



Tatjana Fink, general manager, Trimo

Trimo's statement for the continued support for the UN Global Compact

Trimo's mission is provision of original and complete solutions in the field of steel buildings.

The accomplishment of solutions enables increased effectiveness to our customers, a financially sound company has been built for our owners, potentials of each employee have been developed, clean environment has been preserved for our successors and an environmentally-friendly relation has been established by the support of various activities.

Sustainable development and social responsibility are the fundamental principles of business excellence that is the philosophy of Trimo's operation. We are striving to implement core Global Compact principles in all aspects of our business.

Business excellence has been understood as the achievement of excellent results - e.g. financial, satisfaction of customers, employees and results of social responsibility that are consequences of excellence in leadership, policies, strategies, development and involvement of employees, development of partnership and constant improvement of management of all resources and processes. We are well aware of the fact that our future depends on new creations and innovations. Thereby expectations and requirements of people, the nature and our plant will have to be considered.

Trimo strongly supports knowledge, innovations, life-long learning and constant improvements.

We and our shareholders constantly improve our processes, relations and competences. All these have been developed on the basis of our mutually adopted Trimo values in the molecular organisational culture. In co-operation with our customers, architects and design engineers we jointly search for innovative solutions in the field of complete solutions and the best ones are granted architectural awards.

The Trimo innovation process includes all employees through different research and development projects and projects such as a crazy idea, a basket of ideas and

Trimo improvement of processes / products. Involving different external sources supports open innovation. A yearly invitation to win Trimo international research awards encourages creation of new opportunities in various fields of sustainable development.

We actively participate in the EFQM Pact for constant improvement of business excellence. The EFQM model of business excellence and RADAR serve as the framework for the integration of innovation design and improvement of our operation.

We actively participate in the international associations of Planet Positive and UN Global Compact. These organisations are committed to the maximum environmental-protection awareness of economy and least possible impact of companies on the natural environment.

We face challenges of providing constant sustainable development in times when the business world has to meet completely new »assignments«. We believe and trust that only new knowledge and its integration can lead to the encouragement of innovative thinking and making progress for the future, for us and our successors.

Tatjana Fink, MBA
General Manager

Support of core Global Compact Principles: Detailed support activities and achievements in Sustainability Report.

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Trimo business supports and respects the protection of internationally proclaimed human rights.

Principle 2: Make sure that they are not complicit in human rights abuses.

Trimo promotes consideration for human rights through different activities, projects, learning involving all our stakeholders, including employees, customers, suppliers, partners and owners.

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Trimo supports membership of our employee in different association, interest groups, including trade unions to develop discussions of benefits of labour rights.

Principle 4: The elimination of all forms of forced and compulsory labour;

In Trimo we eliminate all forms of forced and compulsory labour

Principle 5: The effective abolition of child labour

Trimo doesn't employ children nor cooperates with companies that do so. Trimo does not import any sources from countries or areas where compulsory labour is implemented.

Principle 6: The elimination of discrimination in respect of employment and occupation.

Trimo promotes diversity in business, because we are aware that diversity could be a benefit or business as competitive advantage. We promote respect for all employees, regardless of age, religious, sexual orientation or any other dimensions.

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Trimo is sensitive to the environment. Is continually aware of the need to protect the environment for future generations and supporting appropriate environment initiatives.

Principle 8: Undertake initiatives to promote greater environmental responsibility

Trimo undertakes initiatives to promote greater environmental responsibility.

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Trimo's commitment to sustainable development has been a conscious decision from the beginning of Trimo operations and has been one of the main foundations of Trimo's organizational structure and mission. By being socially, environmentally and economically conscious, we contribute to economic and social development. By living our values, such as responsibility, partnership, innovation, passion, reliability and trust, we fulfil our business, personal, community and environmental goals, which are consistent with sustainable development.

Sustainable development brings positive effects to the natural environment, to people - be it employees, business partners or the local and broader community, to economic operation of our company, our suppliers and our customers. By participating in sustainable development, we preserve the balance between social responsibility, environmental responsibility and economic competitiveness.

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Trimo does not accept bribery as a method of work, neither cooperates with companies and people who accept such practises.

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Sustainability report¹

Trimo is an **active co-creator of social, environmental, and economic development** driven by the **conscious decision to operate according to principles of sustainability**. The strong commitment to sustainable development has been present since the early beginning of Trimo's work and is a vital part of the mission and organisational climate of the Trimo Group which is based on values: responsibility, partnership, innovation, passion, reliability, and trust.

Sustainable development brings positive effects to: the natural environment, and to people - be it employees, business partners, or the local and broader community; to the economic operation of our company, our suppliers, and our customers. Trimo ensures a **balance** of natural, social, and business interests **by providing for social responsibility, environmental management, and commercial competitiveness**.

¹ **More information:** <http://www.trimo.eu/company/sustainable-development/for-sustainable-operation/>

Leading with vision, inspiration and integrity

We understand management as an important step on the path towards the sustainable development of Trimo company and the Trimo Group.

The dynamics of changes in the business environment are increasing, which also increases the number of possible ways to achieve goals. **Fast decisions in various operating processes are necessary, which also require many individuals - managers - who can make fast decisions in line with the company's vision and strategic goals.** The success of the company cannot be ensured by employees who merely possess the necessary business competencies. They also have to be genuinely involved in the company and be able to take initiatives. Employees also confirm this as an increasing number of people want to play a more active role in the operating processes. They want to co-create an ethical way of operating that complies with their values. **Management is, therefore, also important for the personal and professional development of employees.**

Management development

The participants of a 2-year management development process created TLAK - Trimo Leadership Alumni Klub. This way we contribute to the development of managers in the Trimo Group. We are aware that management competencies can be used for the growth or manipulation of people. The difference lies in values. That is why we put ethics on the top of our list of values. **Trimo managers are developed to be evolutionary leaders guided by a clear vision and strong values. Trimo wants managers with complete personalities and developed and reasonable, emotional and spiritual intelligence.** Trimo is aware that the role of a manager continually develops and is never be completed. That is why we see inspiration for this in the awareness to complete our mission and develop new ways for cooperation that will benefit the whole community.

Organisational formations for integrating knowledge of the Trimo team

By integrating vision and value we encourage the workforce's transformation into organisational formations that will be capable of linking together the knowledge of the whole Trimo team. Trimo is raising awareness of the fact that we are all part of a system, and we have an effect on it with our thoughts and actions, and the system can affect us. If everyone thinks positively, and searches for opportunities together, then everybody will grow. That is why we organise different meetings to exchange experience, knowledge, and good practice. All participants helped to co-create our strategic conference in 2010, and we organised the conference for managers of subsidiaries in a similar way. This year, we also included persons employed in Akripol into our traditional annual training for all employees.

Together for sustainable development of Trimo

The common thread to activities and meetings during the year was maintaining a clear direction and finding opportunities for renewing a business model focused more on creating increased added value. We worked on the ability to make the

right decisions, in time, in order to direct activities according to market needs. Fast knowledge transfer and a combined search for new ways of operating, which includes all employees in the process, and encourages the creation of new ways of co-operating and developing an organisation, will increase the realisation of new ideas.

Such forms of cooperation will also continue in the future as we are strengthening the awareness of co-dependency, and will be able to realise our mission only when we focus on the same goal as a team.

Creating added value for customers

In Trimo a complete solution consists of building long-term cooperation, a partnership, and mutual trust. We offer loyalty and an open model of cooperation to our business partners.

Trimo's slogan "Complete solutions" is included in every level of our operation. It does not merely consist of expanding the product and service range for the customer, it also presents a specific business model which - unlike numerous other producers of construction material - enables Trimo to offer solutions to customers for a complete range of services - from encouragement to search for ideas, to actual ideas and their development, design engineering, technical support, production, assembly, and servicing.

Management of the complete supply chain gives Trimo a chance to transfer ideas and best solutions and experiences through the whole process back to development and design of optimised initial solutions. This provides a complete solution for the customer, that is also optimal and most favourable.

Trimo has one of the most comprehensive set of certificates and sales permits in this specific marketing segment. Besides from the evidence of compliance with the harmonized standards and the most important signs of quality required by regulation - such as FMA and LPCB - which meet the highest demands made by insurance companies for the most demanding projects, by following stringent requirements of quality control and monitoring², in 2010, we obtained the certification of the SBSC Association,³ which allows the use of our products in buildings that require good anti-theft security.

In quality development, Trimo actively participates in the professional EPAQ⁴ association that offers customers an above standard quality of products and services. We successfully completed the certification process and obtained a mark of an above standard quality for the entire Trimoterm A12T and B12T product families.

In 2010 Trimo company has not been aware of any complaints of disregarding rules, or concerning codes on product and service information or marking.⁵

Marketing

Marketing is aimed at activities that enable efficient implementation of strategic business plans and raise Trimo's reputation and recognition with the target public. Marketing activities are aimed at long-term, two-way, relationships, which

² GRI: PR3

³ Svensk Brand & Säkerhets Certifiering AB (SBSC)

⁴ European Quality Assurance Association for Panels and Profiles (EPAQ)

⁵ GRI: PR4

strengthen the meaning and role of the Trimo brand, and support Trimo's sales and other activities, and ensure products and services enter the market.

Trimo respects the laws, standards, and voluntary codes regarding market communication, including advertising, promotion, and sponsorships. There were no violations of these.⁶

Trimo has not received any complaints on violations regarding customer privacy and loss of customer information.⁷

Trimo has not been imposed with fines for breaching laws and regulations regarding product and service supply and use.⁸

Sales network⁹

Apart from the parent company in Slovenia, Trimo's sales network is also comprised of subsidiaries, representative offices, and agents. Trimo is directly present in 25 European and Near East markets.

