2020.

In addition to the management of the Data Gathering and Analysis - Statistics committee (COPER IV) since 2017, DARS representatives also participate in the committee for tolling and concessions, the committee for road safety, the committee for ITS and in the ASECAP Executive Committee. That way, the Company co-develops the Association's plans of work and participates in the establishment of workgroups needed to achieve the key goals. Current topics where the ASECAP cooperates with the European Commission and the European Parliament mostly include an amendment of the so-called Eurovignette Directive, the introduction of a European electronic tolling system, traffic safety and developments in ITS, smart and sustainable mobility. In 2020, the European motorway operators focused primarily on the EU’s central development strategy called the Green Deal. Following the outbreak of the epidemic and considering the urgency of addressing its consequences for the re-establishment of the European economy, the Green Deal plays an important role in planning the recovery of the European economy.

Many Company activities are also related to the acquisition of EU funds; namely, DARS received a total of €856,177.38 in grants within the scope of the Connecting Europe Facility (CEF) in 2020. For our largest cross-border project (the application for co-funding was filed together with Austria) – the construction of the Karavanke road tunnel – we received €459,405.86, which represents 10% of the eligible costs. In cross-border cooperation and the harmonisation of ITS applications, the Company received €21,109.95 for the Crocodile 2 project, which ended in 2019, and continued with the Crocodile 3 project, for which it received €84,214.55 in 2020 (both projects are co-funded in the amount of 20% of eligible costs). For the C-Roads Slovenia pilot project, which is co-funded in the amount of 50%, the Company received €73,259.52, as well as €218,187.50 upon the launch of activities in the C-Roads Slovenia 2 project, which is the continuation of the original project.

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 upon emergencies on the motorway system operated by the Company.

Donations are typically given to a major humanitarian project, i.e. children in the Botrstvo project, which is carried out by the Association of Friends of Youth Ljubljana Moste-Polje.

The funds intended for sponsorships (sponsorships are not provided since the end of January 2020 pursuant to SSH Recommendations) and donations in the last 4 years are evident in the table below. A total of €115,000 was disbursed for one sponsorship and 50 donations.

Table 28: Funds for sponsorships and donations

Funds	2016	2017	2018	2019	2020
Sponsorships	20,491	18,892	27,800	56,839	5,852
Donations	100,918	146,203	121,134	140,501	108,240
TOTAL	121,409	165,094	148,934	197,339	114,092

I.5.8 Responsibility to suppliers/contractors[119]

In 2020, DARS d.d. successfully cooperated with many suppliers/contractors (170) at home and abroad, although most business cooperation focused on suppliers/contractors from Slovenia (98% in terms of value) providing construction works (68%), services (27%) and goods (5%) with respect 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 authorities 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 awarding a public contract[121]

When procuring goods, services and construction works, DARS d.d. 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 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 experiences of the staff conducting the public contract if the quality of the staff has a major effect on the level of public contract performance;
- after-sales services, technical assistance and delivery terms, such as the delivery date or completion of works, the delivery or implementation procedure and the duration of supplies or works.

[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.

The contracting 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.

