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# ANNUAL REPORT OF THE INTERNAL AUDIT DEPARTMENT OF ZAVAROVALNICA TRIGLAV, d.d., ON INTERNAL AUDITING FOR THE YEAR 2022

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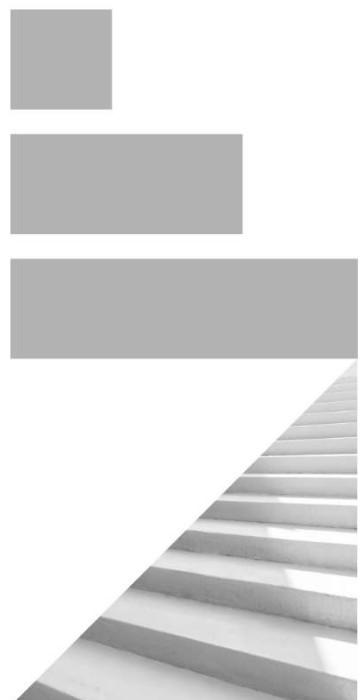
Recipients: Management Board  
Audit Committee  
Supervisory Board  
General Meeting of Shareholders  
Financial Statements' Auditor

Maja Romih  
Internal Audit Department Director

# TABLE OF CONTENTS

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1. PURPOSE OF THE REPORT .....	3
2. OVERVIEW OF WORK OF THE INTERNAL AUDIT DEPARTMENT AND IMPLEMENTATION OF PLANNED INTERNAL AUDIT ACTIVITIES .....	4
3. SUMMARY OF SIGNIFICANT FINDINGS BASED ON PERFORMED INTERNAL AUDITS .....	6
4. GENERAL ASSESSMENT OF THE ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND THE INTERNAL CONTROL SYSTEM .....	10
5. ASSESSMENT OF THE ADEQUACY OF RESOURCES FOR THE INTERNAL AUDIT DEPARTMENT OPERATIONS .....	11
6. PROGRAMME AND FINDINGS REGARDING QUALITY ASSURANCE AND IMPROVEMENT OF THE INTERNAL AUDIT DEPARTMENT OPERATIONS .....	12
7. STATEMENT ON THE INDEPENDENCE AND OBJECTIVITY OF THE INTERNAL AUDIT DEPARTMENT AND INTERNAL AUDITORS .....	13



# 1. PURPOSE OF THE REPORT

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Pursuant to Article 281a of the Companies Act, Article 165 of the Insurance Act and Articles 41 and 43 of the Internal Audit Policy of Zavarovalnica Triglav, d.d., the Internal Audit Department (hereinafter: the Department) must compile an Annual Report on Internal Auditing and submit it to the Management Board, the Audit Committee, the Supervisory Board and the Financial Statements' Auditor, whereas the Management Board must brief the General Meeting of Shareholders on this Report and with the Supervisory Board's opinion on the Report.

The Department also prepares more detailed reports on individual internal audits performed for the Management Board and the management of the audited areas, i.e., persons responsible for measure taking, as well as periodic (quarterly, semi-annual) reports on internal auditing for the Management Board, the Audit Committee and the Supervisory Board.

The purpose of the Annual Report on Internal Auditing for the year 2022 is to inform the above mentioned stakeholders on:

- the Department's activities and the performance of planned internal audit activities in the reporting period;
- the summary of significant findings by internal auditors based on the internal audits in the reporting period, including the assessment of the adequacy and effectiveness of risk management and the internal control system of the audited areas;
- the general assessment of the adequacy and effectiveness of risk management and the internal control system at the Company in the reporting period;
- the assessment of the adequacy of the resources for the Department's operations in the reporting period;
- the content and conclusions of the quality assurance and improvement programme of the Department's operations;
- the statement on independence and objectivity of the Department's and internal auditors' activities.

The Report contains all the information required under the second paragraph of Article 165 of the Insurance Act and Article 43 of the Internal Audit Policy of Zavarovalnica Triglav, d.d.