Production plants are located in Slovenia (Trimo, Akripol, and Tinde), Russia, Serbia, and the United Arab Emirates. Great Britain, Germany, Russia, Croatia, Poland, Spain, Italy, Romania, Bulgaria, Bosnia and Herzegovina, and Macedonia are represented by Trimo through sales companies. Trimo also spread their operations through representative offices (two representative offices in Slovenia and one in the Czech Republic, Hungary, Slovakia and Austria). In developing recognition of the corporate brand and sales of products, we also co-operate with agents in the Netherlands, Greece, Turkey, France, Lithuania, Macedonia, Switzerland, and Algeria. In 2010 Trimo expanded the sales network mainly by establishing new sales partnerships.

It is with our direct presence that we react to the dynamic and unpredictable global environment. We are always searching for new opportunities and challenges. Sharing processes and knowledge with Trimo's sales network staff (external and internal training, annual sales network meetings, round tables, portal Trimonet) is a means of caring for its good organisation, connection, and solidarity. It is also a way of establishing cultural dialogue, and updating the local representatives on new products, results, guidelines, and the developed strategy.

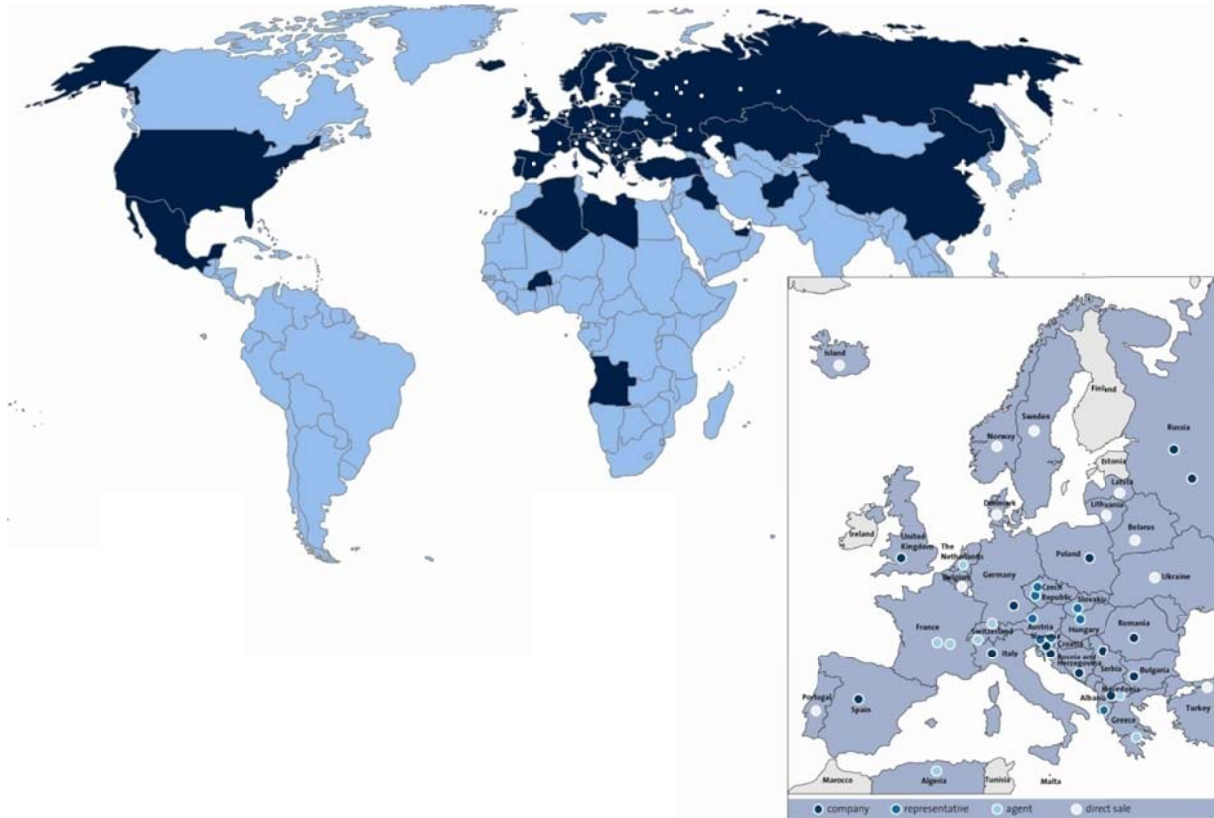
⁶ GRI: PR6, PR7

⁷ GRI: PR8

⁸ GRI: PR9

⁹ GRI: 2.5

Picture 1: Sales network



Sales of new products

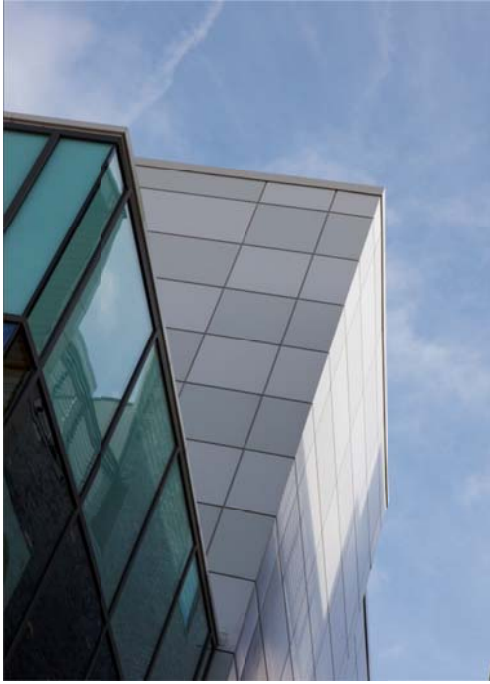
New products have an important contribution to sales growth, acquisition of new customers, and entering new markets. They are both the driving force for development and part of the result of innovative solutions, approaches, and concepts in the company.

The new modular system Qbiss One¹⁰, and the facade panel with hidden joint, Trimoterm Invisio, were the most frequently sold products in 2010.¹¹

¹⁰ GRI: 2.2

For more see section 'Adding value for customers': 'Development of new products', and www.qbiss.eu.

¹¹ The second most important program of new products are the kindergarten facilities made from Trimo's modular units. These are suitable for kindergartens and schools due to their flexibility and dynamics and enable a fast solution in the case of space shortage. Kindergartens and schools built from modular units also ensure the necessary comfort for children, teachers, and parents. For more on Trimo's modular units see <http://www.trimo-modularunits.com/>.



Bury shopping centre in Great Britain with Qbiss One envelope

Trimo successfully developed and implemented new products, as well as innovative solutions for individual customers.

Our partners¹²

The system of complete customer relationship management has been installed, and regularly upgraded, for 11 years. We achieved satisfaction and loyalty of stakeholders by segmenting all public groups, relevant to Trimo, and introducing relations, and organising work processes, tailored to their needs.¹³

We develop relations and long-term partnerships with all stakeholders. We invite architects, junior researchers, and staff to participate in generating new ideas, a process that takes place simultaneously in various parallel channels.¹⁴

In the Trimo Group, we are aware that a satisfied customer is an important factor for our effectiveness, so we steer our activities towards increasing customer satisfaction and meeting customer expectations.

Our relationships with strategic customers, investors, and authorised contractors are cultivated by business meetings and presentations of an informative nature. By organising training sessions throughout the year, and regular yearly meetings, we develop inter-personal relations and enhance satisfaction.

Communicating with customers¹⁵

The Trimo Group acknowledges that market communication activities aimed at goals are vital for achieving the company's business goals. In 2010, market

¹² GRI: 4.16

¹³ GRI: 2.7

¹⁴ More information in the section: Developing innovation and creativity.

¹⁵ GRI: 4.16

communication helped strengthen and raise brand awareness and reputation, ensure faster market penetration of products and services, and support Trimo's sales and other activities.



The Wind Pavillion, modular façade system, Qbiss One, presented at Milan Design Week.

In 2010 Trimo performed the following activities:

- Organisation of business and specialist presentations and training for its target audiences, such as architects, designers, investors, assembly personnel.
- Organisation of an international competition: the 9th Trimo Research Awards¹⁶.
- Participation in specialised trade-fairs and congresses in construction and architecture.
- Publication of scientific papers and advertisements in 18 countries, that is, in 117 different media specialized in architecture and construction.
- Publication of the magazine Informa;¹⁷ this being its 10th year of publication in key markets.
- An improved online presence with 6 new websites and language versions.¹⁸
- ¹⁹Four promotional videos were made.
- Trimo cooperated with the Slovenian industrial designer - **Nika Zupanc** - within the temporary Museum of Modern Design, in Milan, and presented itself with modular. facade system Qbiss One.

¹⁶ More information: Nutruing creativity and innovation

¹⁷ Trimo keeps their key groups of customers informed about new products and services, and presents projects constructed with Trimo products. More information at: <http://www.trimo.eu/catalogues-and-tools/informa-magazine/><http://www.trimo.si/katalog-in-pripomocki/revija-informa/>

¹⁸ We launched:

Regional websites: www.trimo.hu, www.trimo.ie, www.trimo.mk, www.trimo-deutschland.de

Websites on products: www.qbiss.eu/ru, www.qbiss.eu/pl, www.modularni-vrtec.si, www.modular-kindergarten.com

We renewed the website for the competition Trimo Urban Crash: www.trimourbancrash.com.

¹⁹ We created videos on products Qbiss Air and Trimo modular kindergartens, demonstration videos on Trimo competitions, and promotional film under the title Robot for an automatic assembly of panels.

- Target customer groups were informed via mail of news of the product program.

