

# Annual report 2021

Luka Koper Group  
and Luka Koper, d. d.

# Statement of Management's Responsibility

The Management Board of Luka Koper, d. d., is responsible for the preparation of the Annual Report hereof, including the financial statements and notes thereto, that give a true and fair view of the financial position of Luka Koper, d. d. and the Luka Koper Group as of 31 December 2021 and of their financial performance for the year then ended.

The Management Board confirms that the Annual Report for the Luka Koper Group and Luka Koper, d. d. for 2021 with all its component parts: Management Report, Sustainability Report, Accounting Report, including the Corporate Governance Statement, has been devised and published pursuant to the legislation in force and International Financial Reporting Standards.

The Management Board confirms that accounting policies were consistently applied and that the accounting judgements were made under the principle of prudence and due diligence of a good manager.

The Management Board further confirms that the financial statements of the Company and the Group have been compiled under the assumption of a going concern of the parent and its subsidiaries and in accordance with the applicable legislation and International Financial Reporting Standards as adopted by the EU.

The Tax Authorities may, at any time within a period of 5 years after the end of the year for which tax assessment was due, carry out an audit of the Company operations, which may lead to assessment of additional tax liabilities, default interest, and penalties with regards to corporate income tax or other taxes and duties. The Management Board is not aware of any circumstances that could give rise to any significant liability on this account.

The Management Board is responsible for adopting measures to secure the assets of Luka Koper, d. d. and the Luka Koper Group, and to prevent and detect fraud and other irregularities and/or illegal acts.

Members of the Management Board:



Boštjan Napast  
President of the Management Board



Robert Rožac  
Member of the Management Board



Vojko Rotar  
Member of the Management Board - Worker Director

Koper, 31 March 2022

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# BUSINESS REPORT

# 1. Business performance highlights of the Luka Koper Group in 2021<sup>1</sup>

The COVID-19 pandemic hit the world economy hard in 2020 and 2021. In 2021, there was a gradual recovery and strengthening of economic activity in the international environment, which also affected the good business results of the Luka Koper Group, although the emergence of a new version of the virus in the late 2021 increased financial market volatility and halted wider recovery. The financial indicators of the Luka Koper Group achieved in 2021 are better than planned, but compared to those achieved in 2020, they are slightly lower due to one-off events recognised among other revenues that positively affected the business results in 2020. At the same time, maritime throughput in 2021 exceeded the planned 2021 volumes by one percent, and the 2020 throughput by seven percent. The company exceeded or reached the planned quantities or the 2020 throughput in almost all commodity groups. At the end of 2021, the container terminal set a new annual historical record in container throughput of 997,574 container units (TEUs), thus exceeding the previous record value from 2018, which was 988,501 container units (TEUs). Car throughput exceeded both the plan for 2021 and the volume achieved in 2020, despite instabilities in the automotive market due to the pandemic and the lack of automotive semiconductors and other components, leading to occasional production downtime. The throughput of dry bulk and bulk cargoes was also higher, particularly due to increased throughput of common table salt and iron ore. Compared to the plan, only the throughput of liquid cargo decreased in 2021, mainly due to lower air passenger traffic and lower volume of throughput of petroleum products due to the effects of the COVID-19 pandemic.

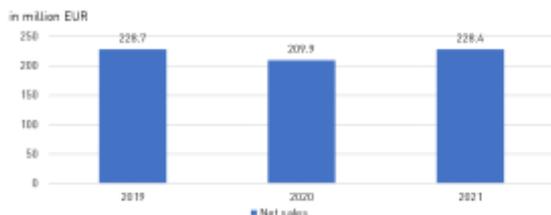
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<sup>1</sup> GRI GS 102-7

**NET SALES****228.4 million EUR**

+9% 2021/2020

+4% 2021/2021 PLAN

**Alternative measure<sup>2</sup>: /**

**Comment:** In 2020, net sales of the the Luka Koper Group amounted to EUR 209.9 million, which was a decrease by 8% or EUR 18.8 million compared to 2019. Net sales of the Luka Koper Group decreased in 2020 due to a decrease in maritime throughput, which was significantly influenced by the outbreak of the COVID-19 pandemic, otherwise affecting the entire world economy, trade flows and logistics routes. The gradual recovery in 2021 had a positive effect on higher ship throughput, which was reflected in higher net sales. In 2021, net sales of the the Luka Koper Group amounted to EUR 228.4 million, which was an increase by 9% or EUR 18.5 million compared to 2020.

**MARITIME THROUGHPUT****20.8 million METRIC TONS**

+7% 2021/2020

+1% 2021/2021 PLAN

**CONTAINER THROUGHPUT****997.6 THOUSAND TEU**

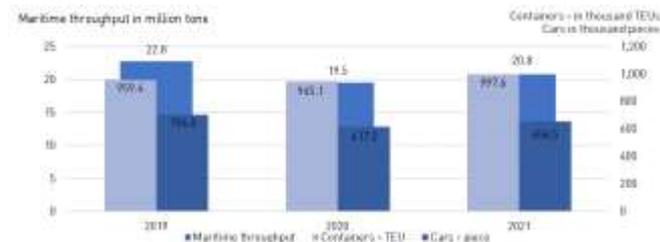
+6% 2021/2020

+2% 2021/2021 PLAN

**CAR THROUGHPUT****656.5 THOUSAND PIECES**

+6% 2021/2020

+1% 2021/2021 PLAN

**Alternative measure: /**

**Comment:** The maritime throughput of the Luka Koper Group in 2020 amounted to EUR 19.5 million metric tons of cargo, and was thus lower than in 2019 by 14 percent. The decrease in maritime throughput in 2020 as compared to 2019 was caused not only by the cooling of the world economy, but also by the emergence of the SARS-CoV-2 coronavirus and the consequent outbreak of the COVID-19 pandemic. The throughput of two strategic commodity groups, containers and cars, remained stable in 2020. In 2021, there was a gradual recovery and strengthening of economic activity in the international environment, which also affected the increase in maritime throughput in 2021. The maritime throughput of the Luka Koper Group in 2021 amounted to EUR 20.8 million metric tons of cargo, and was thus higher than in 2020 by 7 percent. The company exceeded the 2020 throughput in all commodity groups.

<sup>2</sup> The Luka Koper Group also used alternative performance measures (APM Guidelines) defined by ESMA to demonstrate business performance.

APMs – Alternative Performance Measures

ESMA – European Securities and Markets Authority

## EARNINGS BEFORE INTEREST AND TAXES (EBIT)

# 31.3 million EUR

-6% 2021/2020

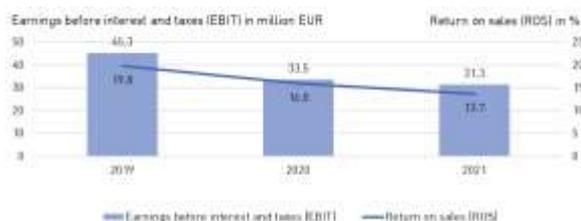
+21% 2021/2021 PLAN

## RETURN ON SALES (ROS)

# 13.7%

-14% 2021/2020

+17% 2021/2021 PLAN



### Alternative measure:

Earnings before interest and taxes (EBIT)

### Calculation:

Earnings before interest and taxes (EBIT) = difference between operating income and costs.

### Explanation of the selection:

It shows the performance (profitability) of the company's operations based on its core business.

### Alternative measure:

Return on sales (ROS)

### Calculation:

Return on sales (ROS) = earnings before interest and taxes (EBIT) / net sales

### Explanation of the selection:

Shows the operational efficiency of the company.

## EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

# 61.2 million EUR

-1% 2021/2020

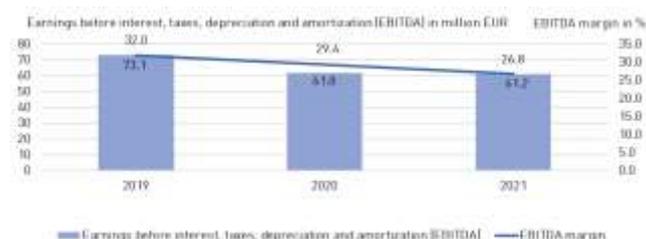
+13% 2021/2021 PLAN

## EBITDA margin

# 26.8%

-9% 2021/2020

+9% 2021/2021 PLAN



### Alternative measure:

Earnings before interest, taxes, depreciation and amortisation (EBITDA)

### Calculation:

Earnings before interest, taxes, depreciation and amortisation (EBITDA) = earnings before interest and taxes (EBIT) + amortisation.

### Explanation of the selection:

It is a measure of the company's financial performance and an approximation of the cash flow from operations. It shows the ability to cover write-downs and other non-operating expenses.

### Alternative measure:

EBITDA margin

### Calculation:

EBITDA margin = earnings before interest, taxes, depreciation and amortisation (EBITDA) / net sales

### Explanation of the selection:

It shows business performance and profitability in percent. It is used to compare the company performance with other companies.

**Comment:** The earnings before interest and taxes (EBIT) and net profit or loss in 2019 were mainly affected by two factors: implementation of the port service provision strategy and the related increase of labour costs by EUR 14.4 million, and transshipment fee costs under the Act Regulating the Construction, Operation and Management of the Second Track of the Divača-Koper Railway Line amounting to EUR 4.8 million. Earnings before interest and taxes (EBIT) and net profit in 2020 were affected by lower net sales revenues, which resulted from a decline in maritime throughput. The transition to the new business model of providing port services, which the Group began to implement gradually in 2019 and finalised the implementation by the end of the year, was reflected in the results of operations throughout 2020. In addition, the Luka Koper Group reduced operating expenses in 2020 compared to the previous year. Despite the growth of net sales revenues, lower earnings before interest and taxes (EBIT) were achieved in 2021 than in the previous year, which was due to lower other revenues, as in 2020, one-off events were recognized under other events that had a positive impact on business results in 2020.

**Comment:** Earnings before interest, taxes, depreciation and amortisation (EBITDA) of the Luka Koper Group amounted to EUR 61.8 million in 2020, which was a 15% or EUR 11.3 million decrease from 2019. Earnings before interest, taxes, depreciation and amortisation (EBITDA) of the Luka Koper Group amounted to EUR 61.2 million in 2021, which was a 1% or EUR 0.6 million decrease from 2020.

The EBITDA margin of the Luka Koper Group in 2020 accounted for 29.4%, which was a decrease of 8% or 2.5 percentage points from 2019. The EBITDA margin of the Luka Koper Group in 2021 accounted for 26.8%, which was a decrease of 9% or 2.7 percentage points from 2020.

## NET PROFIT OR LOSS

# 31.8 million EUR

-1% 2021/2020

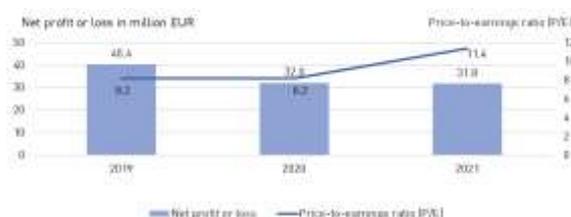
+30% 2021/2021 PLAN

## PRICE-TO-EARNINGS RATIO (P/E)

# 11.4

+3.2 2021/2020

INDICATOR NOT PLANNED



### Alternative measure:

Price-to-earnings ratio (P/E)

### Calculation:

Current share price to earnings per share (P / E) ratio = closing price / earnings per share (EPS).

### Explanation of the selection:

It shows how many euros investors in the market are willing to pay for each euro of a company's profit at a given time. It is used to assess the value of a company and its shares on the market.

**Comment:** Net profit or loss of the Luka Koper Group amounted to EUR 32 million in 2020, which was a decrease of 21% or EUR 8.4 million from 2019. Alongside previously explained influences on the earnings before interest and taxes (EBIT) in 2020 being lower than in 2019, the net profit or loss in 2020 was also affected by the lower effective corporate tax rate. In 2021, net profit of the Luka Koper Group amounted to EUR 31.8 million, which was a decrease of 1% or EUR 0.2 million from 2020. In addition to the already mentioned effects on earnings before interest and taxes (EBIT), net profit was positively affected by higher operating profit from financing and negatively by the higher profit tax rate.

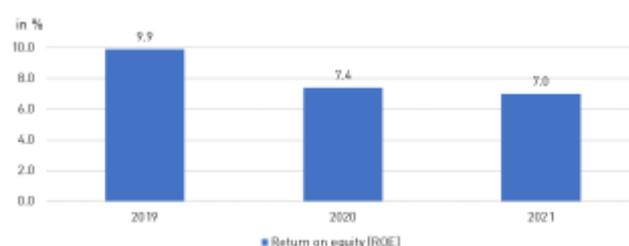
The Price-to-Earnings ratio (P/E) in 2021 was 11.4, which was an increase compared to the preceding two years.

## RETURN ON EQUITY (ROE)

# 7.0%

-6% 2021/2020

+26% 2021/2021 PLAN



### Alternative measure:

Return on equity (ROE)

### Calculation:

Return on equity (ROE) = net income / shareholder equity.

### Explanation of the selection:

It shows the management's success in increasing the value of the company for the owners or shareholders.

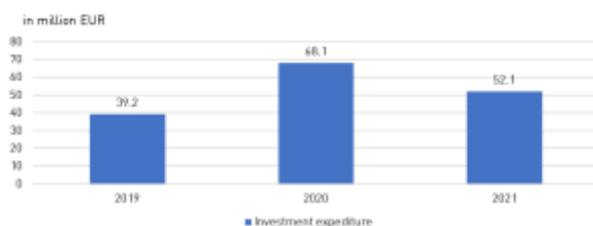
**Comment:** The return on equity (ROE) was at 7.4% in 2020, down 25% or 2.5 percentage points from 2019. The lower achieved return on equity (ROE) in 2020 compared to 2019 is a consequence of the already mentioned difficult operating conditions. The return on equity (ROE) was at 7% in 2021, down 6% or 0.4 percentage points from 2020. The lower return on equity (ROE) in 2021 was due to lower net operating profit due to the above-mentioned impacts and higher average capital.

## INVESTMENT EXPENDITURE

# 52.1 million EUR

-23% 2021/2020

-31% 2021/2021 PLAN



Alternative measure: /

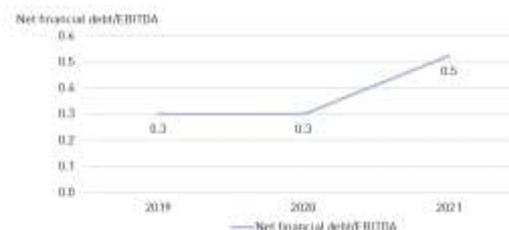
**Comment:** In 2020, the Luka Koper Group allocated the amount of EUR 68.1 million to investments, which was an increase of 74% or EUR 28.9 million from 2019. The Luka Koper Group used the pandemic year 2020 to continue implementing investments in increasing port capacity, as after the improvement of pandemic-related health and economic situation, throughput is expected to increase again. In 2021, the Luka Koper Group continued the investment cycle mainly by investing in increasing port capacity, the most visible investment being the continued construction of an extension of the container quayside at the head of Pier 1. The Luka Koper Group allocated the amount of EUR 52.1 million to investments, which was a decrease of 23% or EUR 16 million from 2020.

## NET FINANCIAL DEBT / EBITDA

# 0.5

+0.2 2021/2020

-0.7 2021/2021 PLAN



Alternative measure:

Net financial debt / EBITDA

**Calculation:**

Net financial debt / EBITDA = (financial liabilities – cash and cash equivalents) / EBITDA

**Explanation of the selection:**

It shows indebtedness and profitability of a company in order to assess the company's ability to settle its financial debts in the future if the company maintains the same volume of business and profit.

**Comment:** A low level of the net financial debt / EBITDA indicator in the years 2019-2021 demonstrates a high financial stability of the entire Luka Koper Group, and its high willingness to enter a more intense investment cycle. The indicator for 2021 is slightly higher than two previous years, but still quite low at 0.5.

## 2021 in numbers



**20.8 million metric tons**

unloaded from and loaded on ships



**997,574 TEU**

containers unloaded from and loaded on ships



**656,477 cars**

unloaded from and loaded on ships



**20,973 trains**

arrived in and departed from the port



**367,951**

trucks arrived in the port



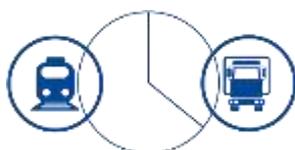
**276,410**

wagons unloaded and loaded



**1,551**

ships moored



**58%** share of railway transshipment

**42%** share of road transshipment

## 2. Letter of the President of the Management Board<sup>3</sup>

Dear shareholders, business partners, and colleagues,

The monthly record in container throughput, which we recorded in March, was a harbinger of good business results in 2021. Although the consequences of the COVID-19 pandemic are still visible in some business segments, the financial results of the Luka Koper Group are good compared to the previous year. Higher transshipment of goods in almost all commodity groups resulted in higher net sales. Higher transshipment led to increased labour, service and transshipment fee costs, and higher realised net sales revenues resulted in increased concession costs. The costs were additionally affected by higher energy prices and higher depreciation expenses. When comparing the 2021 financial indicators with the results of the preceding year, extraordinary income from written-off liabilities for the payment of pension and disability insurance contributions (in accordance with the Act Determining the Intervention Measures to Contain the COVID-19 Epidemic) has to be taken into account in 2020, and lower revenues from the reversal of provisions in 2021. Nevertheless, all financial indicators far exceeded the business plan for 2021.

The company is particularly pleased with the volume of transshipment at the container terminal, as the previous record in container throughput (TEU) was exceeded in the late 2021, ending the year at 997,574 TEU, thus firmly maintaining the position of the largest container port in the northern Adriatic. We have achieved this amazing result despite the chaotic situation on a global scale, having faced irregular ship arrivals and a shortage of empty containers in the field of container shipping. In March 2021, the entire industry was stunned by the accident of a ship getting stranded in the Suez Canal, which severed the shortest and busiest maritime connection between Europe and the Far East.

In 2021, growth was recorded in all commodity groups, not just containers. The car terminal once again exceeded the threshold of 650,000 vehicles despite the turmoil in the industry, which was marked by a lack of semiconductors and disruptions in production. The volume of maritime throughput in the general cargo segment increased significantly – due to the increase in container shipping rates and the lack of shipping space, customers switched to conventional shipping, so we also gained additional business on this account. In dry bulk cargoes, more industrial salt and fertilizers were recorded last year, while bulk cargoes contained more iron ore, whereas coal quantities have been declining for years because of the European Union's decarbonisation policy. Due to lower demand for aviation fuel, which was also linked to the global pandemic, liquid cargo remained at similar levels as in 2020.

The year 2021 was also marked by significant new infrastructure capacities. The extended quayside of the container terminal with a new berth, which we named the 7D berth, was only part of a large investment, as additional 25,000 m<sup>2</sup> of container storage space were acquired in the hinterland of this quayside. Storage areas were constructed in phases, operating licences were obtained for individual parts, which were then filled with containers. The total investment, which was also the largest single investment in the last decade, is worth 45.6 million euro, with the funds partly obtained from the European project NAPA4CORE.

The containerization of goods in global trade has reached unimaginable proportions. Shipowners are building bigger and bigger ships, to which ports have to adapt in order not to be eliminated from all major freight flows. For this reason, we have also ordered two new super post-panamax container cranes (we already have two), which will further improve the work processes at the terminal. In addition, preparations are being made to begin the extension of the northern part of Pier I, which will round off the length of the pier, as envisaged in the national spatial plan. This part of the pier will also be allocated to container transshipment.

Given that already today, half of all containers transhipped in Koper travel by rail, the future development of the port of Koper largely depends on the timely construction of an additional railway connection with the hinterland. Therefore, we are extremely pleased that the project for the construction of the second track is already in full swing and that the track will be put into operation in 2026, as planned. At the same time, the state is modernising other parts of the Slovenian railway network, which is also important for the port of Koper, as it can expect modern, fast and efficient connections with its hinterland markets in the near future. Increased capacity of railway tracks is of

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<sup>3</sup> GRI GS 102-14

course important not only for the group of containers, which are the most sensitive in terms of time and cost, but also for other commodity groups, as almost 60 percent of annual port transshipment depends on rail transport.

Although the number of trains increased by five percent to almost 21,000 in 2021, the number of trucks increased even further, by seven percent to almost 368,000. Therefore, the additional third entrance for trucks at the junction of the Bertoki and Ankaran roads is more than welcome. This was also new in 2021 and intended it mainly for trucks with containers, which represent more than a half of them. This has improved internal logistics and traffic safety, while relieving the burden on city arteries.

Cars, like containers, are among our strategic cargoes, which led to quite some important investments in recent years. In 2020, we built a new berth for RO-RO ships transporting vehicles and an additional group of tracks in the hinterland of Basin III. In 2021, we handed over a new garage house with the capacity of around 6,000 vehicles. In addition, the government has approved the expansion of the concession area to the 5A plot, where an open vehicle storage area will be built. With these acquisitions and new business, we can rightly hope to remain one of the largest car ports in the European Union and among the first ones in the Mediterranean.

The 2022 investment plans are no less ambitious. We have already mentioned the final stage of constructing the southward extension of Pier I. We will build additional open storage areas for cars and increase the storage capacity for general cargo. We will also start building a new truck terminal right next to the road entrance to the port at Sermin, as we have to vacate the existing terminal on the outskirts of the city by the end of 2023.

In 2022, the company will allocate 12.3 million euro for projects in the field of sustainable development, which is 18 percent of all planned investments. At the beginning of 2021, Luka Koper adopted the Strategy of Social Responsibility and Sustainable Development<sup>4</sup>, which derives from the goals of the United Nations in this field and Slovenia's strategic objective until 2030. Activities range from sustainable management of the parent company and the Luka Koper Group, including the integrity of governance, to the protection of human rights, environmental protection and partnerships with employees, local communities and civil society.

Luka Koper operates a port that is surrounded by residents on two sides, and by natural environment of special importance (Natura 2000) in its hinterland, whereas its external face is embraced by the vulnerable marine ecosystem. Due to its location, it has been seeking to improve the quality of life in the entire area in which the port is situated for decades. In operations and development issues, we take into account the principles of sustainable development and social responsibility, which are important strategic objectives of the Luka Koper Group.



Boštjan Napast  
President of the Management Board of Luka Koper, d. d.

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<sup>4</sup> [Živeti s pristaniščem - Poročila in dokumenti \[zivetispristaniscem.si\]](https://www.lukakoper.si/ziveti-s-pristaniscem).

## 3. Report of the Supervisory Board for 2021

### 3.1. Composition of the Supervisory Board

In 2021, the Supervisory Board operated in the following composition until 1 July 2021: Uroš Ilić (Chair), Andraž Lipolt, (Deputy Chair), Milan Jelenc, Rado Antolovič, Barbara Nose, Tamara Kozlovič, Mladen Jovičić, Rok Parovel, and Mehrudin Vuković.

As of 2 July 2021, new members of the Supervisory Board Franci Matoz, Nevenka Črešnar Pergar, Rado Antolovič, Božidar Godnjavec and Andrej Koprivec, took office for a four-year term following an assembly decision. For the remainder of 2021, the Supervisory Board consisted of Franci Matoz (Chair from 12 July 2021 onwards), Nevenka Črešnar Pergar (Deputy Chair from 12 July 2021 onwards), Rado Antolovič, Božidar Godnjavec, Andrej Koprivec, Tamara Kozlovič, Mladen Jovičić, Rok Parovel and Mehrudin Vuković.

In terms of professional competences, the Supervisory Board is a high-level group of experts. Its members are top experts in their fields, complementing each other perfectly.

### 3.2. Supervisory Board's work

Until 1 July 2021, the Supervisory Board met at five regular meetings and three meetings by correspondence. At its February meeting, the Supervisory Board discussed information on the operations of the Luka Koper Group and the company for 2020, took note of the annual reports on risk and opportunity management, internal audit, corporate integrity and compliance, self-assessment results, and appointed a nomination committee due to the expiration of term for five members of the Supervisory Board – Representative of shareholders in 2021.

At its April meeting, the Supervisory Board discussed the audited Annual Report of the Luka Koper Group and Luka Koper, d. d. for 2020, examined the Management Board's proposal for the use of distributable profit for 2020, agreed to appoint the Head of Internal Audit for a new four-year period, and endorsed the Management Board's proposals to increase the funds for particular investments in the 2021 investment plan. It agreed with the rules of procedure for participation and voting in the electronic general meeting and appointed an external agency as expert assistance to the Nomination Committee in the accreditation process for new members of the Supervisory Board. Prior to that, at its 7th correspondence meeting on 22 March 2021, the Supervisory Board appointed an external member of the Nomination Committee at the proposal of the majority shareholder, approved Appendix 1 to the contract on auditing the financial statements for 2020, 2021 and 2022, and took note of the Works Council resolution that Mladen Jovičić be appointed as the representative of the employees in the Supervisory Board for a new four-year term as of 8 April 2021.

At its first meeting in May, the Supervisory Board took note of the Management Board's report on the proposal for an out-of-court settlement in the TTI case, adopted the Remuneration Policy for members of the Management Board and Supervisory Board of Luka Koper, d. d. and forwarded it to the General Meeting of the Company for approval upon agreeing to convening the 34th General Meeting of shareholders of Luka Koper, d. d. At its second meeting on 28 May 2021, the Supervisory Board discussed the unaudited report on the operations of the Group and the company Luka Koper, d. d., in the period January–March 2021, approved the Management Board's proposals for approving additional funds for individual investments in the 2021 business plan, agreed to the initiation of a regular winding-up procedure for the subsidiary Luka Koper Pristan, gostinstvo, d. o. o., Koper and approved the proposal for the payment of bonuses to members of the Management Board for 2020. It also took note of the report on the course of court proceedings with the former Management Board chaired by Matic and dissolved the Nomination Committee after the election proposal for new members of the Supervisory Board submitted by the majority shareholder as an extension of the agenda of the 34th General Meeting. At its last meeting in June, the Supervisory Board took note of the information on the operations of Luka Koper, d. d., in the period January–May 2021 and with the completed work of the Supervisory Board and its committees in the four-year term.

As of 2 July 2021, having been elected at the 34th General Meeting of Shareholders, new members of the Supervisory Board took office, and until the end of 2021, the Supervisory Board, chaired by Franc Matoz, met in five regular, three extraordinary and three correspondence sessions.

At the first meeting on 12 July 2021, the Supervisory Board appointed Franci Matoz as its chair and Nevenka Črešnar Pergar as its deputy chair. On 12 July 2021, the Supervisory Board also appointed new members of the Audit, Personnel and Business Operations Committees and established a new Supervisory Board Committee, the Strategic Development Committee.

At its second meeting on 23 July 2021, the Supervisory Board discussed the Management Board's reports on the state of investments, focusing on the course of strategic investments, deviations from the strategic business plan, the status of non-strategic financial investments, open judicial and administrative proceedings, the state and development of information systems, digitisation plans, obtaining EU funds, fire safety, etc.

At its August meeting on 27 August 2021, the Supervisory Board took note of the semi-annual business results of the company and the Luka Koper Group, the Management Board's position on the revised business plan for 2021, the semi-annual report on risk and opportunity management, the scope of public procurement, internal audit, and agreed with the proposal of the Management Board that the tasks of the audit committee in the subsidiary Luka Koper INPO, d. o. o. shall be performed by the audit committee of the Supervisory Board of Luka Koper, d. d. in accordance with paragraph 2 Article 514a of ZGD-1K.

On 15 October 2021, the Supervisory Board met at its 1st extraordinary meeting and, due to varying conceptual views of the Management Board and the Supervisory Board on the further strategic development of the company, began talks with three members of the Management Board on consensual termination of their term. At the next two extraordinary meetings, the Supervisory Board approved the agreements on early termination of the term of office of the President of the Management Board Dimitrij Zadel, Member of the Management Board Metod Podkrižnik and Member of the Management Board Irma Gubanec on 15 November 2021, and authorised the HR Committee of the Supervisory Board to carry out a recruitment procedure for new Members of the Management Board. The Supervisory Board appointed Robert Rožac as a new member of the Management Board for a five-year term as of 16 November 2021, and Boštjan Napast as the President of the Management Board for a five-year term of office as of 3 December 2021. The Supervisory Board was also acquainted with the unaudited report on operations in the period January–September 2021 and paid great attention to coordinating and making recommendations for the preparation of the Business Plan for 2022, which was also approved at its 5th regular meeting on 20 December 2021. At the same time, it agreed to a long-term indebtedness to finance the company's further investment activities at a fixed interest rate.

The Supervisory Board also monitored measures to achieve the planned operating results for 2021, proposed to the Management Board a review of the Company's Strategic Business Plan and performed a number of other tasks, of which the following are particularly important:

- Discussed the report on the work of the internal audit for 2021, and the internal audit work programme for 2022;
- Discussed the risk management report;
- Discussed the compliance of operations and corporate integrity reports for 2021;
- Monitored business results and measures to achieve them;
- Monitored the implementation of the Company's investment plan;
- Monitored the recommendations and expectations of the Slovenian Sovereign Holding.

The Supervisory Board paid attention to the timely and effective identification, disclosure, management and elimination of conflicts of interest. The Members of the Supervisory Board received ongoing training and followed examples of good practice in corporate governance. Out of 183 resolutions adopted, 99 percent were adopted unanimously by the Supervisory Board.

### **3.3. Work of Supervisory Board committees**

In 2021, the Audit Committee, the HR Committee and the Business Operations Committee functioned within the Supervisory Board. The Supervisory Board also appointed the Nomination Committee for the period from 17 February 2021 to 28 May 2021, and the Strategic Development Committee as of 12 July 2021.

### 3.3.1. Audit Committee

In accordance with the Rules of Procedure of the Supervisory Board, the Audit Committee, by carrying out the tasks of its work programme, enhances the effectiveness of the Supervisory Board and regularly reports to the Supervisory Board on the supervision of financial reporting, internal controls and risk management, and on its cooperation with external and internal auditors, and proposes relevant decisions to be adopted. In the corporate governance process, it is the key role of the Audit Committee to act for the benefit of the Company and protect the interests of its stakeholders.

In the first half of 2021, the Audit Committee was composed of Barbara Nose (Chair, level of education 7, BSc in Economics, auditing specialist), Milan Jelenc (Member, level of education 8, MSc in Economics), Tamara Kozlovic (level of education 8, MSc in Enterprise Engineering), Rok Parovel (level of education 5, secondary school graduate), and External Member Mateja Treven (level of education 8, MSc in Economics). In this composition, the Committee met at six regular meetings and one meeting by correspondence.

As of 12 July 2021, the Audit Committee was newly constituted to be composed of Andrej Koprivec (Chair, level of education 7, CFA, BSc in Economics), Božidar Godnjavec (member and deputy chair, level of education 8, MSc in Economics), Nevenka Črešnar Pergar, MBA (member, level of education 8, MBA, LLB), Rok Parovel (level of education 5, secondary school graduate), and Simon Kolenc, CFA (external member, level of education 7, BSc in Economics). In its new composition, the Audit Committee met at five regular meetings.

Within the scope of its competences and mandates, the Committee regularly monitored the financial reporting process, discussed various materials and reports of the Management Board, and reported regularly to the Supervisory Board on its conclusions, findings and proposals. In accordance with the Guidelines for ensuring the independence of the external auditor, the Audit Committee supervised the contracts concluded with audit firms as well as the nature and extent of the provision of their services. The Committee discussed the audited annual report of the Luka Koper Group and Company for 2020, with particular emphasis on the presentation of revenue, formation of provisions for potential legal actions, liabilities from the concession contract and non-financial reporting. It communicated actively with representatives of the external auditor both regarding the areas and course of the audit as well as the related findings, and at the same time monitored their independence and the quality of the work performed.

The Audit Committee monitored in detail the risk management system and the functioning of the internal audit and internal control department, compliance of operations, corporate integrity, and made recommendations for strengthening and upgrading the system. It proposed an amended risk appetite statement to the Supervisory Board for adoption. It considered customer and supplier reports, sponsorships and donations, internal group relations, open judicial proceedings, public information, tax and information risks, operation of the IT system and other reports under the adopted reporting system, carefully examined them and monitored their integrity. The Committee also proposed amendments as well as immediate and appropriate measures for areas where potential gaps were detected. It followed the idea of a transparent, ethical and socially responsible model of the Company's operations and management of potential conflicts of interest and a clear regulation of the Company's cooperation with all stakeholders.

Prior to submitting the proposal to the Supervisory Board for discussion, the Audit Committee examined thoroughly the reasons for the re-appointment of the head of internal audit, monitored its work on regular and extraordinary internal auditing, remuneration and award, and award and was extremely vigilant as to the respect for the autonomy and personal integrity. The Audit Committee submitted regular reports on its work to the Supervisory Board, and upgraded the reports with demands for higher-quality and more efficient reporting.

### 3.3.2. HR Committee

Until 1 July 2021, the HR Committee was composed of Uroš Ilić (Chair), and members Milan Jelenc, Barbara Nose and Mehrudin Vuković. The Committee met at four meetings. It discussed reports of the Management Board on employment in management positions, activities to establish a key personnel development and succession system, reports on disputes with the former Management Board chaired by Matić, remuneration of members of the Supervisory Board from legal transactions with the company, proposals for concluding legal transactions with members of the Supervisory Board - employee representatives, and, when reviewing the final report on the work of the Management Board for 2020, proposed to the Supervisory Board the payment of remuneration to the members of the Management Board for 2020.

As of 12 July 2021, the Committee consisted of Franci Matoz (Chair), Tamara Kozlovič (Deputy Chair) and members Nevenka Črešnar Pergar, Božidar Godnjavec, and Mehrudin Vuković. The Committee met in three regular and three extraordinary meetings. At its first meeting, the Committee discussed the report on employment in management positions and in subsidiaries and associates, was briefed on the status of open judicial and administrative proceedings, and proposed to the Supervisory Board the appointment of the Corporate Integrity Officer for approval. At the next three extraordinary meetings, the Committee, with external expert support, prepared a set of candidates for new members of the Management Board, conducted a thorough analysis and verification of candidates with interviews, and proposed Boštjan Napast to the Supervisory Board for appointment as President of the Management Board for a term of five years, and Robert Rožac as a member of the Management Board. At the end of 2021, the HR Committee discussed the proposal of criteria for the remuneration of the Management Board for 2022, which was submitted to the Supervisory Board for approval.

### **3.3.3. Business Operations Committee**

Until 1 July 2021, the Business Operations Committee was composed of Andraž Lipolt (Chair) and members Milan Jelenc, Rado Antolovič, Tamara Kozlovič, Mladen Jovičić, and Rok Parovel, and met in four regular meetings. The Committee monitored the implementation of the investment plan, regular and long-term upkeep, enhancement of explosion prevention, and discussed the related proposals of the Management Board. It took note of the state of information support, a comparative study on the container terminal, measures to increase productivity, reports on occupational safety and health and fire safety, various studies of economic viability of investments, the port development programme, and other reports of the Management Board.

As of 12 July 2021, the Committee consisted of Božidar Godnjavec (Chair), Nevenka Črešnar Pergar (Deputy Chair), and members Rado Antolovič, Tamara Kozlovič, and Mladen Jovičić. The Committee participated actively in devising the 2022 business plan, which it proposed to the Supervisory Board for approval at the end of the year. It carefully monitored the implementation of the investment plan, regular and long-term upkeep, marine sediment management, acquisition of land to provide additional storage space, took notice of various studies of economic viability of investments and regularly monitored the business objectives of the company as well as subsidiaries and associates.

### **3.3.4. Strategic Development Committee**

The Strategic Development Committee was appointed on 12 July 2021, consisting of Nevenka Črešnar Pergar (Chair), Andrej Koprivec (Deputy Chair) and members Rado Antolovič, Tamara Kozlovič, Mladen Jovičić, and Rok Parovel and met in one session in 2021.

The Committee discussed the 2020–2025 Strategic Business Plan of Luka Koper, d. d., focusing on the SWOT analysis and how the company is prepared for potential weaknesses and threats, what are the priorities for future strategic development and what is their status, and thus highlighted the aspect of strategy assessment, activities for the implementation of strategic investments, process optimisation, digitalisation and automation, and obtaining EU funds. It also called on the Management Board to prepare and present specific plans in these areas. The Committee also discussed the report on the status of non-strategic financial investments.

### **3.3.5. Nomination Committee**

The Nomination Commission was appointed on 19 February 2021 and operated until 28 May 2021, consisting of Milan Jelenc (Chair) and members Barbara Nose and Tamara Kozlovič. As of 22 March 2021, the Supervisory Board also appointed an external member, Simona Razvornik Škofič, at the proposal of the majority shareholder. The Committee met at five regular meetings and one meeting by correspondence. It prepared a public call for new members of the Supervisory Board, reviewed the received candidacies, forwarded them to an external expert for expert assessment and, after reviewing the report for the Supervisory Board, prepared a shortlist proposal for election to be forwarded to the General Meeting. With that, the Nomination Committee ended its term.

## Meetings of the Supervisory Board and its committees in 2021 and absence of members

Meeting No	Date of the meeting	Absent members
<b>Supervisory Board meetings</b>		
34th ordinary meeting	19 February 2021	/
35th ordinary meeting	23 April 2021	/
36th ordinary meeting	12 May 2021	/
37th ordinary meeting	28 May 2021	Rado Antolovič
38th ordinary meeting	23 June 2021	/
7th meeting by correspondence	22 March 2021	/
8th meeting by correspondence	14 April 2021	/
9th meeting by correspondence	30 June 2021	/
1st ordinary meeting	12 July 2021	/
2nd ordinary meeting	23 July 2021	Rok Parovel
3rd ordinary meeting	27 August 2021	/
4th ordinary meeting	3 December 2021	/
5th ordinary meeting	20 December 2021	/
1st extraordinary meeting	15 October 2021	Andrej Koprivec
2nd extraordinary meeting	22 October 2021	/
3rd extraordinary meeting	12 November 2021	/
1st meeting by correspondence	18 October 2021	/
2nd meeting by correspondence	29 October 2021	/
3rd meeting by correspondence	26 November 2021	/
<b>HR Committee meetings</b>		
23rd ordinary meeting	19 February 2021	/
24th ordinary meeting	23 April 2021	/
25th ordinary meeting	28 May 2021	/
26th ordinary meeting	23 June 2021	/
1st ordinary meeting	27 August 2021	/
1st extraordinary meeting	22 October 2021	/
2nd extraordinary meeting	12 November 2021	/
3rd extraordinary meeting	24 November 2021	/
2nd ordinary meeting	20 December 2021	/
3rd ordinary meeting	29 December 2021	Nevenka Črešnar Pergar
<b>Business Operations Committee meetings</b>		
24th ordinary meeting	12 February 2021	/
25th ordinary meeting	16 April 2021	/

26th ordinary meeting	14 May 2021	/
27th ordinary meeting	22 June 2021	/
1st ordinary meeting	26 August 2021	/
2nd ordinary meeting	29 September 2021	/
3rd ordinary meeting	25 November 2021	/
4th ordinary meeting	3 December 2021	Božidar Godnjavec, Mladen Jovičić
5th ordinary meeting	17 December 2021	/
<b>Audit Committee meetings</b>		
41st ordinary meeting	28 January 2021	/
42nd ordinary meeting	17 February 2021	/
43rd ordinary meeting	6 April 2021	/
44th ordinary meeting	21 April 2021	/
45th ordinary meeting	27 May 2021	/
46th ordinary meeting	22 June 2021	/
1st ordinary meeting	23 July 2021	Rok Parovel
2nd ordinary meeting	26 August 2021	/
3rd ordinary meeting	29 September 2021	/
4th ordinary meeting	25 November 2021	/
5th ordinary meeting	17 December 2021	/
7th meeting by correspondence	19 March 2021	/
<b>Strategic Development Committee meetings</b>		
1st ordinary meeting	27 August 2021	/
<b>Nomination Committee meetings</b>		
1st inaugural meeting	5 March 2021	/
1st ordinary meeting	15 March 2021	/
2nd ordinary meeting	26 March 2021	/
3rd ordinary meeting	20 April 2021	/
4th ordinary meeting	18 May 2021	/
1st meeting by correspondence	17 March 2021	/

### 3.3.6. Assessment of the Supervisory Board's work

The Supervisory Board assesses its composition in terms of professional competences and its functioning as effective and in accordance with the recommended practice. The Supervisory Board functions excellently, its members being top experts in their fields. Management of the conflicts of interest between the members of the Supervisory Board effectively protects the interests of the company.

The Supervisory Board operated effectively and constantly monitored all key areas of operations. Due to good individual preparation and high motivation of all members, its contribution was significant. Support provided to the Supervisory Board by its committees as well as the Secretary is very good.

Committees were devising decisions to be adopted by the Supervisory Board; the work included all members of the Supervisory Board who participated in the discussions actively and exchanged opinions effectively. All members of the Supervisory Board signed statements on their independence and declared themselves independent.

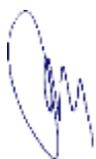
### **3.3.7. Costs of the Supervisory Board's work**

Payments to individual members of the Supervisory Board and to members of committees of the Supervisory Board, and other receipts and operating costs based on the General Meeting decision No 4 of 29 December 2017 are presented in more detail in the accounting report, Note 33: Related party transactions. In 2021, education costs for the members of the Supervisory Board totalled 1 thousand euro.

### **3.3.8. Adoption of the Annual Report and the view on the auditor's report**

The 2021 Annual Report of the Company and Luka Koper Group was audited by the audit company BDO Revizija, d. o. o., which issued an opinion on the financial statements. At its 9 regular meeting of 5 April 2022, the Audit Committee of the Supervisory Board established that the Annual report was prepared in a timely manner, and is compiled clearly, transparently and in accordance with the provisions of the Companies Act, the applicable International Financial Reporting Standards as adopted by the EU and other relevant legislation. The Audit Committee had no objections to the 2021 Annual report of the Company and the Luka Koper Group and thus proposed to the Supervisory Board that they approve it in compliance with Article 282 of the Companies Act. Based on the auditor's opinion, the position of the Supervisory Board's Audit Committee, and data and disclosures in the 2021 Annual Report, the Supervisory Board estimates that the auditor performed his work independently and professionally, in accordance with applicable legislation and business practice, that the Annual Report is prepared in accordance with the requirements of the Companies Act in all material respects, and that the financial statements in all material respects fairly represent the financial position of the Company and the Luka Koper Group as at 31 December 2021 and their profit and loss and cash flows for the year ended in accordance with International Financial Reporting Standards as adopted by the EU. The Supervisory Board had no objections to the auditor's report. In addition, the Supervisory Board has no objections to the 2021 Annual Report of the Company and the Luka Koper Group, which would in any way delay it in reaching a decision approving it. Therefore, in accordance with Article 282 (3) of the Companies Act, the Supervisory Board approved the 2021 Annual Report of the Company and the Luka Koper Group at its 8 meeting on 22 April 2022.

At the time of adoption of the annual report, the Supervisory Board also took a stand on the Corporate Governance Statement and on compliance with the reference code, which is included in the business report of the 2021 Annual Report of Luka Koper, d. d. and the Luka Koper Group, and established that it reflects the actual corporate governance of Luka Koper, d. d. and Luka Koper Group in 2021.



Franci Matoz  
Chair of the Supervisory Board of Luka Koper, d. d.

## 4. Corporate Governance Statement

In line with the provision of Article 70 (5) of the Companies Act, Luka Koper, d. d. issues the following Corporate Governance Statement relating to the period from 1 January 2021 to 31 December 2021.

### 4.1. Codes and Management Practice

In the period from 1 January to 31 December 2021, the company observed the Slovene Corporate Governance Code for Listed Companies of 27 October 2016, which was drawn and adopted jointly by the Ljubljana Stock Exchange (Ljubljanska borza, d. d.), Ljubljana, and the Slovenian Directors' Association, and put into force on 1 January 2017. The code is available on the Ljubljana Stock Exchange website [https://ljse.si/UserDocsImages/datoteke/Pravila,%20Navodila,%20Priročniki/Slovenian%20CG%20Code%20for%20listed%20companies%202016%20-%20edited%202018\\_.pdf?vel=2203309](https://ljse.si/UserDocsImages/datoteke/Pravila,%20Navodila,%20Priročniki/Slovenian%20CG%20Code%20for%20listed%20companies%202016%20-%20edited%202018_.pdf?vel=2203309).

In the period from 1 January to 31 December 2021, the company also observed The Corporate Governance Code for State-Owned Enterprises (adopted in March 2021) which is available on the Slovenian Sovereign Holding (SSH) website [SSH - Document Centre](#). The company adopted no corporate governance of its own. The governance is carried out in compliance with the provisions of the Companies Act, and the codes mentioned above.

The Company's corporate governance policy for 2021 was adopted by the Management Board on 17 August 2020 and approved by the Supervisory Board on 25 August 2020.

In its corporate governance, the company voluntarily decided to apply the Slovenian corporate integrity guidelines, which are available on the website <https://www.luka-kp.si/slo/pomembni-dokumenti-208>, and based on which it adopted its own Corporate Integrity Strategy of the Luka Koper Group companies and the Code of Ethics of the Luka Koper Group, which are available on the company's website <https://luka-kp.si/eng/corporate-documents>. The Code of Ethics of the Luka Koper Group companies was updated on 1 October 2019 and is available on the Company's website at <https://luka-kp.si/eng/corporate-documents>. On 20 May 2021, the company also adopted the new Rules of Procedure for the Corporate Integrity Officer and the Corporate Integrity Violations Committee of the Luka Koper Group, and on 19 May 2021, new Rules of Procedure for the Operations Compliance Officer.

#### 4.1.1. Governance of Luka Koper, d. d.

In governance, the Company observes the provisions of applicable codes. Any major derogation is stated and/or explained below.

- Representation in management and supervisory bodies is regulated by various criteria of representation in management and supervisory bodies from the point of view of gender and other aspects, such as age and professional profile. In this regard, the company has adopted a Diversity Policy. The company meets the aforementioned criteria, except for the criterion of gender balance in the Supervisory Board and the Management Board. (Derogation from the Corporate Governance Code for State-Owned Enterprises, Items 9 and 20.3, and from the Slovenian Corporate Governance Code for Listed Companies, Items 3.6 and 6.1.1)
- The company does not have a competency code for members of the Supervisory Board, which would be published on the company's website. (Derogation from the Corporate Governance Code for State-Owned Enterprises, Item 6.5.1.)
- The company does not issue a call as an integral part of the General Meeting to invite institutional investors and the state to make the public aware of their management policy. The company does not do this because it has developed its own system of communication with shareholders and institutional investors, i.e., the state, and considered that through their communication with the public the latter display their corporate governance policies. When convening the General Meeting, the company does not specifically invite the state and the Slovenian Sovereign Holding, d. d., to explain their corporate governance policies, since the Holding's website includes the Annual Asset Management Plan for majority state-owned companies, which also includes Luka Koper, d. d. The plan shows clear positions of the Slovenian Sovereign Holding, d. d., and the state regarding the management of Luka Koper, d. d.,

including the results they expect from Luka Koper, d. d. For this reason, the Company will not be following this recommendation in the future. (Derogation from the Slovenian Corporate Governance Code for Listed Companies, Item 6.2.)

- The members of the Supervisory Board who are employee representatives have no university degree. Employee representatives of the Supervisory Board are appointed by the Works Council, over which the Company's General Meeting has no influence. Similarly, the Worker Participation in Management Act, which is the basis for appointing members of the Supervisory Board – employee representatives, does not prescribe the level of education for Supervisory Board members who are employee representatives. For this reason, there is no basis to guarantee that all members of the Supervisory Board will have a university degree in the future. (Partial derogation from the Slovenian Corporate Governance Code for Listed Companies, Item 10.1.)
- The Supervisory Board does not consider once a year the report of the Works Council on the status of workers' participation in management, since it does not receive the said report from the Works Council. (Derogation from the Slovenian Corporate Governance Code for Listed Companies, Item 12.4.)
- The Supervisory Board does not have a specific training scheme because the training priorities are set by each member of the Supervisory Board individually. (Derogation from the Slovenian Corporate Governance Code for Listed Companies, Item 13.1.)
- Chairperson of the Supervisory Board is also the Chairperson of the HR Committee of the Supervisory Board. (Derogation from the Slovenian Corporate Governance Code for Listed Companies, Item 15.3.)
- One external member is appointed to the Nomination Committee based on a nomination by Slovenian Sovereign Holding, but there is no external expert appointed as selected by the Supervisory Board on SSH's proposal as the Company received no such proposal. (Partial derogation from the Corporate Governance Code for State-Owned Enterprises, Item 6.9.2.)
- When setting up an individual commission, the Supervisory Board does not directly determine its tasks by decision or in the rules of procedure. The tasks of a committee are evident from the discussion of the Supervisory Board at its establishment. (Partial derogation from the Slovenian Corporate Governance Code for Listed Companies, Item 18.2.)
- The members of the Supervisory Board are charged for the credit rating for the liability insurance of company bodies and executives, which is the only credit rating they are entitled to. Regarding the liability insurance of the members of the Supervisory Board, there is a uniform system for all members of the management and supervisory bodies of the company, which will not be changed in the future. (Derogation from the Corporate Governance Code for State-Owned Enterprises, Item 6.10.7.)
- The Audit Committee of the Company's Supervisory Board meets quarterly, but there are more than eight meetings per year. (Derogation from the Corporate Governance Code for State-Owned Enterprises, Item 6.14.2.)
- The company has an established a system of internal controls, which does not yet allow comprehensive risk management; however, it is being constantly improved. (Derogation from the Slovenian Corporate Governance Code for Listed Companies, Item 9.2, and from the Corporate Governance Code for State-Owned Enterprises, Item 26.)
- The Company's Code of Ethics does not contain detailed content relating to the example of management, employees, labour rights, attitudes towards officials and control and sanctions. The Code of Ethics discusses various issues, which are constantly updated by the Company. (Partial derogation from the Corporate Governance Code for State-Owned Enterprises, Item 10.1.1.)
- The Company does not publish all the rules of procedure of its bodies, i.e., the management, control and assembly bodies, on its web pages. (Partial derogation from the Slovenian Corporate Governance Code for Listed Companies, Item 29.9.)

#### 4.1.2. Corporate integrity

Corporate integrity is reported in detail in Chapter 20 Corporate integrity, human rights, prevention of corruption and compliance.

#### 4.1.3. Risk control system

Risk is reported in detail in Chapter 14 Managing risks and opportunities.

### 4.2. Internal controls and risk management related to financial reporting

The Luka Koper Group manages risk related to financial reporting and the implementation of adopted guidelines and internal control procedures. The purpose of internal controls is to ensure the accuracy, reliability and completeness of acquiring data on transactions and preparation of financial statements that give a true and fair view of the financial position, profit or loss, cash flows and changes in equity in accordance with the applicable laws, International Accounting Standards and other external and internal regulations. Risk management related to the Group's consolidated financial statements has also been provided through a centralised accounting function in a uniform IT system in the controlling company, which includes all the subsidiaries and the majority of associated companies.

Having been designed in accordance with the principle of reality and division of responsibility, the accounting controls focus on the control of accuracy and completeness of data processing, reconciliation of the balance presented in the books of account and the actual balance, separation of records from conducting transactions, professionalism of accountants and independence. Internal controls in accounting are also related to controls in the field of IT that ensure limitations and supervision over the access to the network, data and applications as well as the accuracy and completeness of data acquisition and processing.

Luka Koper, d. d. as a company subject to the application of the act regulating acquisitions, states in line with the provision of Article 70 (6) of the Companies Act the data as at 31 December 2021 and all the required explanations.

#### 4.2.1. Structure of the Company's share capital

The Company shares are ordinary no-par value shares that grant to their holders the right to participate in the company management, the right to profit sharing – dividend payments, and the right to a proportionate amount of remaining assets after winding up or bankruptcy of the company. All the shares are registered shares, of one class and issued in book-entry form. The Company shares are freely transferable and listed on the Ljubljana Stock Exchange, first listing. Detailed data about the share and ownership structure is presented in Chapter 15 The LKPG Share.

#### 4.2.2. Share transfer limitations

All Company shares are freely transferable.

#### 4.2.3. Qualified shares pursuant to the Takeovers Act

Pursuant to Article 77 (1) of the Takeovers Act, achievement of the qualified share on 31 December 2021 was as follows:

- the Republic of Slovenia held 7,140,000 shares issued by Luka Koper, d. d., which accounted for 51.00% of the initial capital of the issuer of the shares, and
- Slovenian Sovereign Holding (Slovenski državni holding, d. d.) held 1,557,857 shares issued by Luka Koper, d. d., which accounted for 11.13% of the initial capital of the issuer of the shares.

#### 4.2.4. Holders of securities granting special control rights

The company issued no securities that would grant special control rights.

#### 4.2.5. Employee share scheme

The company has no employee share scheme.

#### 4.2.6. Limitation of voting rights

There is no limitation of voting rights.

#### **4.2.7. Agreements among shareholders that may result in limitation of share transfer or voting rights**

The company has not been informed of any such agreements.

#### **4.2.8. The Company's rules on appointments or replacements of members of management and supervisory bodies**

The Management Board of the company has a President and up to three members, of which one is the Worker Director. The President of the Management Board and other Management Board Members are appointed and dismissed by the Supervisory Board. The Worker Director as a Member of the Management Board is appointed and dismissed by the Supervisory Board on a proposal of the Works Council. The term of office of the President of the Management Board, Management Board Members and the Worker Director is five years with the possibility of re-appointment. The Supervisory Board has the right and competence to dismiss the entire Management Board or an individual Member of the Management Board.

The Supervisory Board can dismiss the President of the Management Board, Members of the Management Board and the Worker Director early for the reasons set out in the law. The quorum of the Supervisory Board when appointing or dismissing the President of the Management Board, a Member of the Management Board or the Worker Director requires the presence of at least half of the Members of the Supervisory Board and at least half of the present Supervisory Board Members have to be representatives of the capital, of which the Chair of the Supervisory Board and deputy Chair of the Supervisory Board are to be present as well.

The President and Members of the Management Board shall have at least university education, a thorough knowledge of one world language, and at least five years of work experience in decision-making positions in large companies in accordance with the criteria as defined by the law governing companies. More detailed conditions and criteria for the President and Members of the Management Board are determined by the Supervisory Board. The terms of appointment of the Worker Director are jointly determined by the Supervisory Board and the Works Council.

The HR Committee operates under the Supervisory Board, carrying out preliminary procedures relating to the selection of candidates for the Management Board of the company and proposing the most suitable candidates for the Management Board Members to the Supervisory Board. Before submitting the proposal, the Committee verifies whether the candidates suggested meet the legal and statutory criteria for the Members of the Management Board.

The Supervisory Board of the company consists of nine members, of which six are elected by the General Meeting by a simple majority of the shareholders present and three members are elected by the Works Council. One of six Supervisory Board members can be proposed to the General Meeting by the municipality or municipalities in which the onshore part of the port area is located. The General Meeting establishes with a decision the election and discharge of the members of the Supervisory Board elected by the Works Council. The decision on an early discharge of Members of the Supervisory Board has to be taken by a three-quarters majority of the votes submitted in the General Meeting. Members of the Supervisory Board elected out of the employees can be discharged before the expiry of their term of office by the Works Council. The General Meeting only establishes their discharge with a decision. After expiry of their term of office, each elected Member of the Supervisory Board may be proposed and re-appointed as a Member of the Supervisory Board.

In 2020, the Management and the Supervisory Boards formulated and adopted a diversity policy with respect to representation in management and control bodies of the company as defined by the Companies Act and the Slovenian Corporate Governance Code for Public Limited Companies adopted on 27 October 2016, which entered into force on 1 January 2017. The Company has thus pursued the objective of diversity with respect to representation in management and control bodies.

#### **4.2.9. The Company's rules concerning changes in the articles of association**

The General Meeting of Shareholders decides on the changes in the articles of association with a three-quarters majority of the initial capital represented.

#### **4.2.10. Powers of Members of the Management Board, in particular with regard to own shares**

Powers of Members of the Management Board are defined in Chapter 4.6 Company Management. The Management Board has no special powers relating to the issue or purchase of own shares.

#### **4.2.11. Relevant agreements that are put into effect, changed or terminated on the basis of a change in the company's control as a result of a public takeover offer**

The company has not been informed of any such agreements.

#### **4.2.12. Agreements between the Company and the members of its management or control bodies or employees that foresee compensation if they resign, are dismissed without valid grounds or their employment contract expires because of an offer made in compliance with the Takeovers Act**

There have been no agreements in accordance with the Takeovers Act.

### **4.3. Management system<sup>5</sup>**

Luka Koper, d. d. operates under a two-tier management system, under which the Company has three management bodies: the General Meeting of Shareholders, the Supervisory Board, and the Management Board. The competencies of individual bodies and the rules on their operation, appointment, discharge and changes to the articles of association and Company's internal regulations related to the work of these bodies are laid down in the Companies Act, the Company's articles of association, and the Rules of Procedure on the Work of the Supervisory Board, the Management Board and the General Meeting of Shareholders. Specific provisions on the operation of the Management Board are also stated in other general acts on internal company regulation. The Company's articles of association are available at <https://luka-kp.si/eng/corporate-documents>.

### **4.4. General Meeting of Shareholders**

The General Meeting of Shareholders is the highest body of the Company, deciding on its status changes, appropriation of the profit, the appointment or discharge of Members of the Supervisory Board and all other issues. It makes decisions in accordance with the Companies Act (ZGD-1) and the Articles of Association of Luka Koper, d. d. The ownership structure of Luka Koper, d. d. is presented in Chapter 15, The LKPG Share.

#### **4.4.1. Convening the General Meeting of Shareholders**

The Management Board shall convene the General Meeting of Shareholders once a year as a general rule, or several times, if necessary. The convening of the General Meeting of Shareholders is announced at least one month in advance on the AJPES website, in the SEO-net electronic system of the Ljubljana Stock Exchange, and on the Company's website. The Company's website <https://luka-kp.si/eng/general-assembly> includes all the material with the proposals for decisions, which is also made available to shareholders at the Company's head office. In compliance with the rules of the Ljubljana Stock Exchange, all decisions taken at the General Meeting of Shareholders are also published.

#### **4.4.2. Participation and voting rights**

Shareholders may take part in the General Meeting and exercise their voting right if their presence is reported to the Management Board by the end of the fourth day prior to the General Meeting and if shares or a share certificate are submitted for inspection.

The company has no limitations relating to the voting rights, as all shares of Luka Koper, d. d. provide voting rights in line with the legislation.

Luka Koper, d. d. has issued no securities that would grant their holders any special control rights.

#### **4.4.3. Decisions of the General Meeting of Shareholders**

On 29 June 2021, the shareholders of Company Luka Koper, d. d., gathered at the 34th General Meeting. At the meeting, the shareholders:

- Adopted a decision on the proposal for the appropriation of the accumulated profit for 2020, which amounted to EUR 30,637,829.48:

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<sup>5</sup> GRI GS 102-18

- A portion in the amount of EUR 15,960,000.00 is to be used for dividend pay-out in the gross value of EUR 1,14 per ordinary share,
- The residual amount of accumulated profit in the amount of EUR 14,677,829.48 to remain unappropriated.
- Granted discharge for the year 2020 to the Management Board and Members of the Supervisory Board,
- Adopted amendments and supplements to the Articles of Association of the Company,
- Refused to reach a settlement with the former members of the Supervisory Board in the TTI case,
- Gave consent to conclude a settlement with former members of the Supervisory Board and the insurance company Wiener Städtische Versicherung AG Vienna Insurance Group and Wiener Städtische zavarovalnica, Ljubljana branch, on the basis of which the insurance company paid the company EUR 55,000.00,
- Approved the Remuneration Policy of the members of the Management Board and the Supervisory Board of Luka Koper, d. d.,
- Appointed new members of the Supervisory Board.

#### 4.5. Supervisory Board of Luka Koper, d. d.<sup>6</sup>

The Supervisory Board oversees the running of the Company's business. Other tasks and powers of the Board, in accordance with the law and the Company's articles of association, are: appointing and dismissing the Management Board, determining the amount of Management Board's remuneration, approving the annual report, preparing proposals for the appropriation of the accumulated profit, and convening the General Meeting of Shareholders.

##### 4.5.1. Composition of the Supervisory Board

The Supervisory Board of Luka Koper, d. d. consists of nine members. Six are elected by the General Meeting of Shareholders, and three from among employees by the Works Council. The Board members' term of office is four years.

##### 4.5.2. Composition of the Supervisory Board of Luka Koper, d. d. as at 31 December 2021:

###### 4.5.2.1. Representatives of shareholders:

Franci Matoz, Chair of the Supervisory Board

Beginning of a 4-year term of office: 2 July 2021 (34th General Meeting)

Employed: Odvetniška družba Matoz, o. p., d. o. o.

Membership in other supervisory or management bodies: Chair of the Management Board of the Bank Assets Management Company, Deputy Chair of the Supervisory Board of Slovenske železnice, d. o. o.

Nevenka Črešnar Pergar, Deputy Chair of the Supervisory Board

Beginning of a 4-year term of office: 2 July 2021 (34th General Meeting)

Employed: NL Consulting, d. o. o.

Andrej Koprivec, Member of the Supervisory Board

Beginning of a 4-year term of office: 2 July 2021 (34th General Meeting)

Employed: Koprigo, d.o.o.

Božidar Godnjavec, Member of the Supervisory Board

Beginning of a 4-year term of office: 2 July 2021 (34th General Meeting)

Employed: Ministry of Infrastructure

Rado Antolovič, Member of the Supervisory Board

Beginning of a 4-year term of office: 2 July 2021 (34th General Meeting)

Employed: Dry Docks World

Membership in other management or supervisory bodies: MYS Bijela Montenegro, Member of the Supervisory Board

Tamara Kozlovič, Member of the Supervisory Board

Beginning of a 4-year term of office: 22 August 2019 (32nd General Meeting)

Employed: Municipality of Koper

Membership in other management or supervisory bodies: Member of the General Meeting of Rižanski vodovod Koper, d. o. o.

<sup>6</sup> GRI GS 102-22, 405-1

**4.5.2.2. Representatives of employees:**

Mladen Jovičić, Member of the Supervisory Board

Beginning of a 4-year term of office: 8 April 2021 (34th General Meeting – informing the shareholders)

Mehrudin Vuković, Member of the Supervisory Board

Beginning of a 4-year term of office: 19 January 2020 (33rd General Meeting – informing the shareholders)

Rok Parovel, Member of the Supervisory Board

Beginning of a 4-year term of office: 13 September 2020 (34th General Meeting – informing the shareholders)

**4.5.2.3. External members of the Supervisory Board committees:**

Simon Kolenc, external member of the Audit Committee of the Supervisory Board

Appointed as at 12 July 2021 until revoked.

Simona Razvornik Škofič, external member of the Nomination Committee of the Supervisory Board

Appointed for the period from 22 March 2021 to 28 May 2021.

Membership in other management or supervisory bodies: Unior, d. d., Member of the Supervisory Board

**Diversity of members of the Supervisory Board by gender**

31 Dec 2021	Men	Women	Total
Number of members	7	2	9
<b>Share</b>	<b>78%</b>	<b>22%</b>	<b>100%</b>

**Diversity of members of the Supervisory Board by age**

31 Dec 2021	Under 30	30 to 50	Over 50	Total
Number of members	0	5	4	9
<b>Share</b>	<b>0%</b>	<b>56%</b>	<b>44%</b>	<b>100%</b>

**4.5.3. Changes in the composition of the Supervisory Board Audit Committee**

As at 12 July 2021, the Supervisory Board of Luka Koper, d. d. appointed new members of the Audit Committee of the Supervisory Board, Andrej Koprivec as Chair, Božidar Godnjavec as Deputy Chair, Nevenka Črešnar Pergar as a member and Simon Kolenc as an external member to replace previous members of the Audit Committee of the Supervisory Board, Barbara Nose as Chair and Milan Jelenc as a member, whose terms as Members of the Supervisory Board expired on 1 July 2021, and Mateja Treven as an external member, who was recalled on 12 July 2021.

**4.5.4. Changes in the composition of the Supervisory Board HR Committee**

As at 12 July 2021, the Supervisory Board of Luka Koper, d. d. appointed new members of the HR Committee of the Supervisory Board, Franci Matoz as Chair, Nevenka Črešnar Pergar as a member and Božidar Godnjavec as a member to replace previous members of the HR Committee of the Supervisory Board, Uroš Ilič as Chair, Barbara Nose as a member and Milan Jelenc as a member, whose terms as Members of the Supervisory Board expired on 1 July 2021.

**4.5.5. Changes in the composition of the Supervisory Board Business Operations Committee**

As at 12 July 2021, the Supervisory Board of Luka Koper, d. d. appointed new members of the Business Operations Committee of the Supervisory Board, Božidar Godnjavec as Chair, Nevenka Črešnar Pergar as Deputy Chair to replace previous members of the Business Operations Committee of the Supervisory Board, Andraž Lipolt as Chair and Milan Jelenc as a member, whose terms as Members of the Supervisory Board expired on 1 July 2021.

#### 4.5.6. Appointment of the Strategic Development Committee

As at 12 July 2021, the Supervisory Board established a new committee, i.e., the Strategic Development Committee, to which it appointed Nevenka Črešnar Pergar as Chair, Andrej Koprivec as Deputy Chair, Rado Antolovič as a member, Rok Parovel as a member, Mladen Jovičić as a member and Tamara Kozlovič as a member.

#### 4.5.7. Appointment of the Nomination Committee

As at 19 February 2021, the Supervisory Board established a Nomination Committee, to which it appointed Milan Jelenc (Chair), Barbara Nose (member) and Tamara Kozlovič (member) for the period until 28 May 2021 and Simona Razvornik Škofič (external member) for the period from 22 March 2021 to 28 May 2021.

#### 4.5.8. Details of the composition of the Supervisory Board

All details pertaining to members of the Supervisory Board and its composition and the composition of the committees of the Supervisory Board are listed in the tables prepared in accordance with Annexes C.2 of the Slovene Corporate Governance Code for Listed Companies and 5.2 of the Corporate Governance Code for State-Owned Enterprises, entitled Composition of the Supervisory Board and Committees in the financial year 2021, which are an integral part of this Corporate Governance Statement.

#### 4.5.9. Supervisory Board's work

The work of the Supervisory Board is governed by statutory regulations, Company's articles of association and the Rules of Procedure on the Work of the Supervisory Board, the Slovene Corporate Governance Code for Listed Companies, Corporate Governance Code for State-Owned Enterprises, Recommendations and expectation of the Slovenian Sovereign Holding and Recommendations of the Slovenian Directors' Association.

In 2021, the Supervisory Board operated in the above composition. Work, decisions, and viewpoints of the Supervisory Board and the Committees of the Supervisory Board are reported in detail in Chapter 3 entitled Report of the Supervisory Board for 2021.

Each Member of the Supervisory Board, taking into account the provisions of the Slovene Corporate Governance Code for Listed Companies and Corporate Governance Code for State-Owned Enterprises, signed a declaration in 2021 stating that in the year 2021 there was no conflict of interest that would imply that an individual member:

- Was executive director or member of the management board of the Company or an associated company or had occupied such a position in the previous five years,
- Worked for the Company or an associated company and had occupied such a position in the previous three years,
- Received significant additional remuneration from the Company or an associated company except for the fee received as a Member of the Supervisory Board
- Was the majority shareholder and represented the majority shareholder/majority shareholders,
- Had important business contacts with the Company or an associated company in the last year, either directly as a partner, shareholder, managing director or manager in a body,
- Is or has been within the last three years, a partner or employee of the present or former external auditor of the Company or an associated company;
- Was executive director or member of the management board of another company, of which a Member of the Supervisory Board was the executive director or member of the management board, or was in any way related to the executive director or members of the management board through cooperation in other companies or bodies,
- Was a member of the Supervisory Board for more than three terms of office (or over 12 years),
- Was a close family member of a member of the management board or of persons occupying positions referred to in items above,
- Was a member of the wider management board of an associated company,
- Participated in drawing up the proposed content of the Company's annual report.

Statements are also available at <https://luka-kp.si/slo/pomembni-dokumenti-208>.

#### 4.5.10. Supervisory Board committees

Four committees operate on a regular basis under the Supervisory Board:

- HR Committee,
- Audit Committee,
- Business Operations Committee,
- Strategic Development Committee.

The committees carry out professional tasks in aid to the Supervisory Board. They were appointed on 12 July 2021.

In 2021, the HR Committee was composed of Uroš Ilič, (Chair), Barbara Nose (Member) and Milan Jelenc (Member) until 1 July 2021 when their terms as Members of the Supervisory Board expired; Tamara Kozlovič (Deputy Chair) and Mehrudin Vuković (member) throughout 2021, and as at 12 July 2021 also of Franci Matoz (Chair), Nevenka Črešnar Pergar (member), Božidar Godnjavec (member) and Mehrudin Vuković (member).

In 2021, the Audit Committee was composed of Barbara Nose (Chair) and Milan Jelenc (Member) until 1 July 2021 when their terms as Members of the Supervisory Board expired; Mateja Treven (External Member) until 12 July 2021 when she was recalled, Rok Parovel throughout 2021, and as at 12 July 2021 also of Andrej Koprivec (Chair), Božidar Godnjavec (Deputy Chair), Nevenka Črešnar Pergar (Member) and Simon Kolenc (External Member).

In 2021, the Business Operations Committee was composed of Andraž Lipolt (Chair) and Milan Jelenc (Member) until 1 July 2021 when their terms as Members of the Supervisory Board expired; Rado Antolovič (Member), Tamara Kozlovič (Member), and Mladen Jovičić (Member) throughout 2021, and as at 12 July 2021 also of Božidar Godnjavec (Chair) and Nevenka Črešnar Pergar (Deputy Chair).

As at 12 July 2021, when it was established, in 2021 the Strategic Development Committee was composed of Nevenka Črešnar Pergar (Chair), Andrej Koprivec (Deputy Chair), Rado Antolovič (Member), Rok Parovel (Member), Mladen Jovičić (Member) and Tamara Kozlovič (Member).

In 2021, in the period from 19 February 2021 to 28 May 2021, the Nomination Committee was composed of Milan Jelenc (Chair), Barbara Nose (Member) and Tamara Kozlovič (Member) and in the period from 22 March 2021 to 28 May 2021 also of Simona Razvornik Škofič (External Member).

#### 4.5.11. Remuneration of the Supervisory Board

Members of the Supervisory Board and of Committees of the Supervisory Board are entitled to attendance fees and payments for performing the functions. The amount of attendance fees and payments shall be determined by the General Meeting of Shareholders. Members of the Supervisory Board and of Committees of the Supervisory Board are also entitled to a refund of travel expenses and other arrival- and attendance-related expenses. Additional information on remuneration of the Supervisory Board and on related levels is given in the Accounting Report of Luka Koper d. d., Note 33 Related party transactions, and in the table taken from the Appendix C.4 of the Slovenian Corporate Governance Code, entitled Composition and the amount of remuneration of the Supervisory Board and Committee members in the financial year 2021, in Appendix to the Corporate Governance Statement, which is an integral part of the Corporate Governance Statement. The information on the ownership of shares of Members of the Supervisory Board and its committees is given in Chapter 15 The LKPG Share.

## 4.6. The Management Board of Luka Koper d. d.<sup>7</sup>

The work of the Management Board is governed by statutory regulations, the Company's articles of association and the Rules of Procedure on the Work of the Management Board, the Slovene Corporate Governance Code for Listed Companies, the Corporate Governance Code for State-Owned Enterprises, and Recommendations and Expectations of the Slovenian Sovereign Holding. Pursuant to the Companies Act and the Company's articles of association, the Management Board manages and represents the company.

### 4.6.1. Composition of the Management Board

The Management Board of Luka Koper, d. d. worked in the following composition until 15 November 2021:

- Dimitrij Zadel, President of the Management Board, appointed for a five-year term on 29 December 2017, took office on the day of his appointment,
- Metod Podkrižnik, Member of the Management Board, appointed for a five-year term on 29 December 2017, took office on the day of his appointment,
- Irma Gubanec, Member of the Management Board, appointed for a five-year term on 29 December 2017, took office on the day of her appointment,
- Vojko Rotar, Worker Director, appointed for a five-year term on 16 February 2018, took office on the day of his appointment.

As at 31 December 2021, the Management Board of Luka Koper, d. d. consisted of:

- Boštjan Napast, President of the Management Board, appointed for a five-year term on 3 December 2021, took office on the day of his appointment,
- Boštjan Napast, Member of the Management Board, appointed for a five-year term on 12 November 2021, took office on 16 November 2021,
- Vojko Rotar, Worker Director, appointed for a five-year term on 16 February 2018, took office on the day of his appointment.

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<sup>7</sup> GRI GS 102-22, 405-1

**4.6.2. Presentation of members of the Management Board of Luka Koper, d. d. as at 31 December 2021<sup>8</sup> :**

**Boštjan Napast**

President of the Management Board

Boštjan Napast has a university degree in mechanical engineering. He began his career in 1995 in the company Projekta inženiring, d. o. o., in Ptuj as a designer of machine installations. As a leading designer, he continued his career in the Maribor-based company Menerga Energie-Technologie, d. o. o. In 1998, he joined Petrol, d. d., where he held various management positions. He was the director of Petrol's Maribor regional wholesale unit; in 2004, he took over the management of the petroleum products sales department; and from 2005 to 2009, he was in charge of energy, investment, technical development and quality as a member of Petrol's Management Board. After the expiration of his term of office, he worked for Petrol as a management consultant for two more years. In 2011, he took over the management of Geoplin, d. o. o., which he successfully transformed from a local to a regional company over a ten-year period.

He commenced his five-year term of office as President of the Management Board of Luka Koper, d. d. following the decision of the company's Supervisory Board of 3 December 2021.

**Robert Rožac**

Member of the Management Board

Robert Rožac is a university graduate in architecture. He has over thirty years of work experience, of which 24 years in management positions. He started his managerial career in one of the largest construction companies in Slovenia at the time, GPG d. d., as the director of marketing and development. From 2014 to 2019, he was employed by Luka Koper, d. d., as the head of investments and maintenance. Prior to joining Luka Koper, d. d., as a Member of the Management Board, he was a State Secretary at the Ministry of the Environment and Spatial Planning.

He commenced his five-year term of office as Member of the Management Board of Luka Koper, d. d. following the decision of the company's Supervisory Board of 16 November 2021.

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<sup>8</sup> GRI GS 405-1

## Vojko Rotar

### Worker Director

Vojko Rotar, born 17 June 1976, is a graduate in economics. He began his career in 1995 in Avico, a freight forwarding company from Ljubljana, and continued to work in logistics, later also international trade until 2003. He gained a wealth of experience with respect to the port as a transit point channelling international trade flows. His insight into the general economic environment and the subjects operating within it paved him the way to various positions in the field of media and communications, where he worked as editor, journalist, correspondent, photojournalist and web reporter for various Slovenian media. He was in charge of public relations and marketing in the Marjetica Koper public corporation, while also nearing a number of areas related to the promotion of good environmental practices and cooperation with the local community. He commenced his five-year term of office in Luka Koper, d. d. as Member of the Management Board - Worker Director on 16 February 2018, following the decision of the company's Supervisory Board.

A Member of the Management Board has to disclose any conflict of interest to the Supervisory Board and inform other Members of the Management Board accordingly.

#### Diversity of members of the Management Board by gender

31 Dec 2021	Men	Women	Total
Number of members	3	0	3
<b>Share</b>	<b>100%</b>	<b>0%</b>	<b>100%</b>

#### Diversity of members of the Management Board by age

31 Dec 2021	Under 30	30 to 50	Over 50	Total
Number of members	0	1	2	3
<b>Share</b>	<b>0%</b>	<b>33%</b>	<b>67%</b>	<b>100%</b>

Presentation of Members of the Management Board is also available at <https://luka-kp.si/eng/management>.

#### 4.6.3. Details of the composition of the Management Board

All details pertaining to members of the Management Board are listed in the table entitled Composition of the Management Board in the financial year 2021, which is an integral part of this Corporate Governance Statement and was prepared in accordance with Annexes C.1 of the Slovene Corporate Governance Code for Listed Companies and 5.1 of the Corporate Governance Code for State-Owned Enterprises.

## 4.7. Management Board's work<sup>9</sup>

The Management Board autonomously directs the operations of the Company in its best interests, and assumes sole responsibility for its actions. It works in accordance with regulations, the articles of association and the binding decisions of Company bodies.

### 4.7.1. Remuneration of the Management Board

Remuneration paid to Members of the Management Board consists of the fixed and variable components. They are determined in fixed-term management operation employment contracts for Members of the Management Board, in annexes to employment contracts and in decisions of the Supervisory Board. Concluded between individual Members of the Management Board and the Supervisory Board, employment contracts and annexes also specify refunds and benefits. When concluding contracts and annexes for Members of the Management Board, the Supervisory Board is represented by its Chair. The remuneration of the Management Board is reported in the Accounting Report of Luka Koper d. d., Note 33 Related party transactions, and in the table entitled Composition of the management board in the financial year 2021, which is an integral part of the Company's Corporate Governance Statement and is taken from the Appendix C.3 of the Slovenian Corporate Governance Code. The ownership of shares is reported in Chapter 15 The LKPG Share.

## 4.8. Management and governance of companies in the Luka Koper Group

Luka Koper, d. d. has an established corporate governance system which includes the controlling company of the Luka Koper Group and 6 other companies. Luka Koper has business shares, i.e., is a shareholder in the subsidiaries of the Luka Koper Group, as well as in 13 other companies. Objectives in the field of financial investment management are defined in the Strategic Business Plan of the Company and the Group for the period 2020-2025. The Investment Management Strategy was adopted in 2018, under which financial investments are divided into two categories with respect to four key areas (integration in operations, maximisation of flexibility and minimisation of risk, financial aspect and other externalities):

- Strategic investments are investments in shares and stakes of the companies engaged in activities that are of importance for the future development and operation of the parent company, and contributing to risk control and increased added value. They are managed in accordance with the principle of the group operation.
- Non-strategic investments are investments in shares and stakes of the companies not engaged in activities that are of importance for the future development and operation of the parent company, and not contributing to risk control and increased added value. The aim is to maximise profit payment or bring about other positive impacts for the owner. They are managed in accordance with the principle of investment trust.

As the Investment Management Strategy has been adopted, guidelines for the decision-making and managing aspects of management of strategic investments were also set. The dividend policy follows the classification of an individual investment: when acting as a shareholder in non-strategic investments, we strive to achieve the objective of maximised profit payment, and when acting as a shareholder in strategic investments, we pursue the objective of a balanced profit payment under consideration of the investment-development company cycles.

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<sup>9</sup> GRI GS 102-23

#### Management and governance of subsidiaries in the Luka Koper Group as at 31 December 2021

Company	Managing Director	Share of the controlling company in ownership (in %)
Luka Koper INPO, d. o. o.	Boris Kranjac	100.00
Adria Terminali, d. o. o.	Bojan Babič	100.00
Luka Koper Pristan, d. o. o.	Liquidator Luka Gabrčič	100.00
Adria Investicije, d. o. o.	Boris Jerman	100.00
Logis-Nova, d. o. o.	Larisa Kocjančič	100.00
TOC, d. o. o.	Ankica Budan Hadžalič	68.13

#### 4.9. Internal audit

The purpose of the internal audit is to carry out the function of internal auditing for the company Luka Koper, d. d. and subsidiaries. This is an independent organisational unit subordinated in function to the Supervisory Board, and in organisation to the Management Board of the company. It operates independently and in accordance with the adopted fundamental charter, i.e., the Internal Audit Charter which is based on International Standards for the Professional Practice of Internal Auditing, the Code of Internal Audit Principles of the Slovenian Institute of Auditors, and Code of Ethics for Internal Auditors of the Slovenian Institute of Auditors. With its activities, the internal audit helps implement the objectives of the Company and the Group by systematically and methodically assessing and improving the efficiency of risk management, control of procedures and their management.

In 2021, the internal audit carried out internal audit engagements and other activities in accordance with the adopted annual plan of work. Eleven planned internal audit engagements and two extraordinary ones were carried out. In implementing the planned transactions, the risks identified in the preparation of the annual plan served as guidance, and were also supplemented in the phase of detailed observation of each audit area and initial risk assessment. The greater part of the assurance provision included verification whether internal controls have been devised appropriately and whether they function in accordance with pre-defined objectives and standards. Based on identified deficiencies, recommendations were made for their improvement.

In addition to the planned auditing, after-audit activities were performed monthly, their aim being to report promptly on the measures taken for a better management of risks. All the recommendations with the implementation deadline by the end of 2021 were implemented.

The internal audit reported on each individual engagement to the management of the audited unit, the Company's Management Board and the Audit Committee of the Supervisory Board; and to the latter two, it also reported on the implementation of internal audit recommendations. The internal audit reports to the Supervisory Board on an annual basis.

The development of internal audit has been implemented by means of a quality provision and improvement programme. Its purpose is to ensure to all the interested parties that operation of the internal audit is in compliance with the applicable rules of the profession and that its operation is successful and efficient. The quality of and improvement in the operation of internal audit is also ensured by internal assessment as well as monitoring and measuring the internal audit operation. In 2021, all values of ratios for measuring the performance of internal audit were achieved as planned.

#### 4.10. External audit

At the 33rd meeting of 26 August 2020, the General Meeting of Shareholders appointed the audit firm BDO Revizija, d. o. o., družba za revidiranje, Cesta v Mestni log 1, Ljubljana for the audit of the financial statements of Luka Koper, d. d. and the Luka Koper Group for the business years 2020, 2021 and 2022.

The costs of audit services performed for Luka Koper, d. d. and its subsidiaries are presented in the consolidated accounting report, Note 35: Transactions with the audit firm.



Boštjan Napast  
President of the Management Board of Luka Koper, d. d.



Robert Rožac  
Member of the Management Board of Luka Koper, d. d.



Vojko Rotar  
Member of the Luka Koper, d. d. Management Board - Worker Director

## 4.11. Appendix to the Corporate Governance Statement

### C.1: Composition of the Management Board for the Financial Year 2021

Name and surname	Function (Chair, Member)	First appointment to office	End of office / term of office	Gender	Citizenship	Year of birth	Education	Professional profile	Membership in management or supervisory bodies of unrelated
Dimitrij Zadel	Chair	29.12.2017	15.nov.21	Man	Slovenian	1967	Level 7	University Graduate in Mechanical Engineering	none
Metod Podkrižnik	Member	29.12.2017	15.nov.21	Man	Slovenian	1971	Level 8	University Graduate in Mechanical Engineering and Master's Degree in Economics	Member of the Supervisory Board in Petrol, d. d.
Irma Gubanec	Member	29.12.2017	15.nov.21	Woman	Slovenian	1968	Level 8	Master's Degree in Economics	Member of the Supervisory Board in IEDC - Poslovna šola Bled, d. o. o.
Boštjan Napast	Chair	03.12.2021	ongoing	Man	Slovenian	1971	Level 7	University Graduate in Mechanical Engineering	Member of the Supervisory Board in Plinovod d. o. o. and Unior, d. d.
Robert Rožac	Member	16.11.2021	ongoing	Man	Slovenian	1965	Level 7	University Graduate in Architecture	none
Vojko Rotar	member - Worker Director	16.02.2018	ongoing	Man	Slovenian	1976	Level 7	University Graduate in Economics	none

### C.2: Composition of the Supervisory Board and Committees in the Financial Year 2021

Name and surname	Function (Chair, Deputy, SB Member)	First appointment to office	End of office / term of office	Representative of shareholders / employees	Attendance at Supervisory Board meetings proportional to the total number of Supervisory Board	Gender	Citizenship	Year of birth	Education	Professional profile	Independence under Article 23 of the Code (YES / NO)	Existence of conflicts of interest in the financial year (YES / NO)	Membership in management or supervisory bodies of other companies
UROŠ ILIĆ	Chair	01.07.2017	01.jul.21	representative of shareholders	8 / 19	Man	Slovenian	1976	Level 8	Master's Degree in Law	Yes	No	No
	Committee member (Audit, HR, Remuneration Committee)			Chair / Member	Attendance at committee meetings proportional to the total number of								
	HR COMMITTEE				2021)	4 / 10							

Name and surname	Function (Chair, Deputy, SB Member)	First appointment to office	End of office / term of office	Representative of shareholders / employees	Attendance at Supervisory Board meetings proportional to the total number of Supervisory Board	Gender	Citizenship	Year of birth	Education	Professional profile	Independence under Article 23 of the Code (YES / NO)	Existence of conflicts of interest in the financial year (YES / NO)	Membership in management or supervisory bodies of other companies
Milan Jelenc	Member	01.07.2017	01.jul.21	representative of shareholders	8 / 19	Man	Slovenian	1949	Level 8	Master's Degree in Economics	Yes	No	Chairman of the Supervisory Board in Adriakombi, d. o. o.
	Committee member (Audit, HR, Remuneration Committee)			Chair / Member	Attendance at committee meetings proportional to the total number of								
	HR COMMITTEE / AUDIT COMMITTEE / BUSINESS OPERATIONS COMMITTEE / NOMINATION COMMITTEE				MEMBER / MEMBER / MEMBER / CHAIR (UNTIL 1 JUL 2021, IN THE NOMINATION COMMITTEE FROM 19 FEB TO 28 MAY 2021)	4 / 10,6 / 12,4 / 9,6 / 6							





Name and surname	Function (Chair, Deputy, SB Member)	First appointment to office	Completion of function / mandate	Representative of shareholders / employees	Attendance at Supervisory Board meetings proportional to the total number of Supervisory Board meetings	Gender	Citizenship	Year of birth	Education	Professional profile	Independence under Article 23 of the Code (YES / NO)	Existence of conflicts of interest in the financial year (YES / NO)	Membership in management or supervisory bodies of other companies
Božidar Godnjavec	Member	02.07.2021	ongoing	Representative of shareholders	11 / 19	Man	Slovenian	1972	Level 7	Master's Degree in Economics	Yes	No	no
	Committee member (Audit, HR, Business Operations Committee, Strategic Development Committee)			Chair / Member	Attendance at committee meetings proportional to the total number of committee meetings								
	HR COMMITTEE, AUDIT COMMITTEE, BUSINESS OPERATIONS COMMITTEE /			CHAIR	6 / 10, 6 / 12, 4 / 9,								

Name and surname	Function (Chair, Deputy, SB Member)	First appointment to office	Completion of function / mandate	Representative of shareholders / employees	Attendance at Supervisory Board meetings proportional to the total number of Supervisory Board meetings	Gender	Citizenship	Year of birth	Education	Professional profile	Independence under Article 23 of the Code (YES / NO)	Existence of conflicts of interest in the financial year (YES / NO)	Membership in management or supervisory bodies of other companies
Tamara Kozlovič	Member	22.08.2019	ongoing	Representative of shareholders	19 / 19	Woman	Slovenian	1978	Level 8	Master's Degree in Business Policy and Organisation	Yes	No	Member of the General Meeting in Rižanski vodovod Koper, d. o. o.
	Committee member (Audit, HR, Business Operations Committee, Strategic Development Committee)			Chair / Member	Attendance at committee meetings proportional to the total number of committee meetings								
	HR COMMITTEE / BUSINESS OPERATIONS COMMITTEE / STRATEGIC DEVELOPMENT COMMITTEE / NOMINATION COMMITTEE			DEPUTY CHAIR / MEMBER / MEMBER (FROM 19 FEB TO 28	10 / 10, 9 / 9, 1 / 1, 6 / 6								

Name and surname	Function (Chair, Deputy, SB Member)	First appointment to office	Completion of function / mandate	Representative of shareholders / employees	Attendance at Supervisory Board meetings proportional to the total number of Supervisory Board meetings	Gender	Citizenship	Year of birth	Education	Professional profile	Independence under Article 23 of the Code (YES / NO)	Existence of conflicts of interest in the financial year (YES / NO)	Membership in management or supervisory bodies of other companies
Mladen Jovičič	Member	8 Apr 2009	ongoing	Representative of employees	19 / 19	Man	Slovenian	1969	Level 5	Electrical technician	Yes	No	No
	Committee member (Audit, HR, Business Operations Committee, Strategic Development Committee)			Chair / Member	Attendance at committee meetings proportional to the total number of committee meetings								
	BUSINESS OPERATIONS COMMITTEE / STRATEGIC DEVELOPMENT COMMITTEE			MEMBER / MEMBER	8 / 9, 1 / 1								

Name and surname	Function (Chair, Deputy, SB Member)	First appointment to office	Completion of function / mandate	Representative of shareholders / employees	Attendance at Supervisory Board meetings proportional to the total number of Supervisory Board meetings	Gender	Citizenship	Year of birth	Education	Professional profile	Independence under Article 23 of the Code (YES / NO)	Existence of conflicts of interest in the financial year (YES / NO)	Membership in management or supervisory bodies of other companies
Rok Parovel	Member	12 Sep 2016	ongoing	Representative of employees	18 / 19	Man	Slovenian	1987	Level 5	High school graduate	Yes	No	Member of the Supervisory Board in the Municipality of
	Committee member (Audit, HR, Business Operations Committee, Strategic Development Committee)			Chair / Member	Attendance at committee meetings proportional to the total number of committee meetings								
	AUDIT COMMITTEE / STRATEGIC DEVELOPMENT COMMITTEE			MEMBER / MEMBER	11 / 12, 1 / 1								

Name and surname	Function (Chair, Deputy, SB Member)	First appointment to office	Completion of function / mandate	Representative of shareholders / employees	Attendance at Supervisory Board meetings proportional to the total number of Supervisory Board meetings	Gender	Citizenship	Year of birth	Education	Professional profile	Independence under Article 23 of the Code (YES / NO)	Existence of conflicts of interest in the financial year (YES / NO)	Membership in management or supervisory bodies of other companies
Mehrudin Vuković	Member	19 Jan 2020	ongoing	Representative of employees	19 / 19	Man	Slovenian	1972	Level 6 / 1	Logistics Engineer	Yes	No	No
	Committee member (Audit, HR, Remuneration Committee, etc.)			Chair / Member	Attendance at committee meetings proportional to the total number of committee meetings								
	HR COMMITTEE			MEMBER	10 / 10								

External committee member (audit, HR, remuneration committee, etc.)													
Name and surname	COMMITTEE	Attendance at committee meetings proportional to the total number of committee meetings	Gender	Citizenship	Education	Year of birth	Professional profile	Membership in management or supervisory bodies of unrelated companies					
Mateja Treven	Audit (until 12 Jul 2021)	6 / 12	Woman	Slovenian	Level 8	1972	Master's Degree in Economics	NLB Banka AD Skopje					

External committee member (audit, HR, remuneration committee, etc.)													
Name and surname	COMMITTEE	Attendance at committee meetings proportional to the total number of committee meetings	Gender	Citizenship	Education	Year of birth	Professional profile	Membership in management or supervisory bodies of unrelated companies					
Simon Kolenc	Audit Committee	6 / 12	Man	Slovenian	Level 7	1977	University Graduate in Economics	no					

External committee member (audit, HR, remuneration committee, etc.)													
Name and surname	COMMITTEE	Attendance at committee meetings proportional to the total number of committee meetings	Gender	Citizenship	Education	Year of birth	Professional profile	Membership in management or supervisory bodies of unrelated companies					
Simona Razvornik Škofič	Nomination Committee (from 22 Mar to 28 May 2021)	4 / 6	Woman	Slovenian	Level 7	1971	University Graduate in Economics	The Supervisory Board of Unior, d. d.					

