

## PEOPLE: RELATIONS WITH EMPLOYEES AND THE GENERAL PUBLIC

### Employees

Employees are the **key factor in value creation**. By internalising values adopted at Company level, employees actively include them in their everyday business and private life, thus putting the Company mission and vision into effect.

Hence, the Company **strives to create favourable working conditions in various ways and maintain a low level of employee fluctuation**. The principles of business ethics and corporate culture as laid down in the Company's Code of Ethics in 2013 are observed in everyday work.

HR management dynamically pursues the adopted **strategic goal of Comprehensive HR management**, which is intended:

- to develop a healthy working environment,
- for the concern for the development and well-being of associates,
- to increase employee efficiency and motivation,
- to develop an adequate relationship between employees and the Company,

- to provide efficient tools to manage associates,
- to increase satisfaction and positive energy at the Company.

**Number and structure of employees:** As at 31 December 2017, the Company **employed 566 people**, the same as at the end of 2016. In the last 4 years, the average age of employees, which was 46 in 2017, and the average period of service, which is 22 years, did not change.

The gender-related share of employees has remained the same for the second year, i.e. 78% male and 22% female. Furthermore, the ratio at leading positions did not change compared to 2016. Of 7% of employees at leading positions (division directors, service heads, centre managers), only 2% are women.

As at the end of 2017, 99.3% of all employees were employed permanently and 99.6% for full time. In 2017, like in 2016, 9 employees went on parental leave, one of whom was male.



**Table 19: Employee data**

Data on employees	2017	2016	2015
No. of employees as at 31 Dec	566	566	546
Average No. of employees in the year	565	561	540
Average age	46 let	46 let	46 let
Average period of service	22 let	22 let	22 let
Share of employed men	78 %	78 %	79 %
Share of employed women	22 %	22 %	21 %
Permanent employees	562	557	543
Fixed-term employees	4	9	3
Full-time employees	564	565	545
Part-time employees	2	1	1
Employees on parental leave	9	9	4
Share of employed disabled persons	3.7 %	3.9 %	3.7 %
Share of employees with no less than higher education	54.2 %	52.7 %	50.7 %

**Changes in the number of employees:** Notably, the Company has an **extremely low level of employee fluctuation**. In 2017, 14 persons were recruited, 5

of whom permanently or for the term of apprenticeship. An employment relationship was terminated for 14 employees, 9 of whom went to retirement.

**Table 20: Employee arrivals and departures by gender and age group**

	men	women	Age groups (in years)						
			up to 20	21 to 30	31 to 40	41 to 50	51 to 60	61 to 70	71 and more
Arrivals	11	3	0	4	6	3	1	0	0
Departures	11	3	0	0	2	1	1	9	1

**Table 21: Number of employees by location**

Location	2017	2016	2015
Ljubljana Hajdrihova	287	282	267
Ljubljana Kleče	33	33	32
Ljubljana Beričevo	87	87	86
Maribor	66	68	63
Podlog	32	34	34
Nova Gorica	18	18	19
Divača	43	44	45
<b>Total</b>	<b>566</b>	<b>566</b>	<b>546</b>

**Employment of disabled persons:** As at 31 December 2017, 19 persons with category III disabilities and 2 persons with category II disabilities were employed. Most disabled persons are **employed at Transmission Network Infrastructure Centres (TNIC)**. All employees whose disability category has been laid down in a decision issued by the Pension and Disability Insurance Institute of Slovenia were assigned to appropriate job positions. Pursuant to the legally prescribed quota for the employment of disabled persons, which is 6%, the Company should employ 34 disabled persons on average in 2017. Since the Company fails to achieve the prescribed

quota, it had to pay a contribution of €87,218.67 in 2017 for the promotion of employment for disabled persons.

**Education and professional (technical) training:** The educational structure **again improved in 2017**. At the end of 2017, **71.6% of employees had at least post-secondary education**, which is 11.0 percentage points more than in 2016. A PhD (13) and Master's degree (50) were held by 11.1% of all employees.