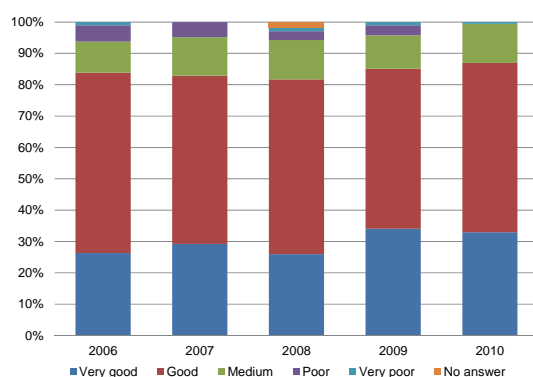
Customer satisfaction²⁰

We have been assessing customer satisfaction, according to key groups, for several years, namely for:

- large customers,
- container customers, and
- architects and designers.

Trimo knows that satisfied and loyal customers are not just long-term partners - they also provide word-of-mouth marketing, and that is why Trimo measures the effectiveness of this market communication strategy. Trimo performs activities to improve satisfaction based on analyses of satisfaction measurements and personal interviews with customers; and creates increased added value for the customer through the process of improvements.

Graph 1: Customer satisfaction with the Trimo brand, 2006 until 2010



The general assessment of customers for 2010 is high, with 87 percent customers of the opinion that their cooperation with Trimo was good or very good.

For the key advantage of business co-operation with Trimo, customers pointed out product quality, and technical support.

Research and development activities

Despite the economic crisis in 2010, research and development activities still had an important role in Trimo's business strategy to ensure competitive advantage and create added value for our customers.

Investments in development remained at a similar level as 2009. The economic crisis still had an influence on the range of development projects, which made us

²⁰ GRI: 4.16, PR5

even more focused on those with added value, fast market entrance, and the best ratio between required investments and return.

Our mission in 2010 - providing original and complete solutions in steel buildings - was also achieved by expanding the culture of innovation in Trimo, and strategic investment into development.

Sustainable development is a key component of the development strategy

Development activities in the field of sustainable development, and related responsibility for a sustainable future, remain a vital part of our development strategy, especially in the form of an important addition to our range of products and commitment to create complete solutions for our customers. Further cooperation in the associations, Planet Positive and UNGC, shows our continued clear commitment towards realising sustainable construction of modern buildings and sustainable operations.²¹ This way we are also abiding by the UNGC principles on a preventive approach to environmental issues, encouraging increased responsible environmental management, and developing and expanding environmental-friendly technology.

The development of new products and technologies is based on sustainable development by protecting the environment and nature. Safety and environmental references are considered in developing products, systems, and technology.

Development of new products

New products present an important contribution to sales growth, finding new customers, and entering new markets. They are an important tool for differentiating and avoiding competition in prices in times of recession. They have been an integral part of the business strategy of Trimo company and Trimo Group, for years²² and are our driving force for development and result in innovative solutions, approaches, and concepts; thus developing a culture of innovation. We are successfully developing and realising new products as well as personalized project development solutions for individual customers.

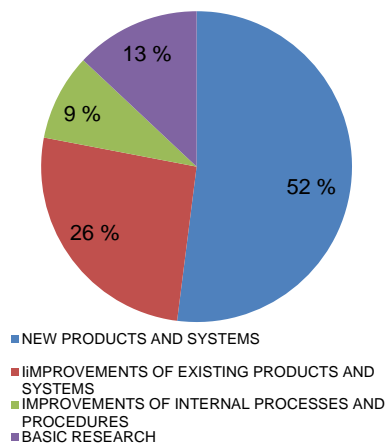
Development projects in 2010 and 2011

In 2010, the structure of development projects included more than 50 percent of development assignments in new products and systems, in accordance with the long-term strategy. In the past year, we maintained a high share of product improvements with the purpose to find new market opportunities and quickly adapt to customer needs. The share of process improvements decreased, while the percentage share of basic surveys slightly increased.

²¹ More on sustainable development as a vital component of Trimo's development strategy in Trimo's Annual Report for 2008.

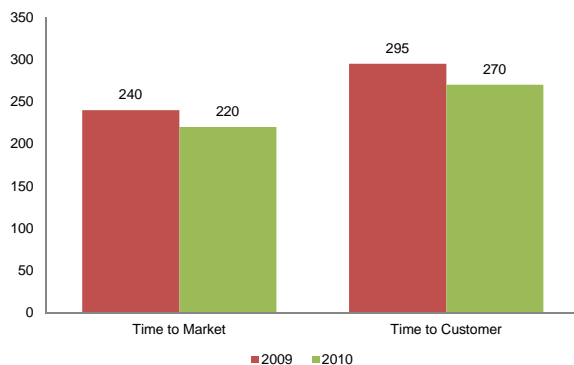
²² See previous Annual Reports - 'development of new products and services', and 'development strategy (2001 – 2009)', sections.

Graph 2: Structure of development tasks in 2010



Development of new products, technologies, and processes are managed according to the project approach.²³ In 2010 16 larger development tasks, and several smaller development projects, and preliminary development tasks, were active. The success of a development task and consequently the development of new products, depends on shortening the process from the start of development to marketing new products. This has become especially important during economic crises. New approaches, new work methods, and focusing on key development tasks, has helped us shorten the average time needed for development tasks in 2010.

Graph 3: Comparison of duration of development tasks in 2009 and 2010 in days²⁴



In 2010, for four development projects and the study of early stage researchers we received funding of 1,064,449 €²⁵ through various calls for applications.

Qbiss One²⁶

In 2010, the modular façade element Qbiss One was supplemented by a new version, Qbiss One F²⁷, which is a smooth façade with minimalist joints. This new element convinced architects at **Foster+Partners**, one of the most prominent architectural firms, to use the new Qbiss One element at the construction of the

²³ For more see: Trimo Annual Report for 2008.

²⁴ TTM: time-to-market, TTC: time-to-customer.

²⁵ GRI: EC4

²⁶ GRI: 2.2

²⁷ More information at: http://www.qbiss.eu/data/dat/Qbiss_One_brochure_English.pdf

new manufacturing plant of the prestigious McLaren Company. This proved that Qbiss One F is a highly-aesthetic and multi-functional façade system, aimed at the most common reference buildings and most demanding customers.

We finished several projects that will have an impact on their surroundings through its façade.

E-construction site and e-technology used in assembly

E-construction site and e-technology used in assembly are development projects which introduced elements of modern e-communication and information technology to the field of monitoring and managing the construction process and assembly. These projects helped us achieve control and information management throughout the process. They enable us to achieve our main goals, i.e. to speed up construction, and ensure a more efficient assembly.

New hidden joint

In early 2010, we completed the development of a new generation of invisible joints that have higher load-bearing capacity, optimized details, and improved aesthetics. Throughout the year, this was one of the best-selling Trimo products.

Products from the Trimo EcoSolutions family²⁸

Development of new products, solutions, and technology was also implemented in 2010 towards developing new solutions that can contribute to increasing the energy efficiency of modern buildings. This year we also continued with developing and marketing the Trimo EcoSolutions product family, which offers sustainable solutions for modern sustainable construction and architecture of buildings.²⁹

The adoption of the new Slovenian Rule book on efficient energy use in buildings (PURES) and similar trends in Europe gives us even more possibilities to use alternative energy sources.

In this year, we mainly expanded the range of solutions of integrated solar systems that uses both photovoltaic systems as well as solar energy collectors, and recuperator units. We developed a solution for off-grid installation of photovoltaic cells. Highly efficient, hybrid, solar system includes the development of a system enabling use of solar energy that satisfies even the most demanding customers with its versatility.

In the development of **highly insulated thin-layered panel**, on the basis of insulation element developed by the CBS Inštitut, we developed a system solution which will be in 2011 presented as a highly efficient, and flexible façade system, with high thermal insulation.

The CBS Institute is part of the Trimo Group

For more than 5 years the CBS Institute has been a part of the Trimo development story for complete construction solutions.³⁰

²⁸ GRI: EN26

²⁹ More on Trimo EcoSolutions product family: Trimo's Annual Report 2008. In January 2009 we introduced the new products of the **Trimo EcoSolutions** family at one of the largest international construction fairs Bau in München – the products **Trimo EcoEnergy** and **Trimo EcoClean**.

³⁰ More information in: Important business events in subsidiaries in 2009 and Trimo's Annual Report 2008.

Plans for 2011

In 2011 we will continue with development projects for active building envelopes and sustainable development, including the use of alternative energy resources in building envelopes and environmentally friendly, energy-efficient, construction solutions; and new materials emphasising high insulation, sound and fire-protection, and expanding the range of solutions for the 'Qbiss' brand.

We are developing products at a higher technological level

In 2010 we continued to focus our knowledge into developing new (complex) products at a higher technological level. This includes solutions for new products of the Qbiss family.