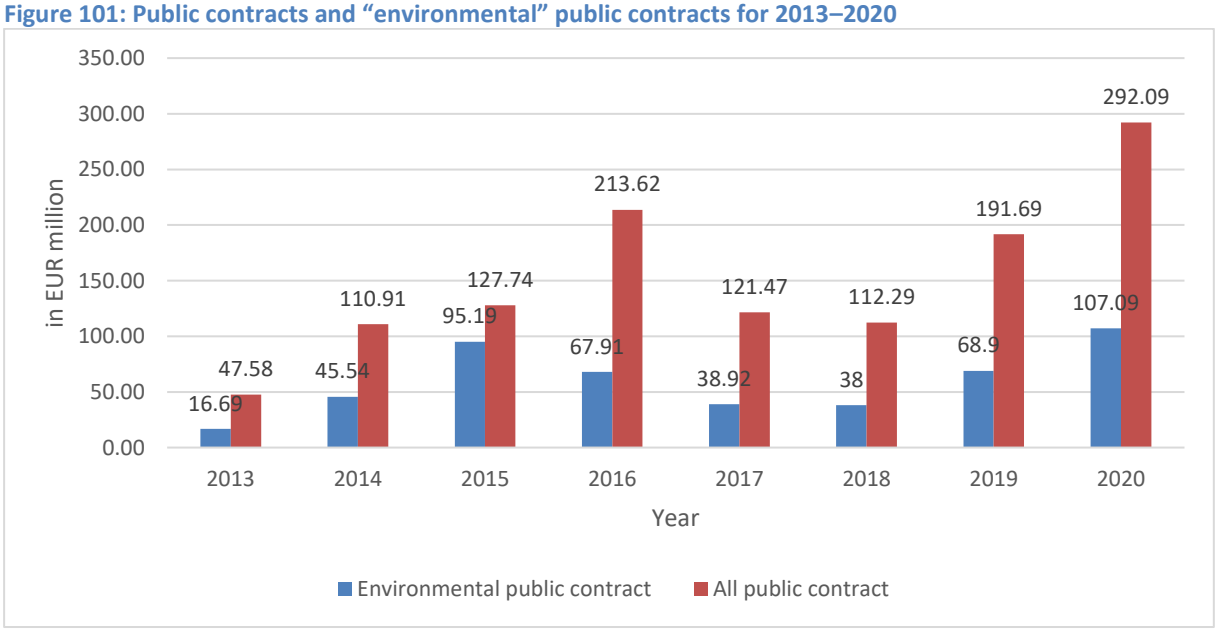
The criteria for awarding a public contract must be non-discriminatory, proportional and related to the subject of the public contract. It is deemed that criteria are related to the subject of a public contract if they refer to construction works, goods or services to be provided in line with the public 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 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 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, contains the STATIST module, where it is possible to obtain statistical data relating to public procurement in the Republic of Slovenia. The data for 2020 shows that 1012 contracting entities awarded public contracts in the total amount of €3,909,522,402.17 (excluding VAT). The total number of public contracts awarded in the Republic of Slovenia in 2020 was 6659. The environmental aspect was taken into account in 1364 or 21.51% of the contracts awarded.[124]
Changes in the total public contracts awarded by DARS d.d. and the growth of public contract value in which the environmental aspect was observed from 2013 to 2020 (in € million) are shown below.

Figure 101: Public contracts and "environmental" public contracts for 2013–2020



[122] GRI GS 102-9.
[123] Source: https://ejn.gov.si/statist, https://www.enarocanje.si/
[124] GRI GS 308-1.

The data for 2020 shows that DARS d.d. awarded public contracts in the total amount of €292,088,498 (excluding VAT). The total number of published invitations to tender was 189, while 194 public contracts were awarded. The environmental aspect was taken into account in 33 or 19.53% of the contracts awarded, which in terms of value means €107.09 million or 36.66%.

Pursuant to the Decree on green public procurement (Official Gazette of the Republic of Slovenia, Nos. 51/17 and 64/19; hereinafter "Decree"), green public procurement is mandatory for 20 subjects of public 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 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 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 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.

Table 29: Contracting entities with the highest value of awarded public contracts in 2020

Contracting entity	In € (excl. VAT)
Družba za avtoceste v Republiki Sloveniji d.d. (Motorway Company in the Republic of Slovenia)	292,088,498
Ministry of Infrastructure, Slovenian Infrastructure Agency	230,297,959
Agency of the Republic of Slovenia for Commodity Reserves	209,155,956
ELES d.o.o.	155,087,214
Ministry of Public Administration	149,716,591
Ministry of Defence	141,662,904
University Medical Centre Ljubljana	130,172,902
Association of Health Institutes of Slovenia	125,192,685
Luka Koper d.d.	120,862,568
University Medical Centre Maribor	87,695,158
Total	**2,267,589,968**

The value of the public contracts awarded by the top 10 contracting entities accounts for 42% of all the public contracts awarded.

In the period between 1 January and 31 December 2020, DARS awarded public contracts worth €292,088,498. There were 169 public contracts published on the Public Procurement Portal. The Company awarded 194 public contracts to 170 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]

[125] GRI GS 102-9.