## 2. OVERVIEW OF WORK OF THE INTERNAL AUDIT DEPARTMENT AND IMPLEMENTATION OF PLANNED INTERNAL AUDIT ACTIVITIES

In 2022, the Internal Audit Department performed activities on the basis of the *Annual Work Plan of the Internal Audit Department of Zavarovalnica Triglav, d.d. for the year 2022* adopted by the Management Board (on 9 November 2021) with the consent of the Supervisory Board (of 17 November 2021), which also includes guidelines for the period 2023-2025. In accordance with professional rules and best practice guidelines for internal auditing, the Department carried out internal audits in Zavarovalnica Triglav (hereinafter: the Company) and other companies in the Triglav Group (hereinafter: the Group), along with several other internal audit activities.

The Department carried out **24 planned internal audits**, namely 2 audits from 2021 and 22 (out of a total of 23) audits planned for 2022:

- 7 audits were performed at the Group level, 14 at the Company and 3 at subsidiaries;
- it issued final reports for 21 audits;
- it prepared draft reports for 2 audits;
- 1 audit is still ongoing in 2023 (continuous auditing of the insurance operations);
- 1 audit was postponed to the beginning of 2023.

**No extraordinary internal audits were carried out in 2022.**

The Department also performed a **series of other internal audit activities:**

- **formal consulting activities**, including:
  - assistance to the Legal Department at regular annual compliance review of the management system of the Company and the Group with the strategy, internal acts and legal and other regulations;
  - participation in the working group for the preparation of a proposal for changes to the placement and operation of the information security function and the head of this function (Chief Information Security Officer – CISO) at the Company;
  - review of the adequacy of risk management due to (potential) conflicts of interest in the Company's operations with one of its suppliers;
- **informal consulting activities**, mainly including consultations/advice related to the drawing up or updating the internal acts of the Company and improving controls in the business processes (a large part of these activities related to advice and assistance to other departments in the overhaul of the outsourcing policy and related updating of other internal acts);

- **monitoring of the implementation of recommendations** issued by internal and external auditors;
- **periodic reporting** to the Management Board, the Audit Committee and the Supervisory Board on Department's operations, the findings of the internal audits and the implementation of recommendations issued by internal and external auditors;
- **planning** of the Department's operations for 2023 based on the risk assessment of the business processes of the Company and the Group;
- **tasks related to quality assurance and improvement** of the Department's operations as well as internal audit departments in other Group companies, which mainly included:<sup>1</sup>
  - continuous supervision over the work of internal auditors by the Department Director;
  - monitoring of the Department's key performance indicators, among other things, based on the assessment of work of internal auditors and the Department as a whole by internal audit stakeholders (members of the Management Board, the Audit Committee, the Supervisory Board and directors of organisational units);
  - participation in internal and external trainings;
  - cooperation with other key functions, keeping updated on the operations of other departments in the Company and exchanging of information within the Department;
  - upgrading the functionality of the software for the support of internal auditing and risk management processes at the Company;
  - continuing the introduction of continuous auditing and combined assurance and supplementing the work methodology based on the recommendations issued at the end of 2021 by the external assessor of the quality of the Department's operations (key results of the assessment are presented in chapter 6);
  - monitoring of the operations of internal audit departments at subsidiaries and assistance/advising to them on the performance of internal audits, planning the work for 2023 and some other activities<sup>2</sup>;
  - conducting professional practice for the internal auditors of certain subsidiaries;
  - organizing conference of internal auditors of the Group companies;
- **other activities**, mainly including administrative activities and management of the Department, attendance at meetings, collaboration with the external auditor, etc.