Tests required on the products's health and safety effects are done during the product and technology development stage, in production and assembly, under conditions for corrosion, which are provided for the customer.³¹ In 2010, we met all legal requirements in this area.³²

³¹ GRI: PR1

³² GRI: PR2

Important business events of subsidiaries in 2010

	Trimo's subsidiaries	Key business events in 2010
PRODUCTION SUBSIDIARIES	Akripol, d.d.	<p>We started investing in a new line Nanoglas to produce cast acrylic plates- which is to be completed in 2011.</p> <p>We developed and produced the first highly insulative skylight (VISS) and a lightstripe with a middle scale made from a chamber polycarbonate defined by better insulation characteristics nad higher resistance to hail and other weather conditions.</p> <p>We finished the first commercial projects.</p>
	OOO Trimo VSK	<p>We gained official confirmation for our status as a reliable partner by acquiring the certificate from the Russian chamber of commerce and industry.</p> <p>We joined the organisation Non-commercial partnership the "Construction Association, Vladimir region", and the "Project Management Association, Vladimir region."</p> <p>We started the merger of Trimo Story Engineering to the company Trimo VSK.</p> <p>We started supply to Turkmenistan, Kazakhstan, and Moldavia.</p> <p>Important projects: we were directly involved in designing and constructing the camp for the Russian oil company at the far north; we implemented the complex project management and assembly of the Obi-Ekaterinburg project which includes Qbiss One elements , steel construction, and Trimoterm panels. We supplied Trimoterm panels, corner elements, adn decorative profiles for the shopping and entertainment centre in Ryazan. We developed mutual cooperation with strategic suppliers and banks.</p>
	Trimo Inženjering, d.o.o.	<p>Compared to 2009 we more than doubled our revenue.</p> <p>We strengthened cooperation with existing, and created long-term relationships with new partners.</p> <p>Important projects: production plant Fiat automobile Serbia (Kragujevac), production plant Yura (Niš). Two shopping malls Roda, Mercator (Bačja Topola and Leskovac), production plant Foddland (Brus), warehouse Aquacom (Gradac), and warehouse and meat processing plant Koteks (Surčin).</p> <p>We introduced a number of changes in the production process: we started testing which will enable use to produce a new type of panel with synthetic insulation of a higher fire-resistance class; we introduced a new way of cutting trapezoid mineral wool which will save eight percent of the raw material; we reduced waste.</p>
	Trimo UAE FZE	Important projects: camp for the oil companies Petrojet

	Trimo's subsidiaries	Key business events in 2010
		(Algeria) and Lukoil (Iraq), camp for ICS (Djibouti), camp for the Swedish army, Free Zone (Al Hayl), Ajman University (UAE).
	Tinde, d.o.o.	We acquired the Slovenian technical permit (STS). We cooperated on the biggest project in Slovenia in 2010 - building the sports stadium and hall Stožice in Ljubljana - with the sale, production, and assembly of Pirofax products for fire protection of breaktroughs for machine and electrical installations.
AFFILIATED SALES COMPANIES	Trimo Građenje, d.o.o.	We were focused on marketing the modular façade system Qbiss One. Important projects: Supernova (Zadar), AvenueMall (Osijek), shopping centre Arena (Zagreb), PharmaS (Popovača), and logistics centre Agrokor (Dugopolje).
	Trimo UK Ltd.	We received an order to supply Qbiss One F elements for the modern production centre McLaren located near London. The project was designed by the worldwide acknowledged architects Foster + Partners. In Great Britain we implemented the first ArtMe project. We designed the complete envelope of the new building for visitors of the Discovery in the prestigious Jodrell Bank Centre for Astrophysics - home of the famous Lovell telescope.
	OOO Trimo RUS	Important projects: air control centre at the Vnukovo airport and storage and office facilities centre Russki Standard.
	Trimo Polska Sp. z. o.o.	We implemented the first Qbiss One projects in Poland: Ostrovia, AGH, and PGE Arena. We implemented the project of an underground gas station with one of the leading construction companies - PBG. We received the TOP Builder Award for ArtMe.
	Trimo Italia S.r.l.	Important projects: high-rack warehouse for Ferrero (Alba), exhibition space for the largest producer of helicopters August Westland (Mestre), and high-rack warehouse for Spendrups (Grangersberg).
	Trimo Bulgaria OOD	We received an order for the first Ikea shopping centre in Bolgaria. We supplied and assembled the first Qbiss One elements in Bolgaria on the MarinyStyle textile factory project. Other important projects: MallRusse, and the chocolate factory Prestige 96.
	Trimo DD Iberica de paneles industriales s.l.	Important projects: Haribericas XXI, Vialia, and Airbus.
	Trimo BH, d.o.o.	Important projects: Raiffeisen archives (Sarajewo), Robot (Prijedor), and Bosanka (Sarajewo) and Podravka

	Trimo's subsidiaries	Key business events in 2010
		(Široki Brijeg) warehouses.
	Trimo Makedonija dooel	We successfully proceeded with the implementation of the largest project in Trimo Group's history - that is the project Socomak in Bitola.
	Akripol Zagreb, d.o.o.	Important projects: logistics-distribution centre Dugopolje, factory of artificial fertilisers Vukovar, Tromont (Čaporice), Lumini (Varaždin), Konzum Maxi (Split), and ALCA (Sinj).
	CBS Inštitut, d.o.o.	In 2010 we produced the first element on the test line of the façade system which is the result of joint research&development, and technologic activities of the CBS Inštitut and the Trimo company. We invested in an international and Slovenian patent registration. We actively participated in the activities of the Slovenian Green Building Association.

Nutruing creativity and innovation

Creativity and innovation is encouraged with all stakeholders. The best are awarded; and their inclusion in our business processes builds partnerships for long-term and sustainable development.

In 2010, Trimo received one of the most prestigious awards in industrial design - Red Dot product design award, as the only company in the field of fire-resistant roofs and facades. We received this award for our ArtMe product.³³ In 2010, our modular façade system Qbiss One received a gold award for Best Innovation in 2009 from the Slovenian Chamber of Commerce.

Trimo Research Awards

In 2010 we organised the 9th Trimo Research Awards³⁴ event, and gave 61 awards, which is the highest number so far. From 2001 to today we have awarded 347 students, from 47 universities, in 11 countries. Almost a quarter of all award-winners still cooperate with Trimo in some way even after the award-ceremony.³⁵

Trimo Urban Crash

In 2010, we took care of the preparations and announced the call for applications for Trimo Urban Crash³⁶ which will be completed in 2011. We managed to attract a large number of new faculties and professors, and convinced some of the most renowned international experts and professors to participate in the jury. Trimo Urban Crash is thus becoming one of the most prominent European awards for the students of architecture.

Internal tools and processes for encouraging ideas³⁷

As well as the methods described above, intended for collecting ideas from external partners, Trimo also uses other ways for collecting ideas, aimed especially at staff within Trimo company and the Trimo Group, such as: The Boldest Idea,³⁸ Idea basket, TIP, Cooperate with us, and Proposals within the process of collecting ideas for the annual plan on development tasks³⁹.

In 2010 we announced the 8th opening for the Boldest Idea competition. The award - a VIP visit of the Cirque de Soleil show, one of the world's most innovative

³³ More information: <http://en.red-dot.org/>

More about awards in Trimo's Annual Report 2010 under 'Acknowledgments and awards'.

³⁴ More information: Trimo's Annual Reports from the year 2001 up to the year 2009, and www.trimo-researchawards.com.

³⁵ More information: <http://www.trimo.si/mediji/porocila-za-javnost-66/?y=2009&m=05> (Trimo awarded 54 best research awards and presented a discussion on »Economy, Science, Education – each on its own or all in the same direction?«)

³⁶ More information: www.trimo-urbancrash.com

³⁷ More information: Managing by processes, Trimo improvements of processes (TIP)

³⁸ More information: Trimo Annual Reports from the year 2001 up to the year 2009

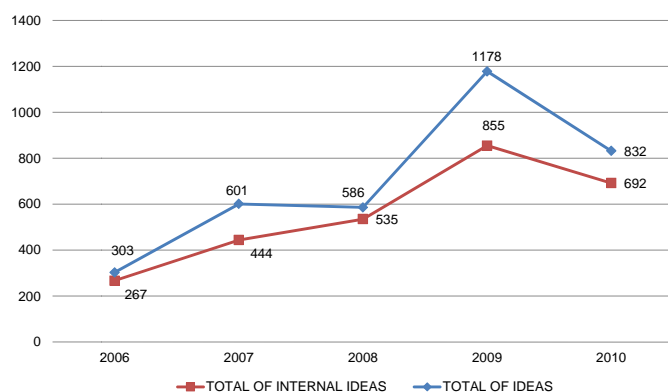
³⁹ More about collecting ideas: Trimo Annual Reports from the year 2001 up to the year 2009

companies, went to our colleague, since he proposed a different use of our products.



Wilderness survival training for the winner of The Boldest Idea 2009

Graph 4: Growth of the number of ideas according to years



Trimo Architectural Awards and Trimo Urban Crash are biennial competitions. In 2010, the prizes were thus not given to anyone.

Patents, model protection and brands

Trimo has 13 patents in Slovenia. Abroad, 5 patent families are protected in 10 countries, and 2 patents are still in the process of being protected. Trimo has 11 brands, and 2 models protected.

In 2010, the Trimo Group encouraged innovation and protected intellectual property. Not only Trimo Company, but also CBS Inštitut and Akripol were involved in application for patents and protecting trademarks.

At the end of 2010, the Trimo Group has 13 brands and 13 patents protected.

Succeeding through people⁴⁰

We believe that only co-ordinated activities can help us achieve our common goal, and a successful company is built by responsible, eager, and successful individuals. Our operations are guided by long-term social responsibility towards people and the environment.

Our operations are guided by our values⁴¹ based on high ethical standards, respecting human rights⁴² and each individual as a free-thinking person. In that way, every person can express their full potential in accordance with their capabilities and interests.

Our growth in the development area is aimed at developing high-tech products and technologies. From a geographical perspective our operations are strong in Europe and the wider environment.⁴³ This demands that we ensure the necessary competencies for our current and future company and Group development needs, in employee management.

As we enter different cultural environments we are aware that we not only have to understand business opportunities, but primarily understand and respect the ground values of these different environments and adhere to the principles of human rights.⁴⁴

We respect human rights and the employment standards contained in the United Nation Global Compact⁴⁵ and Global Reporting Initiative⁴⁶ in our operations. We develop processes in employment management in accordance with the recommendations and best practices described in the EFQM⁴⁷ model.

In 2010, our generally established recognition as a good employer was increased since we were ranked among the seven best employers in the class of large companies at the Golden Thread project made by the Slovenian newspaper 'Dnevnik'.⁴⁸

Employee distribution and categorisation

The personnel structure for employees is adapted to the strategic needs of the company, and that is why we employ and develop colleagues in the **department for development, management of engineering projects, and international sales.**

⁴⁰ GRI: 4.16

⁴¹ More information in the section: Introducing Trimo company and the Trimo Group; Vision, mission, values; and in the Annual Report for 2008.

⁴² We are members and co-founders of the Slovenian United National Global Compact (UNGC).