Table 30: Awarded contracts by the subject of the contract*

Subject of the contract	In € (excl. VAT)	Percentage (%)	of awarded contracts	Percentage (%)
Goods	13,269,368.56	4.54%	39	20.10%
Construction works	199,077,781.11	68.16%	38	19.60%
Services	79,741,348.35	27.30%	117	60.30%
Total	**292,088,498.02**	**100.00%**	**194**	**100.00%**

* The data has been taken from https://www.enarocanje.si/.

Table 31: Registered office or the location of tenderers

Location	Value	No. of tenderers	No. of awarded public contracts
SI	191,686,579	166	167
EU	1,854,295	3	3
non-EU	**98,547,624**	**1**	**1**

The table above shows that 1.76% of public contracts were awarded to tenderers domiciled outside the Republic of Slovenia or, in terms of value, €1,854,295.[126]
Data about major supplies of goods, services and construction works in 2020 is evident in the table below.[127]

Table 32: Major suppliers and types of construction works, goods and services supplied in 2020 (in €)

Supplier (construction works)	In € (excl. VAT)
Construction of the eastern tube of the Karavanke MW tunnel	98,547,623.89
Reconstruction of the road and structures at A5 MW – 0810/0910 Vučja vas–Murska Sobota from km 5,494 to km 6,590, 0175 junction Murska Sobota, 0811/0911 Murska Sobota–Lipovci from km 0,000 to km 3,789, 0176 junction Lipovci and 0812/0912 Lipovci–Turnišče from km 0,000 to km 0,725	12,593,902.47
Refurbishment of the pavement structure with an upgrade to the electrical and mechanical equipment in the eastern and western tubes of the Golovec tunnel and replacement of existing lighting in the Strmec cut-and-cover tunnel	8,556,648.62
Construction of the expressway from the Velenje South junction to the Slovenj Gradec South junction on the 3rd development axis north – lot D Gaberke	8,473,632.33
Carriageway resurfacing at A2 MW 0028 and 0628 Drnovo–Brežice from km 2.700 to km 10.400	5,794,723.41
Supplier (goods)	**In € (excl. VAT)**
Electricity supply with a share of RES and/or high-efficiency co-generation (CHP)	2,522,728.92
SUPPLY OF LIGHT-DUTY VEHICLES: Lot 1 – Light-duty vehicle LV 1C, Lot 2 – Light-duty vehicle LV 2, Lot 3 – Light-duty vehicle LV 2A, Lot 4 – Light-duty vehicle LV 2C, Lot 5 – Light-duty vehicle LV 4, Lot 6 – Light-duty vehicle LV 5, Lot 7 – Light-duty vehicle LV 5CNG, Lot 8 – Light-duty vehicle – successive supply LV4, Lot 9 – Light-duty vehicle – successive supply LV 2	2,128,967.00

[126] GRI GS 204-1.
[127] GRI GS 102-9.

SUPPLY OF SUPERVISORY VEHICLES: Lot 1 – Combination vehicle CV 1, Lot 2 – Combination vehicle CV 2, Lot 3 – Combination vehicle CV 5, Lot 4 – Combination vehicle CV 6, Lot 5 – Combination vehicle CV 1A, Lot 6 – Combination vehicle powered by compressed natural gas (CNG), Lot 7 – Combination vehicle – successive supply CV 1A	774,878.44
Supply of traffic equipment	768,675.00
Vertical signalling equipment	646,259.50

Supplier (services)	**In € (excl. VAT)**
Production of Basic Design (DGD) and Detailed Design (PZI) documents for the construction of stages 3 and 4 of the new transport link between A2 Ljubljana-Obrežje motorway and the Maline junction	9,004,966.30
Erection of customer service points and the provision of services in electronic tolling system in free traffic flow – DarsGo system – with the contract partner PETROL	7,200,000.00
Erection of customer service points and the provision of services in electronic tolling system in free traffic flow – DarsGo system – with the contract partner OMV	1,920,000.00
SERVICING AND REPAIRS OF GOODS VEHICLES: Lot 1: MMC Postojna, Ljubljana, Hrušica, Kozina, Vransko, Novo mesto, Lot 2: MMC Slovenske Konjice, Maribor, Murska Sobota	1,911,440.00
Erection of customer service points and the provision of services in electronic tolling system in free traffic flow – DarsGo system – with the contract partner MOL	1,680,000.00