**Table 22: Educational structure**

Level of education	No. of employees 31 Dec 2017	No. of employees 31 Dec 2016	No. of employees 31 Dec 2015
PhD	13	10	8
Master's degree	50	48	37
Bachelor's degree	158	160	162
Higher	86	80	70
Post-secondary	98	103	104
Secondary	105	108	105
Other	56	57	60
<b>Total No. of employees</b>	<b>566</b>	<b>566</b>	<b>546</b>

Employees were systematically included in various training programmes, thus ensuring that they performed their jobs and duties successfully and with due quality. The identification of training needs was largely affected by changes in technology, novelties in the electricity sector and a need for preserving the skills and knowledge already acquired at certain job positions. Because of that, **a substantial share of funds is intended for professional training for employees, thus providing successful and safe work.**

**Thematic training:** A great deal of employees were **included in various training courses, in order to complement and enrich their work experiences and professional education**. Most participants attended training in **safety and health at work and expert**

**conferences pertaining to energy, IT and telecommunications.** Knowledge of foreign languages was upgraded by 41 employees who attended foreign language courses at various levels, which is 6.8% less than in 2016. They renewed and upgraded primarily the knowledge of English. In line with the job needs and legislative requirements, knowledge was also upgraded by employees working with power plants (switch officer in the electricity system, dispatch officer in the electricity system) and employees who occasionally perform works under low voltage. Employees performing internal assessments of management systems renewed their knowledge of the quality management and environmental management system. Furthermore, training was organised for all employees to the topic of workplace harassment identification and prevention.

**Table 23: Training hours and costs**

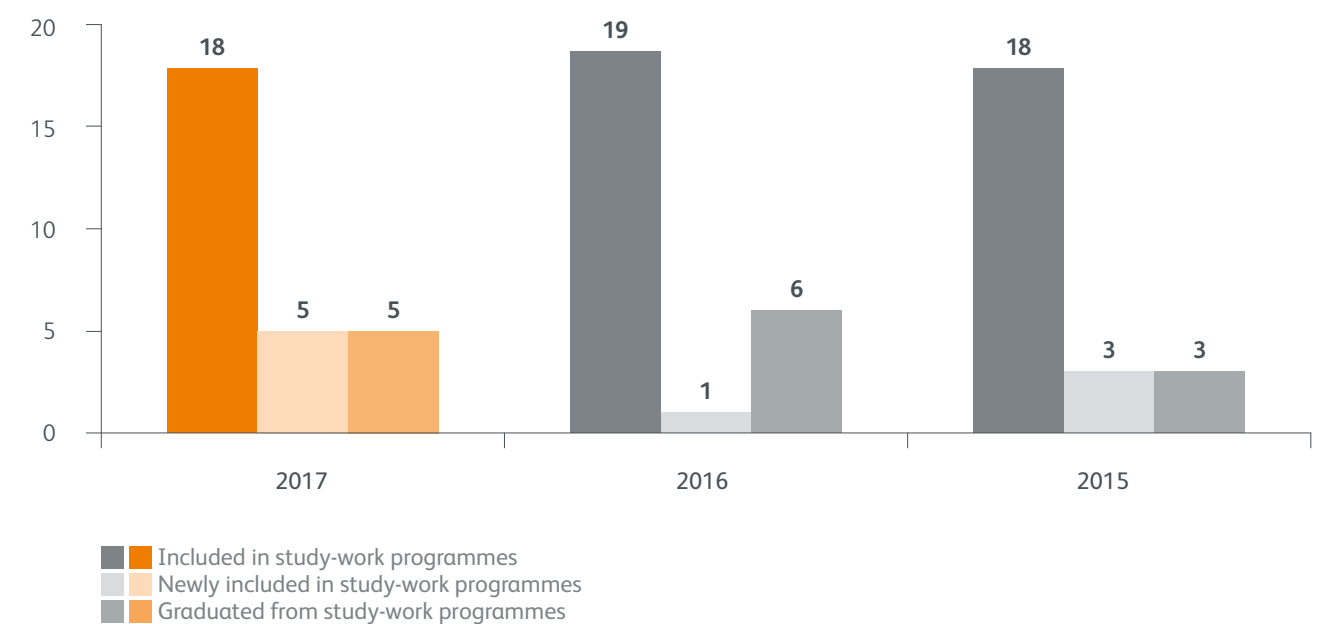
Training hours and costs	2017	2016	2015
No. of training hours	9.378	9.792	4.799
Total training costs (in €)	183.107	232.354	226.951
No. of training hours per employee	17	17	9
Training costs per employee (in €)	324	411	416

Despite spending 18.4% less on employee education and training in 2017 than in 2016, the Company **realised 9,378 training hours, which is only 4% fewer training hours than held in 2016**. On average, **every employee attended 17 hours of training**, like in the previous year. Employees obtained additional knowledge at expert seminars, courses and expert conferences in the energy sector, IT and telecommunications.