⁴³ See Introduction of the Trimo Group.

⁴⁴ More information: Assuming responsibility for sustainable future. UNGC principles.

More information: Assuming responsibility for sustainable future. UNGC principles.

⁴⁵ More information: Assuming responsibility for sustainable future, UNGC Principles.

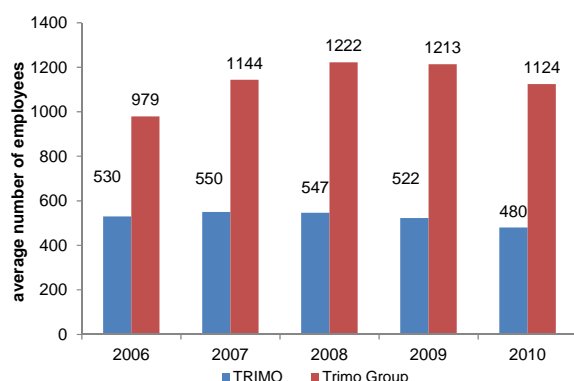
⁴⁶ See section: GRI evaluation

⁴⁷ More information at: www.efqm.com.

⁴⁸ More information in this Annual Report: Organisational climate and employee satisfaction

The operations of Trimo company are expanding to associated production and sales companies in Slovenia and other countries. In 2010 there were an average of 480 employees in the parent company, and 1124 employees in the whole Group.

Graph 5: Fluctuation of average annual number of employees for Trimo company and Trimo Group



By the end of 2010 the employment structure in the parent company consisted of 93 percent of staff on permanent contracts.⁴⁹ A 70 percent share of the workforce in Trimo company is male, and 30 percent is female. In the management structure the percentage of women is higher. In the Group the ratio of male to female is the same as in the parent company. Due to the type of our work, we employ mainly technical skills, primarily dominated in number, by men.

The average age of Trimo employees is 40. In 2010 staff turnover in Trimo was 13.1 percent, in the Group it was 23 percent.⁵⁰

Staff on fixed term contracts have the same rights as staff on permanent contracts⁵¹ in company Trimo. These rights are established in the working agreement, but do not include extra pension insurance for fixed term contract staff.

Employees in the Group have the same rights as employees in the parent company, with regard to the local Employment Acts, which comply with non-discrimination principles,⁵² freedom of association, collective agreements,⁵³ prohibition of child employment,⁵⁴ and various forms of prohibition of forced or mandatory labour.⁵⁵ In employing and managing people in other cultural environments we have to pay special attention to the human rights of indigenous populations and learn about their cultural customs and habits, to prevent a breach of their basic human rights⁵⁶ from our lack of knowledge.

⁴⁹ GRI: LA1

⁵⁰ GRI: LA2

⁵¹ GRI: LA3

⁵² GRI: HR4

⁵³ GRI: HR5

⁵⁴ GRI: HR6

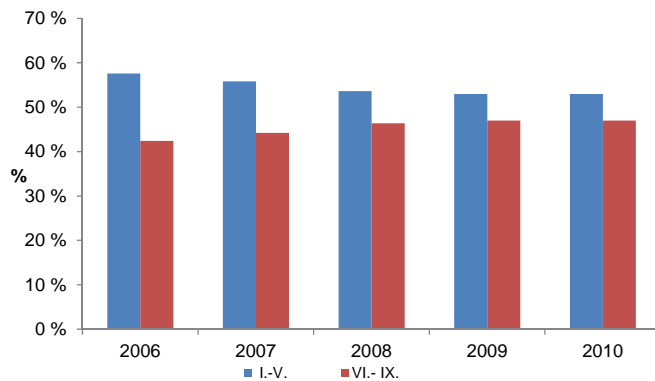
⁵⁵ GRI: HR9

⁵⁶ GRI: HR9

Qualification structure

The qualification structure of employees in Trimo is gradually improving. As of 31 December 2010, 47 percent of employees had level 6 education, or higher. We employ people with comparable levels of education within vocational groups.

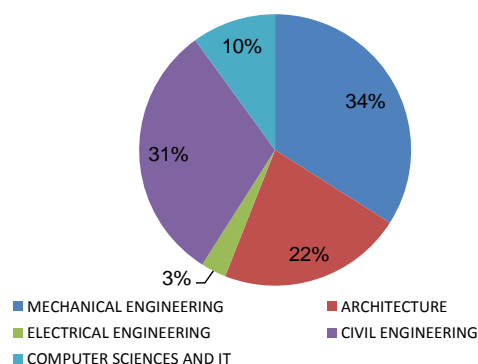
Graph 6: Educational structure in Trimo company according to education level in percent



Attracting and selecting suitable employees

Scholarships provide the personnel department a method for attracting necessary staff, especially from the technical sectors (civil engineering, construction, architecture, electro technology, information technology). Scholarships are awarded to students on under-graduate and Master's courses, studying in Slovenia and abroad. In 2010, Trimo company supported a total of 32 students.

Graph 7: Scholarships by area in percent



Scholarship holders are enabled to have summer and obligatory training; we also offer professional help by mentoring them in seminar papers, Diploma papers, and Master's dissertations. **Scholars also receive funding for language courses during their study period to enable faster inclusion into international processes within the Trimo Group after they complete their studies.**

We establish contact with students through the Trimo international Research Awards competition.⁵⁷

Development of employees' competencies

Employees' competencies are systematically upgraded in accordance with the strategic directives of the Trimo Group and the established needs of employees for managing processes in the demanding global environment. The starting point for developing employee competencies is not only mastering expert knowledge in individual areas, but it also includes a developed competencies model⁵⁸ and Trimo values.⁵⁹

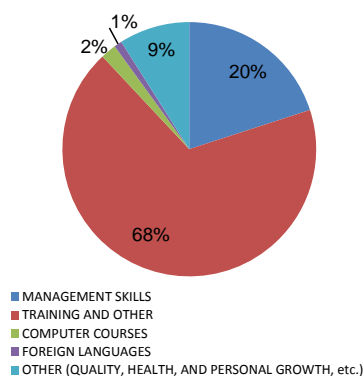
In 2010 Trimo performed 82 percent of Trimo dialogues.^{60 61}

Trimo has included the whole team into the training process. In 2010 we spent an average of 23 hours on training.⁶² Training Plans for employees were prepared using strategic points for competencies development, which was improved with proposals from Heads of departments and employees, as established at the Trimo 2-way meetings.

An important area that we paid special attention to - due to more challenging market conditions - was raising employee competencies in sales. Besides trainings and workshops, this area will continue to develop especially in the direction of individual coaching workshops.

Colleagues also trained in various specialised areas, management, computer courses, language courses, quality, health, and personal growth.

Graph 8: Training in Trimo company by area in percent⁶³



In Trimo company over 91 percent of training is organized internally, with internal or external trainers. Other training is external, organised in Slovenia or abroad. Employees participate in different trade-fairs, conferences, and symposiums, where they frequently give talks and presentations.

⁵⁷ More information in the section: Nurturing creativity and innovation; Trimo Research Awards

⁵⁸ More information in Trimo Annual Report for 2008.

⁵⁹ More information: Vision, Mission, Values

⁶⁰ More information in Trimo Annual Report for 2009.

⁶¹ GRI: LA12

⁶² GRI: LA10

⁶³ GRI: HR3

Colleagues are increasingly encouraged to engage in e-learning.⁶⁴ In 2010, we implemented trainings via WebEx for the first time and had 19 trainings for our colleagues in subsidiaries abroad.

In 2010 we also did traditional training for all employees in which the General Manager and members of senior management present the Trimo Group's strategic goals for different departments. The goal of the above-mentioned training is to introduce employees to global business conditions and changes that need to be made, in order to achieve Trimo's strategic goals.

Trimo employees are encouraged and financially supported to achieve higher education levels. In 2010, 21 employees were enrolled in study programs with Trimo's support.

Some staffing processes developed in the parent company are gradually transferred to companies within the Group. We are gradually introducing Trimo dialogue and work atmosphere assessment.

We developed a one-week training program in Trimo company for training new employees on the market net. In 2010 we implemented 4 introductory training programs for new employees on the market net.

We organised 5 large training events (Trimo Group Management Meeting, Market net meeting, Qbiss conference, Qbiss training, and 10 Trimo CRM trainings) for sales staff on the market net.

We implemented an internal competition, Gazele, to encourage sales achievements; we gave an award to the best sales person, the fastest-growing market, and the best sales team.

Trimo uses the Trimo competencies model in developing competencies.⁶⁵

We discover employees' potential through their achievements, expressed ambition, and invested energy for developing their career path in areas of interest to Trimo. We enable employees to take advantage of additional training, mentoring, coaching, and the increasingly demanding business opportunities, to gain the required experience for assuming work positions with more responsibilities.

The basis for employee rewards and promotion is increased gross added-value per employee, and an individual's contribution to achieving the targets. Men and women have the same options for promotion in all departments and work positions. The senior management structure of Trimo includes 45 percent women, and the board is chaired by a woman.⁶⁶

Employee's salaries and other benefits

We have been keeping fair ratios of salaries and benefits for employees and specialist groups at different levels. The system monitors results achieved - that is,

⁶⁴ More information: Annual Report 2009

⁶⁵ Competencies include knowledge, skills, and motives. Trimo's model of competencies presents skills.

⁶⁶ GRI: LA13

the contribution of an employee to the added value and successful operation of the company. Tariff classes of the collective labour agreement are considered when assessing the ratios for starting salaries; basic salaries of employees are higher than starting salaries. There is no differentiation between men and women in salaries; they are set according to the same measures⁶⁷.

The starting salary for business executives depends on the average salary, according to the collective labour agreement, which ensures mutual dependence in raising or lowering salaries.

The average gross salary in Trimo company in 2010, was 1,898 €; the Slovenian average was 1,491 €, the average in the sector was 1,287 €.