**C.3: Composition and Amount of Remuneration\* of Management Board Members in the Financial Year 2021**

(in EUR)

Name and surname	Function (Chair, Member)	Fixed income - gross (1)	Variable income - gross			Deferred income (3) **	Severance pay (4)	Bonuses (5)	Bonus clawback (6)	Total Gross (1+2+3+4+5-6)	Net Total *
			based on quantitative criteria	based on qualitative criteria	Total (2)						
Dimitrij Zadel	President of the Management Board until 15 Nov 2021	160,778.62			86,274.48	0.00	83,680.98	754.11	0.00	331,488.19	158,501.39
Metod Podkrižnik	Member of the Management Board until 15 Nov 2021	144,645.77			77,561.17	0.00	75,379.38	6,726.39	0.00	304,312.71	135,884.51
Irma Gubanec	Member of the Management Board until 15 Nov 2021	144,202.08			77,708.76	0.00	75,398.10	2,020.07	0.00	299,329.01	141,253.82
Boštjan Napast	President of the Management Board	0.00			0.00	0.00	0.00	0.00	0.00	0.00	167.46
Robert Rožac	Member of the Management Board	6,267.36			0.00	0.00	0.00	417.77	0.00	6,685.13	3,974.36
Vojko Rotar	Member of the Management Board - Worker Director	134,046.64			34,256.60	28,944.08	0.00	3,497.43	0.00	200,744.75	86,401.95

\* for the purpose of this disclosure, it is not necessary to disclose travel, accommodation and subsistence expenses because they do not by their nature constitute payment to the Management Board.

\*\* deferred payment of the second half of the award under the Act Governing the Remuneration of Managers of Companies with Majority Ownership held by the Republic of Slovenia or Self-Governing Local Communities on 18 July 2021 or at the end of the term, if the latter lasted more than two

\*\*\* net salary, voluntary supplementary pension insurance, labour cost reimbursement and annual leave allowance

\*\*\*\* boniteta za zavarovanje odgovornosti in boniteta za uporabo službenega vozila

**C.4: Composition and Amount of Remuneration\* of Members of the Supervisory Board and its Committees in the Financial Year 2021**

(in EUR)

Name and surname	Function (Chair, Deputy, Member, External Member of the Committee)	Performance fee - gross annual (1)	Supervisory Board and Committee attendance fees - gross annually (2)	Gross Total (1 + 2)	Net Total *	Net travel allowance
Uroš Ilić	Chair until 1 July 2021	16,207.17	3,410.00	19,617.17	14,231.62	0.00
Andraž Lipolt	Deputy Chair	12,691.04	3,190.00	15,881.04	11,514.34	0.00
Rado Antolovič	Member	19,350.81	6,105.00	25,455.81	18,452.19	5,732.51
Milan Jelenc	Member until 1 July 2021	12,435.48	7,282.00	19,717.48	14,304.58	0.00
Barbara Nose	Member since 1 July 2021	12,435.48	6,402.00	18,837.48	13,664.55	0.00
Tamara Kozlovič	Member	21,548.39	10,252.00	31,800.39	23,066.61	0.00
Mladen Jovičič	Member	19,350.81	6,380.00	25,730.81	18,652.18	0.00
Mehrudin Vuković	Member	17,899.19	6,600.00	24,499.19	17,756.44	0.00
Rok Parovel	Member	20,100.81	6,941.00	27,041.81	19,605.70	0.00
Franci Matoz	Chair since 2 July 2021	11,108.88	3,190.00	14,298.88	10,373.72	12.58
Nevenka Pergar Črešnar	Deputy Chair since 2 July 2021	9,693.55	4,950.00	14,643.55	10,624.39	343.48
Andrej Koprivec	Member since 2 July 2021	9,112.91	3,135.00	12,247.91	8,882.06	305.28
Božidar Godnjavec	Member since 2 July 2021	9,112.91	4,730.00	13,842.91	10,042.08	399.60
Simon Kolenc	External Member since 12 July 2021	2,554.84	993.84	3,548.68	2,498.15	82.80
Simona Razvornik Škofič	External Member from 22 March 2021 to 28 May 2021	695.57	660.00	1,355.57	985.91	0.00
Mateja Treven	External Member to 11 July 2021	4,045.16	1,716.00	5,761.16	0.00	0.00

\* The amount that the company transfers to the individual's account as payment after the advance payment of personal income tax, which does not take into account any subsequent additional payments of personal income tax.

## 5. Survey of relevant events, novelties and achievements in 2021

### JANUARY

- The Management Board of Luka Koper, d. d. has adopted the Social Responsibility and Sustainable Development Strategy.

### FEBRUARY

- At the end of February, the Government of the Republic of Slovenia adopted the 2021-2025 Port Development Programme for International Transport in Koper, thus giving the company the green light to carry out the investments covered by the programme.
- On 24 February 2021, the management of Luka Koper, d. d. and the Luka Koper Crane Operators Union concluded an agreement to ensure two-year social stability of the Company.

### MARCH

- On 31 March, the Government of the Republic of Slovenia amended the Decree on the administration of the freight port of Koper, port operations, and on granting concession for the administration, management, development and regular maintenance of its infrastructure, which entered into force in 2008. The change relates to the extension of the port's concession area by 36 hectares and includes, inter alia, the expansion in the hinterland of Pier II, where the construction of new storage areas for cars is envisaged on the 5A plot.
- The SIQ Slovenian Institute of Quality and Metrology verified the environmental management system and established that it meets the requirements of the Regulation (EC) No 1221/2009 (EMAS).

### APRIL

- Work on two major investments was completed: a new entrance for trucks (the so-called Bertoki entrance) and a new parking garage.

### MAY

- Luka Koper, d. d., received the award for the safest Slovenian company. The award is given by the ICS Institute for Corporate Security Studies in cooperation with the Slovenian Association for Corporate Security.

### JUNE

- The project of extending the operational quayside of the container terminal by 100 meters has been completed.
- The 34th General Meeting of Luka Koper was held, at which the shareholders decided:
  - o That the distributable profit, which amounted to EUR 30,637,829.48 as at 31 December 2020, be used for the following purposes:
    - A portion in the amount of EUR 15,960,000.00 is to be used for dividend payout in the gross value of EUR 1.14 per ordinary share,
    - The residual amount of accumulated profit in the amount of EUR 14,677,829.48 is to remain unappropriated.
- The Luka Koper Works Council for the period 2021–2025 was elected.

## JULY

- The Maritime Spatial Plan has entered into force, which, under certain conditions and in certain areas, enables the transfer of sludge in the Slovenian sea.

## AUGUST

- After a two-year hiatus due to the COVID-19 pandemic, the passenger ship Sea Dream was moored at the passenger terminal.

## OCTOBER

- On 22 October 2021, the Supervisory Board of Luka Koper, d. d., concluded an agreement on early termination of term of office of members of the Management Board with three members of the Management Board, Dimitrij Zadel, Metod Podkrižnik and Irma Gubanec. They held their office until 15 November 2021.
- The Ministry of Infrastructure, the Municipality of Ankaran and Luka Koper signed a tripartite agreement, which is the basis for further development of the port in its northern and north-eastern part.

## NOVEMBER

- On 12 November 2021, the Supervisory Board of Luka Koper, d. d. appointed Robert Rožac as Member of the Management Board of Luka Koper, d. d., for a five-year term of office, starting on 16 November 2021.

## DECEMBER

- On 3 December 2021, the Supervisory Board of Luka Koper, d. d. appointed Boštjan Napast as President of the Management Board of Luka Koper, d. d., for a five-year term of office, starting on 3 December 2021.
- On Wednesday, 29 December 2021, at the container terminal, the previous record in container handling from 2018 was exceeded, which amounted to 988,501 container units (TEU). In 2021, the transshipment was 997,564 container units (TEU), which is a new historical high.

## 6. Relevant events after the end of the financial year

### JANUARY 2022

- Dubai-based Volta Shipping Services set up a new container line connecting Koper with one South Korean and four Chinese ports.
- As part of the EU COMODALCE project, Luka Koper procured and installed an Optical Character Recognition (OCR) system for the railway transport of containers to the terminal. The system can detect the container and wagon numbers, possible damage and specific markings for dangerous cargoes and record them in digital form.
- On 21 January 2022, Luka Koper, d. d. concluded a long-term loan agreement in the amount of EUR 60 million with a banking syndicate consisting of Nova Ljubljanska banka, d. d., and Banka Intesa Sanpaolo, d. d. The purpose of the loan is to finance the company's investment activities. It was granted at a fixed interest rate with quarterly repayment instalments, which the company will repay from mid-2023 to the end of 2031.

### FEBRUARY 2022

- The Russian-Ukrainian conflict began. In analysing the consequences for their operations, the Luka Koper Group finds that its direct exposure to Russia and Ukraine is relatively small, as the volume of transshipment through the Port of Koper, which is intended for the Ukrainian and Russian markets, is negligible. The Luka Koper Group has no direct financial exposure linked to Russia, Ukraine and Belarus, but it can expect indirect effects on its investment portfolio due to developments in the financial markets. In accordance with IAS 10 – Events after the Reporting Period, events related to the impact of the Russian-Ukrainian conflict on operations are treated as non-adjusting events. For additional explanation see Chapter 14, Risk and Opportunity Management.

## 7. Presentation of the Luka Koper Group and a description of the business model<sup>10</sup>



*The Slovenian coast is a relatively small area where maritime transport is one of the most important activities. It takes place in the port of Koper, the only cargo port in Slovenia.*

The port activity influences the appearance of Koper, as well as the development of the region, Slovenian economy, and logistics in this part of Europe. Set in an integrated marine and coastal area, it accommodates port operations related to cargo and passenger transport. In more than 60 years of operation, the port of Koper has experienced remarkable development and achieved international recognition.

The main activity of the port is to provide transshipment and warehousing services for all types of goods, which are complemented by a series of additional services on goods and a series of supplementary services. The company's goal is to provide its customers with comprehensive logistics support. The company also manages the economic zone and ensures the development and maintenance of port infrastructure. Its goals are ambitious and are largely being achieved. By implementing the development of the port, Luka Koper is strengthening its competitive advantage.

Luka Koper is aware of the impact of port activity on the environment. The port is managed with a focus on future generations who will be living, creating and growing up at the coast. Luka Koper is committed to sustainable development, which serves as guarantee of its future development being friendly to local residents, the natural environment, and employees. Sustainability and development are reported in more detail in the Sustainability Report further on in this document.

The operations in 2021 and the impact of the COVID-19 pandemic are reported in individual chapters further on in this document.

In addition to the controlling company Luka Koper, d. d., the Luka Koper Group also includes subsidiaries and associates. The companies of the Luka Koper Group operate in two countries, namely in the territory of the Republic of Slovenia, whereas Adria Transport Croatia, d. o. o., a company owned 100% by Adria Transport, d. o. o., operates in the Republic of Croatia.

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<sup>10</sup> GRI GS 102-2, 102-4, 102-6

## 7.1. Company profile of Luka Koper, d. d. as at 31 March 2022<sup>11</sup>

Company name	<b>LUKA KOPER, pristaniški in logistični sistem, delniška družba</b>
Trade name	<b>LUKA KOPER, d. d., Vojkovo nabrežje 38, 6000 Koper – Capodistria</b>
Registered office	Koper
Business address	Koper, Vojkovo nabrežje 38, 6000 Koper/Capodistria
Legal form of organisation	Public limited company
	Telephone: 00 386 (0)5 66 56 100
	Fax: 00 386 (0)5 63 95 020
	E-mail: portkoper@luka-kp.si
	Website: www.luka-kp.si
	Sustainable development website: <a href="http://www.zivetispristaniscem.si">http://www.zivetispristaniscem.si</a>
Court register of companies	District Court of Koper, entry no. 066/10032200
Registration number:	5144353000
ID for VAT:	SI 89190033
Share capital	EUR 58,420,964.78
Number of shares	14,000,000 ordinary no-par value shares
Share listing	Ljubljana Stock Exchange, Prime Market
Share ticker symbol	LKPG
President of the Management Board	Boštjan Napast
Member of the Management Board	Robert Rožac
Member of the Management Board - Worker Director	Vojko Rotar
President of the Supervisory Board	Franci Matoz
Core business	Seaport and logistics system service provider
Activities performed by the Luka Koper Group	Various service activities

<sup>11</sup> GRI GS 102-1, 102-3, 102-4, 102-5

## 7.2. Organisation of the Luka Koper Group and associates<sup>12</sup>

The Luka Koper Group includes related parties that contribute to the comprehensive range of services provided by the port. The Luka Koper Group includes seven companies, i.e., the controlling company and six subsidiaries:

### Luka Koper Group as at 31 December 2021 (7 companies)

- **Controlling company Luka Koper, d. d.**
- **Subsidiaries (6 companies)**
  - o Luka Koper INPO, d. o. o., 100%
  - o Adria Terminali, d. o. o., 100%
  - o Luka Koper Pristan, d. o. o., in liquidation, 100%<sup>13</sup>
  - o Logis-Nova, d. o. o., 100%
  - o Adria Investicije, d. o. o., 100%
  - o TOC, d. o. o., 68.13%

### Associates (5 companies)

- Adria Transport, d. o. o., 50%
- Adria Transport Croatia, d. o. o., 50%, 100%-owned by Adria Transport, d. o. o.
- Adria-Tow, d. o. o., 50%
- Adriaфин, d. o. o., 50%
- Avtoservis, d. o. o., 49%

Further details regarding changes in the subsidiaries and associated companies are reported in the chapter 29.1 Bases for the presentation of financial statements.

## 7.3. Inclusion into consolidated financial statements<sup>14</sup>

The consolidated financial statements of the Luka Koper Group for the year ended 31 December 2021 consist of the financial statements of the controlling company Luka Koper d. d., its subsidiaries and corresponding results of associates.

Subsidiaries included in the consolidated financial statements:

- Luka Koper INPO, d. o. o., 100%
- Adria Terminali, d. o. o., 100%
- Luka Koper Pristan, d. o. o., in liquidation, 100%
- TOC, d. o. o., 68.13%

Associates included in the consolidated financial statements:

- Adria Transport, d. o. o., 50%
- Adria Transport Croatia, d. o. o., 50%, 100%-owned by Adria Transport, d. o. o.
- Adria-Tow, d. o. o., 50%
- Adriaфин, d. o. o., 50%
- Avtoservis, d. o. o., 49%

Companies excluded from the consolidated financial statements as at 31 December 2021:

- Logis-Nova, d. o. o., 100%
- Adria Investicije, d. o. o., 100%

The companies Adria Investicije, d. o. o. and Logis-Nova, d. o. o. were not included in the consolidated financial statements as they operate in a limited scope and are not considered significant for a fair presentation of the Group's financial position.

<sup>12</sup> GRI GS 102-7

<sup>13</sup> Luka Koper, d. d., transferred the investment in the subsidiary Luka Koper Pristan, d. o. o., to assets for sale following the decision to initiate the procedure of orderly liquidation of the subsidiary, adopted in May 2021. Orderly winding-up was initiated on 15 September 2021.

<sup>14</sup> GRI GS 102-45

The sustainability report includes 7 companies composing the Luka Koper Group (the controlling company and subsidiaries), each of them under sections pertaining to their operations. Reporting levels are defined for each section in the GRI index.

## 7.4. Activities of the Luka Koper Group<sup>15</sup>

Luka Koper as the only Slovenian multipurpose port is set in an integrated marine and coastal area, which accommodates port operations related to cargo and passenger transport services.

The port's core business comprises transshipment and storage services for all kinds of goods. The Luka Koper Group provides eleven basic services (loading/unloading of ships, loading/unloading of trucks, loading/unloading of wagons, embarkation/disembarkation of passengers, storage, delivery, ship berthing) and a range of complementary services on goods and other services, providing customers with comprehensive logistics support.

### 7.4.1. Concession agreement

In 2008, Luka Koper, d. d. concluded with the State the Concession Agreement for the performance of port activity, management, development and regular maintenance of the port infrastructure in the area of the Koper cargo port. The concession agreement was concluded for a period of 35 years, as stipulated in the Maritime Code. The agreed concession fee amounts to 3.5% of the Company's sales revenue, excluding port fee income. The concession fee also includes the water right, water charges and other duties related to the use of the sea belonging to the Republic of Slovenia. Luka Koper, d. d. pays the total concession fee to the Republic of Slovenia, which then allocates half of the amount to the two local communities, the Municipality of Koper and since 1 January 2015, also to the Municipality of Ankaran.

Two public utility services are performed in Luka Koper, d. d., i.e., the public utility service of regular maintenance of the port infrastructure intended for public transport and the public utility service of collecting waste from vessels in the Koper port area.

### 7.4.2. Port and logistics operations

The core port business of throughput and warehousing is carried out at twelve specialised port terminals. The terminals are organised according to the goods/cargo they receive. Each terminal has its own characteristics depending on its goods-specific work process, technological procedures and technology. The terminals are joined into five profit centres. They are described in detail on the website [Services & terminals - Luka Koper d. d. \(luka-kp.si\)](https://www.luka-kp.si). The main port activity is carried out at one location, i.e., in the port area.

The concession area consists of 285 ha of land, with 62.6 ha of warehouses and 110 ha of open-air storage areas. 30 berths are located on 3,475 metres of the shoreline along 225 hectares of the sea. In terms of logistics operations, the services include:

- Services provided by the collection and distribution centre for all types of cargo,
- Services on goods (sorting, palletising, sampling, protection, labelling, weighing, cleaning and other services), which are regularly improved in line with the development of the transport industry and the needs of clients,
- Integrated logistics solutions.

The services of individual terminals are supplemented by the companies Luka Koper INPO, d. o. o., Adria-Tow, d. o. o., Adria Transport, d. o. o., and Avtoservis, d. o. o., which enables a quick response to the customers' needs.

Luka Koper INPO, d. o. o., performs various services within its three units, service, maritime, and municipal, for the needs of the parent company and other users. While providing these services, the company ensures the employment and training of disabled persons.

Adria-Tow, d. o. o., provides ships and craft towing services, ship supply services, and sea rescue and vessel assistance in the Koper port.

Adria Transport, d. o. o., facilitates efficient railway logistics between the Koper port and its hinterland.

Avtoservis, d. o. o., provides full servicing for personal and light commercial vehicles. Their services are available to vehicle importers and exporters as well as freight forwarders using the port of Koper as a logistic solution.

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<sup>15</sup> GRI GS 102-2, 102-7, 413-1

#### **7.4.3. Hinterland logistics operations in Sežana**

Adria Terminali, d. o. o. manages the hinterland logistics terminal in Sežana, focusing on the transshipment and warehousing of various kinds of goods in container traffic. The terminal is well-connected to the railway and road infrastructure.

#### **7.4.4. Other activities**

In addition to its core business, i.e., port operations, the Luka Koper Group carries out the following activities:

- of Luka Koper Pristan, d. o. o., which is in liquidation.
- of TOC, tehnološko okoljski in logistični center, d. o. o., which provides services in the field of technological and ecology research and analytical laboratory services.

### **7.5. Organisational changes<sup>16</sup>**

Luka Koper, d. d., transferred the investment in the subsidiary Luka Koper Pristan, d. o. o., to assets for sale following the decision to initiate the procedure of orderly liquidation of the subsidiary, adopted in May 2021. Orderly winding-up was initiated on 15 September 2021. In 2021, there were no other organisational changes.

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<sup>16</sup> GRI GS 102-10

## 8. Business development strategy<sup>17</sup>

### MISSION

*Our reliable and advanced port system supports global logistics solutions that can reach the heart of Europe, while meeting the needs of the economy and the most demanding customers.*

### VISION

*Luka Koper as a leading port operator and global logistics solutions provider for the countries of Central and Eastern Europe.*

### VALUES



Responsibility



Loyalty



Cooperation



Creativity



Respect

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<sup>17</sup> GRI GS 102-16

## 8.1. Strategic objectives

In 2021, Luka Koper continued its activities to achieve the objectives set out in the Strategic Business Plan 2020–2025, in particular increasing the throughput of containers to 1.2 million container units (TEUs) and cars to 0.9 million units. In addition to the Company's objectives and orientations, the Strategy outlines nine strategic projects with which the Company will implement this strategic business plan. The projects include capacity expansions in both strategic commodity groups and the digitisation of key processes, notably in linking the entire logistics chain, and increasing port throughput.

As part of the intense infrastructural development envisaged in the document, the extension of the quayside of pier I in the southern part, the construction of a parking garage, the construction of the Bertoki entrance and connecting road links were completed in 2021. Most of these investments were partly financed by European funds.

In February 2021, the Government of the Republic of Slovenia adopted the Port Development Program 2021–2025, which predicts the spatial and infrastructural development of the port and the dynamics of implementing the planned infrastructural arrangements at the conceptual level. According to the document, the next five years will be dedicated to increasing the capacity of the Koper cargo port by accelerating investment in increasing the number of berths and storage space and investing in road and railway infrastructure in the port.

A tripartite agreement was signed between the Municipality of Ankaran, the Ministry of Infrastructure and the Port of Koper, d. d., on the regulation of mutual relations in the project of arranging the Ankaran peripheral canal and Železniška cesta. The agreement allows for the regulation of the Ankaran peripheral canal, which will improve the flood safety of the area, which at the same time is a condition to start the expansion of the port to the area of the so-called Ankaran Bonifika.

The Company will thus be able to dedicate the coming years to increasing the port's capacity additionally. By increasing the number of berths, storage areas, road and railway infrastructure in the port and its surroundings, and by means of digital transformation projects, Luka Koper will await the renovated twin track line ready, while ensuring the highest standards of sustainable development.

Strategy implementation also started in the technological field, where funds were obtained for co-financing the testing of 5G technology in the logistics industry. Terms of reference were also prepared to establish the connection of ships to the electricity grid while being moored at Ro-Ro and VNT/Ro-Ro berths in Basin III.

The possibility of relocating marine sludge, which is created while dredging and deepening basins in the port, as well as navigation channels in the Slovenian sea, has been included in the national Maritime Spatial Plan (MSP).

Despite the difficult health situation, the company ensured an increase in transshipment through a commercial approach adapted to the situation, thus maintaining its primacy in transshipment of containers and vehicles among ports in the northern Adriatic and the Mediterranean.

The strategic business plan also envisages the development of the port by 2030, when Luka Koper will have constructed a modern container terminal with a capacity of around 2 million container units (TEU). With this document, Luka Koper has a clear development strategy, owing to which it can reasonably expect stable growth in the long term.

The development of the port of Koper relies on the construction of a second railway track between Divača and Koper, which began in 2021 and, according to the company 2TDK (concession-holder for construction and management of the second Divača–Koper railway track), will be operational in 2026. This implies that until the end of 2025, Luka Koper cannot expect any significant increase in railway capacity. In the meantime, the company and its stakeholders will be increasing the capacity of the existing railway line through organisational measures, infrastructural adjustments and information technology measures.

The company has set itself the following objectives until 2025:



By exploiting synergies in the logistics chain, acquiring new strategic markets, applying a renewed long-term and targeted commercial policy and ensuring a revenue structure targeted at higher value-added groups, Luka Koper will increase its total operating revenues by 24% by 2025.



With a focus on fully addressing the needs of its customers, Luka Koper will increase the total transshipment to 27.3 million metric tons by 2025.



Luka Koper will invest funds in increasing the capacity and throughput of the port by 2025 to await the renewed twin track line ready, thus increasing the advantages and opportunities of this logistical route, while pursuing the goal of having at least 60 percent of transhipped quantities from the port of Koper transported by rail until the twin track line is renovated, after which the share is increased to 70 percent.



Using new technologies, Luka Koper will carry out a digital transformation of key processes. This will achieve connectivity between all internal and external stakeholders in the logistics chain and increase the level of cost efficiency.



Luka Koper will ensure the conditions to encourage the employees to think innovatively thus ensuring that the set business goals are achieved.



Luka Koper will achieve the highest standards of sustainable development under the EU ECO Management and Audit Scheme (EMAS) and continue to reduce the Company's carbon footprint through energy efficiency improvement measures.



Considering the location of the port, a strategic agreement on coexistence and development will be reached with the Municipality of Koper and the Municipality of Ankaran. The port being of strategic national importance, a consensus on development will also be achieved with the country.

## 8.2. Stability and business performance<sup>18</sup>



In the 2020 materiality matrix, which is also valid for the 2021 Annual Report, Luka Koper's business performance and economic impacts on the wider environment were ascribed the highest importance both by stakeholders and Luka Koper, d. d. The Company recognises long-term opportunities for its successful operation and sets the maximisation of the value of the company limited by shares as its fundamental objective, taking into account the highest sustainable development goals. Being a socially responsible company, it also creates the conditions and the environment to ensure the satisfaction of its customers, employees, owners, as well as local and wider community, coexistence with the natural environment, and realisation of broader development projects. It maintains a balance between environmental and social aspects and economic requirements. The development

<sup>18</sup> GRI GS 103-1, 103-2, 103-3

strategy of Luka Koper is based on environmental management, stemming from the principle of: Introducing measures that will not only meet legal requirements, but also reduce adverse effects with the best available technology.

To achieve its goals, it also requires suitable infrastructure, which is ensured with corresponding investments and maintenance. The Corporate governance policy defines the Company's principal management orientation, which is reflected, inter alia, in achieving ambitious performance results, systematic improvement of the quality of work, and setting ambitious targets in business plans. The Luka Koper Group has been implementing its strategy and objectives, managing its employees and working on their development, devising and managing processes, taking measures and controlling all the companies of the Luka Koper Group. The business objectives of the Luka Koper Group companies are set out in the annual business plans in accordance with strategic orientations. The processes and structures of individual Luka Koper Group companies are organized accordingly to achieve the set goals. Achievement of targets and measurement of results are monitored by means of performance indicators, quarterly reports and work programmes, annual interviews with employees, preparation and implementation of the management review, as well as identification and management of risks and opportunities. Decisions are taken at meetings of the Management Board on the basis of given and discussed proposals. The decision-making responsibility is defined in the general acts of the Company and other internal regulations. The Company's values and its partnership corporate culture are built through communication, which is carried out regularly and systematically through Management Board meetings, planning conferences, periodic coordination, weekly operational meetings, quality team meetings and other forms of working meetings. Verification is carried out by superiors executing direct verification, by means of reports on the completion of work, verification of work programmes carried out, verification of Management Board decisions implemented, business reporting, internal and external examinations, internal and external audit and managerial checks, work reports for projects, etc. In case of derogations detected during verification and other forms of control, measures will be taken at the system level in accordance with the regulation on the implementation of improvement measures.

The Port of Koper was among the first European ports to organise its entire operations in accordance with international quality standards. This was due to the decision to take a systematic approach to increasing added value and customer satisfaction. Controlled systems are presented on the company's website [Quality – Luka Koper, d. d. \(luka-kp.si/en\)](https://www.luka-kp.si/en). In 2021, the unified management system of Luka Koper was again verified and certified by a professional and independent institution.

With its numerous direct and indirect effects, port operations play an extremely important role in the competitiveness of the wider economic area, creating added value in port activity and support port activities. The revenues arising from port operations represent about a quarter of the revenues of the economy in the Coast-Karst region, and that in the region, the added value of port operations exceeded 17 percent. The port business is also a major employer, providing as much as 15 percent of jobs in the region. The Port of Koper also gives encouragement to the wider social environment through sponsorships, donations and membership fees, and by paying compensation for the use of building land to the Municipality of Koper and the Municipality of Ankaran. The municipalities also receive a part of the concession fee that the company pays to the grantor, i.e., the state. The passenger transport of the Port of Koper is also conducive to the development of the city, the region and tourism. The company demonstrates its sustainable orientation through the adopted strategic directions of development in the environmental field and the adopted policy of a safe and healthy port environment and energy efficiency.

### 8.3. Indirect impacts of operations of Luka Koper<sup>19</sup>



Port operations have a major impact on the competitiveness of the wider economic area, making an important contribution to the creation of jobs and provision of services and goods in the regional and national economy. Luka Koper has significant direct and indirect effects on the Slovenian economy. Direct effects show in the added value generated in port operations (logistic services, cargo handling, internal transport, storage) and support port activities (pilotage, towage, victualling, maintenance of ships, berthing, vessel agents, the truck terminal, survey/inspection companies).

Indirect effects are particularly visible in the added value of forwarding, transportation, construction, technical, banking and insurance services and the services of public administration. The Port of Koper also gives encouragement to the wider social environment through sponsorships, donations and membership fees, and by paying compensation for the use of building land to the Municipality of Koper and the Municipality of Ankaran. The municipalities also receive a part of the concession fee that the company pays to the grantor, i.e. the state. The passenger transport of the Port of Koper is also conducive to the development of the city, the region and tourism.

In 2020, the Port of Koper commissioned a study from the Chamber of Commerce and Industry of Slovenia on the effects of port operations on the Slovenian economy in the years from 2009 to 2018. The results of the study are shown in the figure below.

The impact of the port sector on the economy in Slovenia and the Coast-Karst region (data from the 2020 study by the Chamber of Commerce and Industry of Slovenia)



<sup>19</sup> GRI GS 203-2, 413-1

## 9. Economic environment and market position

### 9.1. Analysis of the wider and sectoral environment

Maritime freight flows are the most important global segment of international trade. In this regard, ports represent an essential link for joining industrial, transport and commercial hubs. Ports are strategic points, playing an important role in relations between countries, as well as being the crossroads of different cultures and logistics hubs between land and maritime transport.

In its forecast up to 2025, Stratfor Worldview<sup>20</sup> predicts a disorderly world with various centres of power on all continents, with the USA as the only fixed centre, which, however, will no longer be as heavily involved in interventions around the world. Relations between the EU, USA and China and, last but not least, Russia will be extremely important. Strong European integration will also be important in the event of a difficult economic situation. Otherwise, the global superpowers will liaise with individual countries in Europe and forge strong bilateral relations, including capital links, most likely based on historical links. China's economic downturn is expected in the Far East. Most brands will move their low-cost production from China to countries around the Indian Ocean, which will see high economic growth around 2025, as was happening in China years ago.

### 9.2. Characteristics of the economic environment in 2021

The COVID-19 pandemic afflicted the world economy hard also in 2021. In 2021, there was a gradual recovery and strengthening of economic activity in the international environment; however, the emergence of a new version of the virus in the late 2021 increased financial market volatility and halted wider recovery. With the deteriorating epidemic situation, the growth of service activities slowed down, and persistent disruptions in supply chains have been hampering manufacturing, especially the automotive industry.

In container traffic, the trend of taking over important shares of larger logistics operators by container shipowners continued in 2021, and thus their increasing penetration into the field of forwarding, i.e., the provision of integrated 'door to door' transport services. In international container transport, the growing role of Carrier haulage, in which the shipowner also takes care of land transport, is noticeable in this context. There are signs that the trend will continue in the coming years as this is the only way for shipping companies to remain competitive at the global level. Container freight in 2021 was significantly affected by the rapid recovery of the global economy, which occurred despite the continuing challenges posed by the spread of the COVID-19 pandemic. The global economic recovery consequently resulted in an increase in overseas container traffic, especially between Asia and Europe. The increase in container traffic and the coronavirus-related restrictions that remained in place globally led to deviations in transport chains and were mostly reflected in ship delays on almost all transport routes. Similarly, the Port of Koper recorded exceptional ship delays and arrivals outside the agreed slots throughout 2021, which additionally burdened both the terminal and the connections with the hinterland.

The car market in 2021 was unstable not only due to the impact and consequences of the coronavirus epidemic, but mainly due to the automotive microchips shortage, which forced manufacturers to reduce or even partially close their production. In 2021, the global automotive industry achieved the sales of 80 million vehicles, which is still significantly less than before the pandemic when 90 million cars were sold annually. Sales of new cars in the European Union fell by 2.4 percent to 9.7 million units. The stimulus packages to increase car sales, introduced by governments following the tremendous impact of the pandemic on car sales, are primarily intended to encourage the sale of alternative-powered vehicles.

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<sup>20</sup> Source: <https://worldview.stratfor.com/article/decade-forecast-2015-2025>

### 9.2.1. Market position<sup>21</sup>

Due to its favourable strategic location, wide range of transshipment services, good overseas and hinterland connections, and good cooperation with the port community, Luka Koper is increasing its global visibility from year to year. It performs its core port operations of throughput and warehousing for its hinterland. The most important hinterland markets of the Port of Koper are Central and South-Eastern European countries without access to the sea and own ports. Particularly important among them is Austria, which represents as much as 38 percent of the total transshipment. Goods from this market are transhipped at all terminals. The second most important is Hungary, representing 12 percent of the total transshipment. Containers predominate in this case, whereas cars, general cargo and dry bulk cargoes are also important. The remaining most important hinterland markets are Slovakia with 9 percent, the Czech Republic with 4 percent and Poland with 2 percent of the total transshipment of Luka Koper. These are very important markets, especially for cars, general goods and containers. In these markets, the port of Koper still has a great potential for increasing its market share. For Luka Koper, Germany is the most important potential market. Luka Koper also offers its services to overseas markets, where the port is promoted as the ideal entry and exit point for the mentioned hinterland markets. Last but not least, Slovenia is also noteworthy: as the domestic market, it reaches between 25 and 30 percent of the total throughput of the port of Koper.

The increase in global trade in 2021 had a positive impact on interest in the logistics route through the port of Koper. The Luka Koper Group managed the consequences of the pandemic well both from the health and business point of view. Being considered strategic infrastructure, the port of Koper was fully functioning all the time and providing all services to its customers.

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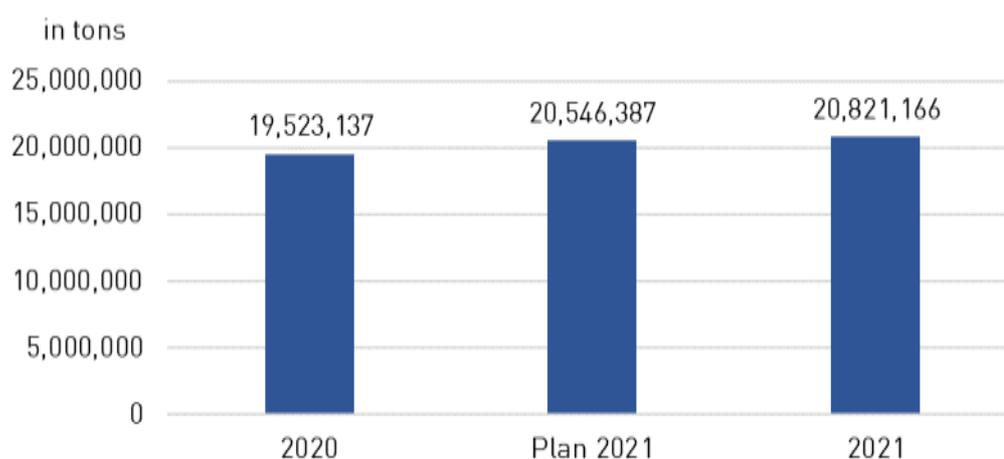
<sup>21</sup> GRI GS 102-6

## 10. Performance of the Luka Koper Group in 2021

In 2021, there was a gradual recovery and strengthening of economic activity in the international environment, which also affected the good business results of the Luka Koper Group, although the emergence of a new version of the virus in the late 2021 increased financial market volatility and halted wider recovery. The financial indicators of the Luka Koper Group achieved in 2021 are generally somewhat lower than those achieved in 2020, which is mostly due to one-off events recognised among other revenues that positively affected the business results in 2020.

### 10.1. Maritime throughput

#### Maritime throughput



The maritime throughput of the Luka Koper Group in 2021 reached or exceeded the planned amounts or the 2020 throughput in almost all commodity groups.

#### Throughput in metric tons per cargo group in 2021 compared to the 2021 plan and 2020

Cargo groups (in metric tons)	2020	Plan 2021	2021	Index 2021/Plan 2021	Index 2021/2020
General cargoes	945,807	1,131,000	1,126,786	100	119
Containers	9,268,847	9,605,187	9,703,404	101	105
Cars	998,201	1,053,000	1,094,326	104	110
Liquid cargoes	3,323,068	3,799,200	3,331,065	88	100
Dry bulk and bulk cargoes	4,987,215	4,958,000	5,565,585	112	112
<b>Total</b>	<b>19,523,137</b>	<b>20,546,387</b>	<b>20,821,166</b>	<b>101</b>	<b>107</b>

In 2021, an increase in conventional maritime throughput was achieved in the commodity group **general cargo**, while a decline was recorded in the container loading and unloading segment. Within the general cargo group, the maritime throughput of iron products increased, while the throughput of timber decreased due to the higher purchase price of timber and the increase in shipping fees.

The throughput of **liquid cargo** in 2021 was still affected by the cessation of air passenger traffic and the lower volume of throughput of petroleum products as a result of the pandemic. Aviation fuel – kerosene remains one of the most affected commodity groups. However, the throughput of chemicals and gas oil exceeded the 2020 quantities.

Throughput of **dry bulk and bulk cargoes** also increased mainly due to the increase in iron ore throughput and owing to the conclusion of new deals on fertilizers and industrial salt, an increase of the well-established soybean operations and an increase in the amount of scrap iron.

#### Throughput of containers (TEU) and cars (pieces) in 2021 compared to the 2021 plan and 2020

Cargo groups	2020	Plan 2021	2021	Index 2021/Plan 2021	Index 2021/2020
Containers – TEU	945,051	975,600	997,574	102	106
Cars – pieces	617,157	650,011	656,477	101	106

In the **container** commodity group, the Luka Koper Group ended 2021 with a 6% growth in maritime throughput in TEU compared to 2020. At the end of 2021, the container terminal set a new annual historical record in container throughput of 997,574 container units (TEUs), thus exceeding the previous record value from 2018, which was 988,501 container units (TEUs). Container freight in 2021 was significantly affected by the rapid recovery of the global economy, which occurred despite the continuing challenges posed by the spread of the COVID-19 pandemic, and which led to an increase of maritime container transport, particularly between Asia and Europe. Exceptional ship delays and arrivals outside the agreed slots were a constant throughout 2021, which additionally burdened both the terminal and the connections with the hinterland. Alongside the increase in volumes in 2021, the exceptional growth in the segment of refrigerated containers should be highlighted.

656,477 **cars** were transhipped in 2021. Throughout the year, the situation in the automotive market was unstable not only due to the impact and consequences of the COVID-19 pandemic, but mainly due to the shortage of automotive semiconductors and other components, which caused occasional downtime in car production and forced manufacturers to reduce or even partially close their production.

Recovery of the **cruise industry** was gradual after the complete cessation of activities in 2020. In 2021, the passenger terminal recorded 11 arrivals of passenger ships with a total of 4,450 passengers.

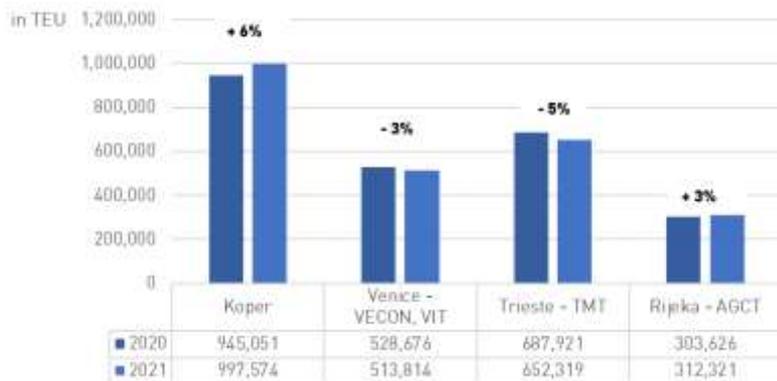
Containers prevail in the total throughput structure and their share remained unchanged compared to 2020. The share of liquid cargo decreased, while the share of dry bulk and bulk cargoes increased. The share of the car commodity group, however, remained unchanged.

#### 10.1.1. Comparative analysis with the competition

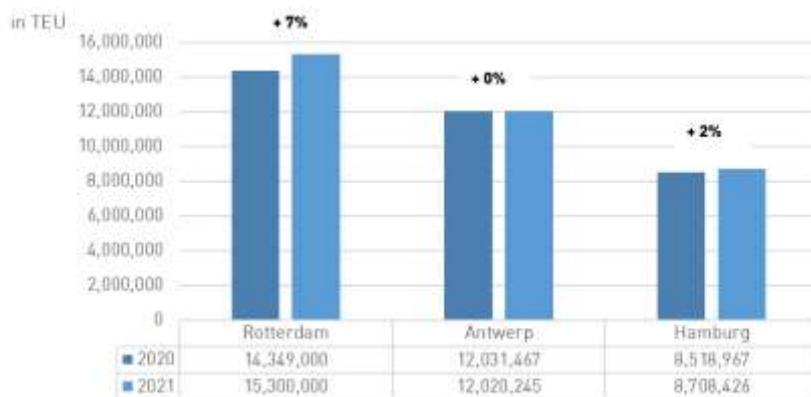
In 2021, despite difficult market conditions, Luka Koper maintained a stable throughput of both strategic commodity groups, containers and cars.

In 2021, in addition to the port of Koper, the port of Rijeka also reached growth in container throughput in the area of the northern Adriatic, namely in the amount of 3 percent. The ports of Venice and Trieste saw a drop in throughput, i.e., by 3% and 5% respectively. Of the northern European ports, the ports of Rotterdam and Hamburg achieved a 7% and 2% increase respectively in container throughput in 2021 compared to 2020, whereas in the port of Antwerp, container throughput remained at the 2020 level.

Throughput of containers in Northern Adriatic ports in TEU<sup>22</sup>



Throughput of containers in three major Northern European ports, in TEU<sup>23</sup>



In 2021, Luka Koper recorded the highest growth in vehicle throughput compared to its competitors. The port of Valencia recorded a 7% drop in vehicle throughput in 2021, while the port of Barcelona recorded a 4% growth.

Throughput of cars in three major ports in the Mediterranean

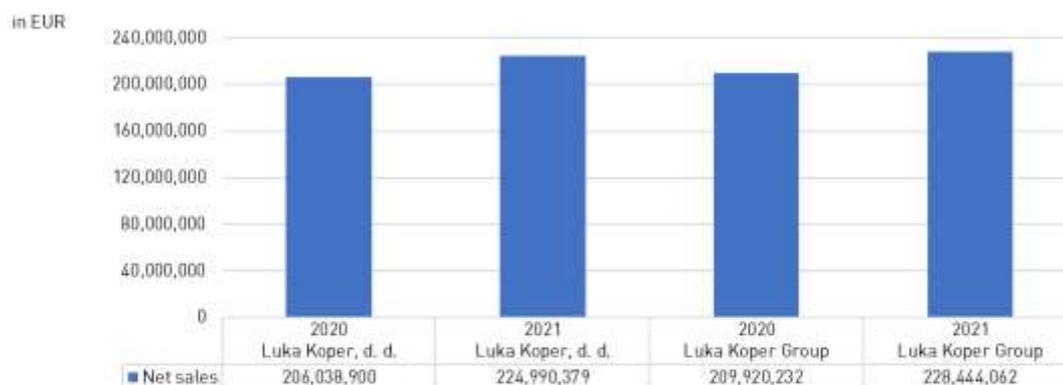


<sup>22</sup> Source: Websites of the ports in question, and NAPA  
<sup>23</sup> Source: Websites of the ports in question, and NAPA

## 10.2. Financial analysis of the performance of the Luka Koper Group

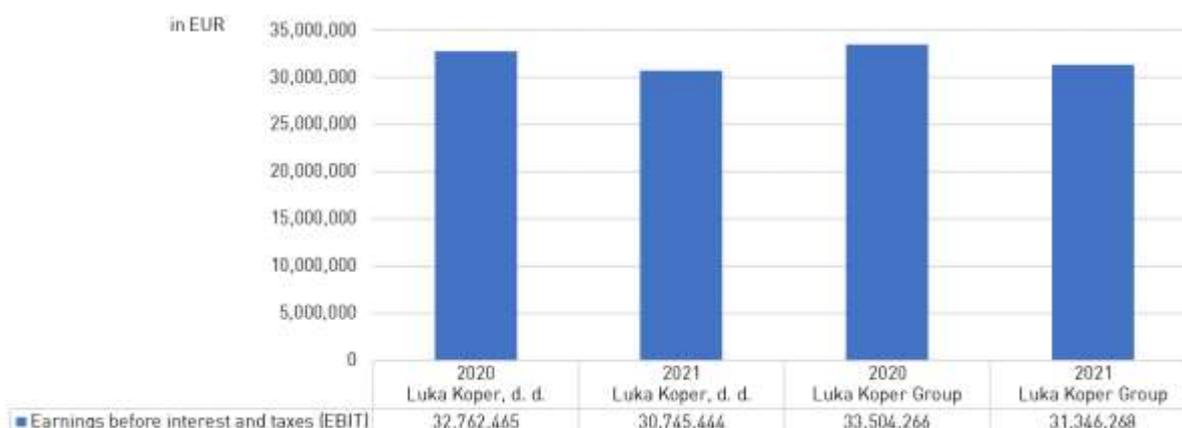
Gradual economic recovery in 2021 had a positive effect on higher maritime throughput of the Luka Koper Group, which was reflected in higher net sales. With a 7% increase in maritime throughput in 2021 compared to 2020, net sales increased by 9% or EUR 18.5 million.

### Net sales



Despite higher net sales, the Luka Koper Group achieved lower earnings before interest and taxes (EBIT) in 2021 than in 2020, which was mainly due to other revenues, which were 54% or EUR 5.5 million than in 2020. In 2020, revenues of EUR 2.3 million were recognized from written-off liabilities for the payment of pension fund and disability insurance contributions in accordance with the Act Determining the Intervention Measures to Contain the COVID-19 Epidemic, whereas in 2021, revenues from reversal of provisions decreased by EUR 3.3 million.

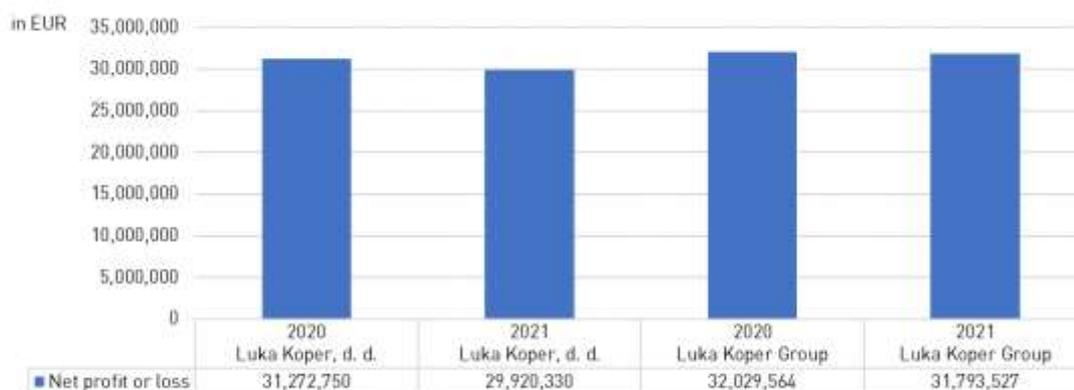
### Earnings before interest and taxes (EBIT) of Luka Koper, d. d. and the Luka Koper Group



Compared to 2020, earnings before interest and taxes (EBIT) in 2021 were also negatively affected by operating expenses, which were 8% or EUR 15.1 million higher. An increase was recorded in material costs (higher costs of energy consumption, especially motor fuel), costs of services (increased throughput led to higher costs of port services, costs of transshipment fees and concession costs), labour costs (due to more employees, higher payments from business performance and alignment of salaries with inflation) and depreciation costs (from new purchases of assets), while other operating expenses decreased.

The share of operating expenses in net sales in 2021 accounted for 88.4%, which was a decrease by 0.6 percentage points from 2020. Comparatively, the share of costs of services in net sales increased from 2020, the share of costs of material and the share of other operating expenses decreased, whereas labour costs and amortisation and depreciation expenses remained at the same level.

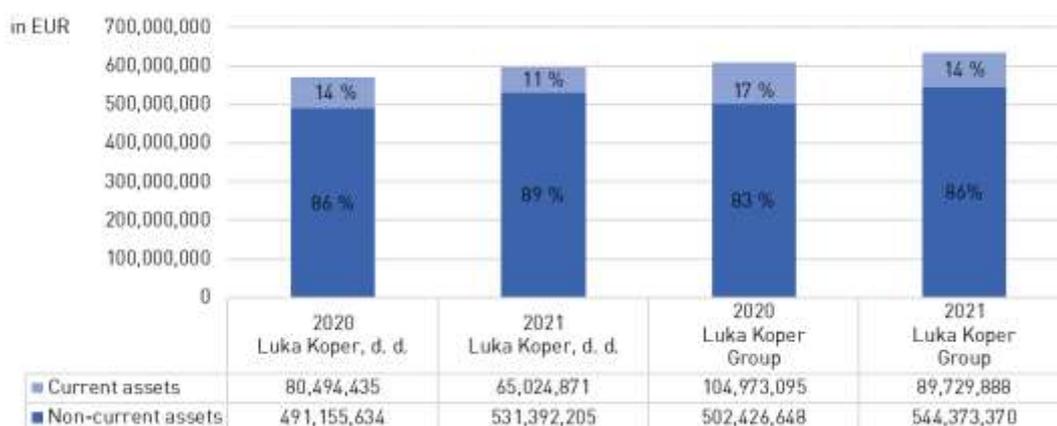
### Net profit or loss of Luka Koper, d. d. and the Luka Koper Group



Net profit in 2021 compared to 2020 was influenced by the already explained factors that contributed to lower earnings before interest and taxes (EBIT) and higher operating results from financing; the higher income tax rate in 2021 compared to 2020 had a negative impact on the achieved net profit.

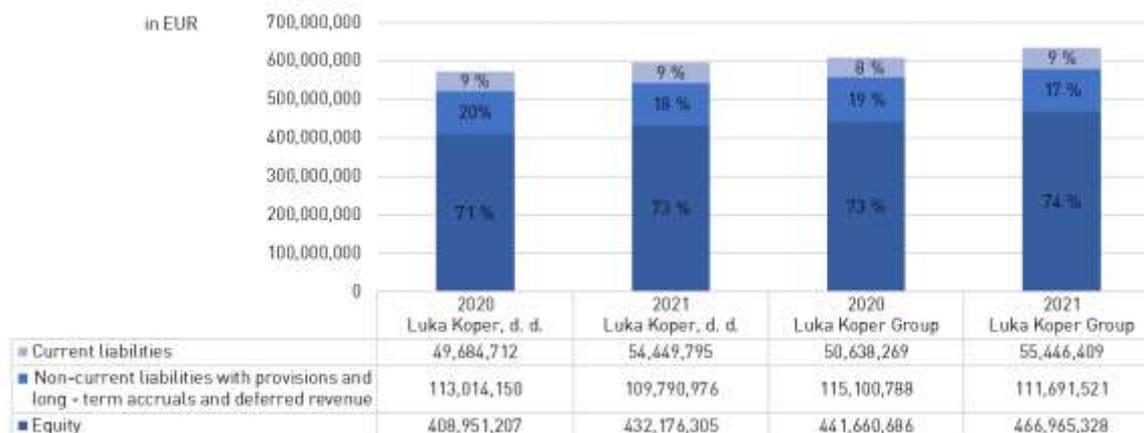
As at 31 December 2021, the balance sheet total of the Luka Koper Group amounted to EUR 634.1 million, which was an increase of 4% or EUR 26.7 million when compared to 31 December 2020.

### Asset structure of Luka Koper, d. d. and the Luka Koper Group as at 31 December



Non-current assets of the Luka Koper Group increased in 2021 due to investments in excess of depreciation of these assets, while short-term assets decreased due to a decrease in cash and cash equivalents, which resulted from the fact that positive cash flow from operations was insufficient to cover negative cash flow from financing activities and negative cash flow from investing activities. Operating receivables from customers increased, following the increase in revenues.

### Structure of liabilities of Luka Koper, d. d. and the Luka Koper Group as at 31 December



The increase in the equity of the Luka Koper Group in 2021 is the net effect of the equity decrease due part of the profit in the amount of EUR 16 million being used for the payment of dividends of the controlling company, the entry of net profit for the period in the amount of EUR 16.8 million, and the positive change in the revaluation surplus of financial investments in the amount of 9.5 million. Non-current liabilities with long-term provisions and long-term accrued costs and deferred revenue of the Luka Koper Group were lower as at 31 December 2021 than at the previous year-end, as non-current loans from banks in Slovenia decreased due to regular transfer of principals from contractually agreed amortisation schedules. As at 31 December 2021, current liabilities of the Luka Koper Group were higher than the previous year-end due to the increase in liabilities from income tax and operating liabilities to suppliers.

As at 31 December 2021, the financial liabilities of the Luka Koper Group amounted to EUR 72.6 million, and had decreased by 12% or EUR 9.8 million from the previous year-end.

### Comparison of the results achieved by the Luka Koper Group in 2021 in relation to the plan

In 2021, the Luka Koper Group exceeded the planned values in almost all indicators. Net sales of the Luka Koper Group, which amounted to EUR 228.4 million in 2021, were 4% or EUR 8.6 million higher than planned, with ship throughput increasing by 1% compared to the plan.

Higher net sales and higher other revenues than the amounts planned for 2021 had a positive effect on the earnings before interest and taxes (EBIT) of the Luka Koper Group, which in 2021 were at EUR 31.3 million, i.e., 21 percent or 5.5 million higher than planned. Operating costs of the Luka Koper Group in 2021 were 2% or EUR 4.7 million higher than planned. The costs of services, depreciation costs and other expenses were higher than planned.

In 2021, net profit or loss of the Luka Koper Group amounted to EUR 31.8 million, which was an increase of 30% or EUR 7.4 million when compared to the plan.

### 10.3. Direct economic value generated and distributed<sup>24</sup>

Direct economic value generated and distributed of Luka Koper, d. d., and the Luka Koper Group

(in EUR)	Luka Koper, d. d.				Luka Koper Group			
	2021	Share in 2021 revenue	2020	Share in 2020 revenue	2021	Share in 2021 revenue	2020	Share in 2020 revenue
<b>A REVENUES</b>								
- from sales	224,990,379		206,038,900		228,444,062		209,920,232	
- financing	4,898,610		3,349,022		6,263,822		3,322,003	
- other revenue	2,941,895		8,380,568		4,691,557		10,195,758	
<b>Total A</b>	<b>232,830,884</b>		<b>217,768,490</b>		<b>239,399,441</b>		<b>223,437,993</b>	
<b>B OPERATING COSTS</b>								
Costs (excluding categories C, E, F and depreciation)	52,013,416	22%	49,536,159	23%	48,166,674	20%	46,276,278	21%
<b>Total B</b>	<b>52,013,416</b>	<b>22%</b>	<b>49,536,159</b>	<b>23%</b>	<b>48,166,674</b>	<b>20%</b>	<b>46,276,278</b>	<b>21%</b>
<b>C LABOUR COSTS</b>								
Labour costs (excluding employer's contributions from employee remuneration)	70,252,664	30%	63,339,913	29%	76,266,495	32%	69,178,291	31%
<b>Total C</b>	<b>70,252,664</b>	<b>30%</b>	<b>63,339,913</b>	<b>29%</b>	<b>76,266,495</b>	<b>32%</b>	<b>69,178,291</b>	<b>31%</b>
<b>D PAYMENTS TO EQUITY HOLDERS AND OTHER SUPPLIERS OF FUNDS</b>								
Dividends	15,960,000	7%	14,982,069	7%	15,960,000	7%	14,982,069	7%
- government (Republic of Slovenia, SDH, KAD)	10,709,657	5%	10,052,047	5%	10,709,657	4%	10,052,047	4%
- other providers	5,250,343	2%	4,930,022	2%	5,250,343	2%	4,930,022	2%
Interest	254,312	0%	537,544	0%	254,529	0%	415,601	0%
<b>Total D</b>	<b>16,214,312</b>	<b>7%</b>	<b>15,519,613</b>	<b>7%</b>	<b>16,214,529</b>	<b>7%</b>	<b>15,397,670</b>	<b>7%</b>
<b>E INVESTMENTS IN THE SOCIAL ENVIRONMENT</b>								
Sponsorships and donations	1,039,432	0%	1,326,032	1%	1,043,011	0%	1,329,461	1%
<b>Total E</b>	<b>1,039,432</b>	<b>0%</b>	<b>1,326,032</b>	<b>1%</b>	<b>1,043,011</b>	<b>0%</b>	<b>1,329,461</b>	<b>1%</b>
<b>F CONTRIBUTIONS TO THE STATE</b>								
Concession	7,729,718	3%	7,255,314	3%	7,729,718	3%	7,255,314	3%
Corporate income tax	5,450,466	2%	4,134,064	2%	5,541,067	2%	4,206,838	2%
Taxes and social contributions from employee remuneration	9,901,759	4%	8,797,129	4%	10,703,751	4%	9,564,722	4%
Fee for the use of building land	6,621,321	3%	6,445,608	3%	6,621,321	3%	6,445,608	3%
Transshipment fee <sup>25</sup>	5,265,145	2%	4,630,641	2%	5,265,145	2%	4,630,641	2%
<b>Total F</b>	<b>34,968,408</b>	<b>15%</b>	<b>31,262,756</b>	<b>14%</b>	<b>35,861,001</b>	<b>15%</b>	<b>32,103,123</b>	<b>14%</b>
<b>Retained economic value (A-B-C-D-E-F)</b>	<b>58,342,652</b>	<b>25%</b>	<b>56,784,017</b>	<b>26%</b>	<b>61,847,731</b>	<b>26%</b>	<b>59,153,170</b>	<b>26%</b>

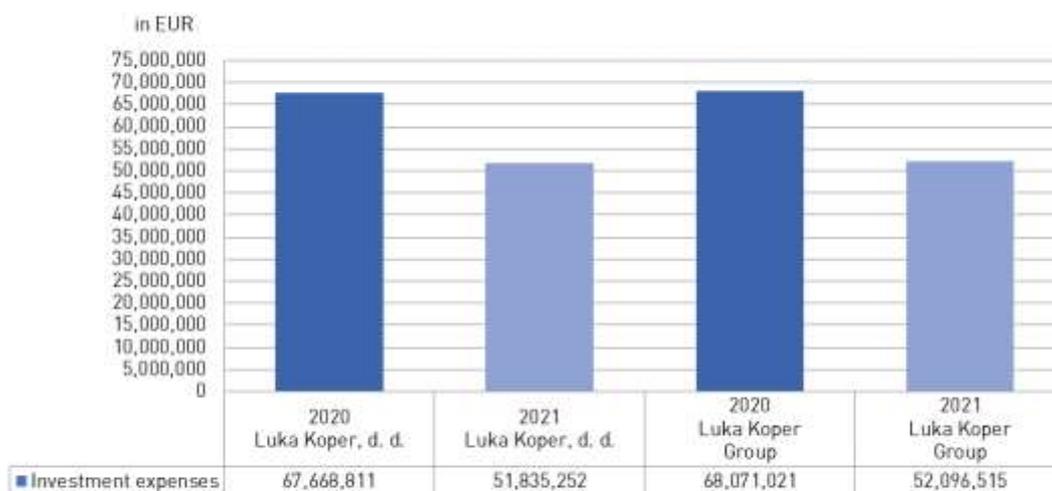
<sup>24</sup> GRI GS 201-1

<sup>25</sup> Transshipment fee – special-purpose funds contributed by the Port of Koper to the construction of the Divača–Koper second railway track.

## 11. Investments in non-financial assets<sup>26</sup>

In 2021, the Luka Koper Group continued its investment cycle, mainly by investing in increasing port capacity, as transshipment growth is expected in the coming years the light of the pandemic nearing its end. In 2021, the Luka Koper Group allocated EUR 52.1 million to investments in property, plant and equipment, investment property and intangible fixed assets,<sup>27</sup> which is 23% or EUR 16 million less than in 2020. Luka Koper, d. d. allocated the amount of EUR 51.8 million to investments in 2021, which accounted for 99.5% of investments of the Luka Koper Group.

Investments in property, plant and equipment, investment property and intangible assets of Luka Koper, d. d. and the Luka Koper Group



Several major investments were made:

- The most important investment in 2021 was the continued construction of an extension to the container shoreline at the head of Pier I for the needs of the container terminal; thus, the construction of the 7D berth was completed, and in 2022, the construction of storage areas in the hinterland of this berth will be fully completed,
- Completed construction of a parking garage for vehicles,
- Purchase of a new shunting locomotive for the needs of internal rail transport,
- Completed construction of an additional port entrance (the Bertoki road),
- Construction of a new petrol station for the port,
- Completed renovation of business premises and changing rooms in the container terminal building,
- Continued merging of D2 and Jet berths at the liquid cargo terminal,
- Restoration of the hydrant network at several locations,
- Purchase of wheel loaders for the needs of the bulk and liquid cargo terminal,
- Purchase of several forklifts, manipulators and tractors for the needs of the container terminal,
- Purchase of radioactivity meters,
- Continued reconstruction of 7A and 7B berths,
- Purchase of several (electric and conventional) personal vehicles for the needs of business processes,
- Initiation of the construction of a new external truck terminal at the Sermin entrance,
- Initiation of the purchase of two SPPX cranes.

<sup>26</sup> GRI GS 203-1

<sup>27</sup> Without taking into account advances paid for the equipment



Handling



Bertoki



Petrol

All investments foreseen for the year 2021 were studied from the economic aspect, the aspect of eligibility, energy savings, urgency and from the aspect of legal obligations or other impacts. The decisions on major investments were taken on the basis of the prepared investment studies and conducted analyses of their impact on return on equity.



Parking



Pier



Truck

### Environmentally sustainable investments

In 2021, the Luka Koper Group allocated 3.5 percent of the value of all investments to environmentally sustainable investments, i.e., the current environmental and energy challenges and occupational safety challenges. The following investments were made in the area of environment, energy and occupational safety:

- Installation of dust extraction systems in the area of technological procedures on belt conveyors for the ex zone,
- Installation of radioactivity meters: Luka Koper is obliged to perform appropriate measurements based on the requirement from the Decree on checking the radioactivity of consignments that could contain orphan sources (UV-11); the investment included the installation of seven stationary portals (5 road and 2 rail) and the purchase of a hand-held meter,
- Continued construction of solar power plants: the final phase in the construction of the fifth solar power plant, which is placed on the roof of the building housing the new changing rooms and toilets for employees at the container terminal; 128 330WP photovoltaic modules were installed on the roof, producing approximately 49,200 kWh of electricity annually.

## 12. European projects

In 2021, activities were carried out within projects of the Connecting Europe Facility (CEF) and Horizon 2020 programmes, and in territorial cooperation projects (Interreg). Luka Koper also applied for co-financing projects on the Horizon Europe (2021-2027) programme, the LIFE programme and the EEA and Norway grants tender. In 2021, we received EUR 3.3 million from co-financing ongoing and completed projects.



With projects under the CEF programme, Luka Koper seeks to ensure optimal absorption of the funds assigned for projects that address the development challenges and infrastructure needs of the port, also taking into consideration the implementation of the EU's TEN-T corridor policy:

- The ACCESS2NAPA project was selected for co-financing, in which the preparation of project documentation for investments related to the extension and increase of the capacities of Pier I and Pier II will be co-financed.
- In September 2021, a public tender for the CEF Transport programme was published, to which Luka Koper submitted two projects (submitted in January 2022).

Within the Horizon 2020 or Horizon Europe (2021-2027) programme, Luka Koper seeks to introduce new technologies and development systems. The GREEN IMPACTS European Green Deal project has been submitted, aimed at establishing new technologies in the field of sustainability and energy transition. Luka Koper submitted the project in a consortium with the ports of Marseille-Fos (France), Algeciras (Spain), Nijmegen (Netherlands) and Genoa (Italy), however, it was not selected for co-funding.

Luka Koper has also submitted 4 research and development projects to the Horizon Europe programme, for which evaluation results and the co-financing decision are not yet known.

In territorial cooperation projects (Interreg), where the topics are more regionally oriented, cooperation is somewhat softer, and the emphasis is on partner projects, ADRIPASS-PLUS (upgrade of VBS) was submitted as a continuation of the ADRIPASS project in the Adriatic programme, which was completed in 2020.

As the leading partner of the SOPOREM project, Luka Koper, together with a Norwegian partner and the Municipality of Koper, applied to the tender of the Norwegian and EEA financial mechanism for climate change mitigation. The project application refers to co-financing of the construction of a solar power plant in the port, and the selection results are not yet known.

Within the LIFE programme, Luka Koper has submitted the LIFE\_AIRNOPOL project, which addresses research on the possibility of further limiting noise emissions and other pollutants. The selection results are not yet known.



## The impact of the Russian-Ukrainian conflict on the operations of the Luka Koper Group

After the shock caused by the COVID-19 pandemic in the past two years, the economic climate in Slovenia improved again in February 2022. Activity indicators showed continued growth in domestic consumption and international trade. However, due to the onset of the war in Ukraine, the geopolitical situation worsened sharply in March and will undoubtedly affect global economic developments in 2022. Direct exposure of the Slovenian economy to Russia and Ukraine is relatively small. The consequences directly affected higher energy and raw material prices, the declining foreign demand, financial stress and falling confidence. Potential effects can also be expected in supply chains, which, given the existing problems, would lead to additional negative effects on production. Current developments in the energy, raw materials and food markets affected by the war in Ukraine point to additional inflationary pressures in the international environment. Before the war in Ukraine, unexpectedly high inflation and rising inflation risks markedly boosted market expectations regarding a faster withdrawal of non-standard monetary policy measures and a rise in key central bank interest rates<sup>31</sup>.

### 13.2. Performance of the Luka Koper Group in 2022

Given the current global situation and economic forecasts for 2022, the Luka Koper Group plans to increase transshipment in all product groups, despite the expected instability of container shipping connections and the continued problems with semiconductors in the automotive industry. An increase in transshipment is also expected due to new investment projects, such as the completion of the extension of the southern part of Pier I, purchase of two container cranes, construction of additional storage areas for cars, increased storage capacities and operational conditions for transshipment of general goods.

In the coming years, the greatest growth potential is seen in the transshipment of containers, cars and refrigerated cargo. In the hinterland Central European markets, investments in the automotive and electronics industries continue, currently focusing on the production of electric cars and propulsion batteries and other related components. The largest investors in these industries in the hinterland markets of the Port of Koper include companies from South Korea, Japan and China, which transport production lines, raw materials, components and finished products from the Far East, and the shortest and most convenient transport route crosses the Adriatic. As an important port on the new maritime silk route from China, the Port of Koper is counting on further growth of container traffic from the Far East.

With the Turkish market recovering, the situation calming down and the economic growth in the eastern Mediterranean countries, where armed conflicts have taken place until recently, further growth potential in car transshipment is expected.

In order to for the Port of Koper to remain competitive and improve its market position in the transshipment of individual product groups in all markets, it will be necessary to continue investing in expanding port capacity, improving services and reducing operating costs in the port, and pursue appropriate sales and pricing policies. In cooperation with partners in the logistics chain, efforts should be made to establish new land and sea connections that are crucial for further development of port operations. In order to maintain competitiveness, a new railway connection to Divača will have to be built within the set deadlines.

#### 13.2.1. Business objectives for 2022

According to the current global situation and economic forecasts for 2022, the Luka Koper Group will achieve growth in transshipment in all commodity groups in 2022.

Transshipment of containers as the most important strategic commodity group is planned to be 2% higher in 2022 (measured in TEU container units) than in 2021. In this way, the port of Koper will maintain its primacy among ports in the Adriatic. Operations in 2022 will still be affected by volatility in shipping connections (irregular arrivals of ships), which we witnessed already in 2021.

The global automotive industry is one of the most affected industries due to the COVID-19 pandemic. In 2022, car sales are expected to grow again due to the economic recovery. In the strategic car commodity group, vehicle throughput is planned to increase by 4% in 2022 compared to 2021 and its primacy among Mediterranean ports to be maintained.

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<sup>31</sup> Source: [Review of macroeconomic trends \(bsi.si\)](https://bsi.si)

In 2022, the Luka Koper Group will achieve earnings before interest and taxes (EBIT) at the level of 2021 and a 1 percent higher net profit than in 2021, mainly due to higher planned net sales.

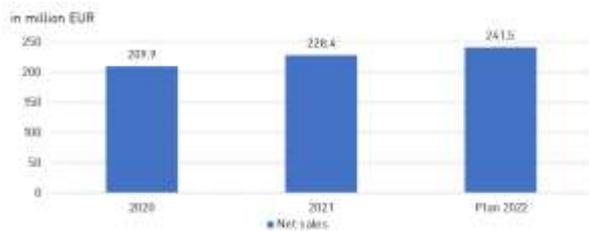
For the year 2022, Luka Koper, d. d., and the Luka Koper Group have devised an investment plan to follow the goals from the strategic plan. Key investment projects in 2022 will be related to: increasing the capacity of the container terminal (completion of the extension of the southern part of Pier I and installation of two new container cranes), construction of additional storage areas for car handling and increasing storage capacity and operational conditions for general cargo handling, commencing the construction of a new truck terminal, and purchase of equipment. In 2022, the Luka Koper Group will allocate 12.3 million euro for projects in the field of sustainable development, which is 18 percent of all planned investments.

Key operating ratios of Luka Koper, d. d., and the Luka Koper Group in 2022

## NET SALES

**241.5 million EUR**

+6% 2022 PLAN/2021



## MARITIME THROUGHPUT

**21.1 million METRIC TONS**

+1% 2022 PLAN/2021

## CONTAINER THROUGHPUT

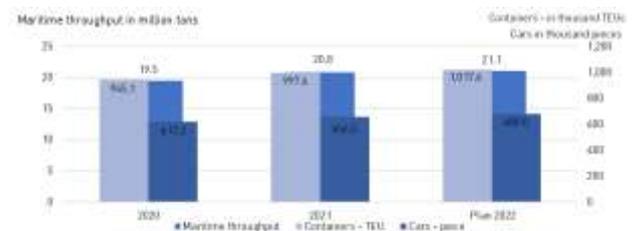
**1 million TEU**

+2% 2022 PLAN/2021

## CAR THROUGHPUT

**680 THOUSAND PIECES**

+4% 2022 PLAN/2021



## EARNINGS BEFORE INTEREST AND TAXES (EBIT)

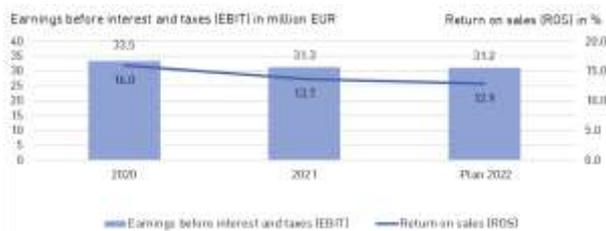
**31.2 million EUR**

+0% 2022 PLAN/2021

## RETURN ON SALES (ROS)

**12.9%**

-6% 2022 PLAN/2021



## EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

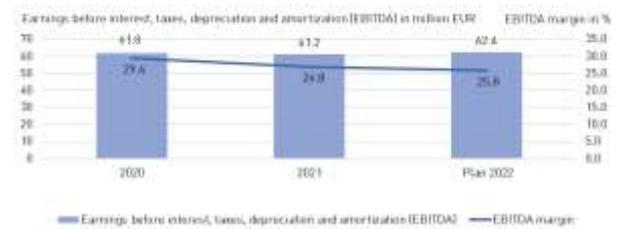
**62.4 million EUR**

+2% 2022 PLAN/2021

## EBITDA margin

**25.8%**

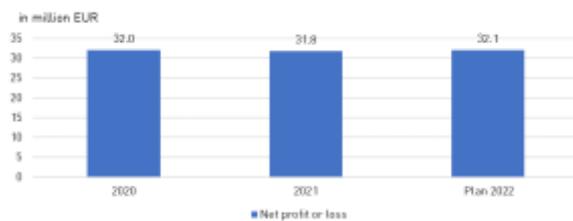
-4% 2022 PLAN/2021



## NET PROFIT OR LOSS

**32.1 million EUR**

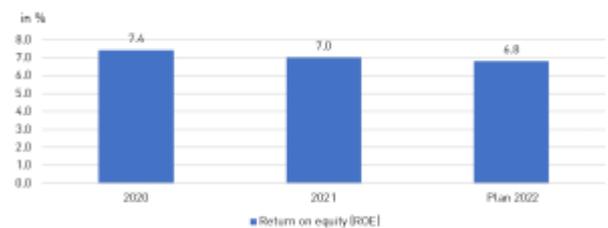
+1% 2022 PLAN/2021



## RETURN ON EQUITY (ROE)

**6,8%**

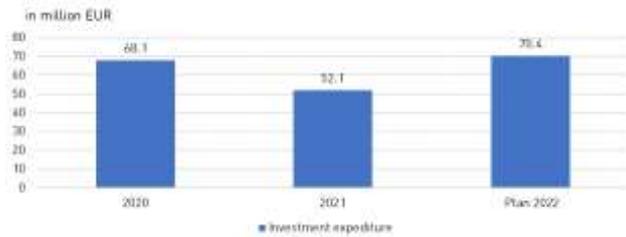
-3% 2022 PLAN/2021



## INVESTMENT EXPENDITURE

# 70.4 million EUR

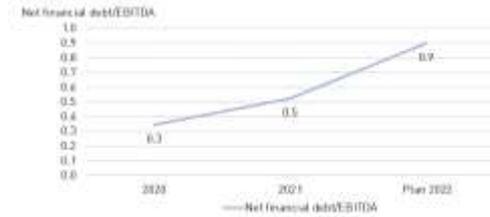
+35% 2022 PLAN/2021



## NET FINANCIAL DEBT / EBITDA

# 0.9

+0.4% 2022 PLAN/2021



# 14. Managing risks and opportunities<sup>32</sup>

## 14.1. Risk and opportunity management system in the Luka Koper Group

Risk and opportunity management is an important element of the Luka Koper Group's strategy and business performance. The Group uses an advance risk and opportunity management system, which ensures that the key risks and opportunities the Group is exposed to are identified, evaluated, controlled, monitored and duly reported. Although a Risk and Opportunity Management Committee has been appointed, risk and opportunity management is a concern of every employee of the Group within the scope of their duties and responsibilities. Risks and opportunities are recognised 'bottom up', ensuring that all business processes are covered, while the methodology is defined 'top-down', providing for a consistent application of the risk and opportunity management system across the entire Group.

The basis of the risk and opportunity management system is the risk and opportunity register, which contains a list of all identified risks and opportunities, characteristics of particular risks and opportunities, identified measures and control activities, and persons responsible (administrators) for monitoring individual risks and opportunities. The register is kept centrally at the level of the Luka Koper Group in order to systematically monitor and analyse risks, and is updated regularly. A five-level methodology was worked out for the assessment of both risk and opportunity likelihood and the related consequences. Five dimensions are taken into account in the assessment of consequences, including consequences for health and safety, finances, the environment, the Company's reputation, and compliance. The joint risk and opportunity assessment is the product of the assessment of likelihood and highest possible assessment of consequences. Based on the joint risk and opportunity assessment, all risks and opportunities identified in the register are classified from irrelevant to material according to a five-level scale. The quantitative assessment system ensures that the focus is on the management of key risks and opportunities (overall assessment 10 or above).

### Quantitative Risk and Opportunity Assessment Matrix

Pr ob abi lity	Very high (5)	5	10	15	20	25
	High (4)	4	8	12	16	20
	Medium (3)	3	6	9	12	15
	Low (2)	2	4	6	8	10
	Very Low (1)	1	2	3	4	5
		Very Low (1)	Low (2)	Medium (3)	High (4)	Very high (5)
		<b>Consequence</b>				

- irrelevant risk (overall risk assessment = 1-2)
- less important risk (overall risk assessment = 3-4)
- moderate risk (overall risk assessment = 5-9)
- important risk (overall risk assessment = 10-16)
- material risk (overall risk assessment = 20-25)

In the context of the risk and opportunity management system, the Luka Koper Group regularly monitors exposure to all the perceived risks and opportunities, and determines and implements the necessary measures to ensure an acceptable level of operational risk and opportunities. In 2021, 1 risk was realised, with an average risk score of 6.2 (moderate risk) as at 31 December 2021, which is 0.2 less than the average risk score as at 31 December 2020. Risks with the highest risk scores arise from the external environment. The company cannot fully manage these risks with various response methods, however, with the measures taken on the expenditure and revenue side, it reduces the probability and consequences of materialisation. Progress in risk management has been achieved through the implementation of several measures, the realisation of which has helped reduce key risks and lower

<sup>32</sup> GRI 102-11

the average risk score. New risks were identified as part of the annual risk review for the year 2022, which the Group will be reducing through different methods of response, thus successfully adapting to internal and external factors.

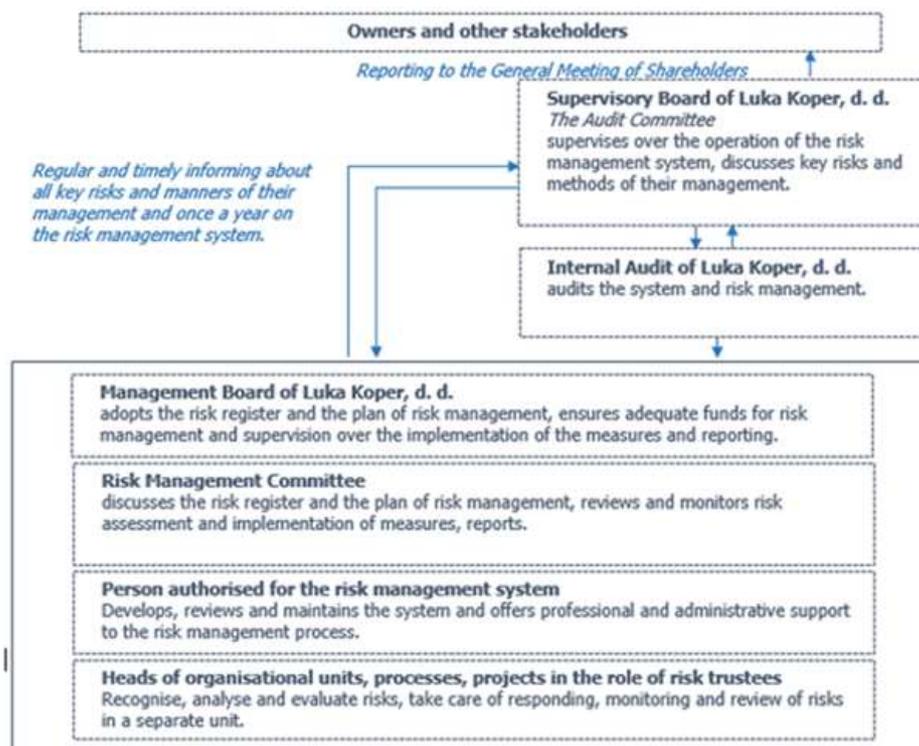
The company has adopted a Risk Appetite Statement. The risk appetite of the Luka Koper Group means the total level of risks that the Luka Koper Group is willing to assume within its risk-taking capacity in order to achieve its strategic goals and fulfil its business plan. In order to take advantage of the opportunities to achieve its strategic goals while following the highest standards of sustainable development in making current business decisions and running day-to-day operations, the Luka Koper Group is ready to accept risks that are assessed as moderate after taking appropriate measures, however:

- It is not willing to take risks that could result in serious and fatal injuries to persons and/or high negative impacts on the environment and property.
- It is not willing to take risks arising from breaches of international regulations, national legislation, standards and internal regulations, with an emphasis on compliance with legislation and regulations on security, personal data protection, environmental protection, occupational safety and the prevention of corruption. The operations of the Luka Koper Group are based on the values and principles that oblige us to respect ethical and professional standards.
- It has a low appetite for financial risks associated with long-term financial stability and for unexpected negative effects stemming from changed market interest rates. The Group must maintain an appropriate level of liquidity and solvency in order to meet its obligations and meet its commitments to banks.

According to the internal documents of the management system, the unwillingness to assume these three types of risks is demonstrated by assessing the probability as 'very rare' and 'rare'. The Risk and Opportunities Management Committee, the Control Department, the Internal Audit Department, the Compliance Officer, the Corporate Integrity Officer and other competent departments regularly monitor the compliance of the risk profile with risk appetite and keep the Management Board, the Audit Committee and the Supervisory Board informed through reviews and reports. If the risk appetite is found to be exceeded, proposals for measures to revert the operations to an acceptable level of risk shall be prepared.

### 14.2. Key roles and responsibilities in the risk and opportunity management system

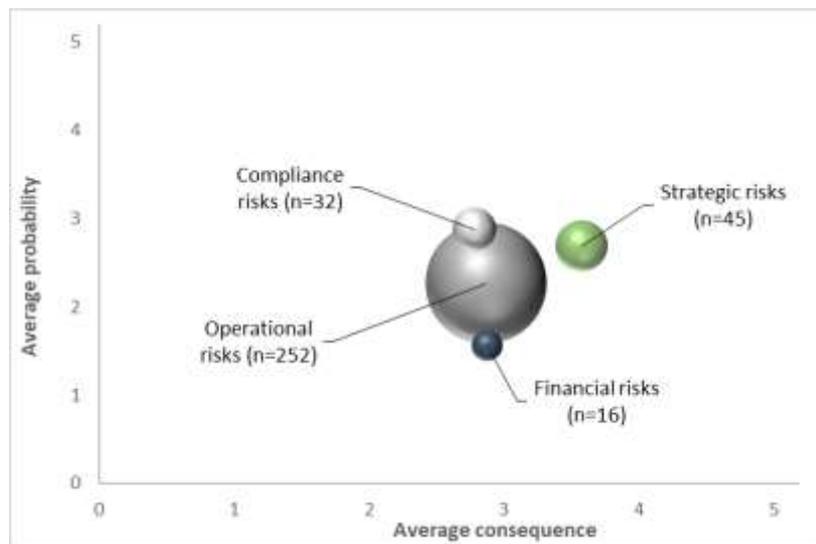
The key roles and responsibilities in the risk and opportunity management system have not changed in relation to the preceding year. Risk administrators assess risk and opportunities on a quarterly basis and monitor the implementation of risk reduction methods. Based on their findings, the risk administrator reports to the Risk Management Committee, which meets quarterly, and additionally if necessary. Risks are also reported quarterly to the Management Board and the Audit Committee of the Supervisory Board.



### 14.3. General risk assessment

Risks identified at the first level fall into four main groups. At the second level these are divided into individual topic-related sub-groups. Despite the implemented measures, five risks remain identified as material. The average risk assessment is the highest in the case of strategic risks (7.6) because there are certain risks that the Company cannot manage alone with its measures as they originate in external factors (e.g., deterioration of the economic situation, government-owned infrastructure, shipowners and logistics operators entering the ownership of terminals in nearby ports). Operational risks with the average score of 5.8 are the largest group in terms of number, including a wide and diversified range of risks (e.g., safety at work, damage to cargo and equipment, information risk). Compliance risks have an average score of 7.3 and represent a smaller set of risks. Financial risks are currently evaluated as posing the smallest threat (4.4), as the company has low indebtedness, an adequate capital structure, a small share of defaulters and a low exposure to foreign currencies. Financial impacts and other risks and opportunities for the Company's activities related to climate change are mostly strategic risks and are presented separately in the sustainability report in the chapter **23.7.6 Climate change and related opportunities**.

### Risk chart of the Luka Koper Group



#### 14.3.1. Strategic risks

*According to their content, strategic risks are those types of risks that can jeopardize the achievement of set goals. Strategic risks result from the mutual incompatibility of strategic objectives, the business strategy adopted to reach them, the availability of funds for reaching the set objectives, the ownership structure, and the general economic situation.*

Despite the scale of the pandemic, economic indicators were favourable in 2021, but the risks remain significant. The outlook for global economic growth is improving despite the continuing uncertainties surrounding the epidemic, which poses the highest risk of worsening economic conditions. In recent forecasts, international institutions assume continued growth in economic activity in our trading partners for the coming periods. The risk of high inflation, driven in particular by rising energy prices, is increasing. Non-energy industrial goods are also becoming more expensive due to rising global prices of raw materials (steel, iron) and bottlenecks in supply chains. For the company, inflation expectations are mainly reflected in two areas – in increasing costs of materials (fuel, electricity) and in growing prices of planned investments, both for equipment and infrastructure. In 2022, energy prices are expected to stabilise, the consumption structure to normalise, and price pressures stemming from bottlenecks in global supply chains to ease.

The Bank of Slovenia (Bulletin, January 2022) estimates that macroeconomic risks remain significant despite favourable forecasts, as the number of infections has reached new highs, making absenteeism worse, while many companies have serious problems with high energy costs, and higher inflation may slow down private spending, as the average actual gross salary had stagnated year on year in October. Risks that could jeopardize the recovery and inflation outlook are future energy price developments and the pace of removing bottlenecks in supply chains.

The Group faces market risks arising from a highly competitive environment and the entry of shipowners and logistics operators into the ownership of nearby port terminals, which may lead to a redirection of part of the cargo to be transhipped. Neighbouring ports also pay considerable attention to boosting competitiveness in rail connections. In recent years, warehousing capacities have been developed in the vicinity of the port of Koper, in which mainly freight forwarding companies offer CFS services. These can turn out to be our genuine competitors, especially in the segment of loading and unloading containers. On 7 January 2021, Hafen und Logistik AG (HHLA) finalised the process of purchasing a 50.01% share in Piattaforma Logistica Trieste in the Port of Trieste. The transshipment activity in the general cargoes, RO-RO and container segment will be performed by HHLA PLT Italy. The Management Board of the Port of Rijeka Authority has decided that for the next 50 years, APM Terminals/Enna Logic, owned by the shipping company AP Moller – Maersk, will be the concessionaire of the container terminal.

These risks are managed by increasing capacities, constructing the second railway track, and implementing envisaged process improvements through various projects. In 2022, we will continue to implement some investment projects aimed primarily at increasing the capacity of the container terminal. Nevertheless, the major risk associated with the realisation of investments remains, as an intense investment cycle is planned in the coming

period. In this regard, the emphasis is on obtaining approvals in due course for the next set of strategic investments related to the 2021–2025 investment period, and carrying out public procurement procedures. Estimated value of investments also poses a risk of delays, as there is a risk that the value of secured funds will be exceeded due to rising prices of certain raw materials, which will lead to the repetition of procedures. Luka Koper also faces the risk of not achieving the goals of digitisation or digital transformation in key processes in accordance with the strategic goals of the company, which is why in 2022, it will conduct trainings to build the employees' digital competencies.

The main strategic risks arising from the external environment remain the uncertainty with regard to the timeline of completion of the Divača-Koper second railway line, and the obsolete, insufficient capacity of the existing track, which might threaten the further growth of throughput also before the construction of the second track. In 2022, the working group that took on the implementation of measures of the Transcare study to improve IT support, and perform infrastructure interventions and organisational changes, will continue to work.

In relation to the Maritime Spatial Plan, the company outlined the issue at the Ministry of Infrastructure and submitted proposals for the relocation of marine sediment to the Ministry of the Environment and Spatial Planning. The Plan being adopted (No 00719-28/2021, adopted on 15 July 2021), the relocation of sludge in the Slovenian sea is spatially enabled under certain conditions and in certain areas. Procedures are underway to obtain a building permit for the Ankaran peripheral canal regulation, which will bring the risk to an acceptable level. The 6A and 7A cassettes, purchased by the state from Ankaran municipality, are awaiting inclusion in the concession area.

### **The impact of the Russian-Ukrainian conflict on the operations of the Luka Koper Group**

After the shock caused by the COVID-19 pandemic in the past two years, the economic climate in Slovenia improved again in February 2022. Activity indicators showed continued growth in domestic consumption and international trade. However, due to the onset of the war in Ukraine, the geopolitical situation worsened sharply in March and will undoubtedly affect global economic developments in 2022. Direct exposure of the Slovenian economy to Russia and Ukraine is relatively small. The consequences directly affected higher energy and raw material prices, the declining foreign demand, financial stress and falling confidence. Potential effects can also be expected in supply chains, which, given the existing problems, would lead to additional negative effects on production. Current developments in the energy, raw materials and food markets affected by the war in Ukraine point to additional inflationary pressures in the international environment. Before the war in Ukraine, unexpectedly high inflation and rising inflation risks markedly boosted market expectations regarding a faster withdrawal of non-standard monetary policy measures and a rise in key central bank interest rates<sup>33</sup>.

Direct exposure of the Luka Koper Group to Russia and Ukraine is relatively small, as the volume of transshipment through the Port of Koper, which is intended for the Ukrainian and Russian markets, is negligible.

The Luka Koper Group estimates that the war in Ukraine might indirectly affect its operations in 2022. It will have an impact on supply chains and thus also on logistics flows, in which the company sees threats as well as opportunities, including the diversion of certain goods that previously gravitated to the Black Sea to Adriatic ports and import of other commodity groups to ensure the energy self-sufficiency of EU countries. On the other hand, a negative impact may be felt as a result of restrictions on exports of certain product groups from Europe to ensure self-sufficiency. At this time, it is still difficult to predict what impact the war will have on these currents. The Luka Koper Group will also face inflationary pressures and thus higher operating costs; at the macroeconomic level, this may also affect the fall in demand. The Luka Koper Group is already preparing a set of measures to manage these risks and opportunities. In the current situation, it is also facing increased cyber risks, which it manages accordingly within a comprehensive risk management system. The Luka Koper Group has no direct financial exposure linked to Russia, Ukraine and Belarus, but it can expect indirect effects on its investment portfolio due to developments in the financial markets.

#### **14.3.2. Operational risks**

*Operational risks cover a wide range of the company's operations. A large portion of this comprises risks, the realisation of which is reflected in injuries to people and/or impacts on the environment and property.*

This group of risks is managed by preventive measures based on workplace risk assessment, training and verification of knowledge, consistent use of personal protective equipment, defined and communicated technological procedures and working instructions that are regularly updated, development of suppliers, continual

<sup>33</sup> Source: [Review of macroeconomic trends \(bsi.si\)](https://bsi.si)

measurements of workplace conditions, regular medical examinations, and appropriate property and liability insurance. Other measures reducing risks of damage or injury include new investments in modern equipment, regular maintenance of work equipment and infrastructure, and regular measurements of impacts on the environment. We estimate that the risks are managed to an acceptable level with appropriate control activities and regulations.

In the coming year, we intend to upgrade the information system for recording and handling extraordinary events in the port, which will enable further processing of events by subject-specific experts, event research, taking action, statistical processing and systematic monitoring of indicators.

With cyber risks increasing globally, Luka Koper is also pursuing further activities in this field by establishing an information security department, introducing an information system for managing security events and risks, and defining additional internal processes and rules in the field.

