



**LUKA KOPER**

Port of Koper

Luka Koper Group  
**SUSTAINABLE DEVELOPMENT REPORT 2009**



## SUSTAINABLE DEVELOPMENT REPORT

# COOPERATING, SUPPORTING, PROTECTING

**Through its operations, the impact of the Luka Koper Group on the narrower and wider environment in terms of economy, social environment and employment is considerable as the Group is closely integrated in natural environment. Our commitment to sustainable development is one of our key strategic orientations in spite of difficult economical circumstances.**

We take seriously our social responsibility in relation to employees, local community and natural environment. In spite of demanding financial year we remain one of major providers of funds and sponsors in the vicinity, maintaining high level of social security of employees. We aim to ensure employee satisfaction also in the future as this is of key importance for achieving balanced and successful development of the Company and the entire Luka Koper Group.

In 2009 we introduced principles of European eco-management scheme under the EMAS principle and we are currently in the process of obtaining certificate of the Ministry of Environment and Spatial Planning. We became a full member of the Institute for the Development of Social Responsibility and Slovenian Association of United Nations for Sustainable Development »Global Compact«. At the end of the year Vienna stock exchange included the Company in the CEERIUS index composed of the leading companies in reference to sustainable development in the Central and Western Europe. We are proud to have received a special recognition by the Finance newspaper for the best sustainable report in 2008 in the Slovene territory, and the award received at the international forum Fresh Produce Mediterranean by our fruit and vegetables terminal as the best provider of services in the Mediterranean in 2008. Our achievement and other developments in the Company are communicated openly through the available media and our web sites [www.luka-kp.si](http://www.luka-kp.si) and [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si).

**»Vienna stock exchange included the Company in the CEERIUS index composed of the leading companies in reference to sustainable development in the Central and Western Europe.«**

We are following our policies set in the past in terms of sustainable development. We strive to ensure business excellence in all business segments including in our relations to customers and suppliers. Regular monitoring and reduction in emission levels, additional investment in reducing negative environmental effects, reduction in the use of natural resources, waste management, preventive protection measures and general orientation towards environmentally friendlier

cargoes, are at the forefront of the many objectives that will ensure sustainable development. Our environmental and social responsibility is extended to all our partners as our objective is to ensure sustainable and balanced development in the environment where we work and live.

## HUMAN RESOURCE DEVELOPMENT

Due to changed economic conditions we have limited employment, improved utilisation of internal human resources, replaced retired employees by existing staff, efficiently reassigned staff and ensured optimum utilisation of working time, and reduced the number and volume of work provided by external providers of port services. We also reduced labour costs. We held intense dialogue between management and labour for implementation of new collective agreement for corporate sector, and we ensured effective training and

### The number of employees in the companies and the Luka Koper Group on 31 December

Number of employees	2007	2008	2009
Luka Koper, d.d.	774	786	768
Luka Koper, INPO d.o.o.	228	241	220
Luka Koper Pristan d.o.o.	9	14	8
Adria Terminali d.o.o.	35	35	35
Adriasole, d.o.o.	-	-	1
Adria-Tow d.o.o.*	24	29	-
Adria transport d.o.o.*	-	1	-
TOC, d.o.o.*	-	3	-
<b>TOTAL</b>	<b>1.046</b>	<b>1.076</b>	<b>1.032</b>

\* In accordance with the amended consolidation methodology, the above comparison of the number of employees per individual companies only includes companies which were in 2009 included in the Group. Companies in the Luka Koper Group which have no staff, are not included in the above table.

**»We have laid down our human resource development plans until 2014, placing in the forefront continued efforts to ensure social peace and partnership with the employees.«**

education of employees based on a selective and targeted approach. We regularly monitored human resource management systems' efficiency by:

- Measuring organisational climate,
- Measuring employee affiliation and satisfaction,

- Performance assessment of the leading members of staff,
- Annual interviews, and
- Assessment of cooperation between teams.

In the Development strategy we have laid down our Human resource development plans until 2014, placing in the forefront continued efforts to ensure social peace and partnership with the employees, secure employment to all our staff, more efficient use of internal resources and establishment of optimum relations with the providers of port services. In future years, the number of employees in the core and supporting business processes will gradually decline as

the number of staff in the core throughput activity will depend on the actual turnover and potential changes affecting the work of aliens and other governmental measures. Luka Koper, d.d., will invest an average of 18 hours or EUR 260 for education per employee annually, with the aim of preserving and enhancing quality of services, staff motivation and ensuring their personal growth and career development.