The implementation of internal audits and other activities in 2022 was significantly impacted by the increased volume of sick leave. Nevertheless, the Department managed to carry out most of the planned audits and other activities by the end of the year, while the implementation of unfinished activities will continue in 2023. **I, the Department Director, therefore estimate that, taking into account the smaller number of available working days due to sick leave in 2022, the Department performed the planned internal audit activities successfully and in expected extent.**

<sup>1</sup> The Department completed the majority of the tasks concerning quality assurance and improvement. Some activities were implemented more slowly than the original plans due to a greater volume of unforeseen sick leave and some other circumstances and will continue in 2023 (e.g. implementation of analytical IT tools into the work of internal auditors, implementation of internal auditing and risk management software in subsidiaries, a pilot project to examine the possibility of introducing more effective approaches to the performance of internal audits, and activities related to upgrading the overall opinion on risk management and functioning of the internal control system in the Company and the Group).

<sup>2</sup> In the last quarter of 2022, the Department actively engaged in the search for solutions for the immediate strengthening of the personnel of the internal audit department at the subsidiary in Croatia and temporarily posted one of the internal audit expert managers to the said subsidiary with the aim of improving the operation of the internal audit function there.

### 3. SUMMARY OF SIGNIFICANT FINDINGS BASED ON PERFORMED INTERNAL AUDITS

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When conducting internal audits, the Internal Audit Department focuses mainly on verifying the adequacy and effectiveness of the Company's governance, risk management and functioning of the internal control system in order to assure that:

- the risks are properly identified and managed;
- the financial information and the information needed for decision-making and operational functioning is correct, reliable and timely;
- the employees act in accordance with legal and other regulations, standards and good practice policies as well as in line with internal rules regulating the operations of the Company;
- the assets are used economically, efficiently and are properly protected;
- the programmes, plans and objectives are achieved;
- the Company continuously improves the quality of its operations;

whereby, when conducting internal audits, the Department also focuses on the role of the Company as the controlling company in the Group and the areas and risks relevant at the Group level<sup>3</sup>. For that purpose, it collaborates with the internal audit departments at subsidiaries, monitors their work, provides them with assistance and, if necessary, also performs internal audits in these companies.

The Department regularly reports, in writing, to the managers in charge of audited areas, i.e., the recommendations addressees, on the findings of internal audits, and briefs the Management Board on the reports as well. Based on the Department's reports, the managers in charge of audited areas or recommendation addressees must adopt adequate measures and complete relevant activities to correct any detected irregularities and deficiencies within the agreed deadlines, and report to the Department accordingly. The Department periodically monitors the implementation of the issued recommendations and reports on the same to the Management Board, the Audit Committee and the Supervisory Board. It also monitors and reports on the implementation of the recommendations issued by external auditors.

Based on the internal audits performed and the monitoring of the implementation of the recommendations in 2022, **the Department deems that, overall, risk management and the internal control system of the audited areas in the Company are adequate and continue to upgrade.**

However, the Department identified the following opportunities for additional improvement of the said system:

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<sup>3</sup> Internal audits at the Group level are intended to review the risk management system in a particular line of business from the point of view of the Company and the Group as a whole (so-called systemic audits). These audits are generally performed at the Company, which is the controlling company and therefore responsible for the risk management system. Where appropriate, these audits are also performed at subsidiaries.