The strategic risks will include the tightened epidemiological situation, which could partially or completely limit the operation of the port. Due to the re-emergence of the epidemic, numerous measures are being implemented, a working group was set up, daily notification on the number of infections in Luka Koper was established, and a protection and rescue plan for the event of an epidemic was drawn up. Rules on working from home were prepared and an internal protocol of action in the event of a confirmed infection was determined. With all these measures, the risk is managed to an acceptable level, but due to unforeseen circumstances, it is monitored more closely. At the beginning of 2022, there was an exponential increase in infections in Luka Koper, which led to a significant absence from work, especially in operations. Due to unforeseen conditions, the risk is monitored in more detail during this period, and additional measures are being taken, such as reduced leave and distribution of workers between terminals in accordance with the priorities for the provision of services.

#### 14.3.3. Financial risks

*Financial risks are those that affect the viability of the planned financial categories, primarily the planned future cash flows, and are usually controlled in the process of asset and liability management.*

The Group currently has no identified financial risks among its key risks. At the end of 2021, 8.9 percent of the Group's assets were financial investments measured at fair value. Given the unchanged structure of these investments, their fair value at the end of 2021 was 23 percent higher than at the previous year-end. Due to the strategic orientation of investing in the development of core business, the Group's portfolio management only involves managing the existing assets. The Group manages this risk by monitoring the situation in the financial markets and their impacts on the portfolio, while active management brings high return on investment.

The procedures for borrowing and thus obtaining resources for financing investments in 2022 have been completed. On 21 January 2022, Luka Koper, d. d. concluded a long-term loan agreement in the amount of EUR 60 million with a banking syndicate consisting of Nova Ljubljanska banka, d. d., and Banka Intesa Sanpaolo, d. d.

The control of fair value risk and other financial risks – which include interest rate risk, liquidity risk, foreign exchange risk, credit risk and risk of adequate capital structure, and have been assessed by the Group as moderate, less important or even irrelevant – is presented in detail in the accounting report of the Luka Koper Group, Note 34: Financial instruments and financial risk management.

#### 14.3.4. Compliance risks

The risk of exceeding the statutory limit values for noise in the direction of Koper town centre may occur while driving piles during construction works in the extension of Pier I or due to excessive noise during regular activities in the port. The Group has already taken measures and limited the noise level, both in the stage of design and later in selecting a contractor, to an acceptable level. Other risks associated with excessive noise are managed by a gradual transition to electrically-powered technological equipment, and the Group is also actively involved in the Neptunes project, which focuses on searching for solutions to reduce ship noise. Activities are also planned for the introduction of the ESI system, according to which less noisy ships would pay lower port dues. Gradual replacement of transshipment equipment (electrification) is also envisaged.

In 2022, activities will be carried out that are necessary to ensure compliance with the Rules on Explosion Protection (Official Gazette of the Republic of Slovenia, No. 41/2016). The Rules specify the requirements to be met by equipment and protective systems intended for use in potentially explosive atmospheres. These are mainly used at the bulk and liquid cargo terminal.

#### 14.3.5. Fraud and corruption risks<sup>34</sup>

Luka Koper, d. d. manages fraud and corruption risks by having clearly defined rules for preparing and concluding transactions, for delegating powers and for approving invoices, and by applying the four-eyes principle and other controls integrated into processes.

The Luka Koper Group has rules that apply to the controlling company and five subsidiaries, and are defined in management system documents, in the Luka Koper Group Strategy of Corporate Integrity, Luka Koper Group Code of Ethics, and Luka Koper Group Rules on Accepting Gifts, and in the Rules of Procedure of the Corporate Integrity Officer and the Corporate Integrity Violations Committee of the Luka Koper Group.

In 2021, Corporate Integrity Officer and Compliance Officer were performing independent functions, with which the Company further manages compliance risks and risks of fraud and corruption, including through the implementation of the Corruption Prevention Management System in accordance with ISO 37001:2016, which will begin in 2021.

Corporate integrity in Luka Koper is overseen by the Corporate Integrity Officer and the Corporate Integrity Violations Committee, who based on observed violations draw up reports that include recommendations and proposed measures. The Company identifies the risk of fraud and corruption in the risk register and controls it with appropriate measures and control activities.

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<sup>34</sup> GRI GS 103-1, 103-2, 103-3, 205-1

## 15. The LKPG Share<sup>35</sup>

The share of Luka Koper, d. d., is listed on the Ljubljana Stock Exchange, Prime market, under the symbol LKPG. At the end of 2021, it closed trading at 32.61 percent higher than the previous year-end. On the last trading day of 2021, the price per LKPG share was EUR 24.40.

The ownership structure of Luka Koper, d. d. experienced no major changes in 2021. As at 31 December 2021, 9,005 shareholders were entered in the shareholder register, which was 156 fewer than in 2020. The Republic of Slovenia remains the largest shareholder.

### Ten major shareholders as at 31 December

Shareholder	Number of shares as at 31 Dec 2021	Ownership interest as at 31 Dec 2021	Number of shares as at 31 Dec 2020	Ownership interest as at 31 Dec 2020
Republic of Slovenia	7,140,000	51.00%	7,140,000	51.00%
Slovenski državni holding, d. d.	1,557,857	11.13%	1,557,857	11.13%
Kapitalska družba, d. d.	696,579	4.98%	696,579	4.98%
Municipality of Koper	439,159	3.14%	439,159	3.14%
Citibank N.A. – fiduciary account	382,208	2.73%	388,443	2.77%
Raiffaisen Bank International AG	157,199	1.12%	131,407	0.94%
Hrvatska poštanska banka, d.d. – fiduciary account	150,232	1.07%	141,462	1.01%
NLB Funds – Multi-Asset Slovenia	114,890	0.82%	113,000	0.81%
Zagrebačka banka, d. d. – fiduciary account	114,464	0.82%	101,026	0.72%
Zavarovalnica Triglav, d.d.	113,568	0.81%	113,568	0.81%
<b>Total</b>	<b>10,866,428</b>	<b>77.62%</b>	<b>10,822,501</b>	<b>77.30%</b>

Table 1: Ownership structure of Luka Koper, d. d. as at 31 December

Shareholder	Number of shares as at 31 Dec 2021	Ownership interest as at 31 Dec 2021	Number of shares as at 31 Dec 2020	Ownership interest as at 31 Dec 2020
Republic of Slovenia	7,140,000	51.00%	7,140,000	51.00%
Individuals	2,334,401	16.67%	2,221,431	15.87%
Slovenian Sovereign Holding	1,557,857	11.13%	1,557,857	11.13%
Foreign legal entities	944,799	6.75%	1,151,720	8.23%
Kapitalska družba	696,579	4.98%	696,579	4.98%
Other legal entities	584,421	4.17%	507,078	3.62%
Municipality of Koper	439,431	3.14%	439,159	3.14%
Mutual and pension funds	188,594	1.35%	210,006	1.50%
Banks	47,732	0.34%	33,823	0.24%
Brokerage companies	38,246	0.27%	35,733	0.26%
Foreign banks	27,940	0.20%	6,614	0.05%
<b>Total</b>	<b>14,000,000</b>	<b>100.00%</b>	<b>14,000,000</b>	<b>100.00%</b>

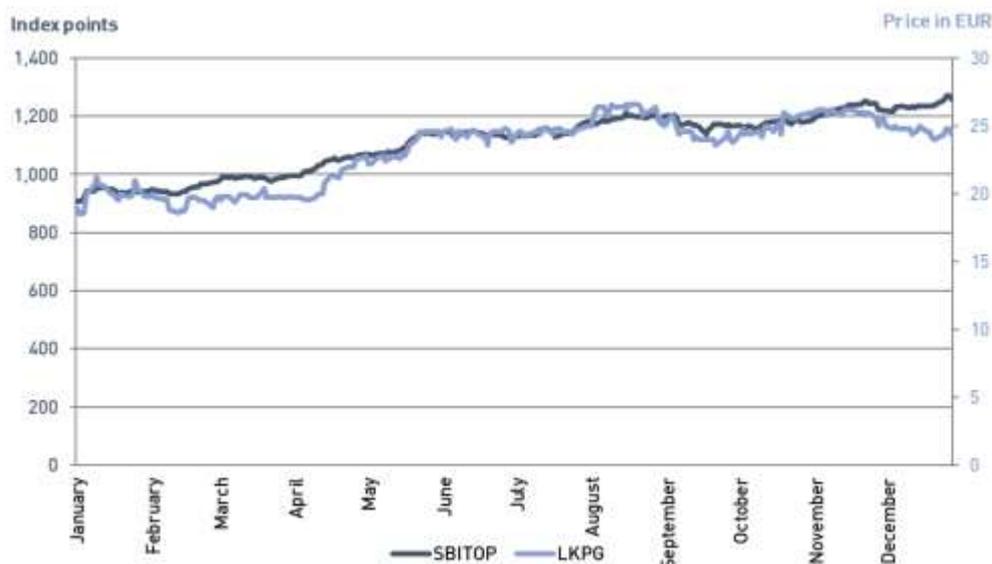
<sup>35</sup> GRI GS 102-5, 102-7

### 15.1. Share trading

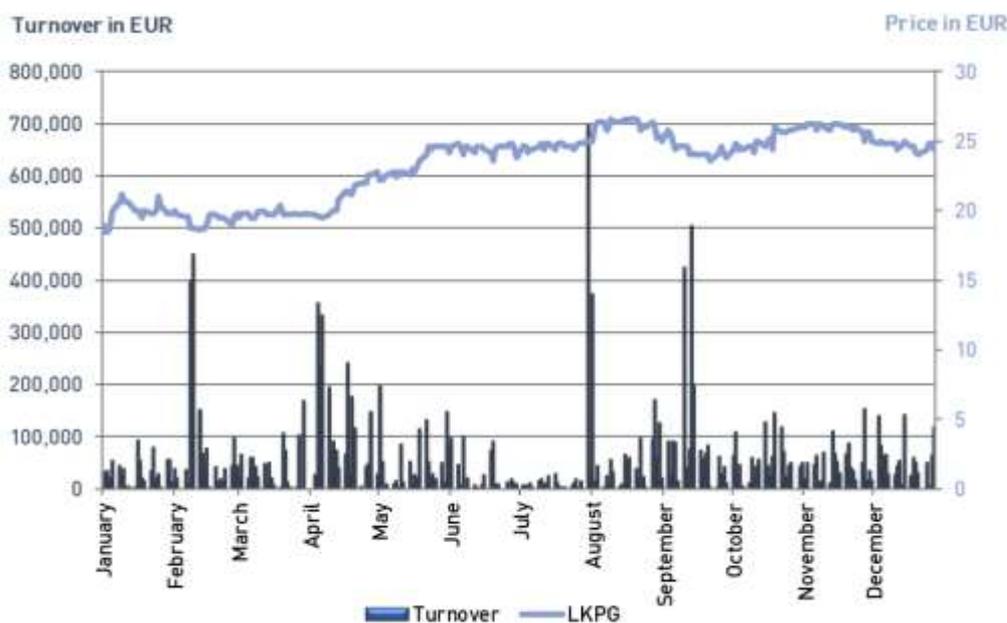
The average daily price of the Luka Koper, d. d. share amounted to EUR 23.24 in 2021. During the year, its value fluctuated between EUR 18.50 and EUR 26.60. The highest market price of the share was EUR 26.80 and the lowest EUR 18.40. Market cap of Luka Koper, d. d., shares as at 31 December 2021 was EUR 341,600,000.

In 2021, the total number of stock-exchange transactions and deals with lots for the LKPG share was 2,782. Total turnover in the period amounted to EUR 14,724,778, whereby 666,526 shares changed owners.

Changes in the SBI TOP index and the daily LKPG price in 2021



Changes in the daily LKPG share and daily turnover in 2021



## Key data on the LKPG share

	2021	2020
Number of shares	14,000,000	14,000,000
Number of ordinary no-par value shares	14,000,000	14,000,000
Share price on the last trading day (in EUR)	24.40	18.40
Book value per share as at 31 Dec (in EUR) <sup>36</sup>	30.87	29.21
Price-To-Book (P/B Ratio) <sup>37</sup>	0.79	0.63
Average market price (in EUR) <sup>38</sup>	22.09	19.52
Average book value per share (in EUR) <sup>39</sup>	30.15	28.45
Average market price / average book value per share	0.73	0.69
Earnings per share (EPS) (in EUR) <sup>40</sup>	2.14	2.23
Price-to-earnings ratio (P/E ratio) <sup>41</sup>	11.42	8.24
Market cap as at 31 Dec (in EUR million) <sup>42</sup>	341.60	257.60
Total share turnover (in EUR million)	14.72	8.74
Dividend per share (in EUR) <sup>43</sup>	1.14	1.07
Dividend yield (in %) <sup>44</sup>	4.67	5.82

## 15.2. Dividend policy

The dividend policy of Luka Koper, d. d. is to reconcile the stakeholders' tendency towards dividend earnings and the tendency towards using the net profit for the period in order to finance investment projects.

## 15.3. Cross-linkages with other companies

As at 31 December 2021, Luka Koper, d. d. did not hold an interest of at least 5% in any company which owns shares of Luka Koper, d. d. The shareholders holding at least 5% of the LKPG shares are the Republic of Slovenia (51.00 percent) the Slovenian Sovereign Holding (11.13 percent).

## 15.4. Shares owned by Members of the Supervisory Board and the Management Board

As at 31 December 2021, other members of the Supervisory Board and the Management Board held no shares of the Company.

	Shareholder	Ownership 31 Dec 2021
Supervisory Board	Nevenka Črešnar Pergar, Deputy Chair of the Supervisory Board	570
	Tamara Kozlovič, Member of the Supervisory Board	94
	Rok Parovel, Member of the Supervisory Board	8

<sup>36</sup> Book value per share = equity / number of shares.

<sup>37</sup> Price-To-Book (P/B Ratio) = closing price / book value of the share.

<sup>38</sup> The average market price is calculated as a ratio of total turnover from ordinary (stock exchange) transactions to quantity of LKPG trading shares in ordinary (stock exchange) transactions.

<sup>39</sup> The average bookkeeping value of a share is calculated on the basis of average monthly balances of the ratio of equity to the number of ordinary shares.

<sup>40</sup> Earnings per share (EPS) = net earnings / number of shares.

<sup>41</sup> Current share price to earnings per share (P / E) ratio = closing price / earnings per share (EPS).

<sup>42</sup> Market capitalization = closing price \* number of shares.

<sup>43</sup> Dividend per share = balance sheet profit used to pay dividends / number of ordinary shares.

<sup>44</sup> Dividend yield = dividend per share / closing price

## 15.5. Own shares, authorised capital, conditional capital increase

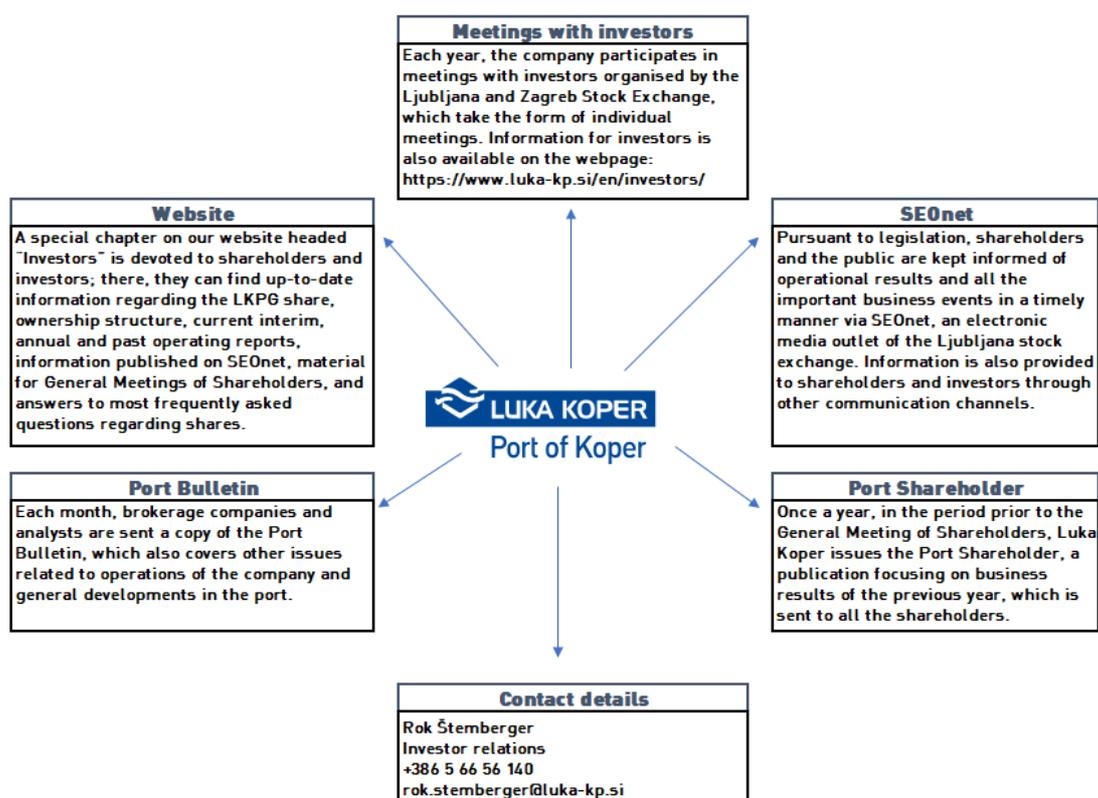
As at 31 December 2021, Luka Koper, d. d., held no own shares. The applicable Company's articles of association do not provide for categories of authorised capital up to which the Management Board could increase the share capital. The Company also had no basis for conditional increase in the share capital.

## 15.6. Rules on restrictions on trading and presentation of trading in shares of the Company and related parties

According to the recommendations of the Ljubljana Stock Exchange, Luka Koper, d. d. adopted the Rules on Trading in Issuer's Shares, which is an additional guarantee to keep the interested public equally informed on all significant business events, and is an important element in strengthening the confidence of investors and the reputation of Luka Koper. The purpose of the Rules is to enable the persons subject to it trading in shares of the Company and to prevent any possible trading based on insider information. At the same time, the Rules enable mandatory reporting on the sale and purchase of the Company's shares to the Securities Market Agency in accordance with the law.

## 15.7. Communications with investors

Luka Koper communicates with its investors regularly and keeps them informed on Company news through various communication tools and channels:



## 15.8. Calendar of relevant publications in 2022

Periodic publications and other price sensitive information will be published on the Ljubljana Stock Exchange website via the SEO-net electronic information system ([www.ljse.si](http://www.ljse.si)) and on the website of Luka Koper, d. d., <https://www.luka-kp.si/en/investors/financial-calendar/>. Any changes to expected dates of individual releases will be duly communicated through our website.

# SUSTAINABILITY REPORT



*In managing the port, we are thinking of future generations who will be living, creating and growing up at the coast.*

## 16. On the Sustainability Report

### 16.1. Non-financial statement

The sustainability report of the Luka Koper Group meets all the terms determining the publication of a non-financial statement. In line with the Companies Act (ZGD-1), the Sustainability Report of the Luka Koper Group for 2021 takes into account the requirement to publish a statement on non-financial operations as set out in the provisions of the twelfth paragraph of Article 56 of ZGD-1 and Article 70c of ZGD-1. The Sustainability Report of the Luka Koper Group also complies with the requirements of the 'Guidelines on non-financial reporting (methodology for reporting non-financial information)', which were adopted and published in the Official Journal of the European Union in July 2017, and follow the provisions of the 'Directive on disclosure of non-financial and diversity information by certain large undertakings and groups'.

### 16.2. Sustainability report according to GRI Sustainability Reporting Standards<sup>45</sup>

The Luka Koper Group 2021 Sustainability Report is its fifth such report in accordance with the international standards of sustainability reporting (GRI Sustainability Reporting Standards). The Group has thus enhanced its previous sustainability reports as embedded in its annual reports and environmental reports under the EU Eco-Management and Audit Scheme (EMAS). The report has been prepared at the basic level of reporting. In devising the report and defining the essential content, all six GRI standards were used:

- GRI 101: the reporting principles were taken into consideration for defining report content and report quality.
- GRI 102: the focus of the report is on the organisation and its sustainability reporting practices, the organisation's profile, strategy, ethics and integrity, governance, and stakeholder engagement practices.
- GRI 103: the management approach was used for reporting on how the organisation manages the material topics covered by topic-specific standards GRI 200, 300 and 400.
- GRI 200, 300 and 400: indicators were used for reporting on the organisation's impacts on economic, environmental and social issues.

Reporting refers to the Luka Koper Group. For certain issues that have not yet been implemented at Group level, it is stated specifically to which company or companies of the Group they apply. Data has not changed from previous

<sup>45</sup> GRI GS 102-46, 102-48, 102-49, 102-54

reports. In 2021, a larger number of reporting restrictions and limits were removed than in previous reporting periods.

### 16.3. Reporting periods<sup>46</sup>

The Luka Koper Group has been reporting on sustainable development on an annual basis since 2000. The preceding sustainability report, the fourth one under the GRI standards, was prepared for 2020 and made public on 23 April 2021. and the 2021 report is also in accordance with the GRI standards. In the spirit of commitment to sustainable development, the Luka Koper Group has upgraded the contents of the 2021 sustainability report, and will continue to do so in the future.

### 16.4. Contact point<sup>47</sup>

The Sustainability Report is part of the 2021 Annual Report of the Luka Koper Group and is available at:

<https://luka-kp.si/eng/annual-reports>

Additional information on sustainability activities is available at:

[www.zivetispristaniscem.si](http://www.zivetispristaniscem.si)

Contact person for information on the Sustainability Report:

T: +386 5 665 61 00

E: [zsp@luka-kp.si](mailto:zsp@luka-kp.si)

### 16.5. How to approach the Sustainability Report

The introductory sections provide background information on this report, and Chapter 7 Presentation of the Luka Koper Group and a description of the business model provides information on the Luka Koper Group. Putting the Group in a wider sustainable framework, it presents its management of sustainable development. In subsequent chapters, the Luka Koper Group reports on its operations in important areas of sustainable development in 2021 on the basis of the previously identified essential aspects. The GRI indicator number in the footer connects GRI indicators with the text.

### 16.6. Verification of sustainability report<sup>48</sup>

The first sustainability report prepared by the Luka Koper Group under the GRI standards was for 2017, and was submitted for an external assurance of GRI sustainability reporting to the Slovenian Institute of Quality and Metrology (SIQ) an independent institution that is not linked to Luka Koper. The 2021 report was also submitted for external assurance of reporting on the basis of GRI standards to the Slovenian Institute of Quality and Metrology (SIQ). The recommendations of the GRI external audit from 2021 were taken into account in preparing the 2021 report.

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<sup>46</sup> GRI GS 102-50, 102-51, 102-52

<sup>47</sup> GRI GS 102-53

<sup>48</sup> GRI GS 102-56



## Sustainability Report Assurance Statement

### Objective and scope of assurance

Based on the 2016 GRI Sustainability Reporting Standards, SIQ was commissioned by **Luka Koper, d. d.**, Vojkovo nabrežje 38, 6000 Koper, Slovenia to perform external assurance of the Annual Report of the Luka Koper Group and Luka Koper, d. d., for 2021. The company voluntarily submitted to the external assurance of its report. The objective of assurance was to assess whether the facts and data stated in the report are credible and reflect the current state of sustainable development at the company and the Group.

### Limitations

The Annual Report relates to the Luka Koper Group and the parent company Luka Koper, d. d., to the extent and limitations set out in Chapters 16.2 and 19.2. of the Annual Report and in individual disclosures. Although it is a joint report, certain disclosures relate solely to the parent company Luka Koper, d. d., or to the Luka Koper Group. The stakeholders participated in the materiality analysis through a survey. Based on the results of 39 questionnaires, Luka Koper d. d. performed a materiality analysis and drew up a Materiality Matrix (Chapter 19) and made a review of the material content highlighted by the stakeholders (Chapter 19.1.). The methodology of determining material content in four steps is described in Chapter 19.2. As the graphic design of the Report was in progress at the time of the assurance, only the accuracy of references to various chapters and pages of the Report in the GRI Table of Contents (Chapter 27) was assured.

### Assurance methodology

The stakeholders did not participate in the assurance process, as this was not requested by the contracting authority. The assurance process, therefore, involved a review of the Annual Report of the parent company and the Group, interviews with the responsible company representatives, and assurance with respect to the documentation and other data of the company. The data in the audited financial statements were not re-audited.

### Responsibility

The management of Luka Koper, d. d., and the Luka Koper Group is responsible for the data presented in the Report and for setting assessment criteria. It is also responsible for collecting, classifying, and certifying data, and for reporting. SIQ and its representatives were not involved in the processing and presentation of the reported data. The SIQ representatives are responsible for the independent assurance of the Report's compliance with the GRI Standards and the actual state, and for drawing up an opinion regarding the Sustainability Report included in the Annual Report.

### Independence

SIQ is a professional, independent, and impartial institution that provides comprehensive solutions in the areas of product testing and certification, management systems assessment, metrology, and training. Numerous accreditations and memberships in international certification schemes and associations are evidence of the international recognition and high professional level of the SIQ's work. The assessor who performed the assurance process is a registered auditor of quality management systems, environmental management systems or EMAS, occupational health and safety management systems, energy management systems, and information security management systems.

### Findings

The assessor carefully examined compliance with the requirements of standards and reporting principles and the mandatory disclosures for the basic level of reporting. Sustainable development is defined as an integral part of the strategy set out in the Luka Koper Group's Strategic Guidelines. The Report states guidelines in the area of sustainable development and the sustainable development strategy. In its Report, the company presented 58 disclosures in 21 specific standard areas. Disclosures in the areas of management approaches and results of performance indicators confirm the sustainability-oriented nature of the parent company and the Luka Koper Group. Based on our findings, we hereby declare that the facts and data stated in the Annual Report are reliable and reflect the current state of the management systems and the sustainable operations of Luka Koper, d. d., and the Luka Koper Group. Taking into account the above limitations and the assurance methodology, we hereby find that the Annual Report of the Luka Koper Group and Luka Koper, d. d., for 2021 meets the requirements of the 2016 GRI Sustainability Reporting Standards, basic level (two standards are considered in the 2018 version and one in the 2020 version). With its decision to have the external assurance of the Sustainability Report performed for the parent company and the Luka Koper Group, the management of Luka Koper, d. d. raises the awareness regarding the importance of sustainable development, and thus contributes to the establishment of internationally comparable best practices relating to sustainable development reporting.



**Recommendations**

Several opportunities were identified during the assurance process to improve operations and reporting in the area of sustainable development. These are recorded in the Assurance Report.

In the name and on behalf of SIQ

Ljubljana, 28 March 2022

Igor Bizjak



Miloš Seražin  
Management Systems Assessment

## 16.7. Membership and initiatives<sup>49</sup>

Luka Koper, d. d. is a member of the following organisations:

- GZS – Chamber of Commerce and Industry of Slovenia: member of the Chamber's assembly, and of the administrative board of the Transport Association,
- ESPO – European Sea Ports Organisation,
- FEPORT – Federation of European Private Port Companies and Terminals,
- NAPA – North Adriatic Ports Association,
- MedCruise – Mediterranean Cruise Port Association,
- MEDports – association of Mediterranean ports,
- The Neptunes project port consortium,
- IAPH – International Association of Ports and Harbors: World Port Sustainability Program (WPSP),
- ZRSZV – Slovenian Chamber for Private Security,
- ICS – Institute of Corporate Security Studies,
- SZKO – Slovenian Association for Quality and Excellence,
- ZNS – Slovenian Directors' Association,
- Slovenian-Croatian Friendship Association,
- Public Relations Society of Slovenia,
- Association of Mechanical Engineers of Slovenia,
- Association of Safety Advisers for the Transport of Dangerous Goods,
- Slovenian Workers Council Association,
- WISE – World Institute for Sustainability and Ethics in Rising Economies,
- TIC 4.0 – Terminal Industry Committee.

Luka Koper, d. d. is a signatory of:

- Slovenian Corporate Integrity Guidelines.
- Fair business Declaration,
- Commitment to respect human rights in business operations.

Luka Koper INPO, d. o. o. is a member of the following organisations:

- Association of Employers of Slovenia,
- Alliance of Companies Employing Disabled People of Slovenia,
- EBA (European Boatmen's Association),
- IBLA (International Boatmen's Linesmen's Association),
- Fire Fighting Association of Slovenia,
- Slovenian Maintenance Society,
- Workers Council Association.

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<sup>49</sup> GRI GS102-12, 102-13

## LUKA KOPER AND SUSTAINABLE DEVELOPMENT



*Luka Koper operates a port that is surrounded by residents on two sides, and by natural environment of special importance (Natura 2000) in its hinterland, whereas its external face is embraced by the vulnerable marine ecosystem. Due to its location, it has been seeking to improve the quality of life in the entire area in which the port is situated for a number of years. In its operations and development issues, Luka Koper takes into account the principles of sustainable development and responsible environmental management, with sustainable development being one of the key strategic directions of the Group.*

## 17. Luka Koper and sustainable development guidelines<sup>50</sup>

In relation to sustainable development, Luka Koper has adopted various policies, strategies, codes, rules, rules of procedure and statements that address all areas of business:

- Management policy of Luka Koper, d. d.,
- Code of Ethics of the Luka Koper Group,
- 2020–2025 Strategic Business Plan of Luka Koper, d. d.,
- Strategic orientations of development in the environmental field,
- Business continuity policy of Luka Koper, d. d.,
- Sales policy of Luka Koper, d. d.,
- Corporate integrity strategy of the Luka Koper Group companies,
- Managing conflicts of interest policy of the Luka Koper Group,
- Policy on health and safety in the port and energy efficiency,
- Security policy of Luka Koper, d. d.,
- Quality policy,
- Procurement policy,
- Diversity Policy of the Management Board and the Supervisory Board of Luka Koper, d. d.
- Remuneration Policy of the members of the Management Board and the Supervisory Board of Luka Koper, d. d.,
- Human resource management strategy,
- 2020–2025 IT strategy,
- Policy on health and safety in the port and energy efficiency,
- Rules of Procedure of the Corporate Integrity Officer and the Corporate Integrity Violations Committee of the Luka Koper Group,
- Rules of Procedure of the Operations Compliance Officer,
- Risk appetite statement,
- Sponsorships and donations strategy,
- Rules on acceptance of gifts in the Luka Koper Group companies,
- Remuneration Policy of directors of subsidiaries.

With its policies, Luka Koper communicates to the internal and external public the company's general orientation for a specific area or content of its operations. The purpose of each policy is to define the foundations of the system it governs. Each policy is clear, understandable and up-to-date, and published in an appropriate manner. Each policy by itself and all of them together communicate the Company's central purpose to ensure a sustainable future for itself. The policies are based on its vision, mission, values and ethics. The established policies are regularly reviewed and maintained by the Company. Each individual policy has its own guardian, who has a responsibility to ensure that the policy is up-to-date and consistent with the company's vision, mission, values and ethics, and to take into account all relevant aspects of the internal and external environment. Policies can change when it is assumed with a high degree of certainty that changes will take place in the context of the organisation, i.e., important aspects of the internal and external environment.

### 17.1. Sustainable development strategy<sup>51</sup>

Sustainable development is development that meets the needs of society without compromising the needs of future generations. Sustainability in the maritime industry means ensuring safe, efficient and reliable transport of goods while reducing environmental impacts and increasing resource efficiency (IMO, 2013). Sustainable ports are those ports that, in accordance with their sustainable strategic orientations and activities, meet the current and future needs of ports and their stakeholders, while protecting and conserving human and natural resources (AAPA, 2007). Luka Koper operates a port that is surrounded by residents on two sides, and by natural environment of special importance (Natura 2000) in its hinterland, whereas its external face is embraced by the vulnerable marine ecosystem. Due to its location, it has been seeking to improve the quality of life in the entire area in which the port

<sup>50</sup> GRI GS 102-16

<sup>51</sup> GRI GS 103-1, 103-2, 103-3

is situated for a number of years. In its operations and development issues, Luka Koper takes into account the principles of sustainable development and responsible environmental management, with sustainable development being one of the key strategic directions of the Group. The Social Responsibility Strategy of Luka Koper, d. d. is the umbrella document for the management of social responsibility and sustainable development.

## 17.2. Luka Koper Group is addressing SUSTAINABLE DEVELOPMENT GOALS

Being aware that the port is an important sustainable development stakeholder whose impacts on the environment and society may be both positive and negative, the Luka Koper Group has decided to accede to addressing global sustainable development goals in the context of comprehensive sustainability reporting. Sustainable Development Goals (SDG) have been adopted by all United Nations member states, their purpose being to pursue the development of the entire society, economy, science and civil society – which will play an important role in reaching the key objectives of the entire Company by 2030. The United Nations Sustainable Development Goals and strategic orientations have been set out by the Republic of Slovenia in the Slovenian Development Strategy 2030<sup>52</sup>.

Sustainable Development Goals<sup>53</sup>



<sup>52</sup> [Implementation of the Development Strategy of Slovenia 2030 GOV.SI](https://www.gov.si/en/implementation-of-the-development-strategy-of-slovenia-2030/)

<sup>53</sup> [http://www.unis.unvienna.org/unis/sl/topics/sustainable\\_development\\_goals.html#MoreInfo](http://www.unis.unvienna.org/unis/sl/topics/sustainable_development_goals.html#MoreInfo)

**17.2.1. With its efforts, the Luka Koper Group is addressing 14 sustainable development goals**

Development policy of the Republic of Slovenia 2030	Sustainable Development Goals	Sustainable guidelines of the Luka Koper Group
 <p>Inclusive, healthy, safe and responsible society</p>	   	<p>Protection of dignity and equal treatment regardless of gender, age, racial, religious, national, social, political affiliation, marital status, financial status, sexual orientation and other personal circumstances. Respect for human rights. Healthy and safe working environment. Decent pay for work. Healthy and active life of employees and the wider community. Doing business in accordance with the law and high ethical standards.</p>
 <p>Highly productive economy creates added value for all</p>	  	<p>Achieving good business results. Providing competitive services with advanced technologies. Promoting knowledge and skills for quality work. Rational use of resources. Achieving beneficial effects on the economy.</p>
 <p>Learning for and through life</p>		<p>Educating and training of employees. Supporting the education and employability of young people (scholarships, work placements) and people with disabilities, and providing quality jobs. Promoting lifelong learning for the general public.</p>
 <p>Well-preserved natural environment</p>	     	<p>Care for the natural environment. Sustainable management of natural resources. Employee health promotion. Low-carbon circular economy. Sustainable development of the wider community.</p>
 <p>High level of cooperation, competence and governance efficiency</p>	   	<p>Multi-stakeholder dialogue and cooperation. Socially responsible projects and partnerships. Transparency and business efficiency.</p>

At the beginning of 2021, Luka Koper adopted the Strategy of Social Responsibility and Sustainable Development which is published on the website [Živeti s pristaniščem - Poročila in dokumenti \(zivetispristaniscem.si\)](https://www.lukakoper.si/ziveti-s-pristaniscem-porocila-in-dokumenti). Sustainability guidelines of the Luka Koper Group are based on the United Nations sustainable development goals and the development orientations of the Republic of Slovenia until 2030. The company has appointed a working group that pursues the achievement of strategic and operational goals in the field of social responsibility and sustainable development. The group is presented in more detail in the Strategy of Social Responsibility and Sustainable Development.

Sustainable development goals mainly refer to Luka Koper, d. d., however, other Group companies also pursue them as per their areas of operation.

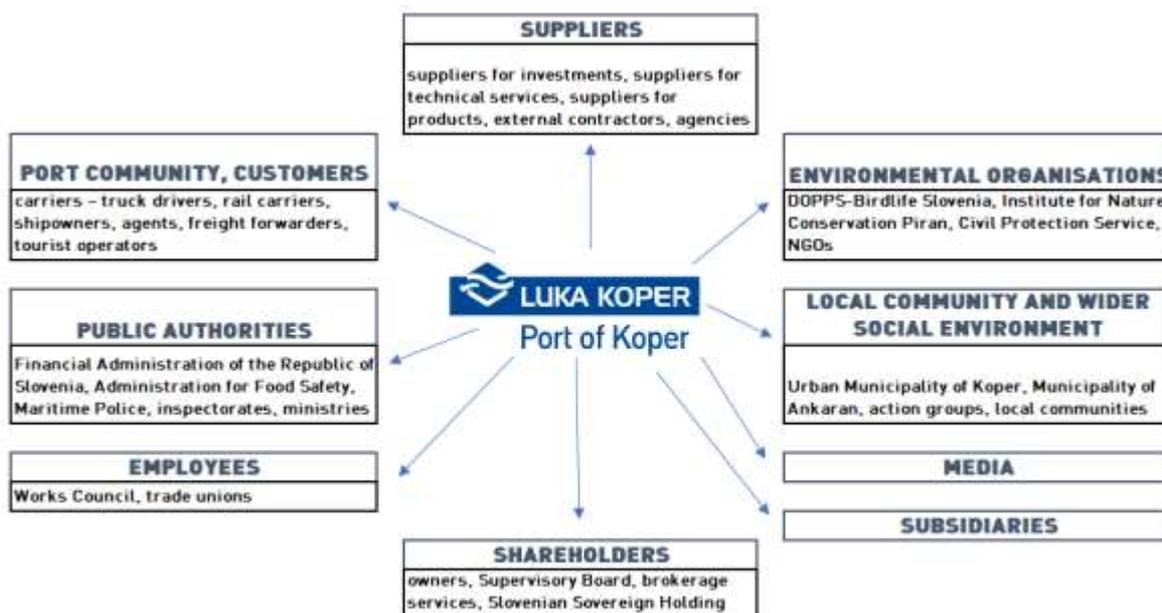
# 18. Stakeholders of Luka Koper<sup>54</sup>



*Luka Koper is all the people in any way connected to the port.*



With its activity, the port of Koper affects various groups of people who, in turn, themselves affect the port's operation. Stakeholders of Luka Koper are defined and recognized in the Corporate Governance Policy of Luka Koper, d. d., which is available on the website [Corporate documents - Luka Koper d. d. \(luka-kp.si\)](https://www.luka-kp.si), and in the framework of individual business processes of the Company.



<sup>54</sup> GRI GS 102-40

## 18.1. Stakeholder identification and engagement, their expectations and needs<sup>55</sup>



From the wide range of stakeholders with whom Luka Koper, d. d. cooperates and develops sustainable relationships, and who are defined in the Corporate Governance Policy of Luka Koper, d. d. and in the framework of the Company's individual business processes, key stakeholders and their expectations and ways of involvement in the operations of the Luka Koper Group were identified based on strategic guidelines.

Key stakeholders	Communication tools	Participation in preparation of sustainability report	Stakeholders' expectations and needs	Frequency of engagement
<b>SHAREHOLDERS</b>	<ul style="list-style-type: none"> <li>- Website</li> <li>- SEOnet</li> <li>- Gatherings</li> <li>- General Meeting</li> <li>- Annual report</li> <li>- Investor conferences</li> <li>- Port Bulletin</li> <li>- Port Shareholder</li> <li>- Press conferences</li> </ul>	<p>YES 3 questionnaires completed</p>	<p>Information on the operations of the Company Financial performance Business strategy and plans Dividend policy <b>Contents of particular importance in the process of devising the Sustainability Report</b> Concern for the environment Access to information Business performance Strategy Prevention of corruption Information on competition Information on key markets Connecting with the local community</p>	<p>Upon publishing business reports and, if necessary, upon meetings with the investor audience</p>
<b>CUSTOMERS</b>	<ul style="list-style-type: none"> <li>- Website</li> <li>- TinO (marketing and operations app)</li> <li>- Notifications and other service messages</li> <li>- Telephone contacts</li> <li>- Personal contacts</li> <li>- Fairs and conferences</li> <li>- Organisation of target business events</li> <li>- Customer satisfaction survey</li> <li>- Port Bulletin</li> <li>- LinkedIn</li> <li>- Port Days</li> <li>- Gatherings</li> </ul>	<p>YES 17 questionnaires completed</p>	<p>High-quality and timely services performed based on customer orders Appropriate treatment of complaints Systematic notifying of ordinary and extraordinary customer-related activities Ability to adapt to customer requirements Stability of operations Provision of adequate facilities and equipment Computerisation of operations Compliance with safety and technical standards Competitiveness of conditions <b>Contents of particular importance in the process of devising the Sustainability Report</b> Marketing and sales Strategy Customer relations Investments</p>	<p>Daily communication via networks, if necessary through personal contacts, survey every two years, Port days once a year, conferences, fairs, target business events</p>
<b>PUBLIC AUTHORITIES</b>	<ul style="list-style-type: none"> <li>- Web portals</li> <li>- Reports</li> </ul>	<p>YES 5 questionnaires completed</p>	<p>Operations in accordance with the Concession Agreement Operations in accordance with legislative and executive acts Strategic and spatial plans of the Company Suitable communication (reports, responses, etc.) <b>Contents of particular importance in the process of devising the Sustainability Report</b> Concern for the environment Sustainable development Strategy</p>	<p>Regularly</p>
<b>SUBSIDIARIES</b>	<ul style="list-style-type: none"> <li>- 'Best Supplier' event</li> <li>- Personal contacts</li> <li>- Telephone contacts</li> </ul>	<p>YES 1 questionnaire completed</p>	<p>Reliability of payments Long-term cooperation Award for successful cooperation Fair cooperation and communication <b>Contents of particular importance in the process of devising the Sustainability Report</b></p>	<p>Daily</p>

<sup>55</sup> GRI GS 102-42, 102-43, 102-44

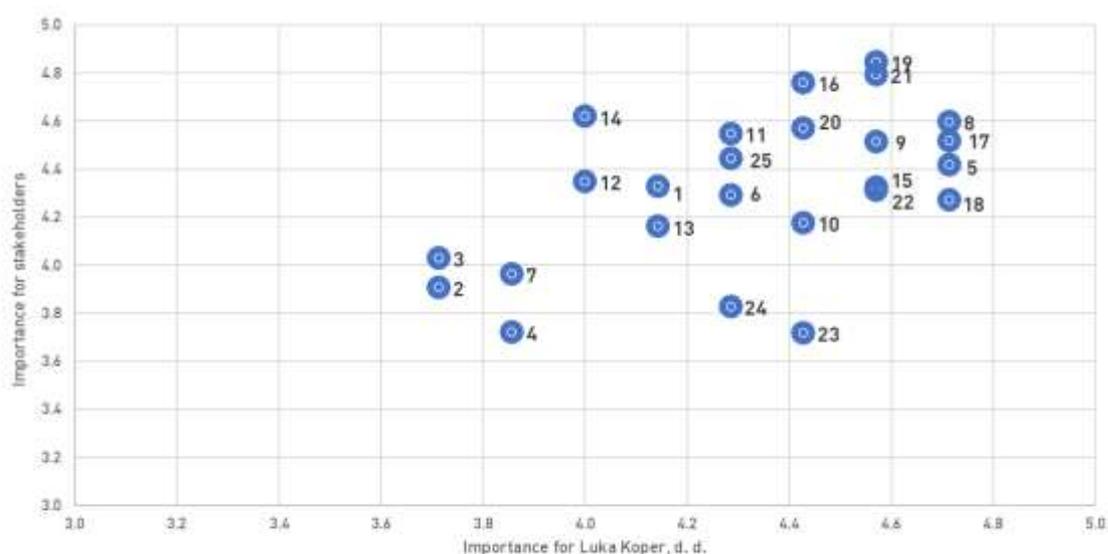
				<ul style="list-style-type: none"> <li>Business performance</li> <li>Concern for the environment</li> <li>Care for employees</li> <li>Strategy</li> <li>Prevention of corruption, discrimination, ethics and integrity, human rights</li> <li>Information on competition</li> </ul>	
<b>SUPPLIERS</b>	<ul style="list-style-type: none"> <li>- 'Best Supplier' event</li> <li>- PSP portal</li> </ul>	<p>YES 5 questionnaires completed</p>		<ul style="list-style-type: none"> <li>Reliability of payments</li> <li>Long-term cooperation</li> <li>Award for successful cooperation</li> <li>Fair cooperation and communication</li> <li>Providing timely information on changes in the Company</li> </ul> <p><b>Contents of particular importance in the process of devising the Sustainability Report</b></p> <ul style="list-style-type: none"> <li>Concern for the environment</li> <li>Access to information</li> <li>Business performance</li> <li>Prevention of corruption</li> <li>Compliance</li> <li>Relations with suppliers</li> <li>Investments</li> <li>Strategy</li> </ul>	Daily
<b>EMPLOYEES</b>	<ul style="list-style-type: none"> <li>- Survey on employee satisfaction</li> <li>- Port Bulletin</li> <li>- Quality teams</li> <li>- Chat room</li> <li>- Intranet</li> <li>- Meetings</li> <li>- Gatherings</li> <li>- Evaluation of managers</li> <li>- Annual interviews</li> <li>- Assessment of mutual cooperation between units</li> </ul>	<p>YES 2 completed questionnaires: Works Council and Crane Operators Union</p>		<ul style="list-style-type: none"> <li>Regular training and education</li> <li>Suitable communication with employees</li> <li>Career development and competences</li> <li>Occupational safety and health</li> <li>Salary system</li> <li>Relations between employees</li> </ul> <p><b>Contents of particular importance in the process of devising the Sustainability Report</b></p> <ul style="list-style-type: none"> <li>Business performance</li> <li>Access to information</li> <li>Strategy</li> <li>Marketing and sales</li> <li>Risk</li> <li>Prevention of corruption, discrimination, ethics and integrity, human rights</li> <li>Sustainable development</li> <li>Social environment</li> <li>Connecting with the local community</li> </ul>	Daily
<b>LOCAL COMMUNITY AND WIDER SOCIAL ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>- Port Day</li> <li>- "Living with the Port" portal</li> <li>- Meetings with representatives of local communities</li> <li>- Facebook</li> <li>- Port Bulletin</li> </ul>	<p>YES 4 questionnaires completed</p>		<ul style="list-style-type: none"> <li>Observance of environmental regulations</li> <li>Co-financing cultural, sports and humanitarian organisations</li> <li>New employee hires</li> <li>Contribution to the development of the economic environment</li> <li>Spatial plans of the port</li> <li>Transparent communications with the public</li> </ul> <p><b>Contents of particular importance in the process of devising the Sustainability Report</b></p> <ul style="list-style-type: none"> <li>Prevention of corruption</li> <li>Sustainable development</li> <li>Concern for the environment</li> <li>Sea water protection</li> </ul>	Occasionally, as needed
<b>ENVIRONMENTAL ORGANISATIONS</b>	<ul style="list-style-type: none"> <li>- "Living with the Port" portal</li> <li>- Environmental reports</li> <li>- Expert councils</li> </ul>	<p>YES 1 questionnaire completed</p>		<p><b>Contents of particular importance in the process of devising the Sustainability Report</b></p> <ul style="list-style-type: none"> <li>Risk</li> <li>The impact of Luka Koper on the wider social environment</li> <li>Sustainable development</li> <li>Concern for the environment</li> </ul>	Occasionally
<b>MEDIA</b>	<ul style="list-style-type: none"> <li>- Press conferences</li> <li>- Press releases</li> <li>- Answers to the press</li> <li>- Website</li> </ul>	<p>YES 1 questionnaire completed</p>		<ul style="list-style-type: none"> <li>Up-to-date information about events, business operations and changes in the Company</li> </ul> <p><b>Contents of particular importance in the process of devising the Sustainability Report</b></p> <ul style="list-style-type: none"> <li>Business performance</li> <li>Concern for the environment</li> <li>Care for employees</li> <li>Strategy</li> </ul>	Continued

Prevention of corruption, discrimination, ethics  
and integrity, human rights  
Occupational safety and health

## 19. Materiality matrix<sup>56</sup>

Open relations with stakeholders are of utmost importance to link the goals of sustainable development with social responsibility. Since interests and objectives of individual stakeholders differ, it is important to obtain stakeholders' feedback regarding their expectations of individual companies or groups. The Luka Koper Group has therefore identified the material topics of sustainable development and assessed their importance for the Luka Koper Group and for key stakeholders. Based on both aspects, the following matrix of material issues for Luka Koper has been devised.

### Materiality matrix



1	Financial results (business analysis, business indicators)
2	Investments in non-financial assets
3	Financial statements
4	Information on the share and shareholders
5	Marketing and sales (transshipment, commodity groups)
6	Current information on the company's operations, events, activities
7	General information on the company (history, identity, activities, organisational structure, etc.)
8	Strategy
9	Economic impact of Luka Koper on the wider environment
10	Company management and governance system
11	Risk
12	Ethics and corporate integrity, human rights
13	Discrimination, diversity and equal opportunities
14	Prevention of corruption
15	Occupational safety and health
16	Sustainable development
17	Compliance with laws and regulations
18	Employment and care for employees (education, employee career development, social security, etc.)
19	Concern for the environment (air quality, emissions, carbon footprint, noise, light pollution, wastewater, waste, etc.)
20	Energy management (energy efficiency, energy consumption)
21	Marine protection (marine quality, marine pollution, biodiversity)
22	Social environment (sponsorships and donations, local community involvement)
23	Relations with suppliers
24	Customer relations
25	Involvement of stakeholders in the activities of Luka Koper

<sup>56</sup> GRI GS 102-47

Stakeholders rated the content with scores ranging from 1 (lowest, least important) to 5 (highest, most important). All content was highly rated (score 3.7 or above) both by stakeholders and the Company. According to both, stakeholders and the Company, the most important content includes: **strategy, care for the environment and protection of the sea, economic impacts of the Port of Koper on the wider environment, and compliance with laws and rules**. Luka Koper, d. d., highlighted or rated the highest (score 4.7) the following content: marketing and sales, strategy, compliance with business laws and regulations, and recruitment and care for employees.

On the other hand, stakeholders particularly highlighted (score 4.8): care for the environment, protection of the sea, and sustainable development.

The materiality matrix was updated in 2020 and is also being adopted for the 2021 Annual Report.

### 19.1. Material contents highlighted by particular stakeholders<sup>57</sup>

The darker the hue of the box, the more important the content.

	SHAREHOLDERS	LOCAL COMMUNITY AND WIDER SOCIAL ENVIRONMENT	CUSTOMERS	PUBLIC AUTHORITIES	SUPPLIERS	EMPLOYEES	SUBSIDIARIES	ENVIRONMENTAL ORGANISATIONS	MEDIA
Financial results									
Investments in non-financial assets									
Financial statements									
Information on the share and shareholders									
Marketing and sales									
Current information on the company's operations, events, activities									
General information about the company									
Strategy									
Economic impact of Luka Koper on the wider environment									
Company management and governance system									
Risk									
Ethics and corporate integrity, human rights									
Discrimination, diversity and equal opportunities									
Prevention of corruption									
Occupational safety and health									
Sustainable development									
Compliance with laws and regulations									
New hires, and concern for employees									
Concern for the environment									
Energy management									
Sea water protection									
Social environment									
Relations with suppliers									
Customer relations									
Involvement of stakeholders in the activities of Port of Koper									

<sup>57</sup> GRI GS 102-44

## 19.2. Methodology for determining materiality<sup>58</sup>

In determining the contents of this report, Luka Koper followed the principles of materiality, stakeholder engagement and integrity. According to the materiality principle, the report should reflect the organisation's major environmental, economic and social impacts. In addition, it should include the contents that significantly influence stakeholders' decisions. Our materiality analysis is therefore based on steps that are presented below. The materiality matrix was updated in 2020.

### STEP 1

#### Identification and determination of essential contents of the sustainability report

Based on the proposed essential elements of the GRI standards (Global Reporting Initiative Global Standards) and based on Luka Koper, d. d. strategy and activities, the essential elements that are relevant and important for the operation of Luka Koper were identified. These elements were divided into sections:

1. General disclosures
2. Business performance
3. Social governance
4. Responsibility to the natural environment

### STEP 2

#### Determination of importance by the Company

Importance as determined by the Company is shown on the horizontal axis of the importance graph, elements ranked in importance from right to left. Importance of identified essential elements has been assessed by the Management Board and members of the project team.

### STEP 3

#### Determination of importance by stakeholders

Importance as determined by stakeholders is shown on the vertical axis of the importance graph, elements ranked in importance from top to bottom. Stakeholders' assessment was obtained using an online questionnaire submitted to key stakeholders. Questionnaires were sent to 87 addresses, of which 39 were returned and completed. The included stakeholders and their expectations can be seen in the table "Stakeholder engagement, their expectations and needs".

### STEP 4

#### Determination of materiality

The materiality matrix was devised based on the answers received. It shows synergies between the objectives and interests of the Company and stakeholders. We will continue to strengthen the areas which show related interest, and to bring objectives close together in areas of dissent. The selected essential elements and disclosures of the sustainability report are evident from the GRI index, and the conceptual design of this Sustainability Report is based on established materiality.

In collecting data and writing the Sustainability Report, the following report quality principles were taken into account:

Balance,  
Accuracy,  
Timeliness,  
Comparability,  
Clarity,  
Reliability.

<sup>58</sup> GRI GS 102-46

## 20. Corporate integrity, human rights, prevention of corruption and compliance<sup>59</sup>



It is a welcome business practice of recent years that in their operations, companies have been oriented increasingly towards the respect and strengthening of corporate integrity and compliance of operations. Such an approach ensures for business operation to be compliant with legislation, good business practices and ethical principles.

Compliance with legislation and ethical conduct in its broadest sense are ensured by following the concept of social responsibility, which has been increasingly prominent and becoming an indispensable part of companies' day-to-day operation. The aim of companies of the Luka Koper Group is long-term successful performance, which refers to long-term development of the Luka Koper Company and Group, and includes commitment to sustainable development, i.e. a socially responsible attitude toward the social community and natural environment. This commitment is ingrained in our values and corporate culture.

In 2021, despite the business conditions being hampered by the pandemic, the Luka Koper Group organized several training programmes in the field of corporate integrity, human rights, compliance and personal data protection.

- Internally organized training programmes:
  - o Corporate Integrity and Code of Ethics: 4 workshops, a total of 128 participants
  - o Protection of human rights: 4 workshops, a total of 173 participants
- External training programmes:
  - o Cyber security: twice, each time 1 participant
  - o Protection of personal data: 1 participant
  - o Protection of classified information: 2 participants
  - o Conflict of interest management: twice, each time 1 participant
  - o Days of Corporate Security: 4 participants
  - o EU directive on the protection of persons: 1 participant
  - o What is new in the amended Companies Act: twice, a total of 5 participants
  - o Discrimination and harassment in the workplace: 5 participants
  - o Current issues in OSH: 1 participant
  - o Current issues in employment relationships: 3 participants
  - o Acceptable and non-acceptable recruitment control practices: 1 participant
  - o Training of persons responsible for professional tasks of protection of classified information: 4 participants
  - o Harassment adviser certificate: 4 people
  - o Incentives for the employment of disabled workers: 3 participants
  - o Errors in personnel records and personnel files: 1 participant

### 20.1. Corporate integrity<sup>60</sup>

The Luka Koper Group acceded to the Slovenian corporate integrity guidelines in 2014. In Luka Koper, the area of corporate integrity is overseen by the Corporate Integrity Officer and the Corporate Integrity Violations Committee, who based on observed violations make reports with recommendations or proposed measures.

Seeking to create the conditions for a highly ethical and responsible business conduct, protecting the interests of all stakeholders and minimising risk that might arise due to non-compliant conduct of employees, contracting partners or third parties, Luka Koper has established the professional system of positions Corporate Integrity

<sup>59</sup> GRI GS 102-16, 102-17

<sup>60</sup> GRI GS 102-16, 102-17, 103-1, 103-2, 103-3

Officer and Operations Compliance Officer, who are autonomous in terms of organisation and report directly to the Company management bodies as well as the Supervisory Board. It is the role of the Corporate Integrity Officer and Operations Compliance Officer to provide advice and warn against the existence of compliance risk with regard to the legislation, internal rules and other current Company's acts within all business processes, and particularly against the risk of insider dealing and disclosure of protected data.

This is intended to ensure the performance of the corporate integrity and compliance programme; managing risk with regard to corporate compliance and integrity; establishing a relevant procedure and methodology for assessing compliance and corporate integrity risk; managing risk to do with conflict of interests, lobbying, corruption and breaches of ethics and integrity based on the Code of Ethics; record-keeping; due care for the corporate integrity system to be rooted in the internal management system, and strengthening the culture of compliance and integrity.

Corporate Integrity Officer makes sure that all the necessary declarations of the members of the Management and Supervisory Boards are collected regarding conflict of interests, autonomy and protection of inside information as provided for and required by positive law.

With regard to reporting violations of corporate integrity, each natural or legal person may address to the Corporate Integrity Officer a report of violations under their competence. The Officer and the Committee process all the reports and notifications, even if submitted anonymously. Any violation of corporate integrity may be reported through the Company website <https://www.luka-kp.si/slo/prijava-nepravilnosti> or directly with the Corporate Integrity Officer. The Officer and the Committee have to protect the identity of bona-fide notifiers and handle their data confidentially. In the event of illicit retaliatory measures against the notifier, appropriate procedures may be instituted against employees who carried out the illicit retaliation in accordance with the work code in force, of which the company management has to be informed. In case of an anonymous report, the identity of the bona-fide notifier should not be established. The report can be submitted in writing, orally on the record, using the form of the Luka Koper website, or using other electronic means. Each received report is recorded in the register of reported violations.

Reports on reported violations are discussed regularly by the Audit Committee of the Supervisory Board, and also by the Supervisory Board once a year.

Serving to the Company as a guide, and providing it with guidelines and rules, the Code of Ethics is based on the values and objectives of Luka Koper. It summarises potential ethical dilemmas and situations in which an employee might find themselves as part of the expected or required conduct of employees working in the Luka Koper Group.

The electronic Code of Ethics is available to all employees on the Luka Koper online portal, and to business partners and other interested parties on the Luka Koper website. All new employees receive a printed copy of the Code of Ethics upon being recruited, and commit to respecting it by means of a statement. All employees, and particularly the executives, are expected to display a high level of professionalism and integrity in relation to other employees and also to customers, owners, the media, suppliers, public authorities and other partners.

Leaders have the role to direct the employees in their evolvment towards achieving the Company's shared goals by setting an example, assuming responsibility for the results and staff development, translating organisational objectives into individual ones, providing employees with regular feedback on work efficiency, i.e., being able to define the employees' disadvantages and advantages.

In making decisions, the Company is guided by responsibility, commitment, respect, cooperation and creativity.

Companies of the Luka Koper Group seek to protect its property against fraud and corrupt practices by establishing a relevant internal control system. Employees at positions exposed to such risks have been asked to sign statements on related parties and avoidance of conflicts of interests. Rules on accepting gifts in the companies of the Luka Koper Group are also in force in said companies.

In 2021, the Corporate Integrity Officer of the Luka Koper Group dealt with eight reports of alleged violations of corporate integrity filed by both external and internal players. Two applications were partially justified. The Officer made recommendations that the management implemented in 2021. In 2021, the company also took additional measures in the field of information security, thus further strengthening the procedures for handling of confidential data, the related due diligence, and the protection of business secrets.

## 20.2. Human rights and discrimination<sup>61</sup>



In November 2018, the Government of the Republic of Slovenia adopted the National Action Plan on Business and Human Rights, the purpose and aim of which is to ensure the implementation of the UN Guiding Principles on Business and Human Rights and to help ensure respect for human rights in economic activities along the entire value-chain, and further develop cooperation between the state, companies and economic associations, trade unions, non-governmental organizations and other stakeholders. Since 2019, Luka Koper, d. d. has been a signatory to the Commitment to Respect Human Rights, which includes a commitment to adopt the action plan no later than three years after signing. In 2021, it adopted an action plan for the implementation of the Commitment to Respect Human Rights in business. With the commitment, the company also follows the recommendations and expectations of SSH, which expects companies with state-owned assets to implement the relevant principles of the National Action Plan of the Republic of Slovenia on Business and Human Rights and to set an example to other companies in terms of respect for human rights.

In the framework of the National Action Plan (NAN)<sup>62</sup> the following priorities or areas of human rights were formulated,

1. Protection of fundamental rights at work (precarious work)
2. Prevention of harassment at the workplace (bullying)
3. Prevention of discrimination and inequality and promotion of equal opportunities
4. Work and Recruitment of Persons with Disabilities
5. Occupational health and safety
6. Environmental protection and sustainable development
7. Consumer rights
8. Human trafficking prevention

Within the framework of respect for human rights and prevention of discrimination, Luka Koper follows the following principles by implementing the above measures:

- **Protection of fundamental rights at work, prevention of precarious work**  
By changing its business model and eliminating the model of working with port service providers, the company completed the implementation of a new three-tier business model in 2020, thus making a major leap in the direction of respect for human rights. It also established that the hired agency workers are guaranteed the same rights as full-time employees in accordance with the legislation and the Collective Agreement of Luka Koper, d. d. The company provides employees with employment for an indefinite period, only exceptionally for a fixed period, and full-time work, only exceptionally less in relation to the provision of parental and health care rights.
- **Prevention of harassment at the workplace (bullying)**  
The employer is under a legal obligation to ensure the working environment in which no worker is subjected to sexual and other harassment or bullying, either verbal, non-verbal or physical, by the employer, the superiors or co-workers. For this purpose, the employer must take appropriate measures to protect workers against sexual and other harassment or bullying at their workplace. Since 2014, the Company has had the Policy for Protection of the Dignity of Employees, which regulates the protection of employees from any forms of harassment and bullying at the workplace, while also setting the procedures, methods of reporting and measures to protect the dignity of employees.  
In 2021, one case of suspected harassment and ill-treatment at work was discussed based on formal complaint, and another one was being solved informally, as no formal complaint was filed. The allegation of alleged harassment was unfounded, but a gap was identified in the principle of mutual respect and a recommendation was made to take corrective action, which was implemented.
- **Ensuring gender equality**  
In 2020, the Diversity Policy of the Management Board and the Supervisory Board was supplemented, which is reported in more detail in section 21.4 'Diversity Policy'. The company also ensures gender equality among other employees through non-discriminatory announcements and equal treatment of applications submitted by candidates for published vacancies in recruitment procedures, and with equal pay for the work performed regardless of gender and position.

<sup>61</sup> GRI GS 102-16, 102-17, 103-1, 103-2, 103-3, 406-1, 412-2

<sup>62</sup> [Business and Human Rights | GOV.SI](#)

- **Protection of persons with disabilities**  
The company carefully treats employees in proceedings before the disability commission in search of a suitable job in accordance with employees' remaining working capacity and cooperates with the disability company Luka Koper INPO, d. o. o.
- **Protection of older workers**  
The company complies with the legal provisions regarding overtime work of older workers, night work and additional days of annual leave for older workers.
- **Occupational safety and health**  
The company implements health protection measures based on workplace risk assessments, safety drills and the use of protective equipment, and health promotion measures. With regard to the appropriate working environment, the company identified the situation related to the COVID-19 pandemic as the main challenge already in 2020. In 2021, the covid-19 operational group monitored the situation based on an internal action plan and proposed protection measures for individual phases (from green to black) to prevent the spread of covid-19 in the area of the port of Koper. Luka Koper ended the year 2021 in the black phase, which included work from home for agreed positions, restrictions on internal transport, cancellation of linking shifts, restriction of access to canteens, cancellation of all forms of training, "live" meetings and business trips, mandatory use of protective masks. Transport of food by a mobile unit is organised in the port, and additional spaces were introduced for rest and relaxation, taking into account all security measures. The company provides employees at all times with appropriate personal protective equipment, internal transport lines and marked corridors, and takes care of safety at work mainly with updated work technologies.
- **Environmental protection, nature conservation and sustainable development**  
The company reports on this in detail in Chapter 23 'Long-term sustainability of the natural environment'.

Of all the principles mentioned, with the exception of one case of alleged harassment, there were no other cases of discrimination.

Luka Koper respects the rights of employees to freedom of association, membership in trade unions and the Works Council, and other forms of association. Communication should be open and respectful, without any misrepresentation of facts or misleading and unauthorised transfer of information at all levels and in all areas of conduct in the Company, both in formal and informal communication. Work criticism is part of open communication and should be directed at activities rather than persons.

Luka Koper, d. d. periodically participates in the initiative and selection of the most reputable employer Zlata Nit, which partially addresses the field of human rights. It has twice been ranked among the finalists in the category of large companies. For the survey conducted in 2021, the results will be known in March 2022. The strategy envisages the acquisition of the Socially Responsible Company certificate, and before that a gradual introduction of measures in the field of intergenerational cooperation and the reconciliation of private and business life.

In 2021, Luka Koper, d. d., organised training on human rights protection, which included 4 workshops attended by a total of 173 employees or 11 percent of all employees. The training consisted of one hour per employee, a total of 173 hours.

### 20.2.1. Human rights identified as most relevant for Luka Koper, d. d.<sup>63</sup>

Luka Koper, d. d. is aware that in its operations, there are also certain risks of human rights violations. Respect for human rights applies to the entire Luka Koper and to all employees.

The table below states the human rights that were recognised within the employee working group responsible for implementing sustainable reporting under GRI standards as most relevant to all employees of Luka Koper, d. d.

#### Recognised human rights

Human rights	Employees	Importance 1- 4 <sup>64</sup>	KPI
<b>FUNDAMENTAL RIGHTS AND FREEDOMS</b>			
The right to life	X	1	No of deaths
Prohibition of forced labour	X	4	No of hours of work
Freedom of expression – in connection with the right to organised trade union movement; smearing by the media	X	2	No of publications No of actions to mute someone
Inviolability of private life (data protection)	X	1	No of cases of data misuse (reported)
<b>ECONOMIC, SOCIAL AND CULTURAL RIGHTS</b>			
Right to work	X	1	No of on-going actions for unlawful dismissal
Right to education	X	4	Average No of hours of training
Right to dignity at work	X	1	No of reports
Right to form trade unions, to participate and strike	X	1	No of strikes, conventions No of representative trade unions Agreement with trade unions
Right to equal pay for equal work	X	1	Salary levels for the same position
Right to social security (payment of contributions)	X	1	Payment of contribution
Right to family life	X	2	No of overtime hours beyond the regulatory limit
Right to health	X	1	Measures for the promotion of health No of injuries at work No of medical examinations
Right to non-discrimination	X	2	No of complaints due to discriminatory treatment
Right to rest and leisure time	X	1	Use of annual leave Pay for annual leave
<b>HUMAN RIGHTS OF THIRD GENERATION</b>			
Right to a healthy living environment	X	1	Noise level Concentration of dust particles No of pollution incidents Quality of drinking water

<sup>63</sup> GRI GS 412-1

<sup>64</sup> 1-very important, 4-not important

### 20.3. Corruption and bribery<sup>65</sup>

The Luka Koper Group has in place a code of conduct for suppliers, who, upon signing it, undertake the obligation to respect the required ethical values. The supplier evaluation system was also supplemented to monitor their financial situation in detail. The Luka Koper Group is strengthening the process of promoting ethical values and internalizing them, and ensures the management of risks the consequent reduction of operating losses. The Group pursues professionalism, loyalty and integrity in relation to its employees, customers, owners, media, suppliers, state and local authorities and other stakeholders, and concludes business relations transparently, respecting competitiveness and good business practices and with zero tolerance for corrupt or ethically questionable practices or unfair business practices.

With the set principles for suppliers, i.e., the rules of business ethics, the Luka Koper Group seeks to establish the conditions in which its suppliers, customers, as well as their employees and contractors, and other stakeholders will be working with the Luka Koper Group in the spirit of the ethical rules of conduct that apply to the Luka Koper Group.

It is an established good practice that upon recruitment each new employee is given the code and practical guide to ethical conduct that also defines corruption risk, and they all are presented the principles of port safety which include integrity issues (how to behave at the workplace, ethical conduct, protection of business secret, etc.). In 2021, all new employees (70 workers) were informed of the above.

The training process in 2021 was influenced by measures to prevent the spread of COVID-19. Nevertheless, 379 employees were involved in anti-corruption training, of which 70 were new employees.

#### Number and percentage of employees who took part in anti-corruption training, by region and job category

31 Dec 2021		Region of residence			Job category		
Number of employees who took part in the training (of all employees)	Share of all employees in %	Number of employees who took part in the training (of all employees), by region	Number	Share of all employees in %	Number of employees who took part in the training (of all employees) by job category	Number	Share in each category in %
379	24	Coast-Karst Region	293	18.6	Management (Management Board, b-1)	24	92.3
		Central Slovenia	10	0.6	Other management	54	15.8
		Primorska and Notranjska Region	72	4.6	Highly-skilled	183	98.9
		Dravska Region	1	0.1	Operators	118	11.4
		Other country (Italy)	2	0.1			

In 2021, there were no confirmed cases of corruption in the Luka Koper Group.

<sup>65</sup> GRI GS 205-2, 205-3, 103-1, 103-2, 103-3

## 20.4. Diversity Policy<sup>66</sup>



The Diversity Policy sets out the target diversity that is pursued in relation to representation in the Supervisory Board and the Management Board based on gender, age, education level and other personal characteristics of members as appropriate for the Company.

With the Diversity Policy of the Management Board and the Supervisory Board, the Company has set the framework for the composition of the two bodies to include appropriate representation of both sexes (female and male) and varying age groups with a diverse range of relevant knowledge, skills and experience, which, given optimum management and risk control and management, ensures the long-term success of the Company in meeting its objectives and implementing its strategy.

As well as on legislative acts and the Company's articles of association, the Diversity Policy is based on the Corporate Governance Policy of Luka Koper, d. d. and the Code of Ethics of the Luka Koper Group.

Taking into consideration the company's core business, gender balance is considered in the composition of the Management Board and the Supervisory Board. There is a tendency for the Management Board and the Supervisory Board each to possess all the required knowledge, skills and experience, whereby individual members are complementing each other with their knowledge, skills and experience to be able to manage or supervise the company limited by shares in accordance with its objectives, strategy, policies and ethical standards.

In 2021, a methodology for identifying key personnel was established and a set of candidates was identified whose career objectives include the membership of the Management Board. In 2022, individual development plans will be prepared for less developed social and managerial competencies of these candidates, which will be included in the training plan for 2023. It is to the company's advantage to be having a range of candidates for membership of the Management Board with various knowledge and experience, of different genders and ages. However, the process of selecting members of the Management Board is not within the competence of Luka Koper but the current Supervisory Board. The implementation of the policy is monitored by the Personnel Committee of the Supervisory Board, which in turn reports to the Supervisory Board.

## 20.5. Compliance with the legislation and internal requirements<sup>67</sup>

### 20.5.1. Compliance

Regarding compliance, Luka Koper has been implementing preventive checks based on its internal rules to ensure the compliance of operations, and ensuring a systematic procedure of recording, solving and analysing all types of non-compliance with the aim of introducing suitable improvement measures, which results in constant improvement of the quality of operations.

Operations Compliance Officer performed periodic and extraordinary assessments of the Company's compliance on the basis of an annual plan adopted by the Management Board and approved by the Audit Committee of the company's Supervisory Board. In 2021, 11 recommendations were made to ensure compliance of operations.

In 2021, the revised Rules of Procedure on the work of the Operations Compliance Officer were adopted to regulate its operation. In accordance with the plan of the Operations Compliance Officer and the aforementioned Rules of Procedure, all planned compliance checks were carried out in 2021 in various areas of the Company's operations, such as the implementation of the concession contract, implementation of contracts and investments, recovery or precautionary measures, environmental protection, occupational safety, implementation of labour legislation, protection of personal data and public procurement.

The internal regulations of Luka Koper, d. d., and the Luka Koper Group address all their fields of activity, i.e., operations, sales of services, relationships with suppliers, shareholders, finance, accounting, security, ecology, occupational safety, protection of personal data, business secrets, etc. The Company adopts various policies, strategies and codes, which are reported in Chapter 17 'Luka Koper and sustainable development guidelines'. In

<sup>66</sup> GRI GS 103-1, 103-2, 103-3

<sup>67</sup> GRI GS 102-16, 102-17, 307-1, 419-1, 103-1, 103-2, 103-3

2021, the Remuneration Policy of the Members of the Management Board and the Supervisory Board of Luka Koper, d. d., and the Remuneration Policy of the Directors of Subsidiaries were newly adopted.

The internal regulations are being constantly refined in view of the challenges the Company is facing in the market and in relation to its stakeholders, while also laying down the control mechanisms that ensure performance transparency and integrity.

#### **20.5.2. Protection of personal data**

On 15 January 2021, Luka Koper, d. d., appointed an employee of the company as the Data Protection Officer. Until then, the mentioned area was arranged through an external Data Protection Officer, i.e., the company MIKROCOP informacijski inženiring in storitve, d. o. o. As part of measures to implement the EU General Data Protection Regulation (GDPR), the Company has a valid Regulation on the Protection of Personal Data, which is published and available on the Company's website.

In compliance with the European and Slovenian personal data protection legislation, the authorised Data Protection Officer with their relevant professional merit and expert knowledge of legislation and actual experience in personal data protection or comparable areas, ensures in an independent manner that there are no infringements in the processing of personal data.

The following documents were updated in 2021: Regulation on the Protection of Personal Data, Privacy Policy and samples of contracts concluded by Luka Koper, d. d., with entities with which it enters into contractual relations, and in which these entities or Luka Koper, d. d., come into contact with personal data, which requires the implementation of measures for their protection.

In 2021, the Data Protection Officer carried out three procedures for establishing a personal data infringement, in which he found that the infringements were not serious enough to require being reported to the Information Commissioner.

## 21. Safe and healthy port environment



### 21.1. Occupational safety and health system<sup>68</sup>

The policy of a safe and healthy work environment is implemented in the Luka Koper Group by ensuring that modes of operation, work processes and cooperation processes with external stakeholders are in accordance with the legislation (Health and Safety at Work Act with regulatory provisions – ZVZD-1) and the occupational safety and health management system. The management system is shaped by Luka Koper, d. d., and in this context, the implementation of the requirements of the new standard ISO 45001:2018 – occupational safety and health management system was successfully completed in 2020. Based on a targeted conformity assessment performed by the Slovenian Institute of Quality and Metrology, Ljubljana (SIQ Ljubljana), on 17 April 2020, Luka Koper received a certificate on a properly established management system according to the aforementioned standard. The major starting points in implementing the system are continuous improvement, hazard identification and prevention of injuries before they occur at all. In order to ensure the appropriate competencies of staff working in the field of occupational safety and health, training programmes have been organized for internal auditors of the health and safety at work system according to the ISO 45001:2018 standard.

The occupational safety and health system has been devised to include in the framework of the annual planning the examination of risk related to occupational safety and health based on risk assessment and risk register. Risks are identified with an assessment of work-related risks and analysis of accidents at work and other exceptional events. Based on identified significant risks, annual targets are set and improvement programmes devised, including the activities required to achieve the objectives set. The implementation of the improvement programme is monitored in quarterly reports and work programmes, and in the annual report on occupational safety and health. Suitability of the established system is verified and assessed in the framework of regular internal and external audits and based on management reviews.

In the field of occupational health, Luka Koper has been planning and implementing the promotion of health in the workplace, while also providing the required resources and method of monitoring. Health promotion activities are based on a needs assessment.

### 21.2. Occupational safety and health

#### 21.2.1. Organisation<sup>69</sup>

At the highest level, the Member of the Management Board – Worker Director ensures that the occupational safety and health management system is established, implemented, maintained and improved. For the coordination of activities in the field of occupational safety and health, monitoring of legal requirements and the transfer or harmonisation of internal documentation with the necessary changes, a central service for occupational safety and health has been established within the field of health protection and ecology. In order to perform professional tasks related to ensuring safety at work, individual occupational safety and health officers are assigned to various terminals, departments and services.

A working group for the promotion of health at work has also been appointed, which is presented in greater detail below. A sports club with over 1.000 members operates in the framework of Luka Koper, enabling participation in various sports.

<sup>68</sup> GRI GS 103-1, 103-2, 103-3, 403-1

<sup>69</sup> GRI GS 403-1

### 21.2.2. Workers covered by the occupational health and safety management system<sup>70</sup>

In 2020, a new three-tier model was established – employees, recruitment agencies and external contractors. Port service providers (IPS) are thus a thing of the past. Luka Koper has outsourced some port services to external contractors, who provide these services independently and separately from the work processes of Luka Koper.

All employees who are directly covered by the occupational safety and health management system and whose work or work-related activities are supervised by Luka Koper are employed either by Luka Koper or by recruitment agencies (agency employees).

Subsidiaries, external contractors and all others entering the Koper port area are employees whose work or work-related activities are not directly under the control of Luka Koper, therefore, their responsible conduct is ensured through concluded contracts, safety measure agreements, and other agreements. Proper compliance with the requirements and implementation of measures is checked by periodic preventive controls or internal audits or audits by external contractors. The requirements that apply to external participants are defined in Port Regulations and other internal acts of Luka Koper and are available on its website.

Average number of employees in 2021: 1,534.81%

Average number of agency workers in 2021: 354.19%

### 21.2.3. Hazard identification, risk assessment and investigation of incidents<sup>71</sup>

The basis for the effective identification of hazards/ harmfulness and the introduction of the necessary safety measures is a correctly performed risk assessment, which is prepared by occupational safety and health professionals (OSH officers) at the level of individual organizational units in cooperation with the central service. The risk assessment is performed in accordance with the internal methodology, which covers all critical risk factors. Based on daily monitoring of work processes, incidents occurring in the port area, information and complaints from employees, and new findings resulting from technological progress, the risk assessment is systematically supplemented and upgraded.

Workers involved in individual work processes have the right and duty to monitor the circumstances at the work sites and immediately report to the work process manager any deficiencies/harms and other phenomena that could endanger the safety and health of individuals in the work process. One of the key tasks of work process managers is to establish a safe and healthy working environment at work sites in cooperation with OSH officers. Legislation in the Republic of Slovenia, on the basis of which Luka Koper, d. d. had prepared internal acts regulating safety and health at work, very clearly defines the right of workers to refuse work if they believe that their safety is endangered or not sufficiently taken care of. In accordance with the collective agreement, Luka Koper is obliged to provide the representative trade unions with all answers related to the rights and obligations of employees in relation to ensuring and implementing occupational safety and health. At the level of Luka Koper, several different professional fields and players are involved in the treatment of perceived shortcomings, including observations and comments of employees regarding the provision of safe working conditions, as a result of which no negative attitude of employees has been perceived in this regard. Independently of the work processes, a system has also been established at the level of Luka Koper, through which employees can submit their ideas and suggestions for improvements. The latter regularly include proposals to ensure a higher level of safety and health at work. Each proposal receives an expert assessment of its impact and eligibility prior to implementation.

In accordance with internal documents in the field of safety and health at work, Luka Koper provides comprehensive treatment of work-related incidents. Any incident that results or could result in an injury to the worker or major property damage, is reported to the security control centre, which in turn informs and activates all necessary intervention services and professional areas. The circumstances of incidents are discussed in detail by OSH experts, who determine, based on internal protocols, whether additional risk mitigation measures should be introduced in order to prevent a recurrence of the incident (revision of risk assessment, individual corrective measures, etc.).

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<sup>70</sup> GRI GS 403-8

<sup>71</sup> GRI GS 403-2, 403-9

#### **21.2.4. Implementation of health measures and prevention or mitigation of negative effects on health<sup>72</sup>**

In order to ensure the implementation of health measures, Luka Koper has concluded a contract with two occupational medicine practitioners who have the relevant competences for the provision of health services. Within the framework of the mentioned competences, the occupational physician performs the following tasks in particular:

- Carries out medical examinations of employees to determine the health status of employees and their ability to perform certain work in the work environment and to acquaint employees with the risks associated with their work or work environment. Medical examinations are conducted for all employees and agency workers. The scope and time interval of medical examinations are determined on the basis of the workplace risk assessment. The implementation of health measures is organised in the central service, which enables easy access to services and data. Appropriate confidentiality of personal data is also ensured in accordance with the GDPR. Medical examinations are free of charge for workers and are conducted during working hours.
- Monitors and analyses the situation regarding occupational diseases and work-related diseases, and identifies the causes. There are no recognised or diagnosed occupational diseases among employees and agency workers.

Based on the reports of occupational medicine practitioners, problems related to musculoskeletal disorders and psychosocial risks have been identified, the negative effects of which are managed through health promotion programmes.

#### **21.2.5. Training on safe and healthy working practices<sup>73</sup>**

In Luka Koper, regular training programmes on safe and healthy working practices as well as skill tests are carried out. Training is mandatory for all employees and agency workers, either upon the start of employment, before starting work in another position or before new technology and new means of work are introduced, and when a change is introduced in the work process that may cause a change in safety at work. Composed of a general and a special part, the training is carried out at the theoretical and practical levels, in the form of training programmes. After each completed training programme, a theoretical and practical skill test is performed and an appropriate performance report is prepared. Training programmes and skill tests are carried out during working hours and are free of charge for workers. Most training programmes and skill tests are performed by internal contractors (lecturers, mentors, instructors). Depending on the work performed by an employee, mandatory periodic checks of theoretical and practical competence for safe and healthy working practices are also performed.

#### **21.2.6. Worker participation and consultation with employee representatives<sup>74</sup>**

All the important issues of occupational safety and health involve the Works Council and the trade union, which represent the employees. A Safety and Health Committee has also been set up within the Works Council. Worker participation is defined in Luka Koper's internal documents (collective agreement, employee participation agreements, organizational regulations, etc.) and can take place through employee representatives, as cooperation based on legal or other requirements or directly by an employee when there is a direct influence on safety and health at work (hazard identification, inadequate measures for safe work, emergency, etc.). Accessing information and communication take place through internal communication tools, such as: meetings, interviews, sessions, internal mail, intranet, short news, the Port bulletin, etc. In accordance with internal documents, employees who express opinions in good faith, take initiatives and exercise their rights should not be held accountable.

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<sup>72</sup> GRI GS 403-3, 403-7, 403-10

<sup>73</sup> GRI GS 403-5

<sup>74</sup> GRI GS 403-4

## 21.3. Occupational safety and health objectives <sup>75</sup>

### 21.3.1. Occupational safety and health objectives for 2021

The most important occupational safety and health objectives in 2021 were as follows:

- To prevent serious injuries entirely,
- A maximum of 14 injuries at work per million hours worked,
- To improve the security of internal transport by reducing the number of exceptional occurrences to less than 25 per million hours worked.

### Achievement of occupational safety and health objectives in 2021

PLANNED	ACHIEVED
0 serious injuries	0 serious injuries
A maximum of 14 injuries per million hours worked (employees + agency workers)	19.1 injuries / million hours worked
A maximum of 25 injuries at work per million hours worked,	18.2 collisions / million hours worked

Key:

Objective attained	
Objective not attained	

The achievement of objectives is analysed in more detail below.

### 21.3.2. Occupational safety and health objectives for 2022

- 0 serious injuries,
- A maximum of 13 injuries at work per million hours worked,
- A maximum of 25 injuries at work per million hours worked,
- To improve the security in handling areas by reducing the number of collisions to less than 35 per million hours worked.

## 21.4. Compliance with occupational safety legislation <sup>76</sup>

The basic legislation regulating occupational safety and health is the Occupational Safety and Health Act with regulatory provisions ZVZD-1. Compliance with legislative requirements is verified by means of permanent internal control, internal and external audits and on the basis of inspections.

In 2021, six inspections were performed in Luka Koper, d. d, of which four inspections were carried out to verify compliance with measures to prevent the spread of coronavirus infections. There was also an investigation into a serious occupational injury – workplace accident that occurred on 23 November 2020 – and one inspection, i.e., site inspection of 'Petrol station in the Port of Koper'. No regulatory decision was issued, however, some violations by employees were detected as part of the inspection to verify whether the implementation of instructions to reduce the risk of coronavirus infections in ensured. Payment orders were issued to these employees. The requests and recommendations from the minutes were eliminated within the required deadline.

<sup>75</sup> GRI GS 103-1, 103-2, 103-3, 403-9

<sup>76</sup> GRI GS 419-1, 103-1, 103-2, 103-3

## 21.5. Injuries at work<sup>77</sup>

### 21.5.1. Number of injuries at work

For the purposes of injury statistics and the calculation of various indices, injuries at work are taken into account when requiring at least one day of sick leave. In addition to those listed, 12 other injuries in employees of Luka Koper, d. d. and 22 injuries in agency workers were recorded in 2021, but required no sick leave.

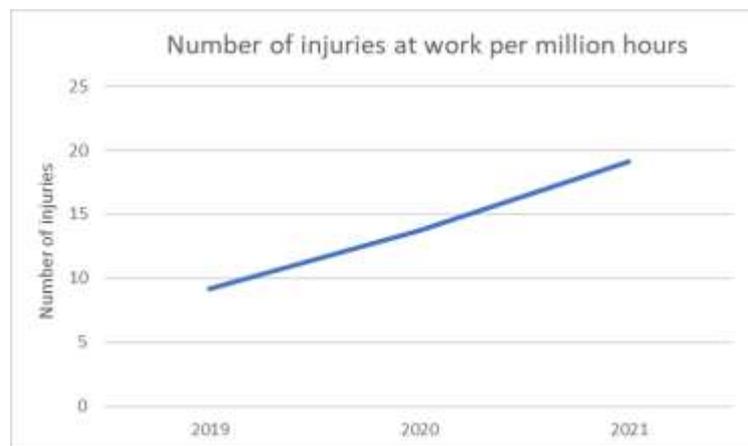
#### Number of injuries at work

	2019	2020	2021
Luka Koper, d. d.	22	34 (2)	39
Recruitment agencies	2	15	24
Port service providers	19 (1)	-	-
External actors and subsidiaries	17	13	17

\*The number of serious injuries in brackets, the total number outside of the brackets.

External actors include external truck drivers and providers of various works and services. A record of all reported injuries is kept for external actors and subsidiaries, but no data on sick leave are available. Recruitment agencies started to provide services in Luka Koper d. d. in September 2019. As of January 2020, port service providers no longer provide services in Luka Koper.

#### Frequency index for work-related injuries per million hours worked (Luka Koper, d. d. + recruitment agencies) by years



In 2021, the employees of Luka Koper, d. d., worked 2,650,790.34 hours, and the agency workers 641,545.15 hours.

With the implementation of the three-tier model, which was completed in January 2020, the number of new employees increased significantly, so the increased number of injuries can be attributed partly to new arrangement, as the workers require some time to acquire an appropriate level of knowledge and experience, and properly perform their work within a work process. The indicator is also partly influenced by the occurrence of coronavirus, increased workload and a different way of calculating the hours worked (hours actually worked instead of hours charged).

A more detailed analysis revealed no specific factor that would stand out. These are mainly minor injuries, mostly related to the worker’s momentary reaction (wrong movements, uncontrolled action, etc.). A large proportion of injuries were suffered by the most exposed group of workers (manual labour).

<sup>77</sup> GRI GS 403-9

**21.5.2. Review of serious injuries**

In 2021, no serious injuries at work were recorded.

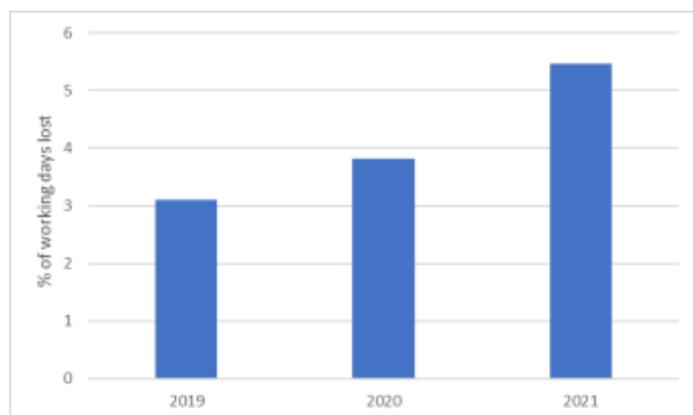
**21.5.3. Summary of collective injuries**

In 2021, two collective injuries at work were recorded in Luka Koper. In the first case, there was a traffic accident of an external contractor, where several passengers in the vehicle were slightly injured. In the second case, two agency workers were injured when a worker slipped while pushing a container and hit another worker with an iron turnbuckle while catching his balance. This was also a case of minor injuries, where one worker required no sick leave, and for the other, the sick leave took 3 working days.

**21.5.4. Summary of sick leave**

In the case of sick leave, the absence of employees from work due to illness, injury, care and accompaniment is recorded. The figure below illustrates the share of sick leave, which specifies the share of working days lost due to sick leave. In 2021, sick leave was at 5.46 percent, which deviates to some extent from the national average of 5.10 percent for 2021. In the total proportion of working days lost due to sick leave, the share of the absence due to COVID-19 isolation was 0.80%.

Share of working days lost due to sick leave per employee\*

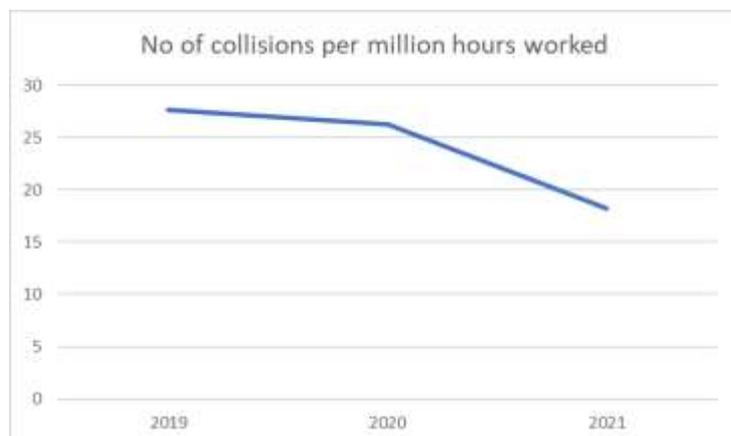


**21.6. Loss events<sup>78</sup>**

Loss events that are the subject of analysis are the events that resulted in pecuniary loss or material damage.

Of all the loss events recorded in Luka Koper, occurrences that stand out in their numbers are the events where the loss was due to collision.

Number of collisions in internal transport (roads, parking places) per million hours worked



<sup>78</sup> GRI GS 403-7

The number of collisions in internal transport (roads, parking places) has been declining over the years, which is partly due to improvements in traffic regulation (new entrance, improvement of traffic arrangements, renovation of the internal public transport system, safety promotion, etc.), whereas damage events are partly still related to the human factor, i.e. compliance with traffic safety rules. The aforementioned activities led to significant improvement in this area, therefore, the aim for next year will be shifted to improving safety in handling areas.

## 21.7. Summary of activities performed in the area of occupational health and safety in 2021

### 21.7.1. Activities to prevent the spread of COVID-19<sup>79</sup>

Activities to prevent the spread of coronavirus disease or COVID-19 continued in 2021.

In order to successfully control the spread of coronavirus in the port area, the working group that provides all the necessary guidance in this regard continued its operations in Luka Koper.