We have optimised business processes, organisational units and management levels. Furthermore we merged investment, technical and procurement departments and separated departments for coordination of our core activity and rail transport.



## Employee turnover

Comparison between recruitments, departures and employee turnover rate in the period from 2007 to 2009 at the level of the Group and the Company

	New recruitments			Departures			Employee turnover rate*		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Luka Koper, d.d.	120	52	14	38	40	32	4.7	4.8	4
Luka Koper Group	169	94	26	62	64	69	5.6	5.6	6.3

\* calculation methodology for employee turnover rate= number of departures (initial number of staff + new recruits) x 100

Departments for sea protection and ecology were reorganised as was department for the general and sea protection. Individual job positions were abolished in order to reduce management levels (executive director, adviser, and similar) and established new positions for the supervision and integration of business processes (internal auditor, head of costs supervision, and others). In doing this, we strived to ensure work and preserve employment.

### Employment policy

As at 31 December 2009, the Luka Koper Group employed 1,032 staff, 4 percent less than in the previous year. Due to employment restrictions as a response to uncertain market conditions, in 2009 the number of employees in the Company and in the Luka Koper Group declined.

We have concluded employment contracts for indefinite period of time with almost all of the employees. At the Group level, 98.7 percent of all employees were employed for indefinite period, whereas at the Company level 98.4 percent of all employment contracts were concluded for indefinite period of time. In the Group, 27 members of staff were employed on part-time basis, 25 disabled persons and two parents with small children. In Luka Koper, d.d., two parents with small children and one disabled person were employed on part-time basis. Majority of disabled persons

(22) employed on part-time basis work in Luka Koper INPO, d.o.o. The average age of staff has fallen from 43.1 to 42.8 years as a result of retirements. However, the average years of service rose compared to the previous year by 1.2 percent to 20.8 years.

Due to difficult and specific working conditions, we employ more men than women. The male population prevails in the core activity and the basic activity, while more women are employed in professional services, administration of profit centres and in the management. Compared to the previous year, there was no major change in the share of women in total number of employees; it stood at 12.4 percent compared to 12.5 percent in 2008.

At the end of 2009 the Group employed 163 disabled persons; majority, 144 in total, worked in Luka Koper INPO, d.o.o., which accounts for 65 percent of total staff employed by this company.

New employment contracts for a definite period of time were signed in Luka Koper, d.d., by 37 new recruits, whereas at the Group level, a total of 47 new recruitments were made. At the Group level, 96.1 percent of staff are employed under collective agreement, and 95.6 percent in Luka Koper, d.d..

In 2009 The Group recruited 26 new staff; of those, 14 were employed by Luka Koper, d.d.. Of total number of new recruits, those with higher

educational level or university degree at the Group level account for 42 percent, whereas in Luka Koper, d.d., 57 percent of new recruits have either higher educational level of university degree. We have, to the largest extent possible, engaged the existing workforce, which was reflected in a 29 percent decrease in the volume of work provided by students compared to 2008.

### Leaving the Company

A total of 69 departures were recorded at the Group level, of those 32 in the Luka Koper, d.d., most frequent reason being retirement while other departures were related to organisational changes and changes in the human resources. For several years we have reported a large number of retirements due to a relatively large number of senior employees. The trend is expected to continue also in 2010.

### Managing working time

In 2009 we recorded fewer reassignments of working time (29 percent less than the previous year), less overtime (8 percent less than the previous year), and the highest level of utilisation of annual holiday leave so far: 85 percent at the Group level and 90 percent at the level of Luka Koper, d.d..

To ensure more efficient assignment of work we introduced electronic registration of annual leave via personal computers and two Infomats.

### Educational level of employees of Luka Koper d.d. and the Luka Koper Group as at 31 December 2009

Level of education	Luka Koper, d.d.		Luka Koper Group	
	31.12. 2009	Share (%)	31.12. 2009	Share (%)
VIII/2	2	0.3	2	0.2
VIII/1	15	2	17	1.6
VII	94	12.2	103	10
VI/2	113	14.7	119	11.5
VI/1	47	6.1	57	5.5
V	234	30.5	266	25.8
IV	186	24.2	264	25.6
III	21	2.7	29	2.8
I - II	56	7.3	175	17
<b>Total</b>	<b>768</b>	<b>100%</b>	<b>1,032</b>	<b>100%</b>

#### Safety and health at work

Due to absenteeism as a result of illness, 108,733 of working hours were lost in 2009. At the group level, absenteeism reached 4.9 percent, a reduction of 0.4 percent compared to 2008, whereas in Luka Koper, d.d., it rose by 0.6 percent to 4.5 percent, primarily as a result of increasing average age of employees and longer absenteeism of some members of staff. 79 employees suffered an industrial injury.