- **in the area of insurance development, sales, underwriting and claims handling:** improve or upgrade insurance product management procedures; improve some application controls in insurance software; upgrade the monitoring of commercial discounts allocation; upgrade the claim process performance indicators; update certain contracts with external contractors for insurance underwriting and claims handling; more clearly define the responsibilities and tasks of individual departments in insurance operations on foreign markets (so-called FoS/FoE operations) and upgrade the contractual relations with local agents (so-called MGA agents) in these markets, especially the demarcation of powers and responsibilities between the Company and agents; improve software support for these operations and the quality of data; improve the complaint handling and reporting process and the fraud risk management process in these operations; provide regular control checks of MGA agents;
- **in the area of customer relationship management:** define the ownership/custody of the customer consent management process for electronic business and improve the operation of this process;
- **in the area IFRS 17 implementation:** intensively continue with activities and provide adequate personnel resources for the successful completion of the introduction and transition to regular application of the standard;
- **in the area of IT and digitalization:** actively continue the implementation of measures to ensure and improve IT security; improve the procedures for introducing/developing and maintaining IT systems; prepare a plan for the IT personnel medium-term target structure (with annual updating), including a plan for the necessary training and other activities for their possible retraining, and study the possibility of establishing competence centres at the Group level; create a supplier strategy for ICT at the Company and Group level and accelerate activities for the comprehensive consideration of ICT suppliers at the Group level; provide documented periodic reviews of cooperation with ICT suppliers;
- **in the area of implementation of sustainable business operations:** more comprehensively define the sustainable business operations system (responsibilities and tasks, processes and procedures, information and communication method, cooperation of Group companies); prepare an action plan as a single source of the definition of the planned activities to enable comprehensive monitoring of the status of implementation of regulatory requirements, the realisation of strategic goals and other commitments of the Company and the Group;
- **in the area of real estate management:** define/upgrade indicators for monitoring the achievement of goals in real estate management; define in more detail the guidelines/rules for the delimitation of investments, major and regular maintenance;
- **in the area of purchasing:** ensure consistent compliance with adopted internal rules in purchasing procedures;
- **in the area of tax accounting:** upgrade the rules and procedures for determining prices for intra-group transactions; draw up a plan for the necessary personnel and possible organisational and process changes, which will ensure comprehensive consideration, coordination and control over the accounting and reporting of all types of taxes and dues;
- **in the area of risk management:** provide regular education and training/awareness-raising about operational risk management for all employees, with a special emphasis on reporting of loss events; upgrade the system for personnel risk management.

The Management Board and the managers of the audited areas are aware of the potential impact of detected irregularities and deficiencies on the achievement of the Company's and the Group's objectives and therefore take measures and implement activities for their remediation. The number of issued and outstanding recommendations over the course of 2022 is comparable to the numbers from previous years. **The majority of recommendations was realised within the agreed deadlines**, however, in the second half of 2022, the number of past due partially realised recommendations increased slightly, mainly those relating to the improvement of the software. The reasons are in the greater occupation of tech and IT personnel for the implementation of software changes due to changes in products and price lists as well as in the deficiencies in the change management process, which the Department will check as part of the planned audit of this process in 2023, whereby the Department estimates that the exposure to risks from this remains at an acceptable level.

Below, we summarise the opportunities for improvement of risk management and internal control systems in subsidiaries, identified by the Department during internal audits in the subsidiaries and on the basis of monitoring the operations and findings of the internal audit departments of the subsidiaries<sup>4</sup>. **In general, the control environment and control procedures in subsidiaries are mostly at an appropriate level and are improving.**

The following opportunities apply to individual subsidiaries that were subject to audits:

- **in the area of (re)insurance:** improve or upgrade insurance product management procedures; focus even more on consistent compliance with insurance terms, conditions and other internal rules when concluding insurance policies and handling claims; ensure full and well-completed documentation and consistent entry of data/documents into the insurance software; provide up-to-date and documented estimates of the probable maximum loss during the underwriting procedures and improve reinsurance procedures; improve automation of control procedures; improve supervision over handling objections to concluded policies; improve some application controls in the insurance software; improve sales personnel training and professional support to the sales network; strengthen managerial control of sales activities, scope and quality of insurance sales; improve the control of the services of external contractors; improve the procedures and timeliness of complaint resolution;
- **in the area of customer relationship management:** define a strategy for strengthening sales channels for comprehensive customer consideration and relationship management;
- **in the area of sales network commission setting:** improve controls in the procedures for calculating commissions and travel expenses and ensure greater automation of procedures;
- **in the area of financial asset/investment management and payment transactions:** improve the procedures for the collection of premium and recourse receivables; improve the record of judicial collection procedures; improve liquidity planning procedures;

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<sup>4</sup> The internal audit function is established in all insurance and other financial subsidiaries. The function in an individual company is performed by the organisational unit within the company or a person employed inside or outside the company (external provider of internal audit services), which is functionally and organisationally separated from other parts of the company and is simply called the internal audit department. Internal audit departments in subsidiaries perform their tasks in accordance with legal regulations and professional and ethical rules of internal auditing that apply to an individual company. They also consider the minimum standards and more detailed methodological guidelines for the internal audit function within the Group which were formulated by the Internal Audit Department of Zavarovalnica Triglav, taking into account the International Standards for the Professional Practice of Internal Auditing, ethical rules and good practice of internal auditing.