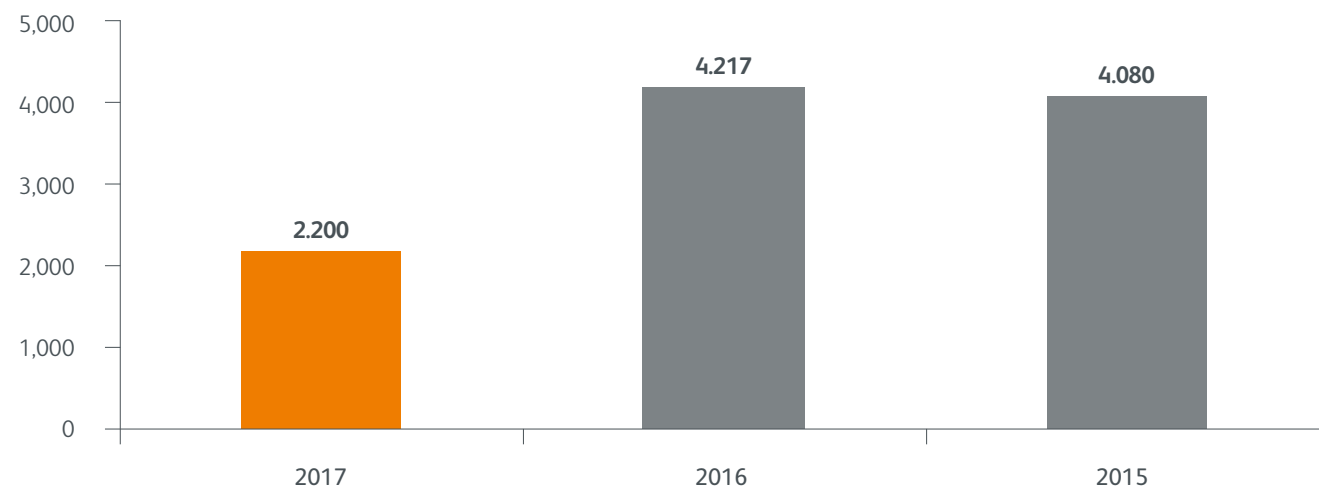
As many as 535 employees were included in periodic safety and health at work training. The amount showing the cost of training clearly shows that a part of training was conducted using own personnel, which substantially reduced that cost.

**Work-study programmes:** In 2017, 5 employees whose studies were fully financed by ELES successfully completed their studies and obtained a higher level of education pursuant to the work-study programme agreement. In line with the Company interest, 18 employees were enrolled in studies, 1 of whom terminated studies. In the 2017/2018 academic year, 5 employees were included in the acquisition of a higher level of professional education, 4 of whom enrolled in a higher vocational college, study programme of Electricity.

**Chart 30: Study-work programmes**



**Chart 31: No. of summer student work hours performed**



**Linking with potential young human resources:** The Company is aware of the need to link with young people who represent potential future human resources for the Company, which is why it establishes links with secondary school and university students studying electrical engineering and IT as early as at the time of their studies. Secondary school and university students of electrical engineering, IT and telecommunications who may be key human resources for the Company are closely monitored. By providing practical education or occasional work, **ELES allows them to meet a certain job and learn about Company activities.**

Practical work was provided to 22 young persons in 2017, 16 of whom were secondary school students and 6 were university students, who altogether performed **5,528 hours of mandatory practical work.**

The Company earmarked €15,700 for summer jobs for employees' children, which is 39.4% less than in 2016. Summer jobs were performed by 55 students, children of employees. Due to reduced funds for student work, each one performed 80 hours of summer work, which is why the number of hours performed within the scope of summer student work fell by 47.8% with respect to 2016.

In 2017, the Company had 3 scholarship recipients, 2 of whom successfully completed their studies. One student continues to receive the Company scholarship. No Company scholarship was granted in the 2017/2018 academic year.

**Annual interviews:** As one of the tools for **systematic planning of employee development**, the Company conducted annual interviews for the 4th year. Managers conducted an **interview of the strategic goals and sub-goals of the Company with their subordinates and developed personal goals together with them**, so that each employee can contribute to the common Company success.

Between March and October, **484 interviews were conducted, which is 85.5% realisation** or higher realisation by 4 percentage points than in the previous year.

**Employee absence:** Due to sick leave, the Company lost 60,085 working hours in 2017, which is **5.2% of the total annual number of hours for regular work.** With respect to 2016, the number of hours spent in sick leave by Company employees increased by 34.3% in 2017.

**Table 24: Sick leave**

YEAR / working hours	Sickness benefits charged to the Company	Sickness benefits charged to ZZZS	Total sickness benefits	Share of sickness benefits in total working hours (in %)
2015	20,076	24,387	44,463	4.0
2016	21,011	23,723	44,734	3.8
2017	27,583	32,502	60,085	5.2

**Parental leave:** Employed parents may use various forms of parental leave, with which the Company provides a **higher level of social security to young families than the Slovenian average.** Young mothers may, as a rule, continue working on the job they had before they went on maternity leave. The data also shows that more and **more men decided to use**

**paternity leave.** With respect to 2016, that option was used by 44.4% more men in 2017.

Young families are also supported financially. Namely, the Company gives employees €500.00 for each newly born child.