Additional measures that were taken:

- Raising awareness of carrying out the protection measures to prevent the spread of infection,
- Organising vaccinations for interested employees, agency workers and other stakeholders of the port community in a mobile unit in front of the Luka Koper administrative building,
- Revision of the risk assessment with regard to COVID-19 by supplementing the criteria for determining the level of risk,
- Revision of the Instructions on the implementation of protective measures to prevent the spread of the COVID-19 infectious disease with the envisaged escalation of measures according to the number of infections in society and the epidemiological situation in the region or country – timeline of measures by stages,
- Preparation of a protocol for verifying the fulfilment of the recovered-vaccinated-tested (RVT) condition and its implementation in accordance with the Ordinance on the method of meeting the condition of morbidity, vaccination and testing to curb the spread of SARS-CoV-2 virus infections,
- A testing site has been set up for taking a COVID-19 test before starting work,
- A risk contact group is active at all times.

#### Review of absence due to confirmed infection, preventive absence from work or quarantine



<sup>79</sup> GRI GS 403-7, 403-9

### 21.7.2. Other performed activities<sup>80</sup>

- In order to improve the organisation within occupational safety and health and thus establish a more efficient / unified system, the status of individual professionals was regulated and key documents were audited.
- In order to upgrade training programmes in the company, activities to establish e-training for safe work (theoretical part) and activities to improve the practical part of training for safe work (preparation of training grounds, purchase of a simulator, etc.) were launched.
- A revision of the workplace risk assessment methodology was prepared, which defined in more detail the risk factors due to work at a height, in the area of suspended loads and collapse-prone loads, and appropriate assessment criteria were prepared as a basis for preparing a revised risk assessment, which is expected to be completed in the first half of 2022.
- In order to implement the activities of the project group for the overhaul of difficult working conditions and the plan for the revision of the job risk assessment, measurements of harmfulness of the work environment were completed. The results of the measurements showed some additional areas with increased noise values, which was followed by testing of individual earplugs for custom hearing protection, especially for areas where other measures are not feasible. The remaining measures resulting from the measurement results will be considered in the context of revising the job risk assessment.
- As part of the preparation of the chemical risk assessment, the inventory of substances by terminals was completed and the final draft of the risk assessment was prepared with the help of an external provider. Based on the latter, measurements will be performed and possible additional safety measures will be taken as part of the existing risk assessment.
- Activities also continued to upgrade the information system for recording and handling extraordinary events in the port, which would enable further processing of events by subject-specific experts, event research, taking action, statistical processing and systematic monitoring of indicators.
- In order to promote safety at work, a large sign was fixed on the wall of the canopy (NAS 9) to raise awareness of the importance of safety at work.



- In addition, the importance of hydration and sun protection when working outdoors was promoted through posters, leaflets and brief notices.

<sup>80</sup> GRI GS 403-7, 403-9



Activities performed at the terminals:

- A new DIECI telehandler for working at a height was purchased to make work safer.



- To prevent emergencies and improve working conditions, storage areas (warehouse No 32) were rearranged and the transport route for vehicles was moved away from the warehouse doors, to ensure more space for transhipment.



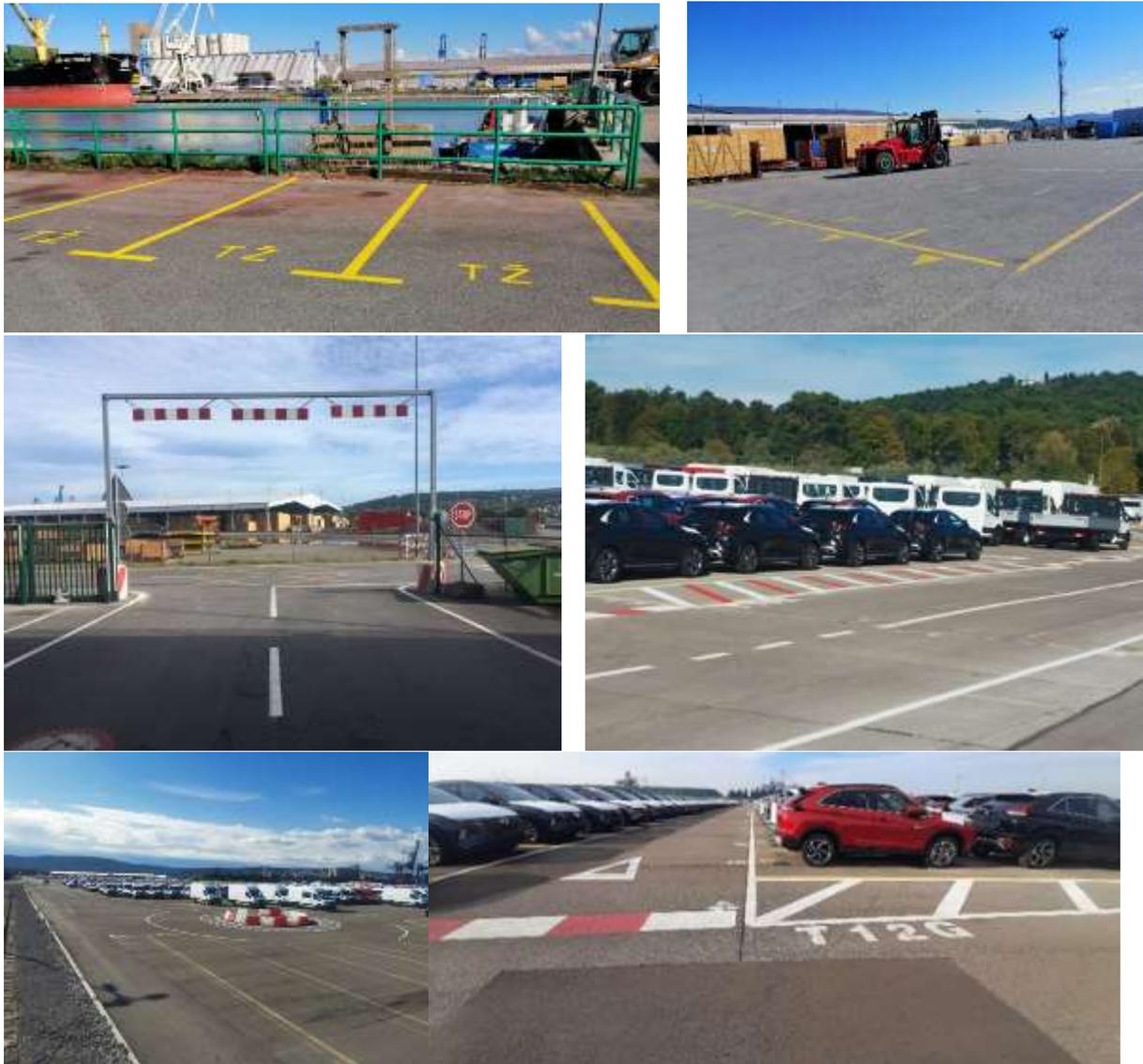
- To improve working conditions (reduce noise), rubber shock absorbers were installed on natural rubber transport crates.



- To improve working conditions, a canopy for cargo control was set up and rest areas were further upgraded.



- To prevent emergencies, certain areas have been restored or rearranged.



## 21.8. Health promotion<sup>81</sup>

Both employees and agency workers are involved in health promotion activities.

The health promotion programme is being devised by representatives of all major organisational units, human resources, health protection and ecology department, and senior management. Priority tasks within health promotion remain unchanged: control of musculoskeletal disorders, respiratory diseases, alcohol abuse related disorders, and improvement of interpersonal relations. Musculoskeletal disorders mostly affect operational workers and office workers, which is particularly due to extreme posture. In Luka Koper, the level of workload stress is monitored every second year. In order to prevent the spread of the coronavirus infection, the research planned for 2021 was postponed to a more favourable period. In order to maintain and improve the psychophysical fitness of employees and agency workers, the following activities were carried out despite restrictions to prevent the spread of the infection:

Luka enabled three employees to participate in a 90-day individual body reshaping programme, and the 90-day exercise programme in small groups was repeated. Towards the end of the year, interested employees were provided with two months of guided training.

During the summer, effervescent vitamin tablets were distributed to the identified occupational groups who mostly work outdoors. In June, all employees and visitors were treated to fresh fruit.

<sup>81</sup> GRI GS 403-6

### 21.9. Planned occupational health and safety activities in 2022<sup>82</sup>

- Activities to prevent the spread of the novel coronavirus infections.
- Preparation of a revised risk assessment for all jobs in Luka Koper.
- Introduction of e-training programmes and proficiency checks and upgrade of the practical part of the training for safe and healthy work.
- Activities to improve the existing safety measures at work at a height and work processes where manual / physical work is mostly performed.
- Activities related to making the chemical risk assessment.
- Activities related to the upgrade of the information system for recording and handling incidents in the port, which would enable further processing of events by subject-specific experts, event research, taking action, statistical processing and systematic monitoring of indicators.
- Promotion of safety at work, i.e., raising awareness of risk factors in the work process.
- Ergonomic improvements (exercise area with accessories).
- Promotion of occupational health (Health day, health promotion activities – workshops, challenges).

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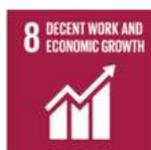
<sup>82</sup> GRI GS 403-9

## 22. Care for employees



*With their knowledge, energy and eagerness to work, employees in the Luka Koper Group display their devotion to the collective and help create the company's future in the spirit of partnership.*

### 22.1. Employee management system<sup>83</sup>



Recruitment and concern for employees, including high work efficiency and employee satisfaction, are recognised by stakeholders as areas of high importance in the materiality matrix.

The guideline in human resource management is the 2020-2025 Human Resource Management Strategy, which is part of the company strategy and sets out strategic objectives and activities to be realised through human resources and education annual plans in the framework of the Company's business plan. Human resource management policies and practices are set out in the company's internal documents. Recruitment procedures are run in a transparent and non-discriminatory manner. The realisation of the staff development plan and the training plan is monitored quarterly through work programmes, whereas the employee turnover and key personnel turnover indicators and the share of internal recruitment to fill key positions are monitored on a yearly basis. All employees have the possibility for further development by being included in annual interviews and training programmes. Efficiency of human resource management is monitored by means of a bi-annual assessment of organisational climate, employee satisfaction and commitment, and by means of assessing all management functions based on the 360 degree method. Workshops for employees to devise a set of measures to improve results or keep them at a high level were postponed several times due to measures to control the COVID-19 epidemic, more precisely due to restrictions on employee integration. Agency workers were also included in the latest survey. As the situation regarding COVID-19 has not improved and employee integration is still not possible, an online survey of employees is planned in 2022. In the Zlata nit (Golden Thread) project, run by Dnevnik, družba medijskih vsebin, d. d. and its partners, comprising a survey of the growth and development of employees in Slovenia with the aim of finding the best employer, Luka Koper was again ranked among the finalists in the large business category. The results of the 2021 survey are not yet known. In 2021, mutual cooperation between the units was evaluated, the aim being to promote coordinated efforts to achieve common goals and to serve as an indicator of performance for all units from the perspective of working with users of services.

Luka Koper, d. d. has a significantly lower employee turnover rate than the entire logistics industry, where the turnover is at 20%. In 2021, the fluctuation was 2.1% in the Luka Koper Group, and 1.6% in Luka Koper d. d.

On the last day of 2021, the Luka Koper Group had 1,738 employees, an increase of 40 from the year before. This continues the growth trend, which was interrupted in 2020 due to the optimisation of business processes. The Luka Koper, d. d. business model, i.e., the so-called three-tier model is based on regular employment (tier I) for areas where the labour demand is constant, agency workers (tier II as a transitional form) and provision of services, i.e., cooperation with external contractors (tier III). On the basis of public procurement and concluded contracts with

<sup>83</sup> GRI GS 103-1, 103-2, 103-3, 102-8

five recruitment agencies, as at 31 December 2021, there were 324 posted agency workers in Luka Koper, d. d. To a lesser extent, individual services are provided by external contractual partners, also selected through a public procurement procedure. Within the Luka Koper Group, the company Luka Koper INPO, d. o. o. also has 8 posted agency workers.

In 2021, work at home continued as a result of measures to curb the COVID-19 pandemic.

#### 22.1.1. Number of employees by company and in the Luka Koper Group<sup>84</sup>

	31 Dec 2019	31 Dec 2020	31 Dec 2021
Luka Koper, d. d.	1,541	1,535	1,577
Luka Koper INPO, d. o. o.	130	131	131
Luka Koper Pristan, d. o. o.	4	3	0
Adria Terminali, d. o. o.	24	24	25
TOC, d. o. o.	4	5	5
<b>Luka Koper Group*</b>	<b>1,703</b>	<b>1,698</b>	<b>1,738</b>

\* Logis-Nova, d. o. o. and Adria Investicije, d. o. o., subsidiaries of the Luka Koper Group, are not included in the table since they have no employees.

#### 22.1.2. Number of employees in Luka Koper, d. d. with regard to the type of contract (indefinite, temporary)<sup>85</sup>

	31 Dec 2019		31 Dec 2020		31 Dec 2021	
	Number	Share	Number	Share	Number	Share
Indefinite	1,374	89.1	1,505	98	1,572	99.7
Fixed-term	167	10.8	30	2	5	0.3
<b>TOTAL</b>	<b>1,541</b>	<b>100.0</b>	<b>1,535</b>	<b>100.0</b>	<b>1,577</b>	<b>100.0</b>

Employees of Luka Koper, d. d., have concluded an employment contract for an indefinite period, except for two employees who are replacing absent workers and three members of the company's Management Board. In previous years, the reason for temporary employment included induction into work or training.

#### 22.1.3. Number of employees in Luka Koper, d. d. with regard to the type of contract (indefinite, fixed-term) by gender and by region of residence in 2021<sup>86</sup>

31 Dec 2021	Number	Share	Gender	Number	Share	Region of residence	Share	
Indefinite	1,572	99.7	Men	1,428	90.6	Coast-Karst Region	87.3	
			Woman	144	9.14	Primorska and Notranjska Region	10.1	
							Central Slovenia	0.74
							Goriška Region	0.6
							Podravska Region	0.24
							Other regions	0.1
							Other country (Italy, Croatia)	0.3
Fixed-term	5	0.3	Men	4	0.2	Coast-Karst Region	0.2	
			Woman	1	0.06	Podravska	0.06	
						Central Slovenia	0.06	
<b>TOTAL</b>	<b>1,577</b>	<b>100.0</b>		<b>1,577</b>	<b>100.0</b>		<b>100.0</b>	

<sup>84</sup> GRI GS 102-7

<sup>85</sup> GRI GS 102-8

<sup>86</sup> GRI GS 102-8

**22.1.4. Number of employees in Luka Koper, d. d. as at 31 December by gender<sup>87</sup>**

	31 Dec 2019		31 Dec 2020		31 Dec 2021	
	Number	Share	Number	Share	Number	Share
Men	1,396	90.6	1,385	90.2	1,432	90.8
Women	145	9.4	150	9.8	145	9.2
<b>TOTAL</b>	<b>1,541</b>	<b>100.0</b>	<b>1,535</b>	<b>100.0</b>	<b>1,577</b>	<b>100.0</b>

Due to the nature of work, the company employs far more men (90.8%) than women. Recruitment in the basic transshipment process and retirements on grounds of age have led to a decreasing proportion of women in the structure of employees despite the fact that more and more women also work in positions that were traditionally associated with the male workforce, e.g. elevator operator, port machinery operator, truck driver, foreman, warehousekeeper, security guard.

**22.1.5. Share of employees in Luka Koper, d. d., by region of residence<sup>88</sup>**

Statistical regions of Slovenia	31 Dec 2019	31 Dec 2020	31 Dec 2021
Coast-Karst Region	89.4	89.1	87.5
Primorska and Notranjska Region	9.3	8.9	10.1
Central Slovenia	0.9	1.1	0.8
Goriška Region	0.1	0.7	0.6
Gorenjska	0.1	-	0.3
Other country (Italy, Croatia)	0.2	0.2	0.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Displaying the highest share, i.e., 87.5% to originate in the Coastal and Karst Region, the structure of employees by region of residence reflects the nature of transshipment and the flexibility of our services – based on shiftwork, we ensure the continuous provision of services throughout the year.

**22.1.6. Number of employees by type of employment (full working time, part-time)<sup>89</sup>**

	31 Dec 2019		31 Dec 2020		31 Dec 2021	
	Number	Share	Number	Share	Number	Share
Part-time employment (All)	13	0.8	10	0.7	15	0.9
Of which women as part-time employees	4		3		6	
Full working time	1,528		1,525		1,562	

Less than one percent of the employees of Luka Koper d. d. work part-time, of which the major part is due to disability (9 employees) and the minor part due to parenthood (6 employees).

**22.1.7. Share of employees in Luka Koper, d. d. covered by collective agreement<sup>90</sup>**

	31 Dec 2019	31 Dec 2020	31 Dec 2021
Employees covered by collective agreement	97.9	97.9	98.2
Employees outside the collective agreement framework	2.1	2.1	1.8
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

After 2020, when the focus was on optimising business processes and hiring professional staff, growth in the number of employees and recruitment in the basic process is again recorded in 2021, also at the expense of reducing the number of posted agency workers.

<sup>87</sup> GRI GS 102-8

<sup>88</sup> GRI GS 102-8

<sup>89</sup> GRI GS 102-8

<sup>90</sup> GRI GS 102-41

Employee turnover is low. New employees, especially workers with experience from the ranks of agency workers and positions in the company's management have increased the relatively high average age of employees to 41.9 years. The reasons for leaving or termination of employment include retirement age in more than a half of cases, followed by five consensual terminations of employment, two extraordinary terminations, two voluntary terminations, and four worker deaths.

#### 22.1.8. Employee structure in Luka Koper, d. d. by age groups<sup>91</sup>

Age groups (years)	31 Dec 2019		31 Dec 2020		31 Dec 2021	
	Number	Share	Number	Share	Number	Share
Under 30	239	15.5	195	12.7	175	11.1
30-50	1,054	68.4	1,087	70.8	1,132	71.8
Over 50	248	16.1	253	16.5	270	17.1
<b>Total number of employees</b>	<b>1,541</b>	<b>100.0</b>	<b>1,535</b>	<b>100.0</b>	<b>1,577</b>	<b>100.0</b>
Average age of employees	41.5		41.4		41.9	

#### 22.1.9. New employee hires in Luka Koper, d. d. by age groups<sup>92</sup>

Age groups (years)	31 Dec 2019		31 Dec 2020		31 Dec 2021	
	New employments	Contract terminations	New employments	Contract terminations	New employments	Contract terminations
Under 30	139	3	3	2	21	0
30-50	314	4	22	12	46	9
Over 50	22	16		17	3	18
<b>TOTAL</b>	<b>475</b>	<b>23</b>	<b>25</b>	<b>31</b>	<b>70</b>	<b>27</b>

#### 22.1.10. New employee hires in Luka Koper, d. d. by gender<sup>93</sup>

	31 Dec 2019		31 Dec 2020		31 Dec 2021	
	New employments	Contract terminations	New employments	Contract terminations	New employments	Contract terminations
Men	439	22	12	24	65	20
Women	36	1	13	7	5	7
<b>TOTAL</b>	<b>475</b>	<b>23</b>	<b>25</b>	<b>31</b>	<b>70</b>	<b>27</b>

#### 22.1.11. New employee hires in Luka Koper, d. d., by region of residence<sup>94</sup>

Statistical regions	31 Dec 2020		31 Dec 2021	
	Number	Share	Number	Share
Coast-Karst region	23	92	66	94
Central Slovenia	2	8	1	1
Primorska and Notranjska Region			2	3
Dravska Region			1	1
<b>TOTAL</b>	<b>25</b>	<b>100.0</b>	<b>70</b>	<b>100.0</b>

<sup>91</sup> GRI GS 102-8

<sup>92</sup> GRI GS 401-1

<sup>93</sup> GRI GS 401-1

<sup>94</sup> GRI GS 401-1

**22.1.12. Comparison of recruitment, departures and fluctuation rate<sup>95</sup>**

	Number of new employments			Number of departures			FLUCTUATION RATE (in %)*		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Luka Koper, d. d.	475	25	70	23	31	27	1.5	2	1.6
Luka Koper Group	488	32	77	27	37	38	1.6	2.1	2.1

\*Fluctuation calculation method = No of departures/(previous No of employees + new employments) x 100

**22.1.13. Employee fluctuation by age groups, gender and region of residence<sup>96</sup>**

	Fluctuation rate 2020 (in %)*	Fluctuation rate 2021 (in %)*
<b>By gender</b>		
Men	1.9	1.3
Women	4.4	4.6
<b>By age groups</b>		
Under 30	1.2	0
30–50	1.3	0.7
Over 50	6.9	7
<b>By region of residence</b>		
Coast-Karst region	2.3	1.7
Primorska and Notranjska Region	0.7	0
Central Slovenia	6.7	17.6

\*Fluctuation calculation method = No of departures/(previous No of employees + new employments) x 100

**22.1.14. Employee benefits<sup>97</sup>**

When it comes to employee benefits in Luka Koper, d. d., there is no division among those employed for a fixed-term or part-time, and those employed for an indefinite period or full working hours, and there is no gender pay gap.

All of them are equally involved in all approaches to human resource management. Having met the relevant conditions and criteria, all employees are included in financial employee motivation tools. The only difference is related to the voluntary supplementary pension insurance, in case of which temporary employees are paying their monthly premiums themselves, whereas others are co-financed different shares of the legal premium depending on the age of the employee.

In 2021, employees were receiving the monthly payment of salary regularly, which is aligned to the 6-month growth of the inflation index in compliance with the provisions of the collective bargaining agreement. If the company shows positive growth in value added per employee, the signatories of the collective bargaining agreement agree on a salary increase, which must remain behind productivity growth. The average salary in Luka Koper is higher than

<sup>95</sup> GRI GS 401-1

<sup>96</sup> GRI GS 401-1

<sup>97</sup> GRI GS 201-3, 202-1, 401-2

the Slovenian average salary. In 2021, salaries of all employees in Luka Koper, d. d. exceeded the statutory minimum wage in the Republic of Slovenia; only in exceptional cases, individual employees were entitled to the payment of the statutory supplement to the minimum wage. Employees also received the holiday pay and the component of salary awarded on the basis of performance criteria. In accordance with the criteria of the enterprise collective agreement, group merit is awarded quarterly. However, in 2021, based on an agreement with social partners, the award was redistributed in solidarity between units due to difficult operating conditions (because of COVID-19). A great majority of employees participates in the voluntary supplementary pension insurance. Since 2018, employees have been receiving an additional termination benefit from the post-employment fund upon retirement.

The provisions for the payment of salaries and benefits that apply to employees also apply to agency workers. They receive a salary in the same amount or under the same conditions as regular employees in the same jobs and on the same pay day. They are entitled to allowances for individual and business performance bonuses, and the same amount of holiday, Christmas and business performance bonuses. At present, they are not yet subject to the flexibility and qualification allowance and are not yet covered by supplementary voluntary pension insurance.

#### 22.1.15. Number of Luka Koper, d. d. employees who took parental leave and returned to their workplace by gender<sup>98</sup>

	2019	2020	2021
Men	98	104	95
Women	6	7	9
<b>TOTAL</b>	<b>104</b>	<b>111</b>	<b>104</b>

All employees who exercise their right to parental leave, return to the same workplace after the conclusion of their parental leave.

#### 22.1.16. Education structure of employees as at

Level of education	Luka Koper, d. d.				Luka Koper Group			
	No of employees 31 Dec 2021	Share (%) 31 Dec 2021	No of employees 31 Dec 2020	Share (%) 31 Dec 2020	No of employees 31 Dec 2021	Share (%) 31 Dec 2021	No of employees 31 Dec 2020	Share (%) 31 Dec 2020
VIII/2	1	0.06	1	0.06	1	0.06	1	0.06
VIII/1	25	1.6	27	1.8	27	1.6	29	1.7
VII	125	8	127	8.3	132	7.6	136	8
VI/2	232	14.7	220	14.3	236	13.6	224	13.2
VI/1	112	7.1	105	6.8	119	6.8	111	6.5
V	464	29.4	466	30.4	505	29	505	29.7
IV	477	30.2	459	29.9	531	30.6	517	30.4
III	18	1.1	17	1.1	29	1.7	29	1.7
I-II	123	7.8	113	7.4	158	9.1	146	8.6
<b>TOTAL</b>	<b>1,577</b>	<b>100.0</b>	<b>1,535</b>	<b>100.0</b>	<b>1,738</b>	<b>100.0</b>	<b>1,698</b>	<b>100.0</b>

The intense recruitment implemented for operating positions in the basic transshipment and warehousing process for lower levels of education from I to IV affects the education structure of the Company and the Group. Based on education agreements, two percent of employees are being financed their studies to achieve a higher level of education.

<sup>98</sup> GRI GS 401-3

### 22.1.17. Diversity of employees by job category, gender and age<sup>99</sup>

31 Dec 2021	Number	Share
Management (Management Board, b-1)	20	1.3
Other management	341	21.6
Highly-skilled	185	11.7
Operators	1,031	65.4
<b>Total</b>	<b>1,577</b>	<b>100.0</b>

31 Dec 2021	Men	Share	Women	Share	Total	Share
Management (Management Board, b-1)	17	85	3	15	20	100.0
Other management	325	95.3	16	4.7	341	100.0
Highly-skilled	126	68.1	59	31.9	185	100.0
Operators	964	93.5	67	6.5	1,031	100.0
<b>Total</b>	<b>1,432</b>	<b>90.8</b>	<b>145</b>	<b>9.2</b>	<b>1,577</b>	<b>100.0</b>

31 Dec 2021	Under 30	Share	30–50	Share	Over 50	Share	Share total
Management (Management Board, b-1)	0	0	12	60	8	40	100.0
Other management	24	7	240	70.4	77	22.6	100.0
Highly-skilled	6	3.2	142	76.8	37	20	100.0
Operators	145	14.1	738	71.6	148	14.3	100.0
<b>Total</b>	<b>175</b>	<b>11.1</b>	<b>1,132</b>	<b>71.8</b>	<b>270</b>	<b>17.1</b>	<b>100.0</b>

Despite the fact that men predominate in the sectoral employee structure (only 9.2 percent are women), the share of women is high in the ranks of professional staff (31.9 percent) and managers (15 percent). Employees aged between 30 and 50 predominate (by more than 70 percent) in all levels of jobs in the organisational structure. This share is slightly lower among executives (management, B-1 job level).

## 22.2. Educating and training of employees



### 22.2.1. Employee training system<sup>100</sup>

Targeted implementation of functional training of employees is a strategic activity of the Company. The approach is set out in the Company's internal guidance on HR training and education, knowledge transfer systems and approaches to financing ongoing training. Training objectives, programmes and funds are included in the Company's annual business plan. Training grounds include work process requirements, the required and desired knowledge for particular workplaces, and poorly developed competences. Success of the chosen approach is monitored by measuring satisfaction after the completed training, by means of exams, promotions of employees to

<sup>99</sup> GRI GS 405-1

<sup>100</sup> GRI GS 103-1, 103-2, 103-3, 404-1

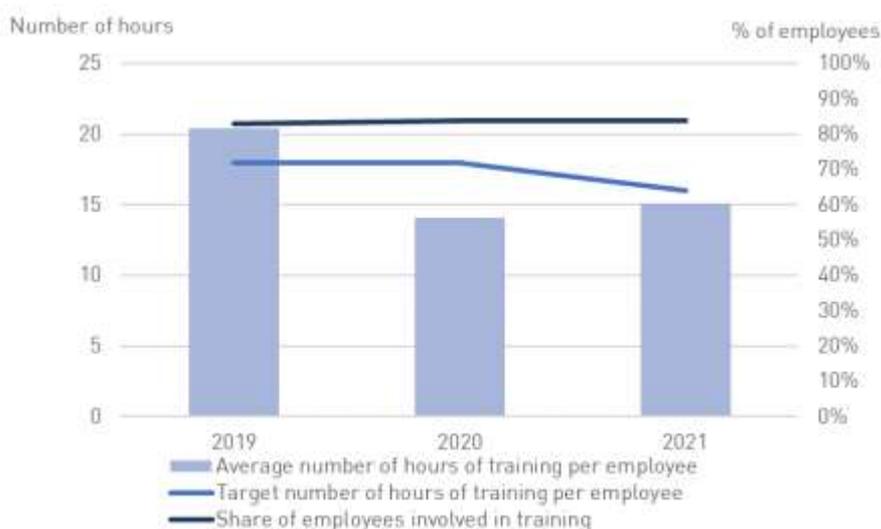
higher level of qualification and workplace flexibility based on acquiring, transferring and using knowledge, and assessing tutors.

In 2021, 84% of employees of Luka Koper, d. d. were involved in training. Measures to prevent the spread of the COVID-19 epidemic had a significant impact on the implementation of the training plan. The average number of training hours in the company Luka Koper, d. d., in 2021 was 15.1, which is below the planned value of 16 hours of training per employee, which was set lower than in 2020. Many internally planned training programmes, as well as programmes of external institutions, were cancelled due to measures to prevent the spread of the coronavirus. Mainly statutory training programmes were held. There is also a lot of involvement in online training programmes of external educational institutions (webinars), which are of shorter duration, so the planned number of training hours was not achieved.

In 2021, the Knowledge Room e-training platform was established in Luka Koper, d. d., for which training programmes are prepared by our own professional staff.

The initiative to set up a Training Centre was confirmed.

**Average number of hours of training and share of employees involved in education in Luka Koper, d. d.**



**Share of employees involved in training by gender and workplace category and average number of hours of training in 2021**

	Share	Average number of hours of training
Employees involved in training	80%	15.1
Women involved in training	88%	21.7
Men involved in training	79%	7.5
Management	90%	28
Senior management	89%	6.1
Professional staff	89%	26.5
Operating staff	66%	5.2

**22.2.2. Introduced programmes<sup>101</sup>**

The majority share of internally held training programmes were realised within the instructor system as part of training to operate various machinery upon being employed or reallocated to another unit. Each new employee is involved in an induction programme, whereby the mentor is entitled to a 10% mentorship allowance, and the instructor of the new employee practical training is also remunerated (40% allowance for hours of practical

<sup>101</sup> GRI GS 404-2

training). Over the past two years, work induction programmes have been overhauled, especially in terms of safe work. In 2021, 88 percent of training programmes in Luka Koper, d. d., were organized internally.

Being aware of the importance of continuous education and renewal of employees' knowledge, Luka Koper is fulfilling the lifelong learning concept. Lifelong learning is an opportunity for continuous training of employees, both in content related to the workplace and in content that is not strictly of the kind, such as learning foreign languages, upgrading computer skills, promoting a healthy lifestyle, preparing healthy meals, effects of consuming alcohol or psychoactive substances, promotion of good interpersonal relationships and communication, soft leadership skills (including for non-managerial staff), exercise for office workers, preparatory seminar for a new stage of life – retirement, safe coping with the COVID-19 epidemic. Luka Koper, d. d., is involved in the Logins Human Resources Development Competence Centre, which enables the integration of companies in the industry and a 50% reimbursement of training costs for employees.

### 22.2.3. Promotion and internal mobility of employees<sup>102</sup>

Luka Koper, d. d., enables its employees personal and professional development with horizontal and vertical promotion, and classification of employees into higher levels of qualification and flexibility at the workplace. In 2021, almost each third employee enjoyed a form of career development. A new employment contract was concluded by 6.5 percent of employees, which was also due to the new job classification. Promotion of employees within the workplace was significantly higher than in the previous year.

In 2021, annual interviews were not conducted, mainly because the structure of superiority was being established and the technical conditions for implementing the annual interviews were being improved. Otherwise, information technology does not replace direct communication between managers and colleagues, but enables more systematic preparation and a guided interview. Annual interviews with all employees are again planned for 2022.

#### Promotion and internal mobility of employees

	Vertical and horizontal promotion			Classification into a higher level of qualifications and flexibility			Total internal employee mobility		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Number	135	145	103	166	203	354	301	348	457
Share	9	9	6.5	11	13	22	20	23	29

#### Proportion of employees involved in career advancement in 2021, by gender and job category

	By gender		By job category			
	Men	Women	Management (Management Board, b-1)	Other management	Highly-skilled	Operators
Number	99	4	2	49	16	36
Share (of total employees)	6.3	0.2	0.1	3.1	1	2.3

Pursuant to the provisions of the enterprise collective agreement, all employees are entitled to remuneration for personal work performance (monthly), quarterly team work performance and performance of the company at the end of the year.

In 2021, the project Renovation and establishment of a comprehensive system for the development of key personnel and successors was completed in Luka Koper, d. d., the aim of which was to establish a more transparent and long-term system for human resources development based on renewed procedures for identifying key positions, competency profiles of positions, identifying key personnel and successors, all with the aim of reducing the subjectivism of leaders and identifying young promising staff early. 365 employees were involved in the staff profiling process, in which the social and managerial competencies of the employees were measured in order to be further developed. A pool of key personnel and successors and a pyramid of successions in key positions were established.

<sup>102</sup> GRI GS 404-3

The organizational climate, and employee satisfaction and commitment were last measured in 2019. Measurement of employee commitment is planned for 2022 as a segment that significantly affects their efficiency.

For the purpose of comparative analysis of existing employee management practices, Luka Koper, d. d. was again part of the Zlata nit (Golden Thread) project in 2021. The results are not yet known.

Assessment of mutual cooperation between units is carried out in Luka Koper, d. d. every second year. In 2020, a code of internal communication was developed in order to improve mutual cooperation.

In order to improve leadership, an evaluation of leaders at all levels of the organisational structure was carried out in 2021, using the 360-degree feedback method. Based on the obtained results, training in less developed managerial competencies is planned for 2022.

### 22.3. Ensuring safety of employment and social security of employees

The disability issue was dealt with by an established pattern of past practice by employing a share of disabled employees in the Luka Koper Group, in the disability company Luka Koper INPO, d.o.o. The share of employees with the disability status in Luka Koper, d. d., stood at 1.3%.

Disability – Number of disabled employees and their share in Luka Koper, d. d.

	31 Dec 2019	31 Dec 2020	31 Dec 2021
Number of disabled employees	18	20	20
Share (%)	1.2	1.3	1.3

Number of disabled employees and their share in Luka Koper, INPO, d. o. o.

	31 Dec 2019	31 Dec 2020	31 Dec 2021
Number of disabled employees	72	72	73
Share (%)	55	55	55.7

### 22.4. Cooperation with educational institutions

Luka Koper, d. d., operates as a socially responsible company in the field of development and education in the local and wider community. It cooperates with many educational institutions in ensuring the mentorship of essays and diploma papers, providing students with compulsory on-the-job trainings and expert excursions. In 2021, this was done to a lesser extent due to measures to prevent the spread of the coronavirus. Examples of good HR management practice were often presented to the professional and other interested public. In 2021, the company co-financed the acquisition of a higher level of education for 2% of employees. In internal documents, it established additional criteria for co-financing, and particularly new criteria for the selection of better quality educational programmes and institutions. Company scholarships for youth were intensified and 8 new contracts concluded.

### 22.5. Internal communication with the employees

Due to the nature of work in the port, which is mostly performed on the ground, and the fact that almost half of employees have no access to a computer at work, communication with the employees take places through the adapted mobile application and also traditionally, with printed media. Luka Koper communicates with the employees mostly through the following key communication channels:

- Short information that is received by all employees via e-mail or is posted on bulletin boards by secretarial services,
- Mobile application that enables a secure connection to the company's information environment; Company employees can access e-mail, the LukaNET intranet portal, the absence management system, the online e-learning platform and the online platform for conducting annual interviews,
- Luški glasnik, the Port bulletin monthly, which is issued in printed form. The mission of Luški glasnik is to inform all employees and the wider port

community about what is happening in Luka Koper, as well as to bring employees together and take care of their continued growth and development.

The Company has an Intranet site, LukaNET, where general information, all internal documents of the company, platforms and instructions are available to the employees if they need them for the performance of work.

## **22.6. Human resource management strategy**

The 2020-2025 HR management strategy supports the Business Strategy of the Luka Koper Group and Luka Koper, d. d.

In order to support the achievement of strategic operational objectives (competent employees and an organisational culture of high work performance – committed employees), activities in the framework of human resource management focus on:

- Recruiting the right candidates for the right jobs,
- Systematically guided onboarding,
- Business process optimisation,
- Enabling personal growth and professional development – employee career development,
- Investing in continuous targeted employee training,
- Systematic leader development (training),
- Fostering values and an excellent organisational culture,
- Building the brand of a desired employer,
- Ensuring a competitive salary and a transparent remuneration system,
- Care for employees,
- Intense cooperation with educational institutions,
- Corporate social responsibility, respect for human rights, equality and diversity, non-discrimination, transparency in all procedures.

## 23. Long-term sustainability of the natural environment



Luka Koper pursues the goal of achieving the highest environmental standards under the EU ECO Management and Audit Scheme – EMAS and reducing its carbon footprint by implementing energy efficiency measures.

### The area of the port



The area of the port

The Koper port is a cargo port set in an integrated marine and coastal area, where port operations related to cargo as well as passenger transport are carried out. The port area is defined in the Concession Agreement for the performance of port activity, management, development and regular maintenance of the port infrastructure No 2411-08-800011 of 8 Sep 2008.

The environmental part of the sustainability report covers the data of Luka Koper, d. d., operating at the site of the port of Koper, for the period from 1 January 2021 to 31 December 2021. Where available, the results are shown for a three-year period; however, older data is available in the reports linked below. It also contains annual comparisons of environmental indicators with the aim of showing environmental performance. The chapters in the sustainability report that provide verified environmental management information are indicated by the sign



The data provide a credible and faithful reflection of the Company's environmental management system. In March 2022, the SIQ Slovenian Institute of Quality and Metrology verified the assertions and established that the system meets the requirements of the Regulation (EC) No 1221/2009 (EMAS).



**Environmental Verifier's Declaration on verification and validation activities  
No O-012**

**Slovenian Institute of Quality and Metrology,**  
with EMAS environmental verifier registration number SI-V-0001,  
accredited for the scope (NACE: 52.24),

declares to have verified that the organization:

**LUKA KOPER, d.d.**

Vojkovo nabrežje 38, 6000 Koper, Slovenia  
with registration number Reg.No. SI-00004,

meet all requirements of the Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organizations in a Community eco-management and audit scheme (EMAS).

By signing this document, we declare that:

- the verification and validation have been carried out in full compliance with the requirements of Regulation (EC) No. 1221/2009, (EU) No. 2017/1505 and (EU) No. 2018/2026;
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with the applicable legal requirements relating to the environment;
- the data and information in the environmental statement »**Annual report 2021 Luka Koper Group and Luka Koper, d. d., chapter 23: Long-term sustainability of the natural environment**« reflects a reliable, credible, and correct image of all organisation's activities, within the scope specified in the Environmental Statement.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a Competent Body under Regulation (EC) No. 1221/2009. This document shall not be used as a stand-alone piece of public communication.



Validation date: 2020-04-17  
Issue: 04/2022-03-28

Gregor Schoss:  
Direktor SIQ Ljubljana



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Previous Environmental reports are available in the following links:

[Živeti s pristaniščem - Poročila in dokumenti \(zivetispristaniscem.si\)](http://zivetispristaniscem.si)

<https://www.luka-kp.si/eng/environmental-friendly-policy>

## Environmentally sustainable economic activities, environmentally sustainable revenues and sustainable investments

In line with the Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, which entered into force on 12 July 2020, for the financial year 2021, Luka Koper, d. d., reports indicators for economic activities that are acceptable to the taxonomy.

Luka Koper, d. d., has set up an EAR – environmental aspects register, in which it annually assesses and defines important environmental aspects from the list. It has a defined methodology for identification (assessing public/stakeholder impact, legislative/internal requirements, economics and progress). The assessed important environmental aspects are assigned objectives, for the achievement of which an OIP – operational improvements programme is determined annually to contribute to the achievement of the set objectives while also stating the operators and deadlines for completion.

In 2021, the following Taxonomy-aligned activities were recognized: energy use and energy efficiency, marine protection, emissions from services, waste management, seabed dredging and marine sediment management, fire safety, biodiversity conservation.

### Share of net sales related to Taxonomy-aligned economic activities of Luka Koper, d. d., in 2021

Activities	Net sales in million EUR	share in %
Taxonomy-aligned activities	0.9	0.4
Taxonomy-non-aligned activities	224.1	99.6
<b>Total</b>	<b>225.0</b>	<b>100.0</b>

### Share of investments in fixed assets related to Taxonomy-aligned economic activities of Luka Koper, d. d., in 2021

Activities	Investments in fixed assets in million EUR	share in %
Taxonomy-aligned activities	1.8	3.5
Taxonomy-non-aligned activities	50.0	96.5
<b>Total</b>	<b>51.8</b>	<b>100.0</b>

## 23.1. About the environmental management system <sup>103</sup>

Technical support to the Management Board of the Company and Profit Centres is provided by specialised departments organised by the area of expertise, from fundamental management functions to specialist knowledge required to carry out specific activities. Individual organizational units are responsible for the implementation of programmes and the achievement of environmental protection goals, while the programmes involving several units and a common infrastructure are the responsibility of the health and ecology protection department. The department performs an advisory, supervisory, development and operational role. In accordance with the requirements of ISO 14001 and EMAS and the Company's strategy, a representative of the Management Board for the environment and occupational safety and health and an environmental protection officer are appointed.

The environmental management system is designed so as to derive from the strategic orientations of the company, where strategic orientations and targets are determined. Environmental aspects are reviewed and evaluated as part of the annual planning process on a yearly basis. These aspects are elements of activities, products and services with significant impacts on the environment or impacts on our activity (e.g. climate change). The criteria for evaluating the significance of environmental aspects include year-on-year progress, compliance with the law and compliance with the adopted internal standards, cost increase, and public opinion. To indicate significance in the evaluation process, a colour scale is used (red, yellow, green). An environmental aspect is considered significant when any of its criteria is evaluated red or at least three criteria are evaluated yellow. In analysing environmental aspects, all the activities are considered (in terms of indirect and direct impacts on the environment). The environmental aspects evaluated as significant are shown below. The Environmental report also discusses

<sup>103</sup> GRI GS 103-1, 103-2, 103-3

other identified environmental aspects, with the aim of providing a complete overview of the Company's environmental management and activity.

For the environmental aspects evaluated as significant, annual quantifiable targets are set and improvement programmes are developed to facilitate the process of meeting the targets and make it more efficient. These are included in the Company's annual business plan. The implementation of improvement programmes is reviewed annually and also reported on in the sustainability report. The achievement of the set targets is monitored quarterly and reported to the Management Board. The adequacy of the established environmental management system is examined and evaluated also as part of regular internal assessments and management reviews and external quality system audits.

## 23.2. Living in harmony with the environment<sup>104</sup>

Luka Koper, d. d., has always been concerned for improving the quality of life in the entire area in which the port is situated, and has been aware of the vulnerability of the natural environment. Being aware of the port's impact on the environment, Luka Koper has committed in its policies to sound management of the environment, hoping to preserve it for future generations. The processes of monitoring and reducing environmental impacts are part of regular activities. To this end, Luka Koper, d. d. works with competent specialised institutions.

Natura 2000 sites nearest to the port



Nearby underwater meadows (dwarf eelgrass or *zostera noltei* and little Neptune grass or *Cymodocea nodosa* in the direction of Ankaran)



Coexisting with the port in its immediate vicinity is the natural reserve known as Škocjanski Zatok (extending over 122.7 ha). The largest brackish wetland in Slovenia, the reserve is of vital importance for its remarkable profusion of flora and fauna. An agreement was signed with the manager of Škocjanski Zatok, DOPPS-Birdlife Slovenia, based on which the signatories cooperate in the preservation and management of ecosystems in order to:

- Strengthen ecosystem services arising from nature and biodiversity as a stream of benefits for area stakeholders;
- Reduce pressures that negatively affect ecosystems, either as a result of the use of their services or due to the indirect impacts of human activities;
- Improve the capacity of key actors to tackle environmental vulnerability and preserve ecosystems and their services;
- Support key actors with strategies, methods, resources and tools for effective conservation and management of ecosystems;
- Include an integrated management approach and an approach involving local communities in the management system.

The area is home to a huge number of endangered plant and animal species. The 2018 census identified 1,575 species from the IUCN Red List and from the list of nationally protected endangered animal and plant species. We estimate that all of them may be potentially endangered as a result of the port's operation. Species abundance data were provided by the manager of the Škocjanski Zatok slough. To observe the indirect impacts of the port on the area of Škocjanski Zatok, the monitoring of impacts (noise, air quality) has been established for several years, with measuring devices placed in the immediate vicinity of the slough. The measurement results are made public and presented in a report. Measurements of water quality in the strait that crosses the port and connects Škocjanski

<sup>104</sup> GRI GS 103-1, 103-2, 103-3, 304-1, 304-2, 304-3, 304-4

Zatok to the sea began in 2021 (the results are reported in Chapter 23.14 Biodiversity). Part of the storm sewer from the port area flows into the strait, which can affect the water quality in Škocjanski Zatok.

For quite some time, a common notification system has been established for cases of uncontrolled spills that could affect the water quality in Škocjanski Zatok. For many years, the site has had a fixed lock which is now reconstructed.

Uncontrolled spills at sea are monitored with installed sensors (the results are presented in the chapter 'Marine protection'), and the installation of a radar system is in its final phase.

Also located near the port are a coastal marsh at Sv. Nikolaj (extending over 7.27 ha), rare for its brackish marsh plants, and a unique *Posidonia oceanica* seagrass meadow in Žusterna. While *Posidonia oceanica* is a common seagrass species in the Mediterranean, the small area (1 km) off the Slovenian coast between Koper and Izola is its only habitat in the Gulf of Trieste. At a greater distance from the port is the Debeli Rtič park (5.26 ha), which is also part of the Natura 2000 area. The port marine area is located in an ecologically important area, a sensitive area affected by eutrophication and a sensitive area of bathing water.

In the direction of Ankaran, outside the concession area of the port, underwater meadows (dwarf eelgrass or *Zostera noltei* and little Neptune grass or *Cymodocea nodosa*) are found at depths of up to 5 meters. The meadows are not classified as protected areas, but the port's operation can affect their status, therefore, their status is also monitored (Chapter 23.14 Biodiversity).

The Rižana River flows into the port water area (extending over 2.1 million m<sup>2</sup>) with a high content of suspended particles, which contributes to the siltation of the seabed in port basin II. Sea currents also contribute considerably to continuous application of the material to all port basins. In port waters, a certain depth has to be maintained on a regular basis to allow safe navigation of ships. Deepening of the seabed is carried out as necessary, and the material pumped out is deposited in settling pits provided for this purpose on land, but their capacities are not sufficient. Regardless of the activity of dredging and shipping, many animal and plant marine species are present in the port area, and this topic is presented in the chapter 23.15 'Sea water protection'.

Koper city centre and part of the settlements Ankaran and Bertoki are also situated in the immediate vicinity of the port.

### 23.2.1. Strategic orientations of Luka Koper by environmental aspect

In 2019, the new 2020-2025 Strategic Business Plan was devised, the summary of which is published at <https://www.luka-kp.si/eng/mission-vision-strategy>. The Strategic orientations for the development of Luka Koper, d. d. in the field of environmental management until 2030 were updated in relation to the green transition. We have always been concerned with improving the quality of life in the entire area in which the port is situated. Therefore, we cooperate with and co-finance educational and research institutions, and support sports, humanitarian and cultural activities. When it comes to development issues and investments, we follow the principles of sustainable development and responsible environmental management, which includes reducing the impacts causing climate change.

To this end, our guidelines are aimed at:

- Introducing modern and energy-efficient technologies,
- Steadily reducing emissions into the environment,
- Caring for the partnership with the local community,
- Increasing energy efficiency in all activities,
- Ensuring preparedness for emergency response,
- Steadily improving the environmental management system.

The Strategy of Social Responsibility and Sustainable Development was adopted and published on the website [Corporate social responsibility - Luka Koper d. d. \(luka-kp.si\)](https://www.luka-kp.si/eng/corporate-social-responsibility)

- The strategy summarizes the Company's key documents dealing with the area of sustainable development and social responsibility, and presenting an overview of all activities carried out by the Company. At the same time, the strategy sets out specific goals that the Company pursues in the long run, and establishes a platform or working group that reviews achievements and proposes additional activities and improvements.

### 23.2.2. Significant environmental aspects in 2021

Environmental aspects evaluated as significant		Explanation of the nature of impact
WATER CONSUMPTION / WASTE WATER / SEA	<ul style="list-style-type: none"> <li>- Drinking water consumption</li> <li>- Marine pollution from the handling of coal dust and iron ore</li> <li>- Generation of waste water in livestock truck washing</li> </ul>	<ul style="list-style-type: none"> <li>- Use of drinking water affects the already limited drinking water in the coastal region.</li> <li>- The handling of coal dust and iron ore, which are otherwise inert materials, can result in accidental spillage into the sea.</li> <li>- Waste water from the washing of the inside of trucks transporting livestock must be properly treated, otherwise it will overburden the Koper Central Wastewater Treatment Plant.</li> </ul>
ATMOSPHERIC EMISSIONS	<ul style="list-style-type: none"> <li>- Dust emissions/immissions from services</li> </ul>	<ul style="list-style-type: none"> <li>- Handling of the bulk material can result in dust, causing some of the pollutants in the air to increase.</li> </ul>
ENERGY INTERNAL TRANSPORT	<ul style="list-style-type: none"> <li>- Internal transport powered by diesel engines</li> <li>- Electricity and fuel consumption</li> </ul>	<ul style="list-style-type: none"> <li>- The use of fuel in the transport process results in the release of greenhouse gases into the air.</li> <li>- Electricity use indirectly affects the generation of pollutants, but this refers to locations where electricity is generated from non-renewable energy sources.</li> </ul>
NOISE / ODOUR	<ul style="list-style-type: none"> <li>- Generation of noise in the port</li> <li>- Noise emissions from freight and passenger ships</li> </ul>	<ul style="list-style-type: none"> <li>- Almost every activity results in some noise, which spreads into the environment and causes disturbance.</li> </ul>
OTHER ENVIRONMENTAL ASPECTS	<ul style="list-style-type: none"> <li>- Seabed dredging and disposal of marine sediments</li> </ul>	<ul style="list-style-type: none"> <li>- To ensure the safety of navigation and in the event of certain interventions, the seabed has to be dredged, whereby the sediment excavated is deposited ashore. Due to the salinity of the material, the surfaces are no longer suitable for farming, and the deposited marine sediment has poor load carrying capacity and tends to sink.</li> </ul>
OTHER ENVIRONMENTAL ASPECTS	<ul style="list-style-type: none"> <li>- Fire safety</li> </ul>	<ul style="list-style-type: none"> <li>- A high level of fire safety is highly crucial for the smooth operation of the entire port.</li> </ul>
OTHER ENVIRONMENTAL ASPECTS	<ul style="list-style-type: none"> <li>- Biodiversity conservation</li> </ul>	<ul style="list-style-type: none"> <li>- Biodiversity conservation is a major environmental aspect since the port coexists with the Škocjanski zatok nature reserve; in the immediate vicinity, there is also a coastal marsh at Sv. Nikolaj, rare for its brackish marsh plants, and a unique <i>Posidonia oceanica</i> seagrass meadow in Žusterna.</li> </ul>
WASTE	<ul style="list-style-type: none"> <li>- Port- and ship-generated waste</li> </ul>	<ul style="list-style-type: none"> <li>- High level of separately collected waste and its reuse (circular economy).</li> </ul>

The table shows environmental aspects evaluated as significant. In order to reduce the impacts of the identified environmental aspects, this year we again organised the traditional environmental workshop of Luka Koper (due to the COVID-19 epidemic, it was conducted online through MS Teams) to decide on annual activities (improvement programmes) and review the progress made towards achieving the environmental targets listed in more detail below. According to new regulations, waste generation is assessed as an important environmental aspect.

The Regulation (EC) on the voluntary participation by organizations in the Community eco-management and audit scheme (EMAS) states that significant direct and indirect environmental aspects have to be reported together with the main performance indicators for the following environmental areas:

- Energy,
- Materials,
- Water,
- Waste,
- Land use related to biodiversity,
- Emissions.

Energy, water, emissions, waste and land use related to biodiversity are reported later in this report. The material indicator is not shown because it is estimated as not crucial and important in storage and transshipment activities. In addition, we present in-depth information related to climate change as recommended by the European Commission in Guidelines on non-financial reporting: Supplement on reporting climate-related information (2019/C 209/01). In general, climate change is managed through a recognised important environmental aspect - energy/internal transport (energy use) and a recognized risk - Climate change. The report additionally discusses fire safety in the port, light pollution and the management of marine sediments.

### 23.2.3. Environmental targets in 2022

The most important environmental targets:

- Pass the verification of compliance with the EMAS directive, and the ISO 50001 and ISO 14001 standards;
- Reduce total dust emissions on all ten port locations to 200 mg/m<sup>2</sup> per day, and limit the deviations to no more than 5 measurements throughout the year;
- Maintain PM10 concentrations (particles up to 10 µm) across the entire port area below 30 µg/m<sup>3</sup> (in the direction of Ankaran, Koper and Bertokil);
- Maintain the share of separately collected waste, excluding waste from vessels, at 92%;
- Reduce the night-time noise level in the direction of Koper to 48 dBA;
- Maintain the noise level in front of the closest buildings outside the port at 58 dB during the day and 53 dB in the evening;
- Achieve the target specific consumption of energy sources despite the purchase of additional machinery and new electricity consumers: fuel at 0.1214 l/t, electricity at 0.7918 kWh/t, and drinking water at 4.9 l/t;
- Ensure that no (inspection or internal) measures will be required for the developments;
- Prevent all instances of sea pollution outside the port water area;
- In case of fire interventions and injury accidents, ensure that the intervention time of the professional fire brigade is less than 8 minutes (from receiving the notification until arrival at the scene);
- Prevent any major industrial accidents altogether;
- Implement all inspection decisions in the field of fire safety;
- Preserve the range of the area of underwater meadows (*Cymodocea nodosa*, *Zostera nolti*) compared to the 2018 reference period;
- Maintain the quality of water in the strait that connects Škocjanski Zatok with the sea and crosses the port, by maintaining the mineral oil content below 50 µg / l.

**23.2.4. Realisation of environmental objectives in the period 2019-2021**<sup>105</sup>

The table presents the objectives and their realisation; the content is explained in more detail in the relevant chapters of the report.

Chapter No	Important environmental aspect	OBJECTIVE	Target value 2021	Values for 2019 - 2021			Realisation 2021
				2019	2020	2021	
23.7	Dust emissions/immissions from services	Reduce total dust immissions for each measurement	200 mg/m <sup>2</sup> day up to 5 exceedances	104 1 exceedance	100 7 exceedances	120 7 exceedances	
23.7	Dust emissions/immissions from services	Maintain immission particle size below 10 µm in the entire port area	< 30 µg/m <sup>3</sup>	Bertoki-18 Ankaran-15 Koper-18	Bertoki-20 Ankaran-19 Koper-20	Bertoki-17 Ankaran-15 Koper-16	
23.8	Waste management	Maintain the percentage of waste collected separately excluding ship-generated waste	> 91%	2019* 91	2020 91	2021 93.6	
23.9	Noise generation in port, noise emitted by cargo and passenger ships	Reduce the noise level at night in the direction of the city of Koper	Night 48 dB	2019 54	2020 54	2021 53	
23.9	Noise generation in port, noise emitted by cargo and passenger ships	Maintain the noise level in front of the closest buildings outside the port at 58 dB during the day and 53 dB in the evening.	Evening 53 dB	Bertoki-37 Ankaran-43 Koper-54	Bertoki-37 Ankaran-43 Koper-54	Bertoki-37 Ankaran-44 Koper-54	
23.9	Noise generation in port, noise emitted by cargo and passenger ships	Maintain the noise level in front of the closest buildings outside the port at 58 dB during the day and 53 dB in the evening.	Day 58 dB	Bertoki-40 Ankaran-46 Koper-55	Bertoki-39 Ankaran-46 Koper-55	Bertoki-39 Ankaran-45 Koper-54	
23.10	Electricity and fuel consumption	Maintain specific energy consumption on par with the year before despite increases in transshipment and storage capacities	0.7658 kWh/t	2019** 1.31	2020** 1.45	2021*** 0.7740	
23.10	Drinking water consumption	Maintain specific energy consumption on par with the year before despite increases in throughput and storage capacities	4.9 l/t	2019** 7.41	2020** 9.33	2021*** 2.2941	
23.10	Internal transport powered by diesel engines	Maintain specific energy consumption on par with the year before despite increases in throughput and storage capacities	0.1249 l/t	2019** 0.226	2020** 0.236	2021*** 0.1195	

<sup>105</sup> GRI GS 302-4

23.16	Seabed dredging and disposal of marine sediments	Developments	0 actions	2019	2020	2021	Values achieved:	0	0	0	
				0	0	0					
23.15	Marine pollution	Prevent all instances of sea pollution outside the port water area	0 contaminations	2019	2020	2021	Values achieved:	0	0	0	
				0	0	0					
23.6	Fire safety	In case of fire interventions and injury accidents, ensure that the intervention time of the fire brigade is less than 8 minutes (from receiving the notification until arrival at the scene)	< 8 min	2019#	2020#	2021	Values achieved:	/	/	2.97	
				/	/	2.97					
23.6	Fire safety	Prevent any major industrial accidents altogether	0 large industrial accidents	2019#	2020#	2021	Values achieved:	/	/	0	
				/	/	0					
23.6	Fire safety	Implement inspection decisions fully	0 unimplemented inspection decisions	2019#	2020#	2021	Values achieved:	/	/	0	
				/	/	0					
23.14	Biodiversity conservation	Preserve water quality in the strait that connects Škocjanski Zatok with the sea and crosses the port	Mineral oil content < 50 µg/l	2019#	2020#	2021	Values achieved:	/	/	<20	
				/	/	<20					
23.14	Biodiversity conservation	Preserve the range of the area of underwater meadows (Cymodocea nodosa, Zostera nolti) - measurement every three years	Same area compared to the 2018 reference period	2019	2020	2021	Values achieved:	/	the same	/##	
				/	the same	/##					

Key:



Objective not attained in the previous year



Objective attained



Objective attained partly

partly



Objective is new

NOTE:

\*The target value for 2019 was &gt;89%.

\*\*In 2019, the targets were 1.27 kWh/t for electricity, 0.245 l/t for fuel, and 6.4 l/t for drinking water.

\*\*In 2020, the targets were 1.27 kWh/t for electricity, 0.23 l/t for fuel, and 6.4 l/t for drinking water.

\*\*\* As of 2021, target values and specific consumption of fuel, electricity and drinking water are calculated on the basis of total throughput.

# There was no target in 2019 and 2020.

## Verification of changes in the range of underwater meadows is carried out every 3 years.

### 23.3. Policy on safety and health in the port and energy efficiency

An environmental policy is in place at company level, and its adequacy is regularly reviewed. In March 2019, the Policy on safety and health in the port and energy efficiency was updated. It is published at: <https://www.luka-kp.si/slo/pomembni-dokumenti-208>. The policy also sets out guidelines for reducing climate change by striving to reduce environmental impacts, managing resources carefully, improving energy efficiency and introducing modern technology.

## 23.4. Compliance with environmental protection requirements

### 23.4.1. Compliance with environmental legislation <sup>106</sup>

In demonstrating compliance, we primarily refer to the Environmental Protection Act, on the basis of which the following environmental permits have been granted:

- No 35451-1/2018-5 of 28 Feb 2019 regarding noise emissions;
- No 35444-2/2016-13 of 15 Jun 2017, amendment No 35440-50/2019-10 of 21 Oct 2020 regarding atmospheric emissions, waste water emissions and storage of non-hazardous waste;
- No 35415-1/2006-15 of 8 Jan 2008, amendments No 35415-4/2008-16 of 19 Mar 2009, No 35495-1/2012-2 of 21 Nov 2012, No 35492-1/2013-10 of 21 Jun 2013 and No 35495-4/2016-7 of 14 Oct 2016 regarding the operation of a facility that may cause a major accident (Seveso).

The Company meets the requirements set out in the environmental permits it has been granted with regard to emissions into water and into the air, storage of waste, noise emissions, and which it has been granted as a facility of increased risk of accidents. The fulfilment of the requirements of the granted environmental permits is reviewed annually to find whether the prescribed requirements are met.

To address light pollution, modernisation of all lights was completed in early 2017 so that they were made to comply with legal provisions in the field of light pollution. In the late 2021, a new lighting plan with a lamp schedule was devised to replace the 2019 plan and it is published on the Company's website. The plan has to be renewed at least every 5 years or upon changes. The plan was updated due to some interventions in space (construction of a new group of railway tracks for the needs of the car terminal), in which we additionally installed lights.

Results of the measurements taken on the devices causing air emissions indicate compliance with the law and with the obtained environmental permit.

PM10 and PM2,5 concentrations in the area of the port, as well as the number of exceedances, are below the limit values stipulated by law.

The measured emissions of combustion plants are compliant with the legal requirements.

The noise level is in accordance with the requirements of the granted environmental permit regarding the limit values of the noise indicators in the environment, which applies to areas in front of the first buildings in Koper, Ankaran and Bertoki. Due to the extension of pier I, several measurements were performed in accordance with the requirements of the granted environmental permit and the results were compliant with the legislation. The first noise measurements due to the newly built Sermin and Bertoki entrance were also performed and the results were compliant with the legislation.

The performed analyses of industrial wastewater and wastewater from small wastewater treatment systems have shown compliance with legal and environmental requirements. In the industrial wastewater from the Container washing facility, in one sampling out of three, the aluminum parameter exceeded the limit value, but activities were carried out owing to which we estimate that the impact on the environment was minimal (more in Chapter 23.12 Wastewater Management).

The Company has a valid environmental permit for the warehousing (transshipment) of some categories of waste (scrap iron, paper, plastics, mill scale). We only performed transshipment of scrap iron, measuring the radioactivity of shipments, keeping records, calculating dust immissions into the environment and measuring wastewater from oil interceptors.

In accordance with the Decree on checking the radioactivity of consignments that could contain orphan sources (Official Gazette of the Republic of Slovenia, No. 10/2019), we began performing measurements in November. We obtained authorization for taking measurements from the Slovenian Nuclear Safety Administration (SNSA), to which we have already submitted an annual report on the performed measurements.

We have not received any decisions for the implemented inspections (more in Chapter 23.5.4 Inspections).

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<sup>106</sup> GRI GS 307-1, 419-1, 103-1, 103-2, 103-3, 303-4

### 23.4.2. Compliance with internal requirements<sup>107</sup>

In monitoring total dust, the set target of 200 mg/m<sup>2</sup> per day was achieved, the average annual value having been slightly higher than in the previous year but below the target value. In 118 measurements, 7 exceedances were measured, which is above the set target (the target being 5 exceedances).

In monitoring the immissions of PM10 particles in the entire port area, the set internal target was achieved.

In energy management, the targets for specific fossil fuel consumption and drinking water consumption for the port's activity were met, however, the target for electricity consumption was not met. Deviations in target indicators are explained in related chapters.

The sea water protection system is being maintained and upgraded in a way to help meeting the set target without contaminations outside the port water area.

At the Company level, internal targets have been set for night, day and evening noise reduction on all three sides of the port, where meters are installed. The values of the internal targets were set according to the limit values defined in the previous regulation on noise emissions. Despite the fact that the limit values in the new Regulation increased, we decided not to change the target values. In the direction of Ankaran and Bertoki, objectives are achieved in all three parts of the day (day, evening, night), they are also achieved in the direction of Koper in daytime, but not also in the evening and at night. It is estimated that in the coming years the set target for evening noise (now exceeded by 1 dB) could be achieved based on all activities, investments in electrification and modernisation on the first quayside and Pier I. At the same time, it is estimated that the set target for night noise in the direction of Koper (now exceeded by 5 dB) is not realistically achievable despite all measures. With an authorized noise measurement provider, model calculations will be made of the internal target value for the night period that would be realistically achievable.

The wastewater treatment system at the livestock terminal has been updated, and measurements will be carried out in early 2022.

In the field of waste collection, the target of more than 91% share of waste collected separately excluding ship-generated waste is being met. At the company level, the defined intervention time of the fire brigade is ensured (from receipt of notification to arrival) for fire interventions and accidents with bodily injuries, and the goals of complete prevention of major industrial accidents and full implementation of inspection decisions have been achieved.

The target, according to which no inspection or internal measures were required for interventions in space, was achieved.

The target in the field of marine protection was also achieved, as there has not been a single case of marine pollution outside the port water area.

The range of the area of underwater meadows (*Cymodocea nodosa*, *Zostera noltii*) was also preserved compared to the 2018 reference period.

## 23.5. Public communication<sup>108</sup>

### 23.5.1. Results of a public opinion poll

Each year, a public opinion poll is carried out among the local population on the perception of Luka Koper, its relationship to the environment, and the company performance. Most of the respondents are from the local communities of Semedela or Zusterina (49.4%), Koper central (22.6%), Bertoki or Hrvatini (15.9%), and the municipality of Ankaran (12.1%). Throughout the years the survey was held, the sample has remained the same, and included all age groups and equally both sexes. The majority of respondents (91.0%) found Luka Koper to be a successful/very successful enterprise.

Respondents believe the biggest sources of pollution in the local environment to be:

- Port activity (34.9%, 2020: 37.3%),
- Road transport (26.6%, 2020: 27.7%),
- Industry in Trieste (9.4%, 2020: 11.5%), and

<sup>107</sup> GRI GS 307-1, 419-1, 103-1, 103-2, 103-3

<sup>108</sup> GRI GS 413-1

- There are no other sources of industrial pollution in Slovenian Istria, and are therefore not mentioned.

According to 31.1% of the respondents (2020: 34.2%), Luka Koper's environmental protection programme is good (rating it a 3 on a scale from 1 to 5); 32.0% (2020: 32.9%) believe it is very good (rating it a 4), while 19.6% (2020: 17.0%) have rated the Company's environmental protection programme as excellent (5). 11.0% (2020: 12.6%) of the respondents deem the Company's performance in this area poor or fair. It is encouraging that the proportion of respondents who believe Luka Koper to be having good or very good environmental protection (grade 4 or 5) has risen. The average score (on a scale of 1 to 5) has risen slightly over the last year, from 3.52 to 3.62.

	2019	2020	2021
public assessment of the environmental impact of the port	3.59	3.52	3.62

### 23.5.2. Important public communication events

On the basis of the signed Agreement on the implementation of mitigation measures to reduce the environmental impact of port activities with the Municipality of Koper, a call for proposals to award grants for the implementation of mitigation measures to reduce the impact of port activity emissions was conducted again for years 2021 and 2022. Based on the report of the Municipality of Koper, 12 facilities were eligible for the allocation of funds, and the rest have the opportunity to apply in the next application period. A comprehensive rehabilitation was carried out in one case.

We deal with every complaint in the field of the environment and try to resolve it successfully with the help of other specialised departments within the company. In the case of noisy ships, shipowners are informed about the noise level and called to action, and then also informed of the results of the analysis of effectiveness of noise reduction measures. We have asked the Slovenian Maritime Administration, which carries out inspections on ships and allows entry, to assist in the solving of the noisy ships problem. Thus, a request to shipowners regarding noise reduction was added to the Port Information Guide (Port & terminal info book | Port of Koper (luka-kp.si)).

### 23.5.3. Registered and processed environmental complaints<sup>109</sup>

Environmental complaints are accepted by telephone, through a web application and the media. A total of 18 complaints were recorded, of which fifteen were related to excessive noise, one to smoke and stench from a warship when starting ship engines, one to the payment of costs when taking over waste from ships, and one to dusting during coal transshipment.

Out of a total of fifteen complaints related to excessive noise or vibration noise, seven related to the noise of ships from the Koper area, and one to the noise of piling pilots during the extension of Pier 1. The remaining seven complaints were related to noise from the direction of Ankarana and also with the noise of ships. In all cases of noisy ships, we tried to form an agreement with the shipowner's agent or the command of the ship to take action. Since the source of ship noise may vary (e. g. pumps, ventilation, cranes, engine, vibrations), the measures taken by the shipowner are also diverse and of varying effectiveness. In most cases, shipowners or ship commanders understand the issue, and if possible or given the opportunity, they listen and take action. Sometimes the result is quite noticeable, but sometimes there is also no effect. In the case of a complaint related to the noise of pile-driving, we checked the results of noise measurements and the execution time and did not find any discrepancies with the received environmental consent.

One complaint was received because of the smoke and stench caused by starting the engines of a warship moored at the passenger terminal. At the time of the incident, we informed the competent maritime inspector, who carried out an inspection on the ship, but we received no feedback.

The complaint made due to the payment of costs upon the take-over of waste was the result of agreements and disagreements between the ship's agent and the freight forwarder, but it was concluded successfully. The costs were settled.

The complaint related to dusting was due to the handling of extremely dry coal in the warehouse. Work was suspended as the cargo had to be wet before the process could continue.

<sup>109</sup> GRI GS 413-1

#### 23.5.4. Inspections<sup>110</sup>

The deficiencies identified from the inspections were not of such a nature as to have an impact on the environment.

Inspectorate	Start date of notification of the process	Subject matter	Findings
Inspectorate of the Republic of Slovenia for Protection against Natural and Other Disasters	23 February 2021	Review of measures to help mitigate the effects of the second wave of the COVID-19 epidemic.	No violations were found.
Inspectorate of the Republic of Slovenia for Protection against Natural and Other Disasters	23 February 2021	The subject of supervision was the assessment of the state of fire safety in the Administrative Building of the Port of Koper, the parking garage, the archive and the central warehouse.	It was established that it is necessary to obtain a certificate of faultless operation of security lighting in the parking garage by the deadline of 30 June 2021, which was also confirmed by the inspection on 6 July 2021 on the basis of Minutes No 0611-618 / 2021-3.
Inspectorate of the Republic of Slovenia for Protection against Natural and Other Disasters	23 February 2021	The subject of supervision at the liable party is the state of fire safety in the premises of the SECURITY AND CONTROL CENTRE.	A warning was issued to the liable party on the basis of Article 33 of the Inspection Act that two deficiencies had to be remedied by 30 June 2021, i.e., a certificate of faultless operation of safety lighting and a certificate of faultless operation of the fire detection and alarm system had to be obtained. Both measures were implemented, as evidenced by the inspection report No 0611-619/2021-3 of 6 July 2021.
Inspectorate of the Republic of Slovenia for Protection against Natural and Other Disasters	20 May 2021	The purpose of the inspection was to determine the ready availability of water supply for fire fighting in Luka Koper, d. d.	In accordance with Article 33 of the Inspection Act, a deadline was set for the remediation of the identified deficiencies, i.e., supplementing the content of an appendix to the fire regulations for shared facilities and preparing the missing annex – record sheets by 20 July 2021. Missing certificates on the smooth operation of the external hydrant network had to be obtained for the newly built, extended hydrant network or for modified or replaced parts of the hydrant network as part of the completed interventions from 2018 to 2021. To be remedied by: 20 Nov 2021. The deficiencies were remedied on 20 July 2021 with minutes No 0611-1717/2021-4 and on 20 Dec 2021 with minutes No 0611-1717/2021-5.
Inspectorate of the Republic of Slovenia for Protection against Natural and Other Disasters	30 Jun 2021	The purpose of the inspection was to remedy deficiencies in the field of fire protection at the livestock terminal.	A decision was issued that it was necessary to update the fire detection and alarm system in the General Cargo PC at the livestock terminal in accordance with the requirement of FIRE SAFETY ASSESSMENT No 031/20-PS, June 2020, made at LOZEJ, d. o. o., Ajdovščina, and obtain a certificate of faultless operation of the fire detection and alarm system, which has been carried out.

<sup>110</sup> GRI GS 307-1

Inspectorate of the Republic of Slovenia for the Environment and Spatial Planning	2 Jun 2021	Inspection of a facility with a high risk of accidents – SEVESO Data on the facility and the operator of the high environmental risk facility, maximum quantities of hazardous substances present (SEVESO) in the facility for 2020, identification and assessment of major-accident hazards, operation and maintenance of safety-relevant devices, and training of employees to handle major accidents involving dangerous substances were reviewed.	Based on the inspection, the procedure was stopped on 4 June 2021 as no irregularities were found.
Inspectorate of the Republic of Slovenia for Protection against Natural and Other Disasters	3 Nov 2021	A review of the threat assessment and the protection and rescue plan of the organisation that stores hazardous waste in the amount of 50 metric tons and more temporarily for at least 12 months was performed in Luka Koper INPO, d. o. o.	We updated the threat assessment for the port area by adding possible disaster scenarios for Luka Koper INPO, d. o. o., and the procedure was stopped by a decision.
Inspectorate of the Republic of Slovenia for the Environment and Spatial Planning	17 Dec 2021	Control of compliance with environmental protection requirements in the field of waste management, emissions of substances and heat into water and noise pollution.	Oral warning on the basis of Article 33 of the Inspection Act demanding that each shipment of waste for further processing by an acquirer outside the Republic of Slovenia must be provided with a certified document from Annex VII. The liable party was asked to send a copy of the correctly completed document from Annex VII to the address authority upon the first consignment sent for processing outside the Republic of Slovenia. In addition, a report on the first measurements performed for the KČN-21 small wastewater treatment plant had to be submitted to the address authority, as it was newly installed.

### 23.6. Environmental risk management and emergency response<sup>111</sup>

An important step in environmental preservation and improvement is to reduce the risk of incidents and improve emergency response procedures. At the level of Luka Koper, d. d., lists of environmental risks are also devised and maintained annually. The port has an emergency management and response system in place, not only for emergencies involving dangerous substances. This chapter lists and summarises the identified environmental incidents, all small-scale and with impacts limited to the site of the event (e.g. immediate vicinity of a vehicle). The complaints lodged by the local community are discussed in Chapter 23.5.3 'Registered and processed environmental complaints', while incidents at sea are discussed in Chapter 23.15.1 'Statistics for interventions at sea'.

As part of its activities, Luka Koper uses, transports and warehouses dangerous substances, oil and petroleum products, and manages work equipment and assets that carry a risk of accidents. An important step in environmental preservation and improvement is to reduce the risk of incidents and improve emergency response procedures by means of annual activities.

A review of threat assessments and the Protection and Rescue Plan was carried out. The plan will be approved by the Management Board of Luka Koper in the early 2022. The protection and rescue system in Luka Koper involves players from various areas of expertise, organisations and undertakings. In the event of interventions in emergency situations in the port area, the Luka Koper Professional Fire Brigade and Port Security Department are always involved, and if required, also the sea protection unit, Luka Koper INPO, d. o. o., Luka Koper Industry Volunteer Firemen Society, Luka Koper Civil Protection Unit, and other units in accordance with the protection and rescue plan.

The fire safety target is to ensure an adequate supply system and a sufficient quantity of water for fire extinguishing throughout the port area, and ensure proper firefighter intervention for specific objects. In 2018, the Investments Department devised the 2018–2023 Plan for the maintenance and repair of the water and hydrant network. In 2021, the hydrant network of warehouses 20A-C, 21A-D, 22A-D and 26A-C – phase II was renovated. Reconstruction of the hydrant and water supply network will continue on an accelerated basis in 2022 as well.

The Professional Fire Brigade currently employs 30 people who ensure a 24-hour on-call service. It has eight fire engines and seven trailers with various equipment in its fleet. In 2021, a total of 51,318 km was covered by fire trucks. The Fire Brigade provides operational and preventive fire safety work. Firefighting operations include fire-fighting and rescue in all types of accidents, providing medical aid to the sick and injured, and education and training with firefighting equipment. In 2021, the unit intervened in 594 events.

Preventive firefighting work, which the Fire Brigade carries out on a daily basis throughout the port, is crucial to maintaining an adequate level of fire safety and to preventing the circumstances that can cause a fire. Throughout the year, they carried out preventive patrols and inspections of facilities, inspected the hydrant network and fire extinguishing systems, participated in the renovation and construction of new facilities, trained employees in the field of fire safety and participated in inspections.

Regular training of professional firefighters is very important for maintaining a high level of knowledge and safety in interventions. The Professional Fire Brigade training takes place in the Firefighting School and internally in its own unit. Due to the COVID-19 epidemic, training programmes were conducted at a reduced level. 17 professional firefighters were referred to refresher training at the firefighting school. One hundred internal exercises on various firefighting topics were conducted in the port area.

An internal fire drill was conducted at the Port Waste Management Centre. At the drill, a fire was simulated at a waste wood collection site.



Internal fire drill in the Port's Waste Management Centre on 18 Nov 2021

<sup>111</sup> GRI GS 306-1, 306-2, 102-11

### Regional protection and rescue exercise 'Luka Koper 2021'

On Saturday, 16 October 2021, a regional protection and rescue exercise 'Luka Koper 2021' was carried out in the port area. The implementation of the exercise was planned already in 2020, but was postponed several times due to the coronavirus epidemiological situation.

The purpose of the exercise was to check theoretically and practically the management and operational functioning and cooperation, coordination and adequacy of the protection and rescue concept in the event of an accident with a dangerous substance in railway transport.

The aims of the exercise were:

- To check the capabilities and actions of protection and rescue forces in the event of an accident in the Coastal Region,
- To check communication and cooperation between individual rescue units and services,
- To check the adequacy of directing the intervention and of establishing joint intervention management,
- To check the organisation, equipment and training of protection and rescue forces, and the implementation of protection measures in the event of a railway accident.

Assumption of the exercise:

The accident occurred at the KŽ 16/1 level crossing, when a train composition with a dangerous substance collided with a road tanker with a dangerous substance. The road tanker was badly damaged in the collision, and there was also damage to the train composition. The driver was trapped and injured at the scene of the collision, and later a fire broke out in the road tanker. A dangerous substance leaked from the train composition. Several other people were also injured in the collision.

The exercise scenario also foresaw a terrorism-related event. The port security and members of the special police unit took part in devising the scenario.

Representatives of the units, services, bodies and companies participating in the exercise were appointed to the exercise planning team. The planning team coordinated the key issues in several meetings.

The following took part in the exercise: Luka Koper, Koper branch of the Administration for Civil Protection and Disaster Relief, ReCO Koper, Municipality of Koper, Slovenian Railways, Koper Fire Brigade, Koper Coastal Fire Brigade (Hrvatini, Dekani, Pobegi-Čežarji brigades), Koper Primary Health Centre, Izola Primary Health Centre, Police, Luka Koper INPO, Petrol, Slovenian Maritime Administration, Slovenian Water Agency, VGP Drava, and the national investigator of railway accidents.

The exercise was assessed by inspectors from the Inspectorate of the Republic of Slovenia for Protection Against Natural and Other Disasters, Postojna branch office, and individual representatives of units and services. The exercise was graded as good, meaning a job well done as expected.



### 23.6.1. Statistics for environmental incidents from 2019 to 2021<sup>112</sup>

Number in 2019	Number in 2020	Number in 2021	Description of events	Measures taken
76	79	115	Cracks in vehicle hydraulic systems (external vehicles and port machinery) or oil slicks detected on the asphalt surface.	Remediation by using absorbents and a machine / hand-held sweeper. Eco-points are located in key areas, where substances for quick remediation are available together with bins for spent absorbent disposal.
2	10	8	Leakage in the port's water supply system.	Repair of the leaking pipes.
4	11	6	Leakage and spillage of a small amount of petroleum products around vehicles.	Remediation by using absorbents and a machine / hand-held sweeper on the site.
2	4	3	Inadequate waste management within the port.	Adequate management of the collected waste in future.
1	5	9	Minor fire, onset of fire	In all cases, small, local fire onsets were extinguished and additional measures were introduced where necessary.
1	1	/	/	/

All emergencies were small-scale, managed and remedied at the site of occurrence, with no impact on the environment.

### 23.6.2. Presentation of the realisation of improvement programmes for better management of uncontrollable events

In 2021, the following was implemented:

- Several dry practice exercises were carried out,
- Cooperation activities with the Koper Fire Brigade were implemented,
- Combination of D2 and jet berths and technological equipment for connecting ships for liquid cargo,
- Purchase of a fire truck for transporting members of the Luka Koper Professional Fire Brigade,
- Purchase of the following firefighting and rescue equipment: a stretcher for the transfer of injured persons, a pneumatic diaphragm pump for petroleum products and a cart with tools,
- Technical protection of fire pump stations,
- Installation of an additional camera in the port Waste Management Centre, introduction of two-hour patrols (outside operating hours) and keeping records of this,
- 'Luka Koper 2021' regional protection and rescue exercise,
- Purchase of an electric forklift for the Ex area.



The following was not implemented in 2021:

<sup>112</sup> GRI GS 306-1, 306-2

- Complete installation of active fire protection systems in the 'central changing rooms' facility,
- Complete modernisation of the INPO waste management centre,
- Complete preparation of project documentation for the new fire station,
- Complete restoration and redesign of the hydrant pipeline between the TH1 and TH2 halls,
- Complete replacement of inappropriate equipment to ensure explosion-proof (Ex) design at fuel filling points,
- Complete fire alarm process at the livestock terminal,
- Complete the fire alarm process in warehouses 22 A, B, C, D at the general cargo terminal.

### 23.6.3. Improvement programmes for better management of uncontrollable events for 2022



The following measures will be implemented in 2022:

- Complete the installation of active fire protection systems in the 'central changing rooms' facility,
- Complete the fire alarm process at the livestock terminal,
- Complete the fire alarm process in warehouses 22 A, B, C, D at the general cargo terminal.
- Complete the restoration and redesign of the hydrant pipeline between the TH1 and TH2 halls,
- Complete the replacement of inappropriate equipment to ensure explosion-proof (Ex) design at fuel filling points,
- Update the active fire protection system with new cannons for the TC1 berth,
- Modernise the cooling and fire extinguishing system on methanol tanks,
- Continue the procedures for the construction of the fire station,
- Strive to improve cooperation with the Koper Fire Brigade and conduct joint fire drills for better cooperation in interventions,
- Continue to modernise the INPO waste management centre and relocation projects,
- Make investments in the rehabilitation of the hydrant and water supply network in accordance with the maintenance and investment plan,
- Purchase vehicle moving dollies,
- Purchase fire-retardant tarps,
- Replace two portable fire pumps,
- Purchase overpressure fan, electrical or battery-powered,
- Purchase a submersible pump for storm water,
- Purchase transport trolleys for firefighting equipment,
- Prepare a fire safety study on transshipment and storage of alternative fuel vehicles.

## 23.7. Emissions/immission from services

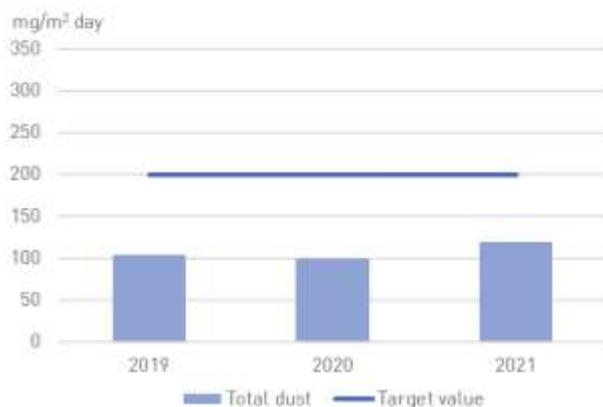
### 23.7.1. Total dust in the port <sup>113</sup>

#### Results of total dust measurement inside the port

The average annual dust concentration in 2021 was 120 mg/m<sup>2</sup> per day, which is an increase of 20% from 2020, but still within the set target. 7 exceedances were recorded in 118 measurements, which is more than the target value (5 exceedances), and the target was only partially achieved. Values were exceeded at the measuring point east of the coal and iron ore landfill in March and August, at the head of Pier II in February, March, June and July and on the SE edge at pillar No 500 in the month of June.

<sup>113</sup> Emissions/immission from services – additional indicator (ref GRI GS 305-7)

### Average annual total dust concentration inside the port, all monitoring points in the port combined



### 23.7.2. Concentrations of harmful particulate matter<sup>114</sup>



In the port area, the concentrations of particulate matter with particles up to 10 µm (PM<sub>10</sub>) and up to 2.5 µm (PM<sub>2.5</sub>) are monitored by the University of Primorska.

#### Results of measurement of particles up to 10 µm (PM<sub>10</sub>)

Figure 1: Metering devices for monitoring fine dust particles: Monitoring point No 3 – LKP Ankaran, Monitoring point No 4 – LKP Koper, Monitoring point No 2 – towards Bertoki.



Results of PM<sub>10</sub> particle measurements provided by the devices in the port that allow for automatic online display (LKP Ankaran and LKP Koper) are available on the website <http://www.zivetispristaniscem.si/>.

As a comparison, the Company additionally displays the results of measurement by a device installed in Markovec, which is managed by the Slovenian Environment Agency. Annual average concentrations of particulate matter (PM<sub>10</sub>) in the Port of Koper are below the legal limit value of 40 µg/m<sup>3</sup> and below the internal target value of 30 µg/m<sup>3</sup>. The Decree on ambient air quality sets the daily PM<sub>10</sub> concentration limit for the protection of human health at 50 µg/m<sup>3</sup>, with no more than 35 exceedances per year. At all three monitoring points, the concentrations were

<sup>114</sup> Emissions/immission from services – additional indicator (ref GRI GS 305-7)

lower than in the previous year and below the legal limit. Some exceedances were recorded, i.e., at Monitoring point No 2 - in the direction of Bertoki, the daily limit value was exceeded 6 times, at the Ankarano-Rožnik monitoring point 3 times and at the Passenger Terminal location 7 times. Exceedances were also detected at the Markovec monitoring point, which occurred 6 times. Luka Koper is compliant with these provisions as well.

**Results of PM<sub>10</sub> measurement on the edges of the port, in µg/m<sup>3</sup>**

	2019	2020	2021
Monitoring point No 3 – LKP Ankarano	15*	19	15
Monitoring point No 2 – towards Bertoki	18	20	17
Monitoring point 4 No – LKP Koper	18	20	16

\*As the original instrument was being calibrated at this monitoring point, comparative measurements were taken throughout the year using a different reference instrument.

**Exceeding daily limit values across Slovenia**

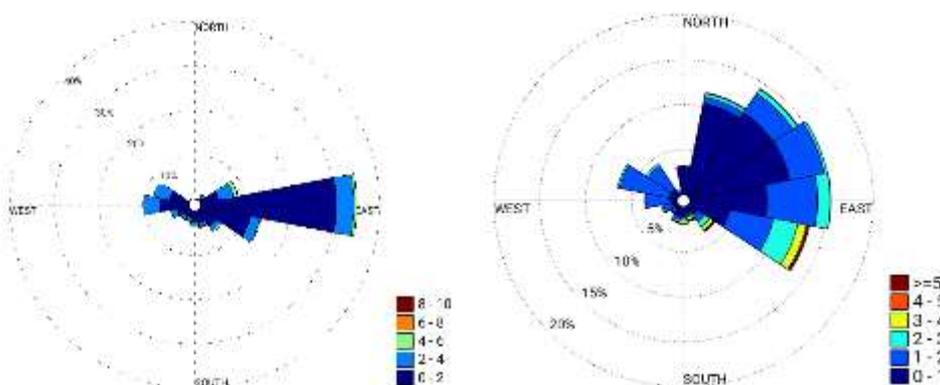
A comparison of measurements carried out by The Slovenian Environment Agency in different locations in Slovenia shows that daily exceedances of the limit value occur at all measuring points. Most exceedances are observed in winter and are the result of higher emissions from domestic fireplaces and meteorological influences, such as low wind speeds and low altitude of air mixing.

**Exceedances of the limit value 50 µg m<sup>-3</sup> in 2021 at various monitoring points across Slovenia.**

merilno mesto	januar	februar	marec	april	maj	junij	julij	avgust	september	oktober	november	december	skupaj
Čelje bolnica	0	1	1	0	0	3	2	0	2	0	1	1	13
Čelje Mornaršica	2	2	2	1	1	1	1	1	1	1	1	1	16*
Čelje Ljubljanska	1	1	0*	0	0	2	0	0	0	0	2	1	9*
Devide	2	2	0	0	0	0	0	0	0	0	0	0	4
Hrastnik	0	2	0	0	0	2	1	0	0	0	2	1	8
Iskra	0	0	0	0	0	1	0	0	0	0	0	0	1
Koper	2	4	0	0	0	0	0	0	0	0	0	2	8
Kranj	0	1	0	0	0	0	0	0	0	0	0	1	2
Ljubljana Bežigrad	1	1	0	0	0	2	0	0	0	1	0	0	5
Ljubljana BF	1	1	0*	1	1	1	1	1	1	1	1	1	11*
Ljubljana Celovška*	0	4	0	0	0	2	0	0	0	1	0	1	9
Ljubljana Vič	1	1	0*	0	0	3	0	0	0	1	0	1	8*
Maribor Titov	0	0	0	0	0	0	0	0	0	0	1	1	3
Maribor Vrbovski plato	0*	2*	0	0	0	0	0	0	0	0	0	0	4*
Murska Sobota Čankarjeva	2	11	2	0	0	0	0	0	0	4	4	1	24
Murska Sobota Raldčan	0	3	1	0	0	1	0	0	0	1	0	2	8
Novo Gorica Gričava	2	1	0	0	0	0	0	0	0	0	0	1	4
Novo Gorica Vojkova	2	1	0	0	0	1	0	0	0	0	0	2	6
Novo mesto	0	1	0	0	0	1	0	0	0	1	0	0	3
Plaj	0	0	0	0	0	0	0	0	0	0	0	0	0
Trbovlje	2	1	0	0	0	0	0	0	0	0	0	1	4
Velenje	0	1	0	0	0	2	0	0	0	0	0	0	3
Zasorje	0	1	0	0	0	2	0	0	0	0	0	2	5
Zavrje	0*	2	0	1	0	2	0	0	0	0	0	1	6*

\* Insufficient valid measurements, for information purposes

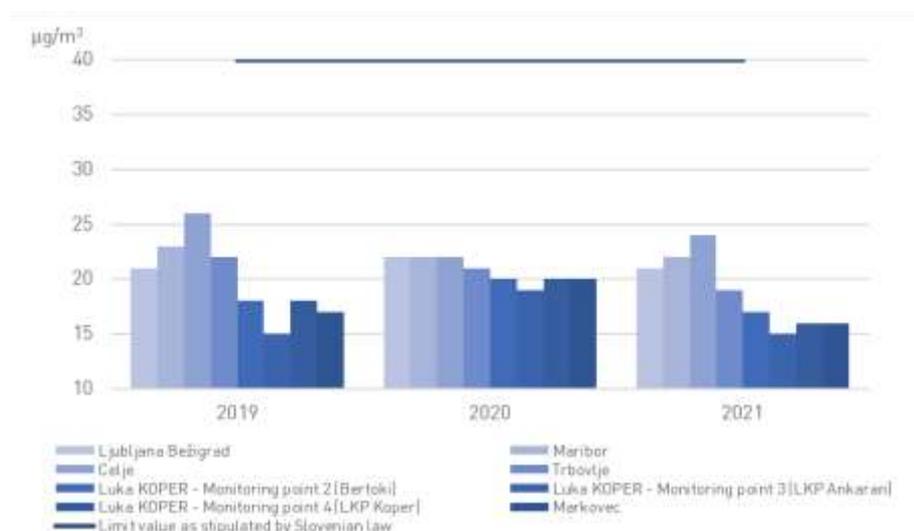
Wind rose, January to July 2021 (left), Wind rose, July to December 2021 (right)



Wind speed is expressed in m/s.