- **in the area of accounting:** improve some application controls in analytical and general ledger software;
- **in the area of IT and IT system management:** actively continue the implementation of measures to ensure and improve IT security; improve the procedures for introducing/developing and maintaining IT systems; improve access rights management procedures; improve audit trails; carry out a review of the adequacy of existing custodians of contracts with ICT suppliers and overhaul some old contracts; provide documented periodic reviews of cooperation with ICT suppliers;
- **in the area of business continuity management:** ensure regular updating and testing of business continuity plans;
- **in the area of purchasing:** ensure consistent compliance with adopted internal rules in purchasing procedures and procedures for confirming invoices received; improve the supplier contract register management;
- **in the field of project management:** improve project management and project documentation; enhance focus on project risk and change management processes;
- **in the area of anti-money laundering and counter-terrorism financing (AML/CFT):** ensure ongoing updating of the AML/CFT risk assessment and regular training of employees; ensure regular updating of indicators for identification and monitoring of unusual transactions; improve controls over the implementation of AML/CFT procedures;
- **in the area of sponsorships, donations and prevention:** ensure consistent compliance with adopted internal rules when allocating funds; ensure consistent monitoring of the fulfilment of contractual obligations;
- **in the area of legal and general matters:** ensure regular updating of internal acts according to the introduced changes and briefing of employees with revised acts; improve the overview of concluded business contracts by establishing an appropriate register of contracts; establish records of received and issued guarantees; improve inbound mail handling procedures;
- **in the area of compliance monitoring:** improve the records of reporting to external users and define the deputies of persons responsible for reporting; improve conflict of interest management procedures and employee awareness of this topic.

Responsible persons at subsidiaries have been briefed on the findings, whereas realisation of recommendations for the improvement of risk management and functioning of internal controls in these companies is closely monitored by internal audit departments of these companies. **The majority of recommendations was realised within the agreed deadlines.**

With the aim of constant improvement of risk management and functioning of internal control systems in subsidiaries, the Company continued to transfer the common minimum standards for business functions operations (including the internal audit function) into subsidiaries and monitored their implementation in 2022 as well.

## 4. GENERAL ASSESSMENT OF THE ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND THE INTERNAL CONTROL SYSTEM

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The **general assessment** of the adequacy and effectiveness of risk management and the internal control system in 2022 is **based on**:

- the findings of internal audits carried out in the reporting period;
- the findings of other internal and external assurance providers<sup>5</sup> during the reporting period presented in their reports, and other information obtained in cooperation with them;
- monitoring the realisation of the recommendations issued by internal auditors and other assurance providers in the reporting period;
- other relevant information available to the Internal Audit Department prior to the formulation of this assessment.

The Department believes that the above bases are adequate and sufficient to provide a general assessment, emphasizing that the **assessment represents a reasonable (not an absolute) assurance**.

Based on the above-stated bases, the **Department assesses that risk management and functioning of the internal control system at the Company in 2022 was adequate**. The Company has an **appropriate management system in place** that is proportionate to the nature and scope of its business and the complexity of business risks, **regularly monitors the risk profile and actively upgrades individual areas of the risk management system and the internal control system**, especially where it detects increased risks or greater exposures, and – **being the Group's parent company – monitors risk management and internal control systems at subsidiaries and provides them with assistance in improving these systems**.

There are nevertheless **still opportunities to improve the maturity of the aforementioned systems**, which have been pointed out by the Department and/or other assurance providers and in respect of which they issued recommendations. In this context, the Company must pay special attention to:

- intensive activities for a successful transition to the use of the IFRS 17 standard;
- continuous improvement of aspects of IT-cyber security;
- continuous improvement of internal rules and processes in the management/control of insurance products and insurance distribution.