**Table 25: Parental leave and gift-giving upon birth**

Parental leave and gift-giving upon birth	2017	2016	2015
No. of women on maternity leave (105 days)	4	7	5
No. of women on childcare leave (up to 260 days)	8	10	3
No. of men on childcare leave (up to 260 days)	1	1	1
No. of men on paternity leave (15 days + up to 75 days)	26	18	15
Paternity leave hours	1,936	1,440	1,440
Gift-giving upon birth (in €)	9,000	9,000	8,500

**Safety and health at work:** The safety and health at work sector was included in the Corporate Security Service in 2017. ELES meets all legislative requirements relating to the protection of employees' safety and health at work by consistently carrying out activities for theoretical and practical employee training for safe work, preventive medical check-ups, organisation and adjustment of the working environment, and training and informing employees of the concern for own health. The Company is bound to do so under the occupational safety and health management system certificate (BS OHSAS 18001). With the Safety statement with risk assessment, revision No.: 3, by ELES d.o.o., a programme was adopted to meet the requirements laid down in occupational

safety and health regulations and to reduce the risks and adversity identified in the risk assessment to the minimum possible level. Suitable personnel and funds have been provided by the Company for successful execution of the programme.



Despite all activities carried out throughout the year, 5 accidents took place at work with minor consequences, one of which put an employee on sick leave for 1720 hours.

**Table 26: Accident at work**

YEAR	ACCIDENTS AT WORK	
	No. of accidents	No. of lost working hours
2015	6	1,448
2016	2	48
2017	5	2,184

The number of accidents at work in 2017 fell by 26.5% compared to the average number of accidents for the 2012-2016 period, while the number of lost working hours due to accidents at work in 2017 grew, compared to the mentioned average, by 59.8% (due to the already mentioned long-lasting sick leave by one employee). The level of the provision of employee safety and health at work, therefore, increased in 2017 with respect to previous average values.

**Promotion of health at work:** The promotion of health at work is carried out under the slogan “STAY HEALTHY!” (ZDRAVI ZASE!). Its purpose is to preserve and strengthen the employees’ physical and mental health, keep a healthy lifestyle and raise concern for personal health and the creation of a positive working environment. The team appointed for the promotion of health at work at the Company includes representatives of all sectors and organisational units.

Based on an analysis of statistical data provided by the National Institute of Public Health on sick leave at ELES, a comparison with companies dealing with electricity supply and an online survey conducted among employees, the Company laid down priorities and adopted a set of measures and activities to promote health at work and carried them out in the previous two years pursuant to the plan for the promotion of health at work:

**- Training workshops**

Pursuant to the adopted annual programme of activities for the promotion of health at work, **10 training workshops were held for employees at all Company units to the topic of workplace burnout, healthy lifestyle and nutrition, awareness raising on risks for cardiovascular diseases.** The topics of training workshops were selected on the basis of proposals put forth by associates and the results of an internal survey. The Company was pleased with the employees’ response and attendance at individual workshops, which is why it will continue similar activities in future.

**- Co-funding sports activities**

The work group for the promotion of health at work published a call for co-funding the purchase of monthly or season tickets for employees’ sports activities (recreation, fitness, pilates, swimming, skiing and similar) in order to promote physical activity and a healthy lifestyle.

**Concern for employee satisfaction:** The validity of the full Family Friendly Company certificate was extended successfully and the Company will continue implementing the measures adopted in line with the audit decision by 2020. Employees can use **18 different measures to coordinate their career and private life more easily.** Two measures that were not used in the past were replaced with new ones.

ELES promotes and co-finances leisure time for elementary school children attending 1st to, and including, 5th grade. In 2017, 61 children were included in various institutions rendering organised childcare. The measure was used by 36.8 % of eligible employees’ children in 2017.

By implementing measures within the scope of the Family Friendly Company certificate, the Company allows its employees to coordinate their career and family life more easily.

**Additional benefits for employees:** In 2001, ELES approached to **supplementary voluntary pension insurance** due to the provision of increased social security to employees after retirement. According to the applicable pension scheme for voluntary supplementary pension insurance, the Company pays in 60% of the full maximum insurance premium amount, which amounted to 5.844 % of the monthly employee salary in 2017. The amount of the contribution depends on the age group in which an employee is included and on whether the employee alone pays the difference to the maximum amount of the insurance premium. ELES pays the full insurance premium to all employees aged 45 or more.

