

Information on how the Remuneration Policy of Sava Re d.d. complies with the integration of sustainability risks (Article 5 of SFDR)

According to Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (SFDR), Sava Re d.d. does not meet the criteria for a “financial market participant” set out in Article 2(1) of SFDR, which means that the Company is not obliged to comply with the requirements of SFDR. Notwithstanding the above, the rest of this document provides information on how the Remuneration Policy of Sava Re d.d. complies with the integration of sustainability risks.

Integration of sustainability risks in the remuneration policy

In accordance with Article 5 of SFDR, Sava Re includes in its remuneration policies information on how these policies are consistent with the integration of sustainability risks.

The remuneration policy is designed to promote the Company’s sustainable operations and sustainability, with all the incentive systems at all organisational levels contributing to the Company’s sustainability by aligning the goals and individuals’ behaviour with the long term-mission and building long-term value for all stakeholders and the Company’s reputation, while avoiding risks that exceed the Company’s risk appetite.

Principles

The policy aims to establish a remuneration system that is competitive and efficient, as well as transparent and internally fair. The key principles of the remuneration policy are based on the principles of gender equality and ethical and sustainable practices and operations.

Reliable and efficient risk management

The policy supports and ensures that remuneration is linked to the achievement of sustainable results. In doing so, it does not encourage excessive risk-taking with the aim of creating short-term profit, nor does it enable remuneration of individuals who take risks that exceed the risk tolerance limits of an individual company and the Group.

Sustainable pay for sustainable performance

Sustainable pay for sustainable performance is the main approach in setting the standards for determining the level of remuneration and payouts (sustainable pay) and for defining the target performance and behaviour that the Company wishes to reward (sustainable performance). All incentive systems at all organisational levels contribute to the Company’s sustainability by harmonising the target performance and the behaviour of individuals with the Company’s long-term vision and by avoiding risks that exceed the Company’s risk tolerance limit. Pay may be regarded as sustainable if there is a direct link between the payment and the results and if remuneration is

aligned with the goal of creating long-term value for the stakeholders and ensuring efficient risk management.

Business results are considered sustainable to the extent that they contribute to the achievement of the Company's mission and the creation of long-term value for all the stakeholders, and serve to maintain and enhance the Company's good reputation. Sustainable results refer to actual performance (what) achieved and the manner (how) they have been achieved.

Designing a balanced remuneration structure

The Company formulates a remuneration package containing a fixed part and possibly a variable part, as well as additional financial and non-financial benefits. The fixed and variable parts of the remuneration are properly balanced in order to encourage sound and efficient work by the Company's employees and appropriate risk management.

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