The left figure shows data for the first half of the year when measurements were performed with the AMS 156 meteorological station, and the right figure shows data for the second half of the year when measurements were performed with the new Lufft WS600-UMB meteorological station, into which the EDM365 meter is integrated.

### Comparison of annual PM10 concentrations in the port and some other monitoring points across Slovenia\*



\*Source: <http://www.arso.gov.si/zrak/kakovost%20zraka/podatki/>

The data for 2021 has not yet been finally confirmed by ARSO.

### Results of measurement of particles up to 2.5 µm (PM2.5)

PM<sub>2.5</sub> particles are also monitored in the port, at two locations (Monitoring point No 4 - LKP Koper and Monitoring point No 3 - LKP Ankaran). The results are presented in the table below.

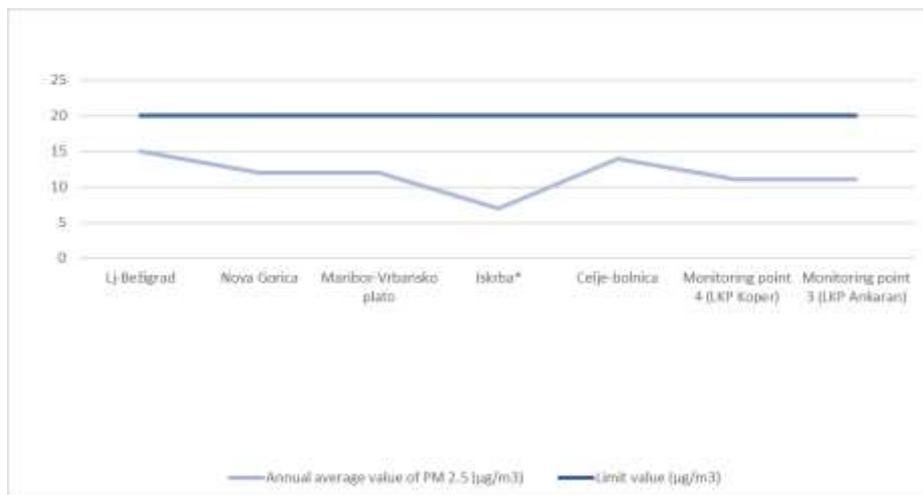
#### Results of PM2.5 (in µg/m<sup>3</sup>) measurement on the edges of the port

	2019	2020	2021
Monitoring point No 4 – LKP Koper	12	14	11
Monitoring point No 3 – LKP Ankaran	10*	14	11

The average concentrations of PM<sub>2.5</sub> particles at both monitoring points in the port are below the legislative value of 20 µg/m<sup>3</sup>.

At the same time, The Slovenian Environment Agency measures PM<sub>2.5</sub> particles on five locations across Slovenia: Ljubljana – Bežigrad, Nova Gorica, Maribor Vrbanški plato, Iskrba, and Celje. The Iskrba monitoring point is located far from large polluters to measure natural background levels. The graph below shows the annual concentrations of PM<sub>2.5</sub> particles at the mentioned monitoring points.

Annual concentrations of PM<sub>2.5</sub> particles at various monitoring points in Slovenia and within the port in 2021



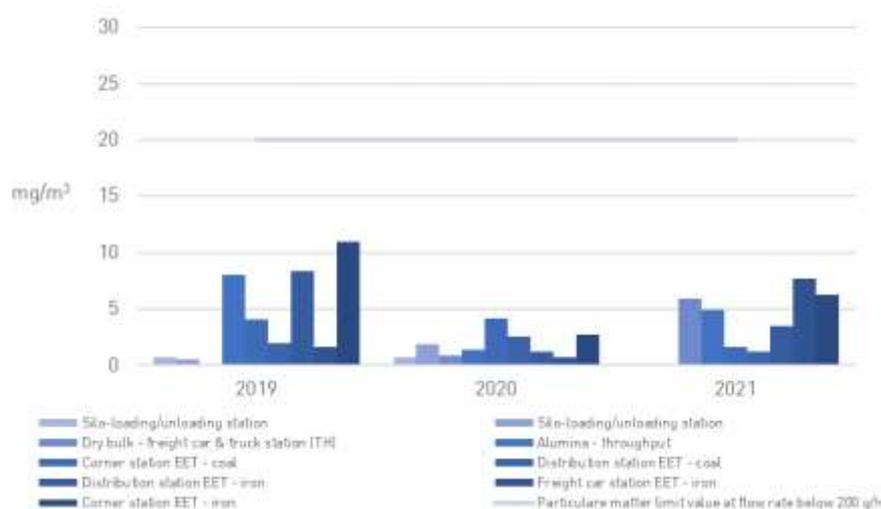
Source: <http://www.arso.gov.si/zrak/kakovost%20zraka/podatki/>

23.7.3. Emissions of substances at key sources<sup>115</sup>

Results of particulate matter emissions measurement at key sources in the port

Stipulated by law, the measurements are taken by an authorised organisation in the immediate vicinity of the stationary installations that are potential sources of particulate matter (e.g. while loading/unloading freight cars, trucks). There are several monitoring points at each terminal. The number of measurements varies from year to year, either due to the volume and type of throughput, or due to changes in legislation. Limit values depend on the mass flow rate and consequently on the weather. The results are all compliant with the granted environmental permit. The limit value for particulate matter concentration is 20 mg/m<sup>3</sup>, as the total dust mass flow rate is equal to 200 g/h.

Results of annual measurement of particulate matter emissions at varying sources



<sup>115</sup> Emissions/immission from services – additional indicator (ref GRI GS 305-7)

### Presentation of the results of measuring emissions from combustion plants used for technological purposes

In the port area, there are combustion plants used for technological purposes. The results of operational monitoring of the quality of exhaust gases from these devices are presented in the tables below and are compliant with the legislation.

#### Results of the measurement of atmospheric emissions and prescribed limit values of medium combustion plants used for heating tanks in the facility for collecting marine oils - the bilge plant

Substance	Maximum value		Mean value		Limit value
	mg/m <sup>3</sup>	g/h	mg/m <sup>3</sup>	g/h	mg/m <sup>3</sup>
Smoke number	0	/	0	/	1
Carbon monoxide	237.0	32.5	162.4	14.6	170
Nitrogen oxides expressed as NO <sub>2</sub>	328.6	24.9	177.7	13.1	250
Sulphur oxides expressed as SO <sub>2</sub>	24.9	3.8	11.2	1.3	1,700

#### Results of the measurement of atmospheric emissions and prescribed limit values of medium combustion plants used for timber drying at the wood terminal

Substance	Maximum value		Mean value		Limit value
	mg/m <sup>3</sup>	g/h	mg/m <sup>3</sup>	g/h	mg/m <sup>3</sup>
Carbon monoxide	56.7	15.8	32.2	9.1	80
Nitrogen oxides expressed as NO <sub>2</sub>	111.6	31.1	90.4	19.6	100
Sulphur oxides expressed as SO <sub>2</sub>	4.7	1.3	1.8	0.5	10

#### Results of the measurement of atmospheric emissions and prescribed limit values of medium combustion plants used for heating tanks at the liquid cargo terminal

Substance	Maximum value		Mean value		Limit value
	mg/m <sup>3</sup>	g/h	mg/m <sup>3</sup>	g/h	mg/m <sup>3</sup>
Carbon monoxide	12.5	1.3	11.2	1.2	100
Nitrogen oxides expressed as NO <sub>2</sub>	43.2	4.4	38.9	4.0	200
Sulphur oxides expressed as SO <sub>2</sub>	1.5	0.2	0.5	0.1	35

### Presentation of the results of measuring emissions from combustion plants used for sanitary purposes

In the port area, there are 10 boiler rooms for the purposes of heating facilities and preparation of hot sanitary water, where fuel oil or liquefied petroleum gas (LPG) is used as primary or reserve energy source. Emissions from these devices are checked by the chimney sweeping service. The results of atmospheric emissions are in compliance with the legislation for small combustion plants.

#### 23.7.4. Implementation of service emission/immission improvement programmes

In 2021, the following was implemented:

- Purchase of a bagging unit for filling mineral fertilizers in big bags at the dry bulk terminal.

The following was not implemented in 2021:

- Completed renovation of dust suppression spraying on the MD3 coast crane at the coal and iron ore terminal,
- Purchase of a dry bulk cargo grab at the dry bulk terminal,
- Completed replacement of vacuum dust extraction systems at the silo and TH facility at the dry bulk terminal;
- Introduction of an entry system for the ESI (Environmental Ship Index) voluntary scheme which allows ships with more modern engines and consequently lower atmospheric emissions to pay a lower port fee, since the port fees were already lower during the epidemic and an incentive for additional lowering would not make sense.

#### 23.7.5. Service emission/immission improvement programmes for 2022

The following measures will be implemented in 2022:

- Purchase of a dry bulk cargo grab at the dry bulk terminal,
- Modernisation of dust suppression spraying on the MD3 coast crane at the bulk cargoes terminal,
- Arrange a dust protection wall for the loading bay at the grain silo,
- Introduction of the ESI (Environmental Ship Index) system.

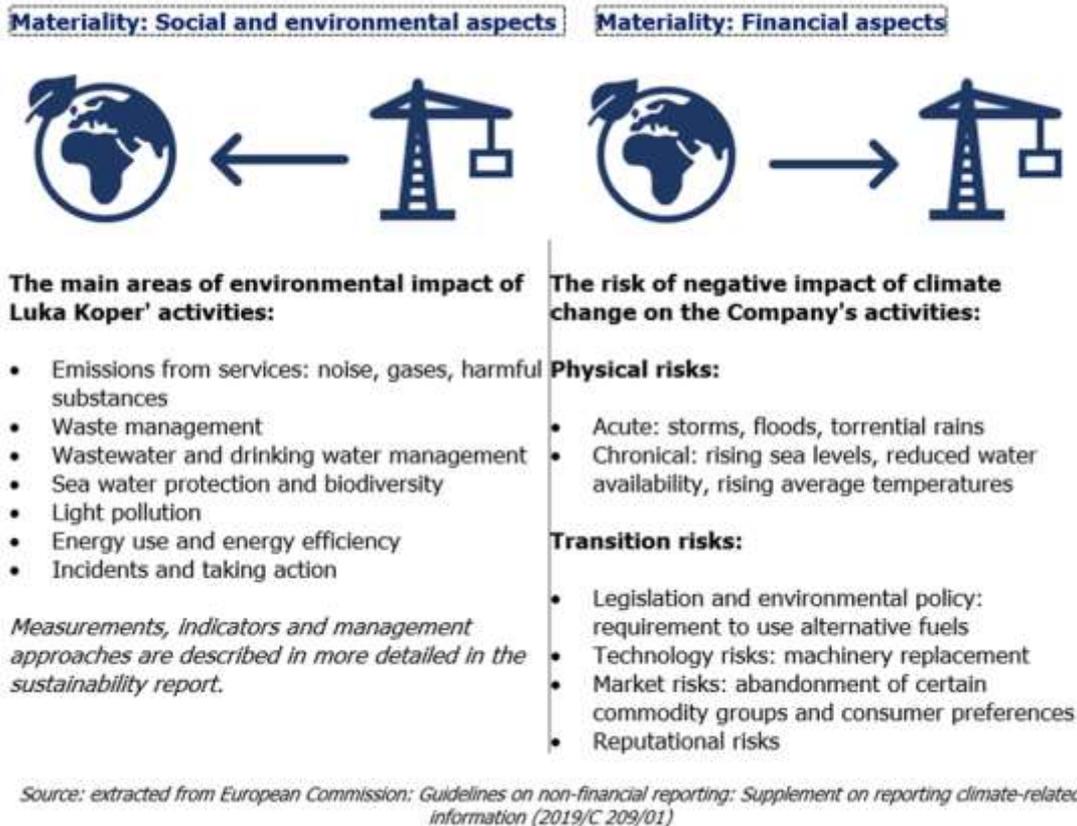
#### 23.7.6. Climate change and related opportunities <sup>116</sup>



It is estimated that climate change as a consequence of greenhouse gas emissions, with the resulting extraordinary events, has a strong impact on global and European economic losses (contributing three quarters, according to estimates) and social changes, however all financial calculations of consequences for the Company have not yet been made. The company has identified risks and opportunities related to climate change (taking into account short-term, medium-term and long-term consequences) and planned activities to reduce emissions, and to deal with the consequences of climate change. The risk management system is described in more detail in Chapter 14 'Managing risks and opportunities'. The planned activities and guidelines are integrated into the Company's strategic and annual plans. Climate change targets and indicators are presented in Chapters 23.7.7 Results of greenhouse gas emissions measurements and 23.10 Energy use and energy efficiency, and are checked quarterly.

The Company's operations can have positive or negative impacts, the latter when not implementing measures to achieve greater energy efficiency, using renewable energy sources, or following modern technologies. The Company's impacts on greenhouse gas emissions are negligible at the global level, but significant at the local or national level, as they contribute to achieving national greenhouse gas emission targets. Although the Company is not a member of associations or societies addressing climate change, its employees are regularly trained and educated in this field. A short animated film was also made for a simple presentation of activities for the rational use of energy and resources.

<sup>116</sup> GRI GS 102-11, 201-2

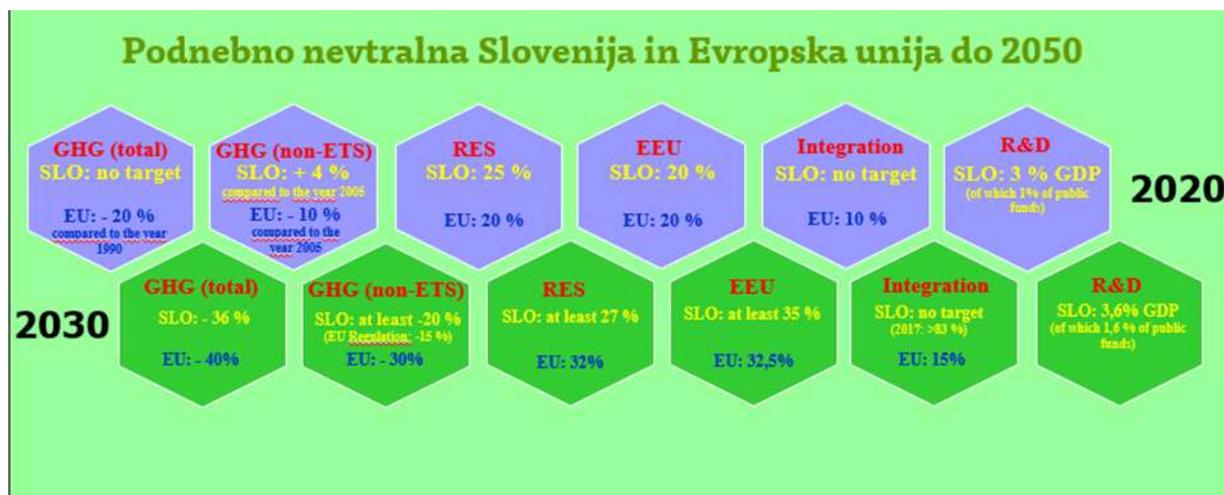


The identified climate risks and opportunities have not changed the Company's business model, whereas the Company's strategy has already been adjusted to focus on energy efficiency, emission reduction and resource efficiency, and the use of renewable energy sources. We are also aware of the opportunities associated with the efficient use of resources, which also leads to savings. It is also known that trees play an important role in capturing carbon dioxide (CO<sub>2</sub>) from the air, therefore, we plant them in the port where possible, thus at least partially compensating for land use changes when carrying out port expansions.

In our operation, we need drinking water for sanitary and technological purposes, which is described in more detail in Chapter 23.11 'Drinking water and groundwater management'. When developing new areas, we build at the appropriate height, taking into account the flood risk. With regard to human resources, we estimate that due to the rise in atmospheric temperature, it may be necessary to adjust the way of working outdoors in the future.

In the future, based on the adopted National Energy and Climate Plan and the European Green Deal, we can expect that we will have to accelerate the transition to alternative drives. Energy and climate targets are basically set at the EU level, i.e. as targets to be achieved by the EU as a whole. In the Company's strategic documents, we are committed to achieving targets at the level of the Republic of Slovenia.

## Greenhouse gas emission reduction targets at national and EU level



Source: Integrated National Energy and Climate Plan of the Republic of Slovenia

Countries such as the Republic of Slovenia, which have a relatively small energy system and a high initial share of RES, find it much more difficult to progress than others (even in the case of greater potentials and available financial resources), as a low share of RES in transport requires much higher shares in heat and electricity, which are often also unattainable. The introduction of RES in transport is extremely demanding in technical terms, as it is limited by various standards (distributors have to mix biofuels into fuels, e.g. a maximum of 7% of biodiesel can be mixed into diesel). By 2025, we plan to have installed in the port solar PV plants with the capacity of approximately 6 MWp in order to generate up to 20% of electricity for own consumption. By 2030, we plan to have installed solar PV plants with the capacity of approximately 10 MWp, which represents about 38% of the current electricity consumption of the entire port. We expect to achieve the set target of 27% of renewable energy consumption, as defined for the Republic of Slovenia.

Regarding the achievement of the energy efficiency target (EE), we are currently recording and calculating the effects of already implemented activities (in %) compared to the reference year 2007, as our strategic guidelines are aimed at the target set for the Republic of Slovenia (at least 35%). With regard to EE, an ISO 50001-compliant energy management system was introduced in 2020, we will continue to implement energy audits, we have classified port facilities into energy classes, replaced a part of equipment and switched to electrically powered systems.

## Identified climate risks and opportunities

### Risk 1: Tightening the environmental policy requirements at the national and EU level

**Type and subtype of climate risk:** Transition risk – environmental policies and legal risks

**Description:** Transport makes an important contribution to greenhouse gas emissions, which can be expected to lead to an increase in regulatory pressures towards the use of alternative fuels. Such fuels or energy sources serve, at least partly, as a substitute for fossil oil sources in the energy supply to transport, contribute to its decarbonisation, and enhance the environmental performance of the transport sector.

In the future, based on the adopted National Energy and Climate Plan and the Green Deal, we can expect to have to gradually continue the transition to alternative drives. At the end of March 2021, the European Commission adopted a new target for reducing greenhouse gas emissions, i.e. by at least 55% by 2030 compared to the 1990 levels. Slovenia has set itself the target of a 15%-reduction in GHG emissions in sectors not included in the emissions trading system compared to 2005, and a 27% share of energy from RES. These objectives are likely to be in line with those of the EU in the coming years.

According to current forecasts, further tightening of targets is expected in both at the national and EU levels, and in the future there may also be a transfer of targets to producers of emissions. In the event of non-compliance with the requirements, Luka Koper could face the payment of fines, lawsuits or the loss of reputation, which could result in a drop in throughput.

Adapting to these requirements will bring an additional financial burden to the Company related to investments in the replacement of equipment and the construction of additional infrastructure. Such an example is the requirement to provide infrastructure to enable ships in the port to connect to the electricity grid in accordance with the Decree establishing the infrastructure for alternative transport fuels, under Directive 2014/94/EU of the European Parliament and of the Council of 22 October 2014 on the deployment of alternative fuels infrastructure.

**Time horizon:** long term (10 years)

**Probability:** medium

**Estimated consequences:** Adoption of stricter environmental policies, which in order to reduce negative effects on the climate at the national level may increase the price of energy products for customers, which include Luka Koper (a 10% price increase would result in EUR 0.7-1.0 million). In the future, payment for allowances could be introduced for large energy consumers, and the state could also introduce penalties in case of non-compliance with emission commitments. The Company currently lacks sufficient information to quantify the impacts of stricter environmental policies.

**Response methods:** Regarding the improvement of energy efficiency, an ISO 50001-compliant energy management system was introduced in 2020. Regarding the investment in infrastructure that will enable ships in the port to connect to the electricity grid, we have already prepared a conceptual design, determining the approximate value of the investment at EUR 58 million, which was also included in the 2021-2025 Port Development Programme as confirmed by the Slovenian Government on 24 February 2021. An agreement has been concluded with ELES Electric power transmission company on the construction, co-financing and sharing of investments in the 110/x kV Luka Koper substation and the connection line to the port. By 2030, we plan to have installed in the port solar PV plants with the capacity of approximately 4 MWp, which is listed among opportunities, as savings in energy consumption will also be realised from this.

We estimate that it will be possible to gradually replace the existing diesel-powered terminal tractors, which are the largest consumers of fuel in the port, with electrically powered terminal tractors (e-TT), and supply additional e-TT due to increased throughput; however, this technology is currently under development and therefore still expensive. The process of electrification of terminal tractors is thus expected to be realised between 2027 and 2040. By 2030, the cost of a gradual transition to e-TT is roughly estimated at EUR 2.4 million, and by 2040 at an additional EUR 12.7 million. The estimate covers the difference between the purchase of diesel-powered terminal tractors and electrically-powered terminal tractors, for which a reduction of price is expected, and the construction of charging stations.

The gradual transition to electrically powered cars and vans is roughly estimated at EUR 3.7 million. This estimate covers the difference between the purchase of conventional passenger cars and vans with internal combustion engines and electrically powered vehicles, and the construction of charging stations. By 2025, the cost of e-mobility is roughly estimated at EUR 0.5 million, by 2030 at additional EUR 0.5 million, and by 2040 at another EUR 2.7 million.

## Risk 2: Sea level rise

**Type and subtype of climate risk:** physical risk (chronic)

**Description:** Global warming and melting glaciers can lead to rising sea levels, which can result in flooding of shores and storage areas and the destruction of cargo. In the future, it may be necessary to move the road and railway infrastructure or to protect it additionally with protective embankments and walls. Modified approaches to construction and spatial planning are needed to prevent damage (e.g. raising areas at risk of flooding to higher altitudes).

**Time horizon:** long term (10 years)

**Probability:** low

**Estimated consequences:** The Company currently lacks sufficient information to quantify the risk.

**Response methods:** As part of the national spatial plan, flood hazard maps were prepared in 2010, and constructions are carried out in accordance with the plan, which defines altitude requirements for different parts of the port. The company makes all investments in infrastructure in accordance with the requirements of the

national spatial plan, but does not monitor separately how much of the investment value relates to ensuring greater flood safety.

### Risk 3: Drinking water shortage

**Type and subtype of climate risk:** physical risk (chronic)

**Description:** Climate change in Slovenia in the field of operations of Luka Koper, d. d., will have a strong impact on water resources and water supply in the country and cause problems in the supply of drinking water, especially in summer. Rising temperatures and increased frequency and duration of heat waves may change energy consumption patterns and conditions for its production, and increase the need for green spaces in cities and paved areas.

**Time horizon:** long term (10 years)

**Probability:** medium

**Estimated consequences:** The scarcity of natural resources may lead to a rise in the prices of such goods. A 10% increase in water prices would mean a EUR 0.05 million increase in costs for Luka Koper, d. d.

**Response methods:** Implementation of activities from the plan for the rehabilitation of the internal water supply network (Luka Koper, d. d. spent EUR 0.4 million for these purposes in the past two years, and will allocate another EUR 2.6 million in the next three years). In case of shortage of drinking water in the port, activities from the action plan will be carried out. Drinking water losses are systematically monitored on a daily basis, and measures are taken in the event of leaks. In certain places, we have a fire protection system based on the use of sea water or water from wells, which makes us less dependent on the availability of drinking water for fire-fighting purposes.

### Risk 4: Storms and extreme weather events

**Type and subtype of climate risk:** physical risk (acute)

**Description:** Increased frequency and severity of extreme weather events may increase damage to cargo and infrastructure and cause economic damage.

**Time horizon:** medium term (5 years)

**Probability:** medium

**Estimated consequences:** In the event of major disasters and consequent water intrusion into warehouses and strong wind storms, damage may amount up to EUR 1.2 million.

**Response methods:** Appropriate insurance has been taken (Luka Koper, d. d. allocates EUR 0.9 million per year to insurance). A wind metering system and a notification system have been set up (investment value EUR 0.05 million). Taking action is compliant with the instructions on preventive measures and measures in case of emergency weather conditions.

### Risk 5: Rising average temperatures and their impact on working conditions

**Type and subtype of climate risk:** physical risk (chronic)

**Description:** The number of heat waves in the summer is increasing, they are longer and more intense, and the resulting heat loads affect the productivity of employees and thus the Company's competitiveness. The impact on indoor work is lower, however, electricity consumption will increase due to increased use of air conditioners. According to a study by the International Labour Organization<sup>117</sup>, the highest heat loads are expected in populated areas of sub-Saharan Africa, southern India, northern Australia and south-east Asia, while Europe is expected to be less stressed.

**Time horizon:** long term (10 years)

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<sup>117</sup> ILO: Working on a WARMER planet, 2019

**Probability:** medium

**Estimated consequences:** The company currently lacks sufficient information to quantify the impact of rising average temperatures on productivity.

**Response methods:** Transportable equipment with air conditioners is being purchased. Adequate facilities are being ensured for the protection of employees, such as shady areas for retreat, and cold drinks/to be delivered to work sites.

#### **Risk 6: Reduced throughput of some commodity groups due to climate change**

**Type and subtype of climate risk:** Transition risk – market risks

**Description:** Due to regulatory requirements, ambitious environmental targets and changes in consumer behaviour, the throughput of some commodity groups may decline. The most exposed commodity groups are cars (car sharing, emission-free mobility requirements), thermal coal (greater impact of environmental organisations may lead to the phasing out of coal use and switching to other sources), and perishable goods, where throughput may decline due to adverse climate change in North Africa and the Middle East (drought, rising temperatures).

**Time horizon:** medium term (5 years)

**Probability:** medium

**Estimated consequences:** The consequences are estimated at EUR 4.5 million.

**Response methods:** Search for alternative commodity groups and flows, monitoring market conditions.

#### **Opportunity 1: Increased demand for or acquisition of some new commodity groups**

**Type and subtype of climate opportunity:** Market opportunity

**Description:** Due to regulatory requirements, ambitious environmental targets and changes in consumer behaviour, environmentally friendly products are becoming an increasingly good business opportunity. Countries are fighting climate change by promoting sustainable, resource-efficient and low-carbon growth, which increases demand for some new commodity groups. There are opportunities for transshipment of semi-finished steel products (to replace iron ore and coal), windmills, solar panels, batteries, electric cars.

**Time horizon:** medium term (5 years)

**Probability:** Very likely

**Estimated consequences:** Opportunities amount to EUR 5.6 million in additional revenue per year (EUR 1.7 million for general cargo PC and EUR 3.9 million for car terminal PC).

**Response methods:** Marketing activities to acquire new business.

#### **Opportunity 2: Energy efficiency savings**

**Type and subtype of climate opportunity:** Opportunity – efficient use of resources

**Description:** Luka Koper, d. d., has been concerned for improving the quality of life in the entire area in which the port is situated, and has been aware of the vulnerability of the natural environment. Being aware of the port's impact on the environment, Luka Koper has committed in its policies to sound management of the environment, hoping to preserve it for future generations. By doing so, it will also reduce its impact on climate change, which can also be an opportunity to reduce operating costs or costs of energy consumption.

**Time horizon:** long term (10 years)

**Probability:** Very likely

**Estimated consequences:** In 2030, the estimated savings at the annual level will amount to EUR 1.6 million and GHG emissions will be lower by 3,200 metric tons.

**Response methods:** By 2025, we plan to have installed in the port solar PV plants with the capacity of approximately 1.25 MWp, which would generate up to 4% of own electricity consumption. By 2030, we expect to have installed in the port solar PV plants with the capacity of approximately 4 MWp, representing about 14% of current electricity consumption and about 10% of projected port-wide electricity consumption in 2030, and enabling a reduction in GHG emissions by about 1,500 metric tons CO<sub>2</sub>. The construction of solar PV plants of such extent in the port is still economically justified according to the data known today. We expect to achieve the set target of 27% of energy from renewable sources. The electrification of tire-mounted bridge cranes (RTG) is estimated at EUR 6.2 million. This estimate covers the difference between the purchase of diesel-powered RTG cranes and electrically powered eRTG cranes and the construction of electricity infrastructure. By 2025, the cost of a gradual transition to eRTG is roughly estimated at EUR 3.3 million, and by 2030 at an additional EUR 2.9 million. The process of electrifying RTG cranes is expected to be completed by 2030. On average, the cost of energy in the transition from fuel to electricity is reduced by EUR 50,000 per year per each RTG crane.

### 23.7.7. Results of greenhouse gas emissions measurements<sup>118</sup>

With regard to cooling and air-conditioning equipment and devices containing fluorinated (ozone-depleting, HFC) greenhouse gases, 30% kg of leaks were recorded in 2021, which is considerably less than in 2020 (247.1 kg).

The gases discussed below additionally include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), and nitrous oxide (N<sub>2</sub>O), produced as a result of fuel combustion to power the port machinery, fuel consumption for heating, and, indirectly, use of electricity for processes in the port. To allow comparisons and add up emissions of different greenhouse gases, the mass of a gas has to be multiplied by its global warming potential (GWP), expressed in relation to the global warming potential of CO<sub>2</sub>. Inside the port, we also have stationary equipment and cooling and air-conditioning devices with fluorinated (ozone-depleting, HFC) greenhouse gases, while the largest cooling systems use ammonia, which does not classify as one of the gases that cause the greenhouse effect. The volume of substance that escapes during operation is best indicated by the amount of substance that needs to be replenished to the device, which is reported by authorized device maintainers. Emissions from devices are limited by regular maintenance, regular servicing and inspection, and collection of gases from worn-out equipment.

The procedure for calculating CO<sub>2</sub> equivalent is taken from the standard SIST ISO 14064-1 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals. The carbon footprint was calculated for 2021, comprising emissions from fossil fuel combustion used to power the port machinery and for the heating of buildings, and indirect emissions from the use of electricity in the port area. We calculate direct greenhouse gas emissions from sources owned and controlled by the Company (volume 1), and indirect greenhouse gas emissions from sources resulting from the consumed electricity (volume 2). The conversion factors used for the carbon footprint calculation (volume 1, 2) are summarized from publicly available national data from the Division for the Environment and Climate Change of the Environment Directorate of the Ministry of the Environment and Spatial Planning (<https://www.gov.si/assets/organi-v-sestavi/ARSO/Podnebne-spremembe/Znacilne-neto-kaloricne-vrednosti-in-emisijski-faktorji-za-letno-2021.pdf>) and data on the average annual GHG emission intensity of electricity generation issued by the the Jožef Stefan Energy Efficiency Centre. The calculation of emissions released from antropogenic systems was performed using the publicly available GHG Protocol calculation tool (<https://ghgprotocol.org/ghg-emissions-calculation-tool>).

2019	Total consumption (MWh)	Emission factor [kgCO <sub>2</sub> eq/kWh]	Total emissions [kgCO <sub>2</sub> eq/year]
<b>Direct emissions (volume 1)</b>	48,748		15,917,431
Diesel	46,269	0.267	12,353,713
Light fuel oil	723	0.267	193,041
Liquefied petroleum gas - LPG	119	0.227	27,013
Electricity - own production SPP	247	0	0
Wood biomass	1,390	0	0
Greenhouse gases			3,343,664
<b>Indirect emissions (volume 2)</b>	27,305		10,239,189
Electricity	27,305	0.375	10,239,189
<b>TOTAL</b>	<b>76,052</b>		<b>26,156,620</b>

<sup>118</sup> GRI GS 305-1, 305-2, 305-6

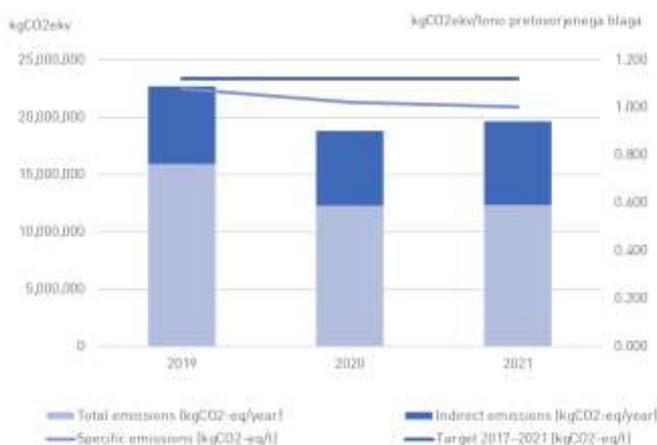
2020	Total consumption (MWh)	Emission factor [kgCO <sub>2</sub> eq/kWh]	Total emissions [kgCO <sub>2</sub> eq/year]
<b>Direct emissions (volume 1)</b>	45,385		12,250,823
Diesel	43,346	0.267	11,573,475
Light fuel oil	373	0.267	99,591
Liquefied petroleum gas - LPG	131	0.227	29,737
Electricity - own production SPP	254	0	0
Wood biomass	1,281	0	0
Greenhouse gases			548,020
<b>Indirect emissions (volume 2)</b>	26,435		9,543,057
Electricity	26,435	0.361	9,543,057
<b>TOTAL</b>	<b>71,820</b>		<b>21,793,880</b>

2021	Total consumption (MWh)	Emission factor [kgCO <sub>2</sub> eq/kWh]	Total emissions [kgCO <sub>2</sub> eq/year]
<b>Direct emissions (volume 1)</b>	47,342		12,335,750
Diesel	45,308	0.267	12,086,351
Light fuel oil	385	0.267	102,662
Liquefied petroleum gas - LPG	125	0.227	28,447
Electricity - own production SPP	241	0	0
Wood biomass	1,283	0	0
Greenhouse gases			118,290
<b>Indirect emissions (volume 2)</b>	29,336		10,590,405
Electricity	29,336	0.361	10,590,405
<b>TOTAL</b>	<b>76,679</b>		<b>22,926,155</b>

In 2005, Luka Koper, d. d. generated 14,945,549 kgCO<sub>2</sub>eq for its operations, and in 2021 22,926,155 kgCO<sub>2</sub>eq, which means a 53.4% increase in GHG emissions compared to a 74.5% increase in shipping.

Based on efficient energy use and further investments in obtaining renewable energy sources, Luka Koper will follow the National Energy and Climate Plan target for reducing greenhouse gas emissions. The baseline specific value was set to the value of emissions per metric ton of goods transhipped in 2017, when this amount was reported for the first time in the GRI report.

### Greenhouse gas emissions



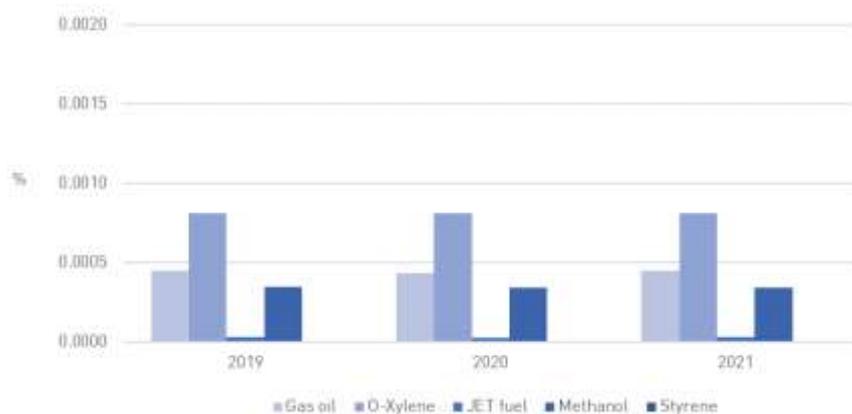
Total emissions increased by 6.9 percent compared to the previous year. With the increased ship throughput (+6.5%), total emissions also increased, mainly due to higher electricity consumption. The set specific target value was attained in 2021.

**23.7.8. Volatile compound emissions measurement<sup>119</sup>**

**Results of volatile compound emissions measurement**

The main source of diffuse emissions of volatile compounds includes varying handling activities on the liquid cargoes terminal (e.g. filling and emptying mobile or stationary reservoirs, breather valves on reservoirs). As reservoirs have no standard stack to discharge waste gases into the atmosphere, measurement is not possible. However, using software developed by the United States Environmental Protection Agency (EPA), an authorised person can calculate the annual emissions of volatile compounds. In the calculation process, the characteristics of the reservoirs, the type and amount of the material stored, and meteorological data are considered. No limit values are stipulated.

**Annual losses of volatile compounds from reservoirs on the liquid cargoes terminal**



In 2021, annual losses of volatile compounds from reservoirs on the liquid cargoes terminal included gas oil with 2,810.8 kg, o-Xylene with 77.9 kg, jet fuel with 20.7 kg, and methanol with 566.8 kg. No styrene was put through in 2021.

The liquid cargoes terminal also houses a cryogenic cooling device (VRU-vapor recovery unit) designed to contain vapours generated during the loading of wagons and trucks. Measurements of air emissions from the said treatment plant were within the legal limits.

**Results of the measurement of atmospheric emissions and prescribed limit values of the VRU unit at the liquid cargo terminal**

Substance	Maximum value		Mean value		Limit value
	mgC/m3	gC/h	mgC/m3	mgC/h	mgC/m3
TOC*	2.8	0.1	2.8	0.1	50
Methanol	7.5	0.4	7.4	0.4	20

\*total organic carbon

<sup>119</sup> GRI GS 305-7

## 23.8. Waste management <sup>120</sup>



Port operation results in the generation of various wastes that are collected and processed separately or handed over to authorised organizations. Waste generated in Luka Koper, d. d., due to its activities is recorded according to the source of waste as port-generated waste (hazardous, non-hazardous, mixed waste), ship-generated waste (hazardous, non-hazardous, mixed waste) and construction waste.



Waste Management Centre



Waste Management Centre – composting facility

In 2021, 388 metric tons of waste generated by Luka Koper, d. d. were processed into compost in the port's Waste Management Centre, managed by the subsidiary Luka Koper INPO, d. o. o.



Waste Management Center - hazardous waste storage facility

<sup>120</sup> GRI GS, 306-1, 306-4, 306-5

Since the facility for collecting vessel bilge water marine oils and the Waste Management Centre store certain amounts of hazardous waste that could lead to a large-scale environmental pollution (IED device), a permit was obtained for both facilities in 2021.

Luka Koper d. d. also has an environmental permit for transshipment or temporary storage of scrap metal, waste plastics and rolling mills. Most of the waste originates from EU countries, and to a lesser extent from non-EU countries. In the port of Koper, goods, in this case waste, are explicitly only stored until the ship arrives. To the Company, goods or waste represent cargo like any other that travels through the port, where the Company acts only as one of the links in the transport and logistics chain. The scrap metals that are transhipped are classified as non-hazardous waste. In 2021, a total of 44,229 metric tons of scrap metals of classification numbers 19 12 02 (ferrous metals) and 12 01 01 (ferrous metal filings and turnings) were handled. Shipments of scrap metals were measured for radioactivity with the aim of verifying their legality. Also, records were kept on the shipments, dust emissions were recalculated and wastewater emissions were measured.

Luka Koper, d. d., also holds an environmental permit for the R3-type processing of scrap paper pulp, which is mixed with water and applied over coal and iron ore to reduce dust. In 2021, 1,056 metric tons of paper sludge were used, which is 465.64 metric tons less than in the previous year. The lower consumption is due to the reduced volume of coal throughput.

### 23.8.1. Results in waste management<sup>121</sup>

In 2021, somewhat more than 5,241 metric tons of waste in total was collected in the area of the port, of which 3,435 tons was sorted (hazardous – 481 tons, non-hazardous – 2,954 tons), 235 tons was mixed municipal waste, and 1,571 tons was ship-generated waste (hazardous – 849 tons, non-hazardous – 613 tons, including mixed municipal waste – 109 tons) (Figure 41). Construction waste is not included in the amount collected; it is shown separately below.

Collected hazardous and non-hazardous waste is handed over from the Waste Management Centre for subsequent management to specialized companies that have the appropriate permits for transport, processing or disposal of waste and are entered in the lists of the Slovenian Environment Agency (ARSO).

#### Breakdown of hazardous and non-hazardous port waste (excluding ship-generated and construction waste) by recovery or disposal operations for 2021

Waste management	Hazardous waste (481 metric tons)		Non-hazardous waste (3,189 metric tons)	
	metric tons	Recovery or disposal operations	metric tons	Recovery or disposal operations
Reuse	0	The reuse method is not used.	0	The reuse method is not used.
Recycling	0	R12, R5 – NOT TO BE RECYCLED	905	R3, R12, R13 – DIVERTED FROM DISPOSAL
Composting	0	No waste to be composted	0	No waste to be composted
Recovery, including energy recovery	315	D13, D9 – DIVERTED FROM DISPOSAL	384	D13, D9 – DIVERTED FROM DISPOSAL
Incineration	0	No waste is sent directly to incineration. Data on further conduct of acquirers not available.	0	No waste is sent directly to incineration. Data on further conduct of acquirers not available.
Deep injection	0	The deep injection method is not used.	0	The deep injection method is not used.
Disposal	0	The disposal method is not used.	235	D1 – Disposal in or on the ground – DIRECTED TO DISPOSAL
Storage on the site where it is produced	0	The on-site storage method is not used.	0	The on-site storage method is not used.
Other	165	Collection at specialized waste management companies that provide recovery or disposal operations. DIVERTED FROM DISPOSAL	1,666	Collection at specialized waste management companies that provide recovery or disposal operations. DIVERTED FROM DISPOSAL

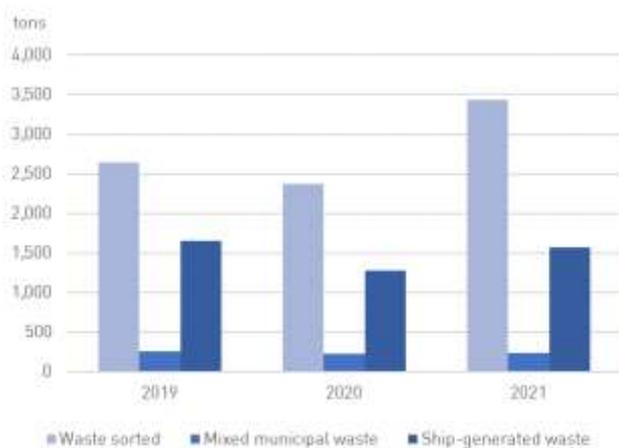
Data source: Waste management information system - IS odpadki (gov.si)

<sup>121</sup> GRI GS 306-2, 306-3, 306-4, 306-5

**Transport of hazardous waste from port activities (excluding ship-generated waste)**

Activity	Metric tons
Transport of hazardous waste	480
Imported hazardous waste	0
Exported hazardous waste	0
Hazardous waste treated	480

**Amounts of waste collected at the port**

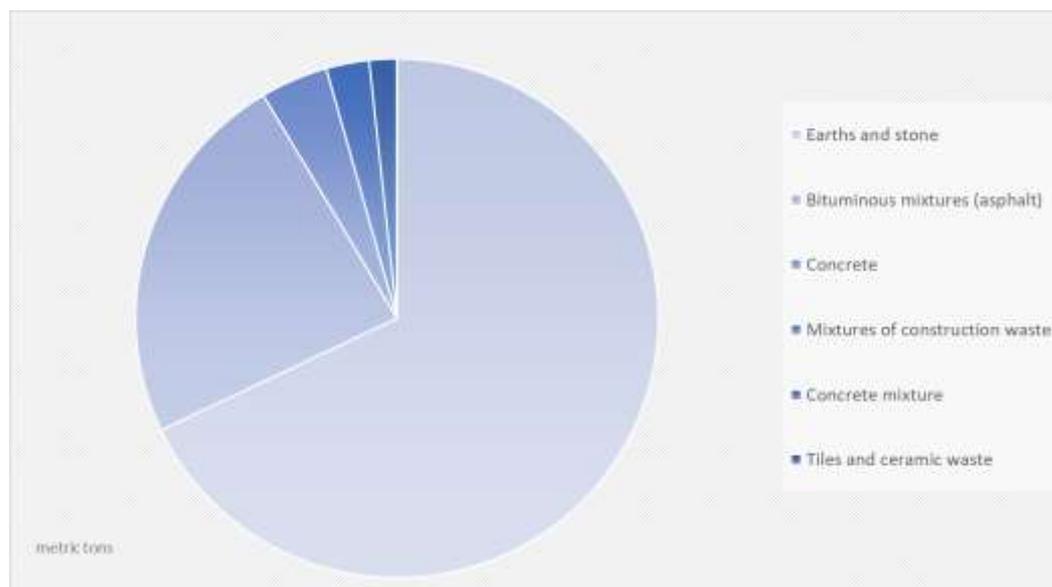


The amount of mixed waste increased slightly in 2021 compared to 2020, but also neared 2019. The fluctuations are attributed to the COVID epidemic and higher absence of employees in 2020.

**Construction waste**

In 2021, 10,053 metric tons of non-hazardous construction waste were produced, the types are shown in the graph below.

**Amounts of construction waste in 2021**



### Breakdown of hazardous and non-hazardous construction waste (excluding ship-generated and port waste) by recovery or disposal operations for 2021

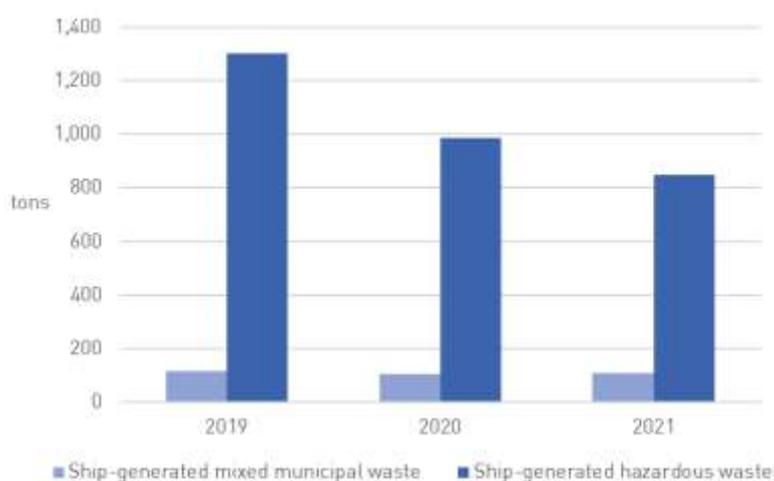
Waste management	Hazardous waste		Non-hazardous waste (10,053 metric tons)	
	metric tons	Recovery or disposal operations	metric tons	Recovery or disposal operations
Reuse	0	No waste to be reused	6,418	R-10 - DIVERTED FROM DISPOSAL
Recycling	0	No waste to be recycled	3,634	R-5, R12, R13 - DIVERTED FROM DISPOSAL
Composting	0	No waste to be composted	0	No waste to be composted
Recovery, including energy recovery	0	No waste suitable for energy recovery	0	No waste suitable for energy recovery
Incineration	0	No waste to be incinerated	0	No waste to be incinerated
Deep injection	0	No waste suitable for deep injection	0	No waste suitable for deep injection
Disposal	0	No waste directed to disposal	1	D1 - Disposal in or on the ground - DIRECTED TO disposal
Storage on the site where it is produced	0	No waste suitable for on-site storage	0	The on-site storage method is not used.
Other	0	No waste that would be subject to other management methods	0	No waste that would be subject to other management methods

Data source: [Waste management information system - IS odpadki \(gov.si\)](https://www.isodpadki.gov.si/)

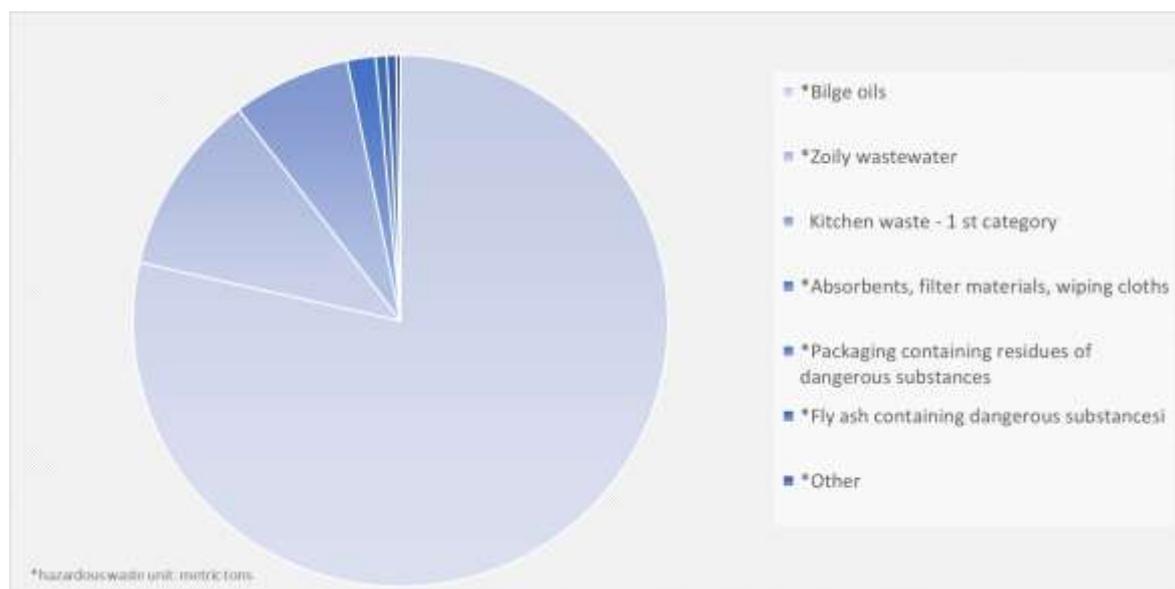
### Ship-generated waste

In 2021, we took over 1,571 metric tons of ship-generated waste (hazardous – 849 tons, non-hazardous – 613 tons, including mixed municipal waste – 109 tons) (Figure). Most ship-generated waste is regarded as hazardous waste. Ship-generated waste accounts for the largest share of hazardous waste in the port. It largely includes bilge oils with varying water contents, 1st category kitchen waste, oil soaked wiping cloths, waste batteries, medicine, ash, etc.

### Annual amounts of ship-generated waste



## Types and shares of ship-generated hazardous waste sorted in 2021



In 2021, the largest share of hazardous marine waste was marine bilge oils (Figure), which were handed over in total to an authorised organisation abroad, and all other hazardous marine waste was handed over to authorised organisations in Slovenia.

## Breakdown of hazardous and non-hazardous ship-generated waste by recovery or disposal operations for 2021

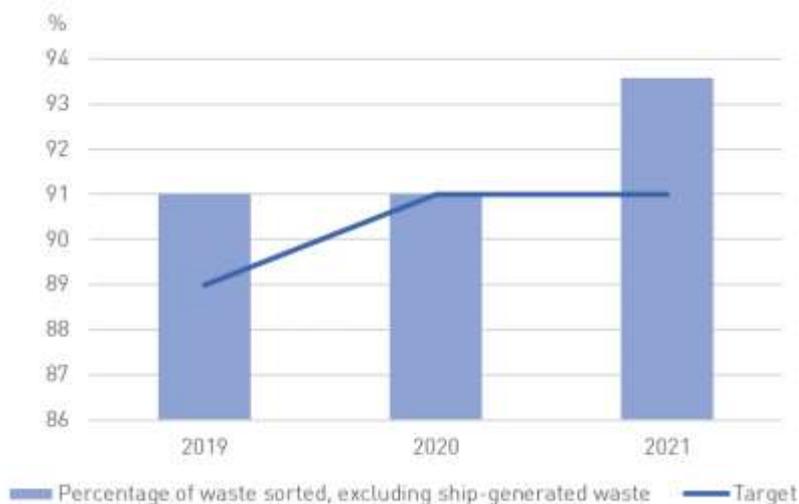
Waste management	Hazardous waste		Non-hazardous waste	
	metric tons	Recovery or disposal operations	metric tons	Recovery or disposal operations
Reuse	0	No waste to be reused	0	No waste to be reused
Recycling	0	No waste to be recycled	0	No waste to be recycled
Composting	0	No waste to be composted	0	No waste to be composted
Recovery, including energy recovery	668	D-15, D-13 – DIVERTED FROM DISPOSAL	0	No waste suitable for energy recovery
Incineration	0	No waste to be incinerated	0	No waste to be incinerated
Deep injection	0	No waste suitable for deep injection	0	No waste suitable for deep injection
Disposal	0	No waste directed to disposal	109	D1 - Disposal in or on the ground - DIRECTED TO DISPOSAL
Storage on the site where it is produced	0	No waste suitable for on-site storage	0	The on-site storage method is not used.
Other	181	Waste subject to other management methods AND DIVERTED FROM DISPOSAL	613	Waste subject to other management methods D-13 AND DIVERTED FROM DISPOSAL

Data source: Waste management information system - IS odpadki (gov.si)

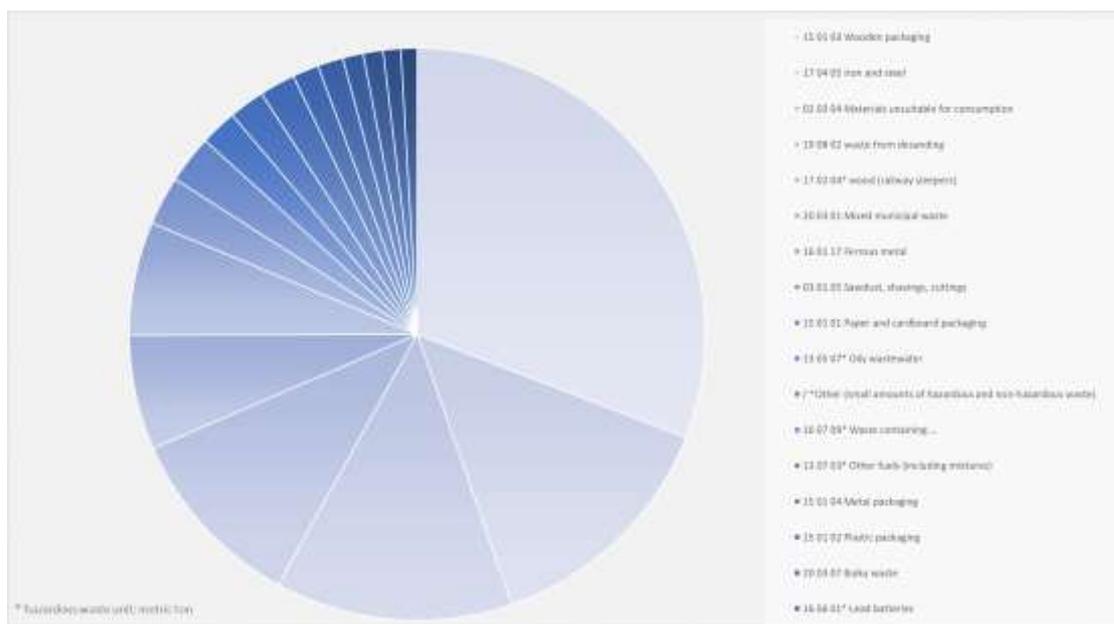
## Waste sorted in the port

The target of 91 percent of waste sorted in the port was exceeded by more than two percent (Figure), mainly due to increased removal of waste from the settling tank at the coal and iron ore terminal, railway sleepers, removal of the cut-up crane from the dry bulk cargo terminal and the scrap iron clean-up across the port.

Share of waste sorted, excluding ship-generated waste



Types of waste sorted in 2021, excluding ship-generated waste



Total amount of waste directed to disposal and amount of waste diverted from disposal

	Directed to disposal (t)	Diverted from disposal (t)
Ship-generated waste - hazardous	0	849
Ship-generated waste - non-hazardous	109	613
Port waste - hazardous	0	481
Port waste - non-hazardous	235	2,954
Construction waste - hazardous	0	0
Construction waste - non-hazardous	1	10,052
<b>Total</b>	<b>345</b>	<b>14,949</b>

### 23.8.2. Implementation of waste management improvement programmes<sup>122</sup>

In 2021, the following was implemented:

- Monitoring of the costs of waste disposal;
- Monitoring of the list of authorised acquirers and changes;
- Monitoring of the capacity utilisation of waste management equipment;
- Monitoring of the revenues from the collection of ship/port waste;
- Implementation of internal process controls;
- Revision of ship waste receipt forms in accordance with the requirements of Directive (EU) 2019/883 of the European Parliament and of the Council of 17 April 2019 on port reception facilities for the delivery of waste from ships, amending Directive 2010/65/EU and repealing Directive 2000/59/EC,
- An initiative was submitted to the competent ministries to amend how the receipt of ship-generated waste is accounted for in accordance with the new requirements of Directive (EU) 2019/883 of the European Parliament and of the Council of 17 April 2019 on port reception facilities for the delivery of waste from ships, amending Directive 2010/65/EU and repealing Directive 2000/59/EC,
- Revision of the Plan for the Receipt of Ship Waste and Cargo Residues in the Port of Koper, which replaces the plan from 2018; it was approved by the Slovenian Environment Agency,
- Continued preparation of materials for obtaining permits for grinding port waste wood into wood chips and for their use for heating purposes,
- A new contract on land-based waste was concluded between the parent company and the subsidiary Luka Koper INPO, d. o. o., regarding the provision of services for the collection of waste generated in the land area of the port,
- Introduced the weighing of land-based waste before receipt by collector, Luka Koper INPO, d. o. o.,
- Initiated disposal of worn-out port machinery and equipment; the procedures are actively underway, and the activity is planned to be completed in 2022.

The following was not implemented in 2021:

- Used and written-off port machinery and vehicles have not yet been entirely removed from the port area and sent in destruction, as the matter is extensive and complex,
- Ecological areas for separate waste collection have not yet been modernised and systematically organised.

### 23.8.3. Waste management improvement programs in 2022

The following measures will be implemented in 2022:

- Used and written-off port machinery and vehicles will be removed and sent in destruction;
- Ecological areas will be introduced and separate waste collection will be organised systematically;
- The revision of contracts on the receipt of ship-generated waste concluded between the parent company and the subsidiary Luka Koper INPO, d. o. o. will be completed;
- Activities related to the weighing of land-based waste will continue;
- The weighing of ship-generated waste will be introduced;
- Monitoring of the costs of waste disposal;
- Monitoring of the trend of the average unit price of the type of waste accepted/delivered;
- Monitoring of the list of authorised acquirers and changes;
- Monitoring of the capacity utilisation of waste management equipment;
- Monitoring of the number of complaints about the takeover of port waste;
- Monitoring of the revenues from the collection of ship/port waste;
- Implementation of internal process controls;
- Improve the software for record keeping in the field of waste (recording, weighing, accounting...);
- Complete the modernization of the ship's bilge water and oil collection facility;
- Replace the asbestos-cement roofing sheets.

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<sup>122</sup> GRI GS 306-1, 306-2

### 23.9. Noise emissions<sup>123</sup>



Due to its activity, the port generates noise.



Monitoring point for continuous noise measurements.

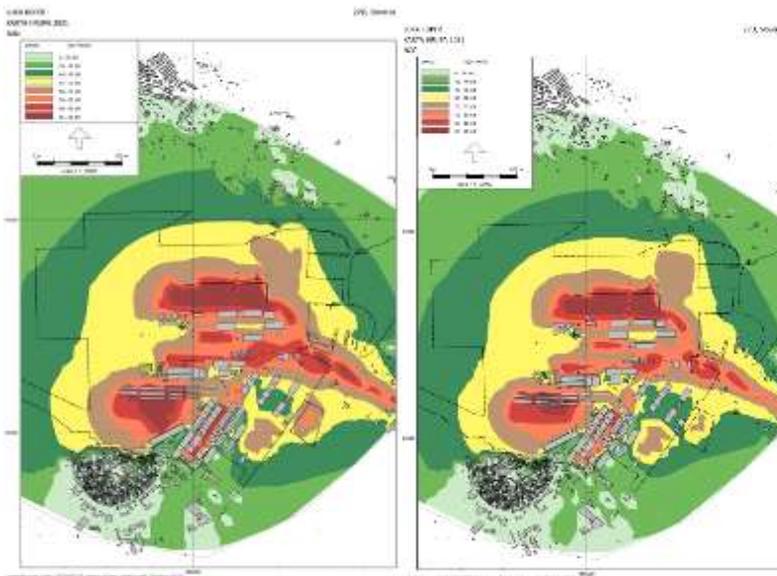
The required measurements are taken continuously even though the frequency stipulated by law is only once every three years. Measurement results are displayed on the port's website (<http://www.zivetispristaniscem.si/>).

An action plan for noise reduction is created annually. The results of the 2021 noise reduction action plan are shown below.

#### 23.9.1. Noise emission results<sup>124</sup>

The results are graphically presented in a noise map, which takes into account all port noise sources, including traffic. Ships and other external sources of noise are not covered.

Daytime and Night-time noise map for 2021



<sup>123</sup> Noise emissions – additional indicator (ref GRI GS 305-7)

<sup>124</sup> GRI GS 413-1, 413-2

The values of noise levels in the port area, measured at all three fixed-site measuring stations, and the average annual measured values are shown in the table below. It displays the measured values of all noise sources (road transport, port processes, ships and other noise generators located outside the port, construction work). According to noise measurement and maps, the noise from the port most heavily affects the northern edges of the town of Koper, therefore the noise reduction activities are directed at reducing noise in the direction of Koper.

The trend of a decrease in the number of berthing ships was first recorded in 2017, which can be attributed to the fact that larger and more loaded ships were berthing at the port. This was most evident at the container terminal where larger ships, the so-called mainline vessels, were berthing. In 2019 and 2020, the arrival of ships also decreased due to the COVID-19 pandemic. We expect the number of ships to increase slightly again in the coming years (e.g. renewed arrival of passenger ships).

#### Number of ships berthed in port by year

Year	2019	2020	2021
Number of ships	1,664	1,433	1,551

#### Average annual noise levels from all sources at the port boundary, measured at fixed-site measuring devices at the port boundary (in dBA)

2019			2020			2021		
Towards Bertoki	Towards Ankaran	Towards Koper	Towards Bertoki	Towards Ankaran	Towards Koper	Towards Bertoki	Towards Ankaran	Towards Koper
$L_d=53$	$L_d=53$	$L_d=61$	$L_d=52$	$L_d=53$	$L_d=61$	$L_d=52$	$L_d=52$	$L_d=60$
$L_e=50$	$L_e=50$	$L_e=60$	$L_e=50$	$L_e=50$	$L_e=60$	$L_e=50$	$L_e=51$	$L_e=60$
$L_n=48$	$L_n=48$	$L_n=60$	$L_n=47$	$L_n=48$	$L_n=60$	$L_n=47$	$L_n=51$	$L_n=59$
$L_{den}=56$	$L_{den}=56$	$L_{den}=67$	$L_{den}=55$	$L_{den}=56$	$L_{den}=66$	$L_{den}=55$	$L_{den}=58$	$L_{den}=65$

Key:  $L_d$  – day noise level,  $L_e$  – evening noise level,  $L_n$  – night noise level,  $L_{den}$  – day-evening-night noise level

As internal noise target values to be achieved or maintained in front of the first residential buildings, Luka Koper has set values that include all noise sources from the port:

- Night noise level of 48 dBA,
- Day noise level of 58 dBA,
- Evening noise level 53 dBA.

The results obtained suggest that the night, evening, and day noise in front of the first residential buildings in Ankaran and Bertoki is within the set targets, and the same applies to the day noise in front of the first residential buildings of the Koper city centre. However, the targets are not achieved for the night and evening noise level in front of the first residential buildings in the Koper city centre.

**Results of measurements for 2021 (all noise sources, in front of the first residential buildings) and compliance with internal targets**

2021				
DIRECTION	Unit	Internal target	Realisation	Achievement of internal target
Noise level at night in the direction of Bertoki	dB	48	34	YES
Noise level at night in the direction of Ankaran	dB	48	44	YES
Noise level at night in the direction of Koper	dB	48	53	NO
Noise level by day in the direction of Bertoki	dB	58	39	YES
Noise level by day in the direction of Ankaran	dB	58	45	YES
Noise level by day in the direction of Koper	dB	58	54	YES
Noise level in the evening in the direction of Bertoki	dB	53	37	YES
Noise level in the evening in the direction of Ankaran	dB	53	44	YES
Noise level in the evening in the direction of Koper	dB	53	54	NO

The results of the noise level excluding ship-noise in front of the first buildings outside the port, which show compliance with the legislative limit values, are also shown below.

**Results of measurements for 2021 (noise excluding ship-noise in front of the first residential buildings) and compliance with legislation**

2021				
DIRECTION	Unit	Statutory value	Realisation	Compliance with the environmental permit in terms of noise emissions
Noise level at night in the direction of Bertoki	dB	55	34	YES
Noise level at night in the direction of Ankaran	dB	55	40	YES
Noise level at night in the direction of the town of Koper	dB	55	50	YES
Noise level by day in the direction of Bertoki	dB	65	39	YES
Noise level by day in the direction of Ankaran	dB	65	42	YES
Noise level by day in the direction of the town of Koper	dB	65	52	YES
Noise level in the evening in the direction of Bertoki	dB	60	37	YES
Noise level in the evening in the direction of Ankaran	dB	60	40	YES
Noise level in the evening in the direction of the town of Koper	dB	60	51	YES

All additional noise measurements performed in 2021 were compliant with the requirements of permits and legislation:

- Noise measurements taken during pile driving as part of the extension of Pier I. The measurements included both contractors and different sizes of piles used. Vibration measurements were also performed. All piles were installed with the vibration technique rather than the traditional hammer method. The traditional pile driving was carried out only in the final phase of installing each pile, which contributed to a significantly lower noise level. The contractors also provided sound insulation for the traditional pile driving.
- The first noise measurements were performed at two new entrances to the Port of Koper - Sermin and Bertoki.
- Noise measurements were performed during HBI – Hot Briquetted Iron – cargo handling.
- Vibration and ventilation noise measurements were performed at storage facility No 5 at the reefer terminal.



Extension of Pier I.



Sermin entrance



Bertoki entrance

### 23.9.2. Implementation of noise reduction improvement programmes in 2021 <sup>125</sup>

A noise reduction action plan is devised annually, specifying activities, the persons responsible for implementation, and deadlines for completion. The outcomes of the 2021 noise reduction action plan are shown below. In 2021, the Company spent EUR 1,979,184 on these noise reduction activities.

Noise reduction plan activity	Completion rate (%)
Measurements and control over pile driving during developments (extension of Pier I).	100
Informing the local community about the activities of extending Pier I.	100
Communication with shipping companies in cases of noise-generating ships at the container terminal.	0 There was no direct communication with shipowners because no container ship was detected causing excessive noise. Therefore, the realisation is recorded as 0%. The activity has been included in the 2022 action plan.
Training for employees (in the event of derogation, i.e. excess speed according to reporting in CIIS – Critical Incidents Information System) on the internal rules and technological processes in the container terminal PC.	0 Due to the low number of violations (3 violations per year), there was no need for training. The activity has been included in the 2022 action plan.
Monitoring the noise level of each MOL RO-RO vessel berthing at Basin I using the measurement station Terminal 3 (Warehouse 15) and Terminal 4 (former metalworking school).	100
Communication with shipping companies in cases of noise-generating RO-RO ships (ship replacement).	25 Communication was initiated only in cases of detected excessive ship noise. The activity has been included in the 2022 action plan.
Vibration and ventilation noise measurements at storage facility No 5 at the reefer terminal.	100
Installation of a noise barrier in the port next to storage facility No 3 with the open part of the wall in the direction of Opekarska Ulica.	100
Carrying out meetings with local communities of Koper municipality, municipality of Ankaran and municipality of Koper.	50 Meetings took place in the first half of the year, but no noise-related meetings were scheduled in the second half of the year. The activity has been included in the 2022 action plan.
Redirecting ships that generate more noise to Basins II and III when possible (depending on the availability of berths, type of ship, and type of cargo).	100
Regular maintenance of the asphalt surface and shafts in the handling area of the container terminal - reconstruction of berths 7A and 7B.	100
Monitoring of speed (4 times per month) on the quayside of the container terminal in the evenings and in night-time, with a focus on terminal tractors, preparation of reports in CIIS and communication of breaches to the terminal and the health protection and ecology department.	100

<sup>125</sup> GRI GS 413-1, 413-2

Installation of a noise measuring device at the former metalworking school.	100
Continuous noise monitoring and reporting to the Management Board on noise levels and on the implementation of measures from the action plan for noise reduction in the direction of Koper.	100
Annual funding in accordance with the agreement on the implementation of mitigation measures (installation of additional sound insulation in the nearest dwellings) in cooperation with the Municipality of Koper	100
Introduction of the ESI (Environmental Ship Index) system.	0 The COVID-19 epidemic has reduced port dues for shipowners, therefore, an initiative to reduce the dues in case of lower emissions into the environment would not provide the desired effect at this time. The activity has been included in the 2022 action plan.
Signing an agreement with Elektro Slovenija to begin the construction of the 110-kV electricity grid to the port, establish a project group and begin the activities for locating the electricity facilities. The grid will provide sufficient electricity for connecting ships.	100
Acoustic insulation on the hoppers of gantry cranes used for coal and iron ore throughput	100
Performing underwater noise measurements.	33 A contract has been concluded with the selected contractor for the next four years. The activity has been included in the 2022 action plan and will be implemented in the first quarter of 2022.
Implementation of gradual electrification of machinery at the container terminal – preparation of public procurement procedures.	100 At the end of the year, the public procurement for 3 eRTGs was completed, the supplier was selected, which will be followed by contract signature. All new cranes (E-RTG and RMG) purchased since 2015 are electrically powered. Since 2015, none of the older diesel-powered RTG cranes have been written off. The activity has been included in the 2022 action plan.

### 23.9.3. Noise control improvement programmes scheduled for 2022<sup>126</sup>

These activities are part of the annual Noise Reduction Action Plan:

- Keeping the local community informed about the activities of extending Pier I.
- Communication with shipping companies in cases of noise-generating ships at the container terminal.
- Training for employees (in the event of derogation, i.e. excess speed according to reporting in CIIS – Critical Incidents Information System) on the internal rules and technological processes in the container terminal PC.
- Monitoring the noise level of each vessel berthing at Basin I using the measurement station Terminal 3 (Warehouse 15) and Terminal 4 (former metalworking school).
- Communication with shipping companies in cases of noise-generating RO-RO ships.
- Vibration and ventilation noise measurements at storage facility No 5 at the reefer terminal.
- Carrying out meetings or communicating with local communities of Koper municipality, as well as the municipality of Ankaran and municipality of Koper.
- Redirecting ships that generate more noise to Basins II and III when possible (depending on the availability of berths, type of ship, and type of cargo).

<sup>126</sup> GRI GS 413-1, 413-2

- Regular maintenance of the asphalt surface and shafts in the handling area of the container terminal - reconstruction of berths 7A and 7B.
- Monitoring of speed (4 times per month) on the quayside of the container terminal in the evenings and in night-time, with a focus on terminal tractors, preparation of reports in CIIS and communication of breaches to the terminal and the health protection and ecology department.
- Continuous noise monitoring and reporting to the Management Board on noise levels and on the implementation of measures from the action plan for noise reduction in the direction of Koper.
- Annual funding in accordance with the agreement on the implementation of mitigation measures (installation of additional sound insulation in the nearest dwellings) in cooperation with the Municipality of Koper
- Introduction of the ESI (Environmental Ship Index) system.
- Devising the documentation for the national spatial plan for the construction of the 110-kV electricity network to the port and RTP Luka Koper.
- Performing underwater noise measurements.
- Keeping records on the implementation of noise measurements referred to in point 8 and point 9 of the operative part of the received environmental permit No 35451-1/2018-15.
- Implementation of gradual electrification of machinery at the container terminal – purchase of three eRTG cranes.

### 23.10. Energy use and energy efficiency



Luka Koper has recognised the importance of electromobility, as it is the most efficient use of energy, thus enabling efficient use of renewable energy sources. Therefore, the Company is making rapid progress in building charging infrastructure for electric vehicles and introducing electric cars for use inside the port. In 2021, two worn-out motor-fuel vehicles in the professional services fleet were replaced with two electric cars, and three new charging stations were installed.

The company regularly upgrades its SCADA control system by installing metering and communication equipment for all large electricity consumers in the port.

Luka Koper plans to step up its ongoing programme of investing in renewable energy sources to achieve some degree of energy self-sufficiency. A number of photovoltaic plants will be installed to become the primary source of renewable energy in the port.

Luka Koper, d. d. is part of the Ealing European project, the aim of which is to obtain project documentation for the construction of a connection point for the supply of RO-RO ships with electricity at the multi-purpose terminal. In 2021, a solar power plant was constructed at the locker room and toilets facility on the container terminal.

Energy audits should be carried out regularly, therefore, in 2022, the Company will focus on targeted energy projects, depending on the discrepancies from the planned consumption of an energy source in each individual user group or section of the port.

The company regularly upgrades its SCADA control system by installing metering and communication equipment for all large electricity consumers in the port.

### 23.10.1. Energy efficiency system<sup>127</sup>

Luka Koper's strategic orientation is to achieve high energy efficiency in all the activities carried out in the port area.

Luka Koper has recognised energy efficiency as one of the key measures of the energy policy to enhance the competitiveness of the Company, and acknowledges that energy efficiency improvements make a significant contribution to security of supply and lower environmental impacts. Since 2020, the company has been certified according to the ISO 50001:2018 standard – Energy Management System.

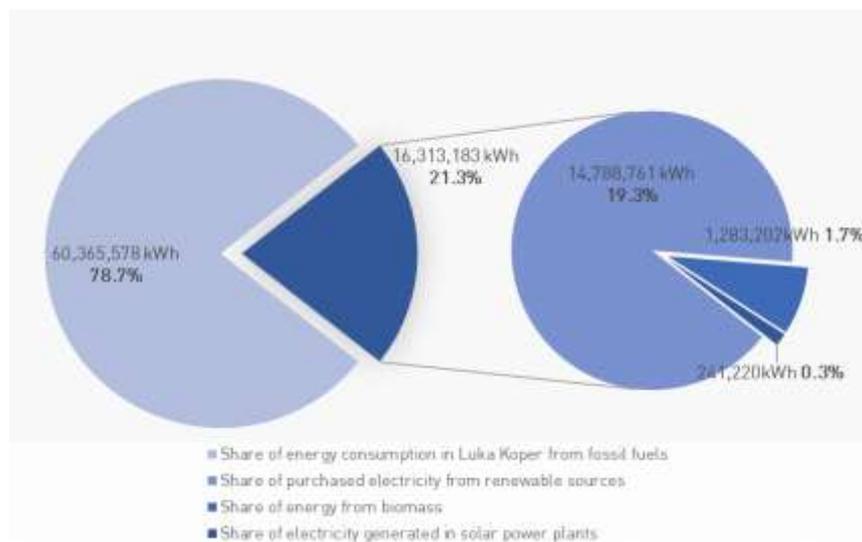
The Environmental strategy and Safe and healthy port environment and energy efficiency policy represent guidelines for the implementation of all energy measures.

Energy audits have been carried out in the port regularly for a number of years, and energy efficiency investments have been made when economically feasible.

Consumption of energy sources is monitored using IT systems for energy consumption control. In the event of a deviation from the set targets, energy efficiency measures are introduced.

### 23.10.2. Consumption of energy sources<sup>128</sup>

Consumption of energy for Luka Koper, d. d., by source



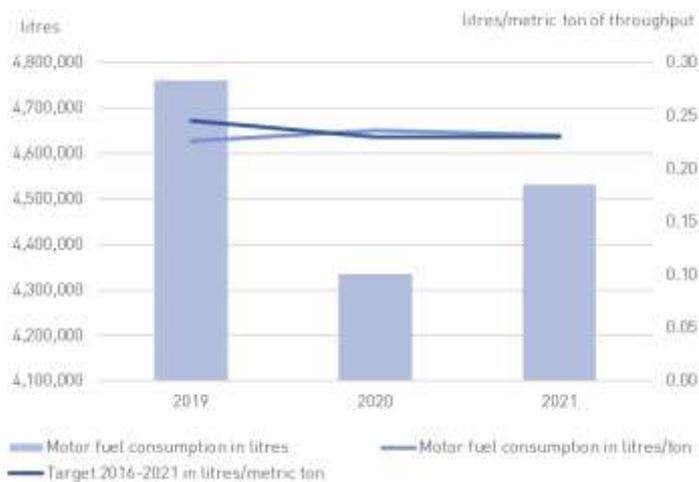
Luka Koper has the strategic goal to build 6 MW of solar power plants by 2025, which will result in generating enough electricity to ensure up to 20 percent of our own consumption.

In 2021, the total energy consumption for Luka Koper, d. d. amounted to 276,044 GJ, of which 58,727 GJ (21.3%) was generated through the use of renewable energy sources (purchased electricity produced from RES, electricity produced by own solar power plants and energy produced from biomass). The calculations of energy and emission conversion values are based on typical net calorific values of individual energy sources for 2021, as stated by the Republic of Slovenia in its latest national greenhouse gas inventories submitted to the Secretariat of the United Nations Framework Convention on Climate Change (source: ARSO).

<sup>127</sup> GRI GS 103-1, 103-2, 103-3

<sup>128</sup> GRI GS 302-1, 302-2, 302-3

**Consumption of motor fuel for Luka Koper, d. d. (non-renewable source)**

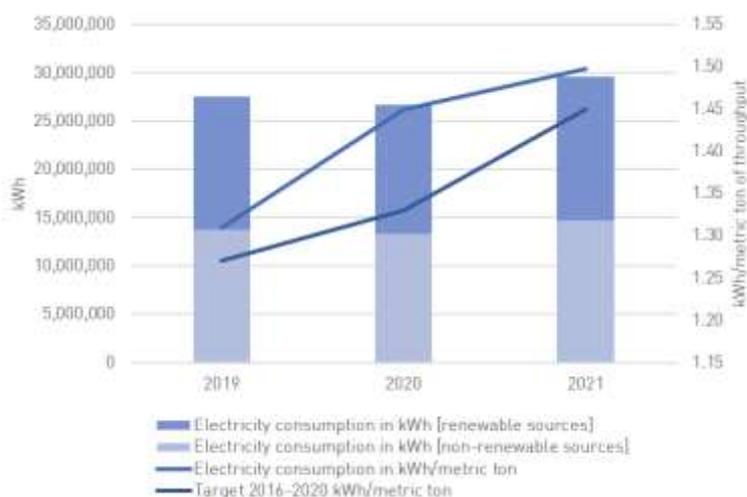


In 2021, motor fuel consumption for Luka Koper, d. d. totalled 163,109 GJ.

In motor fuel and electricity consumption, data is expressed as consumption per metric ton of throughput.

Specific fuel consumption in 2021 was lower than in 2020 and does not deviate from the target value.

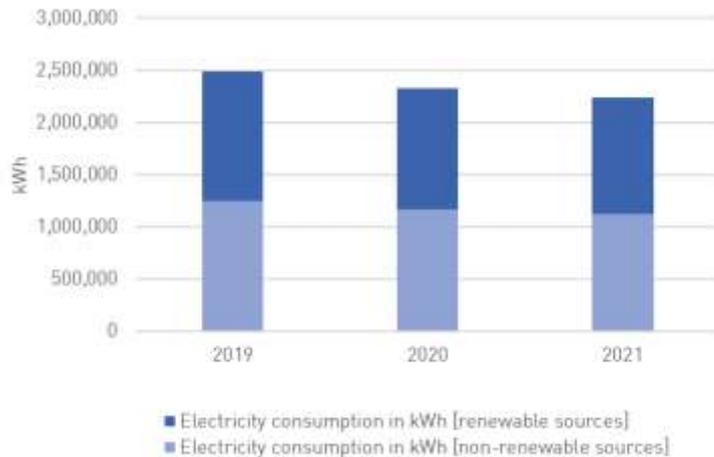
**Consumption of electricity for Luka Koper, d. d. (renewable and non-renewable sources)**



In 2021, electricity consumption for Luka Koper, d. d. totalled 106,479 GJ.

Specific electricity consumption is higher mainly due to higher absolute electricity consumption, which is a result of the gradual electrification of port machinery, increased throughput of refrigerated cargo, and electricity consumption for refrigerated containers, which has increased by 37% (+1.44 GWh or 4.9% of the annual electricity consumption of Luka Koper, d. d.). Specific consumption is also affected considerably by the drop in throughput at the bulk cargo terminal, which is one of the terminals with the lowest electricity consumption per metric ton handled; therefore, the reduction in coal use increased the specific electricity consumption of the entire Luka Koper.

### Consumption of electricity for the economic zone (renewable and non-renewable sources)



In 2021, electricity consumption for the economic zone totalled 8,055 GJ. The consumption of electricity within the economic zone covers all subtenants and other companies in the area of the Koper port, which are connected to the internal electricity network of Luka Koper.

#### 23.10.3. Electricity consumption<sup>129</sup>

With energy efficiency activities carried out in 2021, we reduced fuel consumption by 24,8 GJ and electricity by 596.5 GJ, thus reducing the emissions by 61,493 kgCO<sub>2</sub>eq and contributing to the improvement of the Company's carbon footprint. Calculations of the reduced energy consumption are performed on the basis of measurements and the Rules on the methods for determining energy savings (Official Gazette of the Republic of Slovenia, No 57/21).

Port operations are carried out using machinery and equipment with high nominal powers, resulting in high power consumption. The largest consumers in the port include ship-to-shore cranes, engine rooms for food refrigeration on the reefer cargo terminal, the lighting and power supply for refrigerated containers. The use of new electrified rubber-tired gantry cranes (e-RTG) and rail mounted gantry cranes (RMG) on the container terminal will increase electricity consumption in the coming years further still. All new gantry cranes are fitted with systems that recover the electricity generated when the cargo is lowered to the ground, and feed it back into the grid. The increase in power consumption due to the new cranes will be partly compensated by investment in new LED lights across the port and construction of solar power installations

#### 23.10.4. Motor fuel consumption<sup>130</sup>

Working processes in the port require abundant use of diesel-fuelled machinery. The largest consumers include terminal tractors, forklifts, rubber-tired gantry cranes (RTG), reach stackers, loaders, vehicles used for rail traction, and vans.

In 2021, the container terminal was the largest consumer, accounting for 63.2% of all motor fuel consumption in the port. With new e-RTG and RMG cranes and diesel-powered RTG cranes being written off, motor fuel consumption at the container terminal will gradually decline. In purchasing new transport machinery, the Company follows the latest technological and environmental requirements.

#### 23.10.5. Implementation of improvement programmes to reduce electricity and fuel consumption<sup>131</sup>

In 2021, the following was implemented:

- Maintenance of SEE Electrical software;
- Maintenance of the ENIS energy monitoring and information system;
- Two new electric vehicles were supplied;
- Renovation of electrical installations and switching stations at storage facility No 29 at the general cargo terminal;

<sup>129</sup> GRI GS 302-4

<sup>130</sup> GRI GS 302-4

<sup>131</sup> GRI GS 302-4

- An energy audit at the timbre terminal,
- Installation of measuring equipment in boiler rooms to capture data on electricity consumption;
- Construction of a solar power installation at the locker room and toilets facility on the container terminal;
- Renewal of power units on TS 27 and TS 28.

The following was not implemented in 2021:

- Renovation of electrical installations at storage facility No 32 A, B, C, D at the general cargo terminal;
- A control and data acquisition system regarding the operation of port terminal machinery was not established, as this will be a multi-annual project;
- An energy audit at the liquid cargo terminal;
- Installation of network analysers and upgrade of the SCADA control system for electricity consumption;
- Construction of a photovoltaic power plant at a new petrol station in the port of Koper;
- Purchase of three e-RTG cranes at the container terminal (public procurement implemented);
- Purchase and installation of APS connections for eRTG cranes at the container terminal – a multi-annual project.

#### 23.10.6. Electricity and fuel consumption reduction programmes planned for 2022

The following measures will be implemented in 2022:

- Construction of a photovoltaic power plant at the new petrol station;
- Construction of a solar power plant on the roof of the TA dispatch centre;
- Project documentation will be devised for photovoltaic power plants (SPP) at general cargo terminal storage facilities;
- Installation of network analysers and upgrade of the SCADA control system;
- Renovation of electrical installations at storage facility No 32 A, B, C, D at the general cargo terminal;
- Purchase of three e-RTG cranes for the container terminal;
- Renovation of electrical installations at storage facility No 31 A, B, C at the general cargo terminal;
- Preparation of project documentation for renovating the refrigeration equipment in storage facility No 5 as part of pre-investment programmes;
- Purchase of six terminal tractors (replacement of worn-out equipment);
- Energy-efficient renovation of the boiler room No 7 Pacorini;
- Preparation of project documentation for increasing the capacity and energy efficiency of providing DHW in the central locker room as part of pre-investment programmes;
- Energy-efficient renovation of lighting at the container terminal;
- Maintenance of SEE Electrical software;
- Maintenance of the ENIS energy monitoring and information system;
- Renovation of lighting in storage hall 17A;
- Introduction of the SCADA control system for lighting in TH3 and TH4;
- Purchase of an electric vehicle for the needs of the container terminal;
- Renovation and expansion of NŽT premises;
- Initiate procedures for the installation of the RTP Luka Koper substation;
- Continued establishment of a control and data acquisition system regarding the operation of port terminal machinery – a multi-annual project.

## 23.11. Drinking water and groundwater management<sup>132</sup>



The internal water supply network that brings drinking water to the port and comprises around 30 km of pipes, is maintained by the Company aiming to reduce losses. Drinking water is provided in its entirety by the public company Rižanski vodovod.

Groundwater from a well is also used. In 2021, 25,525.8 m<sup>3</sup> of groundwater was taken from the well, which was partly used to clean the road surfaces, and partly evaporated from the collection lagoon.

### Source of water supply and type of water use in 2021

	Annual amount of water (in 1,000 m <sup>3</sup> )	Notes
<b>Source of water supply:</b>		
From public water supply:	123,617	Rižanski vodovod
From own source:	25,525.8	Port well (the water is brackish; sodium value 1,900 mg/l)
Other:	8,510	Precipitation (estimated) for technological wastewater
<b>Water supply - TOTAL:</b>	<b>157,652.8</b>	
<b>Water consumption:</b>		
Municipal wastewater:	39,522	Municipal water drained into the public sewer 37,000 m <sup>3</sup> (estimate), port small wastewater treatment systems total 2,040 m <sup>3</sup> (18 small wastewater treatment systems, each 120 m <sup>3</sup> , assessment).
Industrial wastewater:	12,044	See table below: Types of wastewater in the port, annual amounts, and compliance with the law
Water incorporated into products, evaporated water	45,092.8	Assessment
Water loss due to system failure:	24,592	Damage to the water supply network due to heavy machinery, frost, wear and tear, damage during construction
Water for ship supply:	36,884	Ship supply
<b>Water consumption - TOTAL:</b>	<b>157,652.8</b>	

The quality of drinking water is monitored annually, particularly microbiological measurements of quality in all key points of the port's water supply network. All results demonstrate compliance with drinking water legislation.

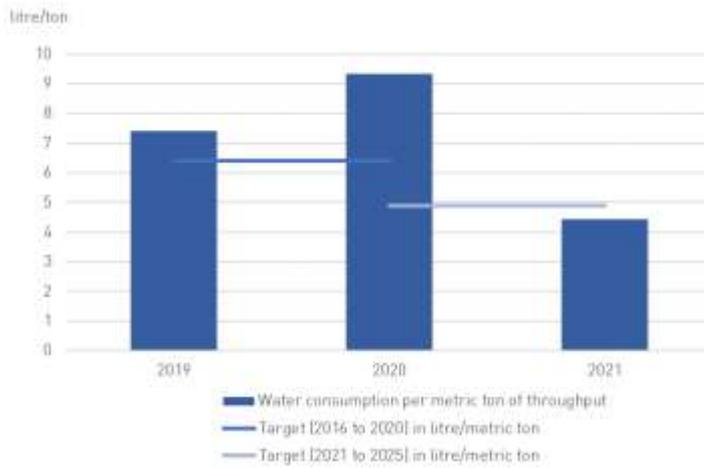
Drinking water consumption is not directly dependent on throughput. The increased load on transport surfaces (increased traffic) results in more frequent damage to the water supply network. Luka Koper seeks to control the leaking; a multi-annual programme has been devised in order to minimise it, that envisages reconstruction of the

<sup>132</sup> GRI GS 303-1, 303-2, 303-3, 303-4, 303-5

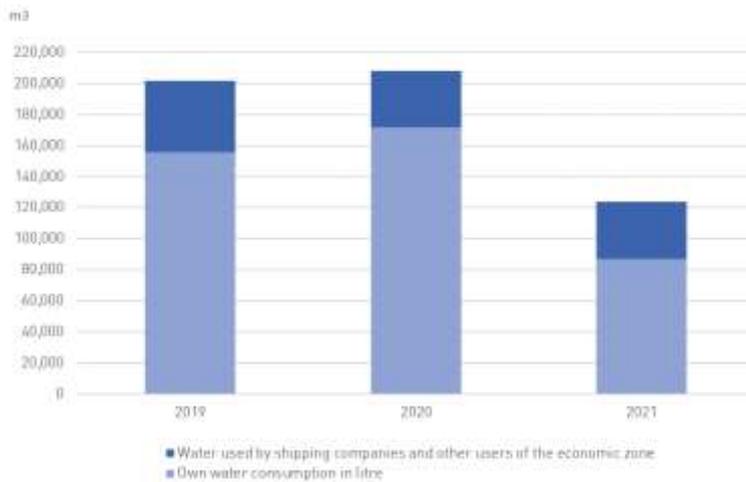
port's water supply network in phases. The results are already visible, as water consumption has been significantly reduced.

The new target up to 2025 is to maintain specific water consumption at 4.9 l of water per metric ton of throughput from maritime transport and the loading/unloading of containers. In the period 2017–2020, we set the objective of reducing drinking water consumption to 6.4 litres/metric ton handled, but it was unattainable for two years (2019–2020) and achieved in the last year due to renovations. The growing use of heavy equipment is increasing the load on the water supply network, resulting in additional leaks.

**Drinking water consumption per metric ton of throughput**



**Absolute drinking water consumption in the port**



### 23.11.1. Implementation of improvement programmes to increase resource efficiency

In 2021, the following was implemented:

- A reconstruction of the water supply network was implemented in accordance with the 2018-2023 Plan for the maintenance and repair of the water and hydrant network;
- Microbiological analyses of drinking water in the port's water supply network were conducted on a regular basis, the results were within the limits for drinking water.

### 23.11.2. Resource efficiency improvement programmes planned for 2022

The following measures will be implemented in 2022:

- Continued reconstruction of the water supply network in accordance with the 2018-2023 Plan for the maintenance and repair of the water and hydrant network;
- Regular microbiological analyses of drinking water in the port's water supply network.
- Measurements of quality of groundwater from the well and comparing the content of pollutants with measurements from 2020.