**Table 27: Supplementary pension insurance**

Supplementary pension insurance	2017	2016	2015
No. of employees included as at the end of the year	556	557	537
Share of employees included	98 %	98 %	98 %
Total premium paid by ELES (in €)	1,075,347	1,031,363	971,318
Total premium paid by employees (in €)	42,693	42,813	41,707

Concern for employees outside working hours: ELES holds holiday facilities in Slovenia (Golte, Portorož, Terme Banovci, Terme Čatež) and in Croatia (Barbariga, Krk, Mali Lošinj, Pag, Poreč, Rab, Stinica). They

are intended to provide conditions for a holiday, recreation and maintenance of physical and mental fitness of Company employees.



Employees are also active in the ELES Sport Society (ŠD ELES), which was established on 29 October 2002. Initially, ŠD ELES had 68 members, but the number grew to 373 in 2017 (66 % of all employees). ŠD ELES includes Company employees and retired persons. ŠD ELES encourages employees to engage in sports and recreation at all Company locations,

organises matches for members, sports games at the Company Day, visits to major sports events, attendance at runners' and cycling marathons as well as exercise at fitness centres. Members take part in competitions organised within the scope of the Slovenian electricity sector and in competitions with related societies from abroad.



Elesijada 2017



ELES-Mavir meeting in 2017

In 2017, ŠD ELES organised:

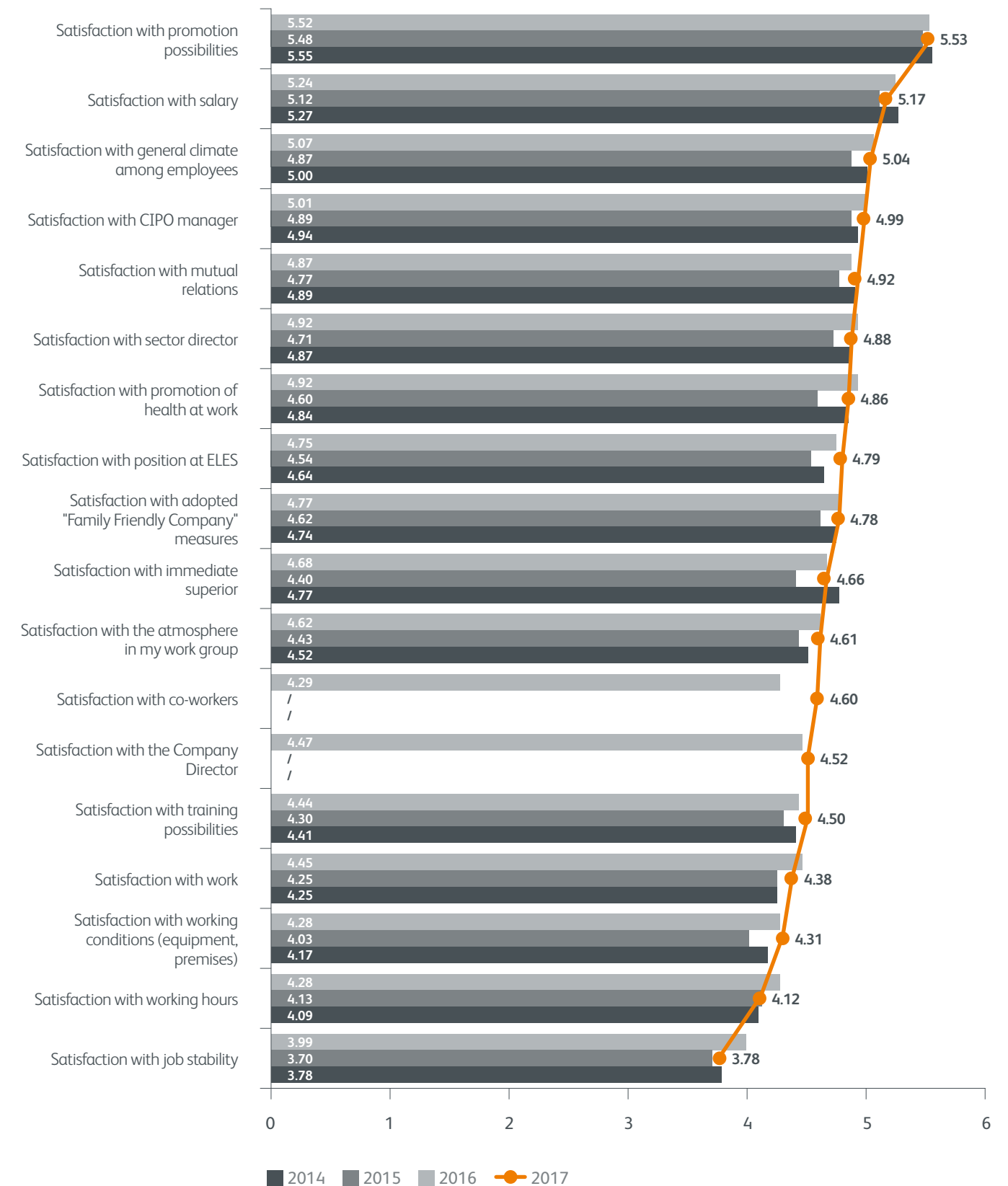
- a members' meeting at Cerklje na Gorenjskem,
- a skiing competition in Kravavec,
- a visit to ski flying in Planica,
- skiing in Italy at the start and end of the skiing season,
- a sports weekend in Poreč,
- 8 hikes (Kopitnik, Snežnik, Trdinov vrh, Pohorje, Palec, Ciprnik, Cerje and Šentrupert),
- a sports competition entitled "Elesijada" in Cirkovci,
- a meeting with ŠD Mavir in Laško,
- 3 meetings with ŠD EIMV in Ljubljana,
- running and cycling marathons,
- sports hall activities (badminton, tennis, ninepin bowling, bowling, swimming, fitness).