We paid holiday allowance to our employees in accordance with the collective labour contract of operations, and a bonus of 100 € for those who did not take any sick leave in 2010.

Care for health, safety and well-being of the employees

The health of employees is an important area to which we pay much attention by implementing various activities for improving work conditions, organised sports, and social activities.⁶⁸

In the Trimo Group we ensure a safe and regulated work and natural environment to stakeholders.⁶⁹ **Every company in the Group is committed to ensuring the necessary resources (personnel, finance, etc.) for a safe and healthy system of work operation, and to implement health and safety measures at work that prevent the risk of injuries and health problems.** We ensure the necessary notification of employees; we introduce instructions, organise work as regulated, and ensure work conditions for a safe and healthy work-place.

Sick leave

In 2010, total sick leave was 4.51 percent, an increase of 1.13 percent points compared with last year. This is mainly due to sick leave during pregnancy (0.53 percent), and some long-term illnesses.⁷⁰

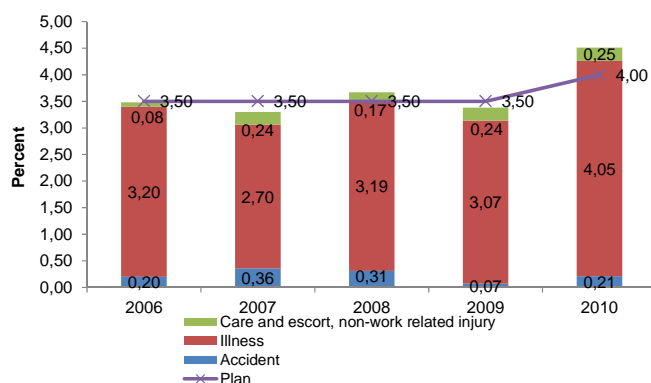
⁶⁷ GRI: LA14

⁶⁸ In accordance with ISO 14001 the Board appointed an agent to manage environmental protection, safety at work, fire safety: Danijel Zupančič, MSc, who is otherwise the Deputy General Manager for the Technical Sector. An environmental safety team was also appointed for specialist and operative support. It is comprised of specialists from individual sectors (safety at work, dangerous substances, human resources, natural resources, energy, etc.).

⁶⁹ These are employees, customers, suppliers, and visitors.

⁷⁰ More information: Annual Report 2009.

Graph 9: Sick leave in Trimo company by year, and causes



Safety of the employees

In the Trimo Group, we take care of the safety and health of our employees by reducing risks, improving working conditions, supervising the compliance with the rules of safety and health at work, and monitoring indicators and measures to reduce or prevent occupational injuries.

Trimo's⁷¹ environment and security policy recognises a clear commitment to a healthy and safe working environment which is also expressed in the declaration by the Management Board on Health and Safety at Work. Trimo also implements a health and safety at work program using a systematic and transparent method in accordance to the principles of the standard OHSAS 18001⁷².

The work program for 2010 was dedicated to reducing risks from accidents at work, and a healthier way of life for employees. Smoking is not forbidden only in Trimo company, but also in some subsidiaries. This enables us to lessen the number of smokers and promote a more healthy way of life. Important indicators, the severity of injuries and sick leave as a result of accidents at work, are achieved in accordance with our objectives.

Important activities performed in 2010 include:

- training of works council members,
- revision of Regulations on allowances for special burdens at work, adverse effects of environmental and occupational risks, adverse environmental effects, and occupational risks in Trimo company (coordinated with the trade union and works council),⁷³
- revision of shortened versions of safe work instructions, and some processes that are connected with ensuring safety at work,
- revision of risk assessment with a statement on safety (coordinated with the trade union and works council)⁷⁴
- employee access to the intranet portal 'Safety and Environment'
- 974 hours of employee training on safety and the environment,⁷⁵

⁷¹ Environmental and safety policy is available on the intranet under the section Sustainable development.

⁷² Trimo introduced it in 2003 and it is integrated into the system of the company's Procedure Manual.

⁷³ GRI: LA9

⁷⁴ GRI: LA9

⁷⁵ GRI: LA8

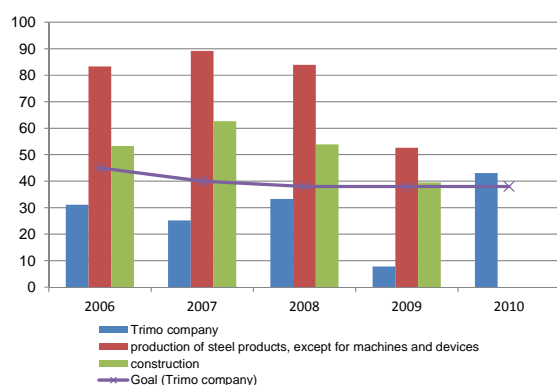
Safety indicators⁷⁶

Table 1: Goals and achievements for 2010 using 3 safety indicators

	2010	GOAL	ACTUAL
injury frequency⁷⁷	[injuries/million working hours]	< 14	18.04
seriousness of injury	[lost days/injury]	< 15	10.75
sick leave⁷⁸	[lost hours/working hours]	< 0.20%	0.16⁷⁹

Comparing “the number of injuries at work / 1000 employees“ indicator in Trimo with "steel production" and "construction" sectors in Slovenia (for accidents at work, travelling to and from work, work-related travelling, and non-work related injuries) shows that Trimo's safety indicators out-perform those of the two sectors.

Graph 10: Comparison of injuries in Trimo with RS / 1000 employees, 2006-2010



At the Trimo Group, we will continue to devote our attention to health and safety at work. We will give priority to technical measures and the development of secure technologies over measures that require protective equipment and represent a barrier at work to employees. In all manufacturing companies and construction sites, we will increase employees' attention to safe work and healthy working conditions by educating them and offering them a practical training. Concern for the health of employees is part of Trimo safety policy.

Well-being of employees

Satisfied employees are creative in the workplace and make a larger contribution to the company's success. That is why we have a number of activities to ensure their well-being, an easier work organisation, and better work motivation.

- In work areas - if the nature of the job allows it - we enable employees to work from home, and thereby organise their personal and professional obligations more easily.

⁷⁶ GRI: LA7

⁷⁷ Frequency of injuries was calculated on the basis of total hours. The company Trimo VSK had 0 accidents at work in 2010.

⁷⁸ Sick leave is calculated on the basis of total hours. The company Trimo VSK had 0 percent sick leaves due to 0 accidents at work in 2010.

⁷⁹ Only absence for accidents occurring in the work place is considered, not including accidents occurring on the way to/ from work or after working hours.

- Employees in production processes are provided with a weekly laundry for their work clothes.
- Since 2004 Trimo pays 20 € every month per employee into a third pension fund (to which employees contribute a share).
- We ensure good quality, hot meals for employees working at Trimo company, headquarters.
- Employees can take vacations in Trimo's holiday homes at the coast, or at thermal spas.
- Trimo people and their family members participated at the nation-wide campaign 'Let's Clean Slovenia in a day'.
- At the closing New Year's ceremony we awarded the best colleagues for achievements in different areas, 3 best promoters of innovation, 2 groups that had the tidiest and most organised workplace, and awards for boldest ideas.
- We held an award ceremony for employees who celebrated their 10th, 20th, and 30th work anniversaries.
- In Trimo company Father Frost handed out gifts for employees' children for New Year.
- We organised a pre-New Year meeting for retired employees - former employees of Trimo company.

Communications with employees

In 2010 we strengthened the communication with employees at the Trimo Group⁸⁰ level. During the economic and financial crisis we regularly inform staff of the circumstances and the situation of company Trimo and the Trimo Group. We focused almost 40 percent of our funds intended for public relations on internal communication in company Trimo.

Relationship between staff and the Management Board⁸¹

Employees can state their opinions and points of view directly to the Management Board at regular meetings and annual dialogues. They meet with management at annual training sessions and other joint events. The General Manager talks to staff in person when extending their contract from a fixed period contract to a permanent contract. Managers also attend informal meetings with staff.

The trade union, SKEI, operates in Trimo company, which includes 39 percent of all employees and an 11-member works council. Two staff representatives are also members of the Supervisory Board. Employees can communicate their opinions through them and give proposals regarding their position in Trimo company.

Good dialogue has been established between the Management Board of Trimo company, the trade union, and the works council. At meetings, the Management Board informs employees about current events, important changes in operation, and measurements concerning employees. Representatives of both bodies inform the Management Board about their positions and proposals for improving work conditions and ensuring staff rights in accordance with the Labour Acts.

⁸⁰ More information: Annual Report for 2008, page 89.

⁸¹ GRI: LA5

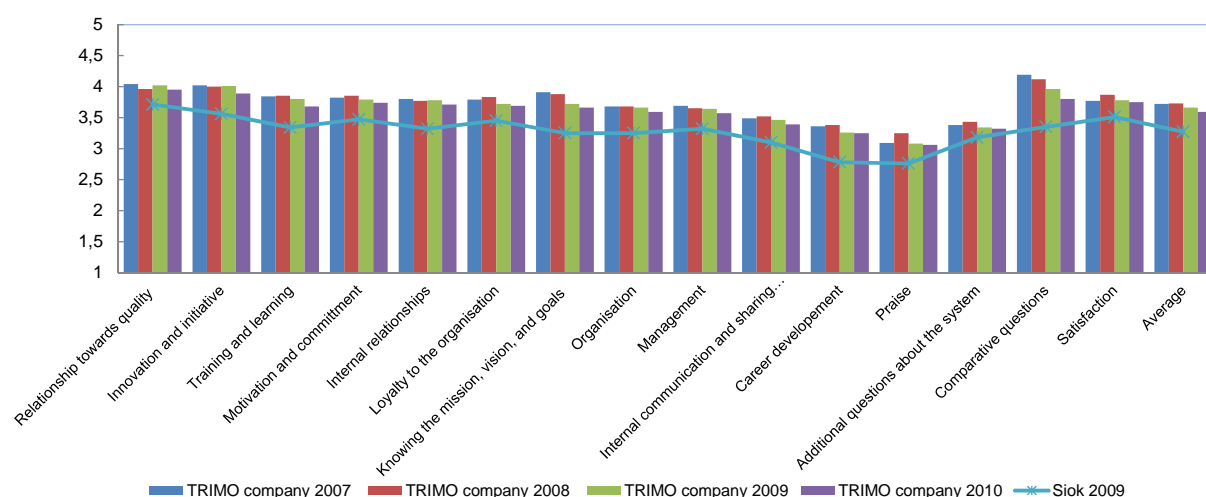
Organisational climate and employee satisfaction

Results of the SiOK research

In 2010 we measured the satisfaction of our employees and the organisational climate of Trimo for the 11th time within the scope of the SiOK.⁸² The survey shows that employees mark the organisational climate in Trimo, and their own satisfaction, much higher than the Slovenian average.