## 23.12. Wastewater management <sup>133</sup>



The port generates technological wastewater, the quality of which is measured by an authorised organization with built-in treatment plants at the outlet. Types of wastewater:

- Industrial wastewater from the port equipment and container washing facility (outlet to the Koper Central Wastewater Treatment Plant);
- Stormwater runoff from the liquid cargoes terminal on Pier I (outlet to the sea);
- Industrial wastewater from the livestock terminal (outlet to the Koper Central Wastewater Treatment Plant);
- Stormwater runoff from the liquid cargoes terminal on Pier II (outlet to the sea);
- Stormwater runoff from the dry bulk terminal due to storage of scrap iron (outlet to the sea);
- Industrial wastewater from the container washing facility (outlet to the Koper Central Wastewater Treatment Plant).
- Stormwater runoff from the ship's bilge water collection facility (outlet to the sea);

The container washing facility has an organized wastewater recycling system, which requires additional regular internal checks whether the treated wastewater meets the microbiological parameters of quality drinking water. According to the results, the device works effectively.

Limit values, parameters and sampling frequency for all devices were set by the Slovenian Environment Agency, and for plants with an outlet to the Koper Central Wastewater Treatment Plant by its operator, i.e. public utility company Marjetica, d. o. o., as is defined in the environmental permit. The treatment technology (possible addition of chemicals in the treatment process), specific legislative requirements regarding the types of wastewater and the location of the outlet (type of wastewater receiver) were taken into account.

Due to the precipitation washout of the paved areas, stormwater is also generated across 142 ha of the port. Many oil interceptors are installed on these surfaces to prevent environmental contamination in the event of spills. The volume of these cannot be measured. Having an outlet to the sea or Rižana River, oil interceptors are designed to retain oils. Supervision of their operation is carried out by the contracting party, and the Company has determined the scope and manner of inspection and cleaning and emptying of oil interceptors. In addition, three sensors are installed inside the port area to detect the presence of oils in the sea, which is described in the chapter 23.15 'Sea water protection'.

Sanitary wastewater is treated with the help of 18 small treatment plants. Wastewater quality measurements are performed by an organization authorised by the Slovenian Environment Agency. In addition, internal control over the operation of devices is carried out, whereby we have determined the scope and method of their inspection and

<sup>133</sup> GRI GS 303-2, 303-4

cleaning and emptying (368,5 m<sup>3</sup> was emptied last year). The efficiency of operation is also checked indirectly by microbiological measurements of sea water quality in the port water area, which is described in the chapter 23.15 'Sea water protection'.

Most of the remaining sanitary wastewater is discharged to the Koper Central Wastewater Treatment Plant, which is managed by the public utility company Marjetica, d. o. o. Its volume is estimated at 37,000 m<sup>3</sup>.

In 2021, we again submitted an application for a change to the permit, as two new small sanitary treatment plants were additionally installed, and one was abolished when we removed the facility where sanitary water was generated. A petrol station was newly constructed and scrap metals are no longer handled at a location where an enclosed storage for dry bulk cargoes was constructed. An oil interceptor was installed at the bilge water collection facility, but it is managed by the subsidiary Luka Koper INPO, d. o. o., which ordered and performed the first measurements of wastewater quality. The measurements were compliant with the legislation.

#### Types of wastewater in the port, annual amounts, and compliance with the law

Type of wastewater	Annual amount (m <sup>3</sup> ) in 2019	Annual amount (m <sup>3</sup> ) in 2020	Annual amount (m <sup>3</sup> ) in 2021	Compliance with the law 2021
Stormwater runoff from the liquid cargo terminal on Pier I	440	0 (No wastewater was released into the sea)	0 (No wastewater was released into the sea)	[analysis performed in the collection basin, wastewater has not yet been released into the sea]
Stormwater runoff from the liquid cargoes terminal on Pier II	2,300	2,300	2,300	Compliant
Stormwater runoff from the liquid cargoes terminal on Pier II	10	10	10	Compliant
Stormwater runoff from the storage of scrap iron on Pier II of the dry bulk terminal	2,700	2,700	2,700	No scrap iron was stored on the site. Compliant
Stormwater runoff from the storage of scrap iron on Pier I of the dry bulk terminal	3,500	3,500	3,500	Compliant
Stormwater runoff from the bilge water collection facility (managed by Luka Koper INPO, d. o. o.)	/	/	Newly installed oil interceptor	Compliant
Industrial wastewater from the livestock terminal	1,477	1,887	1,995	A new treatment plant was installed, and measurements have not yet been carried out there.
Industrial wastewater from the equipment washing facility	823	1,208	882	Compliant
Industrial wastewater from the container washing facility	507	587	657	Not compliant ##
Sanitary wastewater	39,396	39,522	39,040	Measurements are taken at 18 outlets of small treatment plants. Compliant

## Regarding the technological wastewater from the container washing facility, the authorised organisation performed three measurements of wastewater at different times of the year in accordance with the environmental permit for emissions into the environment. In the last performed sampling of wastewater in August 2021, the aluminum parameter exceeded the limit value by more than 50%, whereas all other parameters were within the limit values. Aluminum occurs in wastewater as a result of the addition of a chemical that contains this metal and is used in the process of removing pollutants from wastewater. Immediately after receiving the results, we took action to reduce the dosing rate of the chemical containing aluminum (Aluminum Chloride Hydroxide Sulfate). Wastewater also flows to the Koper Central Wastewater Treatment Plant, where it is further treated. At the time of failure, washing was not performed, which is why we estimate that the impact on the environment was minimal.

Repeat sampling to confirm the adequacy of the chemical dosing could not be performed due to device failure. Spare parts arrived only in the first quarter of 2022.

### 23.12.1. Implementation of improvement programmes to reduce wastewater emissions in 2021



In 2021, the following was implemented:

- Completed first phase of floorboard renovation at the liquid cargo terminal.

### 23.12.2. Wastewater emission improvement programmes planned for 2022



The following measures will be implemented in 2022:

- Completed second phase of floorboard renovation at the liquid cargo terminal.

## 23.13. Light pollution<sup>134</sup>



Light pollution is governed by the Decree on limit values due to light pollution of environment, based on which all port lighting was adjusted years ago in such a way that the luminous flux is not pointed upwards. The causes of light pollution in the port include the lighting of storage areas, working sites, transport routes, and rails. While operations require adequate light levels according to rules for safety at work, this on the other hand impacts the environment. All lamps in the port area are organised in a way that light is pointed downwards. The legislation also requires regular updates to the lighting plan. The plan was last renovated in late 2021 following the additional installation of lamps and is published on the port website <https://www.luka-kp.si/en/company/sustainable-development/zakonodaja-in-okolje/>. Currently, 3,447 lamps are installed across the port with a total installed capacity of 1450,7 kW, illuminating an area of 273 hectares.

### 23.13.1. Implementation of improvement programmes to reduce light pollution in 2021



No activities were planned in this field.

### 23.13.2. Light pollution improvement programmes planned for 2022



No activities are planned in this field.

<sup>134</sup> Light pollution – additional indicator (ref GRI GS 305-7)

## 23.14. Biodiversity<sup>135</sup>



The content is partially presented in Chapter 23.2 'Living in harmony with the environment', whereas the approach and results in the field of marine diversity are described below. Marine diversity can be affected directly or indirectly through the processes of sea sediment dredging, shipping, ballast water input, wastewater discharges, noise, etc. Indirect inflows are also monitored by measurements, the results of which are presented in the chapter 23.15 'Sea water protection'.

No special agreements have been concluded for the marine part, as there are no dedicated protected species or marine areas operators.

A while ago, we started monitoring the status indicator of two underwater grass species (dwarf eelgrass or *Zostera noltei* and little Neptune grass or *Cymodocea nodosa*) growing near the port (see Chapter 23.2 'Living in harmony with the environment'). Monitoring is carried out in two ways, by monitoring the length of the leaves (annual measurement) and by mapping the area (every three years).

### 23.14.1. Implementation of biodiversity improvement programmes in 2021

In 2021, the length of leaves of dwarf eelgrass (*Zostera noltei*) and little Neptune grass (*Cymodocea nodosa*) was measured for the third time and compared with previously performed measurements from 2018 and 2020. Status evaluation regarding the leaf length measurements is performed using the MediSkew index. The locations of monitoring points are shown in Chapter 23.2 'Living in harmony with the environment'. The overall ecological status of the underwater meadow around the port has improved significantly in 2021 and is now assessed as good.

The MediSkew Index is a combination of two metrics based on the length of grass leaves, thus representing a method for a quick overview of underwater meadows in wide Mediterranean coastal areas.

#### Monitoring results for sea meadows of little Neptune grass (*Cymodocea nodosa*) near the port

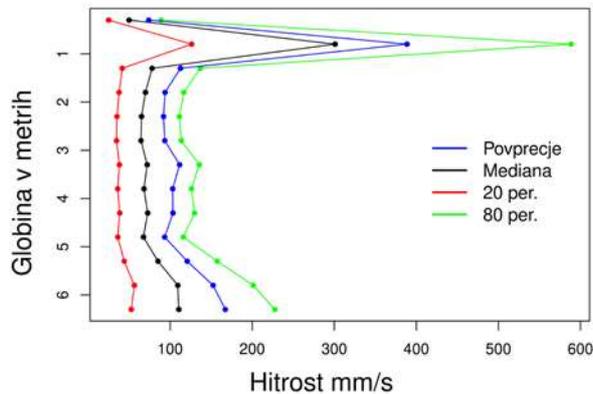
Date:	Monitoring points	MediSkew points	MediSkew sites	MediSkew meadows	Ecological condition	Number of leaves measured	Number of adult leaves
14 Jul 2020	LuKp2_1	0.71	0.635	0.640	weak	251	181
14 Jul 2020	LuKp2_2	0.56				300	223
14 Jul 2020	LuKp3_1	0.62	0.645			300	246
14 Jul 2020	LuKp3_2	0.67				300	222
1 Jul 2021	LuKp2_1	0.39	0.415	0.37	good	300	238
1 Jul 2021	LuKp2_2	0.44				300	207
1 Jul 2021	LuKp3_1	0.26	0.325			300	231
1 Jul 2021	LuKp3_2	0.39				300	212

(source: Monitoring of the condition of sea meadows at Basin III of Luka Koper, National Institute of Biology, Marine Biology Station Piran)

<sup>135</sup> GRI GS 304-1, 304-2, 304-3, 304-4, 103-1, 103-2, 103-3

Mapping of the extent of meadows of dwarf eelgrass (*Zostera noltei*) and little Neptune grass (*Cymodocea nodosa*) will be carried out in 2023 in accordance with the program.

As part of the monitoring of underwater meadows, a current meter was installed on a buoy in Basin III to monitor the direction and velocity of sea currents throughout the water column. The velocity of currents in 2021 is shown in the figure below, where no difference is visible compared to 2020. The speed of sea currents is highest at the



surface.

The direction and strength of water currents are also important in understanding the transport of particles that increase sea turbidity. Increased turbidity of the sea is caused by natural phenomena (rain, wind, waves, sea blooms) as well as anthropogenic factors (shipping, dredging). Therefore, illuminance measurements are performed at three locations where underwater meadows are located. The results of measurements over 3 years (illuminance expressed in lux) in the graphs below show no significant deviations that would indicate a significant improvement in the condition of underwater meadows.



In 2021, the study "Carrying out biological research on underwater areas in the Bay of Koper" was conducted. The study comprised an analysis of demersal invertebrates at selected potential sites intended for sediment relocation and research of particle size distribution in the sediment and its mineralogical composition at the same locations and at locations within the port. The number and diversity of assemblages were evaluated in spring and autumn.

The top twenty most represented demersal invertebrates in sediment bottom samples at selected potential locations within the port intended for sediment relocation.

Higher taxonomic group	species/taxon	%F
Polychaeta	<i>Lumbrineris gracilis</i>	88.10
Polychaeta	<i>Pseudoleiocapitella fauveli</i>	88.10
Bivalvia	<i>Varicorbula gibba</i>	83.33
Polychaeta	<i>Terebellides stroemii</i>	83.33
Polychaeta	<i>Scoletoma laurentiana</i>	80.95
Polychaeta	<i>Maldane glebifex</i>	78.57
Amphipoda	<i>Ampelisca</i> sp.	76.19
Polychaeta	<i>Aricidea (Acmira) assimilis</i>	52.38
Gastropoda	<i>Turritellinella tricarinata</i>	47.62
Polychaeta	<i>Sthenelais boa</i>	47.62
Phoronida	Phoronida	47.62
Polychaeta	<i>Notomastus latericeus</i>	45.24
Polychaeta	<i>Praxillella gracilis</i>	42.86
Polychaeta	<i>Aricidea pseudoarticulata</i>	40.48
Ophiuroidea	<i>Amphiura chiajei</i>	40.48
Ophiuroidea	<i>Amphiura filiformis</i>	40.48
Polychaeta	<i>Nephtys hystricis</i>	33.33
Polychaeta	<i>Heteromastus filiformis</i>	33.33
Polychaeta	<i>Kirkegaardia dorsobranchialis</i>	33.33
Bivalvia	<i>Abra nitida</i>	30.95

In 2021, the quality of water in the Škocjan Strait, which crosses the port and connects the sea and Škocjanski Zatok, was measured on a quarterly basis. In all measurements, the mineral oils index was less than 20 µg/l, which is in line with the set target.

In 2021, the following was implemented:

- Measurement of the length of seagrass;
- Quarterly monitoring the quality of water in the strait that crosses the port and connects the sea and Škocjanski Zatok;
- Analysis of demersal invertebrates at selected locations;
- Monitoring of lighting and sea currents along Basin III of Luka Koper.

The following was not implemented in 2021:

- Mapping, as it was implemented as planned in 2018 and 2020. According to the plan, mapping will follow in 2023.

#### 23.14.2. Biodiversity improvement programmes planned for 2022

The following measures will be implemented in 2022:

- Continued monitoring of the status of underwater meadows by measuring the length of grass leaves;
- A study of lighting and sea currents and video surveillance of the marine environment;
- Quarterly monitoring of the quality of water in the strait that crosses the port and connects the sea and Škocjanski Zatok.

### 23.15. Sea water protection <sup>136</sup>



In accordance with the Concession Agreement for the performance of port activity, management, development and regular maintenance of the port infrastructure in the area of the Koper cargo port, Luka Koper regularly carries out activities to prevent and eliminate consequences of marine pollution.

An important part of the public utility service performed by Luka Koper is regular inspections of the port water area and the removal of driftwood, debris, waste and other abandoned and discarded objects from the sea.

To this end, Luka Koper owns special dedicated equipment and vessels, and has adequately trained staff.

Considering the capacities and loads that result from port operations, Luka Koper may mobilise its staff and resources for the process of preventing and addressing the impacts of sea pollution outside the port, thus assisting the relevant state bodies.

In the event of incidents at sea, Luka Koper acts in compliance with the applicable Protection and rescue plan of Luka Koper, d. d. for industrial accidents, which defines small, medium-sized and major accidents.

In 2021, 43 minor incidents were recorded in the port water area. The sea protection unit intervened in nineteen incidents involving a large amount of wood and other debris carried to the Luka Koper by the River Rižana or from the open sea. Nine incidents included the removal of minor, local oil slicks, six instances of coal dust, there were three instances of pollution with iron ore dust or rust, two instances of minor pollution of the sea with cargo residues, also two instances with soot from ships, and one instance of pollution of the sea with slime and one instance of sea bloom.

<sup>136</sup> GRI GS 306-1, 306-2



Debris removal in Basins I and II of Luka Koper, transfer to land and preparation for disposal to the Waste Management Centre.

In all instances of marine pollution, Luka Koper acted in accordance with the Means and Resources Activation Scheme for Minor Accidents, and remedied the effects of pollution within the concession area.

**23.15.1. Statistics for interventions at sea** <sup>137</sup> 

	2019	2020	2021
Number of identified incidents at sea	40	49	43
Number of interventions in the port water area	36	45	40
Number of incidents not requiring intervention	4	4	3
Number of pollution incidents outside the port water area	0	0	0

The REBEKA state-of-the-art measuring equipment for monitoring sea water quality is located in front of the entrance into the port's Basin III. The results are displayed on the website <http://www.zivetispristaniscem.si/>. The buoy continuously monitors the general parameters of sea water. The table below shows the measured values. No limit values are stipulated. The measuring probe was cleaned and calibrated several times during the year, and due to issues it was also sent to an authorised repair shop.

**Measuring points for monitoring sea quality**



<sup>137</sup> GRI GS 306-1, 306-2, 413-1

	2019**	2020**	2021
Sea temperature (°C)	between 10 and 29	between 10 and 30	between 10 and 30
Salinity (g/l)	between 35 and 38	35	between 35 and 38
Oxygen content (mg/l)	between 4 and 10	between 3 and 8	between 6 and 12
pH	between 8.0 and 8.6	between 8,2 and 8.5	between 8,2 and 8.5
Turbidity (NTU)	between 0 and 10	between 0 and 2	between 0 and 2

\*The probe was under repair in the summer season.

\*\* Data refers to the period from June onwards, since the probe was defective and under repair

\*\*\* data loss is recorded for March, September and November 2020, as the probe was under repair

The results of sea quality measurements do not vary from year to year. The monitoring of the microbiological parameters of sea water quality continued in all three basins of the port. Even though the law on monitoring the microbiological quality of sea water only applies to bathing water, all the parameters that can indicate faecal pollution of the sea continued to be monitored.

#### Microbiological quality of sea water in the port in 2019, in cfu/100 ml

Monitoring point	Parameter	April	May	June	July	August	Sept	Oct	Limit value for bathing water
Basin I	Intestinal enterococci	NPD	53	NPD	<4	<4	19	<4	370
Basin I	E. Coli	27	58	16	<4	<4	10	4	1,000
Basin II	Intestinal enterococci	13	1,400	NPD	73	14	38	22	370
Basin II	E. Coli	38	1,640	<4	10	6	46	33	1,000
Basin III	Intestinal enterococci	NPD	17	<4	<4	7	20	8	370
Basin III	E. Coli	NPD	13	NPD	<4	5	NPD	<4	1,000

#### Microbiological quality of sea water in the port in 2020, in cfu/100 ml

Monitoring point	Parameter	April	May	June	July	August	Sept	Oct	Limit value for bathing water
Basin I	Intestinal enterococci	7	NPD	4	4	<4	<4	4	370
Basin I	E. Coli	<4	<4	NPD	NPD	<4	NPD	13	1,000
Basin II	Intestinal enterococci	<4	18	56	4	14	19	22	370
Basin II	E. Coli	<4	<4	26	<4	14	12	33	1,000
Basin III	Intestinal enterococci	<4	<4	<4	<4	2	<4	75	370
Basin III	E. Coli	NPD	<4	<4	<4	15	NPD	183	1,000

**Microbiological quality of sea water in the port in 2021, in cfu/100 ml**

Monitoring point	Parameter	April	May	June	July	August	Sept	Oct	Limit value for bathing water
Basin I	Intestinal enterococci	**D	251	*NPD	est. 4	**D	est. 5	33	370
Basin I	E. Coli	est. 9	400	**D	est. 9	*NPD	est. 4	12	1,000
Basin II	Intestinal enterococci	61	141	11	46	13	58	220	370
Basin II	E. Coli	122	390	32	56	est. 7	39	370	1,000
Basin III	Intestinal enterococci	*NPD	111	*NPD	24	*NPD	**D	est. 6	370
Basin III	E. Coli	**D	330	*NPD	est. 7	est. 5	*D	est. 4	1,000

\*Note: NPD – no presence detected

The microbiological quality of the sea is highest in Basin I and III. Microbiologically, Basin II is more polluted, but this is attributed to the outflow from the Central municipal wastewater treatment plant operated by Marjetica Koper, d. o. o., since its outlet runs into the initial part of Basin II. Approximately 5 million m<sup>3</sup> of recovered sewage is discharged from this treatment plant into Basin II of the port.

There are three sensors in the port that continuously monitor potential oil spills. One is installed in front of the Koper marina fuel station, the second one is located at Berth 7D in Basin I (and was temporarily removed in 2020 due to the building work on the extension of Pier I) and the third one on the liquid cargo throughput berth in Basin II. In 2021, the sensors detected no pollution. The sensors are constantly measuring and the alarm system is connected to the port's Security and Control Centre.

### 23.15.2. Implementation of sea water protection improvement programmes

In 2021, the following was implemented:

- Luka Koper weather portal was upgraded;
- Measurements of the sea current were carried out in the entire water column;
- Systemic arrangement of almost all events involving ships.

The following was not implemented in 2021:

- Completed upgrade of the hydrocarbon detection system on the water surface, which includes the purchase and installation of a radar and software for the detection of sea surface slicks, and completed introduction of the checklist for cases when fuel bunkering is carried out.

### 23.15.3. Sea water protection improvement programmes planned for 2022

The following measures will be implemented in 2022:

- Completed installation of a hydrocarbon detection radar on the sea surface;
- Introduction of a checklist for cases where fuel bunkering is carried out;
- Completed third phase of floorboard renovation at the liquid cargo terminal;
- the Management Board of Luka Koper will confirm or adopt the Protection and Rescue Plan of Luka Koper, d. d., for industrial accidents;
- Repeat the exercise to check the revised Protection and Rescue Plan;
- Renewal training for a part of maritime responders in accordance with IMO recommendations in cooperation with the Faculty of Maritime Studies and Transport, and extension of certificates validity.

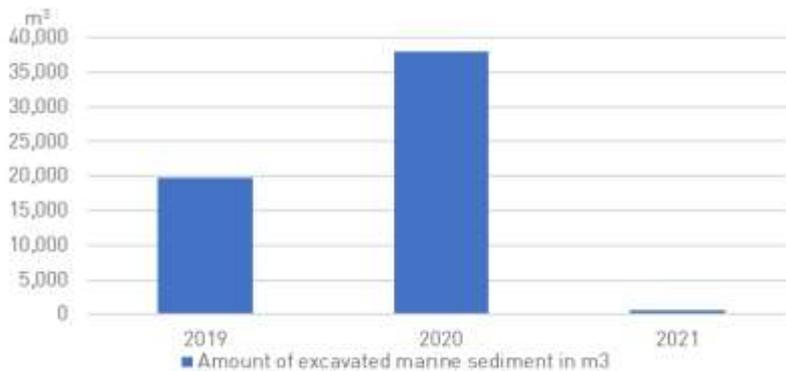
### 23.16. Dredging and management of marine sediments



To ensure safe navigation of ships in the port as well as in marinas and harbours, a certain depth has to be maintained at all times. To this end, the seabed is occasionally dredged, which leads to the issue of having to deposit the marine sediment onshore.

As the areas available for onshore sediment disposal are limited, the Company has been exploring alternative options of using the excavated material. In the past year, the excavated marine sediment was deposited in purpose-built cassettes, but these are now almost filled.

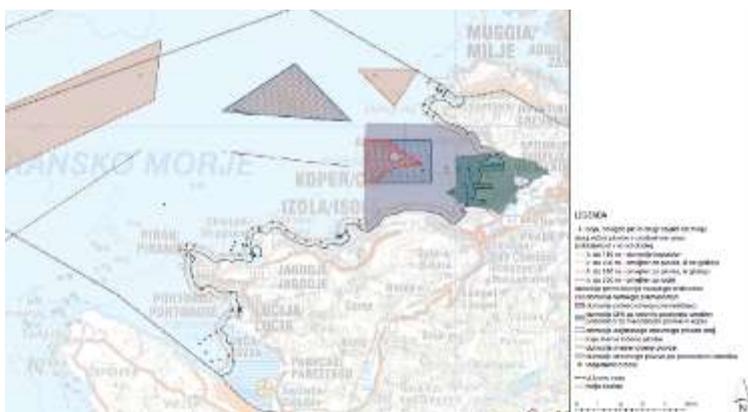
Marine sediment excavated in the port area by year



On land, Luka Koper, d. d. can dispose of sediments only in the area of the Ankaran Bonifika, for which it has already obtained the environmental permit, but the cassettes have not yet been built. In this area, ownership must be arranged, a building permit obtained, and alternative habitats arranged in the Ankaran peripheral canal prior to the disposal of the excavated sediment.

An alternative to depositing marine sediment on land is to relocate it back to the sea. All countries are opting for this. In Slovenia, this option is now allowed by the adopted Maritime Spatial Plan, but it is necessary first to carry out a test relocation, perform measurements of possible impacts and assess the impacts on this basis. The Maritime Spatial Plan envisages a number of mitigation measures for the implementation of the test relocation, and control over the realisation will be carried out by various approvers.

Presentation of the areas envisaged in the Maritime Spatial Plan for the implementation of test relocations of marine sediment and future relocations.



### 23.16.1. Implementation of improvement programmes for excavated marine sediment management

In 2021, the following was implemented:

- The necessary studies and measurements serving as the basis for the potential implementation of test regular relocation of marine sediment in the Maritime Spatial Plan of Slovenia.

### 23.16.2. Excavated marine sediment management improvement programmes planned for 2022

The following measures will be implemented in 2022:

- Obtain environmental consents for the implementation of test relocation of marine sediment in accordance with the adopted Maritime Spatial Plan.

## 23.17. Radioactivity of consignments

In accordance with the legislation, Luka Koper has to monitor radioactivity levels of all consignments coming from third countries to detect illegal radioactive shipments. Previously, this was done by the Financial Administration of the Republic of Slovenia (customs).

In accordance with the requirements of the Decree on checking the radioactivity of consignments that could contain orphan sources (UV-11), we installed meters, prepared the measurement and action-taking procedure, ensured employee training provided by a certified radiation protection expert, obtained a positive opinion from a radiation protection expert, and obtained authorization to perform measurements by the Office for Nuclear Safety at the Ministry of the Environment and Spatial Planning.

In the first months of measurements, exceedances of the natural background radioactivity were recorded, but in all cases, the increase observed was due to the natural characteristics of the consignments (e.g. potassium radioactivity present in bananas, potassium, radium and thorium radioactivity present in fertilizers) or of truck drivers having been treated with radioactive isotopes (e.g. iodine radioactivity in thyroid therapy). Even in the case of handled scrap iron, we detected no illegal shipments that would cause increased radiation.

Image of some portals for monitoring the radioactivity of shipments in the port



### 23.17.1. Implementation of improvement programmes for radioactivity of consignments

In 2021, the following was implemented:

- Public procurement and choice of a supplier of equipment;
- Installation of fixed-site meters (portals) that monitor the level of radioactivity of consignments constantly;
- Preparation of DN 159 operating instruction – Measuring the radioactivity of consignments;

- Provision of training for employees by an authorised radiation protection expert (Institute of Occupational Safety Ljubljana) and obtaining a positive opinion, which was the basis for a permit to be issued by the Slovenian Nuclear Safety Administration (SNSA).

In January 2022, we reported for the first time on the results of measurements to the Slovenian Nuclear Safety Administration (SNSA).

We thus demonstrate compliance with all requirements of the Decree on checking the radioactivity of consignments that could contain orphan sources.

#### **23.17.2. Improvement programmes for the radioactivity of consignments planned for 2022**

By continuing the measurements, we will gain experience that will help us effectively identify potentially illegal shipments.

## 24. Social environment<sup>138</sup>



*Luka Koper supports the operation of local communities bordering the port area.*



The port of Koper is located in an urban environment, and in the hinterland it borders the protected area of Škocjanski Zatok. Therefore, concern for the quality of people's lives and environmental protection is highlighted in all development documents and key policies of the Company. Some time ago, the Company incorporated the principles of sustainable development into its operations and strategic orientations. In the Strategy of Social Responsibility and Sustainable Development, adopted in early 2021, it set goals that it will strive to achieve in cooperation with local and institutional stakeholders, and by taking into account international best practices.

Due to restrictions associated with coronavirus, this year, the company again had to cancel the traditional Port Day when the door of the only Slovenian cargo port opens for one day to invite individual visitors to tour the port. There was also a significantly lower number of organized groups of visitors this year due to the epidemic. Therefore, instead of the Port Day, the company provided a virtual tour of the port and other accompanying events to mark its anniversary.

After the Municipality of Koper successfully implemented a double public call in 2020 for the allocation of grants for the implementation of mitigation measures to reduce the impact of emissions from port activities, the municipality published a new call for tenders in May 2021. At the end of 2019, Luka Koper and the Municipality of Koper signed an agreement stipulating the conditions for establishing a fund to which Luka Koper annually donates EUR 200 thousand.

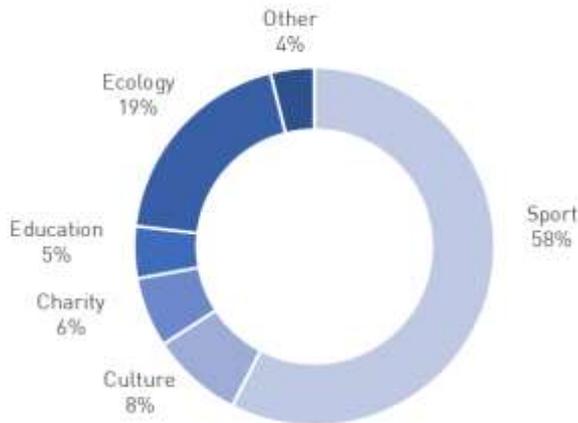
Luka Koper is aware that its good neighbourly relations are based on fair and transparent communication with the surrounding. It keeps adapting its communication tools to modern trends, while remaining faithful to informing the general public and other stakeholders through the media and web portals ([www.luka-kp.si](http://www.luka-kp.si), [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si), [www.seonet.si](http://www.seonet.si)) and social networks. In 2021, the company again published the sustainable magazine *Luški vozli* [Port Knots] and distributed it to 15,300 household addresses in the area of the Municipality of Koper and the Municipality of Ankaran.

The attitude of the local environment towards the company Luka Koper is checked annually by a public opinion poll among the inhabitants of the narrow strip around the port. In 2021, a total of 518 inhabitants of the Municipality of Koper and the Municipality of Ankaran participated in the poll. When asked how they assess the reputation of Luka Koper, almost 90 percent of respondents considered it a very reputable or reputable company. According to the majority of respondents (91 percent), Luka Koper is a successful or very successful company. The majority of respondents (more than 70 percent) are aware of plans to extend the piers or expand the port inland, and more than 70 percent of them also agree with these plans.

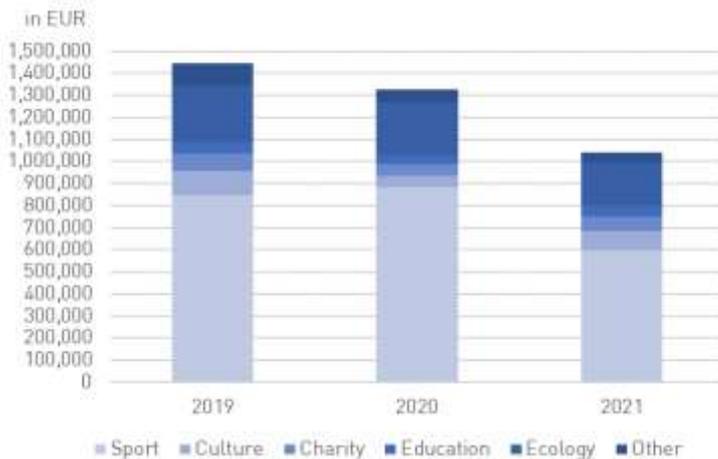
<sup>138</sup> GRI GS 413-1, 413-2, 103-1, 103-2, 103-3

### 24.1. Distribution of donations and sponsorships in 2021<sup>139</sup>

The company demonstrates its social responsibility to the local environment, which is most affected by port operations, by supporting organised groups and individuals who implement projects or activities important for the quality of life of the population in the local area. In 2021, due to the restrictions caused by the COVID-19 pandemic, the company chose not to publish a tender for the distribution of sponsorship and donations from the Living with the Port fund, which is primarily intended to support smaller local projects. In the long run, the Company cooperates with key local stakeholders active in sports, culture, ecology, science, education and humanitarian activities. In 2021, EUR 1 million were allocated to these activities through sponsorships and donations.



### 24.2. Distribution and amount of donations and sponsorships in years 2019 to 2021<sup>140</sup>



<sup>139</sup> GRI GS 201-1, 413-1

<sup>140</sup> GRI GS 201-1, 413-1

## 25. Sustainable relationship with suppliers

### 25.1. Building relationships with suppliers<sup>141</sup>

Luka Koper puts strong emphasis on building relationships with suppliers in order to ensure the necessary, timely, high quality, and cost effective procurement. This enables the transfer of good practices, enhances innovation, and creates added value for the users of port services, thus creating conditions for financial savings and more efficient port services. Common ground and mutual interests have to be found with the supplier, and the right balance achieved between the needs and expectations of the customer on the one hand, and benefits of the seller (supplier) on the other.

In accordance with the adopted procurement policy, which is the foundation of relations with suppliers and is based on respect for the Company's core values, i.e. cooperation, responsibility, respect, affinity, and creativity, the Company wants to achieve the key objectives – satisfaction of its customers, employees and owners – and ensure social responsibility to the environment. To some extent, the performance and reputation of Luka Koper depend on the performance of suppliers, therefore the Company respects and appreciates their efforts in helping it achieve the key objectives. Efficiency, expertise, an ethical approach and integrity, social responsibility, environmental protection, and health and safety are the six principles of the procurement policy Luka Koper wishes to pursue. The procurement policy of Luka Koper serves as a guide for all employees and all suppliers.

Good-quality suppliers contribute to higher efficiency of business processes in the Company, either directly by providing services or supplying products, or indirectly by increasing the efficiency and performance of work processes and business practices of the Company. Luka Koper strives to work with the best suppliers available. Strong partnerships have been built with a number of suppliers, who are also embracing the Company's sustainability policy. With new suppliers, we work in a desire to transform the collaboration into a long-term partnership.

Suppliers in Luka Koper are categorised into four groups: suppliers for investments, suppliers for technical services for own needs, suppliers for products (various materials), and external contractors (transshipment, movement, freight transport and warehouse cleaning) and agencies (selection of employers to provide employee work for the needs of Luka Koper d. d.).

External contractors for individual services are selected in an open competition process. Framework agreements have been signed with six recruitment agencies, on the basis of which workers are posted to work in Luka Koper.

Long-term partnership relationships with suppliers contribute to the process of finding common solutions for higher quality of procurement process management. Luka Koper maintains regular communication with potential new suppliers, who can get listed in the online database at <https://luka-kp.si/slo/za-dobavitelje>. Based on communication with suppliers and the submitted bids, certificates, qualifications and evidence of experience, the Company strives to select the best suppliers to collaborate with.

Achievement of objectives in the process of building relationships with suppliers is monitored quarterly by means of pre-determined indicators. Based on the findings of the analyses looking into the progress towards achieving the procurement objectives and into the relationship with suppliers, the Company regularly introduces improvements.

For timely implementation of measures and management of risks of poor procurement practices, the strengths and weaknesses of suppliers are monitored by:

- Evaluating suppliers,
- Rewarding suppliers.

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<sup>141</sup> GRI GR 103-1, 103-2, 103-3

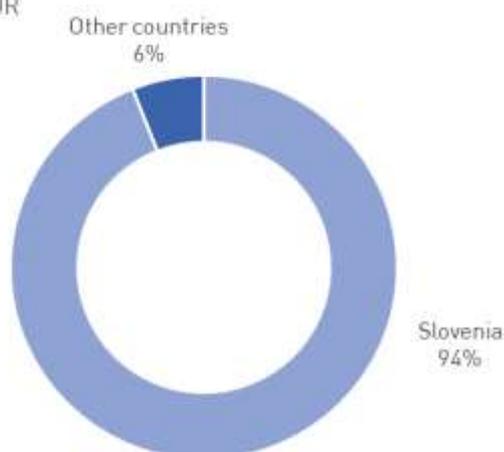
## 25.2. Supply chain<sup>142</sup>

The selection of and collaboration with suppliers is a transparent pre-defined process. Preference is given to suppliers whose operation is in line with international management standards, who meet the requirements for occupational safety, show a high level of environmental awareness, and work with the Company and the Group in the spirit of principles and values shared by Luka Koper. Before being included in the list of suppliers, the credit rating of an individual supplier is always checked. In the event of any established tax debt or poor credit rating, the supplier is not invited to submit a bid. The criteria for the selection of suppliers also include commitment to social responsibility; therefore, when possible, preference is given to purchases that contribute to the economic development of the local environment. Here, the domestic market of the Republic of Slovenia represents the local environment, while the Koper and Ankaran municipalities represent the local community where the port activity is actually carried out. Almost 90 percent of the Company's suppliers are from the local environment, i.e. companies based in Slovenia.

In 2021, the total value of purchases of Luka Koper, d. d. was over EUR 111 million, of which the purchase costs from external contractors and agencies amounted to EUR 20.5 million. Purchases made in the Slovenian market accounted for almost 94 percent of the total value of purchases.

### 25.2.1. Share of total value of purchases of Luka Koper, d. d., in 2021 by country<sup>143</sup>

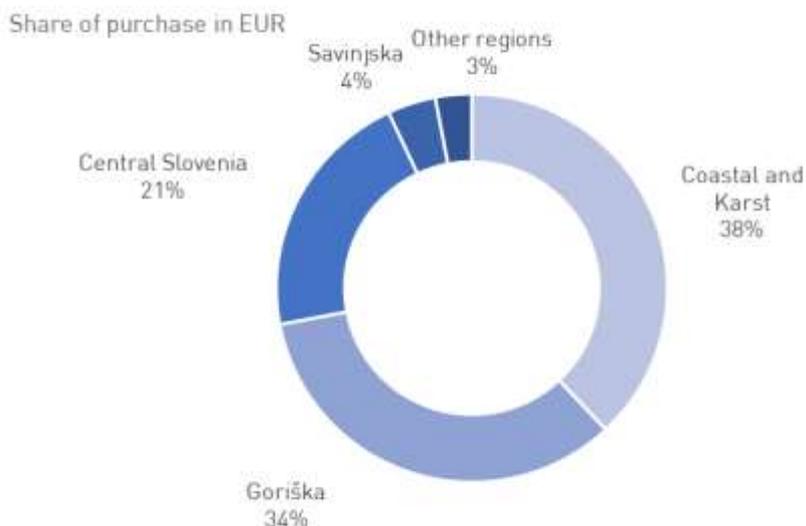
Share of purchase in EUR



<sup>142</sup> GRI GS 102-9

<sup>143</sup> GRI GS 204-1

### 25.2.2. Share of total value of purchases by Luka Koper, d. d. in the Slovenian market in 2021 by statistical region<sup>144</sup>



Luka Koper aims for an optimal number of suppliers in terms of procurement manageability as well as sufficient dispersion of suppliers to provide timely and appropriate purchases. The centralisation of procurement decisions has been subject to pre-determined responsibilities and powers of all the employees involved in the procurement process. While orders are issued and controlled centrally, procurement processes (goods collection, complaints, etc.) may also be carried out by decentralised organisational units of the Company, which allows for a higher level of flexibility to meet the specific needs of individual organisational units. The Company strives for well-organised, transparent business co-operation with suppliers, while maintaining an efficient, flexible procurement process that enables Luka Koper a smooth and efficient work process.

### 25.2.3. Assessing suppliers' environmental awareness<sup>145</sup>

The Company regularly monitors and assesses its cooperation with suppliers. Supplier evaluation is generally performed once a year. Evaluation for 2021 is underway for 49 suppliers. They are assessed based on pre-determined criteria. One of the criteria for assessing suppliers comprises assessment of the supplier's environmental awareness and compliance with environmental requirements, and potential use of an environmental management system, within which infringements in the field of occupational health and safety as well as environment are assessed.

Suppliers are assessed in four separate groups: the group of suppliers for investments, the group of suppliers for technical services, the group of suppliers for products, and the group of suppliers for external contractors and recruitment agencies. Each year, the Company selects the best supplier in each category, and the winners given recognition.

### 25.2.4. Changes to the supply chain<sup>146</sup>

No changes were made to the supply chain in 2021.

<sup>144</sup> GRI GS 204-1

<sup>145</sup> GRI GS 308-2, 414-2

<sup>146</sup> GRI GS 102-10

## 26. Sustainable relationship with customers

Partnership with customers is one of the main building blocks of Luka Koper. Being a relatively small Company, it was able to develop a special attitude to customers, which the Company has carefully nurtured and upgraded from year to year: to be an honest, professional and reliable business partner. The COVID-19 pandemic was also a turning point in the field of customer relations and communication, as most of the standard ways of communication and event organization were not possible. With its quick response, the Company was able to adapt its communication methods in an extremely short time and, with the IT applications available to customers, ensure regular contacts and maintain relationships.

### 26.1. Regular monitoring of customer satisfaction

The company monitors customer satisfaction on a daily basis, in several ways and on several levels. Regular communication is crucial, as it is important to respond quickly to any problems that customers might have in their daily business with Luka Koper. Communication takes place at both the operational and commercial levels. Through regular communication, the Company obtains information about the wishes and expectations of customers. Representatives and agents in the main hinterland markets are also in daily contact with customers to obtain information for better understanding of the markets and related requirements.

As a rule, the company conducts a customer satisfaction survey every two years. The survey planned for 2020 was not conducted due to extraordinary circumstances, and the next one is planned for 2022.

Luka Koper works closely with the local port community, which consists of forwarders, agents, carriers, operators, the police, the customs, the Slovenian Maritime Administration, inspection bodies, inspection and control service providers. Luka Koper is only one part of the logistics chain, but an important part, and together with other stakeholders it represents a logistics route through the port of Koper.

### 26.2. Efficient and careful complaint handling

The company has introduced a module for systematic complaint resolution and tracking. The system is divided into billing complaints and service complaints. Effective and careful resolution of complaints is also a way of measuring and monitoring customer satisfaction.

### 26.3. Consumer data protection

The Luka Koper Group had been paying close attention to the protection of consumer data even before the GDPR legislation was adopted. The system has been further upgraded to comply with the new legislation.

## 27. GRI content index (according to 2016 standards)<sup>147</sup>

2021

GRI (Global Reporting Initiative) content index ('in accordance' – Core option)						
GRI standard and disclosure	Description	Boundaries	Chapter		Page	Notes
<b>GRI 102: GENERAL DISCLOSURES</b>						
<b>Organisational profile</b>						
102-1	Name of organisation	Luka Koper Group	7.1	Luka Koper, d. d. company presentation	p. 46	
102-2	Activities, brands, products, and services	Luka Koper Group	7	Presentation of the Luka Koper Group and a description of the business model	p. 45	
			7.4	Activities of the Luka Koper Group	p. 49	
102-3	Location of headquarters	Luka Koper, d. d.	7.1	Luka Koper, d. d. company presentation	p. 46	
102-4	Location (country) of operations	Luka Koper Group	7	Presentation of the Luka Koper Group and a description of the business model	p. 45	
			7.1	Luka Koper, d. d. company presentation	p. 46	
102-5	Ownership and legal form	Luka Koper Group	7.1	Luka Koper, d. d. company presentation	p. 46	
			15	The LKPG Share	p. 80	
102-6	Markets served (geographic locations and sectors served, types of customers)	Luka Koper Group	7	Presentation of the Luka Koper Group and a description of the business model	p. 45	102-6 ii and 102-6 iii not covered.
			9.2.1	Market position	p. 57	
102-7	Scale of the organisation	Luka Koper Group	1	Business performance highlights of the Luka Koper Group in 2021	p. 5	102-7 iii covered in Chapter 1, 102-7 ii covered in Chapter 7.2, 102-7 v covered in Chapter 7.4, 102-7 iv covered in Chapter 15, 102-7 i covered in Chapter 22.1.1.
			7.2	Organisation of the Luka Koper Group and associates	p. 47	
			7.4	Activities of the Luka Koper Group	p. 49	

<sup>147</sup> GRI GS 102-54, 102-55

			15 The LKPG Share	p. 80	
			22.1.1 Number of employees by company and for Luka Koper Group	p. 122	
102-8	Information on employees and other workers	Luka Koper, d. d.	22.1 Employee management system	p. 121	Data were obtained from the personnel records of the SAP information system.
			22.1.2 Number of employees in Luka Koper, d. d. by type of contract (indefinite, fixed-term)	p. 122	
			22.1.3 Number of employees in Luka Koper, d. d. by type of contract (indefinite, fixed-term) by gender and by region of residence in 2021	p. 122	
			22.1.4 Number of employees in Luka Koper, d. d. as at 31 December by gender	p. 123	
			22.1.5 Share of employees in Luka Koper, d. d. by region of residence	p. 123	
			22.1.6 Number of employees by type of employment (full working time, part-time)	p. 123	
			22.1.8 Employee structure in Luka Koper, d. d. by age groups	p. 124	
102-9	Supply chain	Luka Koper, d. d.	25.2 Supply chain	p. 200	
102-10	Significant changes to the organisation and its supply chain	Luka Koper Group	7.5 Organisational changes	p. 50	
			25.2.4 Changes to the supply chain	p. 201	
102-11	Precautionary principle and approach	Luka Koper, d. d.	14 Managing risks and opportunities	p. 73	
			23.6 Environmental risk management and emergency response	p. 146	
			23.7.6 Climate change, and related opportunities	p. 155	
102-12	External initiatives	Luka Koper, d. d. Luka Koper INPO, d. o. o.	16.7 Membership and initiatives	p. 88	
102-13	Membership of associations	Luka Koper, d. d. Luka Koper INPO, d. o. o.	16.7 Membership and initiatives	p. 88	
<b>Strategy</b>					
102-14	Statement from senior decision-maker	Luka Koper Group	2 Letter of the President of the Management Board	p. 12	

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102-16	Values, principles, standards, and norms of behaviour	Luka Koper, d. d.	8 Business development strategy 17 Luka Koper and sustainable development guidelines 20 Corporate integrity, human rights, prevention of corruption and compliance 20.1 Corporate integrity 20.2 Human rights and discrimination 20.5 Compliance with legislation and internal requirements	p. 51 p. 90 p. 101 p. 101 p. 103 p. 107	A reference to the Business Development Strategy to show the values of the company.
102-17	Mechanisms for advice and concerns about ethics	Luka Koper Group	20 Corporate integrity, human rights, prevention of corruption and compliance 20.1 Corporate integrity 20.2 Human rights and discrimination 20.5 Compliance with legislation and internal requirements	p. 101 p. 101 p. 103 p. 107	
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102-18	Governance	Luka Koper, d. d.	4.3 Management system	p. 25	
102-22	Composition of the highest governance body and its committees	Luka Koper, d. d.	4.5 Supervisory Board of Luka Koper, d. d. 4.6 Management Board of Luka Koper d. d.	p. 26 p. 30	
102-23	Chair of the highest governance body	Luka Koper, d. d.	4.7 Management Board's work	p. 33	
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102-40	List of stakeholder groups	Luka Koper, d. d.	18 Port of Koper Stakeholders	p. 94	
102-41	Collective bargaining agreements	Luka Koper, d. d.	22.1.7 Share of employees in Luka Koper, d. d. covered by collective agreement	p. 123	
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102-44	Key topics and concerns that have been raised through stakeholder engagement, including how the	Luka Koper, d. d.	18.1 Stakeholder identification and engagement, their expectations and needs 19.1 Material contents highlighted by particular stakeholders	p. 95 p. 99	

organisation has responded  
(including through its reporting)

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102-46	Defining report content and topic boundaries	Luka Koper Group	16.2	Sustainability report according to international standards of sustainability reporting	p. 84
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102-47	List of material topics	Luka Koper, d. d.	19	Materiality matrix	p. 98
102-48	The effect of any restatements of information given in previous reports, and the reasons for such restatements	Luka Koper Group	16.2	Sustainability report according to international standards of sustainability reporting	p. 84
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<b>GRI 302 Energy</b>					
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	23.10.1 Energy efficiency system	p. 178	
302-1	Energy consumption in the organisation	Luka Koper, d. d.	23.10.2 Consumption of energy sources	p. 178	302-1c ii, iii, iv not covered.
302-2	Energy consumption outside the organisation	Luka Koper, d. d.	23.10.2 Consumption of energy sources	p. 178	
302-3	Energy intensity	Luka Koper, d. d.	23.10.2 Consumption of energy sources	p. 178	
302-4	Reduction of energy consumption	Luka Koper, d. d.	23.2.4 Realisation of environmental objectives in the period 2019-2021 23.10.3 Electricity consumption 23.10.4 Motor fuel consumption	p. 139 p. 180 p. 180	

			23.10.5	Implementation of improvement programmes to reduce electricity and fuel consumption	p. 180	
<b>GRI 303 Water and effluents 2018</b>						
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	23.1	About the environmental management system	p. 134	
303-1	Water as a shared resource	Luka Koper, d. d.	23.11	Drinking water and groundwater management	p. 182	
303-2	Management of water discharge-related impacts	Luka Koper, d. d.	23.11 23.12	Drinking water and groundwater management Wastewater management	p. 182 p. 184	
303-3	Water withdrawal	Luka Koper, d. d.	23.11	Drinking water and groundwater management	p. 182	
303-4	Water discharge	Luka Koper, d. d.	23.4.1. 23.11 23.12	Compliance with environmental legislation Drinking water and groundwater management Wastewater management	p. 141 p. 182 p. 184	
303-5	Water consumption	Luka Koper, d. d.	23.11	Drinking water and groundwater management	p. 182	
<b>GRI 304 Biodiversity</b>						
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	23.2 23.14	Living in harmony with the environment Biodiversity	p. 135 p. 187	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Luka Koper, d. d.	23.2 23.14	Living in harmony with the environment Biodiversity	p. 135 p. 187	The area of underwater meadows (dwarf eelgrass or <i>Zostera noltei</i> and little Neptune grass or <i>Cymodocea nodosa</i> ) cannot be technically specified.
304-2	Significant impacts of activities, products, and services on biodiversity	Luka Koper, d. d.	23.2 23.14	Living in harmony with the environment Biodiversity	p. 135 p. 187	
304-3	Habitats protected or restored	Luka Koper, d. d.	23.2 23.14	Living in harmony with the environment Biodiversity	p. 135 p. 187	
304-4	IUCN Red List species and national conservation list species with	Luka Koper, d. d.	23.2 23.14	Living in harmony with the environment Biodiversity	p. 135 p. 187	

	habitats in areas affected by operations					
<b>GRI 305 Emissions</b>						
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	23.1	About the environmental management system	p. 134	
305-1	Direct (Scope 1) GHG emissions	Luka Koper, d. d.	23.7.7	Results of greenhouse gas emissions measurements	p. 161	Emissions from the composting plant are not covered.
305-2	Energy indirect (Scope 2) GHG emissions	Luka Koper, d. d.	23.7.7	Results of greenhouse gas emissions measurements	p. 161	305-2c, 305-2d, 305-2e, 305-2f in 305-2g not covered.
305-6	Emissions of ozone-depleting substances	Luka Koper, d. d.	23.7.7	Results of greenhouse gas emissions measurements	p. 161	
305-7	Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	Luka Koper, d. d.	23.7.8	Volatile compound emissions measurement	p. 163	
	Air	Luka Koper, d. d.	23.7.1 23.7.2 23.7.3	Total dust in the port Concentrations of harmful particulate matter Emissions of substances at key sources	p. 149 p. 150 p. 153	
	Noise emissions	Luka Koper, d. d.	23.9	Noise emissions	p. 171	
	Light pollution	Luka Koper, d. d.	23.13	Light pollution	p. 186	
<b>GRI 306 Waste 2020</b>						
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	23.1	About the environmental management system	p. 134	
306 -1	Waste generation and significant waste-related impacts	Luka Koper, d. d.	23.6 23.6.1 23.8 23.8.2 23.15 23.15.1	Environmental risk management and emergency response Statistics for environmental incidents from 2019 to 2021 Waste management Implementation of waste management improvement programmes Sea water protection Statistics for interventions at sea	p. 146 p. 148 p. 164 p. 170 p. 190 p. 191	

306-2	Management of significant waste-related impacts	Luka Koper, d. d.	23.6 Environmental risk management and emergency response 23.6.1 Statistics for environmental incidents from 2019 to 2021 23.8.1 Results in waste management 23.8.2 Implementation of waste management improvement programmes 23.15 Sea water protection 23.15.1 Statistics for interventions at sea	p. 146 p. 148 p. 165 p. 170 p. 190 p. 191	
306-3	Waste generated	Luka Koper, d. d.	23.8.1 Results in waste management	p. 165	Wastewater is covered in 23.2.2.; p. 129 and 23.12.; p. 174
306-4	Waste diverted from disposal	Luka Koper, d. d.	23.8 Waste management 23.8.1 Results in waste management	p. 164 p. 165	Environmental permit for the processing of waste paper sludge Quantities stated in the table: Total amount of waste directed to disposal and amount of waste diverted from disposal. The total amount of waste diverted from disposal is 14,949 metric tons.
306-5	Waste directed to disposal	Luka Koper, d. d.	23.8 Waste management 23.8.1 Results in waste management	p. 164 p. 165	Quantities stated in the table: Total amount of waste directed to disposal and amount of waste diverted from disposal. The total amount of waste directed to disposal is 345 metric tons.
<b>GRI 307 Environmental compliance</b>					
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	23.1 About the environmental management system	p. 134	
307-1	Non-compliance with environmental laws and regulations	Luka Koper, d. d.	20.5 Compliance with the legislation and internal requirements 23.4.1 Compliance with environmental legislation 23.4.2 Compliance with internal requirements 23.5.4 Inspections	p. 107 p. 141 p. 142 p. 144	We do not report the amounts of fines because no fines were issued in 2021.
<b>GRI 308 Supplier environmental assessment</b>					
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	25.1 Building relationships with suppliers	p. 199	

308-2	Negative environmental impacts in the supply chain and actions taken	Luka Koper, d. d.	25.2.3 Assessing suppliers' environmental awareness	p. 201	308-2b, 308-2c, 308-2d and 308-2e not covered.
<b>GRI 400 SOCIAL TOPICS</b>					
<b>GRI 401 Employment</b>					
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	22.1 Employee management system	p. 121	
401-1	New employee hires and employee turnover	Luka Koper, d. d.	22.1.9 New employee hires in Luka Koper, d. d. by age groups 22.1.10 New employee hires in Luka Koper, d. d. by gender 22.1.11 New employee hires in Luka Koper, d. d. in 2021 by region of residence 22.1.12 Comparison of new employee hires, contract termination and fluctuation rate 22.1.13 Employee fluctuation in 2021 by age groups, gender and region of residence	p. 124 p. 124 p. 124 p. 125 p. 125	Fluctuation is also covered with regard to the Luka Koper Group.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Luka Koper, d. d.	22.1.14 Employee benefits	p. 125	
401-3	Parental leave	Luka Koper, d. d.	22.1.15 Number of Luka Koper, d. d. employees who took parental leave and returned to their workplace by gender	p. 126	In Slovenia, the use of parental leave at the birth of a child is a legal requirement. The share of utilisation of parental leave is not reported.
<b>GRI 403 Occupational Health and Safety 2018</b>					
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	21.1 Occupational safety and health system 21.3 Occupational safety and health objectives	p. 109 p. 112	
403-1	Occupational health and safety management system	Luka Koper, d. d.	21.1 Occupational safety and health system 21.2.1 Organisation	p. 109 p. 109	
403-2	Hazard identification, risk assessment, and incident investigation	Luka Koper Group	21.2.3 Hazard identification, risk assessment, and incident investigation	p. 110	
403-3	Occupational health services	Luka Koper, d. d.	21.2.4 Implementation of health measures and prevention or mitigation of negative effects on health	p. 111	

403-4	Worker participation, consultation and communication on occupational health and safety	Luka Koper, d. d.	21.2.6 Worker participation and consultation with employee representatives	p. 111
403-5	Worker training on occupational health and safety	Luka Koper, d. d.	21.2.5 Training on safe and healthy working practices	p. 111
403-6	Promotion of worker health	Luka Koper, d. d.	21.8 Health promotion	p. 119
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Luka Koper, d. d.	21.2.4 Implementation of health measures and prevention or mitigation of negative effects on health 21.6 Loss events 21.7.1 Activities to prevent the spread of COVID-19 21.7.2 Other performed activities	p. 111 p. 114 p. 115 p. 116
403-8	Workers covered by an occupational health and safety management system	Luka Koper, d. d.	21.2.2 Workers covered by an occupational health and safety management system	p. 110
403-9	Injuries at work	Luka Koper, d. d.	21.2.3 Hazard identification, risk assessment, and incident investigation 21.3 Occupational safety and health objectives 21.5 Injuries at work 21.7.1 Activities to prevent the spread of COVID-19 21.7.2 Other performed activities 21.9 Planned occupational health and safety activities in 2022	p. 110 p. 112 p. 113 p. 115 p. 116 p. 120
403-10	Work-related ill health	Luka Koper, d. d.	21.2.4 Implementation of health measures and prevention or mitigation of negative effects on health	p. 111
<b>GRI 404 Training and education</b>				
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	22.2.1 Employee training system	p. 127
404-1	Average hours of training per year per employee	Luka Koper, d. d.	22.2.1 Employee training system	p. 127
404-2	Programs for upgrading employee skills and transition assistance programs	Luka Koper, d. d.	22.2.2 Introduced programmes	p. 128

404-3	Percentage of employees receiving regular performance and career development reviews	Luka Koper, d. d.	22.2.3 Promotion and internal mobility of employees	p. 129	
<b>GRI 405 Diversity and equal opportunity</b>					
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	20.4 Diversity policy	p. 107	
405-1	Diversity of governance bodies and employees	Luka Koper, d. d.	4.5 Supervisory Board of Luka Koper, d. d. 4.6 Management Board of Luka Koper d. d. 4.6.2 Presentation of members of the Management Board of Luka Koper, d. d. as at 31 December 2021 22.1.17 Diversity of employees by job category, gender and age	p. 26 p. 30 p. 31 p. 127	
<b>GRI 406 Non-discrimination</b>					
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	20.2 Human rights and discrimination	p. 103	An evaluation of the management approach is under preparation.
406-1	Incidents of discrimination and corrective actions taken	Luka Koper, d. d.	20.2 Human rights and discrimination	p. 103	406-1b not covered.
<b>GRI 412 Human rights assessment</b>					
103-1 103-2 103-3	Management approach	Luka Koper Group	20.1 Corporate integrity	p. 101	
412-1	Operations that have been subject to human rights reviews or impact assessments	Luka Koper, d. d.	20.2.1 Human rights identified as most relevant for Luka Koper, d. d.	p. 105	
412-2	Employee training on human rights policies or procedures	Luka Koper, d. d.	20.2. Human rights and discrimination	p. 103	
<b>GRI 413 Local communities</b>					
103-1 103-2 103-3	Management approach	Luka Koper Group	17.1 Sustainable development strategy 24 Social environment	p. 90 p. 197	

413-1	Operations with local community engagement, impact assessments, and development programs	Luka Koper Group	7.4 Activities of the Luka Koper Group 8.3 Indirect impacts of operations of Luka Koper 23.5. Public communication 23.5.3 Registered and processed environmental complaints 23.9.1 Noise emission results 23.9.2 Implementation of noise reduction improvement programmes in 2021 23.9.3 Noise control improvement programmes scheduled for 2022 23.15.1 Statistics for interventions at sea 24 Social environment 24.1 Distribution of donations and sponsorships in 2021 24.2 Distribution and amount of donations and sponsorships in years 2019 to 2021	p. 49 p. 55 p. 142 p. 143 p. 171  p. 175 p. 176  p. 191 p. 197 p. 198 p. 198	413-1 i and 413-1 v not covered.
413-2	Operations with significant actual and potential negative impacts on local communities	Luka Koper Group	23.9.1 Noise emission results 23.9.2 Implementation of noise reduction improvement programmes in 2021 23.9.3 Noise control improvement programmes scheduled for 2022 24 Social environment	p. 171 p. 175  p. 176 p. 197	
<b>GRI 414 Supplier social assessment</b>					
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	25.1 Building relationships with suppliers	p. 199	
414-2	Negative social impacts in the supply chain and actions taken	Luka Koper, d. d.	25.2.3 Assessing suppliers' environmental awareness	p. 201	414-2b, 414-2c, 414-2d and 414-2e not covered.
<b>GRI 419 Socioeconomic compliance</b>					
103-1 103-2 103-3	Management approach	Luka Koper, d. d.	20.5 Compliance with the legislation and internal requirements 21.4 Compliance with occupational safety legislation 23.4.1 Compliance with environmental legislation 23.4.2 Compliance with internal requirements	p. 107 p. 112 p. 141 p. 142	Evaluation of the management approach is carried out at the management review.
419-1	Non-compliance with laws and regulations in the social and economic area	Luka Koper, d. d.	20.5 Compliance with the legislation and internal requirements 21.4 Compliance with occupational safety legislation 23.4.1 Compliance with environmental legislation 23.4.2 Compliance with internal requirements	p. 107 p. 112 p. 141 p. 142	We do not report the amounts of fines because no fines were issued in 2021.

# FINANCIAL STATEMENTS

## 28. Financial statements of Luka Koper, d. d. and Luka Koper Group

### 28.1. Income Statement

(in EUR)	Note	Luka Koper, d. d.		Luka Koper Group	
		2021	2020	2021	2020
Net sales	1	224,990,379	206,038,900	228,444,062	209,920,232
Capitalised own products and services	2	76,042	142,528	76,042	142,535
Other income	3	2,941,895	8,380,568	4,691,557	10,195,758
Cost of materials	4	-15,999,667	-15,699,263	-16,355,259	-16,059,448
Cost of services	5	-61,823,212	-55,840,212	-58,465,253	-53,053,535
Cost of labour	6	-80,154,423	-72,137,042	-86,970,246	-78,743,013
Depreciation	7	-29,087,193	-27,537,542	-29,824,461	-28,302,384
Other expenses	8	-10,198,377	-10,585,472	-10,250,174	-10,595,879
<b>Operating profit</b>		<b>30,745,444</b>	<b>32,762,465</b>	<b>31,346,268</b>	<b>33,504,266</b>
Finance income		4,898,610	3,349,022	3,470,537	2,097,685
Finance expenses		-273,258	-704,673	-275,496	-589,867
<b>Profit from financing activity</b>	<b>9</b>	<b>4,625,352</b>	<b>2,644,349</b>	<b>3,195,041</b>	<b>1,507,818</b>
Profit of associates		0	0	2,793,285	1,224,318
<b>Profit before taxes</b>		<b>35,370,796</b>	<b>35,406,814</b>	<b>37,334,594</b>	<b>36,236,402</b>
Income tax	10	-5,159,085	-4,054,749	-5,232,125	-4,131,727
Deferred taxes	10	-291,381	-79,315	-308,942	-75,111
<b>Net profit for the period</b>		<b>29,920,330</b>	<b>31,272,750</b>	<b>31,793,528</b>	<b>32,029,565</b>
<b>Net profit for the period attributable to the parent/controlling company</b>		<b>0</b>	<b>0</b>	<b>31,760,565</b>	<b>32,025,757</b>
<b>Net profit for the period attributable to non-controlling interests</b>		<b>0</b>	<b>0</b>	<b>32,963</b>	<b>3,808</b>
<b>Net earnings per share</b>	<b>11</b>	<b>2.14</b>	<b>2.23</b>	<b>2.27</b>	<b>2.29</b>

Notes to the Financial Statements form an integral part of the Financial Statements and should be read in conjunction with these.

## 28.2. Statement of other comprehensive income

(in EUR)		Luka Koper, d. d.		Luka Koper Group	
	Note	2021	2020	2021	2020
<b>Net profit for the period</b>		<b>29,920,330</b>	<b>31,272,750</b>	<b>31,793,528</b>	<b>32,029,565</b>
Actuarial gains/losses from post-employment benefits	25	34,869	-265,847	104,021	-385,984
Deferred tax on actuarial gains or losses	19	-7,652	22,196	-14,953	33,446
Change in revaluation surplus of financial assets measured at fair value through equity	18	11,404,384	7,422,406	11,589,103	7,256,160
Deferred tax on revaluation of financial assets measured at fair value through equity	19	-2,166,832	-1,410,257	-2,201,930	-1,378,670
<b>Items not to be reclassified into profit/loss in future periods</b>		<b>9,264,769</b>	<b>5,768,498</b>	<b>9,476,241</b>	<b>5,524,952</b>
<b>Total comprehensive income for the period</b>		<b>39,185,098</b>	<b>37,041,248</b>	<b>41,269,769</b>	<b>37,554,517</b>
<b>Total comprehensive income attributable to owners of the company</b>		<b>39,185,098</b>	<b>37,041,248</b>	<b>41,236,807</b>	<b>37,550,709</b>
<b>Total comprehensive income of non-controlling interests</b>		<b>0</b>	<b>0</b>	<b>32,963</b>	<b>3,808</b>

### 28.3. Statement of financial position

(in EUR)	Note	Luka Koper, d. d.		Luka Koper Group	
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>					
Property, plant and equipment	12	425,978,241	403,335,743	438,877,277	417,136,694
Investment property	13	23,975,120	23,721,641	15,530,234	14,844,630
Intangible assets	14	1,250,530	1,881,584	1,372,176	2,058,861
Other non-current assets	15	9,650,187	1,089,144	9,650,187	1,089,144
Shares and interests in Group companies	16	4,048,063	4,533,063	0	0
Shares and interests in associates	17	6,737,709	6,737,709	15,784,793	14,168,687
Other non-current investments	18	56,587,335	44,223,149	59,972,076	47,423,171
Deposits and loans given		1,717	3,336	7,260	8,866
Non-current operating receivables		39,991	41,088	39,991	31,397
Deferred tax assets	19	3,123,312	5,589,177	3,139,376	5,665,198
<b>Non-current assets</b>		<b>531,392,205</b>	<b>491,155,634</b>	<b>544,373,370</b>	<b>502,426,648</b>
Assets (disposal groups) held for sale	20	485,000	0	340,807	0
Inventories	21	1,422,438	1,362,769	1,422,438	1,362,769
Deposits and loans given		1,619	1,824	1,619	72,909
Trade and other receivables and other assets	22	46,773,388	41,192,593	47,326,339	41,632,400
Income tax assets		0	885,779	0	883,596
Cash and cash equivalents	23	16,342,426	37,051,470	40,638,685	61,021,421
<b>Current assets</b>		<b>65,024,871</b>	<b>80,494,435</b>	<b>89,729,888</b>	<b>104,973,095</b>
<b>TOTAL ASSETS</b>		<b>596,417,076</b>	<b>571,650,069</b>	<b>634,103,258</b>	<b>607,399,743</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital		58,420,965	58,420,965	58,420,965	58,420,965
Share premium		89,562,703	89,562,703	89,562,703	89,562,703
Revenue reserves		224,907,699	209,947,534	224,907,699	209,947,534
Reserves arising from valuation at fair value		29,692,618	20,382,176	30,036,801	20,507,185
Retained earnings		29,592,320	30,637,829	63,769,456	62,982,777
<b>Equity attributable to owners of the controlling company</b>		<b>432,176,305</b>	<b>408,951,207</b>	<b>466,697,624</b>	<b>441,421,164</b>
<b>Non-controlling interests</b>		<b>0</b>	<b>0</b>	<b>267,704</b>	<b>239,522</b>
<b>Total equity</b>	<b>24</b>	<b>432,176,305</b>	<b>408,951,207</b>	<b>466,965,328</b>	<b>441,660,686</b>
Provisions	25	19,150,740	17,273,054	19,754,689	17,943,022
Deferred income	26	28,878,641	24,153,306	30,137,376	25,537,164
Non-current loans and borrowings	27	60,688,522	71,209,697	60,688,522	71,209,697
Other non-current financial liabilities		967,048	262,898	967,241	264,966
Non-current operating liabilities	28	106,025	115,195	143,693	145,939
<b>Non-current liabilities</b>		<b>109,790,976</b>	<b>113,014,150</b>	<b>111,691,521</b>	<b>115,100,788</b>
Liabilities (disposal groups) held for sale	29	0	0	40,984	0
Current loans and borrowings	30	10,521,175	10,521,175	10,521,175	10,521,175
Other current financial liabilities		468,582	330,668	428,514	382,791
Income tax liabilities		3,130,837	0	3,130,790	0
Trade and other payables	31	40,329,201	38,832,869	41,324,946	39,734,303
<b>Current liabilities</b>		<b>54,449,795</b>	<b>49,684,712</b>	<b>55,446,409</b>	<b>50,638,269</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>596,417,076</b>	<b>571,650,069</b>	<b>634,103,258</b>	<b>607,399,743</b>

## 28.4. Statement of Cash Flows

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Net profit for the period</b>	<b>29,920,330</b>	<b>31,272,750</b>	<b>31,793,528</b>	<b>32,029,565</b>
<b>Adjustments for:</b>				
Depreciation	29,087,193	27,537,542	29,824,461	28,302,384
Reversal and impairment losses on property, plant and equipment, and intangible assets	1,469,401	1,996,081	1,469,597	2,000,419
Gain on sale of property, plant and equipment, and investment property	-1,104,899	-20,561	-1,105,202	-12,403
Allowances for receivables	619,269	445,625	640,782	455,492
Collected written-off receivables and written-off liabilities	-232,000	-852,501	-244,899	-857,626
Reversal of provisions	-490,646	-3,856,370	-534,656	-3,868,973
Finance income	-4,898,610	-3,349,022	-3,470,537	-2,097,685
Finance expenses	273,258	704,673	275,496	589,867
Recognised result of subsidiaries under equity method	0	0	-2,793,285	-1,224,318
Income tax expense and income (expenses) from deferred taxes	5,450,466	4,134,064	5,541,067	4,206,838
<b>Profit before change in net current operating assets and taxes</b>	<b>60,093,762</b>	<b>58,012,281</b>	<b>61,396,352</b>	<b>59,523,560</b>
Change in other assets	-8,561,043	16,663,696	-8,561,043	16,763,896
Change in operating receivables	-5,995,264	2,569,432	-6,101,516	2,615,454
Change in inventories	-59,670	59,729	-59,669	59,729
Change in assets (disposal groups) held for sale	-485,000	0	-340,807	0
Change in liabilities (disposal groups) held for sale	0	0	40,984	0
Change in shares and interests in Group companies	485,000	0	0	0
Change in operating liabilities	9,097,893	-7,635,495	9,234,867	-7,527,433
Change in provisions	2,437,223	-312,986	2,457,186	-257,241
Change in non-current deferred income	4,725,335	-268,944	4,600,212	-514,657
<b>Cash generated in operating activities</b>	<b>61,738,236</b>	<b>69,087,713</b>	<b>62,666,566</b>	<b>70,663,308</b>
Interest expenses	-282,361	-717,173	-284,599	-591,046
Tax expenses	-1,142,469	-775,398	-1,217,739	-885,781
<b>Net cash flows from operating activities</b>	<b>60,313,406</b>	<b>67,595,142</b>	<b>61,164,228</b>	<b>69,186,481</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>				
Interest received	252,498	205,313	260,738	211,444
Dividends received and profit sharing – subsidiaries	308,723	422,442	0	0
Dividends received and profit sharing – associates	1,177,179	855,823	1,177,179	855,823
Dividends received and profit sharing – other companies	2,200,407	1,865,444	2,249,996	1,865,444
Proceeds from sale of property, plant and equipment, and intangible assets	1,173,553	-20,759	1,362,753	8,647
Proceeds from sale of investment property	199,266	0	10,573	0
Proceeds from sale, less investments and loans given	1,824	8,716	72,987	8,838
Acquisition of property, plant and equipment, and intangible assets	-59,486,450	-57,832,111	-59,783,453	-58,202,326
<b>Net cash flows from investing activities</b>	<b>-54,173,000</b>	<b>-54,495,132</b>	<b>-54,649,227</b>	<b>-55,252,130</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of non-current borrowings	0	-16,000,000	0	0
Repayment of current borrowings	-10,521,175	-10,521,174	-10,521,175	-10,521,174
Lease payments expense	-368,275	-364,613	-416,562	-412,731
Dividends paid	-15,960,000	-15,009,345	-15,960,000	-15,009,345
<b>Net cash flows from financing activities</b>	<b>-26,849,450</b>	<b>-41,895,132</b>	<b>-26,897,737</b>	<b>-25,943,250</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-20,709,044</b>	<b>-28,795,122</b>	<b>-20,382,736</b>	<b>-12,008,899</b>
Opening balance of cash and cash equivalents	37,051,470	65,846,592	61,021,421	73,030,320
<b>Closing balance of cash and cash equivalents</b>	<b>16,342,426</b>	<b>37,051,470</b>	<b>40,638,685</b>	<b>61,021,421</b>

## 28.5. Statement of Owner's Equity

(in EUR)	Reserves arising from valuation at fair value							Total equity
	Share capital	Share premium	Legal reserves	Other revenue reserves	Retained earnings	Investments	Actuarial gains and losses	
<b>Balance at 31 December 2019</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>175,546,044</b>	<b>30,013,664</b>	<b>16,010,857</b>	<b>-1,429,389</b>	<b>386,889,959</b>
Dividends paid	0	0	0	0	-14,980,000	0	0	-14,980,000
<b>Changes in equity – transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,980,000</b>	<b>0</b>	<b>0</b>	<b>-14,980,000</b>
Net profit or loss for the period	0	0	0	0	31,272,750	0	0	31,272,750
Change in revaluation surplus of financial assets, less tax	0	0	0	0	0	6,012,149	0	6,012,149
Change in actuarial gains/losses, less tax	0	0	0	0	0	0	-243,651	-243,651
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,272,750</b>	<b>6,012,149</b>	<b>-243,651</b>	<b>37,041,248</b>
Allocation of proportion of net profit for the period to other equity components pursuant to resolution of the Management and Supervisory Board	0	0	0	15,636,375	-15,636,375	0	0	0
Other movements within equity	0	0	0	0	-32,210	0	32,210	0
<b>Movements within equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,636,375</b>	<b>-15,668,585</b>	<b>0</b>	<b>32,210</b>	<b>0</b>
<b>Balance at 31 December 2020</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>191,182,419</b>	<b>30,637,829</b>	<b>22,023,006</b>	<b>-1,640,830</b>	<b>408,951,207</b>
Dividends paid	0	0	0	0	-15,960,000	0	0	-15,960,000
<b>Changes in equity – transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-15,960,000</b>	<b>0</b>	<b>0</b>	<b>-15,960,000</b>
Net profit or loss for the period	0	0	0	0	29,920,330	0	0	29,920,330
Change in revaluation surplus of financial assets, less tax	0	0	0	0	0	9,237,551	0	9,237,551
Change in actuarial gains/losses, less tax	0	0	0	0	0	0	27,217	27,217
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>29,920,330</b>	<b>9,237,551</b>	<b>27,217</b>	<b>39,185,098</b>
Allocation of proportion of net profit for the period to other equity components pursuant to resolution of the Management and Supervisory Board	0	0	0	14,960,165	-14,960,165	0	0	0
Other movements within equity	0	0	0	0	-45,675	0	45,675	0
<b>Movements within equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,960,165</b>	<b>-15,005,840</b>	<b>0</b>	<b>45,675</b>	<b>0</b>
<b>Balance at 31 December 2021</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>206,142,584</b>	<b>29,592,319</b>	<b>31,260,558</b>	<b>-1,567,938</b>	<b>432,176,305</b>

## 28.6. Statement of Group Equity

(in EUR)								Reserves arising from	Total equity attributable to owners of controlling shares	Equity of non-controlling interests	Total equity
	Share capital	Share premium	Legal reserves	Other revenue reserves	Retained earnings	Investments	valuation at fair value	Actuarial gains and losses			
<b>Balance at 31 December 2019</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>175,546,044</b>	<b>61,607,313</b>	<b>16,504,609</b>	<b>-1,556,294</b>	<b>418,850,456</b>	<b>238,899</b>	<b>419,089,355</b>	
Dividends paid	0	0	0	0	-14,980,000	0	0	-14,980,000	-3,187	-14,983,187	
<b>Changes in equity – transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-14,980,000</b>	<b>0</b>	<b>0</b>	<b>-14,980,000</b>	<b>-3,187</b>	<b>-14,983,187</b>	
Net profit or loss for the period	0	0	0	0	32,025,757	0	0	32,025,757	3,808	32,029,565	
Change in revaluation surplus of financial assets, less tax	0	0	0	0	0	5,877,490	0	5,877,490	0	5,877,490	
Change in actuarial gains/losses, less tax	0	0	0	0	0	0	-352,538	-352,538	0	-352,538	
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,025,757</b>	<b>5,877,490</b>	<b>-352,538</b>	<b>37,550,709</b>	<b>3,808</b>	<b>37,554,517</b>	
Allocation of proportion of net profit for the period to other equity components pursuant to resolution of the Management and Supervisory Board	0	0	0	15,636,375	-15,636,375	0	0	0	0	0	
Other movements within equity	0	0	0	0	-33,918	0	33,918	0	0	0	
<b>Movements within equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,636,375</b>	<b>-15,670,293</b>	<b>0</b>	<b>33,918</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Balance at 31 December 2020</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>191,182,419</b>	<b>62,982,776</b>	<b>22,382,100</b>	<b>-1,874,915</b>	<b>441,421,164</b>	<b>239,522</b>	<b>441,660,686</b>	
Dividends paid	0	0	0	0	-15,960,000	0	0	-15,960,000	-4,780	-15,964,780	
<b>Changes in equity – transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-15,960,000</b>	<b>0</b>	<b>0</b>	<b>-15,960,000</b>	<b>-4,780</b>	<b>-15,964,780</b>	
Net profit or loss for the period	0	0	0	0	31,760,565	0	0	31,760,565	32,963	31,793,528	
Change in revaluation surplus of financial assets, less tax	0	0	0	0	0	9,387,173	0	9,387,173	0	9,387,173	
Change in actuarial gains/losses, less tax	0	0	0	0	0	0	89,068	89,068	0	89,068	
<b>Total comprehensive income for the period</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>31,760,565</b>	<b>9,387,173</b>	<b>89,068</b>	<b>41,236,806</b>	<b>32,963</b>	<b>41,269,769</b>	
Allocation of residual net profit for comparable period to other equity components	0	0	0	14,960,165	-14,960,165	0	0	0	0	0	
Other movements within equity	0	0	0	0	-53,375	0	53,375	0	0	0	
<b>Movements within equity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14,960,165</b>	<b>-15,013,540</b>	<b>0</b>	<b>53,375</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Other changes in equity	0	0	0	0	-346	0	0	-346	0	-346	
<b>Other changes</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-346</b>	<b>0</b>	<b>0</b>	<b>-346</b>	<b>0</b>	<b>-346</b>	
<b>Balance at 31 December 2021</b>	<b>58,420,965</b>	<b>89,562,703</b>	<b>18,765,115</b>	<b>206,142,584</b>	<b>63,769,456</b>	<b>31,769,273</b>	<b>-1,732,471</b>	<b>466,697,624</b>	<b>267,704</b>	<b>466,965,328</b>	

## 29. Notes to Financial Statements

### 29.1. Bases for the presentation of financial statements

#### Reporting entity

Luka Koper, pristaniški in logistični sistem, delniška družba (hereinafter: Company), Vojkovo nabrežje 38, Koper, Slovenia, is the controlling company of the Luka Koper Group (hereinafter: Group), established in Slovenia. Separate financial statements of Luka Koper, d. d., and consolidated financial statements of the Luka Koper Group for the year ended 31 December 2021 are presented below. Consolidated financial statements include statements of the controlling company and statements of subsidiaries as well as the related profit or loss of associated companies.

The port's core business is cargo handling and warehousing of all types of goods, which the Group supplements with diverse goods-related services and other services to secure an overall logistics support. Given the Concession Agreement, the controlling company, Luka Koper, d. d. maintains the port infrastructure and provides for the port's development.

Subsidiaries included in the consolidated financial statements:

- Luka Koper INPO, d. o. o., 100%
- Adria Terminali, d. o. o., 100%
- Luka Koper Pristan, d. o. o., in liquidation, 100%
- TOC, d. o. o., 68.13%

Associates included in the consolidated financial statements:

- Adria Transport, d. o. o., 50%
- Adria Transport Croatia, d. o. o., 50%, 100%-owned by Adria Transport, d. o. o.
- Adria-Tow, d. o. o., 50%
- Adriaфин, d. o. o., 50%
- Avtoservis, d. o. o., 49%

Companies excluded from the consolidated financial statements as at 31 December 2021:

- Logis-Nova, d. o. o., 100%
- Adria Investicije, d. o. o., 100%

Adria Investicije, d. o. o., and Logis-Nova, d. o. o., were not included in the consolidated financial statements due to being insignificant for a fair presentation of the Group's financial position. They operate in a limited scope and without employees. In their books, they only disclose property, and the balance sheet total of both was EUR 866,928 at 31 December 2021. Net sales for the business year amounted to EUR 104,702 (Adria Investicije, d. o. o.: EUR 84,028, and Logis-Nova, d. o. o.: EUR 20,674). Both companies recorded profits at the end of the year. If operations of the two companies should change considerably, they would be included in the Group's consolidated statements.

#### Declaration of conformity

The financial statements of Luka Koper, d. d., and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union, and in accordance with provisions of the Slovenian Companies Act.

The Management Board of Luka Koper, d. d. approved these financial statements on 31 March 2022.

#### Bases for measurement

Financial statements of the Company and the Group have been prepared on a going concern basis, which assumes that the company/Group will have sufficient liquid assets.

In view of the uncertainty regarding the further development of COVID-19-related events, the management is closely monitoring the situation and possible impact on operations, and ensuring that the Company/Group has sufficient liquid assets to ensure its continued operations.

The statements have been prepared on the historical cost basis, except for investments, which were measured at fair value. Methods applied for fair value measurement are clarified in the note 34: Financial instruments and financial risk management.

### **Functional and presentation currency**

The financial statements are presented in EUR (exclusive of cents), which is the functional currency of the Company/Group. Slight inaccuracies may appear due to rounding.

### **Use of estimates and judgements**

Preparation of financial statements in conformity with IFRSs requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates are formed based on past experience and expectations in the accounting period. Formation of estimates and the related assumptions and uncertainties are disclosed in the notes to individual items.

Estimates, judgements and assumptions are reviewed on a regular basis. Actual results may differ from these estimates, hence estimates and underlying assumptions are reviewed and relevant adjustments formed on an ongoing basis. Changes in accounting estimates are recognised in the period for which the estimates are modified, or in the coming periods that are impacted by respective changes.

### **Estimates and judgements are used primarily with the following accounting items:**

#### **Assessing the impairment of property, plant and equipment (Note 12 and 13, and Policy 30.1.2)**

Existence of possible indication of impairment for property, plant and equipment is assessed by the Company/Group based on IAS 36. As at each reporting date, the Company/Group assesses whether there is any indication (significant technological changes, market changes, obsolescence or physical wear and tear of individual property, plant and equipment) of possible impairment. If such indication exists, the Company/Group is required to evaluate the recoverable value of the asset. Any asset is subject to impairment if its carrying amount exceeds its recoverable value. The recoverable value is the higher of the following two items: its fair value less selling expenses or its value in use.

#### **Assessing the formation of provisions for legal disputes (Note 25 and 32, and Policy 30.1.12)**

A provision is recognised if the Company/Group has legal or indirect obligations arising from a past event that can be reliably assessed, and if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Contingent obligations are not recognised in the financial statements, as their exact amount could not be established or their actual existence will be confirmed only upon the occurrence or non-occurrence of events in the unforeseeable future, which the Company/Group cannot influence.

The Company/Group Management regularly checks whether the settlement of a contingent obligation will likely require an outflow of resources embodying economic benefits. If it becomes probable that an outflow of future economic benefits will be required, provisions for legal disputes are formed in the financial statements.

#### **Assessing the adequacy of useful lives of assets (Notes 12 and 14 and policies 30.1.2 and 30.1.3)**

While assessing the useful lives of assets, the Company/Group considers the expected physical wear and economic and technical ageing. In this relation, the Company/Group regularly verifies the useful lives with significant assets and, in case of changed circumstances, the Company/Group changes the useful life and consequently revalues the cost of depreciation.

#### **Assessing the adequacy of revenue recognition in contracts with customers (Note 1 and policy 30.1.22)**

The Company/Group discloses its revenue in accordance with IFRS 15. The core principle of the framework is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

For the purpose of revenue recognition, each company applies the stage of completion method as at the date of statement of financial position, i.e., for cargo handling by volume and working hours performed, for warehousing and logistics by days and volume, for maintenance upon construction situations and by hours performed, for

laboratory services by hours performed, and for hospitality and accommodation services by days and services rendered.

Operating income is recognised by each company when it can be reasonably expected that it will result in cash receipts, unless such receipts were already realised when revenue was generated, and their amount can be reliably measured.

#### **Assessing the Impairment of financial instruments and non-financial assets**

Information on significant estimates about uncertainty and critical judgement drawn up by the management in applying accounting policies that has the most significant effect on the amounts recognised in the financial statements, was applied in the assessment of:

- Value of property, plant and equipment (Note 12),
- Value of investment property (Note 13),
- Valuation of investments in subsidiaries (the controlling company only), associates and other companies (Notes 16, 17 and 18), and
- Recognition of deferred tax assets (Note 19).

#### **Assessing the possibility of using receivables for deferred taxes (Note 19 and Policy 30.1.20)**

Based on the estimate that sufficient profit will be available in the future, the Company/Group created deferred tax assets provided under following:

- Provisions for jubilee premiums and retirement benefits,
- Impairment of investments,
- Differences arising on revaluation of available for sale investments,
- Impairment of receivables.

Deferred tax assets recognised under the formation of provisions for jubilee premiums and retirement benefits are reduced by relevant amounts of provisions utilised or increased by amounts of newly formed provisions.

Given that the impairment losses on investments and receivables are not recognised as tax expenditure upon formation, the Company/Group formed deferred tax assets in the relevant amounts. Deferred tax assets will be capitalised upon the sale or disposal of the investment or financial instrument and upon the final write-off of receivables.

The tax rate applied for calculating deductible temporary differences is 19 percent, which is also the general tax rate for corporate income tax.

Deferred tax liabilities are recognised for temporary taxable differences arising on revaluation of other investments at fair value through equity (at fair value directly through equity) to a higher value, whereas deferred tax assets are recognised on revaluation of other investments to a lower value.

At the reporting date, the amount of deferred tax assets or liabilities is reassessed. If the company/Group does not have sufficient available taxable profits, the amount of deferred tax assets is reduced accordingly.

#### **Assessment of provisions formed for retirement benefits and jubilee premiums (Note 25 and policy 30.1.12)**

Obligations for defined post-employment and other benefits record the present value of retirement benefits and jubilee premiums. They are recognised on the basis of an actuarial calculation approved by the Management. The actuarial calculation is based on assumptions and assessments valid during the calculation, which may differ in the future from the actual assumptions in force at the time as a result of changes. This pertains particularly to the determination of the discount rate, the assessment of the fluctuation of employees, the assessment of the death rate and the assessment of salary growth. Due to the complexity of the actuarial calculation and the long-term nature of the item, obligations for defined benefits are sensitive to changes in the mentioned assessments.

## 30. Summary of significant accounting policies and disclosures

### 30.1. The accounting policies applied

The accounting policies detailed below were consistently applied in all the periods presented in the financial statements.

The Luka Koper Group companies apply uniform accounting policies that have been changed and adjusted to Group's policies where necessary.

#### 30.1.1. Foreign currency transactions

Transactions in foreign currency are translated into euro at the reference exchange rate of the European Central Bank prevailing at the transaction date. Monetary assets and liabilities expressed in foreign currency as at the date of the statement of financial position are translated at the reference exchange rate of the ECB at the final day of the accounting year. All differences resulting from foreign currency translation are recognised in the income statement.

#### 30.1.2. Property, plant and equipment

The Company/Group applies the cost model in measuring the value of property, plant and equipment. Under the cost model, an item of property, plant and equipment is carried at its cost less accumulated depreciation and accumulated impairment losses. The manner and methods used in the valuation of assets due to impairment are described in Chapter 'Impairment of property, plant and equipment'. The cost of an item of property, plant and equipment is equal to the monetary price on the date of the asset's recognition.

Parts of property, plant and equipment with different useful lives are treated as individual assets that are depreciated during the estimated useful life.

Land is accounted for separately and is not subject to depreciation.

##### 30.1.2.1. Borrowing costs

Pursuant to IAS 23, the purchase cost of property, plant and equipment can also include borrowing costs if they can be directly associated to the purchase, construction or production of an asset in the course of construction. If the Company or Group agrees on a general borrowing which cannot be directly associated with the purchase of an asset in the course of construction, it will capitalise a proportionate share of costs calculated using the weighted annual interest rate, but solely for major investments (value and construction period exceeding EUR 1 million and 12 months, respectively). Investments with durations of several years that witnessed no inputs in the reporting period (halted investments) are excluded from the method of capitalising interest.

Borrowing costs are capitalised until the asset is in the course of construction. When the asset is transferred to use, borrowing costs are no longer capitalised. The amount of borrowing costs capitalised in the period must not exceed borrowing costs, which arise in the same period.

##### 30.1.2.2. Subsequent expenditure

Subsequent expenditure incurred to replace a component of an item of property, plant and equipment replaces its cost under the recognition principle. The replaced component is no longer subject to recognition. Other subsequent expenditure is capitalised only when it could potentially increase the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is expensed when incurred.

##### 30.1.2.3. Depreciation

In each period, depreciation charge is recognised in the income statement. An asset is subject to depreciation when it is made available for use. The items of property, plant and equipment are depreciated under the straight-line method of depreciation, considering the assessed economic life of an individual asset. The depreciation method used is reassessed at the end of each financial year. Land, assets being acquired, non-current assets classified to disposal groups (held for sale) and works of art are not depreciated. Useful lives applied with property, plant and equipment are as follows:

Assets	2021	2020
Construction works	16.67–66.67 years	16.67–66.67 years
Transport and transshipment equipment	5–25 years	5–25 years
– locomotives	6.67–15 years	6.67–15 years
– forklifts, shippers	8–12 years	8–12 years
Computer hardware	4–5 years	4–5 years
Other equipment	4–12 years	4–12 years

#### 30.1.2.4. Derecognition

The carrying amount of an individual item of property, plant and equipment is derecognised upon its disposal or when no future economic benefits are expected from the asset's use or disposal. Any profit or losses resulting from disposal of individual item of property, plant and equipment is determined as the differences between the revenue from disposal and the carrying amount and are included in profit or loss.

#### 30.1.2.5. Investment property

Investment properties are held to bring rent and/or increase the value of the non-current investment. Investment property is measured under the cost model. Depreciation is accounted for under the straight line depreciation method based on the estimated useful life of each asset or its components. Land is not depreciated. Facilities under lease are divided into individual parts according to their estimated useful lives. The following depreciation rates are used for investment property:

Investment property	2021	2020
Buildings	16.67–66.67 years	16.67–66.67 years

#### 30.1.2.6. Rights to use assets

The Company/Group discloses leases under rights to use assets in compliance with the new IFRS 16 standard. The scope of application of IFRS 16 comprises leases of all assets with a few exceptions. Pursuant to the Standard, lessees should recognise all leases through the statement of financial position under a single lessee accounting model without making a distinction between an operating or a finance lease. The Standard allows two exemptions in recognising assets, i.e. when the underlying asset is of low value (such as personal computers) and for short-term leases (leases with a term of less than 12 months). As at the date of the beginning of lease, the lessee is required to recognise the obligation to make lease payments (i.e. a lease liability) and the asset representing the right to use the underlying leased asset for the duration of the lease (i.e. a right-of-use asset).