All cases are carefully investigated so as to determine the causes, make a report and take the necessary measures to prevent future injuries. Our main objective is to protect employees from negative effect of working environment and technological processes and to this effect we maintain our health and safety at work system in accordance with the guidelines of the international standard OHSAS 18001/2007.

#### Education and training

As part of the measures taken in response to the global economic crisis, we organised primarily short in-house training, particularly workshops in the domain of occupational safety, environment protection,

IT, quality standards, warehousing operations, and working time management. Therefore, the cost of education and training per employee in the Group reached EUR 154, which is EUR 130 less than in the previous year.

At the Group level, a total of 14 hours of training was allocated per employee in 2009, an increase of 3 hours compared with 2008, and 16 hours at the level of the Company compared with 24 recorded in 2008. As a result of non-recruitment of new workforce, the number of practical instructions for handling of machinery was considerably lower. Compared with the previous year, the share of in-house training fell as a result of the changed educational policy.

We organised larger number of shorter and more specific trainings which provide similar or even better results along with lower costs.

In-house training prevailed at the Group and the Company levels (accounting for 52 percent). Relatively high share of external training is due to lengthier fire prevention training stipulated by legislation.

We have adopted new criteria for agreeing educational contracts which will in future be approved only

for the most promising staff. In 2009 we agreed to support education and training to 12 employees.

We maintain active cooperation with local educational institutions such as the University of Primorska, Faculty for Maritime and Transport, technical colleges and Open College as well as similar institutions in the wider area (IEDC Business school Bled, International Post Graduate Institute Jožef Stefan, and others). In 2009 we approved student grants to one student through the Student Grant Scheme of South Primorska and two through the Student Grant fund of the University of Primorska. Students can take their compulsory on-the-job training at Luka Koper and we provide mentors to give support to students with writing their diplomas, thesis and master's thesis. We actively participate in redesigning study programmes of colleges and faculties.

The educational level of employees has risen due to the following:

- 29 successfully completed open college studies,
- 11 new recruits with higher level of education,
- Departure of workforce in the core



activity with no education, who are not replaced with new recruits.

The more favourable educational level of staff employed in the Company over those employed in the Group is the consequence of the parent company's development role and the performance of supplementary activities by the other companies. We support career development of our employees through:

- Allocation of employees into a higher level of professional competence and flexibility at job positions,
- Horizontal promotions when an employee signs new employment contract for the same or another job position with the same degree of competence in another unit, and
- Vertical promotions when an employee signs a new employment contract for a more demanding job position.

Staff mobility in the Company and the Group is high (over 40 percent). 115 staff were promoted in 2009 at the Group level (11 percent), and 74 in the Company (10 percent). Additional employee motivation is higher level of competence and flexibility achieved by large number of employees: 362 staff (35 percent at the Group level ) and 255 staff (33 percent) in the Company.

We further support and promote career development of our employees at annual interviews, specific attention devoted to staff that show potential for promotion and to those who successfully completed open collage courses with the help of financial support from Luka Koper, d.d. We have updated the database of staff who may potentially take more senior managerial positions. With four of them we agreed employment contract for the job of a head of unit, and one was employed as head of operations.

### Motivation and remuneration

In spite of uncertain market circumstances we ensured regular monthly salary payment to above the average salary in the country and the sector.\* At the end of the year we also paid bonuses.

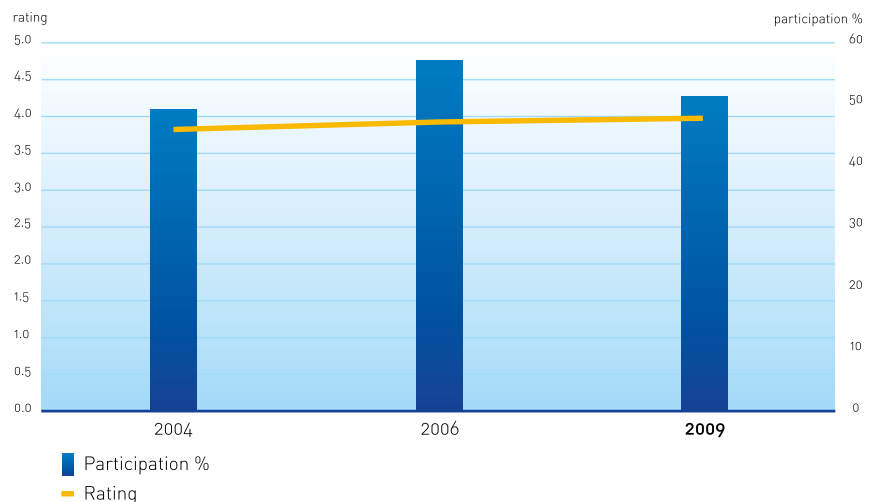
We build partnerships with our employees and ensure rewards for:

- Useful proposals and innovations,
- Tutors, mentors, in-house lecturers,
- Participation on projects,
- Annual rewards are provided for selected exemplary employees, head



- of the year, innovator of the year, members of the best quality team,
- Payment of 70 to 90 percent of the premium for additional voluntary pension insurance,
- Fast and comprehensive information provision using
  - Brief news bulletins (via e-mail and notice boards),
  - Free monthly in-house newspaper »Luški glasnik«,
  - info points in the profit centres,
  - Internet forum where individual departments answer questions posed anonymously, whereas answers are available to all,
- Organisation and financial support for educational courses and trainin-

**Overview of the average rating and participation in employee satisfaction survey in Luka Koper, d.d., in the period from 2004 to 2009**



\* Source: Statistical office of the Republic of Slovenia



gs that are in the interest of the Company,

- Covering costs of flue job,
- Care for health and promotion of informal gathering of employees through organised sports and recreational events (recreational activities at lower costs, booking and renting of sports facilities and guided recreation at sports and bowling facility in Koper),
- Utilising holiday facilities at low prices and under special payment terms,
- Organisation of social gatherings on the occasion of celebrating the anniversary of the port's operations, New Year, Christmas presents for children, Ladies day,
- A letter of congratulations from the Management Board at birthdays and New Year,
- Free-of charge participation at cultural, entertainment, and sports events sponsored by the parent company in the locality.

To strengthen employee affiliation we occasionally present employees with various articles with the Luka Koper, d.d. logo such as t-shirts, towels, diaries and calendars.

### Monitoring efficiency of the human resource management

This year we again carried out a survey of employee satisfaction and for the first time we also surveyed mutual cooperation between

individual units within the Group. 83 percent of employees participated in the survey and gave an average rating of 3.66 to mutual cooperation, while PR department was rated the best unit and was awarded special public recognition on the occasion of celebrating the anniversary of Luka Koper, d.d.. This will provide the basis for improving cooperation between the units.

Organisational climate trend is improving as is employees affiliation and satisfaction in the parent company and in Luka Koper INPO, d.o.o. The results were published in in-house newspaper.

In the parent company we carried out assessment of the leading staff by their subordinate staff and also senior members of staff. The average rate was 4.07. The results showed the need to implement clear reporting structure and reduce managing levels. Based on these results, head of units held interviews with the leading staff who received less favourable rates.

424 employees of Luka Koper, d.d., (54 percent which is the highest so far), were included in annual reviews, whereas in Luka Koper INPO, d.o.o. as much as 83 percent of all employees were included in annual interviews).

The best head of the year, exemplary members of staff, the innovator of the year and the best quality team were all awarded public recognition and rewards on the occasion of the anniversary of the port.

The results of our surveys have shown that we are successful at human resource management. Through more consistent implementation of existing practices and compliance with existing systems we shall in future improve our performance even more.



### Communications with employees

Open communication with employees consolidates their affiliation with the Company, increases their productivity and helps achieve business goals. Over the years we have developed a variety of tools which we use to inform employees of the developments in the Company.

LUKANET is the Luka Koper Group's in-house web site which includes, in addition to the latest news, also the mission, vision and strategy of the company, business plan, all the basic information about organisational units and subsidiaries, internal rules and instructions for work, instructions about the corporate image of the Company, daily news from media, archive of photographs, schedule of recreational events and vacations, as well as other important pieces of news. In 2009 we introduced a novelty, »luška klepetalnica«, a forum that allows interactive communication where employees can pose questions, provide recommendations, ideas and comments.

Staff that do not have personal computers are able to access the web site via the Infomat. Urgent messages are sent via e-mail and published on notice boards. Our monthly newspaper » Luški glasnik« is the central printed media providing information about the development and events within the Group.