**Employee satisfaction measurements from various aspects of work:** In 2017, employee satisfaction measurements involved an anonymous survey in which **404 employees took part, which is 71.9% of all Company employees**, or 3.8 percentage points fewer than in 2016. Analyses of collected data showed that employees are **generally very satisfied with employment continuity, working hours, work conditions, work, associates, possibilities for education, the Company Director, their immediate superior officer, atmosphere in their work groups, adopted measures within the scope of the Family Friendly Company, their position at the Company, Head of the Transmission Network Infrastructure Centre, promotion of health at work and mutual**

**relations.** Using a 6-level scale, the mentioned categories were given a score between 5.53 and 4.50. A slightly lower, but still above the Slovenian average, score was achieved in employee satisfaction with the general atmosphere among employees (4.31), salary (4.12) and possibilities for promotion (3.78).

The overall employee satisfaction with various aspects of work is very high, amounting to 4.70 and thus substantially exceeding the Slovenian average. With respect to 2016, the overall satisfaction in 2017 decreased by only 0.2 %, but still exceeded the value of the strategic indicator laid down in the Long-Term Strategic Plan for 2016-2020 by 0.25 points.

**Chart 32: Employee satisfaction measurements from various aspects of work**



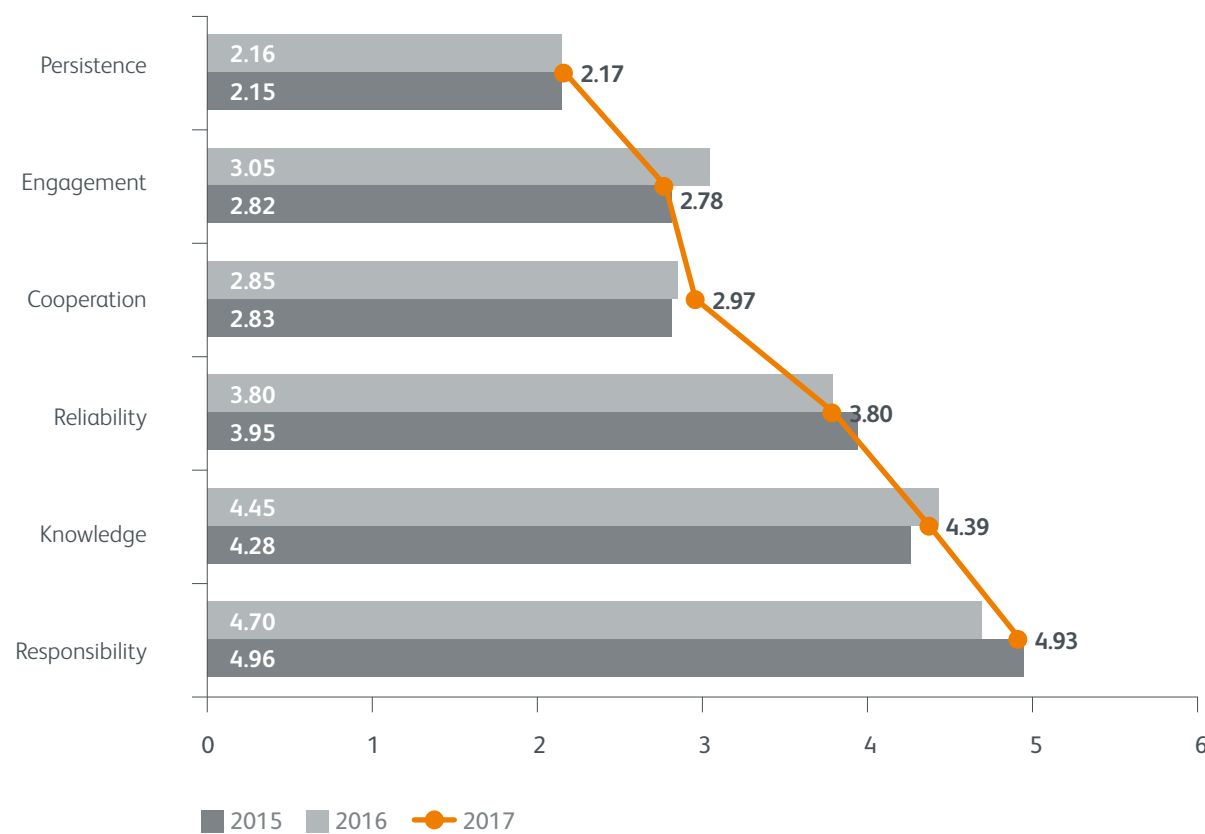


**Measurement of work values:** In 2015, ELES identified 6 work values: responsibility, cooperation, persistence, reliability, engagement and knowledge.

When measuring work values in 2017, employees selected responsibility as the most important work

value at ELES, the same as in 2016. This is followed by reliability and knowledge, which switched in the order of importance with respect to 2016. Cooperation, engagement and persistence kept the same position in 2017 as in 2016 and 2015.

**Chart 33: Measurement of work values**



**Communication with employees:** ELES strategically plans and manages internal communications and its tools and techniques to improve efficiency. Hence, it seeks to **improve understanding and relations with employees, affect their motivations and efficiently respond to crisis situations.** The Company is aware that **quality mutual relations are a prerequisite for organisational excellence.** Employees are informed of the Company mission, vision, values, strategy and operations.

Since units are located throughout Slovenia, efficient communication is indeed important. The central communication tool is the intranet portal “Elesnet”, offering employees important information on Company operations, various important documents (Company acts, organisational regulations, minutes on workers’ council meetings, etc.) and other contents that may facilitate work (proposals for letters, presentations, internal directory, vocabularies, etc.).

All employees receive the “e-omrežje” online newsletter once a month, which holds major news from the previous month on events at the Company, while the Company issues a topical magazine entitled Naše omrežje once a year. Email is used for important information that must be learned by all employees as soon as possible.