The Company/Group examines and analyses all lease contracts. The Company/Group has elected to apply exemptions for leases with a lease term of 12 months or less, and for leases where the underlying asset has a low value.

Based on an analysis, the Company/Group estimates the values of the rights to use assets and lease liability. Estimations were made by discounting the future cash flows for the period of lease. Cash flows are discounted based on a pondered interest rate realised by the Company/Group when raising non-current loans. Depreciation resulting from the rights to use assets is calculated based on the remaining lease term.

### 30.1.3. Intangible assets

Initially, intangible assets are recognised at cost. After initial recognition, they are recognised at their cost reduced by accumulated amortisation and accumulated impairment losses.

#### 30.1.3.1. Depreciation

Depreciation begins when an asset is ready for its use, i.e. when the asset is on the location and in the condition necessary for it to operate as intended.

The carrying amount of an item of intangible assets with final useful life is reduced using the straight-line amortisation method over the period of its useful life. All intangible assets have finite useful lives.

The depreciation period and depreciation method for an intangible asset with finite useful life is reviewed at least at each financial year-end. If the asset's expected useful life differs significantly from previous estimates, the depreciation period is adjusted accordingly.

The useful life of an item of intangible assets that arises from contractual or other legal rights does not exceed the period of these contractual rights or legal rights, however, it may be shorter, depending on the period during which

the asset is expected to be used. The assessed useful life of other items of intangible assets is 10 years (the applied useful lives are presented in the table below).

Intangible assets	2021	2020
Non-current property rights	3–10 years	3–10 years
Development costs	10 years	10 years

#### 30.1.4. Investments in related entities

Investments in subsidiaries, associates and other companies are measured at cost. The Group only discloses investments in associated companies, which are measured using the equity method. On each date of the statement of financial position, the Company/Group assesses whether there is any indication of impairment. Any impairment loss on investment is recognised in the income statement.

#### 30.1.5. Financial assets

Financial instruments are classified into the following categories:

- 1 Financial instruments measured at amortised cost,
- 2 Financial instruments measured at fair value through other comprehensive income, and
- 3 Financial instruments measured at fair value through profit or loss.

Investments in equity securities are classified as financial instruments measured at fair value through other comprehensive income. Upon initial recognition, financial assets are measured at fair value, with the exception of trade receivables that do not have a significant financing component (as determined in accordance with IFRS 15) and are measured at transaction price (as defined in IFRS 15). In the case of a financial asset measured at fair value through profit or loss, the Company/Group adds or deducts transaction costs directly attributable to the acquisition or issuance of the financial asset. Fair value is considered market value based on the closing price of a security on a stock exchange. Fair value changes are recognised by the Company/Group in other comprehensive income within equity. Upon derecognition, gains or losses are recognised through retained earnings. Additions and disposals are recognised as at the trading date.

Investments in other shares and securities, with regard to which there is no active market, and investments in mutual funds for which the daily value of the unit of the mutual fund is published, are classified by the Company/Group as assets measured at fair value through profit or loss.

#### 30.1.6. Other assets

Other assets include advances for acquiring property, plant and equipment. All advances given are secured by bank guarantees provided to the Company/Group by the supplier.

#### 30.1.7. Loans and receivables

Loans and receivables are recognised by the Company/Group as at the settlement date and measured at amortised cost using the effective interest rate method. All advances given are secured by bank guarantees provided to the Company/Group by the supplier.

##### 30.1.7.1. Trade receivables

In books of account, the Company/Group carries non-current and current receivables separately. Interest arising on stated receivables is recorded among off-balance sheet items. Upon recognition, non-current and current trade receivables are disclosed at contractually agreed amounts or as recorded in the relevant accounting documents. Receivables where recovery procedures have been initiated or where debtors are in one of the insolvency procedures are transferred by the Company to bad and doubtful receivables. Other operating receivables and other assets include short-term deferred costs or expenses and accrued income.

##### Allowances for trade receivables

The Company/Group forms revaluation allowances for all past due trade receivables and past due interest receivables based on age structure and individual assessment. Allowances for receivables due from companies in a bankruptcy or liquidation procedure are formed immediately once such proceeding begins, in their full amount (100 percent). In accordance with the IFRS 9 which introduced new requirements for the measurement of financial assets and recognition of their impairment, the Company/Group has formed an impairment model for trade receivables based not only on realised credit losses, but also on expected credit losses. The Company/Group also forms allowances for receivables resulting from non-maturity receivables on the basis of risk assessment. Assessment of risk is composed of the customer's credit rating which is formed by the Company/Group based on own criteria, and also results from the customer's country of origin.

Impairment losses are charged to other operating expenses associated with receivables.

#### **30.1.8. Assets held for sale**

Assets held for sale are assets for which the carrying amount will be recovered through sale rather than through continuing use. The sale of these assets must be highly probable and predicted over the next 12 months. The sale is very likely in the event that the Company/Group receives a binding offer to purchase the assets from the buyer.

Assets are reclassified to assets held for sale measured at the lower of the assets carrying amount and fair value less costs to sell. Assets classified as held for sale are not depreciated.

#### **30.1.9. Cash**

Cash and cash equivalents of the company or the Group include cash on hand and sight deposits, bank deposits redeemable at notice or deposits with maturities of up to three months.

#### **30.1.10. Inventories**

Inventories are measured at cost or net market value, whichever is lower. An item of the materials inventory is measured at cost, which comprises the purchase price, import duties and other non-refundable purchase taxes, and direct costs of purchase. Non-refundable purchase taxes also include non-refundable VAT. The purchase price is reduced by trade discounts. The Company/Group applies the weighted average price method for reducing the materials inventory. Small tools put in use are immediately transferred among costs. Inventories are not subject to revaluation due to increases.

#### **30.1.11. Equity**

##### **30.1.11.1. Share capital**

The share capital of the Company/Group in the amount of EUR 58,420,965 consists of 14,000,000 ordinary no-par value shares that are freely transferable. As at 31 December 2021, the nominal value of a share was EUR 4.17.

##### **30.1.11.2. Capital surplus (share premium) and revenue reserves**

The Company/Group records legal reserves in the amount of at least 10% of share capital as required by the Companies Act (ZGD-1). Legal reserves and share premium are not included in the accumulated profit and are not subject to distribution. The Company/Group has no statutory reserves, as they are not envisaged under its articles of association.

##### **30.1.11.3. Reserves arising from valuation at fair value**

Reserves arising on valuation at fair value comprise reserves arising from valuation of investments measured at fair value and with respect to unrealised actuarial gains and losses.

##### **30.1.11.4. Retained earnings**

Retained earnings consist of all accumulated undistributed net profits of previous years and the unappropriated portion of the net profit for the period.

##### **30.1.11.5. Dividends**

Dividends are recognised in the controlling company's financial statements once the decision on the distribution of dividends is adopted by the general meeting.

##### **30.1.11.6. Authorised capital**

At 31 December 2021, the Company/Group had no authorised capital.

#### **30.1.12. Provisions**

##### **30.1.12.1. Provisions for legal disputes and damages**

The Company/Group forms provisions for disputes and damages related to alleged business offences. Provisions are formed and their amount determined in consideration of the following criteria:

- Whether a present obligation (legal or constructive) exists as a result of past events,
- Probability that an outflow of resources will be required to settle an obligation (legal dispute) – the provision is recognised if the probability is high,
- A reliable estimate can be made of the amount of the obligation.

##### **30.1.12.2. Provisions for severance pays and long-service awards**

In accordance with statutory requirements and the collective agreement, the Company/Group is obligated to pay jubilee premiums and termination benefits on retirement. To measure these payments, the Company/Group applies valuation of actuarial liability on the basis of expected salary growth from the valuation date until the employee's

anticipated retirement. This means that benefits are accrued in proportion to the work performed. The assessed liability is recognised as the present value of expected future expenditure. Anticipated salary growth and employee turnover are also considered as part of measurement.

Actuarial gains or losses for termination benefits in the current year are recognised in other comprehensive income under equity based on an actuarial calculation, whereas current employee benefits and interest expenditure are recognised in profit or loss. Current employee benefit costs and interest expenditure as well as actuarial gains or losses are recognised in profit or loss for jubilee premiums.

The calculation of provisions for retirement benefits and jubilee premiums is based on the actuarial calculation as at 31 December 2021, which took into account the following assumptions:

- Currently applicable amount of termination benefits and jubilee premiums.
- Mortality rate that is based on mortality tables from 2007 applicable to Slovenia and presented separately for men and women, decreased by 10% (active population). As at 31 December 2021, this means an overall 0.3% to 0.7% death rate for employees in the next financial year (considering the number of employees).
- Staff fluctuation, declining on a straight-line basis from 2% at 18 years to 0.0% at 58 years, thereupon remaining constant at 0.0%. In total, this indicates an annual fluctuation between 0.4% and 0.8% for next year as at 31 December 2021. Staff fluctuation as a result of an increased number of dismissals by the employer has not been taken into account.
- Foreseen retirement of individual employees has been taken into account based on data on employee gender, date of birth and length of service as at 31 December 2021 pursuant to Article 27 and 3rd indent of Article 28 Paragraph 1 of Pension and Disability Insurance Act (ZPIZ-2).
- For the 2022 and 2023 calculations, we used average salary increase rates for the Republic of Slovenia as outlined in the Autumn Forecast of Economic Trends 2021 (Institute of Macroeconomic Analysis and Development). Average salaries in Slovenia are expected to increase as of 2024 by an annual 2% due to inflation and by 1% due to real growth. It is assumed that the amounts as set in the Decree on the Levels of Reimbursed Work-related Expenses and of Certain Income not to be Included in the Tax Base (Official Gazette of RS No 140/06 and 76/08) will not increase by 2023, whereby an increase of these amounts is expected subsequently in line with inflation. The calculation of the average gross salary in the Republic of Slovenia is based on the average gross salary from January to December 2019, increased by growth in 2020 and 2021 of 5.8% for each year (trends in 2020 and 2021 are not taken into account due to the epidemic), as they are growing according to actuarial assumptions about the nominal growth rate of average gross salaries.
- The following is taken into account: increase in basic salaries in the amount of the annual inflation; basic gross salary growth due to promotions at 0.5% p.a.; bonus for total years of service at 0.5% of the basic salary for each full year of service. In case of four individual contracts, the bonus for total years in service does not apply. Accordingly, the nominal monthly salary growth rate – in view of inflation and actual growth – would be 2.0% next year, 1.9% in 2023 and 2.0% from 2023 onwards.
- The discount rate for the calculation as at 31 December 2021 is set at 0.9% based on the yield of high-quality corporate bonds (AA rating) as at 31 December 2021 denominated in EUR, and by interpolation with respect to the average weighted duration of the Company's commitments (according to the calculated amount of pre-discount commitments) from the balance sheet date to payments by individual type of earnings (14.1 years).

### 30.1.13. Non-current deferred income

Non-current deferred income is recognised if over a period exceeding one year, it covers the anticipated expenses.

The Company/Group forms non-current deferred income for regular maintenance of port infrastructure. Non-current deferred income for maintenance is formed if costs of the public utility service of regularly maintaining the port infrastructure are formed up to the amount that corresponds to the amount of revenues from port dues. In the event of costs exceeding revenues from port dues, non-current deferred income is derecognised in the amount of the surplus.

#### 30.1.14. Government grants

All kinds of government grants are initially recognised in the statement of financial position as deferred income when there is assurance that the Company/Group will receive such grants and meet the related terms. Government grants to cover costs are consistently recognised in profit or loss in the periods when the relevant costs that these revenues are supposed to cover are incurred.

#### 30.1.15. Concession-related activity

In compliance with the Maritime Code, Luka Koper, d. d. and the Government of the Republic of Slovenia regulated their relations in the port of Koper in September 2008 by entering into a Concession Agreement within the Decree on the Administration of the Freight Port of Koper, Port Operations, and on Granting the Concession for the Administration, Management, Development and Regular Maintenance of its Infrastructure, and defined the concession relationship for the period of 35 years from the date of concluding the Agreement.

Pursuant to provisions of the Concession Agreement and the Transparency of Financial Relations and Maintenance of Separate Accounts for Different Activities Act (ZPFOLERD-1), the concession operator is required to keep their books of account in a way that provides for separate financial monitoring of the activity, which is carried out on the basis of exclusive rights granted.

In its books of account, Luka Koper, d. d. keeps separate records of income from port tax in an individual year and of costs of performing concessions activities. Any income surplus generated through port duties over maintenance costs relating to port infrastructure, is kept by the concession provider as short-term deferred income for costs of maintaining the port infrastructure in the coming years as required by Article 9.3. of the Concession Agreement. Financial monitoring of the public service is based on policies and principles of cost accounting and criteria of separate bookkeeping.

In accordance with the Concession Agreement concluded with the Republic of Slovenia and the criteria approved by the latter, Luka Koper, d. d. forms non-current deferred income for ordinary maintenance of port infrastructure in the amount equal to the surplus of income from port dues over the related costs of the public service. In the event of costs exceeding revenues from port dues, non-current deferred income is derecognised in the amount of the surplus.

Luka Koper, d. d., as the concession operator, obtained from the Republic of Slovenia, as the concession provider, the exclusive right for performing port activities of cargo handling and maritime passenger transport in the port area, and the related exclusive right for port administration and management, and for the administration and development of port infrastructure not intended for public transport, and pursuant to Article 44 of the Maritime Code, also the exclusive right to perform public utility service of regular maintenance of the port infrastructure that is intended for public transport.

Furthermore, pursuant to Article 7.9.6. of the Concession Agreement, Luka Koper, d. d., keeps records on investments made in port infrastructure in each financial year. Luka Koper, d. d., is required to indicate investments in each individual year in a special appendix to the annual report, which is to be examined and approved by a certified auditor.

In accordance with Article 10.1. of the Concession Agreement, Luka Koper, d. d., pays a concession tax, which amounts to 3.5% of the annual revenue generated less port dues collected in the relevant year. The basis for levying the concession tax is the audited income statement of Luka Koper, d. d. The annual concession tax amount is paid in monthly instalments of advance payments calculated not later than by 30 July of the current year on the basis of audited data for the previous calendar year. Port dues account for 4 percent of the controlling company's operating income and are a constituent part thereof. The amount of port dues is defined by Luka Koper, d. d. in agreement with the government. The remaining 96 percent of the controlling company's operating income is generated through rendering of services of cargo handling and warehousing, whose fees and prices are formed on the basis of market regularities. The development and overhaul of the port infrastructure is carried out by the controlling company in its own capacity and for its own account. Upon the concession's expiry, the concession operator is entitled to the refund of unamortised part of investments. Given the above-mentioned provisions of the Concession Agreement, the Group shall not apply IFRIC 12.

Upon termination of the concession relationship, the grantor of concession is obliged to reimburse to Luka Koper, d. d. the funds invested in the development of port infrastructure in the amount of the audited as yet unamortised part of the value of investments in concession installations, equipment and facilities, provided that the investments were made with the prior written consent of the grantor of concession.

In accordance with the applicable concession contract, the grantor shall start the process of preparation for a new public tender for the selection of the concession holder at least two years before the expiry of this concession. In the event that Luka Koper d. d. is re-selected as the concession holder, it will be exempt from paying the part of

the concession fee that is paid upon signing the new concession contract, thus terminating its right to reimbursement of the unamortised part of the investment value.

#### **30.1.16. Public utility services of collecting waste from vessels in the Koper port area**

Public utility services of collecting waste from vessels in the Koper port area are being performed in line with the Decree on the method, subject and conditions for the provision of national public utility service of collecting waste from vessels (Official Gazette of RS, No. 59/2005), and the Decree on port reception facilities for ship-generated waste and cargo residues (Official Gazette of RS, No. 78/2008). These services comprise regular reception of ship-generated waste and cargo residues, installation of port facilities for reception of ship-generated waste and cargo residues in accordance with regulations governing port reception facilities, receipt of messages about intended delivery of ship-generated waste and cargo residues, separate collection, sorting and storage of accepted waste and cargo residues by using port reception facilities, delivery for processing with a view of re-use, recycling or disposal of processing residues in accordance with environmental protection regulations governing waste management, and informing the public and users about the manner of delivering waste and cargo residues. For purposes of reports within the public utility service of collecting waste from vessels, Luka Koper, d. d., based on provisions of the Transparency of Financial Relations and Maintenance of Separate Accounts for Different Activities Act has taken into account the principles of cost accounting and criteria of separate bookkeeping.

Until 31 December 2016, Luka Koper, d. d., was performing the public utility service of collecting waste from vessels through its subsidiary Luka Koper INPO, d. o. o., which acted as its performance assistant. The two companies had an agreement of cooperation between them. Luka Koper INPO, d. o. o., is fully controlled by Luka Koper, d. d., and the companies are considered to form a single economic unit based on the settled case law of the European Court of Justice. As at 1 January 2017, the companies signed an annex to the agreement stipulating, among others, that as at 1 January 2017, Luka Koper INPO, d. o. o., as the performance assistant shall perform the public utility service of collecting waste from vessels in the Koper port area in the name and for the account of Luka Koper, d. d.

#### **30.1.17. Financial liabilities**

On initial recognition, borrowings are carried at fair value and thereupon at amortised cost using the effective interest rate method. In terms of maturity, borrowings are classified into non-current and current financial liabilities. On the last day of the year, all financial liabilities maturing in the next year are reclassified to current financial liabilities. Borrowings are insured with bills of exchange and certain loan covenants.

#### **30.1.18. Operating liabilities**

Non-current operating liabilities include collaterals received for rented business premises and for the operation of the tax warehouse. Current trade liabilities and payables to the state and employees are shown separately. Other operating liabilities include short-term deferred income and short-term accrued costs or expenses.

#### **30.1.19. Income tax**

Income tax is accounted for in compliance with provisions of the Corporate Income Tax Act. The basis for the income tax calculation is the gross profit increased by the amount of non-deductible expenditure and reduced by the amount of statutory tax relief. Such basis is used for accounting the corporate income tax liability. As for 2021, income tax liability was calculated at the rate of 19 percent.

#### **30.1.20. Deferred taxes**

In order to disclose an appropriate profit and loss for the reporting period, the Company/Group also accounts for deferred taxes. These are disclosed as deferred tax assets and deferred tax liabilities. In accounting for deferred taxes, the balance sheet liability method is applied. The book value of assets and liabilities is compared with their tax value, and the difference between both is defined as either permanent or temporary. Temporary differences are subdivided into taxable and deductible differences. Taxable temporary differences increased the taxable amounts and deferred tax liabilities. Deductible temporary differences decreased the taxable amounts and increased deferred tax assets.

Deferred tax assets are offset against deferred tax liabilities if a legally enforceable right exists to offset current tax assets against current corporate income tax liabilities and the deferred taxes involve the same taxable legal entity and the same tax authority.

#### **30.1.21. Net earnings per share**

The basic and diluted earnings per share were calculated by dividing the net profit for the period with the weighted average number of ordinary shares in issue.

### 30.1.22. Revenue

#### 30.1.22.1. Operating income

##### Revenue from contracts with customers

The Company's/Group's core business is cargo handling and warehousing of all types of goods, goods-related services, and other related services. The respective services are all carried out in Slovenia, for both local as well as foreign customers. Foreign customers come from European markets, which are considered most significant for the Company/Group, as well as from Asia and America. The customers include the world's largest shipping companies, major international corporations, end-users of our services, and other major and smaller domestic and foreign companies that deem the port of Koper as the provider of the fastest and highest quality logistics service.

The Company/Group discloses its operating income in accordance with IFRS 15. The Company/Group has recognised all active contracts concluded with foreign entities and judged them using the five steps required by the standard. An analysis of contracts with customers has shown that they all meet the criteria of the new standard for revenue recognition; performance obligations are defined adequately in contracts, allowing their classification and measurement, and determining when they might be satisfied. The majority of revenue results from contracts defined as simple supply of services. Since the contracts include no separate performance obligations, the Company/Group deems its valid accounting policy for recognition of revenue to be in line with the new requirements of IFRS 15.

The prices in the Company/Group are set at fixed or variable rates. Variable rates occur when the Company/Group offers a volume discount. Volume discounts are achieved based on agreed transshipment volumes.

In recognizing income from services rendered, the Company/Group uses the stage of completion method as at the date of the statement of financial position, as this is when the condition of transfer of control of a good/service is met. The Company/Group can do so as its performance does not create an asset with an alternative use to the Company/Group and the Company/Group has an enforceable right to payment for performance completed to date. Under the method, income is recognised in the accounting period in which the services are rendered. The amount of each significant category of revenue recognised in the accounting period is disclosed, as well as revenue generated in connection with domestic and foreign customers.

#### 30.1.22.2. Rental income

Rental income primarily comprises income from investment property i.e. income generated from facilities and land that are leased out under operating lease. Rental income is recognised within operating income.

#### 30.1.22.3. Other income

Other operating income comprises operating income from the sale of property, plant and equipment, subsidies, donations, insurance proceeds and other income. Government grants and other subsidies primarily refer to funds received for development activities within the European development projects that aim to increase the port's competitiveness, energy efficiency, environmental safety, and ensure efficient port processes. Subsidies received to cover the costs incurred are recognised strictly as income in the periods when the relevant costs that this income is supposed to cover are incurred.

Income from utilising retained salary contributions is recognised in compliance with the Vocational Rehabilitation and Employment of Disabled Persons Act in the amount of eligibly used funds.

Other income is recognised when it can be justifiably expected that cash receipts will flow from them.

### 30.1.23. Finance income and finance expenses

Finance income comprises interest income from loans, default interest on late payment of services and receivables, dividend income, income from disposal of available-for-sale financial assets, and foreign exchange gains. Interest income is recognised when accrued using the effective interest method. Dividend income is recognised in profit or loss when a shareholder's right to payment is established.

Finance expenses comprise interest costs on borrowings, interest on leases as derived from the standard IFRS 16, foreign exchange losses and impairment losses on financial assets recognised through profit or loss. Costs of borrowings and approval of these are recognised in the profit or loss over the entire maturity of the borrowings.

### 30.1.24. Costs as expenses

Costs are recognised as expenses in the accounting period in which they are incurred. They are classified according to their nature. Costs are carried and disclosed by types. Expenses are recognised if decreases in economic benefits

during the accounting period are associated with decreases in assets or increases in liabilities, and those decreases can be measured reliably.

### **30.1.25. Impairment of assets**

#### **30.1.25.1. Impairment of non-financial assets**

If there is any indication that an asset may be impaired, the asset's recoverable amount is assessed in accordance with IAS 36. When the asset's recoverable amount cannot be assessed, the Company/Group determines the recoverable amount of the cash-generating unit to which the asset belongs. Impairment loss is recognised in the income statement. Impairment losses should be reversed if the estimates used to determine the asset's recoverable amount have changed. Impairment loss is reversed up to the amount to which the increased book value of an asset does not exceed the book value that would have been established after deducting depreciation if impairment loss on the asset had not been recognised in previous years. The reversal of the impairment loss is recognised as revenue in profit or loss.

#### **30.1.25.2. Impairment of financial assets**

On each reporting date, financial assets are tested for impairment using the criteria set out in the accounting manual in order to determine whether there is any objective evidence of financial asset's potential impairment. If such objective evidence exists, the Company/Group calculates the amount of impairment loss.

When the Company/Group determines that investments carried at amortised cost should be impaired, the amount of the loss is measured as the difference between the investment's carrying amount and the present value of expected future cash flows discounted at the original effective interest rate. The amount of impairment loss is recognised in profit or loss. When the reasons for impairment of an investment cease to exist, the reversal of the impairment of the investment carried at amortised cost is recognised in profit or loss.

When the Company/Group determines that investments in subsidiaries and associates carried at cost should be impaired, any impairment loss is recognised as financial expenditure in profit or loss as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows (or other assessed value) discounted at the current market rate of return for similar financial assets.

### **30.1.26. Statement of other comprehensive income**

The statement of other comprehensive income outlines the net profit or loss for the period as well as other comprehensive income inclusive of items that will be reclassified to profit and loss at a future date and those that will never be reclassified to profit or loss in accordance with the provisions and requirements of other IFRSs.

### **30.1.27. Statement of Cash Flows**

The statement of cash flows is presented by applying the indirect method, on the basis of items reported in the statement of financial position as at 31 December 2021 and 31 December 2020, as well as items in the income statement for the financial year then ended, inclusive of any necessary adjustments of the cash flow.

### **30.1.28. Statement of changes in equity**

The statement of changes in equity outlines changes in individual equity components during the financial year (total income and expenses, in addition to transactions with stakeholders that act as owners), inclusive of the net profit or loss distribution. The statement of other comprehensive income is also included, increasing net profit of the accounting period by total revenue and expenses directly recognised in the equity.

### **30.1.29. Risk management**

The Company/Group monitors and strives to manage risks at all levels of business. In the assessment of risks, various risk factors are considered. Efficient risk management is ensured by timely identification and management of risks and by relevant guidelines and policies, which are laid down in documents of the overall management system.

Operations of the Company/Group are exposed to strategic, operational and financial risks, which largely depend on market laws and thereby require active and ongoing monitoring. Procedures for risk identification are described in the business report, Chapter 14 'Managing risks and opportunities'. In addition to strategic and operational risks, the Company/Group also faces financial risks, of which the most significant ones include the fair value risk, interest rate risk, liquidity risk, currency risk and credit risk, as well as the risk of adequate capital composition. How financial risks are identified and managed within the Company/Group is disclosed in Note 34 'Financial instruments and financial risk management'.

#### 30.1.29.1. Fair value

Fair value is used with financial assets measured at fair value. All other financial statement items are presented at cost or amortised cost.

In measuring the fair value of a non-financial asset, the Company/Group must take into account the market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset at its highest and best use.

The Company/Group uses valuation techniques that are appropriate under the given circumstances and for which there is enough data available, mainly based on the use of appropriate market inputs and the minimum use of non-market inputs.

All assets and liabilities that are measured or disclosed at fair value in the financial statements are classified into a fair value hierarchy based on the lowest level of inputs required for measuring the total fair value:

1. Level 1 – quoted prices (unadjusted) in active markets for similar assets and liabilities,
2. Level 2 – valuation model based directly or indirectly on market data,
3. Level 3 – valuation model not based on market data.

At the end of each reporting period, the Company/Group determines whether any transitions between levels occurred in the case of assets and liabilities recognised in the financial statements for previous periods by re-examining the distribution of assets, taking into account the lowest level of inputs required for measuring the total fair value.

The fair value measurement hierarchy of the Company's/Group's assets and liabilities is presented in Note 34. Financial instruments and financial risk management.

#### 30.1.30. Basis for consolidation

##### 30.1.30.1. Subsidiaries

Subsidiaries are entities controlled by the parent or controlling company. Control exists when the controlling company has the ability to make decisions on the company's financial and business policies in order to obtain benefits from its operations. In assessing control, potential voting rights that might currently be exercised or replaced are taken into account as regards their existence and effect. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

##### 30.1.30.2. Associates

Associates are those entities in which the Group has significant influence but not control over the financial and operating policies. Investments in associates are initially recognised at cost and thereupon accounted for under the equity method. The consolidated financial statements of the Luka Koper Group comprise the Group's share and profits and losses of jointly controlled entities, accounted for under the equity method upon the adjustment of accounting policies from the date when significant influence begins until the date when it ends. If the Group's share in the losses of associates exceeds their share, the book value of the Group's share is reduced to zero, whereas the share in further losses is no longer recognised.

##### 30.1.30.3. Transactions eliminated on consolidation

Balances and any unrealised gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is evidence of impairment.

#### 30.1.31. Newly adopted standards and interpretations

The standards and interpretations presented below were not yet effective until the date of financial statements or have not yet been confirmed by the European Union. Relevant standards and interpretations will be applied upon their entry into force by the Company/Group in preparing their financial statements.

##### 30.1.31.1. Adopted standards, amendments to standards and interpretations not yet effective

- **Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract** The changes relate to the clarification that in the case of an onerous contract, the costs of fulfilling the contract include all costs directly related to the contract. Effective in the EU for annual periods beginning on or after 1 January 2022.

The Company/Group does not expect for these amendments to have a significant impact on its financial statements.

- [Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use](#), which enters into force on 1 January 2022. While the company is preparing the asset for its intended use, any proceeds from selling items (e.g. samples) can no longer be deducted from the cost of the asset, but have to be recognised together with the cost of producing those items in profit or loss. In doing so, the Company/Group will have to distinguish between the costs of production and sales before the fixed asset is available for its intended use and the costs associated with preparing the fixed asset for its intended use.

The Company/Group does not expect for these amendments to have a significant impact on its financial statements.

- [Annual Improvements 2018–2020 \(amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41\)](#), which enter into force on 1 January 2022. The Annual Improvements include the amendment to IFRS 1 – First-time Adoption of IFRSs, which simplifies the introduction of IFRSs in a subsidiary that applies IFRSs for the first time; the amendment to IFRS 9 – Financial Instruments, which clarifies which fees an entity includes when it applies the ‘10 percent’ test for derecognition of financial liabilities; the amendment to the illustrative example to IFRS 16 – Leases, and IAS 41 – Agriculture, which removes the requirement to exclude taxation cash flows when measuring fair value to ensure consistency with the requirements in IFRS 13.

The Company/Group does not expect for these amendments to have a significant impact on its financial statements.

- [Amendments to IFRS 3 – Business Combinations](#), which enter into force on 1 January 2022. The amendments relate to the updated reference to the 2018 Conceptual Framework, which introduces new exceptions to recognition and measurement under IFRS 3 in order to ensure that the new reference does not change the provisions as to which assets and liabilities qualify as business combinations.

The Company/Group does not expect for these amendments to have a significant impact on its financial statements.

- [Amendments to IFRS 17 – Insurance Contracts](#), which enter into force on 1 January 2023.

The Company/Group does not expect for these amendments to have a significant impact on its financial statements.

- [Amendments to IAS 1 – Presentation of Financial Statements and IFRS 2 – Share-based Payment – IAS 1](#) contains two amendments, i.e. the amendment related to the presentation of current and non-current liabilities and the amendment related to the disclosure of accounting policies. In January 2020, the IFRIC issued amendments to IAS 1, clarifying how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. The amendments clarify that for an entity to classify a liability as current or non-current is based on whether the entity has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that ‘settlement’ involves the transfer of cash, goods, services or equity instruments, unless the obligation to transfer equity instruments arises from a conversion option recognized separately from the liability as an equity component of a compound financial instrument. The amendments initially applied to annual reporting periods beginning on or after 1 January 2022, but in May 2020, the validity date was postponed to annual reporting periods beginning on 1 January 2023. The amendment to IAS 1, related to the disclosure of accounting policies, introduces the disclosure of material and not only significant accounting policies and provides guidance on when accounting policy information is likely to be material.

The Company/Group does not expect for these amendments to have a significant impact on its financial statements.

- [Amendments to IAS 8 – Definition of Accounting Estimates](#) – The amendments introduce the definition of accounting estimates and includes other amendments to help entities distinguish accounting estimates from accounting policies. The amendments clarify that the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The Company/Group does not expect for these amendments to have a significant impact on its financial statements.

### 30.1.31.2. New standards and interpretations not yet adopted by the European Union

- [Amendments to IAS 12 – Income Taxes](#) – The amended IAS 12 clarifies whether the initial recognition exemption relates to certain transactions that are recognized as both an asset and a liability (such as a lease under IFRS 16). The amendments introduce additional criteria for the initial recognition of exemptions under IAS 12.15, with the exception for initial recognition not being applied to assets or liabilities that give rise to equal taxable and deductible temporary differences.

The Company/Group does not expect for these amendments to have a significant impact on its financial statements.

- [Amendments to IFRS 17 – Insurance Contracts](#) – Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

The Company/Group does not expect for these amendments to have a significant impact on its financial statements.

### 30.1.31.3. Newly adopted standards and interpretations effective for periods beginning on 1 January 2021

- [Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform – Phase 2](#) – Identifies issues arising from the implementation of the IBOR reform and includes the transition from one benchmark to another. For financial instruments measured at amortized cost, the amendments require entities to consider the change in the basis for determining contractual cash flows as a result of the IBOR reform, thus being in the scope of the practical expedient and accounted for prospectively applying IFRS 9:B5.4.5. As a result, no gain or loss is recognized immediately. This practical expedient applies only to such a change and only to the extent necessary as a direct consequence of the IBOR reform, and the new basis is economically equivalent to the previous one. With respect to IFRS 16, lessees are required to apply a similar practical expedient to accounting for changes in leases when the basis for determining future lease payments is changed as a result of the IBOR reform (for example, when leases are indexed to the IBOR rate).

The above amendments had no impact on the Company's/Group's financial statements.

- [Amendment to IFRS 16 – Leases](#), Extension of Covid-19-Related Rent Concessions effective for periods from 1 June 2020 onwards with permitted earlier application. The amendments initially adopted in May 2020 provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification, and, consequently, not to consider the modification as a lease modification as otherwise defined in IFRS 16. In doing so, certain conditions must be met, such as: a) the new rent remains 'essentially the same' or less than the pre-modification rent; b) any reduced payments only affect the rents that are due on or before 30 June 2021; and c) there are no other 'substantive' changes to the lease. In March 2021, the IASB extended the duration of the amendment from 30 June 2021 to 30 June 2022. This amendment applies to reporting periods beginning on or after 1 April 2021.

Lessees can optionally choose this practical expedient and apply it consistently to all leases with similar characteristics and in similar circumstances. This practical expedient does not apply to lessors.

The above amendments had no impact on the Company's/Group's financial statements.

- [Amendments to IFRS 4 – Insurance Contracts](#) – temporary exemption from applying IFRS 9 effective in the EU for annual periods beginning on or after 1 January 2021.

The above amendments had no impact on the Company's/Group's financial statements.

## 31. Additional Notes to the Income Statement

### Note 1. Net sales revenue

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
<b>Revenue generated on sales with domestic customers from contracts with customers</b>	<b>64,804,476</b>	<b>59,936,983</b>	<b>67,929,669</b>	<b>63,247,792</b>
- services	64,797,850	59,930,462	67,923,043	63,241,232
- goods and material	6,626	6,521	6,626	6,560
<b>Revenue generated on sales with foreign customers from contracts with customers</b>	<b>152,443,699</b>	<b>138,676,547</b>	<b>153,155,156</b>	<b>139,414,135</b>
- services	152,443,699	138,676,547	153,155,156	139,414,135
<b>Revenue generated on sales with customers from contracts with customers</b>	<b>217,248,175</b>	<b>198,613,530</b>	<b>221,084,825</b>	<b>202,661,927</b>
<b>Revenue from collected port dues</b>	<b>5,968,846</b>	<b>5,589,271</b>	<b>5,968,846</b>	<b>5,589,271</b>
<b>Revenue generated on sales from rentals</b>	<b>1,773,358</b>	<b>1,836,099</b>	<b>1,390,391</b>	<b>1,669,034</b>
<b>Total</b>	<b>224,990,379</b>	<b>206,038,900</b>	<b>228,444,062</b>	<b>209,920,232</b>

In 2021, in the Company and in the Group, the item of total revenue comprises two individual customers that exceed 10 percent of total sales, which is at the same level as in the preceding year.

### Note 2. Capitalised own products and services

Under the item of capitalised own products and services, the Company and the Group record services that increase the value of property, plant and equipment. In 2021, in the Company, capitalised income amounted to EUR 76,042 (2020: EUR 142,528), and in the Group, it amounted to EUR 76,042 (2020: EUR 142,535). The labour costs of employees related to investment projects of higher value and accumulated over a long period of time are capitalized.

### Note 3. Other income

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
<b>Other operating income</b>	<b>1,827,545</b>	<b>4,729,432</b>	<b>3,505,486</b>	<b>6,417,169</b>
<b>Reversal of provisions</b>	<b>490,646</b>	<b>3,856,370</b>	<b>534,656</b>	<b>3,868,973</b>
<b>Subsidies, grants and similar income</b>	<b>0</b>	<b>0</b>	<b>1,620,729</b>	<b>1,678,167</b>
<b>Revaluation operating income</b>	<b>1,336,899</b>	<b>873,062</b>	<b>1,350,101</b>	<b>870,029</b>
Income on sale of property, plant and equipment, and investment property	1,104,899	20,561	1,105,202	12,403
Collected written-off receivables and written-off liabilities	232,000	852,501	244,899	857,626
<b>Other income</b>	<b>1,114,350</b>	<b>3,651,136</b>	<b>1,186,071</b>	<b>3,778,589</b>
Compensations and damages	376,874	665,216	402,223	665,550
Subsidies and other income not related to services	707,841	684,731	707,841	684,731
Other revenue	29,635	2,301,189	76,007	2,428,308
<b>Total</b>	<b>2,941,895</b>	<b>8,380,568</b>	<b>4,691,557</b>	<b>10,195,758</b>

Reversal of provisions amounting to EUR 490,646 relates to the changed assessment of legal disputes. In the Group, such income in 2021 amounted to EUR 534,656.

Subsidies, grants and similar income recorded in the Group primarily relate to income from utilising retained salary contributions in the amount of earmarked funds used in the subsidiary Luka Koper INPO, d. o. o.

Income generated on sales of property, plant and equipment and investment property is higher in 2021 than in the previous year, mainly due to the sale of property outside the port area, which was realised by the controlling company.

Compensation and penalties received refer to compensation received by insurance companies due to loss events. In line with the decrease in compensation received, the costs for paid compensation, which are disclosed under other expenses, also decreased.

Subsidies and other non-business income are mostly composed of income for covering the costs from EU projects.

Other income was lower in 2021 compared to the previous year, mainly due to liabilities written off in 2020 for the payment of pension and disability insurance contributions based on adopted measures to mitigate the COVID-19 epidemic, amounting to EUR 2,115,620 in the controlling company and EUR 2,204,018 at the Group level. Other income also includes contractual penalties charged.

#### Note 4. Cost of material

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
Cost of material	0	0	696	544
Costs of auxiliary material	2,006,751	2,413,978	2,121,974	2,537,544
Cost of spare parts	6,320,879	6,377,333	6,298,282	6,368,782
Cost of energy	7,179,567	6,253,978	7,400,119	6,456,322
Cost of office stationery	165,369	182,167	178,324	196,180
Other cost of material	327,101	471,807	355,864	500,076
<b>Total</b>	<b>15,999,667</b>	<b>15,699,263</b>	<b>16,355,259</b>	<b>16,059,448</b>

#### Note 5. Cost of services

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
Cost of port services	28,522,171	24,746,830	26,421,501	22,783,809
Cost of transportation	472,987	500,227	154,806	525,443
Cost of maintenance	7,278,321	7,473,896	7,148,927	7,156,329
Rentals	159,581	111,071	188,228	171,248
Reimbursement of labour-related costs	193,883	193,143	203,730	202,933
Costs of payment processing, bank charges and insurance premiums	1,419,329	1,140,105	1,592,269	1,218,336
Costs of intellectual and personal services	1,249,757	1,013,604	1,307,161	1,058,174
Advertising, trade fairs and hospitality	978,128	1,190,662	992,798	1,200,597
Costs of services provided by individuals not performing business activities	292,600	269,362	309,905	274,144
Sewage and disposal services	1,418,246	1,399,134	770,772	752,270
Information support	3,704,639	3,282,951	3,864,826	3,434,942
Concession-related costs	7,729,718	7,255,314	7,729,718	7,255,314
Transshipment fee	5,265,145	4,630,641	5,265,145	4,630,641
Cost of other services	3,138,707	2,633,272	2,515,467	2,389,355
<b>Total</b>	<b>61,823,212</b>	<b>55,840,212</b>	<b>58,465,253</b>	<b>53,053,535</b>

As in previous years, the cost of port services amounting to EUR 28,522,171 in the Company and EUR 26,421,501 in the Group account for the largest portion among the cost of services. Among the costs of port services in the financial year 2021, the Company discloses EUR 13,489,898 of costs of agency workers (2020: EUR 11,103,543), and the Group discloses EUR 14,118,323 of such costs (2020: EUR 11,630,481). Also under costs of port services in the

financial year 2021, the Company discloses EUR 8,586,288 of costs of services by external contractors (2020: EUR 7,918,363), and the Group discloses EUR 9,002,221 of such costs (2020: EUR 8,324,026). The increases are due to a larger volume of services provided by agency workers and services provided by external contractors. The costs of maintenance services relate mainly to the costs of maintaining equipment and public port infrastructure. In 2021, the costs of information support were higher than in the previous year due to new development activities carried out this year. Concession costs and transshipment fees have increased due to the higher volume of revenue and transshipment in 2021, on the basis of which these costs are calculated.

## Note 6. Cost of labour

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
Wages and salaries	51,711,326	46,163,591	55,901,192	50,246,637
Salary compensations	7,569,374	7,206,380	8,300,338	7,936,248
Costs of additional pension insurance	2,341,926	2,060,684	2,569,412	2,273,444
Employer's contributions on employee benefits	9,901,759	8,797,129	10,703,751	9,564,722
Annual holiday pay, reimbursements and other costs	8,630,038	7,909,258	9,495,553	8,721,962
<b>Total</b>	<b>80,154,423</b>	<b>72,137,042</b>	<b>86,970,246</b>	<b>78,743,013</b>

In 2021, the average number of employees in the Company/Group decreased by 3 against the preceding year. Labour costs increased, mainly because the criteria for the payment of bonuses to employees were fulfilled in 2021, while in 2020 these criteria were only partially met and consequently the payment of bonuses was lower.

In December 2021, employees of all companies in the Group except for board members and employees under individual employment contracts received pay for performance. It included the holiday bonus for 2021 ranging between gross amounts of EUR 180 and 700 per employee, which was paid in February 2022.

For the 19th year in a row, the Company/Group has been paying for its employees 70 to 90 percent (depending on the employee's age) of the tax deductible supplementary pension scheme premium.

In 2021, the annual holiday pay amounted to EUR 2,010 per employee in all companies of the Group, whereas in the preceding year, it was EUR 1,600.

### Average number of employees by education

Level of education	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
VIII/2	1	1	1	1
VIII/1	28	26	30	28
VII	125	123	133	132
VI/2	227	209	230	213
VI/1	106	102	113	108
V	461	485	501	522
IV	456	439	513	499
III	17	23	29	35
I-II	113	129	148	163
<b>Total</b>	<b>1,534</b>	<b>1,537</b>	<b>1,698</b>	<b>1,701</b>

## Note 7. Amortisation and depreciation expense

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
Depreciation of buildings	13,008,208	13,043,591	13,479,115	13,527,437
Depreciation of equipment and spare parts	14,410,596	12,762,035	14,895,610	13,263,490
Depreciation of small tools	21,365	19,713	21,742	20,103
Depreciation of investment property	601,738	572,539	272,930	242,591
Amortisation of intangible assets	670,208	767,965	725,840	823,644
Depreciation of investment into foreign-owned assets	11,667	11,667	17,743	17,596
Depreciation of right-of-use assets	363,411	360,032	411,481	407,523
<b>Total</b>	<b>29,087,193</b>	<b>27,537,542</b>	<b>29,824,461</b>	<b>28,302,384</b>

## Note 8. Other expenses

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
Provisions	17,897	72,432	33,584	72,432
Impairment costs, write-offs and losses on property, plant and equipment and investment property	1,469,401	1,996,081	1,469,597	2,000,419
Expenses for allowances for receivables	619,269	445,625	640,782	455,492
Levies that are not contingent upon cost of labour and other types of cost	6,851,152	6,666,283	6,859,799	6,670,378
Donations	355,374	387,728	358,624	390,828
Environmental levies	158,977	168,705	144,533	152,016
Awards and scholarships to students inclusive of tax	3,247	10,696	3,247	10,696
Awards and scholarship to students	3,761	1,400	3,761	1,400
Other costs and expenses	719,299	836,522	736,247	842,218
<b>Total</b>	<b>10,198,377</b>	<b>10,585,472</b>	<b>10,250,174</b>	<b>10,595,879</b>

In 2021, the controlling company wrote off ongoing investments that will not be realised in the future in the amount of EUR 964,013, and recognized it as expenses under impairments, write-offs and losses on the sale of property, plant and equipment and investment property; the remaining part of the amount relates to the replacement of parts of fixed assets that have not yet been fully depreciated. Based on a valuation of property, plant and equipment, an impairment of fixed assets was recognised in the controlling company in 2020 in the total amount of EUR 1,845,792, which is shown in the item Impairment costs, write-offs and losses on property, plant and equipment and investment property.

Expenses for forming the value adjustment of receivables increased in 2021 mainly in the controlling company, due to the formation of an adjustment for unpaid receivables of one of the customers. The amount of expenses in forming the value adjustment of receivables arises from contracts with customers in accordance with IFRS 15.

Levies that are not contingent upon cost of labour and other types of cost mostly relate to the fee for the use of construction land.

Other costs and expenses mainly consist of compensations for damage to assets owned by third persons. The damage occurred during the handling of goods in the port.

**Note 9. Finance income and finance expenses**

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
<b>Finance income from shares and interests</b>	<b>4,646,112</b>	<b>3,143,710</b>	<b>3,209,799</b>	<b>1,886,241</b>
Finance income from shares and interests in Group companies	308,723	422,442	0	0
Finance income from shares and interests in associate companies	1,177,179	855,823	0	0
Finance income from shares and interests in other companies	2,200,407	1,865,445	2,249,996	1,886,241
Finance income from other investments	959,803	0	959,803	0
<b>Finance income – interest</b>	<b>245</b>	<b>462</b>	<b>337</b>	<b>631</b>
Interest income – other	245	462	337	631
<b>Finance income from operating receivables</b>	<b>252,253</b>	<b>204,850</b>	<b>260,401</b>	<b>210,813</b>
Finance income from operating receivables due from others	159,829	204,850	164,350	210,813
Net exchange differences	92,424	0	96,051	0
<b>Total finance income</b>	<b>4,898,610</b>	<b>3,349,022</b>	<b>3,470,537</b>	<b>2,097,685</b>
<b>Finance expenses for financial investments</b>	<b>0</b>	<b>-8,118</b>	<b>0</b>	<b>-8,118</b>
<b>Finance expenses – interest</b>	<b>-254,312</b>	<b>-537,544</b>	<b>-254,529</b>	<b>-415,601</b>
Interest expenses – Group companies	0	-122,570	0	0
Interest expenses – banks	-249,448	-410,393	-249,448	-410,393
Finance expenses for lease liability to others	-4,644	-4,326	-5,081	-5,208
Finance expenses for lease liability to Group companies	-220	-255	0	0
<b>Finance expenses for operating liabilities</b>	<b>-18,946</b>	<b>-159,011</b>	<b>-20,967</b>	<b>-166,148</b>
Finance expenses for trade payables	-532	-87	-705	-140
Finance expenses for other operating liabilities	-18,414	-32,606	-20,262	-35,444
Net exchange differences	0	-126,318	0	-130,564
<b>Total finance expenses</b>	<b>-273,258</b>	<b>-704,673</b>	<b>-275,496</b>	<b>-589,867</b>
<b>Net financial result</b>	<b>4,625,352</b>	<b>2,644,349</b>	<b>3,195,041</b>	<b>1,507,818</b>

The controlling company records finance income from shares in Group companies and presents shared profits of these companies, i.e. Luka Koper INPO, d. o. o., in the amount of EUR 128,915, Adria Terminali, d. o. o., in the amount of EUR 120,000, Adria Investicije, d. o. o., in the amount of EUR 39,421, Logis-Nova, d. o. o. in the amount of EUR 10,168, and TOC, d. o. o. in the amount of EUR 10,219.

Finance income from shares and interests in associates recorded by the controlling company in 2021 refer to sharing of profits of companies Adria-Tow, d.o.o. (EUR 336,000), Adria Transport, d.o.o. (EUR 129,250), Avtoservis, d. o. o. (EUR 536,929), and Adriaфин, d. o. o. (EUR 175,000).

Finance income from shares and interests in other entities recorded by the Company/Group refers to dividends paid under investments into securities. In 2021, the Company/Group recognised EUR 2,169,850 in dividends received from investments in companies managed at fair value through other comprehensive income.

Financial income from other investments refers to the recognised higher value of investments in mutual funds valued at fair value through profit or loss.

Financial income from operating receivables relate mainly to default interest charged for late payments of receivables paid by customers in the financial year.

Finance expenses arising on interest in 2021 amounted to EUR 254,312 in the Company, whereas the Group recorded EUR 254,529. Interest expenses of the Group companies were lower in 2021 mainly due to the controlling company repaying the revolving loan to the subsidiary Luka Koper INPO, d. o. o., at the end of 2020. Financial expenses for interest to banks also decreased, mainly due to increased capitalization of interest on investments in the controlling company and at the same time lower EURIBOR, which lowers the interest rate on one of the variable rate loans. The Company/Group uses a weighted average interest rate on non-current borrowings to capitalise interest.

## Note 10. Taxes and effective tax rate

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
<b>Profit before tax</b>	<b>35,370,796</b>	<b>35,406,814</b>	<b>37,334,594</b>	<b>36,236,402</b>
<b>Income tax (19%)</b>	<b>6,720,451</b>	<b>6,727,295</b>	<b>6,845,079</b>	<b>6,897,743</b>
Non-taxable income and increase in expenditure	-147,501	-927,611	-152,908	-929,200
Non-taxable dividends received	-700,399	-597,305	-700,399	-597,305
Tax incentives	-1,184,026	-2,552,918	-1,224,227	-2,683,214
Non-deductible expense	630,822	717,464	594,406	762,252
Impairment loss not recognised for tax purposes	0	29,820	41,603	29,820
Other reduction in the tax base	0	-25,256	-368	-38,078
Other increase in the tax base	38,333	29,865	45,095	32,110
Tax calculated under tax uncertainty	92,786	732,710	92,786	732,710
<b>Change in tax rate</b>	<b>5,450,466</b>	<b>4,134,064</b>	<b>5,541,067</b>	<b>4,206,838</b>
<b>Effective tax rate</b>	<b>15.41%</b>	<b>11.68%</b>	<b>14.84 %</b>	<b>11.61 %</b>

During the income tax calculation, the controlling company and all Group companies observed provisions of the Corporate Income Tax Act.

The tax expense comprises the income tax and deferred taxes recognised in the income statement.

Based on its own position on tax treatment of provisions and in accordance with IFRIC 23 – Uncertainty over Income Tax Treatments, the Company/Group has recognized accrued tax and tax liabilities from the amount of eliminated provisions, which in accordance with IAS 12 – Income Taxes were offset with tax assets.

## Note 11. Net earnings per share

In 2021, the Company reported net profit in the amount of EUR 29,920,330 (2020: EUR 31,272,750). The Group reported net profit in the amount of EUR 31,793,528 (2020: EUR 32,029,565), whereof EUR 31,760,565 is attributable to the owner of the controlling company (2020: EUR 32,025,757) and EUR 32,963 to owners of non-controlling interests (2020: EUR 3,808). The non-controlling interest belongs to the co-owner of subsidiary TOC, d. o. o.

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Net profit for the period	29,920,330	31,272,750	31,760,565	32,025,757
Total number of shares	14,000,000	14,000,000	14,000,000	14,000,000
<b>Basic and diluted earnings per share</b>	<b>2.14</b>	<b>2.23</b>	<b>2.27</b>	<b>2.29</b>

## 32. Additional Notes to the Statement of Financial Position

### Note 12. Property, plant and equipment

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Land	20,138,595	20,187,007	23,287,917	23,437,231
Buildings	268,278,064	232,419,381	275,989,445	240,591,362
Plant and equipment	98,532,159	102,189,382	100,589,752	104,496,850
Property, plant and equipment being acquired	37,649,656	48,050,979	37,670,656	48,065,429
Rights to use assets	1,379,767	488,994	1,339,507	545,822
<b>Total</b>	<b>425,978,241</b>	<b>403,335,743</b>	<b>438,877,277</b>	<b>417,136,694</b>

No items of the Company's/Group's property, plant and equipment were pledged as collateral.

The cost of the property, plant and equipment in use, of which the carrying value as at 31 December 2021 equalled zero, is recorded in the Company at EUR 282,513,422 (31 Dec 2020: EUR 277,280,183). In the Group, such assets amounted to EUR 290,636,870 as at 31 December 2021 (31 Dec 2020: EUR 285,549,659).

As at 31 December 2021, the Company/Group presented commitments to purchase property, plant and equipment in the amount of EUR 54,432,512 (in 2020, the Company recorded such commitment at EUR 41,850,252, and the Group at EUR 42,150,252).

As at 31 December 2021, the outstanding trade payables of the Company to suppliers of items of property, plant and equipment amounted to EUR 10,918,944 (2020: EUR 18,570,142), and the Group recorded such payables at EUR 10,955,721 (2020: 18,642,659).

In 2021, investments in property, plant and equipment amounted to a total of EUR 51,817,762 in the Company, and EUR 52,079,025 in the Group. The largest investments comprise:

- Completed construction of a parking garage for vehicles,
- Purchase of a new shunting locomotive for the needs of internal rail transport,
- Continued extension of the Pier I – the construction of 7D berth was completed, the construction of storage areas continues,
- Completed construction of an additional port entrance (the Bertoki road),
- Construction of a new petrol station for the port,
- Completed renovation of business premises and changing rooms in the container terminal building,
- Continued merging of D2 and Jet berths at the liquid cargo terminal,
- Restoration of the hydrant network at several locations,
- Purchase of wheel loaders for the needs of the bulk and liquid cargo terminal,
- Purchase of several forklifts, manipulators and tractors for the needs of the container terminal,
- Completed purchase of radioactivity meters,
- Continued reconstruction of 7A and 7B berths,
- Purchase of several (electric and conventional) personal vehicles for the needs of business processes,
- Initiated construction of a new external truck terminal at the Sermin entrance,
- Initiated purchase of two SPPX cranes.

In the reference period, the Company/Group found no material indication of required impairment to be carried out with respect to the assets.

The difference between the cost and value adjustment for assets disposed of and written off was recognised among costs for impairment, write-offs and losses on sale of property, plant and equipment and investment property (Note 8).

#### Movements in property, plant and equipment in 2021 - Company

(in EUR)	Land	Buildings	Plant and equipment	Assets being acquired	Total
<b>Cost</b>					
<b>Balance at 31 Dec 2020</b>	<b>20,187,007</b>	<b>493,622,056</b>	<b>330,568,290</b>	<b>48,050,979</b>	<b>892,428,332</b>
Additions	0	0	0	51,817,762	51,817,762
Transfer from investments in course of construction	0	49,026,154	11,191,470	-60,217,624	0
Disposals	0	-576,401	-2,558,307	-969,513	-4,104,221
Write-offs	0	-1,846,150	-1,409,216	0	-3,255,366
Transfer to intangible assets	0	0	0	-21,665	-21,665
Transfer to investment property	-48,412	-13,238	0	-1,010,283	-1,071,933
<b>Balance at 31 Dec 2021</b>	<b>20,138,595</b>	<b>540,212,421</b>	<b>337,792,237</b>	<b>37,649,656</b>	<b>935,792,909</b>
<b>Allowances</b>					
<b>Balance at 31 Dec 2020</b>	<b>0</b>	<b>261,202,675</b>	<b>228,378,908</b>	<b>0</b>	<b>489,581,583</b>
Depreciation	0	13,019,875	14,431,961	0	27,451,836
Disposals	0	-439,189	-2,494,975	0	-2,934,164
Write-offs	0	-1,831,552	-1,055,816	0	-2,887,368
Transfer from investment properties	0	-17,452	0	0	-17,452
<b>Balance at 31 Dec 2021</b>	<b>0</b>	<b>271,934,357</b>	<b>239,260,078</b>	<b>0</b>	<b>511,194,435</b>
<b>Carrying amount</b>					
<b>Balance at 31 Dec 2020</b>	<b>20,187,007</b>	<b>232,419,381</b>	<b>102,189,382</b>	<b>48,050,979</b>	<b>402,846,749</b>
<b>Balance at 31 Dec 2021</b>	<b>20,138,595</b>	<b>268,278,064</b>	<b>98,532,159</b>	<b>37,649,656</b>	<b>424,598,474</b>

## Movements in property, plant and equipment in 2020 - Company

(in EUR)	Land	Buildings	Plant and equipment	Assets being acquired	Total
<b>Cost</b>					
<b>Balance at 31 Dec 2019</b>	<b>15,165,920</b>	<b>486,475,485</b>	<b>304,827,021</b>	<b>24,398,527</b>	<b>830,866,953</b>
Additions	0	0	0	67,535,313	67,535,313
Transfer from investments in course of construction	3,521,522	12,399,652	27,492,427	-43,413,601	0
Disposals	0	-323,092	-1,613,811	0	-1,936,903
Write-offs	0	-1,524,115	-193,454	0	-1,717,569
Impairment charge	0	-1,845,792	0	0	-1,845,792
Transfer to intangible assets	0	0	0	-467,028	-467,028
Transfer from intangible assets	0	0	4,762	0	4,762
Transfer to investment property	0	-9,172	0	-2,232	-11,404
Reclassifications within property, plant and equipment	1,499,565	-1,550,910	51,345	0	0
<b>Balance at 31 Dec 2020</b>	<b>20,187,007</b>	<b>493,622,056</b>	<b>330,568,290</b>	<b>48,050,979</b>	<b>892,428,332</b>
<b>Allowances</b>					
<b>Balance at 31 Dec 2019</b>	<b>0</b>	<b>249,855,715</b>	<b>217,392,970</b>	<b>0</b>	<b>467,248,685</b>
Depreciation	0	13,055,259	12,781,747	0	25,837,006
Disposals	0	-175,798	-1,610,234	0	-1,786,032
Write-offs	0	-1,524,115	-193,454	0	-1,717,569
Transfer from investment properties	0	-507	0	0	-507
Reclassifications within property, plant and equipment	0	-7,879	7,879	0	0
<b>Balance at 31 Dec 2020</b>	<b>0</b>	<b>261,202,675</b>	<b>228,378,908</b>	<b>0</b>	<b>489,581,583</b>
<b>Carrying amount</b>					
<b>Balance at 31 Dec 2019</b>	<b>15,165,920</b>	<b>236,619,770</b>	<b>87,434,051</b>	<b>24,398,527</b>	<b>363,618,268</b>
<b>Balance at 31 Dec 2020</b>	<b>20,187,007</b>	<b>232,419,381</b>	<b>102,189,382</b>	<b>48,050,979</b>	<b>402,846,749</b>

## Movements in property, plant and equipment in 2021 - Group

(in EUR)	Land	Buildings	Plant and equipment	Assets being acquired	Total
<b>Cost</b>					
<b>Balance at 31 Dec 2020</b>	<b>23,428,971</b>	<b>509,091,874</b>	<b>342,249,002</b>	<b>48,065,431</b>	<b>922,835,278</b>
Additions	0	18,797	235,916	51,824,312	52,079,025
Transfer from investments in course of construction	0	49,026,155	11,191,470	-60,217,625	0
Disposals	-168,614	-1,234,051	-2,569,527	-969,513	-4,941,705
Write-offs	0	-1,846,150	-1,467,889	0	-3,314,039
Transfer from property, plant and equipment	75,971	17,665	0	0	93,636
Transfer to intangible assets	0	0	0	-21,665	-21,665
Transfer to investment property	-48,412	-13,238	0	-1,010,283	-1,071,933
<b>Balance at 31 Dec 2021</b>	<b>23,287,916</b>	<b>555,061,052</b>	<b>349,638,972</b>	<b>37,670,657</b>	<b>965,658,597</b>
<b>Allowances</b>					
<b>Balance at 31 Dec 2020</b>	<b>-8,260</b>	<b>268,500,513</b>	<b>237,752,152</b>	<b>0</b>	<b>506,244,405</b>
Depreciation	0	13,496,858	14,917,353	0	28,414,211
Disposals	0	-1,076,759	-2,506,010	0	-3,582,769
Write-offs	0	-1,831,553	-1,114,274	0	-2,945,827
Transfer to investment property	8,260	-17,452	0	0	-9,192
<b>Balance at 31 Dec 2021</b>	<b>0</b>	<b>279,071,607</b>	<b>249,049,221</b>	<b>0</b>	<b>528,120,828</b>
<b>Carrying amount</b>					
<b>Balance at 31 Dec 2020</b>	<b>23,437,231</b>	<b>240,591,361</b>	<b>104,496,850</b>	<b>48,065,431</b>	<b>416,590,873</b>
<b>Balance at 31 Dec 2021</b>	<b>23,287,916</b>	<b>275,989,445</b>	<b>100,589,751</b>	<b>37,670,657</b>	<b>437,537,769</b>

## Movements in property, plant and equipment in 2020 - Group

(in EUR)	Land	Buildings	Plant and equipment	Assets being acquired	Total
<b>Cost</b>					
<b>Balance at 31 Dec 2019</b>	<b>18,407,884</b>	<b>501,909,904</b>	<b>316,229,437</b>	<b>24,410,378</b>	<b>860,957,603</b>
Additions	0	21,392	335,298	67,580,835	67,937,525
Transfer from investments in course of construction	3,521,522	12,402,256	27,532,745	-43,456,523	0
Disposals	0	-323,092	-1,711,131	0	-2,034,223
Write-offs	0	-1,524,115	-193,454	0	-1,717,569
Impairment charge	0	-1,845,792	0	0	-1,845,792
Adjustment to fair value	0	11,404	0	-467,028	-455,624
Transfer from intangible assets	0	0	4,762	0	4,762
Transfer from investment properties	0	-9,173	0	-2,231	-11,404
Reclassifications within property, plant and equipment	1,499,565	-1,550,910	51,345	0	0
<b>Balance at 31 Dec 2020</b>	<b>23,428,971</b>	<b>509,091,874</b>	<b>342,249,002</b>	<b>48,065,431</b>	<b>922,835,278</b>
<b>Allowances</b>					
<b>Balance at 31 Dec 2019</b>	<b>-8,260</b>	<b>256,663,270</b>	<b>226,337,715</b>	<b>0</b>	<b>482,992,725</b>
Depreciation	0	13,545,035	13,283,591	0	26,828,626
Disposals	0	-175,798	-1,683,579	0	-1,859,377
Write-offs	0	-1,524,115	-193,454	0	-1,717,569
Reclassifications within property, plant and equipment	0	-7,879	7,879	0	0
<b>Balance at 31 Dec 2020</b>	<b>-8,260</b>	<b>268,500,513</b>	<b>237,752,152</b>	<b>0</b>	<b>506,244,405</b>
<b>Carrying amount</b>					
<b>Balance at 31 Dec 2019</b>	<b>18,416,144</b>	<b>245,246,634</b>	<b>89,891,722</b>	<b>24,410,378</b>	<b>377,964,878</b>
<b>Balance at 31 Dec 2020</b>	<b>23,437,231</b>	<b>240,591,361</b>	<b>104,496,850</b>	<b>48,065,431</b>	<b>416,590,873</b>

## Rights to use assets

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Land	1,224,381	426,907	1,224,381	426,949
Buildings	149,278	39,728	43,302	57,487
Equipment	6,108	22,359	71,824	61,386
<b>Total</b>	<b>1,379,767</b>	<b>488,994</b>	<b>1,339,507</b>	<b>545,822</b>

The rights to use assets refer to the assets recorded by the Company/Group after implementing the new standard IFRS 16 – Leases. The rights to use assets are part of fixed assets and, due to insignificance, are not disclosed as a separate item in statements of financial position.

## Movements in the rights to use assets in 2021 - Company

(in EUR)	Land	Buildings	Plant and equipment	Total
<b>Cost</b>				
<b>Balance at 31 Dec 2020</b>	<b>921,004</b>	<b>193,997</b>	<b>51,610</b>	<b>1,166,612</b>
Additions	1,066,388	187,796	0	1,254,183
<b>Balance at 31 Dec 2021</b>	<b>1,987,392</b>	<b>381,793</b>	<b>51,610</b>	<b>2,420,795</b>
<b>Allowances</b>				
<b>Balance at 31 Dec 2020</b>	<b>494,097</b>	<b>154,270</b>	<b>29,251</b>	<b>677,618</b>
Depreciation	268,914	78,246	16,251	363,411
<b>Balance at 31 Dec 2021</b>	<b>763,011</b>	<b>232,515</b>	<b>45,502</b>	<b>1,041,028</b>
<b>Carrying amount</b>				
<b>Balance at 31 Dec 2020</b>	<b>426,907</b>	<b>39,728</b>	<b>22,359</b>	<b>488,994</b>
<b>Balance at 31 Dec 2021</b>	<b>1,224,381</b>	<b>149,278</b>	<b>6,108</b>	<b>1,379,767</b>

## Movements in the rights to use assets in 2020 - Company

(in EUR)	Land	Buildings	Plant and equipment	Total
<b>Cost</b>				
<b>Balance at 31 Dec 2019</b>	<b>590,624</b>	<b>141,753</b>	<b>23,916</b>	<b>756,293</b>
Additions	330,381	52,245	27,694	410,319
<b>Balance at 31 Dec 2020</b>	<b>921,004</b>	<b>193,997</b>	<b>51,610</b>	<b>1,166,612</b>
<b>Allowances</b>				
<b>Balance at 31 Dec 2019</b>	<b>231,090</b>	<b>72,131</b>	<b>14,365</b>	<b>317,585</b>
Depreciation	263,008	82,139	14,886	360,032
<b>Balance at 31 Dec 2020</b>	<b>494,097</b>	<b>154,270</b>	<b>29,251</b>	<b>677,618</b>
<b>Carrying amount</b>				
<b>Balance at 31 Dec 2019</b>	<b>359,534</b>	<b>69,622</b>	<b>9,551</b>	<b>438,707</b>
<b>Balance at 31 Dec 2020</b>	<b>426,907</b>	<b>39,728</b>	<b>22,359</b>	<b>488,994</b>

## Movements in the rights to use assets in 2021 - Group

(in EUR)	Land	Buildings	Plant and equipment	Total
<b>Cost</b>				
<b>Balance at 31 Dec 2020</b>	<b>921,004</b>	<b>137,561</b>	<b>202,714</b>	<b>1,261,279</b>
Additions	1,066,388	26,652	112,125	1,205,165
<b>Balance at 31 Dec 2021</b>	<b>1,987,392</b>	<b>164,213</b>	<b>314,839</b>	<b>2,466,444</b>
<b>Allowances</b>				
<b>Balance at 31 Dec 2020</b>	<b>494,097</b>	<b>80,032</b>	<b>141,327</b>	<b>715,457</b>
Depreciation	268,914	40,879	101,688	411,480
<b>Balance at 31 Dec 2021</b>	<b>763,011</b>	<b>120,911</b>	<b>243,015</b>	<b>1,126,937</b>
<b>Carrying amount</b>				
<b>Balance at 31 Dec 2020</b>	<b>426,907</b>	<b>57,529</b>	<b>61,387</b>	<b>545,822</b>
<b>Balance at 31 Dec 2021</b>	<b>1,224,381</b>	<b>43,302</b>	<b>71,824</b>	<b>1,339,507</b>

## Movements in the rights to use assets in 2020 - Group

(in EUR)	Land	Buildings	Plant and equipment	Total
<b>Cost</b>				
<b>Balance at 31 Dec 2019</b>	<b>590,624</b>	<b>139,115</b>	<b>234,761</b>	<b>964,499</b>
Additions	330,381	-1,554	13,347	342,173
Disposals, write-offs	0	0	-45,393	-45,393
<b>Balance at 31 Dec 2020</b>	<b>921,004</b>	<b>137,561</b>	<b>202,714</b>	<b>1,261,279</b>
<b>Allowances</b>				
<b>Balance at 31 Dec 2019</b>	<b>231,090</b>	<b>34,960</b>	<b>83,424</b>	<b>349,474</b>
Depreciation	263,008	45,072	99,442	407,521
Disposals, write-offs	0	0	-41,539	-41,539
<b>Balance at 31 Dec 2020</b>	<b>494,097</b>	<b>80,032</b>	<b>141,327</b>	<b>715,457</b>
<b>Carrying amount</b>				
<b>Balance at 31 Dec 2019</b>	<b>359,534</b>	<b>104,155</b>	<b>151,336</b>	<b>615,025</b>
<b>Balance at 31 Dec 2020</b>	<b>426,907</b>	<b>57,529</b>	<b>61,387</b>	<b>545,822</b>

### Note 13. Investment property

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Investment property – land	14,405,808	14,506,711	11,256,486	11,256,486
Investment property – buildings	9,569,312	9,214,930	4,273,748	3,588,144
<b>Total</b>	<b>23,975,120</b>	<b>23,721,641</b>	<b>15,530,234</b>	<b>14,844,630</b>

The item of investment property includes land and buildings leased out, and properties that are currently not in use. Investment properties are valued by using the cost model.

#### Leased properties

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
Rental income on investment property	1,157,080	1,091,499	658,831	598,102
Depreciation of investment property	601,738	572,539	272,930	242,591

Investment properties are not pledged as collateral.

Fair value of investment property as at 31 December 2021 amounted to EUR 25,773,781 in the Company and EUR 15,685,372 in the Group.

The Company/Group assesses the fair value of part of investment property based on valuation, and for a smaller part of investment property, it uses the method of the total value of expected future cash flows generated through renting.

#### Movements in investment property in 2021 – Company

(in EUR)	Land	Buildings	Total
<b>Cost</b>			
<b>Balance at 31 Dec 2020</b>	<b>14,498,451</b>	<b>17,430,771</b>	<b>31,929,222</b>
Disposals, write-offs	-168,614	-677,405	-846,019
Transfer from property, plant and equipment	75,971	995,962	1,071,933
<b>Balance at 31 Dec 2021</b>	<b>14,405,808</b>	<b>17,749,328</b>	<b>32,155,136</b>
<b>Allowances</b>			
<b>Balance at 31 Dec 2020</b>	<b>-8,260</b>	<b>8,215,841</b>	<b>8,207,581</b>
Depreciation	0	601,737	601,737
Disposals, write-offs	0	-646,753	-646,753
Transfer from property, plant and equipment	8,260	9,192	17,452
<b>Balance at 31 Dec 2021</b>	<b>0</b>	<b>8,180,017</b>	<b>8,180,017</b>
<b>Carrying amount</b>			
<b>Balance at 31 Dec 2020</b>	<b>14,506,711</b>	<b>9,214,930</b>	<b>23,721,641</b>
<b>Balance at 31 Dec 2021</b>	<b>14,405,808</b>	<b>9,569,311</b>	<b>23,975,119</b>

## Movements in investment property in 2020 – Company

(in EUR)	Land	Buildings	Total
<b>Cost</b>			
<b>Balance at 31 Dec 2019</b>	<b>14,498,451</b>	<b>17,419,367</b>	<b>31,917,818</b>
Transfer from property, plant and equipment	0	11,404	11,404
<b>Balance at 31 Dec 2020</b>	<b>14,498,451</b>	<b>17,430,771</b>	<b>31,929,222</b>
<b>Allowances</b>			
<b>Balance at 31 Dec 2019</b>	<b>-8,260</b>	<b>7,642,795</b>	<b>7,634,535</b>
Depreciation	0	572,539	572,539
Transfer from property, plant and equipment	0	507	507
<b>Balance at 31 Dec 2020</b>	<b>-8,260</b>	<b>8,215,841</b>	<b>8,207,581</b>
<b>Carrying amount</b>			
<b>Balance at 31 Dec 2019</b>	<b>14,506,711</b>	<b>9,776,572</b>	<b>24,283,283</b>
<b>Balance at 31 Dec 2020</b>	<b>14,506,711</b>	<b>9,214,930</b>	<b>23,721,641</b>

## Movements in investment property in 2021 – Group

(in EUR)	Land	Buildings	Total
<b>Cost</b>			
<b>Balance at 31 Dec 2020</b>	<b>11,256,486</b>	<b>7,145,763</b>	<b>18,402,249</b>
Disposals, write-offs	0	-19,756	-19,756
Transfer from property, plant and equipment	0	978,297	978,297
<b>Balance at 31 Dec 2021</b>	<b>11,256,486</b>	<b>8,104,304</b>	<b>19,360,790</b>
<b>Allowances</b>			
<b>Balance at 31 Dec 2020</b>	<b>0</b>	<b>3,557,619</b>	<b>3,557,619</b>
Depreciation	0	273,929	273,929
Disposals, write-offs	0	-9,183	-9,183
Transfer from property, plant and equipment	0	9,192	9,192
<b>Balance at 31 Dec 2021</b>	<b>0</b>	<b>3,830,557</b>	<b>3,830,557</b>
<b>Carrying amount</b>			
<b>Balance at 31 Dec 2020</b>	<b>11,256,486</b>	<b>3,588,144</b>	<b>14,844,630</b>
<b>Balance at 31 Dec 2021</b>	<b>11,256,486</b>	<b>4,273,747</b>	<b>15,530,233</b>

## Movements in investment property in 2020 – Group

(in EUR)	Land	Buildings	Total
<b>Cost</b>			
<b>Balance at 31 Dec 2019</b>	<b>11,256,486</b>	<b>7,145,763</b>	<b>18,402,249</b>
<b>Balance at 31 Dec 2020</b>	<b>11,256,486</b>	<b>7,145,763</b>	<b>18,402,249</b>
<b>Allowances</b>			
<b>Balance at 31 Dec 2019</b>	<b>0</b>	<b>3,315,028</b>	<b>3,315,028</b>
Depreciation	0	242,591	242,591
<b>Balance at 31 Dec 2020</b>	<b>0</b>	<b>3,557,619</b>	<b>3,557,619</b>
<b>Carrying amount</b>			
<b>Balance at 31 Dec 2019</b>	<b>11,256,486</b>	<b>3,830,735</b>	<b>15,087,221</b>
<b>Balance at 31 Dec 2020</b>	<b>11,256,486</b>	<b>3,588,144</b>	<b>14,844,630</b>

## Note 14. Intangible assets

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Non-current property rights and non-current deferred development costs	1,250,530	1,881,584	1,372,176	2,058,861
<b>Total</b>	<b>1,250,530</b>	<b>1,881,584</b>	<b>1,372,176</b>	<b>2,058,861</b>

In the Company, the cost of the intangible assets in use, of which the carrying value as at 31 December 2021 equalled zero, is recorded at EUR 9,249,282 (2020: EUR 5,802,289). In the Group, such assets amounted to EUR 9,255,503 as at 31 December 2021 (31 Dec 2020: EUR 5,807,993).

As at 31 December 2021, the Company/Group, recorded no commitments to purchase intangible assets (2020: EUR 34,000).

Intangible assets were not pledged as collateral as at 31 December 2021.

Intangible assets of the Company/Group include industrial property rights and other rights, as well as costs of development. Industrial property rights and other rights comprise computer software, information systems and development-related projects. Development costs in the amount of EUR 39,075 recorded in the Group relate to the company TOC, d. o. o. in connection with the CAPSorb project (development of efficient ecological absorbents to control spills of all types of hydrophilic and hydrophobic hazardous and non-hazardous substances on hard and water surfaces).

### Movements in intangible assets in 2021 – Company

(in EUR)	Industrial property and other rights	Intangible assets being acquired	Total
<b>Cost</b>			
<b>Balance at 31 Dec 2020</b>	<b>12,997,876</b>	<b>185,485</b>	<b>13,183,361</b>
Additions	0	17,490	17,490
Transfer from investments in course of construction	168,987	-168,987	0
Disposals	-36,649	0	-36,649
Transfer from property, plant and equipment	21,664	0	21,664
<b>Balance at 31 Dec 2021</b>	<b>13,151,878</b>	<b>33,988</b>	<b>13,185,866</b>
<b>Allowances</b>			
<b>Balance at 31 Dec 2020</b>	<b>11,301,777</b>	<b>0</b>	<b>11,301,777</b>
Depreciation	670,208	0	670,208
Disposals	-36,649	0	-36,649
<b>Balance at 31 Dec 2021</b>	<b>11,935,336</b>	<b>0</b>	<b>11,935,336</b>
<b>Carrying amount</b>			
<b>Balance at 31 Dec 2020</b>	<b>1,696,099</b>	<b>185,485</b>	<b>1,881,584</b>
<b>Balance at 31 Dec 2021</b>	<b>1,216,542</b>	<b>33,988</b>	<b>1,250,530</b>

## Movements in intangible assets in 2020 – Company

(in EUR)	Industrial property and other rights	Intangible assets being acquired	Total
<b>Cost</b>			
<b>Balance at 31 Dec 2019</b>	<b>12,551,799</b>	<b>56,750</b>	<b>12,608,549</b>
Additions	0	133,497	133,497
Transfer from investments in course of construction	467,028	0	467,028
Disposals	-20,951	0	-20,951
Transfer to property, plant and equipment	0	-4,762	-4,762
<b>Balance at 31 Dec 2020</b>	<b>12,997,876</b>	<b>185,485</b>	<b>13,183,361</b>
<b>Allowances</b>			
<b>Balance at 31 Dec 2019</b>	<b>10,554,764</b>	<b>0</b>	<b>10,554,764</b>
Depreciation	767,964	0	767,964
Disposals	-20,951	0	-20,951
<b>Balance at 31 Dec 2020</b>	<b>11,301,777</b>	<b>0</b>	<b>11,301,777</b>
<b>Carrying amount</b>			
<b>Balance at 31 Dec 2019</b>	<b>1,997,035</b>	<b>56,750</b>	<b>2,053,785</b>
<b>Balance at 31 Dec 2020</b>	<b>1,696,099</b>	<b>185,485</b>	<b>1,881,584</b>

## Movements in intangible assets in 2021 – Group

(in EUR)	Development costs	Industrial property and other rights	Intangible assets being acquired	Total
<b>Cost</b>				
<b>Balance at 31 Dec 2020</b>	<b>390,746</b>	<b>13,236,601</b>	<b>193,370</b>	<b>13,820,717</b>
Additions	0	0	17,490	17,490
Transfer from investments in course of construction	0	190,651	-168,987	21,664
Disposals	0	-36,649	0	-36,649
<b>Balance at 31 Dec 2021</b>	<b>390,746</b>	<b>13,390,603</b>	<b>41,873</b>	<b>13,823,222</b>
<b>Allowances</b>				
<b>Balance at 31 Dec 2020</b>	<b>312,597</b>	<b>11,449,259</b>	<b>0</b>	<b>11,761,856</b>
Depreciation	39,075	686,765	0	725,840
Disposals	0	-36,649	0	-36,649
<b>Balance at 31 Dec 2021</b>	<b>351,672</b>	<b>12,099,375</b>	<b>0</b>	<b>12,451,047</b>
<b>Carrying amount</b>				
<b>Balance at 31 Dec 2020</b>	<b>78,149</b>	<b>1,787,342</b>	<b>193,370</b>	<b>2,058,861</b>
<b>Balance at 31 Dec 2021</b>	<b>39,074</b>	<b>1,291,228</b>	<b>41,873</b>	<b>1,372,175</b>

### Movements in intangible assets in 2020 – Group

(in EUR)	Development costs	Industrial property and other rights	Intangible assets being acquired	Total
<b>Cost</b>				
<b>Balance at 31 Dec 2019</b>	<b>390,746</b>	<b>12,790,524</b>	<b>64,635</b>	<b>13,245,905</b>
Additions	0	0	133,497	133,497
Transfer from investments in course of construction	0	467,028	0	467,028
Disposals	0	-20,951	0	-20,951
Transfer to property, plant and equipment	0	0	-4,762	-4,762
<b>Balance at 31 Dec 2020</b>	<b>390,746</b>	<b>13,236,601</b>	<b>193,370</b>	<b>13,820,717</b>
<b>Allowances</b>				
<b>Balance at 31 Dec 2019</b>	<b>273,522</b>	<b>10,685,643</b>	<b>0</b>	<b>10,959,165</b>
Depreciation	39,075	784,567	0	823,642
Disposals	0	-20,951	0	-20,951
<b>Balance at 31 Dec 2020</b>	<b>312,597</b>	<b>11,449,259</b>	<b>0</b>	<b>11,761,856</b>
<b>Carrying amount</b>				
<b>Balance at 31 Dec 2019</b>	<b>117,224</b>	<b>2,104,881</b>	<b>64,635</b>	<b>2,286,740</b>
<b>Balance at 31 Dec 2020</b>	<b>78,149</b>	<b>1,787,342</b>	<b>193,370</b>	<b>2,058,861</b>

### Note 15. Other non-current assets

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
<b>Balance at 31 Dec</b>	<b>1,089,144</b>	<b>17,752,840</b>	<b>1,089,144</b>	<b>17,853,040</b>
Increases	10,544,939	1,231,764	10,544,939	1,232,380
Transfer to property, plant and equipment	-1,983,896	-17,895,460	-1,983,896	-17,896,076
Repayment	0	0	0	-100,200
<b>End of period</b>	<b>9,650,187</b>	<b>1,089,144</b>	<b>9,650,187</b>	<b>1,089,144</b>

Under non-current assets, the Company/Group records advances given for purchase of property, plant and equipment.

The decrease in other non-current assets is due to the transfer to use, i.e. under property, plant and equipment.

### Note 16. Shares and interests in Group companies

#### Investments in subsidiaries

Recorded only by the controlling company, investments in subsidiaries amounted to EUR 4,048,063 as at 31 December 2021. The investment in the subsidiary Luka Koper Pristan, d. o. o. – in liquidation, is disclosed in the statement of financial position among Assets (disposal group) held for sale, as the procedure of voluntary liquidation of the company began in September 2021.

Investments in subsidiaries are not pledged as collateral.

Detailed presentation of transactions with subsidiaries is provided in Note 33 of this report.

## Investments in subsidiaries

(in EUR)	Equity interest	Investments at 31 Dec 2021	Equity at 31 Dec 2021	Net sales revenue in 2021	Net profit or loss for 2021	No of employees 31 Dec 2021
Luka Koper INPO, d. o. o.	100%	1,336,288	24,221,143	6,375,923	267,848	131
Adria Terminali, d. o. o.	100%	226,000	1,442,065	3,007,325	214,417	25
Adria Investicije, d. o. o.	100%	1,775,775	157,418	84,028	44,703	0
Logis-Nova, d. o. o.	100%	710,000	703,041	20,671	11,414	0
TOC, d. o. o.	68.13%	0	840,027	523,903	103,433	5
<b>Total</b>		<b>4,048,063</b>				

(in EUR)	Equity interest	Investments at 31 Dec 2020	Equity at 31 Dec 2020	Net sales revenues in 2020	Net profit or loss for 2020	No of employees 31 Dec 2020
Luka Koper INPO, d. o. o.	100%	1,336,288	23,868,546	6,324,919	655,380	131
Luka Koper Pristan, d. o. o.	100%	485,000	1,354,337	285,825	-40,575	3
Adria Terminali, d. o. o.	100%	226,000	1,351,550	2,773,396	163,429	24
Adria Investicije, d. o. o.	100%	1,775,775	152,136	77,504	39,421	0
Logis-Nova, d. o. o.	100%	710,000	701,795	19,838	10,703	0
TOC, d. o. o.	68.13%	0	751,594	389,218	11,949	5
<b>Total</b>		<b>4,533,063</b>				

## Note 17. Shares and interests in associates

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Shares and interests in associates	6,737,709	6,737,709	15,784,793	14,168,687
<b>Total</b>	<b>6,737,709</b>	<b>6,737,709</b>	<b>15,784,793</b>	<b>14,168,687</b>

The Company's/Group's shares and interests in associates are not pledged as collateral. In 2021, there was no change in ownership of associates.

## Movements in shares and interests in associates - Group

(in EUR)	2021	2020
<b>Balance at 1 Jan</b>	<b>14,168,687</b>	<b>13,800,193</b>
Attributable profits	2,793,285	1,224,318
Dividends paid	-1,177,179	-855,823
<b>Balance at 31 Dec</b>	<b>15,784,793</b>	<b>14,168,687</b>

## Significant data on associates in 2021

(in EUR)	Equity interest	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Net profit or loss	Profit or loss attributable to the Group	Other comprehensive income	Payment of previous year's profit belonging to the Group
Adria Transport, d. o. o.	50%	9,986,687	6,859,788	5,367,991	4,340,731	12,986,031	2,770,295	1,385,148	2,778,340	129,250
Adria Transport Croatia, d. o. o.	50%	5,291	367,754	250,052	12,927	0	-70,348	-35,174	-70,348	0
Adria-Tow, d. o. o.	50%	6,684,858	7,440,883	194,639	1,847,655	5,703,945	1,599,348	799,674	1,606,023	336,000
Adriaфин, d. o. o.	50%	8,165,499	2,449,205	85,025	22,196	316,678	358,489	179,245	358,489	175,000
Avtoservis, d. o. o.	49%	767,394	2,958,019	97,712	498,463	5,308,593	947,740	464,392	944,828	536,929
<b>Total</b>								<b>2,793,285</b>		<b>1,177,179</b>

## Significant data on associates in 2020

(in EUR)	Equity interest	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Revenue	Net profit or loss	Profit or loss attributable to the Group	Other comprehensive income	Payment of previous year's profit belonging to the Group
Adria Transport, d. o. o.	50%	9,411,556	3,993,861	6,199,373	2,588,130	10,007,103	517,335	258,668	514,452	0
Adria Transport Croatia, d. o. o.	50%	0	254,341	249,696	126,819	1,750	-125,045	-62,523	-125,045	0
Adria-Tow, d. o. o.	50%	8,043,366	5,652,885	1,171,639	1,375,828	5,314,602	630,472	315,236	626,218	336,000
Adriaфин, d. o. o.	50%	8,080,474	2,424,767	0	6,247	4,671	348,950	174,475	348,950	174,000
Avtoservis, d. o. o.	49%	846,210	2,917,843	103,355	347,806	5,731,131	1,098,901	538,461	1,090,043	345,823
<b>Total</b>								<b>1,224,318</b>		<b>855,823</b>

## Note 18. Other non-current investments

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Other investments measured at fair value through profit or loss	3,415,492	911,985	5,901,267	3,397,760
Other investments measured at fair value through equity	53,171,843	43,311,164	54,070,809	44,025,411
<b>Total</b>	<b>56,587,335</b>	<b>44,223,149</b>	<b>59,972,076</b>	<b>47,423,171</b>

Other non-current investment primarily comprise investments in securities and equity interests.

Other investments measured at fair value through equity include investments in shares in Krka, d. d. and Intereuropa, d. d., whose value as at 31 December 2021 was EUR 53,171,843 in the Company, and EUR 54,070,809 in the Group.

Other investments measured at fair value through profit or loss refer to investments in other companies, where the Company's/Group's equity interest is less than 20%, investments in mutual funds and two companies that are fully (100%) owned by the controlling company and are not consolidated due to insignificance within the Group.

### Movements in other non-current investments of the Company

(in EUR)	2021	2020
<b>Balance at 1 Jan</b>	<b>44,223,149</b>	<b>36,808,861</b>
<b>Increases</b>		
Revaluation to fair value through equity	11,404,384	7,422,406
Revaluation to fair value through profit or loss	959,802	0
<b>Decreases</b>		
Revaluation to fair value through profit or loss	0	-8,118
<b>Balance at 31 Dec</b>	<b>56,587,335</b>	<b>44,223,149</b>

### Movements in other non-current investments of the Group

(in EUR)	2021	2020
<b>Balance at 1 Jan</b>	<b>47,423,171</b>	<b>40,175,130</b>
<b>Increases</b>		
Revaluation to fair value through equity	11,589,103	7,256,159
Revaluation to fair value through profit or loss	959,802	0
<b>Decreases</b>		
Revaluation to fair value through equity	0	-8,118
<b>Balance at 31 Dec</b>	<b>59,972,076</b>	<b>47,423,171</b>

## Note 19. Deferred tax assets and deferred tax liabilities

(in EUR)	Luka Koper, d. d.				Luka Koper Group			
	Receivables		Liabilities		Receivables		Liabilities	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
<b>Deferred tax assets and deferred tax liabilities relating to:</b>								
- impairment of investments in subsidiaries	509,689	509,689	0	0	509,689	509,689	0	0
- impairment of other investments and deductible temporary differences arising on securities	8,740,582	9,156,152	7,332,723	5,165,890	8,761,750	9,177,320	7,452,051	5,250,122
- allowances for trade receivables	236,118	153,661	0	0	292,968	229,100	0	0
- provisions for termination benefits	438,550	405,177	0	0	490,518	463,234	0	0
- provisions for jubilee premiums	77,113	76,405	0	0	82,520	81,994	0	0
- non-current accrued costs and deferred income for public utility service	453,983	453,983	0	0	453,983	453,983	0	0
<b>Total</b>	<b>10,456,035</b>	<b>10,755,067</b>	<b>7,332,723</b>	<b>5,165,890</b>	<b>10,591,428</b>	<b>10,915,320</b>	<b>7,452,051</b>	<b>5,250,122</b>
Off-set with deferred tax liabilities relating to impairment of other investments and deductible temporary differences arising on securities	-7,332,723	-5,165,890	-7,332,723	-5,165,890	-7,452,051	-5,250,122	-7,452,051	-5,250,122
<b>Total</b>	<b>3,123,312</b>	<b>5,589,177</b>	<b>0</b>	<b>0</b>	<b>3,139,377</b>	<b>5,665,198</b>	<b>0</b>	<b>0</b>

Deferred tax assets represent deductible temporary differences arising on securities, non-current investments, impairment of receivables, provisions for retirement benefits and jubilee premiums, and deferred income from public utility service. In 2021, deferred taxes decreased the Company's operating result by EUR 291,381 (2020: EUR 79,315), and the Group's operating result by EUR 308,942 (2020: EUR 75,111).

Within deferred taxes, the Group also records deferred taxes relating to impairment of investments in subsidiaries, which due to being a tax item of the controlling company, is not excluded. They are formed for the subsidiaries that have been defined as non-strategic for the Company and are also subject to various types of withdrawal or disinvestment.

As at the 31 December 2021, the Company conducted an off-set of part of its deferred tax liabilities with receivables in the amount of EUR 7,332,723 (2020: EUR 5,165,890), whereas in the Group the off-set amount was EUR 7,452,051 (2020: EUR 5,250,122).

#### Movements in deferred tax assets and deferred tax liabilities in 2021 – Luka Koper, d. d.

(in EUR)	Receivables				Liabilities		
	Balance at 31 Dec 2020	Recognised in the income statement	Recognised in the statement of other comprehensive income	Balance at 31 Dec 2021	Balance at 31 Dec 2020	Recognised in the statement of other comprehensive income	Balance at 31 Dec 2021
<b>Deferred tax assets and deferred tax liabilities relating to:</b>							
- impairment of investments in subsidiaries	509,689	0	0	509,689	0	0	0
- impairment of other investments and deductible temporary differences arising on securities	9,156,152	-415,570	0	8,740,582	5,165,890	2,166,833	7,332,723
- allowances for trade receivables	153,661	82,457	0	236,118	0	0	0
- provisions for termination benefits	405,177	41,024	-7,652	438,550	0	0	0
- provisions for jubilee premiums	76,405	708	0	77,113	0	0	0
- non-current accrued costs and deferred income for public utility service	453,983	0	0	453,983	0	0	0
<b>Total</b>	<b>10,755,067</b>	<b>-291,381</b>	<b>-7,652</b>	<b>10,456,035</b>	<b>5,165,890</b>	<b>2,166,833</b>	<b>7,332,723</b>
Off-set with deferred tax liabilities relating to impairment of other investments and deductible temporary differences arising on securities	-5,165,890	0	-2,166,833	-7,332,723	-5,165,890	-2,166,833	-7,332,723
<b>Deferred tax assets in the Company's statement of financial position</b>	<b>5,589,177</b>	<b>-291,381</b>	<b>-2,174,485</b>	<b>3,123,312</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Movements in deferred tax assets and deferred tax liabilities in 2020 – Luka Koper, d. d.