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<sup>5</sup> The findings and other information of other key functions in the Company's system of governance (risk management function, compliance function and actuarial function), other control functions in the Company (primarily fraud prevention, detection and investigation function, data protection officer and the AML/CFT officer) and external assurance providers (Insurance Supervision Agency, financial statements' auditor, credit rating agencies, inspection authorities and some other independent auditors and consultants) whose work was assessed as reliable by the Department.

## 5. ASSESSMENT OF THE ADEQUACY OF RESOURCES FOR THE INTERNAL AUDIT DEPARTMENT OPERATIONS

The number of employees at the Internal Audit Department increased by one person in March 2022. There were **12 people employed as at 31 December 2022**, whereby **one person was employed part-time** throughout the year. Of all the employees, **8 people hold at least one of the professional certificates** awarded by the Slovenian Institute of Auditors and equivalent professional institutions abroad following completed education in auditing and/or related disciplines (e.g. certified internal auditor, certified IT systems auditor, CIA CISA, CISM, CGEIT, CDPSE)<sup>6</sup>. Employees have **30 years of work experience on average, 18 years of which in the field of internal auditing and related activities**.

Although the actual total number of working days in 2022 was 128 more than planned (due to the early hiring of a new employee in March, which was originally planned for September), the actual number of available working days was 97 less than planned, mainly due to the considerable amount of unexpected sick leave absence (due to Covid, death of family members and serious illnesses and injuries).

The person who was employed on a part-time basis retired on 1 January 2023, which is why the Department (aiming to ensure adequate staffing over the long-term) is planning to employ one person on a full-time basis in 2023 (probably in the middle of the year).

**The number and qualifications of employees at the Department enable an appropriate extent of internal auditing** and fulfillment of planned internal audits and other internal audit activities, assuming that the Department is not faced with unplanned extended sick leave absence or other extraordinary absences.

If the internal auditors lack certain expertise or skills needed for the completion of internal audits and/or other internal audit activities, the Management Board allows the Department to acquire help of adequately qualified experts from inside or outside the Company.

Internal auditors are also provided with an appropriate extent of professional education and training. In 2022, internal auditors attended formal trainings within and outside the Company, which mostly still took place in the form of webinars.

**I, the Department Director, hereby estimate that the Management Board provides appropriate conditions and resources for the Department's operations.** The conditions that enable independent and objective functioning of the Department and internal auditors are presented in more detail in Chapter 7.

<sup>6</sup> CIA – Certified Internal Auditor; CISA – Certified Information Systems Auditor; CISM – Certified Information Security Manager; CGEIT – Certified in the Governance of Enterprise IT; CDPSE – Certified Data Privacy Solutions Engineer.

## 6. PROGRAMME AND FINDINGS REGARDING QUALITY ASSURANCE AND IMPROVEMENT OF THE INTERNAL AUDIT DEPARTMENT OPERATIONS

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The Internal Audit Department maintains/develops and implements a quality assurance and improvement programme of its operations, with the aim of:

- compliance of operations with the professional and ethical rules of internal auditing (especially with the International Standards for the Professional Practice of Internal Auditing);
- continuous improvement of the performance and efficiency of its operations as well as the operations of internal audit departments at subsidiaries.

**The quality assurance and improvement programme of the Department's operations comprises:**

- internal quality assessments, which include:
  - continuous supervision over the work of internal auditors by the Department Director;
  - interim and annual assessment of the work of internal auditors and the Department as a whole;
  - annual monitoring of the Department's key performance indicators;
  - periodic self-assessment of the Department's operations, whereby a comprehensive self-assessment is carried out at least once in the period between two external assessments;
  - regular monitoring of the operations of internal audit departments at subsidiaries;
- external quality assessments carried out by a qualified independent expert at least once every five years;
- activities for eliminating deficiencies identified during assessments and other activities for quality improvement.