The organisational climate measurement in 2010 showed that it was lower by 0.03 percentage points compared to last year, which is encouraging considering the stricter operating conditions. Climate results are monitored in all organisational units, and we inform employees of the results via internal media. The Heads of individual departments present the results for their departments to colleagues, and they prepare an action plan for improvements together.

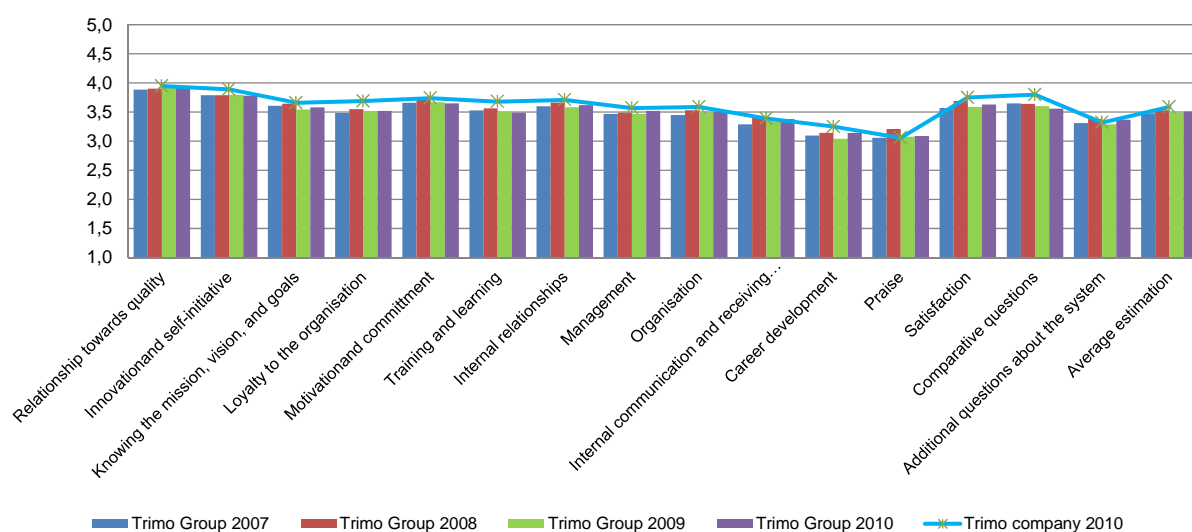
Graph 11: Tracking the organisational climate of Trimo company, 2007-2010



Organizational climate and satisfaction has been measured in the parent company since 2006 and in some subsidiaries in the Trimo Group. In 2010 we measured the organisational climate and the satisfaction in the majority of our manufacturing companies withing the Group (Akripol, Trimo VSK, Trimo Inženjering, and Tinde).

⁸² Slovenian organisational climate.

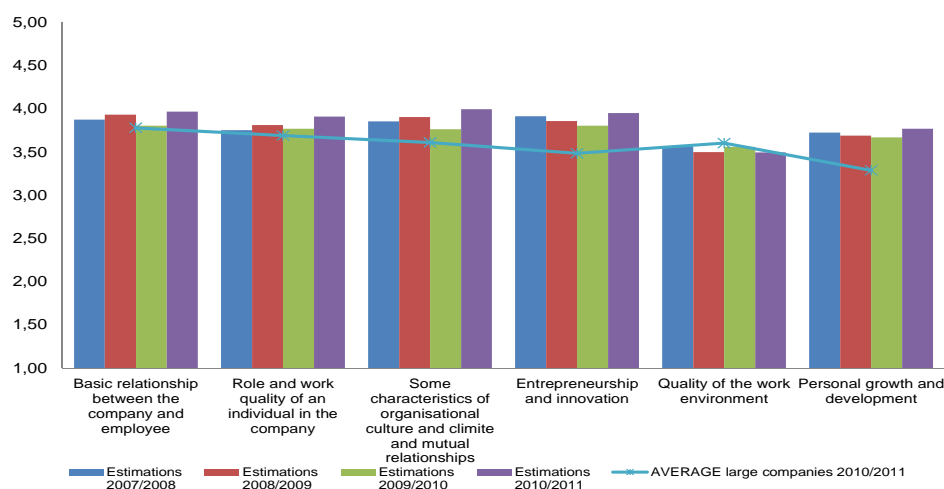
Graph 12: Results of the organisational climate for the Trimo Group



Results of the Golden Thread research

Since 2007, the quality of the relationship between the Trimo Company and its people has been measured within the media research project, the Golden Thread⁸³. The results of the research, which is also called 'The employer of the year', show above-average results in terms of large companies that are involved in the measurement of the following groups of questions: Entrepreneurship and Innovation, and Personal Growth and Development. This is certainly due to various approaches and strategies of the company to develop innovative business system. Personal growth and development results show that Trimo invests a lot in the growth and development of employees, which is in accordance to the social responsibility and sustainable development strategies.

Graph 13: Results of quality measurement regarding the relationship between Trimo and its people



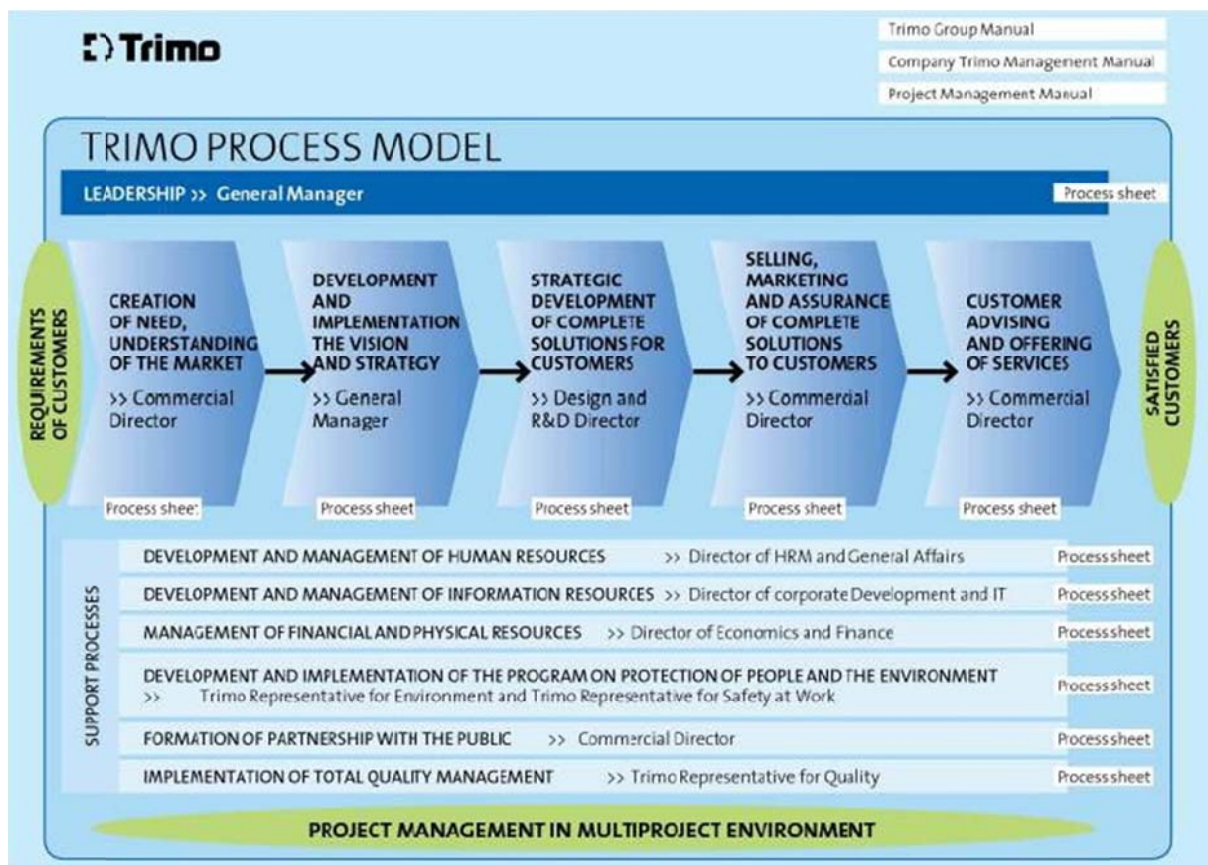
⁸³ More information: <http://zlatanit.dnevnik.si/sl/O+projektu/Kaj+je+Zlata+nit+>

Managing by processes

The framework for the process of constant improvements is the business excellence model that integrates different approaches for improvements in all processes.