I.5.9 Communication

Communication strategy

The DARS Communication Strategy, which is aligned with the DARS Strategy for 2017–2020 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 2017–2020. 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 d.d. and its internal and external audiences. DARS d.d. 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 d.d.; based on this, the Company builds an open relationship with the media. In particular, sound internal cooperation between all the stakeholders involved ensures that appearance in the media can be effective, while reducing the risk of misinterpretation in media publications and misunderstandings.

DARS d.d., 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 d.d. 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 reality of internal and external reporting in a safe environment.

DARS d.d. 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 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 set out in the Market in Financial Instruments Act and the 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 the content and data in the Report

Service responsible for issues referring to the 2020 Sustainability Report:[128]

- Communications (pr@dars.si)

Persons responsible for the content and data in the 2020 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)
- Sources of NMCP funding for 2000–2020: Dejan Šeško, MSc (dejan.sesko@dars.si)
- Communication tools, methods of including stakeholders and highlighted topics: Marjan Koler (marjan.koler@dars.si)
- Risk management: Jože Knez, MSc (joze.knez@dars.si), and 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 supervision: Branka Videtič (branka.videtic@dars.si)
- Satisfaction and a responsible attitude to motorway users: Marjan Koler (marjan.koler@dars.si) and Jure Francetič (jure.francetič@dars.si)
- 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)
- Occupational health and safety: Jože Nose (joze.nose@dars.si)
- Corporate integrity and compliance: Petar Škundrić (petar.skundric@dars.si) and 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)
    - Air emissions: Aleksander Udovič (aleksander.udovic@dars.si)
    - Concern for animals in the MW area of influence: Jana Vrhovnik (jana.vrhovnik@dars.si) and Janko Kernel (janko.kernel@dars.si)
    - Environmental impacts of road gritting: 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.kerjzar@dars.si)
    - Noise emissions and waste management: Aleksander Udovič (aleksander.udovic@dars.si) and Matic Poznič (matic.poznic@dars.si)

[128] GRI GS 102-53.

  - 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 17 March 2021):
- Rožle Podboršek, management representative
- Roman Didović, Head of HR Management
- Melita Trop Đukić, Head of Legal Affairs

Committee for alleged corporate integrity irregularities (as of 17 March 2021):
- Tina Plut, Corporate Integrity Officer, Committee Chair
- Rožle Podboršek, management representative, Committee Vice-Chair
- Mojca Klun Kešeljević, Legal Affairs, 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

Management Board:
- Valentin Hajdinjak, MSc (Chairman)
- Romana Fišer, MSc (Member)
- Boštjan Rigler (Member)
- Peter Gašperšič, PhD (Member)
- Rožle Podboršek (Member/Labour Manager)

Environmental Committee:
- Jože Knez, MSc, Chair
- Peter Kejžar
- Jana Kejžar
- Severin Maffi
- Božidar Volk
- Aleksander Udovič
- Jože Nose
- Drago Dolenc

Committee for the protection of employees' dignity:
- Rožle Podboršek, management representative, Chair
- Nataša Ivančevič, Workers' Council representative, Member
- Helena Černač Tavčar, representative of the Slovenian Rail Transport Union, Member
- Boštjan Juhart, representative of the Union of Transportation and Telecommunication Workers
- Blaž Poljanšek, representative of the HR Management, Member

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

[129] GRI GS 102-18.