Employees are also informed of Company activities and of other electricity undertakings through publications on the [www.nas-stik.si](http://www.nas-stik.si) portal and in the Naš stik magazine.



Regular meetings between the Director and representatives of the Workers’ Council and representative trade unions provide information and involvement of employee representatives in Company activities and direct resolution of affairs that fall within their competence. The extended board meeting of 6 sector directors and management service heads meets once a week with the Director, and board meetings by Company division are also held once a week.

Being aware that a good climate at the Company also requires an informal gathering of employees from units throughout Slovenia, the Company organises the ELES Sports Day every summer and a New Year’s celebration in winter.

### Cooperation with the general social environment

With a positive attitude and actions, the Company promotes the principles of socially responsible actions in a business and social environment, which it co-creates. The Company participates in the development of the profession, raises energy and radiation literacy, and supports the activities of numerous organisations and exceptional individuals.

**Strengthening energy and radiation literacy:** The public takes electricity for granted, as an asset that is available wherever and whenever they need it. They are not aware that there is a well-coordinated system behind it. They are not aware that transmission lines and other elements of the transmission network are vital to bring electricity to their homes. Ordinarily, they become aware of it in the case of an outage. To encourage the public to deliberate and raise awareness of the fact that electricity cannot be taken for granted and that ELES sees to it that it is made available at any moment by managing the Slovenian electricity system, the Company supports activities to strengthen energy literacy.

**Visits to the National Control Centre:** Although ELES manages infrastructure, which is vital for the operations of the entire Company, its doors are not closed to organised groups of people who wish to learn about Company activities. The National Control Centre, which is the heart of the Slovenian electricity system, hosted a number of groups from Slovenia and abroad this year. Visitors from Slovenia were representatives of the Government and parliamentary parties, various companies, secondary school and university students and other interest groups. Transmission system substations in Beričevo, Kleče, Okroglo, Divača, Gorica, Podlog and Pekre hosted 23 groups.





Highlights from Elektrofest 2017

**Cooperation with young people:** Special attention is also placed on **energy literacy among young people**. Hence, the Company again or, rather, for the 6th consecutive time joined forces with Gen energija, the Milan Vidmar Electric Power Research Institute and the Faculty of Electrical Engineering at the University of Ljubljana and organised an **educational festival secondary school students entitled Elektrofest**.