The last external quality assessment of the Departments' operations was carried out at the end of 2021 by KPMG, poslovno svetovanje, d.o.o. It established that the Department operated in compliance with the rules of internal auditing defined in binding legal regulations, standards and codes, and provided some recommendations for further development and introduction of best global practices into the Department's operations, which the Department reasonably takes into account when planning and executing its activities.

On the basis of performed quality assurance and improvement activities of Department's operations in 2022, which are presented above and in Chapter 2, I, **the Department Director, hereby estimate that the Department operates in compliance with the rules of internal auditing defined in binding legal regulations, standards and codes in all significant aspects and fulfils the expectations of its stakeholders** (members of the Management Board, the Audit Committee, the Supervisory Board and directors of organizational units in the Company). However, there are opportunities for improvement and further development which the Department will take into account when planning and executing its future activities.

## 7. STATEMENT ON THE INDEPENDENCE AND OBJECTIVITY OF THE INTERNAL AUDIT DEPARTMENT AND INTERNAL AUDITORS

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**The Management Board provides the Internal Audit Department with appropriate working conditions, as follows:**

- from the aspect of its organizational and functional independence;
- from the aspect of the resources provided for its operations;
- from the aspect of access to information, properties and personnel in the Company (including the members of the Management Board, the Audit Committee and the Supervisory Board);

**thus allowing the internal auditors to perform their activities independently and objectively.**

The Department is organised as an independent unit within the Company, which is directly subordinate to the Management Board, and is organisationally and functionally separated from other parts of the Company. The Department is independent in determining areas, objectives and the scope of internal auditing, performing of work and reporting on internal auditing. The internal auditors do not perform any development or operational tasks that might lead to conflict of interest and impair their objectivity, and do not decide on the activities in the areas subject to internal auditing.

The Department determines the areas, objectives and the scope of internal auditing based on the risk assessment of the Company's operations and risks important at the Group level. It reports directly to the Management Board and the Supervisory Board. To this purpose, the Department Director reports on the Department's operations, findings of the performed internal audits, realisation of the recommendations and the assessment of adequacy and effectiveness of risk management and functioning of the internal control system in the audited areas directly (in writing and orally):

- to the Management Board, thus preserving the independence from other business lines or functions in the Company;
- to the Audit Committee and the Supervisory Board, thus preserving the independence from the Management Board.

The responsibilities of the Department Director and other internal auditors concerning the assurance of independence and objectivity, avoidance of conflict of interest and reporting on the occurrence of any circumstances that might impair the independence and objectivity of the Department or internal auditors are defined in the Internal Audit Policy of Zavarovalnica Triglav, d.d.<sup>7</sup>

**I, the Department Director, hereby declare that in 2022 the Department operated independently and that no circumstances arose in the operations of the internal auditors that might have impaired their objectivity.** The statement on the objectivity of internal auditors is based on the statements signed by all internal auditors.

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<sup>7</sup> Together with the Management Board, the Department Director is obliged to inform the Audit Committee and the Supervisory Board on any restrictions regarding:

- the areas, objectives and the scope of internal auditing;
- the access to the records, physical properties and personnel in the Company needed by the internal auditors to successfully and effectively perform their job;
- the resources for the implementation of risk-based internal auditing.

Internal auditors are required to report any circumstances that might lead to conflict of interest and thus impair their objectivity to the Department Director who must in turn inform the Management Board, the Audit Committee and the Supervisory Board thereof. Circumstances that may lead to a conflict of interest mainly include:

- performing any development and operational tasks, deciding on the activities and/or directing the activities of the employees in the audited areas, especially within two years before they perform audit tasks in such areas;
- family ties to the employees in the audited areas and employees at important or sensitive positions at the Company in general;
- any pecuniary advantage related to the operations of the audited areas and the Company in general;
- rewards, gifts and other benefits offered by or received from the employees in the Company or persons outside the Company, which are assumed to be offered or given with the aim of impairing the objectivity of the Department Director and/or internal auditors.