(in EUR)	Receivables				Liabilities		
	Balance at 31 Dec 2019	Recognised in the income statement	Recognised in the statement of other comprehensive income	Balance at 31 Dec 2020	Balance at 31 Dec 2019	Recognised in the statement of other comprehensive income	Balance at 31 Dec 2020
<b>Deferred tax assets and deferred tax liabilities relating to:</b>							
- impairment of investments in subsidiaries	538,738	-29,049	0	509,689	0	0	0
- impairment of other investments and deductible temporary differences arising on securities	9,155,381	771	0	9,156,151	3,755,633	1,410,257	5,165,890
- allowances for trade receivables	252,010	-98,349	0	153,661	0	0	0
- provisions for retirement benefits	348,268	34,714	22,196	405,178	0	0	0
- provisions for jubilee premiums	63,807	12,598	0	76,405	0	0	0
- non-current accrued costs and deferred income for public utility service	453,983	0	0	453,983	0	0	0
<b>Total</b>	<b>10,812,187</b>	<b>-79,315</b>	<b>22,196</b>	<b>10,755,067</b>	<b>3,755,633</b>	<b>1,410,257</b>	<b>5,165,890</b>
Off-set with deferred tax liabilities relating to impairment of other investments and deductible temporary differences arising on securities	-3,755,633	0	-1,410,257	-5,165,890	-3,755,633	-1,410,257	-5,165,890
<b>Deferred tax assets in the Company's statement of financial position</b>	<b>7,056,554</b>	<b>-79,315</b>	<b>-1,388,061</b>	<b>5,589,177</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Movements in deferred tax assets and deferred tax liabilities in 2021 – Luka Koper Group

(in EUR)	Receivables			Liabilities			
	Balance at 31 Dec 2020	Recognised in the income statement	Recognised in the statement of other comprehensive income	Balance at 31 Dec 2021	Balance at 31 Dec 2020	Recognised in the statement of other comprehensive income	Balance at 31 Dec 2021
<b>Deferred tax assets and deferred tax liabilities relating to:</b>							
- impairment of investments in subsidiaries	509,689	0	0	509,689	0	0	0
- impairment of other investments and deductible temporary differences arising on securities	9,177,320	-415,570	0	8,761,750	5,250,121	2,201,929	7,452,050
- allowances for trade receivables	229,100	63,868	0	292,968	0	0	0
- provisions for termination benefits	463,234	42,237	-14,954	490,517	0	0	0
- provisions for jubilee premiums	81,994	526	0	82,520	0	0	0
- non-current accrued costs and deferred income for public utility service	453,983	0	0	453,983	0	0	0
<b>Total</b>	<b>10,915,320</b>	<b>-308,939</b>	<b>-14,954</b>	<b>10,591,427</b>	<b>5,250,121</b>	<b>2,201,929</b>	<b>7,452,050</b>
Off-set with deferred tax liabilities relating to impairment of other investments and deductible temporary differences arising on securities	-5,250,121	0	-2,201,928	-7,452,050	-5,250,121	-2,201,929	-7,452,050
<b>Deferred tax assets in the Group's statement of financial position</b>	<b>5,665,198</b>	<b>-308,939</b>	<b>-2,216,882</b>	<b>3,139,377</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Movements in deferred tax assets and deferred tax liabilities in 2020 – Luka Koper Group

(in EUR)	Receivables			Liabilities			
	Balance at 31 Dec 2019	Recognised in the income statement	Recognised in the statement of other comprehensive income	Balance at 31 Dec 2020	Balance at 31 Dec 2019	Recognised in the statement of other comprehensive income	Balance at 31 Dec 2020
<b>Deferred tax assets and deferred tax liabilities relating to:</b>							
- impairment of investments in subsidiaries	538,738	-29,049	0	509,689	0	0	0
- impairment of other investments and deductible temporary differences arising on securities	9,176,547	771	0	9,177,318	3,871,451	1,378,670	5,250,121
- allowances for trade receivables	326,549	-97,449	0	229,100	0	0	0
- provisions for termination benefits	392,450	37,338	33,447	463,235	0	0	0
- provisions for jubilee premiums	68,718	13,276	0	81,994	0	0	0
- non-current accrued costs and deferred income for public utility service	453,983	0	0	453,983	0	0	0
<b>Total</b>	<b>10,956,985</b>	<b>-75,113</b>	<b>33,447</b>	<b>10,915,319</b>	<b>3,871,451</b>	<b>1,378,670</b>	<b>5,250,121</b>
Off-set with deferred tax liabilities relating to impairment of other investments and deductible temporary differences arising on securities	-3,871,451	0	-1,378,670	-5,250,121	-3,871,451	-1,378,670	-5,250,121
<b>Deferred tax assets in the Group's statement of financial position</b>	<b>7,085,534</b>	<b>-75,113</b>	<b>-1,345,223</b>	<b>5,665,198</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Note 20. Assets held for sale

In 2021, the Company/Group started the process of voluntary liquidation of the subsidiary Luka Koper Pristan, d. o. o. – in liquidation. In accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Company/Group reclassified all assets disclosed by the Company/Group in relation to the investment in Luka Koper Pristan, d. o. o. – in liquidation, as assets held for sale at the carrying value. In 2021, Luka Koper Pristan, d. o. o. – in liquidation, generated an operating loss of EUR 49,646.

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Investment in a subsidiary	485,000	0	0	0
Trade and other receivables and cash and cash equivalents	0	0	340,807	0
<b>Total</b>	<b>485,000</b>	<b>0</b>	<b>340,807</b>	<b>0</b>

Movements in assets held for sale – Luka Koper, d. d.

(in EUR)	Total
<b>Balance at 31 Dec 2020</b>	<b>0</b>
<b>Increases</b>	<b>485,000</b>
Transfer from investments to subsidiaries	485,000
<b>Decreases</b>	<b>0</b>
<b>Total as at 31 December 2021</b>	<b>485,000</b>

Movements in assets held for sale – Luka Koper Group

(in EUR)	Total
<b>Balance at 31 Dec 2020</b>	<b>0</b>
<b>Increases</b>	<b>340,807</b>
Transfer from trade and other receivables	38,032
Transfer from cash and cash equivalents	302,775
<b>Decreases</b>	<b>0</b>
<b>Total as at 31 December 2021</b>	<b>340,807</b>

## Note 21. Inventories

As at 31 December 2021, inventories in the Company/Group were recorded at EUR 1,422,438 (2020: EUR 1,362,768). A larger portion thereof relates to maintenance material and spare parts, as well as to overhead-related material and auxiliary material.

## Note 22. Trade and other receivables

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Current operating receivables:				
domestic market	20,146,338	14,143,825	20,831,878	14,565,352
foreign markets	18,873,816	19,758,604	19,034,849	19,891,807
Current operating receivables due from Group companies	504,373	288,962	0	0
Current operating receivables due from associates	143,570	89,557	143,570	89,557
<b>Current trade receivables</b>	<b>39,668,097</b>	<b>34,280,948</b>	<b>40,010,297</b>	<b>34,546,716</b>
Advances and collaterals given	41,176	36,868	41,681	36,855
Receivables due from the state	2,296,840	1,928,337	2,434,252	2,038,205
Other current receivables	407,257	379,394	473,325	438,682
<b>Trade receivables</b>	<b>42,413,370</b>	<b>36,625,547</b>	<b>42,959,555</b>	<b>37,060,458</b>
Current deferred costs and expenses	3,700,938	3,932,685	3,707,705	3,937,582
Accrued income	340,741	634,361	340,740	634,360
Assets from contracts with customers	318,339	0	318,339	0
<b>Other receivables</b>	<b>4,360,018</b>	<b>4,567,046</b>	<b>4,366,784</b>	<b>4,571,942</b>
<b>Total</b>	<b>46,773,388</b>	<b>41,192,593</b>	<b>47,326,339</b>	<b>41,632,400</b>

As at 31 December 2021, the value of trade and other receivables in the Company was EUR 46,773,388 which is an increase by EUR 5,580,795 from the previous year-end. The Group presented EUR 47,326,339 of trade and other receivables at the end of 2021, which is an increase by EUR 5,693,939 from the previous year-end.

With most trade receivables, the Company/Group has an option to enforce a legal lien over the stored goods in its possession.

The Company/Group checks its overdue receivables pursuant to the Accounting Manual, and regularly forms related allowances in the event of delayed payments. In accordance with IFRS 9 – Financial Instruments and based on its accounting policy, the Company/Group forms revaluation adjustment for receivables for not matured claims per key risk criteria. On that basis, the Company/Group had less than one percent of such outstanding and not matured claims that included the risk of default. In 2021, the Company and the Group formed allowances for receivables in the amount of EUR 619,240 and EUR 640,471 and eliminated the allowance for collected or written-off receivables amounting to EUR 183,734 and EUR 194,123 respectively. In 2021, the Group transferred part of its receivables and revaluation adjustment for receivables contributed to the Group by Luka Koper Pristan, d. o. o. – in liquidation, to assets (disposal groups) held for sale.

As at 31 December 2021, the Company/Group recorded no receivables from Members of the Management Board or the Supervisory Board.

Other receivables of the Company/Group include short-term accrued income in the amount of EUR 340,741, which refer to income arising on expenses for European development projects, co-financed by European institutions, and short-term deferred costs in the amount of EUR 3,700,938 for the Company and EUR 3,707,705 for the Group. In 2019, the controlling company received from the Financial Administration of the Republic of Slovenia a notice regarding the assessment of corporate income tax for 2017 amounting to EUR 3,058,642 and settled the obligation. The liability was presented under current deferred costs and expenses since the Company appealed the tax notice. Pursuant to IFRIC 23 – Uncertainty over Income Tax Treatments, the Company/Group formed a liability for the payment of corporate income tax due to the uncertainty regarding the decision of the state authorities in relation to the said appeal.

In 2021, the Company/Group discloses EUR 318,339 of assets from contracts with customers, which represents accrued revenues for invoices not yet issued, but for services that have already been provided to customers.

### Maturity of current trade receivables and receivables relating to finance income

Luka Koper, d. d.

(in EUR)	31 Dec 2021			31 Dec 2020		
	Gross value	Allowances	Net value	Gross value	Allowances	Net value
Outstanding and undue trade receivables	35,523,666	-130,115	35,393,551	29,265,207	-122,075	29,143,132
Past due receivables:						
up to 30 days	3,225,694	-32,227	3,193,467	4,169,812	-41,698	4,128,114
31 to 60 days overdue	765,724	-77,252	688,472	615,812	-61,553	554,259
61 to 90 days overdue	117,651	-23,388	94,263	216,618	-43,324	173,294
91 to 180 days overdue	221,451	-86,295	135,156	358,901	-76,752	282,149
more than 180 days overdue	888,172	-724,984	163,188	294,873	-294,873	0
<b>Total</b>	<b>40,742,358</b>	<b>-1,074,261</b>	<b>39,668,097</b>	<b>34,921,223</b>	<b>-640,275</b>	<b>34,280,948</b>

Note: the amount comprises trade receivables and receivables due from subsidiaries and associates.

Luka Koper Group

(in EUR)	31 Dec 2021			31 Dec 2020		
	Gross value	Allowances	Net value	Gross value	Allowances	Net value
Outstanding and undue trade receivables	35,641,742	-132,948	35,508,794	29,354,836	-124,512	29,230,324
Past due receivables:						
up to 30 days	3,398,625	-34,003	3,364,622	4,292,357	-42,924	4,249,433
31 to 60 days overdue	820,247	-82,810	737,437	658,544	-63,879	594,665
61 to 90 days overdue	128,273	-25,534	102,739	223,977	-41,255	182,722
91 to 180 days overdue	222,404	-86,743	135,661	370,721	-85,265	285,456
more than 180 days overdue	1,172,476	-1,011,432	161,044	683,609	-679,493	4,116
<b>Total</b>	<b>41,383,767</b>	<b>-1,373,470</b>	<b>40,010,297</b>	<b>35,584,044</b>	<b>-1,037,328</b>	<b>34,546,716</b>

Note: the amount comprises trade receivables and receivables due from associates.

As at 31 December 2021, the Company disclosed allowances for receivables amounting to EUR 1,074,261, an increase from the preceding year end by EUR 433,986. The increase is due to the allowance for receivables for one of the customers in 2021. As at 31 December 2021, the Group recorded EUR 1,373,470 of allowances for receivables, which is EUR 336,142 more than in the previous year and is mainly due to the described movement in the controlling company and the transfer of part of allowances for receivables contributed by Luka Koper Pristan, d. o. o. – in liquidation, among assets (disposal groups) held for sale due to the voluntary liquidation procedure of the company initiated in 2021.

### Movements in allowances

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
<b>Balance at 1 Jan</b>	<b>640,275</b>	<b>1,157,900</b>	<b>1,037,328</b>	<b>1,550,210</b>
<b>Increase:</b>				
Formation of allowances in the year	619,240	436,608	640,471	446,476
<b>Decrease:</b>				
Collected receivables written off	-183,734	-491,868	-194,123	-496,993
Transfer to assets held for sale	0	0	-103,957	0
Definitive write-off (elimination) of receivables	-1,520	-462,365	-6,248	-462,365
<b>Balance at 31 Dec</b>	<b>1,074,261</b>	<b>640,275</b>	<b>1,373,470</b>	<b>1,037,328</b>

## Note 23. Cash and cash equivalents

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Cash in hand	1,687	577	16,191	10,303
Bank balances	15,340,739	17,050,893	37,642,494	39,031,118
Current deposits	1,000,000	20,000,000	2,980,000	21,980,000
<b>Total</b>	<b>16,342,426</b>	<b>37,051,470</b>	<b>40,638,685</b>	<b>61,021,421</b>

## Note 24. Equity

### Share capital

Share capital in the amount of EUR 58,420,965 consists of 14,000,000 shares of the controlling company Luka Koper, d. d. that are freely transferable. The nominal value of a share is EUR 4.17.

The ownership structure, the movement of the share price and the dividend policy are outlined in detail in the Business Report of the Luka Koper Group, Chapter 15, 'The LKPG Share'.

### Capital surplus (share premium) and revenue reserves

The Company/Group records legal reserves in the amount of at least 10% of share capital as required by the Companies Act (ZGD-1). Legal reserves, share premium and other revenue reserves are not included in the accumulated profit and are not subject to distribution. The Company/Group has no statutory reserves, as they are not envisaged under its articles of association. Pursuant to Article 230 (3) of the Companies Act, at the year-end of 2021, the controlling company formed additional other revenue reserves in the amount of a half of net profit or loss, which equalled EUR 14,960,165.

(in EUR)	31 Dec 2021	31 Dec 2020
Share premium	89,562,703	89,562,703
Legal reserves	18,765,115	18,765,115
Other revenue reserves	206,142,584	191,182,419
<b>Total</b>	<b>314,470,402</b>	<b>299,510,237</b>

### Reserves arising from valuation at fair value

At the year-end of 2021, reserves arising on valuation at fair value with respect to the valuation of investments measured at fair value through equity and with respect to unrealised actuarial gains and losses, amounted to EUR 36,860,752 in the Company, and EUR 37,306,991 in the Group. After deducting deferred taxes, they are recorded at EUR 29,692,619 and EUR 30,036,801 respectively.

### Retained earnings

Retained earnings consist of the unappropriated portion of the net profit for the period, which as at 31 December 2021 amounted to EUR 14,960,165 in the Company and EUR 16,800,054 in the Group, and net profit brought forward that was recorded at EUR 14,632,155 and EUR 46,969,402 respectively.

### Use of accumulated profit from 31 December 2020

In 2021, the Management and Supervisory Board proposed to the Shareholders' Meeting to appropriate the accumulated profit, which as at 31 December 2020 amounted to EUR 30,637,829, as follows:

- A portion in the amount of EUR 14,000,000 is to be used for dividend pay-out in the gross value of EUR 1.00 per ordinary share,
- The residual amount of accumulated profit in the amount of EUR 16,637,829 to remain unappropriated.

During the 34th Shareholders' Meeting of Luka Koper, d. d. on 29 June 2021, the counter-proposal proposed by Slovenian Sovereign Holding on its own behalf and on behalf of the Republic of Slovenia was approved, which specified:

- A portion in the amount of EUR 15,960,000 is to be used for dividend pay-out in the gross value of EUR 1.14 per ordinary share,
- The residual amount of accumulated profit in the amount of EUR 14,677,829 to remain unappropriated.

The statement of accumulated profit for the financial year 2021 is provided in Chapter 33, 'Statement of accumulated profit'.

## Note 25. Provisions

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Provisions for pensions and similar liabilities	7,784,631	6,671,094	8,388,580	7,341,062
Provisions for legal disputes	11,366,109	10,601,960	11,366,109	10,601,960
<b>Total</b>	<b>19,150,740</b>	<b>17,273,054</b>	<b>19,754,689</b>	<b>17,943,022</b>

Provisions for pensions and similar liabilities are composed of provisions for termination benefits and jubilee premiums as well as the post-employment benefits plan (one-off payment on retirement).

As at 31 December 2021, the Company/Group recorded EUR 2,356,603 liabilities under post-employment benefits, which are paid by some companies in the Group.

Based on actuarial calculation, in the Company, the unrealised actuarial loss from the current and preceding year with respect to termination benefits amounting to EUR 34,869 was recorded in other comprehensive income, whereas the Group recorded EUR 104,021 of actuarial loss. The Company/Group recognised in the income statement the current service cost with respect to termination benefits and jubilee premiums in the amount of EUR 631,351 in the Company, and EUR 682,980 in the Group, and the interest cost amounting to EUR 14,595, and EUR 16,446 respectively. In 2021, payments under jubilee premiums and termination benefits amounted to EUR 189,787 in the Company, and EUR 232,338 in the Group.

### Sensitivity analysis of actuarial assumptions – Luka Koper, d. d.

Actuarial assumption	Change in item * (percentage points)	Change in the present value of the liability for (in EUR)			
		Jubilee awards as at		Termination benefits as at	
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Rate of return	+0.5	-39,478	-40,402	-305,628	-290,786
	-0.5	42,778	43,996	338,230	323,425
Salary growth	+0.5	42,178	43,030	332,484	315,236
	-0.5	-39,831	-40,547	-305,050	-288,860
Fluctuation	+0.5	-40,249	-40,979	-310,929	-294,345
	-0.5	32,524	33,311	160,834	156,109

### Sensitivity analysis of actuarial assumptions – Luka Koper Group

Actuarial assumption	Change in item * (percentage points)	Change in the present value of the liability for (in EUR)			
		Jubilee awards as at		Termination benefits as at	
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Rate of return	+0.5	-41,846	-42,954	-323,895	-312,930
	-0.5	45,328	46,758	358,086	347,591
Salary growth	+0.5	44,693	45,733	352,000	338,697
	-0.5	-42,221	-43,110	-323,456	-310,939
Fluctuation	+0.5	-42,661	-43,566	-329,556	-316,800
	-0.5	34,342	35,254	168,459	165,543

Provisions from lawsuits were up by EUR 764,149 in the Company/Group on 31 December 2021, mainly due to the recovery of provisions used in 2020 and the reversal of provisions from legal obligations. In accordance with Article 92 of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, the Company/Group does not disclose information on its legal obligations as such disclosure would result in a judgement on the position of the Company/Group in disputes with other parties. The balance of provisions as at 31 December 2021 reflects the Management's best estimate of the status of litigation in connection with lawsuits received. Actual future liabilities of the Company/Group under this heading may deviate from current estimates, both positively and negatively.

#### Movements in provisions – Luka Koper, d. d.

(in EUR)	1. Termination benefits	2. Jubilee premiums	3. Post- employment benefits plan	Total benefits (1, 2 and 3)	Claims and damages	Total
<b>Balance at 31 Dec 2019</b>	<b>3,665,975</b>	<b>671,656</b>	<b>960,746</b>	<b>5,298,377</b>	<b>15,913,397</b>	<b>21,211,774</b>
<b>Movement:</b>						
Formation	731,144	163,499	1,014,035	1,908,678	66,217	1,974,895
Transfer	0	0	-17,720	-17,720	0	-17,720
Use	-99,980	-27,800	-355,250	-483,030	-1,521,284	-2,004,314
Reversal	-32,119	-3,092	0	-35,211	-3,856,370	-3,891,581
<b>Balance at 31 Dec 2020</b>	<b>4,265,020</b>	<b>804,263</b>	<b>1,601,811</b>	<b>6,671,094</b>	<b>10,601,960</b>	<b>17,273,054</b>
<b>Movement:</b>						
Formation	510,460	74,395	1,012,000	1,596,855	1,258,949	2,855,804
Transfer	0	0	-710	-710	0	-710
Use	-131,303	-58,485	-256,498	-446,286	-6,454	-452,740
Reversal	-27,862	-8,460	0	-36,322	-488,346	-524,668
<b>Balance at 31 Dec 2021</b>	<b>4,616,315</b>	<b>811,713</b>	<b>2,356,603</b>	<b>7,784,631</b>	<b>11,366,109</b>	<b>19,150,740</b>

#### Movements in provisions – Luka Koper Group

(in EUR)	1. Termination benefits	2. Jubilee premiums	3. Post- employment benefits plan	Total benefits (1, 2 and 3)	Claims and damages	Total
<b>Balance at 31 Dec 2019</b>	<b>4,131,054</b>	<b>723,345</b>	<b>960,746</b>	<b>5,815,145</b>	<b>15,913,397</b>	<b>21,728,542</b>
<b>Movement:</b>						
Formation	924,969	173,390	1,014,035	2,112,394	66,217	2,178,611
Use	-126,665	-28,949	-372,970	-528,584	-1,521,284	-2,049,868
Reversal	-53,208	-4,685	0	-57,893	-3,856,370	-3,914,263
Discounting						
<b>Balance at 31 Dec 2020</b>	<b>4,876,150</b>	<b>863,101</b>	<b>1,601,811</b>	<b>7,341,062</b>	<b>10,601,960</b>	<b>17,943,022</b>
<b>Movement:</b>						
Formation	494,233	83,984	1,012,000	1,590,217	1,258,949	2,849,166
Use	-163,607	-68,732	-257,208	-489,547	-6,454	-496,001
Reversal	-43,425	-9,727	0	-53,152	-488,346	-541,498
<b>Balance at 31 Dec 2021</b>	<b>5,163,351</b>	<b>868,626</b>	<b>2,356,603</b>	<b>8,388,580</b>	<b>11,366,109</b>	<b>19,754,689</b>

#### Note 26. Deferred income

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Non-current deferred income for regular maintenance	21,642,989	19,973,192	21,642,989	19,973,192
Non-refundable grants received	7,235,652	4,180,114	7,376,030	4,319,834
Other non-current deferred income	0	0	1,118,357	1,244,138
<b>Total</b>	<b>28,878,641</b>	<b>24,153,306</b>	<b>30,137,376</b>	<b>25,537,164</b>

Non-current deferred income of the Company/Group comprises deferred income on regular maintenance since in compliance with the Concession Agreement, Luka Koper, d. d., has the right and obligation to collect port dues, which is income intended to cover the costs of performing public utility services. With respect to any annual surplus of revenue over costs, the controlling company forms non-current deferred income for covering the costs of public utility services relating to regular maintenance of the port infrastructure in the coming years. In the event that costs exceeded the revenue, the controlling company would be utilising non-current deferred income.

The grants received primarily comprise non-refundable grants and advance payments received with respect to non-refundable funds for investments into EU development projects which are recorded by the controlling company and are utilised in accord with their useful life. Under non-refundable funds received, the Group also records retained contributions on salaries of employees of the Luka Koper INPO, d. o. o sheltered workshop, i.e. contributions to insurance schemes for retirement pension, disability, sickness, and maternity. The assets were used in compliance with the Vocational Rehabilitation and Employment of Disabled Persons Act for covering 75% of salaries for disabled persons and labour costs for the staff for the time spent assisting the disabled persons.

Group's other non-current deferred income comprises non-current deferred income earmarked to cover the costs of depreciation of fixed assets.

#### Movements in deferred income – Luka Koper, d. d.

(in EUR)	Non-current deferred income for regular maintenance	Non-refundable grants received	Total
<b>Balance at 31 Dec 2019</b>	<b>20,154,593</b>	<b>4,267,657</b>	<b>24,422,250</b>
<b>Movement:</b>			
Formation	0	154,732	154,732
Transfer to other liabilities	0	-6,073	-6,073
Use	-181,401	-236,202	-417,603
<b>Balance at 31 Dec 2020</b>	<b>19,973,192</b>	<b>4,180,114</b>	<b>24,153,306</b>
<b>Movement:</b>			
Formation	1,669,797	3,508,669	5,178,466
Transfer to other liabilities	0	-13,638	-13,638
Use	0	-439,493	-439,493
<b>Balance at 31 Dec 2021</b>	<b>21,642,989</b>	<b>7,235,652</b>	<b>28,878,641</b>

#### Movements in deferred income – Luka Koper Group

(in EUR)	Non-current deferred income for regular maintenance	Non-refundable grants received	Other non-current deferred income	Total
<b>Balance at 31 Dec 2019</b>	<b>20,154,593</b>	<b>4,539,574</b>	<b>1,357,654</b>	<b>26,051,821</b>
<b>Movement:</b>				
Formation	0	1,556,871	0	1,556,871
Transfer to other liabilities	0	-6,073	0	-6,073
Use	-181,401	-1,770,538	-113,516	-2,065,455
<b>Balance at 31 Dec 2020</b>	<b>19,973,192</b>	<b>4,319,834</b>	<b>1,244,138</b>	<b>25,537,164</b>
<b>Movement:</b>				
Formation	1,669,797	4,964,960	0	6,634,757
Transfer to other liabilities	0	-13,638	0	-13,638
Use	0	-1,895,126	-125,781	-2,020,907
<b>Balance at 31 Dec 2021</b>	<b>21,642,989</b>	<b>7,376,030</b>	<b>1,118,357</b>	<b>30,137,376</b>

## Note 27. Non-current loans and borrowings

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Non-current borrowings from banks in Slovenia	40,606,555	48,832,648	40,606,555	48,832,648
Non-current borrowings from banks abroad	20,081,967	22,377,049	20,081,967	22,377,049
<b>Total</b>	<b>60,688,522</b>	<b>71,209,697</b>	<b>60,688,522</b>	<b>71,209,697</b>

At the year-end of 2021, non-current borrowings from banks in the Company/Group amounted to EUR 60,688,522 and have thus decreased by 14.8 percent or EUR 10,521,175 as compared to the year-end of 2020. The decrease is due to the regular repayment of loan principals.

All non-current borrowings from banks are being repaid following the predefined repayment schedule. All liabilities under non-current borrowings from banks are collateralised with blank bills of exchange and financial covenants. The Company/Group has been able to meet in full its financial commitments arising from loan agreements with banks.

The controlling company Luka Koper, d. d., has a non-current revolving loan with the subsidiary Luka Koper INPO, d. o. o. in the amount of EUR 20,000,000, which was not drawn down on 31 December 2021; in the Luka Koper Group, this loan is being eliminated in the consolidation process.

### Movements in non-current borrowings

Luka Koper, d. d.

(in EUR)	Group companies	Lender	
		Banks	Total
<b>Balance at 31 Dec 2019</b>	<b>16,000,000</b>	<b>81,730,871</b>	<b>97,730,871</b>
Repayments	-16,000,000	0	-16,000,000
Transfer to current borrowings – the portion that matures within 1 year	0	-10,521,175	-10,521,175
<b>Balance at 31 Dec 2020</b>	<b>0</b>	<b>71,209,697</b>	<b>71,209,697</b>
Transfer to current borrowings – the portion that matures within 1 year	0	-10,521,175	-10,521,175
<b>Balance at 31 Dec 2021</b>	<b>0</b>	<b>60,688,522</b>	<b>60,688,522</b>

Luka Koper Group

(in EUR)	Lender	
	Banks	Total
<b>Balance at 31 Dec 2019</b>	<b>81,730,871</b>	<b>81,730,871</b>
Transfer to current borrowings – the portion that matures within 1 year	-10,521,175	-10,521,175
<b>Balance at 31 Dec 2020</b>	<b>71,209,697</b>	<b>71,209,697</b>
Transfer to current borrowings – the portion that matures within 1 year	-10,521,175	-10,521,175
<b>Balance at 31 Dec 2021</b>	<b>60,688,522</b>	<b>60,688,522</b>

**Loan principals (non-current and current borrowings) by type of interest rate****Luka Koper, d. d.**

Balance at 31 December 2021

(in EUR)	Currency of loan	Interest rate	Date of maturity	Approved principal amount	Principal 31 Dec 2021
Loans A	EUR	from 0.555 to 0.850	from 31 Dec 2028 to 31 Dec 2031	63,716,356	33,082,648
Loans B	EUR	Euribor3m + from 0.650 to 0.706	from 30 Jun 2026 to 21 Jul 2031	63,000,000	38,127,049
<b>Total</b>				<b>126,716,356</b>	<b>71,209,697</b>
<b>- whereof current portion</b>					<b>10,521,175</b>

Balance at 31 December 2020

(in EUR)	Currency of loan	Interest rate	Date of maturity	Approved principal amount	Principal 31 Dec 2020
Loans A	EUR	from 0.839 to 0.850	from 31 Dec 2021 to 31 Dec 2028	59,716,356	37,808,740
Loans B	EUR	Euribor3m + from 0.650 to 0.706	from 30 Jun 2026 to 21 Jul 2031	63,000,000	43,922,131
<b>Total</b>				<b>122,716,356</b>	<b>81,730,872</b>
<b>- whereof current portion</b>					<b>10,521,175</b>

**Luka Koper Group**

Balance at 31 December 2021

(in EUR)	Currency of loan	Interest rate	Date of maturity	Approved principal amount	Principal 31 Dec 2021
Loans A	EUR	0.850	31 Dec 2028	43,716,356	33,082,648
Loans B	EUR	Euribor3m + from 0.650 to 0.706	from 30 Jun 2026 to 21 Jul 2031	63,000,000	38,127,049
<b>Total</b>				<b>106,716,356</b>	<b>71,209,697</b>
<b>- whereof current portion</b>					<b>10,521,175</b>

Balance at 31 December 2020

(in EUR)	Currency of loan	Interest rate	Date of maturity	Approved principal amount	Principal 31 Dec 2020
Loans A	EUR	0.850	31 Dec 2028	43,716,356	37,808,740
Loans B	EUR	Euribor3m + from 0.650 to 0.706	from 30 Jun 2026 to 21 Jul 2031	63,000,000	43,922,131
<b>Total</b>				<b>106,716,356</b>	<b>81,730,871</b>
<b>- whereof current portion</b>					<b>10,521,175</b>

## Balance of non-current and current borrowings from banks at par value and by their maturity

Luka Koper, d. d., and the Luka Koper Group

(in EUR)	Principal at 31 Dec 2021	2022	2023	2024	2025	2026	Period 2027–2031
Balance of received loan principals by maturity	71,209,697	10,521,175	10,521,175	10,521,175	10,521,175	8,771,175	20,353,824
Expected interest	1,429,862	394,099	326,128	260,366	192,875	127,784	128,610
<b>Total</b>	<b>72,639,559</b>	<b>10,915,273</b>	<b>10,847,303</b>	<b>10,781,541</b>	<b>10,714,050</b>	<b>8,898,958</b>	<b>20,482,435</b>

(in EUR)	Principal at 31 Dec 2020	2021	2022	2023	2024	2025	Period 2026–2031
Balance of received loan principals by maturity	81,730,872	10,521,175	10,521,175	10,521,175	10,521,175	10,521,175	29,124,999
Expected interest	1,932,501	468,826	399,489	332,169	265,714	197,460	268,843
<b>Total</b>	<b>83,663,372</b>	<b>10,990,000</b>	<b>10,920,663</b>	<b>10,853,344</b>	<b>10,786,888</b>	<b>10,718,635</b>	<b>29,393,842</b>

## Note 28. Non-current operating liabilities

Non-current operating liabilities comprise non-current collaterals for the operation of the tax warehouse at the liquid cargoes terminal and non-current collaterals received for leased premises. As at 31 December 2021, they amounted to EUR 106,025 (2020: EUR 115,195) in the Company, and EUR 143,693 (2020: EUR 145,939) in the Group.

## Note 29. Liabilities held for sale

The process of voluntary liquidation of the subsidiary Luka Koper Pristan, d. o. o. – in liquidation was initiated in 2021. In accordance with IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Company/Group reclassified all liabilities disclosed by the Company/Group in relation to the investment in Luka Koper Pristan, d. o. o. – in liquidation, as liabilities held for sale at the carrying value.

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Non-current and current operating liabilities	0	0	40,984	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>40,984</b>	<b>0</b>

Movements in liabilities held for sale – Luka Koper Group

(in EUR)	Total
<b>Balance at 31 Dec 2020</b>	<b>0</b>
<b>Increases</b>	<b>40,984</b>
Transfer from provisions	15,687
Transfer from non-current operating liabilities	3,000
Transfer from trade and other liabilities	22,297
<b>Decreases</b>	<b>0</b>
<b>Total as at 31 December 2021</b>	<b>40,984</b>

### Note 30. Current loans and borrowings

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Current borrowings from banks in Slovenia	8,226,093	8,226,093	8,226,093	8,226,093
Current borrowings from banks abroad	2,295,082	2,295,082	2,295,082	2,295,082
<b>Total</b>	<b>10,521,175</b>	<b>10,521,175</b>	<b>10,521,175</b>	<b>10,521,175</b>

Current borrowings from banks as at 31 December 2021 refer to the portion of non-current principal amounts which mature in 2022 according to amortisation schedules.

#### Movements in current loans and borrowings

(in EUR)	Luka Koper, d. d.	Luka Koper Group
	Lender Banks	Lender Banks
<b>Balance at 31 Dec 2019</b>	<b>10,521,175</b>	<b>10,521,175</b>
Repayments	-10,521,175	-10,521,175
Transfer from non-current borrowings – the portion that matures within 1 year	10,521,175	10,521,175
<b>Balance at 31 Dec 2020</b>	<b>10,521,175</b>	<b>10,521,175</b>
Repayments	-10,521,175	-10,521,175
Transfer from non-current borrowings – the portion that matures within 1 year	10,521,175	10,521,175
<b>Balance at 31 Dec 2021</b>	<b>10,521,175</b>	<b>10,521,175</b>

### Note 31. Trade and other payables

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Current trade payables to domestic suppliers	24,306,362	25,082,261	24,965,306	25,531,535
Current trade payables to foreign suppliers	793,099	1,989,153	835,045	2,001,599
Current liabilities to Group companies	677,951	458,275	0	0
Current liabilities to associates	51,492	80,001	51,492	80,001
Current liabilities from advances	2,623,337	2,107,839	2,826,077	2,275,607
Current liabilities to employees	5,735,227	5,386,484	6,150,732	5,787,314
Current liabilities to the state and other institutions	444	1,175	17,240	14,223
<b>Total operating liabilities</b>	<b>34,187,912</b>	<b>35,105,188</b>	<b>34,845,892</b>	<b>35,690,279</b>
<b>Other operating liabilities</b>	<b>6,141,289</b>	<b>3,727,681</b>	<b>6,479,054</b>	<b>4,044,024</b>
<b>Total</b>	<b>40,329,201</b>	<b>38,832,869</b>	<b>41,324,946</b>	<b>39,734,303</b>

As at 31 December 2021, current trade and other payables increased year-on-year both in the Company and in the Group. The highest growth was recorded among other operating liabilities, where the Company/Group discloses accrued costs relating to part of the salary from collective work performance, accrued interest for loans and borrowings, accrued costs for remunerations and bonuses paid under individual contracts, accrued costs for unused vacation days, and accrued charges for invoices to be received.

Current liabilities from advances mostly relate to the funds received from the EU to cover the future costs incurred by co-financed projects, and to the current securities received.

## Note 32. Contingent liabilities

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Guarantees given	3,110,000	3,110,000	3,386,323	3,436,709
Securities given	1,837,640	2,385,931	1,837,640	2,385,931
Contingent liabilities under legal disputes	23,968,442	21,859,545	23,968,442	21,859,545
<b>Total contingent liabilities</b>	<b>28,916,082</b>	<b>27,355,476</b>	<b>29,192,405</b>	<b>27,682,185</b>

As at 31 December 2021, the guarantees given referred to customs operations amounting to EUR 3,110,000 in the Company, and EUR 3,360,000 in the Group, and to performance guarantees recorded by the Group and amounting to EUR 26,323.

Securities in the amount of EUR 1,837,640 were given to the company Adria Transport, d. o. o., by the controlling company to cover a lease of locomotives. The company that received a guarantee from the controlling company regularly paid its liabilities in this regard and as at 31 December 2021 disclosed no outstanding instalments.

As at 31 December 2021, contingent liabilities under legal disputes amounted EUR 23,968,442 up EUR 2,108,897 from the preceding year-end. The increase relates to lawsuits received in 2021, for which the Company assessed that they do not meet the conditions for the formation of provisions and are therefore recognized as contingent liabilities.

Regarding the property used in the area of the port of Koper for the performance of its activities and certain property in the immediate vicinity of the Port of Koper, the Company/Group has some pending cases with the Republic of Slovenia concerning the ownership status of the mentioned property, regarding which they are seeking appropriate solutions together with the Republic of Slovenia. The Company/Group has not yet received any formal request from the Republic of Slovenia on the basis of which it would be possible to assess its value, which has thus not been disclosed, but it could have a significant impact on the accounts. For this issue, the Company/Group formed no provisions as the conditions for their formation have not been met.

## Note 33. Related party transactions

### Remuneration of Members of the Management Board in the company Luka Koper, d. d. in 2021 (in EUR)

Name and surname	Gross salary (fixed part)	Gross salary (variable part)	Annual holiday pay and jubilee premiums	Insurance premium benefits	Benefits and other receipts	Total remuneration
Boštjan Napast, President of the Management Board since 3 Dec 2021	0	0	167	0	0	167
Dimitrij Zadel, President of the Management Board from 29 Dec 2017 to 15 Nov 2021	160,779	86,274	2,010	216	88,343	337,622
Irma Gubanec, Member from 29 Dec 2017 to 15 Nov 2021	144,202	77,709	2,010	216	81,319	305,456
Metod Podkrižnik, Member from 29 Dec 2017 to 15 Nov 2021	144,646	77,561	2,010	216	85,939	310,372
Robert Rožac, Member since 16 Nov 2021	6,267	0	167	11	709	7,154
Vojko Rotar, Worker Director since 1 Mar 2018	134,047	34,257	2,010	227	7,608	178,149
<b>Total</b>	<b>589,941</b>	<b>275,801</b>	<b>8,374</b>	<b>886</b>	<b>263,918</b>	<b>1,138,920</b>

**Remuneration of Members of the Management Board in the company Luka Koper, d. d. in 2020 (in EUR)**

Name and surname	Gross salary (fixed part)	Gross salary (variable part)	Annual holiday pay and jubilee premiums	Insurance premium benefits	Benefits and other receipts	Total remuneration
Dimitrij Zadel, President of the Management Board since 29 Dec 2017	166,208	16,842	1,600	225	5,311	190,186
Metod Podkrižnik, Member since 29 Dec 2017	149,310	15,029	1,600	225	12,112	178,276
Irma Gubanec, Member since 29 Dec 2017	149,781	15,064	1,600	225	6,798	173,468
Vojko Rotar, Worker Director since 1 Mar 2018	133,570	13,453	1,600	225	8,186	157,034
<b>Total</b>	<b>598,869</b>	<b>60,388</b>	<b>6,400</b>	<b>900</b>	<b>32,407</b>	<b>698,964</b>

Pursuant to Article 294, Item 5 of the Companies Act, the above table comprises remuneration for exercising respective functions as well as other income, such as cost reimbursement, supplementary retirement schemes and jubilee premiums.

To determine the variable income, i.e. remuneration for the Management Board, the Company/Group applied several quantitative indicators, which contribute to the non-current interests of the Company.

The payment of variable income or remuneration to a member of the Management Board is made in accordance with the applicable legislation.

The contracts of the Members of the Management Board do not include the variable income or remuneration determined in form of shares.

**Remuneration of groups of persons in the company Luka Koper, d. d. in 2021 (in EUR)**

Groups of persons	Gross salary (fixed and variable part)	Annual holiday pay and jubilee premiums	Insurance premium benefits	Benefits and other receipts	Total remuneration
Members of the Management Board	865,742	8,374	886	263,918	1,138,920
Members of the Supervisory Board	274,166	0	2,043	9,454	285,663
Employees with individual employment contracts	2,746,489	56,597	0	171,050	2,974,136
<b>Total</b>	<b>3,886,397</b>	<b>64,971</b>	<b>2,929</b>	<b>444,422</b>	<b>4,398,719</b>

**Remuneration of groups of persons in the company Luka Koper, d. d. in 2020 (in EUR)**

Groups of persons	Gross salary (fixed and variable part)	Annual holiday pay and jubilee premiums	Insurance premium benefits	Benefits and other receipts	Total remuneration
Members of the Management Board	659,257	6,400	900	32,407	698,964
Members of the Supervisory Board	231,930	0	2,025	606	234,561
Employees with individual employment contracts	2,674,135	45,682	0	186,157	2,905,975
<b>Total</b>	<b>3,565,322</b>	<b>52,082</b>	<b>2,925</b>	<b>219,170</b>	<b>3,839,500</b>

#### Remuneration of groups of persons in the Luka Koper Group in 2021 (in EUR)

	Gross salary (fixed and variable part)	Annual holiday pay and jubilee premiums	Insurance premium benefits	Benefits and other receipts	Total
<b>Gross remuneration of groups of persons</b>					
Members of the Management Board	865,742	8,374	886	263,918	1,138,920
Members of the Supervisory Board	274,166	0	2,043	9,454	285,663
Employees with individual employment contracts	2,803,073	58,606	0	175,791	3,037,470
Managing Directors of subsidiaries	284,180	8,040	0	18,621	310,841
<b>Total</b>	<b>4,227,161</b>	<b>75,020</b>	<b>2,929</b>	<b>467,784</b>	<b>4,772,894</b>

#### Remuneration of groups of persons in the Luka Koper Group in 2020 (in EUR)

	Gross salary (fixed and variable part)	Annual holiday pay and jubilee premiums	Insurance premium benefits	Benefits and other receipts	Total
<b>Gross remuneration of groups of persons</b>					
Members of the Management Board	659,257	6,400	900	32,407	698,964
Members of the Supervisory Board	231,930	0	2,025	606	234,561
Employees with individual employment contracts	2,726,247	10,624	0	189,315	2,926,186
Managing Directors of subsidiaries	320,731	6,267	0	20,396	347,394
<b>Total</b>	<b>3,938,165</b>	<b>23,291</b>	<b>2,925</b>	<b>242,724</b>	<b>4,207,105</b>

#### Gross remuneration of Members of the Supervisory Board and its Committees in Luka Koper, d. d., in 2021 (in EUR)

Name and surname	Performance of function	Insurance premium benefits (SB)	Attendance fees and reimbursement of costs	Total gross earnings
Franci Matoz, Member since 2 Jul 2021	11,109	95	3,207	14,411
Nevenka Črešnar Pergar, Member since 2 Jul 2021	9,694	95	5,422	15,211
Rado Antolovič, Member since 1 Jul 2019	19,351	227	13,987	33,565
Andrej Koprivec, Member since 2 Jul 2021	9,113	95	3,555	12,763
Božidar Godnjavec, member since 2 Jul 2021	9,113	95	5,279	14,487
Tamara Kozlovič, Member since 22 Aug 2019	21,548	227	10,252	32,027
Mladen Jovičić, Member since 8 Apr 2017	19,351	227	6,380	25,958
Rok Parovel, Member since 12 Sep 2016	20,101	227	6,941	27,269
Mehrudin Vuković, Member since 18 Jan 2020	17,899	227	6,600	24,726
Uroš Ilič, Member from 1 Jul 2017 to 1 Jul 2021	16,207	132	3,410	19,749
Andraž Lipolt, Member from 1 Jul 2017 to 1 Jul 2021	12,691	132	3,190	16,013
Milan Jelenc, Member from 1 Jul 2017 to 1 Jul 2021	12,435	132	7,282	19,849
Barbara Nose, Member from 1 Jul 2017 to 1 Jul 2021	12,435	132	6,402	18,969
Mateja Treven, External Member of the SB's Audit Committee from 23 Feb 2019 to 11 Jul 2021	4,045	0	1,716	5,761
Simona Razvornik Škofič, External Member of the SB's Nomination Committee from 22 Mar 2021 to 28 May 2021	696	0	660	1,356
Simon Kolenc, External Member of the SB's Audit Committee since 12 Jul 2021	2,555	0	994	3,549
<b>Total</b>	<b>198,343</b>	<b>2,043</b>	<b>85,277</b>	<b>285,663</b>

**Gross remuneration of Members of the Supervisory Board and its Committees in Luka Koper, d. d., in 2020 (in EUR)**

Name and surname	Performance of function	Insurance premium benefits (SB)	Attendance fees and reimbursement of costs	Total gross earnings
Andraž Lipolt, Member since 1 Jul 2017	20,032	225	3,904	24,161
Barbara Nose, Member since 1 Jul 2017	21,563	225	5,936	27,724
Marko Grabljevec, Member from 18 Jan 2016 to 18 Jan 2020	2,470	30	715	3,215
Mateja Treven, External Member of the SB's Audit Committee since 23 Feb 2019	6,105	0	2,306	8,411
Mehrudin Vukovič, Member since 19 Jan 2020	15,202	195	3,020	18,417
Milan Jelenc, Member since 1 Jul 2017	21,563	225	6,928	28,716
Mladen Jovičić, Member since 8 Apr 2017	18,094	225	4,021	22,340
Rado Antolovič, Member since 1 Jul 2017	18,094	225	3,440	21,759
Rok Parovel, Member since 12 Sep 2016	18,260	225	4,562	23,047
Uroš Ilić, Member since 1 Jul 2017	25,582	225	3,310	29,117
Tamara Kozlovič, Member since 22 Aug 2019	21,563	225	5,866	27,654
<b>TOTAL</b>	<b>188,528</b>	<b>2,025</b>	<b>44,008</b>	<b>234,561</b>

Remuneration in 2021 was paid pursuant to a decision on determining the payment for performance of functions and attendance fees to the Members of the Supervisory Board and Members of Committees of the Supervisory Board, which was adopted at the 29th General Meeting on 28 December 2017, and is published on the Company's website.

In addition to payments to the Supervisory Board Members, in 2021 the Supervisory Board allocated EUR 996 for training of its Members.

**Transactions with the Government of the Republic of Slovenia**

(in EUR)	Luka Koper, d. d.				
	Payments		Payments		Costs/expenses 2020
	in 2021	Costs/expenses in 2021	in 2020	in 2020	
Concessions and the water fee	6,992,444	7,729,718	7,886,633	7,255,314	
Transshipment fee	5,200,080	5,265,145	4,634,126	4,630,641	
Dividends	8,139,600	0	7,639,800	0	
Corporate income tax (taxes and advance payments)	1,142,469	5,159,085	-775,398	4,054,749	
Other taxes and contributions	9,867,531	9,901,759	8,322,742	8,797,129	
<b>Total</b>	<b>31,342,124</b>	<b>28,055,707</b>	<b>27,707,904</b>	<b>24,737,833</b>	

(in EUR)	Luka Koper Group				
	Payments		Payments		Costs/expenses 2020
	in 2021	Costs/expenses in 2021	in 2020	in 2020	
Concessions and the water fee	6,992,444	7,729,718	7,886,633	7,255,314	
Transshipment fee	5,200,080	5,265,145	4,634,126	4,630,641	
Dividends	8,139,600	0	7,639,800	0	
Corporate income tax (taxes and advance payments)	1,217,739	5,232,125	-885,781	4,131,727	
Other taxes and contributions	10,094,934	10,703,751	8,526,032	9,564,722	
<b>Total</b>	<b>31,644,797</b>	<b>28,930,739</b>	<b>27,800,811</b>	<b>25,582,404</b>	

In 2021, dividends were paid out to two other companies, in which the Government of the Republic of Slovenia holds a controlling interest i.e. to SDH, d. d., in the amount of EUR 1,775,957 and Kapitalaska družba, d. d. in the amount

of EUR 794,100. No other transactions between the Government of the Republic of Slovenia and the Company/Group were recorded.

#### Transactions with natural persons

In the business year 2021, there were no transactions between the Company/Group and Members of the Management and Supervisory Boards.

#### Transactions with companies, in which the Republic of Slovenia has directly dominant influence

The shareholder-related companies are those in which the Republic of Slovenia and the SDH together directly hold at least a 20% stake. The list of such companies is published on the SDH website (<https://www.sdh.si/sl-si/upravljanje-nalozb/seznam-nalozb>).

In 2021, sales transactions conducted between Luka Koper, d. d. and entities in which the state has directly dominant influence were recorded at EUR 11,423,229 and purchasing transactions amounted to EUR 9,263,791, whereas the transactions between the Luka Koper Group and such entities were recorded at EUR 11,470,507 and EUR 9,361,600 respectively. The majority of sale referred to services related to port activity, whereas major purchasing included costs of railway transport, purchases of energy and insurance costs. As at 31 December 2021 Luka Koper, d. d. recorded receivables of EUR 1,086,493 and liabilities of EUR 17,299,887 to such entities and the Luka Koper Group recorded EUR 1,121,245 and EUR 17,312,278 respectively. The major part of liabilities was related to a loan given by SID – Slovenska izvozna in razvojna banka, d. d., which was raised under market conditions.

#### Transactions of Luka Koper, d. d. with its subsidiaries and associates

Related party transactions have been concluded under market conditions.

(in EUR)	2021	2020
<b>Sale to subsidiaries:</b>		
Luka Koper INPO, d. o. o.	386,963	410,042
Luka Koper Pristan, d. o. o., in liquidation	27,602	27,795
Adria Terminali, d. o. o.	568,292	567,819
TOC, d. o. o.	4,200	4,200
Adria Investicije, d. o. o.	828	828
Logis-Nova, d. o. o.	1,200	1,200
<b>Sale to associates:</b>		
Adria Transport, d. o. o.	352,926	243,042
Adria-Tow, d. o. o.	105,699	107,997
Avtoservis, d. o. o.	712,218	514,094
Adriafin, d. o. o.	13,440	13,440
<b>Total</b>	<b>2,173,368</b>	<b>1,890,457</b>

(in EUR)	2021	2020
<b>Purchase from subsidiaries:</b>		
Luka Koper INPO, d. o. o.	5,659,483	4,876,068
Luka Koper Pristan, d. o. o., in liquidation	1,038	1,755
Adria Terminali, d. o. o.	14,400	14,400
TOC, d. o. o.	18,251	16,689
Adria Investicije, d. o. o.	84,028	77,504
<b>Purchase from associates:</b>		
Adria Transport, d. o. o.	4,000	15,311
Adria-Tow, d. o. o.	37,888	30,954
Avtoservis, d. o. o.	915,558	1,017,196
<b>Total</b>	<b>6,734,646</b>	<b>6,049,877</b>

A substantial part of purchases from subsidiaries refers to the company Luka Koper INPO, d. o. o., which carried out maintenance work on the port infrastructure and electrical installation work for the Company.

(in EUR)	2021	2020
<b>Trade and other receivables due from subsidiaries:</b>		
Luka Koper INPO, d. o. o.	446,991	238,281
Luka Koper Pristan, d. o. o., in liquidation	4,377	931
Adria Terminali, d. o. o.	52,578	49,323
TOC, d. o. o.	427	427
Adria Investicije, d. o. o.	84	84
Logis-Nova, d. o. o.	122	122
<b>Trade and other receivables due from associates:</b>		
Adria Transport, d. o. o.	39,934	32,120
Adria-Tow, d. o. o.	6,681	8,971
Avtoservis, d. o. o.	95,588	47,100
Adriaфин, d. o. o.	1,366	1,366
<b>Total</b>	<b>648,148</b>	<b>378,725</b>

(in EUR)	2021	2020
<b>Trade payables due to subsidiaries:</b>		
Luka Koper INPO, d. o. o.	693,307	472,855
Adria Terminali, d. o. o.	1,464	1,464
TOC, d. o. o.	3,199	3,976
<b>Trade payables due to associates:</b>		
Adria Transport, d. o. o.	976	976
Adria-Tow, d. o. o.	7,557	1,762
Avtoservis, d. o. o.	42,959	77,263
<b>Total</b>	<b>749,462</b>	<b>558,296</b>

Finance income from shares in subsidiaries and associates is presented in more detail in Note 9 Finance income and finance expenses.

(in EUR)	2021	2020
<b>Finance expenses for liabilities to subsidiaries:</b>		
Luka Koper INPO, d. o. o.	0	122,570
<b>Total</b>	<b>0</b>	<b>122,570</b>

#### Transactions of the Luka Koper Group with its associates

Income statement items from transactions with associates (in EUR)	Luka Koper Group	
	2021	2020
Net revenue from sales to associates	1,198,018	905,476
Cost of material charged to associates	92,380	119,794
Cost of services charged to associates	872,474	950,509
Profit of associates	2,793,285	1,224,318

Items of the statement of financial position to associates (in EUR)	Luka Koper Group	
	2021	2020
Non-current investments except loans to associates	15,784,793	14,168,687
Current operating receivables due from associates	143,570	89,557
Current operating liabilities to associates	51,492	80,001

## Note 34. Financial instruments and financial risk management

Financial risks to which the Company/Group is exposed to include:

1. Risk of change in fair value,
2. Interest rate risk,
3. Liquidity risk,
4. Currency risk,
5. Credit risk, and
6. Risk of adequate capital structure.

In the Company/Group, the management of financial risks has been organised within the departments of finance and accounting, since accounts of subsidiaries are also kept within the controlling company. The existing economic environment makes forecasting future financial categories quite demanding, introducing into the planned categories a higher degree of unpredictability and, consequently, a higher level of risk. The Company/Group has consequently tightened the control over individual financial categories.

### Carrying amounts and fair value of financial instruments

(in EUR)	Luka Koper, d. d.			
	Carrying amount as at 31 Dec 2021	Fair value as at 31 Dec 2021	Carrying amount as at 31 Dec 2020	Fair value as at 31 Dec 2020
<b>Non-derivative financial assets at fair value</b>				
Financial assets at fair value through profit or loss	3,415,492	3,415,492	911,985	911,985
Financial assets at fair value through other comprehensive income	53,171,843	53,171,843	43,311,164	43,311,164
<b>Non-derivative financial assets at amortised cost</b>				
Financial claims	3,336	3,336	5,160	5,160
Operating receivables (excluding receivables due from the state, advances and collaterals given)	40,416,095	40,416,095	35,294,703	35,294,703
Assets from contracts with customers	318,339	318,339	0	0
Cash and cash equivalents	16,342,426	16,342,426	37,051,470	37,051,470
<b>Total non-derivative financial assets</b>	<b>113,667,531</b>	<b>113,667,531</b>	<b>116,574,482</b>	<b>116,574,482</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities	71,209,697	71,209,697	81,730,872	81,730,872
Lease liabilities	1,383,370	1,383,370	491,735	491,735
Operating liabilities (excluding other non-current and current liabilities, current liabilities to the state, employees and from advances and collaterals)	25,828,904	25,828,904	27,609,690	27,609,690
<b>Total non-derivative financial liabilities</b>	<b>98,421,971</b>	<b>98,421,971</b>	<b>109,832,297</b>	<b>109,832,297</b>

Luka Koper Group				
(in EUR)	Carrying amount as at 31 Dec 2021	Fair value as at 31 Dec 2021	Carrying amount as at 31 Dec 2020	Fair value as at 31 Dec 2020
<b>Non-derivative financial assets at fair value</b>				
Financial assets at fair value through profit or loss.	5,901,267	5,901,267	3,397,760	3,397,760
Financial assets at fair value through other comprehensive income	54,070,809	54,070,809	44,025,411	44,025,411
<b>Non-derivative financial assets at amortised cost</b>				
Financial claims	8,879	8,879	10,690	10,690
Operating receivables (excluding receivables due from the state, advances and collaterals given)	40,824,362	40,824,362	35,619,758	35,619,758
Assets from contracts with customers	318,339	318,339	0	0
Cash and cash equivalents	40,638,685	40,638,685	61,021,421	61,021,421
<b>Total non-derivative financial assets</b>	<b>141,762,341</b>	<b>141,762,341</b>	<b>144,075,040</b>	<b>144,075,040</b>
<b>Non-derivative financial liabilities at amortised cost</b>				
Bank loans and other financial liabilities	71,209,697	71,209,697	81,730,872	81,730,872
Lease liabilities	1,343,495	1,343,495	545,926	545,926
Operating liabilities (excluding other non-current and current liabilities, current liabilities to the state, employees and from advances and collaterals)	25,851,843	25,851,843	27,613,135	27,613,135
<b>Total non-derivative financial liabilities</b>	<b>98,405,035</b>	<b>98,405,035</b>	<b>109,889,933</b>	<b>109,889,933</b>

## 1. Risk management and change in fair value

### Luka Koper, d. d. Company

At the end of 2021, 9.5% of the Company's assets were financial investments measured at fair value (2020: 7.7%). The change in fair value risk associated with investments in securities is demonstrated through fluctuations in stock market prices that affect the value of these assets and, consequently the potential capital gain on their disposal, whereas with investments in shares of other companies there is a risk for the sales value not to equal the value of the market transaction. This type of risk has been recognised with regard to investments in market securities of successful Slovenian companies and to investments in shares and interests.

As at 31 December 2021, the value of non-current investments at fair value amounted to EUR 56,587,335.

The sensitivity analysis of financial investments at fair value is not disclosed by the Company due to the insignificance of financial investments at fair value, which are classified as level 3.

Fair value hierarchy in 2021

Luka Koper, d. d.					
	Carrying amount as at 31 Dec 2021	Fair value as at 31 Dec 2021	Direct stock market quotation (Level 1)	Value based on comparable market inputs (Level 2)	No observable market inputs (Level 3)
<b>Non-current financial assets</b>					
Other non-current investments*	56,587,335	56,587,335	55,675,350	0	911,985
Non-current loans given**	1,717	1,717	0	0	1,717
Non-current operating receivables**	39,991	39,991	0	0	39,991
<b>Current financial assets</b>					
Current loans given**	1,619	1,619	0	0	1,619
<b>Non-current financial liabilities</b>					
Non-current loans and borrowings**	60,688,522	60,688,522	0	0	60,688,522
Non-current operating liabilities	106,025	106,025	0	0	106,025
<b>Non-current financial liabilities</b>					
Current loans and borrowings**	10,521,175	10,521,175	0	0	10,521,175
Other current financial liabilities**	52,260	52,260	0	0	52,260

\*measured at fair value

\*\*presented at fair value

The carrying amount of current receivables, cash and current liabilities represents a good approximation of fair value, therefore, these are not disclosed in the table above.

*Fair value hierarchy in 2020*

Luka Koper, d. d.					
(in EUR)	Carrying amount as at 31 Dec 2020	Fair value as at 31 Dec 2020	Direct stock market quotation (Level 1)	Value based on comparable market inputs (Level 2)	No observable market inputs (Level 3)
<b>Non-current financial assets</b>					
Other non-current investments*	44,223,149	44,223,149	43,311,164	0	911,985
Non-current loans given**	3,336	3,336	0	0	3,336
Non-current operating receivables**	41,088	41,088	0	0	41,088
<b>Current financial assets</b>					
Current loans given**	1,824	1,824	0	0	1,824
<b>Non-current financial liabilities</b>					
Non-current loans and borrowings**	71,209,697	71,209,697	0	0	71,209,697
Non-current operating liabilities	115,195	115,195	0	0	115,195
<b>Current financial liabilities</b>					
Current loans and borrowings**	10,521,175	10,521,175	0	0	10,521,175
Other current financial liabilities**	61,363	61,363	0	0	61,363

\*measured at fair value

\*\*presented at fair value

The carrying amount of current receivables, cash and current liabilities represents a good approximation of fair value, therefore, these are not disclosed in the table above.

Shares and interests measured at fair value were valued at publicly applicable exchange rates of the Ljubljana Stock Exchange and mutual funds quotations.

To calculate Level 3 value of item Other non-current investments, the Company uses the data available to it by comparing the value of the investment disclosed by the Company in the books of account with the proportional value in the equity of the investment company at the balance sheet date.

**Luka Koper Group**

At the year-end of 2021, 9.5% of the Group's assets were financial investments measured at fair value (year-end of 2020: 7.8%). The change in fair value risk associated with investments in securities is demonstrated through fluctuations in stock market prices that affect the value of these assets and, consequently the potential capital gain on their disposal, whereas with investments in shares of other companies there is a risk for the sales value not to equal the value of the market transaction. This type of risk has been recognised with regard to investments in market securities of successful Slovenian companies and to investments in shares and interests.

As at 31 December 2021, the value of non-current investments at fair value amounted to EUR 59,972,076.

The sensitivity analysis of financial investments at fair value is not disclosed by the Group due to the insignificance of financial investments at fair value, which are classified as level 3.

Fair value hierarchy in 2021

Luka Koper Group					
	Carrying amount as at 31 Dec 2021	Fair value as at 31 Dec 2021	Direct stock market quotation (Level 1)	Value based on comparable market inputs (Level 2)	No observable market inputs (Level 3)
<b>Non-current financial assets</b>					
Other non-current investments*	59,972,076	59,972,076	56,574,316	0	3,397,760
Non-current loans given**	7,260	7,260	0	0	7,260
Non-current operating receivables**	39,991	39,991	0	0	39,991
<b>Current financial assets</b>					
Current loans given**	1,619	1,619	0	0	1,619
<b>Non-current financial liabilities</b>					
Non-current loans and borrowings**	60,688,522	60,688,522	0	0	60,688,522
Non-current operating liabilities**	143,693	143,693	0	0	143,693
<b>Non-current financial liabilities</b>					
Current loans and borrowings**	10,521,175	10,521,175	0	0	10,521,175
Other current financial liabilities**	52,260	52,260	0	0	52,260

\*measured at fair value

\*\*presented at fair value

The carrying amount of current receivables, cash and current liabilities represents a good approximation of fair value, therefore, these are not disclosed in the table above.

*Fair value hierarchy in 2020*

Luka Koper Group					
(in EUR)	Carrying amount as at 31 Dec 2020	Fair value as at 31 Dec 2020	Direct stock market quotation (Level 1)	Value based on comparable market inputs (Level 2)	No observable market inputs (Level 3)
<b>Non-current financial assets</b>					
Other non-current investments*	47,423,171	47,423,171	44,025,411	0	3,397,760
Non-current loans given**	8,866	8,866	0	0	8,866
Non-current operating receivables**	31,397	31,397	0	0	31,397
<b>Current financial assets</b>					
Current loans given**	1,824	1,824	0	0	1,824
<b>Non-current financial liabilities</b>					
Non-current loans and borrowings**	71,209,697	71,209,697	0	0	71,209,697
Non-current operating liabilities**	145,939	145,939	0	0	145,939
<b>Current financial liabilities</b>					
Current loans and borrowings**	10,521,175	10,521,175	0	0	10,521,175
Other current financial liabilities**	61,363	61,363	0	0	61,363

\*measured at fair value

\*\*presented at fair value

The carrying amount of current receivables, cash and current liabilities represents a good approximation of fair value, therefore, these are not disclosed in the table above.

Shares and interests measured at fair value were valued at publicly applicable exchange rates of the Ljubljana Stock Exchange and mutual funds quotations.

To calculate Level 3 value of item Other non-current investments, the Group uses the data available to it by comparing the value of the investment disclosed by the Group in the books of account with the proportional value in the equity of the investment company at the balance sheet date.

## 2. Management of interest rate risk

With respect to its liabilities structure, the Company/Group also faces interest rate risk since an unexpected growth in variable interest rates can have an adverse effect on the planned results.

### Luka Koper, d. d. Company

As at 31 December 2021, the percentage of financial liabilities (excluding other financial liabilities) decreased in the overall structure of the Company's liabilities from 14.3% at the year-end of 2020 to 11.9% in 2021. The effect of possible variable interest rates changes on future profit and loss after taxes is shown in the table below.

Possible interest rate fluctuations would consequently have an impact on 53.5 percent (year-end of 2020: 53.7 percent) of Company's total borrowings. The remaining 46.5 percent of borrowings were concluded with a fixed interest rate.

### Overview of exposure

(in EUR)	31 Dec 2021	Exposure 2021	31 Dec 2020	Exposure 2020
Borrowings received at variable interest rate (without interest rate hedge)	38,127,049	53.5%	43,922,131	53.7%
Borrowings received at nominal interest rate	33,082,648	46.5%	37,808,741	46.3%
<b>Total</b>	<b>71,209,697</b>	<b>100%</b>	<b>81,730,872</b>	<b>100%</b>

### Sensitivity analysis of borrowings from banks in view of the variable interest rate fluctuations:

(in EUR)	Non-hedged bank borrowings with a variable interest rate	Increase by 15 bp	Increase by 25 bp	Increase by 50 bp
<b>Balance at 31 Dec 2021</b>				
3M EURIBOR	38,127,049	33,566	55,943	111,885
<b>Total effect on interest expenses</b>	<b>38,127,049</b>	<b>33,566</b>	<b>55,943</b>	<b>111,885</b>
<b>Balance at 31 Dec 2020</b>				
3M EURIBOR	43,922,131	38,008	61,680	123,361
<b>Total effect on interest expenses</b>	<b>43,922,131</b>	<b>38,008</b>	<b>61,680</b>	<b>123,361</b>

The analysis of financial liabilities' sensitivity to changes in variable interest rates was based on assumptions of potential growth in interest rates of 15, 25 and 50 base points. At the year-end of 2021, the Company's borrowings subject to the movement of the 3M Euribor were not hedged against interest rate risk.

### Luka Koper Group

As at 31 December 2021, the share of financial liabilities (excluding other financial liabilities) decreased in the overall structure of the Group's liabilities from the initial 13.5% in 2020 to 11.2% in 2021. The effect of possible variable interest rates changes on future profit and loss after taxes is shown in the table below.

Possible interest rate fluctuations would consequently have an impact on 53.5 percent (2020: 53.7 percent) of Group's total borrowings. The remaining 46.5 percent of borrowings were concluded with a fixed interest rate.

### Overview of exposure

(in EUR)	31 Dec 2021	Exposure 2021	31 Dec 2020	Exposure 2020
Borrowings received at variable interest rate (without interest rate hedge)	38,127,049	53.5%	43,922,131	53.7%
Borrowings received at nominal interest rate	33,082,648	46.5%	37,808,741	46.3%
<b>Total</b>	<b>71,209,697</b>	<b>100%</b>	<b>81,730,872</b>	<b>100%</b>

*Sensitivity analysis of borrowings from banks in view of the variable interest rate fluctuations:*

(in EUR)	Non-hedged bank borrowings with a variable interest rate	Increase by 15 bp	Increase by 25 bp	Increase by 50 bp
<b>Balance at 31 Dec 2021</b>				
3M EURIBOR	38,127,049	33,566	55,943	111,885
<b>Total effect on interest expenses</b>	<b>38,127,049</b>	<b>33,566</b>	<b>55,943</b>	<b>111,885</b>
<b>Balance at 31 Dec 2020</b>				
3M EURIBOR	43,922,131	37,008	61,680	123,361
<b>Total effect on interest expenses</b>	<b>43,922,131</b>	<b>37,008</b>	<b>61,680</b>	<b>123,361</b>

The analysis of financial liabilities' sensitivity to changes in variable interest rates was based on assumptions of potential growth in interest rates of 15, 25 and 50 base points. At the year-end of 2021, the Group's borrowings subject to the movement of the 3M Euribor were not hedged against interest rate risk.

### 3. Management of liquidity risk

Liquidity risk refers to the risk that the Company/Group would fail to settle its liabilities at maturity. The Company/Group manages liquidity risk by regular planning of cash flows required to settle liabilities with diverse maturity. Additional measures for preventing delays in receivable collection include regular monitoring of payments and immediate response to any delays, and also charging penalty interest in accordance with its uniform receivables management policy.

(in EUR)	Luka Koper, d. d.					Total
	Up to 3 months	3 to 12 months	1 to 2 years	3 to 5 years	Over 5 years	
<b>31 Dec 2021</b>						
Loans and borrowings	2,630,294	7,890,881	10,521,175	29,813,524	20,353,824	71,209,697
Expected interest on all borrowings	104,564	289,535	326,128	581,025	128,610	1,429,862
Lease liabilities	91,292	325,030	231,003	736,045	0	1,383,370
Other financial liabilities	52,260	0	0	0	0	52,260
Total operating liabilities	31,564,575	0	0	0	0	31,564,575
Other operating liabilities	6,141,289	0	0	0	0	6,141,289
<b>Total</b>	<b>40,584,273</b>	<b>8,505,446</b>	<b>11,078,306</b>	<b>31,130,594</b>	<b>20,482,435</b>	<b>111,781,053</b>
<b>31 Dec 2020</b>						
Loans and borrowings	2,630,294	7,890,881	10,521,175	31,563,524	29,124,999	81,730,872
Expected interest on all borrowings	123,602	345,224	399,489	795,343	268,843	1,932,501
Lease liabilities	76,240	152,598	80,048	182,849	0	491,735
Other financial liabilities	101,831	0	0	0	0	101,831
Total operating liabilities	32,997,349	0	0	0	0	32,997,349
Other operating liabilities	3,727,681	0	0	0	0	3,727,681
<b>Total</b>	<b>39,656,996</b>	<b>8,388,703</b>	<b>11,000,712</b>	<b>32,541,716</b>	<b>29,393,842</b>	<b>120,981,969</b>

(in EUR)	Luka Koper Group					
	Up to 3 months	3 to 12 months	1 to 2 years	3 to 5 years	Over 5 years	Total
<b>31 Dec 2021</b>						
Loans and borrowings	2,630,294	7,890,881	10,521,175	29,813,524	20,353,824	71,209,697
Expected interest on all borrowings	104,564	289,535	326,128	581,025	128,610	1,429,862
Lease liabilities	107,194	269,060	284,707	682,534	0	1,343,495
Other financial liabilities	52,260	0	0	0	0	52,260
Total operating liabilities	32,019,815	0	0	0	0	32,019,815
Other operating liabilities	6,479,054	0	0	0	0	6,479,054
<b>Total</b>	<b>41,393,180</b>	<b>8,449,476</b>	<b>11,132,010</b>	<b>31,077,083</b>	<b>20,482,435</b>	<b>112,534,184</b>
<b>31 Dec 2020</b>						
Loans and borrowings	2,630,294	7,890,881	10,521,175	31,563,524	29,124,999	81,730,872
Expected interest on all borrowings	123,602	345,224	399,489	795,343	268,843	1,932,501
Lease liabilities	93,763	187,198	82,116	182,849	0	545,926
Other financial liabilities	101,831	0	0	0	0	101,831
Total operating liabilities	33,414,672	0	0	0	0	33,414,672
Other operating liabilities	4,044,024	0	0	0	0	4,044,024
<b>Total</b>	<b>40,408,185</b>	<b>8,423,303</b>	<b>11,002,779</b>	<b>32,541,716</b>	<b>29,393,842</b>	<b>121,769,825</b>

#### 4. Management of currency risk

The risk of changes in foreign exchange rates arises from trade receivables denominated in US dollars (USD). In recent years, the Company/Group succeeded in achieving significantly lower accrued income in USD to the extent that USD denominated receivables are negligible, based on which the Company has opted not to hedge this item.

#### 5. Management of credit risk

Management of the risk of default on the side of the counterparty or the credit risk has gained in importance in recent years. Customer defaults are being passed on to economic entities, much like a chain reaction, which significantly reduces the assessed probability of timely inflows and increases additional costs of financing the operation. Accordingly, the Company/Group has accelerated collection-related activities in recent years and more consistently monitored trade receivables past due. In case of customers, regarding which the Company/Group detects late payments and inconsistency in observing adopted business agreements, an advance payment system is set up for all ordered services with the aim of avoiding the late-payment culture. The latter area is positively impacted by the specific structure of Company's/Group's customers, which are predominantly major companies, freight forwarders and forwarding agents that have been the Company's/Group's business partners for a number of years.

Certain receivables have been secured with collaterals, which are returned to the customers once all obligations have been settled or cooperation has been terminated.

#### Exposure to credit risk

(in EUR)	Note	Luka Koper, d. d.		Luka Koper Group	
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
Non-current loans given		1,717	3,336	7,260	8,866
Non-current operating receivables		39,991	41,088	39,991	31,397
Current deposits		0	0	0	71,085
Current loans given		1,619	1,824	1,619	1,824
Current trade receivables	22	39,668,097	34,280,948	40,010,297	34,546,716
Other receivables	22	2,745,273	2,344,599	2,949,258	2,513,742
Cash and cash equivalents	23	16,342,426	37,051,470	40,638,685	61,021,421
<b>Total</b>		<b>58,799,123</b>	<b>73,723,265</b>	<b>83,647,110</b>	<b>98,195,051</b>

## 6. Management of risk relating to adequate capital structure

Having identified the optimal capital structure, the Company/Group has set a non-current strategic goal of maintaining the debtor's share within the liabilities side below 55 percent. As at 31 December 2021, the percentage in the Company was at 27.5, which is a decrease by 1.0% year-on-year, whereas in the Group the share is 26.3%, a decrease of 0.9% from the preceding year.

(in EUR)	Luka Koper, d. d.				Luka Koper Group			
	31 Dec 2021		31 Dec 2020		31 Dec 2021		31 Dec 2020	
	in EUR	share (%)						
Own funds	432,176,305	72.5%	408,951,207	71.5%	466,965,328	73.6%	441,660,686	72.7%
Non-current liabilities	109,790,976	18.4%	113,014,150	19.8%	111,691,521	17.6%	115,100,788	18.9%
Current liabilities	54,449,795	9.1%	49,684,711	8.7%	55,446,409	8.7%	50,638,269	8.3%
<b>Equity and liabilities</b>	<b>596,417,076</b>	<b>100%</b>	<b>571,650,068</b>	<b>100%</b>	<b>634,103,258</b>	<b>100%</b>	<b>607,399,743</b>	<b>100%</b>

## Note 35. Transactions with the audit firm

The contractual value of auditing the annual report, rendered for the Company for the financial year 2021 by BDO revizija d. o. o., is recorded at EUR 24,805 (exclusive of VAT), whereas the value of auditing the annual report for the Group amounted to EUR 43,337 (exclusive of VAT). BDO Revizija, d. o. o. provided the Company with other services of auditing the financial statements for the public utility service of regular maintenance of port infrastructure intended for public transport and public utility service of collecting waste from vessels and auditing based on the ESEF format, the contractual value of which was EUR 6,740 (exclusive of VAT). Other auditing services for the financial year 2021 for the Group amounting to EUR 7,806 (exclusive of VAT) include providing assurance on the report on relations with associated companies and report on the use of public funds received due to the disabled employees, which alongside the assurance provided to the Company was carried out for the Group by BDO revizija, d. o. o.

(in EUR)	Luka Koper, d. d.		Luka Koper Group	
	2021	2020	2021	2020
Auditing the annual report	24,805	24,805	43,337	43,337
Audit services	6,740	23,310	7,806	24,376
<b>Total</b>	<b>31,545</b>	<b>48,115</b>	<b>51,143</b>	<b>67,713</b>

## 33. Statement of Accumulated Profit

In 2021, the controlling company Luka Koper, d. d. generated a net profit of EUR 29,920,330. At the year-end of 2021, the Company's Management Board earmarked half of the profit in the amount of EUR 14,960,165 to other revenue reserves pursuant to Article 230, Paragraph 3 of the Companies Act. The company established that the accumulated profit in 2021 was EUR 29,592,320.

(in EUR)	31 Dec 2021	31 Dec 2020
Retained net profit	14,632,155	15,001,454
Profit for the period	29,920,330	31,272,750
Increase in revenue reserves	-14,960,165	-15,636,375
<b>Total accumulated profit</b>	<b>29,592,320</b>	<b>30,637,829</b>

## 34. Relevant events after the end of the financial year

### JANUARY 2022

- On 21 January 2022, Luka Koper, d. d. concluded a long-term loan agreement in the amount of EUR 60 million with a banking syndicate consisting of Nova Ljubljanska banka, d. d., and Banka Intesa Sanpaolo, d. d. The purpose of the loan is to finance the company's investment activities. It was granted at a fixed interest rate with quarterly repayment instalments, which the company will repay from mid-2023 to the end of 2031.

### FEBRUARY 2022

- The Russian-Ukrainian conflict began. In analysing the consequences for their operations, the Luka Koper Group finds that its direct exposure to Russia and Ukraine is relatively small, as the volume of transshipment through the Port of Koper, which is intended for the Ukrainian and Russian markets, is negligible. The Luka Koper Group has no direct financial exposure linked to Russia, Ukraine and Belarus, but it can expect indirect effects on its investment portfolio due to developments in the financial markets. In accordance with IAS 10 – Events after the Reporting Period, events related to the impact of the Russian-Ukrainian conflict on operations are treated as non-adjusting events. For additional explanation see Chapter 14, Risk and Opportunity Management

# 35. Independent Auditor's Report



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## INDEPENDENT AUDITOR'S REPORT to the shareholders of the company LUKA KOPER, d.d. (translation from the original in Slovene language)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the separate financial statements of the company Luka Koper, d.d. (hereinafter "the Company") and the consolidated financial statements of the Luka Koper Group (hereinafter "the Group"), which comprise the separate and the consolidated statement of financial position as at 31 December 2021, the separate and the consolidated income statement, the separate and the consolidated statement of other comprehensive income, the separate and the consolidated statement of changes in equity and the separate and the consolidated cash flow statement for the year then ended and the summary of significant accounting policies, and other explanatory information.

In our opinion the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December 2021, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter "IFRS").

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities (hereinafter the "Regulation"). Our responsibilities under those rules are further described in the *Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements* section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the separate and the consolidated financial statements in Slovenia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate and the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled all our obligations described in the *Auditor's Responsibilities for the Audit of the Separate and the Consolidated Financial Statements*, including those related to these matters. Therefore, the audit comprised the performance of the procedures designed to respond to our assessment of the risks of material misstatement in the separate and the consolidated financial statements. The results of our audit procedures, including the procedures performed in relation to the matters stated hereinafter, serve as the basis for issuing our audit opinion about the accompanying separate and consolidated financial statements.

#### Revenue recognition

##### Key audit matter

Revenue for the year ended 31 December 2021, amounted to EUR 224.990.379 for the Company and EUR 228.444.062 for the Group (2020: EUR 206.038.900 for the Company and EUR 209.920.232 for the Group).

The Group's core activities include transshipment of goods and rendering other accompanying and

##### Our response

Our audit procedures included, among others:

- Testing of design, implementation and operating effectiveness of controls over the revenue cycle. This included using our own IT specialists in evaluating the controls in the IT systems that support the revenue recognition.
- Assessing the Company's policy for recognizing revenue, including consideration



supporting services.

Revenue from these core services is generally recognized by reference to their stage of completion on the reporting date, calculated based on proportion of the service rendered.

Transshipment and other accompanying and supporting services are frequently contracted by the Company and Group within a single customer arrangement. The Company or the Group performs a large volume of individual transactions, which are predominantly smaller, therefore it is very important that their completeness is ensured in the accounting period.

Accounting for such bundled arrangements requires significant management judgement in determining the appropriate measurement and timing of revenue, hence we considered this area to be a key audit matter.

Disclosures regarding revenue recognition are included in the *Note 30 Summary of key accounting policies and disclosures*, more precisely in the *Note 30.1.22 Revenue* and in the *Note 31 Additional disclosures to the income statement - Disclosure 1 Net sales revenue*.

#### Provisions for lawsuits

##### Key audit matter

The carrying amount of provisions for lawsuits as at 31 December 2021 is EUR 11.366.109 for the Company and for the Group (2020: EUR 10.601.960 for the Company and for the Group); contingent liabilities arising from lawsuits as at 31 December 2021 EUR 23.968.442 for the Company and for the Group (2020: EUR 21.859.545 for the Company and for the Group).

The Company and the Group are exposed to material potential claims arising from pending lawsuits, regarding their operations.

The claims and legal disputes, including recognised provisions, are important for the audit, since their recognition requires management judgement and since the assessment process is complex and based on future development of events, which is why the matter was defined as a key audit matter.

There is great uncertainty in the assessment of whether these are provisions or contingent liabilities. When adopting a decision, material assumptions and assessments are used. The amounts of claims represent a material liability, and the assessment of the need to establish provisions is mostly subjective.

We refer to *Note 30 Summary of key accounting policies and disclosures*, more precisely to the *Note 30.1.12 Provisions* and to the *Note 25 Provisions* as

whether the policy is in accordance with relevant financial reporting standards.

- Based on our inspection of a sample of contracts with key customers, we assessed, among other things, how the Company defines the components of an individual contract and assessed the selected revenue recognition pattern for the defined components of an individual contract with regard to accounting policies;
- Critically evaluating the Company's identification of the stage of completion of the services by inspecting of contracts and supporting documents in the end of December 2021.
- Review of issued invoices just before the end of the financial year and immediately after the end of the financial year in order to confirm the recognition of revenue in the correct accounting period.
- Inspecting manual journal entries posted to revenue accounts focusing on unusual and irregular items, or entries modified subsequent to the balance sheet date.
- Review of disclosures according to IFRS as adopted in EU, especially IFRS 15.

##### Our response

We assessed the management estimate of the status of disputes and claims towards the Company or the Group at the balance sheet date and judged if potential provisions and the related disclosures should be recognised in accordance with the accounting standards. The management prepared the legal and financial assessment of the situation and obtained the assessments from the lawyers and independent legal experts.

Our audit procedures included among other:

- Inspecting the minutes of those charged with governance.
- Assessment of the adequacy of the legal bases for the recognition and release of provisions. We assessed the adequacy of estimates and assumptions made by the Company or by the Group in connection with the recording of provisions or the disclosure of contingent liabilities arising from lawsuits. In the assessment, we focused on the management's judgement of the probability of unfavourable result and on the reliability of the assessment of the amount of the claims.
- We evaluated the range of values and the assumptions included in the management's assessment of potential outflows of benefits and discussed the management judgement with the Company's Management Board.
- We have assessed whether the Company's or Group's disclosures regarding provisions for



well as 32 *Contingent liabilities*, which describe the Company's exposure to claims.

lawsuits were appropriate considering the IFRS as adopted in EU.

### Investments in property, plant and equipment

#### Key audit matter

The carrying amount of property, plant and equipment as at 31 December 2021 is EUR 425.978.241 for the Company and EUR 438.877.277 for the Group (2020: EUR 403.335.743 for the Company and EUR 417.136.694 for the Group); costs of maintenance services for the year ended as at 31 December 2021 amounted to EUR 7.278.321 for the Company and EUR 7.148.927 for the Group (2020: EUR 7.473.896 for the Company and EUR 7.156.329 for the Group).

In addition to the construction of new investments, the Company and the Group also performs ongoing maintenance of property, plant and equipment, especially port infrastructure. While items that qualify for recognition as property, plant and equipment are capitalized and transferred to costs through annual depreciation, maintenance costs are recognized in profit or loss as soon as they are incurred. The distinction between items that meet the conditions for recognition of property, plant and equipment and items that are immediately recognized in profit or loss is important for the audit, as their recognition requires management's judgement of whether and which conditions are met for classification of an item as property, plant and equipment, as well as whether and what conditions are met for the item to be classified as maintenance cost, which is why we have identified the matter as a key audit matter. When deciding on this, the Company and The Group applies significant assumptions and judgments related to meeting the conditions for recognizing property, plant and equipment as set out in IFRS as adopted in EU.

We refer to the Note 30 *Summary of key accounting policies and disclosures*, more precisely to the Note 30.1.2 *Property, plant and equipment*, to the Note 12 *Property, plant and equipment* within the Note 32 *Additional disclosures to the statement of financial position* and to the Note 5 *Cost of services* within the Note 31 *Additional disclosures to the income statement*, which define investments in property, plant and equipment and maintenance costs.

#### Other Information

Management is responsible for the other information. Other information comprises the information included in the Annual Report other than the separate and the consolidated financial statements and the auditor's report thereon. Our opinion on the separate and consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and the consolidated financial statements, our responsibility is to read other information and, in doing so, assess whether the other information is materially inconsistent with the separate and the consolidated financial statements, legal requirements or our

#### Our response

Our audit procedures included among other:

- Assessment of internal acts defining the area of investment maintenance and investment in property, plant and equipment and subsequent costs in order to ensure that they comply with the guidelines prescribed by IFRS as adopted in EU, in particular IAS 16 - Property, Plant and Equipment.
- Testing the design, implementation and effectiveness of internal controls in the process of recognizing costs and fixed assets.
- Getting acquainted with the method of managing investments with the help of software support, which is used for this purpose by the Company and the Group.
- Review of disclosures according to IFRS as adopted in EU, especially IAS 16.
- Testing on a sample of selected items of property, plant and equipment and maintenance costs, whereby we:
  - we assessed whether the conditions for the recognition of property, plant and equipment or maintenance costs are met;
  - we obtained the basis from the persons responsible for the investments;
  - we conducted interviews with the persons responsible for investments;
  - we checked the supporting accounting documentation and entries in the financial statements.

The sample included both randomly selected items and items that we determined based on our risk-related approach due to the size, complexity, content or duration of construction/maintenance.



knowledge obtained in the audit, or otherwise appears to be materially misstated. If, on the basis of the work done, we conclude that there is a material misstatement of other information, we must report such circumstances. Based on the procedures performed, we report that:

- The other information is in all material respect consistent with audited financial statements;
- The other information is prepared in compliance with applicable law or regulation.

Our responsibility is to report, based on the knowledge and understanding of the Company and the Group obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

#### *Responsibilities of the Management and Supervisory Board for the Separate and Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements of the Company and the Group, management is responsible for assessing their ability to continue as a going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's and the Group's financial reporting process and the approval of the annual report.

#### *Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company and the Group.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial



statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for audit opinion.

We communicate with the Supervisory Board and the Audit Committee, among other matters, the planned scope and timing of the audit and significant findings from the audit, including significant deficiencies in internal control we have identified during our audit.

We also provide the Supervisory Board and the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board and the Audit Committee, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **REPORT NF OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Other reporting obligations as required by EU Regulation No. 537/2014 of the European Parliament and of the Council**

In compliance with Article 10 (2) of EU Regulation No. 537/2014 of the European Parliament the Council, we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing:

##### *Appointment of the Auditor and the Period of Engagement*

We were appointed as the statutory auditor of the Company by the shareholders at the General Shareholders' Meeting held on 26 August 2020 for the financial years 2020 - 2022. Chairman of the Supervisory Board signed the engagement letter on 24 November 2020. We have been performing the statutory audit of separate and consolidated financial statements for the fifth year. Engagement partner responsible for the audit on behalf of BDO Revizija d.o.o. is Maruša Hauptman, certified auditor.

##### *Consistence with the Additional Report to the Audit Committee*

We confirm that our audit opinion on the separate and the consolidated financial statements expressed herein is consistent with the additional report issued to the Audit Committee of the Company on 5 April 2022.

##### *Prohibited Services*

We confirm that we have not performed any prohibited services referred to in the Article 5(1) of EU Regulation No. 537/2014 of the European Parliament and the Council. We declare that we ensure our independence from the Company and Group.

##### *Other Audit Services*

In addition to the statutory audit services and services disclosed in the annual report and separate and consolidated financial statements, we have not provided any other services for the Company and its subsidiaries.



***Auditor's Report on the Compliance of Financial Statements in Electronic Format with the requirements of Delegated Regulation (EU) No. 2019/815 on a Single Electronic Reporting Format***

We have conducted a reasonable assurance engagement on whether the separate and the consolidated financial statements of the Company and the Group for the financial year ended 31 December 2021 (hereinafter: the audited separate and the consolidated financial statements), which are published in the electronic file 549300H1G05N7BK34P37-2021-12-31-en, are prepared in accordance with the requirements of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format applicable in 2021 (hereinafter: Delegated Regulation).

***Responsibilities of Management and Supervisory Board***

Management is responsible for the preparation and accurate presentation of the audited separate and consolidated financial statements in electronic format in accordance with the requirements Delegated Regulation, and for such internal control as the management determines is necessary to enable the preparation of the audited separate and consolidated financial statements in electronic format that are free from material misstatements, whether due to fraud or error.

Supervisory Board is responsible for overseeing the preparation of the audited separate and consolidated financial statements in electronic format in accordance with the requirements of the Delegated Regulation.

***Auditor's Responsibility***

Our responsibility is to perform a reasonable assurance engagement and to express a conclusion on whether the audited separate and consolidated financial statements have been prepared in accordance with the requirements of the Delegated Regulation. We conducted our reasonable assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000) published by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform the engagement to obtain reasonable assurance for providing a conclusion.

We have acted in accordance with the independence and ethical requirements of the Regulation EU No. 537/2014 and the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We are in compliance with the International Standard on Quality Control (ISQC 1) and accordingly maintain an overall management control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and statutory requirements.

***Summary of work performed***

Withing the scope of the work, we have carried out the following audit procedures:

- Identified and assessed the risk of non-compliance of the audited separate and consolidated financial statements with the requirements of Delegated Regulation due to fraud or error;
- Obtained an understanding of internal controls relevant to the reasonable assurance engagement in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls;
- Assessed whether the audited separate and consolidated financial statements meet the requirements of the Delegated Regulation applicable at the reporting date;
- Obtained reasonable assurance that the audited separate and consolidated financial statements, which are included in the annual report of the issuer are accurately presented in electronic XHTML format;
- Obtained reasonable assurance that the values and disclosures in the XHTML format of the audited separate and consolidated financial statements are marked-up correctly using the Inline XBRL (iXBRL), and that machine reading of these documents ensures complete and true information contained in the audited separate and consolidated financial statements.



We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

*Conclusion*

Based on the procedures performed and the evidence obtained, in our opinion the audited separate and consolidated financial statements of the Company and the Group for the financial year ended 31 December 2021, have been prepared, in all material respects, in accordance with the requirements of the Delegated Regulation.

Ljubljana, 5 April 2022

BDO Revizija d.o.o.  
Cesta v Mestni log 1, Ljubljana  
(Signature on original Slovene independent auditor's report)

Maruša Hauptman,  
Certified Auditor