The operation of the electricity system was presented to young people and, for the first time, also a video showing the importance of electricity.



Awareness-raising video

In 2017, the Company again supported **activities in the EN-LITEproject** ([www.en-lite.si](http://www.en-lite.si)), which strives to strengthen energy literacy among various stakeholders. This time, special attention was placed on **strengthening radiation literacy**. In spring, the publication entitled “Energy, radiation, life: Facts and myths on radiation in everyday life” was issued, which was in autumn upgrades with the iSevanje web application ([www.i-sevanje.si](http://www.i-sevanje.si)).

Publication



Web application

Furthermore, the Company again supported the **activities of the DOVES Society – the Eco-School international programme**. The Company ensured the issue of learning material entitled Yesterday, today, tomorrow – the past forming the present, within the scope of which one section was also intended for **learning the basics of electromagnetic radiation** and the execution of an Eco-Quiz, a competition in the knowledge of ecology for secondary school students. The school competition was attended by 2,877 students from 56 secondary schools. The national competition was attended by 272 students from 53 secondary schools.

Winners of Eco-Quiz





**Strengthening knowledge through the website:** While renewing the ELES website, the Company set up a section entitled **Treasury of knowledge**, within the scope of which the public is informed of interesting and instructive facts regarding electricity transmission.



Treasury Knowledge section on the renewed website



**Cooperation in expert discussions:** ELES experts are regularly included in public debates on energy future and energy challenges in Slovenia. In 2017, they again participated in the design of the Slovenian energy concept and at a number of energy



Highlights from the ELES expert meeting

conferences held at home and abroad as lecturers and speakers. In September, the Company organised an expert meeting at which it shed light on the importance of the role of smart grids within the scope of the Slovenian Energy Concept.



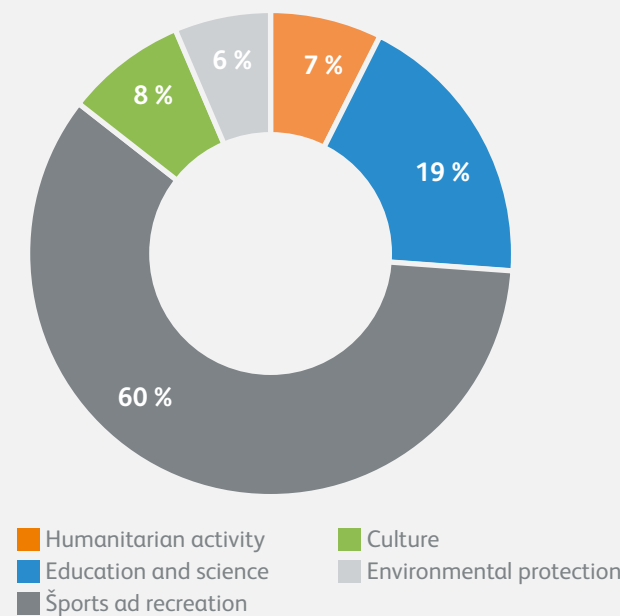
The Fala-Laško Museum of Electric Power Transmission

**The Fala-Laško Museum of Electric Power Transmission:** Although technical heritage of transmission activities was not systematically collected in the past, many vintage display items were preserved throughout decades. ELES managed to collect a number of precious remains of Slovenian technical heritage and opened the Fala-Laško Museum of Electric Power Transmission in Laško on 8 October 2004, upon the 80th anniversary of transmission activities at the Laško transmission system substation. The Museum, which preserves unique heritage featuring the development of transmission

activities in Slovenia, is also one of the rare museums of its kind in Europe.

Museum visits have been arranged with all electrical engineering schools (from secondary schools to faculties) in Slovenia, so that the Museum is visited every year by at least one grade. In addition to secondary school and university students, visitors to the Museum are also random tourists, hikers, groups of pensioners. So far, the Museum was visited by 2590 visitors, 181 of whom in 2017.

Chart 34: Sponsorships and donations by purpose



**Sponsorships and donations:** An important part of responsibility to the social environment in which the Company operates is support for organisations, societies and outstanding individuals. When selecting recipients of sponsorship funds and donations, the Company pursues the principle of balance and dispersion. In 2017, the Company provided sponsorship funds to individuals and organisations working in sports, culture, science and education and donations to individuals and organisations dealing with humanitarian affairs and environment protection. The Company believes that it contributes not only to more successful activities of recipients of funds, but also to a more quality life in communities in which they work.

Pursuant to the Public Information Access Act, all recipients of sponsorships and donations are published on the Company website [www.eles.si](http://www.eles.si) under the section Public Sector Information.