### Statistical data on interventions at sea

	2007	2008	2009
Number of incidents at sea	51	53	32
Number of interventions by the Sea protection services	39	43	18
Number of incidents not requiring intervention	12	10	14
Number of pollution incidents outside the port's aquatorium	0	0	0

### NATURAL ENVIRONMENT

Ours is the only port in the North Adriatic with implemented quality systems for environment protection, occupational health and safety, safety of foodstuffs and others. Care for the environment and occupational health and safety are integral parts of the Company's management policy and organisational culture. We are aware that our activity affects the wider area and we strive to mitigate the impact by taking relevant measures. By doing this we follow our vision to become environmentally friendly, green port. In future we will ensure that our new investments, equipment and the port's spatial plans comply with the highest ecological standards. As the third company in Slovenia, in 2009 we adjusted our operations to comply with the requirements of

**»We adjusted our operations to comply with the requirements of EMAS – environmental management and audit standards, and thus joined only a handful of other European ports that comply with the standards.«**

EMAS – environmental management and audit standards, and thus joined only a handful of other European ports that comply with the standards. Slovenian Institute for Quality and Metrics has confirmed that the performance of port activities is consistent with the Directive, and we are in the process of acquiring certificate from the Ministry of Environment and Spatial Planning. In 2009 we allocated EUR 2.9 million or 2.5 percent of operating revenue for environmental projects. Information about all important environmental aspects inclusive of data concerning measurements of dust particles and noise pollution are regularly published on our web sites [www.luka-koper.si](http://www.luka-koper.si) and [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si), in the »Luški glasnik« and in media.

In cooperation with some other ports/port administrative bodies (Venice, Trieste, Levante, Pirej, Rijeka, Bar) we, as the proposers, prepared a project of four studies on the use of solar and wind energy, and energy derived from waste and green algae, with the aim of production and utilisation of renewable energy resources and assurance of energy self-sufficiency of ports.

#### Air quality

In Luka Koper, d.d., we conduct regular measurements of air quality. Control measurements of dust sediments are carried out at 10 points

inside the port and 10 on locations outside the port. No legal limits concerning dust sediments are provided in Slovenia, therefore we apply German guidelines which allow annual limit values for total dust sediments of 350 mg/m<sup>2</sup>/day. Measurements taken in 2009 showed our value to be much lower with exception of those measuring points where intense construction work was carried out nearby (extension of pier I). The annual average emission of PM<sub>10</sub> particles (size of up to 10 µm) was 24.6 µg/m<sup>3</sup>, which complies with the legislative requirements. Current (hourly) values are shown on our web site [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si)

#### Impact of noise pollution on the environment

Noise level measurements have been taken since 1998, whereas in 2008 we introduced continuous measurements on three locations which are the port's border points. In 2009 noise pollution levels measured in the direction of the town centre showed a slight decline from 58 to 53 dBA as a consequence of lower volume of throughput and fewer number of ships, as well as on average fewer number of old ships. This readings show that we have surpassed our goal of 58 dBA. At the other two points (direction Ankaran and direction Bertoki), noise levels were even lower.

#### Quality of waste water

Technological waste water gene-



rated in the (technical waste water generated by the port machinery wash, rain water from liquid cargo terminal on pier I, technological waste water from Livestock terminal, and rain water from liquid cargo terminal on pier II,) is purified in our own water purification plants before water is released into sea.

In 2009 we optimised performance of existing small sewage water purification plants. Results from measurement of the waste water quality show that we comply with the set standards. Currently we are in the process of obtaining environmental permit for waste water emissions.

### Use of energy resources and water

We have planned reduction in the consumption of drinking water to 6.0 litres per throughput tonne; however we have not reached our objective as due to changed economic conditions, in 2009 investments were directed exclusively into our core activity. Increase water consumption is primarily attributable to decrepit water supply network and frequent leaks particularly in the south, the oldest part of the port. Electricity consumption was reduced by 4 percent in 2009, and motor fuel by 13 percent owing to lower throughput. Currently we are in the process of setting up our own solar power station and we had hoped to cover 4 percent of our electricity consumption in 2009 by the power produced by the solar station, however, due to changed economic conditions, completion date of the project has been postponed until 2010-2011.

### Waste management

We support environmental awareness by separate collection of waste and recycling of waste. We are very

proud of our achievements as 85 percent of all waste in the port is collected separately, which is 10 percent above the plan.

EACI Agency granted European Funds to our subsidiary TOC, d.o.o. for the CAPT project – processing of waste from paper industry to a highly efficient absorption substance used in clearing water surfaces.