Improvements Committee:
- Aleksander Udovič, Chair
- Peter Kejžar
- Jože Knez, MSc
- Peter Kejžar
- Marjan Koler
- Aleksander Morano
- Janko Kernel
- Metka Petek, MSc

IT Security Committee:
- Jože Knez, MSc, Chair
- Željko Lasan
- Andreja Dular
- Alenka Manohin Ivanc
- Darko Brvar

Railway Transport Union of Slovenia, DARS regional units (RU):
- Helena Černač Tavčar, Chair of RU DARS Postojna, Active 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
- 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 Statement on the external review of the Sustainability Report[130]

Statement on the review of the Sustainability Report

Purpose and scope of the review

At the request of **DARS d.d.**, Ulica XIV. divizije 4, 3000 Celje, Slovenia, we have carried out a review of the "Sustainability Report 2020" of DARS d.d. in line with the GRI Sustainability Reporting Standards 2016. The Company initiated the review voluntarily. We have checked whether the facts and information detailed in the report are credible and reflect the actual state of the sustainable development of the Company.

Restrictions

The Sustainability Report relates to DARS d.d. In the framework of the scope and restrictions defined in chapter I.4.4.3 of the Sustainability Report and each disclosure. Stakeholders participated in the materiality analysis via survey results and also other analyses (e.g. determining employee satisfaction and the satisfaction of motorway users in Slovenia). Based on the results, they defined the so-called materiality matrix and the essential content of the report, which is described in chapters I.4.4.1 and I.4.4.2. Because the review was carried in a period when the graphic design was still on-going, we only checked the accuracy of the references to the respective chapters of the report in the GRI table of contents (chapter I.7).

Methodology

The stakeholders did not participate in the review process because the client did not order such a review. The review therefore included the inspection of the Sustainability Report, interviews with the responsible Company representatives, and the inspection of documents and other information. We did not re-check the information in the audited financial statements.

Responsibility

The management of DARS d.d. is responsible for the information presented in the report and for the evaluation criteria. It is also responsible for the collection, classification and verification of the information and reporting. SIQ and its representatives did not participate in the processing and provision of information in the report. SIQ representatives are responsible for the independent compliance check of the report with the GRI GS standards and the actual state, as well as for the provision of opinions on the Sustainability Report.

Independence

SIQ is a professional, independent and objective institution that offers comprehensive solutions in testing and certifying products, evaluating management systems, metrology and education. The international recognition and high professional level of our work are reflected in the numerous accreditations and memberships in international certification schemes and associations. The verifier who performed the review is a registered auditor for quality management systems, environmental management or EMAS, for the management of health and safety at work, for energy management, and for information security management.

Findings

The verifier carefully examined compliance with the standards and principles of reporting, as well as the mandatory disclosures for the basic level of reporting. Sustainable development has been defined as an integral part of the strategy, which points out the implementation of the various sustainability goals. In relation to the previous reporting, the Company has expanded the number of disclosures by showing management approaches and 41 disclosures in its report in 21 areas.

The disclosed approaches of the management and the results of the disclosures confirm the sustainability policy of DARS d.d. Based on the findings, we hereby state that the facts and information detailed in the Sustainability Report are credible and reflect the actual state of the management systems and sustainable direction of DARS d.d. Considering the above restrictions and methodology, we have found that the "Sustainability Report 2020" of DARS d.d. is in line with the requirements of the basic level GRI Sustainability Reporting Standards 2016. By opting for an external independent review of the Sustainability Report, the management of DARS d.d. spreads awareness of the importance of sustainable development. It thus contributes to the implementation of internationally comparable good practices in sustainable development reporting.

Recommendations

During our review, we have identified certain opportunities for improving the operation and reporting processes in sustainable development, which we added in our review report. In line with the above, we hereby recommend a more comprehensive treatment of certain disclosures or a reduction of reporting restrictions.

For and on behalf of SIQ

Igor Bizjak

Ljubljana, 10 June 2021

Miloš Seražin
Evaluation of Management Systems

[130] GRI GS 102-56.