### Sea protection

In accordance with the Concession Agreement for the Administration, Management, Development and Regular Maintenance of Port Infrastructure at Koper Port Terminal, we conducted services related to the prevention and elimination of marine pollution. In the port aquatorium we noted 32 incidents and our sea protection services carried out 18 interventions. In 15 cases pollution was caused by oil spills whereas the other three incidents were caused by non-purified sewage as well as a variety of deposits and drift wood washed down by the Rižana river into the port basin. All those responsible for pollution refunded the costs of cleaning to the Company.

Since the middle of 2009, Luka Koper's Ecological fleet has had three vessels. A new special boat "Galeb", acquired for the cleaning of the water surface was added to the existing "Kormoran" and "Vodomec". In addition to improving our plan of action and communication in the event of sea pollution, we have organised a number of practical drills and trainings, and 10 of our members of staff obtained a certificate issued by the International maritime organization for intervention in the event of sea pollution.

The main criteria of the success and efficiency of interventions is the

**»A new special boat "Galeb", acquired for the cleaning of the water surface was added to the existing "Kormoran" and "Vodomec".«**

speed. None of the pollutions which originated in the port aquatorium have spread outside the port's boundaries. All pollutions were detected, confined and cleaned within the Luka Koper port.

### Impact of illumination

At the end of 2009, 75 percent of search lighting illumination required for uninterrupted performance of work process, complied with the requirements of the decree on limits for light pollution. We have designed a plan under which the complete external lighting will be adjusted to comply with the requirements concerning light pollution.

### Environmental objectives set for 2010

In order to realise the following environmental objectives in 2010, we will:

- Acquire environmental certificate EMAS,
- Reduce emissions of total amount of dust at dry cargo terminal to 470 mg/m<sup>2</sup>/dan,
- Maintain PM<sub>10</sub> values within the port to under 30 µg/m<sup>3</sup>,
- Maintain the noise level at night in the direction of the town of Koper to below 55 dBA,
- Reduce our own consumption of drinking water used in the performance of the port activities to 5.8 l/t,

- Reduce electricity consumption for the performance of the port activities to 1.30 kWh/t,
- Solar power to cover 8 percent of our own requirements,
- Reduce fossil fuel used in the performance of the port activity to 0.20 l/t,
- Maintain the high level of separate waste collection (excluding ship garbage) to above 80 percent,
- Connect half of all septic tanks and small purifying plants to the public sewage system or replace septic tanks with modern small purifying plants,
- Design a concept for the provision of energy self-sufficiency of the port, and
- Adjust 80 percent of search lighting illumination to the requirements for reduction of light pollution.

## THE SOCIAL ENVIRONMENT

### WIDE COMMUNITY SUPPORT

#### Sponsorships and donations

In 2009 we spent EUR 1.51 million for donations and sponsorship, an increase of 8 percent over the previous year. One fifth of total funds were granted as donations, while the rest was used for various sponsorships including stakeholders and individuals who work and live in close proximity to the port.

#### Distribution of funds for sponsorships and donations by area

Donations were granted to the following:

- Charities and associations that care for persons with special needs and to Slovenian Red Cross that provides holiday accommodation for youth and children "Mladinsko zdravilišče in letovišče



- "Rdečega križa Slovenije",
- For the acquisition of a mammogram at the general hospital in Izola, and call system for the old people's home in Koper,
- Fire associations in our vicinity and to the Voluntary Fire Association of Luka Koper, which ensures fire safety in the port and takes part in fire interventions outside the port.

#### Supporting individual and team sports

Majority of funds are devoted to the development of sports. We have supported a large number of amateur and professional sports persons. We have sponsored Špela Ponomarenko, Matjaž Markič and Primož Kozmus. We are the main sponsor

of sports clubs in Koper who bear our name and we continue to be sponsors of the Slovene Olympic Committee.

#### Supporting cultural activities

We are the main sponsors of the Koper brass band. We support associations that conserve cultural heritage and provide financial support for the organisation of a number of cultural events.

During summer months we organised an exhibition of works of arts which we have over the years been purchased from well known Slovene artists, and issued a catalogue "The port through artistic expression". The exhibition was organised in memory of Zvest Apollonij.

#### Since quality of knowledge matters

We support development of educational and scientific institutions and in 2009 we supported the University of Primorska, EMUNI University, Faculty of Economics in Maribor, Maritime College in Portorož, and a number of primary schools in our

**»In 2009 we spent EUR 1.51 million for donations and sponsorship, an increase of 8 percent over the previous year.«**

vicinity. Under the agreement signed with the University of Primorska, we have committed to provide further support and cooperation to the university. In order to support development of maritime activity, we have supported local and international conferences.

**COOPERATION WITH THE WIDER AND NARROWER SOCIAL ENVIRONMENT**

**Contributing to the economical development**

As the only Slovene port and one of leading ports used by the Central and South-eastern European countries we generate wide multiplicative economic effects, which are most clearly visible in maritime and forwarding activities, in the field of rail and road transport as well as in other activities such as trade, banking and tourism. We have participated in the Passenger terminal project in Koper from the very start as this will give considerable boost to the development of tourism in the locality as well as

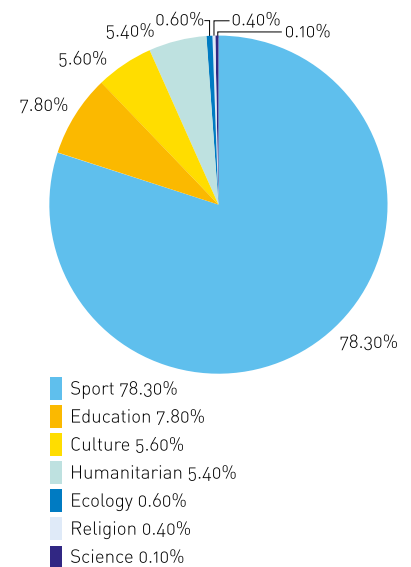
in other places of natural beauty or tourist sites in Slovenia and we will continue to support the project in the future.

**Cooperation with the local environment**

We strive to limit the impact of our activity on the local environment and to this effect we are engaged in a number of environmental activities as described in chapter Natural environment.

We support the preservation of biodiversity and the nature reserve at Škocjanski zatok, which encompasses 122 hectares of Mediterranean wetland bordering on the port and which is of exceptional importance due to its rich fauna and flora. 14 varieties of endangered species of birds which are on the national Red list of nesting birds nest here. By relocating cargo entrance of the port to Sermin, we will redirect some of the traffic which would otherwise flow through the Koper town centre. The entrance with external and internal truck terminal will be accessible from the new road

**Distribution of funds for sponsorships and donations by area**



network constructed between Bertoki and Ankaran.

We presented to the public results of a four-year study of the effect of Luka Koper's activity in terms of pollution and other environmental issues in the bay of Koper, prepared by Leo Šešerko, DSc., associate professor at the Environmental Protection College and Jože Štirn, DSc., a renowned expert for marine biology. Professional measurements and observations, completed in 2009 showed that the largest sea pollutant is the central purifying plant, that air quality in Koper is as good as that in the rural environment in Slovenia, and that higher ozone concentrations during summer months are primarily the effect of traffic. For several years we have carried out public opinion poll with regards to how local inhabitants feel about Luka Koper. In 2009 our research, carried out by an independent agency on a sample of 750 people was widened to include seven instead of four locations of the Municipality of



Koper (Ankaran, Hrvatini, Škofije, Bertoki, Žusterna and Markovec). The results showed that nearly two thirds of participants rated Luka Koper's contribution to the economic development of the Municipality as high or very high, which is similar to the results from the previous year. Environmental results of the survey were not as good primarily due to the fact that the survey was carried out at the same time as the discussion on the national spatial plan and good third of participants stated that environmental pollution is caused primarily by the port, while two thirds feel that Luka Koper's investment in the environment in the form of donations and sponsorships is high or medium high.

### **State spatial planning document in the making**

Following the unveiling of the National spatial plan for the complete spatial regulation of the port in October 2009, there Ministry is currently accepting proposals and comments of the public and communities. This will be followed by supplementation of professional basis, reconciliation by all engaged in its realisation and adoption of the regulation by the Government of the Republic of Slovenia.

According to the information provided by the Ministry of Transport, preparatory work is expected to be underway in 2010 for the construction of two-rail line Divača-Koper. Work is expected to begin in 2011 and should be completed by 2016.

### **Building close ties with our neighbours**

In order to increase the market potential of the North Adriatic port system we signed a letter of intent of future cooperation with the ports

### **»Our socially responsible projects and projects for the preservation of natural environment are presented on our redesigned website [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si)«**

of Venice, Trieste and Ravenna. This was made possible with the establishment of NAPA (North Adriatic Ports Association), whose first chairman for the first six month mandate is Gregor Veselko, DSc., Chairman of the Management Board of Luka Koper, d.d.. One of a large number of initiatives is joint presentation at the Transport & Logistic 2010 fair in Shanghai. In June a new container line was established to the Far East by the CMA CGM and Maersk Line shipping companies. Since November, our port is linked with Mediterranean ports through a regular container line Adriatic Levant Express, provided by the Maersk Line shipping company. As part of the Marco Polo 2 programme, the European Commission adopted a decision to co-finance the project of establishing a shipping link between Koper and Barcelona.