I.7 GRI indicators

Table 33: GRI indicators[131]

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.3.1/20**	
102-2	Activities, brands, products, and services	**DARS d.d.**	**I.3.1/20: Company profile** **I.3.3/24: Activities of DARS** **I.5.2.1/55: The use of toll roads, toll revenue and toll supervision**	
102-3	Location of headquarters	**DARS d.d.**	**I.3.1/20**	
102-4	Location of operations	**DARS d.d.**	**I.3.1/20**	
102-5	Ownership and legal form	**DARS d.d.**	**I.3.1/20**	
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.3.1/20: Share capital** **I.3.1/20: Number of employees** **I.3.1/20: Net sales revenues** **I.3.1/20: No. of Company locations** **I.3.5/26: MW and EW km**	
102-8	Information on employees and other workers	**DARS d.d.**	**I.5.5.1/83, 84: Key data on employees** **I.5.5.2/84: DARS, respected employer** **I.5.5.3/84, 85, 86, 88: 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.5.8/144, 145, 146,147: Suppliers/contractors** **I.5.8/147: Structure of suppliers** **I.5.8/147: 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.5.8.1/144: 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.**

[131] 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
102-11	Precautionary Principle or approach	**DARS d.d.**	**I.5.6.2/102**	
102-12	External initiatives	**DARS d.d.**	**I.5.7.3/142: Commitments to external initiatives** **I.5.6.2/102: Siting of motorways** **I.5.6.3/105: Biodiversity** **I.5.6.12/135: Noise emissions**	
102-13	Membership of associations	**DARS d.d.**	**I.5.7.4/142**	
Strategy				
102-14	Statement from senior decision-maker	**DARS d.d.**	**I.1/9-10: Letter from the Management**	
102-15	Key impacts, risks, and opportunities	**DARS d.d.**	**I.4.6/44**	
Ethics and integrity				
102-16	Values, principles, standards and norms of behaviour	**DARS d.d.**	**I.3.2/20: Mission, vision, values, strategic policies and integrated management system policy** **I.4.5.2/42: Ethics and integrity**	
102-17	Mechanisms for advice and concerns about ethics	**DARS d.d.**	**I.4.5.2/42**	
Governance				
102-18	Governance structure	**DARS d.d.**	**I.3.4/25: Organisational structure** **I.5.11/151: Supervisory Board, Management Board, project teams, committees and other Company bodies**	
Inclusion of stakeholders				
102-40	List of stakeholder groups	**DARS d.d.**	**I.4.3/36**	
102-41	Collective bargaining agreements	**DARS d.d.**	**I.5.5.3/86**	
102-42	Identifying and selecting stakeholders	**DARS d.d.**	**I.4.3/36**	
102-43	Approach to stakeholder engagement	**DARS d.d.**	**I.4.4.1/37, 38, 39**	**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.4.4.1/37, 38, 39**	**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.**

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
102-46	Defining report content and topic Boundaries	**DARS d.d.**	**I.4.4.3/41**	
102-47	List of material topics	**DARS d.d.**	**I.4.4.2/40**	
102-48	Restatements of information (given in previous reports, and the reasons for such restatements)	**DARS d.d.**		**No restatements are necessary or, rather, the information from 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.4.1/33**	
102-51	Date of the most recent report	**DARS d.d.**	**I.4.1/33**	
102-52	Reporting cycle	**DARS d.d.**	**I.4.1/33**	
102-53	Contact point for questions regarding the report	**DARS d.d.**	**I.5.10/150**	
102-54	Claims of reporting in accordance with the GRI Standards	**DARS d.d.**	**I.4.1/33**	
102-55	GRI content index	**DARS d.d.**	**I.7/154**	
102-56	External assurance	**DARS d.d.**	**I.6/153**	
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.3.2/22: Mission, vision, values, strategic policies and integrated management system policy** **I.5.1/52: Economic highlights from operations**	**The DARS d.d. 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.**
201-1	Direct economic value generated and distributed	**DARS d.d.**	**I.5.1/54**	
201-3	Defined benefit plan obligations and other retirement plans	**DARS d.d.**	**I.5.5.6/98: 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.5.5/83**	

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
202-1	Ratios of standard entry-level wage by gender compared to the local minimum wage	**DARS d.d.**	**I.5.5/83**	**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 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.3.2/22: Mission, vision, values, strategic policies and integrated management system policy** **I.5.1/52: Economic highlights from operations**	**The DARS d.d. 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.3.6/27**	
203-2	Significant indirect economic impacts	**DARS d.d.**	**I.3.6/27**	
GRI 204 Procurement Practices				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.8/144**	
204-1	Proportion of spending on local suppliers	**DARS d.d.**	**I.5.8.2/147: Table 31: 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.4.5.4/42, 43**	**The evaluation of the approach is performed by the person responsible for compliance, who was appointed on 1 January 2021.**