### **Comprehensive information about sustainable development issues.**

Our Sustainable development report for 2008 was named by the newspaper Finance as the best report in the category and we received a special commendation. Slovene Association of United Nations for sustainable development expressed »high level of commitment by Luka Koper for integration of economical, social and

environmental issues in the general business strategy«. Our socially responsible projects and projects for the preservation of natural environment are presented on our redesigned website [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si), where we publish results of dust particles emission measurements and noise pollution levels.

### **Open doors for visitors to the port**

From Monday to Saturday we organise free-of-charge visits to the port for organised groups. In 2009 we recorded more than 17,600 visitors to the port (inclusive of visitors during the open day). An informational booklet Luka Koper – a window to the world« was printed for our youngest visitors – children up to the age of 11, which includes description of the activities and a map of the port .

### **Cooperation with media**

We continue to be open to the wider public. Media questions are addressed promptly and we provide media with up-to-date information of the Company's operations and develop-





gments. Information is also published on our two web sites [www.luka-kp.si](http://www.luka-kp.si) and [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si).

We prepare notifications for media, organise press conferences and invite press representatives to attend important events and visits of dignitaries. In 2009, media attention was focused on changes in the Company's Management Board, impact of the global economic crisis and the National spatial planning document for the port of Koper.

## SUPPLIERS AND CUSTOMERS

In the framework of EFQM business excellence model we strive to maintain and build long-term partnerships with our suppliers. In addition to everyday contacts we have for several years been selecting only the best suppliers and to show our appreciation, every year we organise a special event where we reward the best suppliers. At the end of

2009 we selected best suppliers from four categories: investments, products, technical services and port and transport services. In their deliberations the judges considered a number of criteria such as quality, timely deliveries, prices, fast resolution of complaints, payment terms and environmental policy. The judges awarded high marks which proves the established high quality of our supplier partnerships. The best were awarded public recognition, a sculpture and benefit in the form of a shorter payment terms for 2010.

Our best suppliers in 2009 are:

- Luka Koper INPO, d.o.o., for investments,
- Prototip CC, d.o.o., for technical services
- Metalna – SRM, d.o.o. for products, and
- NEDJO, d.o.o., for port services.

Our partnerships with customers are also based on the principles of excellence. Every year we check customer satisfaction by conducting

## »Every year we check customer satisfaction by conducting a survey of key customers.«

a survey of key customers, and we also monitor their satisfaction at various gatherings or meetings. High level of satisfaction is achieved also through the use and development of various tools such as subpage Port manual and applications E-container and Lunaris.

## BUSINESS EXCELLENCE AND QUALITY MANAGEMENT SYSTEMS

For nearly a decade we have been operating in accordance with the principles of excellence. The following requirements were integrated in our management system:

- Quality system management in accordance with ISO 9001:2008,
- Environmental management system in accordance with ISO 14001:2004,
- Assuring safety of foodstuffs in accordance with ISO 22000:2005,
- The health and safety at work system management in accordance with BS OHSAS 18001:2007,
- NON GMO certificate for handling and warehousing non-generically modified soy,
- SEVESO II Directive on environmental protection, and
- Business excellence models.

Our activities are aimed at the recognition of the needs and requirements of the new standards, obtaining suitable certificates and managing and upgrading the existing ones. In 2009 we applied for the EFQM European award and by being awarded 550 – 600 interval points, we confirmed our position among the best European companies. Adria Terminali, d.o.o. obtained ISO 9001:2008 quality standard related to the management system, whereas at the end of the year TOC, d.o.o. was in the process of implementing the management system under the ISO 17025 standard.

Our ambitious goal of achieving 5 improvements per 10 employees was in 2009 surpassed by 14 percent as we successfully implemented 462 enhancements.



## Contacts

Through reporting on sustainable development in Luka Koper, d.d., and the Luka Koper Group, we provide data and information to all groups and individuals who are integrated with us in our everyday operations. More up-to-date news and information is available on our web sites [www.zivetispristaniscem.si](http://www.zivetispristaniscem.si) and [www.luka-kp.si](http://www.luka-kp.si)

Information is available from our web site or contacts with those responsible for individual departments.

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