Table of contents as per the GRI Global Standards – core option (2016)				
GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
205-2	Communication and training about anti-corruption policies and procedures	**DARS d.d.**	**I.4.5.2/42**	**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.4.5.4/43**	**All reports refer to persons rather than to DARS.**
GRI 300 Environmental Disclosures				
GRI 301 Materials				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.6.10/129: Environmental impacts of road gritting** **I.5.6.10/130: Wet salting**	
301-1	Materials used by weight or volume	**DARS d.d.**	**I.5.6.1/101: Use of materials** **I.5.6.10/129, 130: Environmental impacts of road gritting**	**We only report about 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.5.6.4/112**	**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.5.6.4/112-117**	**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.**

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GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
302-3	Energy intensity	**DARS d.d.**	**I.5.6.4/Energy management: 112-113/114-115: Tables 24 and 25, Figures 70 and 73** **I.5.6.7/123: Table 26: Total reduction of emissions due to the deployment of electronic tolling in Slovenia:**	
302-4	Reduction of energy consumption	**DARS d.d.**	**I.5.6.4/113: Figure 69: Total electricity consumption** **I.5.6.4/116: Figure 72: Energy consumption for heating** **I.5.6.4/117: Figure 74: Savings in energy consumption for heating with respect to the 2015 baseline year** **I.5.6.5/118: Figure 75: Electricity consumption for stages 1, 3 and 4 of lighting replacement** **I.5.6.5/119: Figure 76: Electricity consumption – lighting**	**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 for individual groups of energy products in the internal document "Organisational rules for the implementation of energy planning".** **Absolute electricity savings amount to 4122 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 1,641 MWh (28%), while CO_2 greenhouse gas emissions were reduced by 464 t (36%) 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.5.6.2/102: Siting of motorways and expressways** **I.5.6.3/104: Concern for the preservation of biodiversity**	
304-1	Operational sites owned, leased, managed in, or	**DARS d.d.**	**I.5.6.2/102: Siting of motorways and expressways**	**The Company reports on the geographic**

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GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
	adjacent to, protected areas and areas of high biodiversity value outside protected areas		**I.5.6.3/104: 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**	**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.5.6.2/102: Methods to avoid conservation and protected areas during MW construction I.5.6.3/104: Measures to preserve biodiversity, the execution of replacement habitats and other cases of nature conservation measures I.5.6.9/127-129: Concern for animals in the MW area of influence I.5.6.10/129: 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 nature conservation measures.**
304-3	Habitats protected or restored	**DARS d.d.**	**I.5.6.2/102: Planned and successfully executed measures confirmed by experts I.5.6.3/104, 105, 106, 107: 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.5.6.6/120: Carbon footprint monitoring I.5.6.8/126: Emissions into the air**	
305-2	Energy indirect (Scope 2) GHG emissions	**DARS d.d.**	**I.5.6.6/120, 121, 122: Carbon footprint monitoring I.5.6.7/123: Table 26: Total reduction of emissions due to the deployment of electronic tolling in Slovenia**	**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.5.6.11/133: Protection of waters I.5.6.13/138: 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.5.6.11/133, 134: Protection of waters I.5.6.13/138, 139: Figures 98, 99: Volume of disposed of waste tunnel**	**The Company reports no other data.**

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GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
			washing water and water from oil-water separators contaminated with oil **I.5.6.11/134: Water discharge by quality and destination**	
306-2	Waste by type and disposal method	**DARS d.d.**	**I.5.6.13/138: Waste management** **I.5.6.14/140: Reuse of waste** **I.5.6.15/141: Waste recycling**	**A record of waste is kept on the basis of record sheets.**
306-3	Significant spills	**DARS d.d.**	**I.5.6.11/134: 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.4.5.5/43: Compliance with the regulations, codes and recommendations** **I.5.6; I.5.6.1/100, 101**	
307-1	Non-compliance with environmental laws and regulations	**DARS d.d.**	**I.4.5.5/43: Compliance with regulations, codes and recommendations** **I.5.6.1/100, 101: 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.5.8/144: Responsibility to suppliers/contractors** **I.5.8.1/144: Criteria for the awarding of a public contract**	
308-1	New suppliers that were screened using environmental criteria	**DARS d.d.**	**I.5.8.2/145: Suppliers/contractors (local, abroad)** **I.5.8.2/145: Figure 101: 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.5.5.2/84**	
401-1	New employee hires and employee turnover	**DARS d.d.**	**I.5.5.1/83, 84: Key data on employees** **I.5.5.3/84, 85: Employees realise the Company mission**	**In 2020, the share of new hires at the Company is 4.21% and the share of resignations is 3.25%.**
401-3	Parental leave	**DARS d.d.**	**I.5.5.3/86: Table 14: 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.5.5.5/93**	**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**

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GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
				OHSAS 18001 or ISO 45001 standard.
403-1	Occupational health and safety management system	**DARS d.d.**	**I.5.5.5/93**	**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.5.5.5/93, 94, 95**	**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.5.5.5/93**	
403-4	Worker participation, consultation and communication on occupational health and safety	**DARS d.d.**	**I.5.5.5/94**	**The Workers' Council typically meets once a 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.5.5.5/94**	
403-6	Promotion of worker health	**DARS d.d.**	**I.5.5.5/94**	**The Company does not report on the condition of contractors.**
403-7	The prevention and mitigation of occupational health and safety impacts directly linked by business relationships	**DARS d.d.**	**I.5.5.5/94**	
403-8	Employees covered by an occupational health and safety management system	**DARS d.d.**	**I.5.5.5/94**	**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.5.5.5/95. 96, 97: Figure 58: Number of work-related injuries; Figure 59. Sick leave in hours as a result of accidents at work; Figure 60: Circumstances of accidents resulting in injuries; Table 21:**	**The Company only reports absolute values.**

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GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
			Occupational safety indicators; Figure 61: Sick leave in hours as a result of work-related accidents	**The Company only reports about Company employees.**
403-10	Work-related ill health	**DARS d.d.**	**I.5.5.5/97**	
GRI 404 Training and Education				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.5.4/88, 89, 90**	
404-1	Average hours of training per year per employee	**DARS d.d.**	**I.5.5.4/90: Table 19: No. of training hours/gender** **I.5.5.4/90: Figure 20: 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.5.5.6/99, 100: 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.5.5.3/84, 85, 86, 87, 88: Employee diversity with respect to the level of education, age and gender** **I.5.5.6/99, 100: Table 22: 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				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.5.6/99: Respecting human rights and dignity**	
406-1	Incidents of discrimination and corrective actions taken	**DARS d.d.**	**I.4.5.2/42: Ethics and integrity** **I.5.5.6/99: 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.5.6.2/102: Siting of motorways and expressways** **I.5.7.1/141: Inclusion in the local community**	
413-1	Operations with local community engagement, impact assessments, and development programs	**DARS d.d.**	**I.5.7.1/141: Inclusion in the local community** **I.5.6.2/102, 103: 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.5.4/71: Projects in traffic management and concern for user safety** **I.5.4.1/71: Traffic control and management**	
416-1	Assessment of the health and safety impacts of product and service categories	**DARS d.d., users**	**I.5.4/71: Projects in traffic management and concern for user safety** **I.5.4.1/71, 72, 73: Traffic control and management**	**All measures implemented involving the motorway, accompanying**

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GRI standard and disclosure	Description	Reporting boundaries	Chapter/page	Notes
				infrastructure and motorway maintenance also take into account the improvement of safety of motorway users.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	**DARS d.d., users**	**I.5.4.7/82**	
GRI 418 Customer Privacy				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.5.4.8/82**	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	**DARS d.d.**	**I.5.4.8/82**	
GRI 419 Socioeconomic Compliance				
103-1 103-2 103-3	Explanation of the material topic and its Boundary	**DARS d.d.**	**I.4.5./42**	
419-1	Non-compliance with laws and regulations in the social and economic area	**DARS d.d.**	**I.4.5./42**	