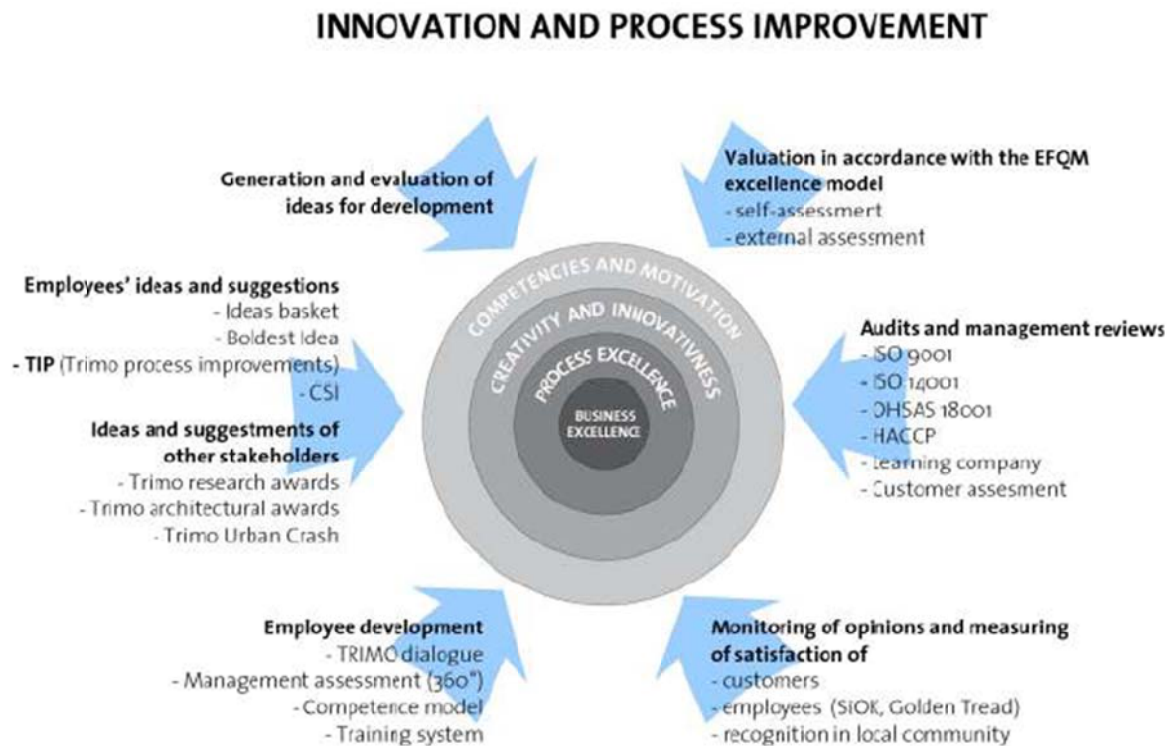
In Trimo we manage with the help of the process approach and in accordance with standards ISO 9001, 14001, and OHSAS. The Head of the quality sector is the representative for quality management, and the representative for the management of environmental protection and safety at work is the Deputy General Manager of the Technical department. The model of the processes in Trimo company is presented in the picture below.

Picture 2: Process model of Trimo company



We improve the system for monitoring key indicators to ensure efficient process management. Process administrators and promoters of the TIP process are responsible for constant improvements of processes.

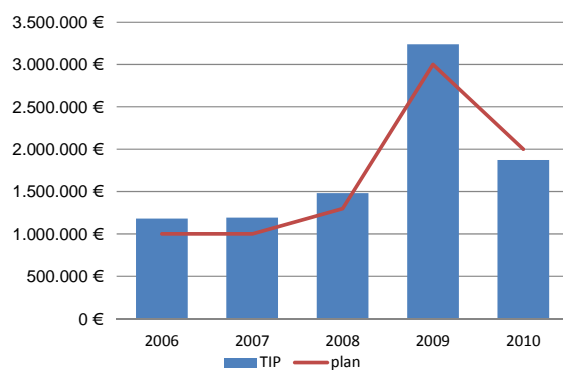
Picture 3: The improvement of business excellence



Trimo improvements of processes (TIP)

In the framework of the TIP process we achieved approximately 1.9 million € worth of effects and time-savings in 2010, and implemented 404 improvements.

Graph 14: Overview of the effects of finished TIPs



At the end of 2009, we tightened the criteria for the recognition of the effects, so we set up a lower goal for 2010 which was achieved in 93.7 percent.

Process performance indicators are presented in other sections that represent individual processes of the annual report.

Risk management

We are establishing a balance between preventing risks on one hand, and accepting risks in all business processes of the Trimo company and the Trimo Group on the other hand. It is challenging to recognise and effectively manage risks and accept risk in business decisions. Hereby, we consider both external factors (the situation of the macro economy, economic environment in international markets) and internal risk factors (business processes).

The risk management process has five steps (**assessment, evaluation, management, monitoring the risk, future risks**).

Assessment - risk identification and management⁸⁴

The Trimo Group manages 45 different risks divided into three main groups: **business risks, financial risks, and risks in operation.**

All risks are listed below according to groups and measures for managing individual risks.⁸⁵

Business risks

Measures for risk management in 2010 are presented within the six identified risk groups.

Sales-development risks

1. **Risk of increasing competition** appearing in various markets, customer variety, spreading the marketing network, adequate cooperation with suppliers
2. **Risk of obsolete products** - development and positioning of new products; ensuring increased sales share in markets, managing the product portfolio
3. **Risks in the market position** - strategic positioning of the company in various markets, geographically equally distributed sales
4. **Risk of managing and transferring brand names** - expanding production under own brand name, protection, and communication of brand names
5. **Price risk** - price positioning, customer value
6. **Risk of new trends and changes in legislation within the industry** - monitoring and predicting new trends, creating new trends and predicting legislative changes (energy engineering, safety, ecology)

Changes in macro-economic operating conditions in individual markets - respecting changes of conditions in all markets, resource availability (employees, materials), plans to enter a new market, and activities in existing markets.

⁸⁴GRI: 4.11

⁸⁵GRI: 1.2

Procurement risks

1. **Unexpected price changes risk** - long-term price agreements and long-term partnerships with key suppliers, trained negotiators with suppliers and customers
2. **Risk of (un)reliable delivery and quality of incoming materials and services** - larger selection of strategic suppliers of key materials and a larger selection of strategic service providers, diversification of purchase paths, mutual education, and long-term partnerships
3. **Risk of new materials** - following trends in all industries, following trends in the field of technologies and materials, cooperation in developing new materials
4. **Risk of merging** - transferring purchasing resources to regions with a low number of suppliers, accelerated development activities for alternative materials, optimising technical solutions

Investment-technology risks

1. **Risk of effective and timely introduction of new technologies** - recognising the needs of future customers, following competition, close cooperation with suppliers of technology equipment and development, respecting deadlines, preliminary testing
2. **Risk of (non-)protection of manufacturing technologies, patents, and know-how** - adequate contracts on developing partnerships and subsidiaries, global protection of industrial property, transferring technology to new sites for manufacturing
3. **Risk of realising investments within the planned value, quality, and deadline** - quality and consistent project definition, detailed investment plans, timelines, investment control (quality, budget)

Personnel risks

1. **Risk of poor qualification or inexperience of personnel** - organised and targeted staff training, assessment of organisational climate and corresponding measures, and Trimo dialogues
2. **Risk of poor motivation and inadequate climate among employees** - organised target staff training, measuring organisational climate and provisions, Trimo dialogue, coaching, mentoring, employee rotation, developing employees in accordance with the competencies model
3. **Risk of not employing competent personnel** - raising the brand's recognition, advertising, scholarships for missing vocational professionals, cooperation with universities, educational institutions, architectural awards, young researchers, part-time studies
4. **Risk of losing key personnel** - long-term schemes and career plans, rotation, promotion, training, satisfaction, climate

Risk of property protection

Risk of property disposal - developed a protection plan; physical and video surveillance, property listings

Operating risks

Provisions in risk management in 2010 are listed within the four risk groups.

Production risks

1. **Risk of reliable performance of manufacturing equipment** - regular preventive and annual equipment maintenance
2. **Risk of obsolete, inadequate manufacturing technologies** - customers' demands for newer products and technologies, long-term partnerships with suppliers, co-operation with education institutions (universities, institutes)
3. **Risk of poor production quality and its protection (certificates)** - established quality systems (ISO quality standards, company's Rules of Procedure) and their updating, regular assessments, supplier rating; manufacturing scrap-assessment and control system, poor-quality cost control system, product certificates, and quality certificates for individuals, constant improvement and implementation of measurements
4. **Risk of hazardous substance emission to the environment** - set up of the ISO 14001 system and implementing provisions, preparing and implementing the program on environment protection, and protection against fire and dangerous substances in accordance with company policy and strategy
5. **Risk of inadequate work conditions and safety at work** - set up of the OHSAS18001 system and implementation of provisions. Preparation and implementation of monitoring program on health and safety at work in accordance with company policy and strategy. Respecting regulations, internal rules, personnel training, wearing personal protection equipment.

Project risks

1. **Risk of delay to individual project stages, and failure to complete the project on time** - preparing projects with detailed time schedules, clearly defined contractual agreements with contract purchaser, control over the progress of the project (SAP, e-construction site), good preparation of project documentation, internal and external compliance of the dynamic plan, cooperation with sub-contractors
2. **Risk to (lack of) quality in project implementation** - continual staff training for project management and Trimo sub-contractors for quality work implementation, control over sub-contractors (assessment and selection), ensuring a cost control system to reduce poor quality, after-sales service on buildings
3. **Risk of exceeding the budget** - cost planning, negotiations with suppliers, cooperation between service-providers, purchase department and project manager, searching for optimal technical solutions, quality material supply delivered on time, good offers, trained negotiators, quality implementation, enforcing claims from customers for additional work

4. **Risk of inadequately defined project task (wrong, inadequate data, undefined foundation)** - management, recognition of customers' wishes, evaluating customers' needs for joint technical- commercial meetings, quality-prepared offers, highly competent personnel
5. **Risk of inadequately signed or contract articles / clauses and supplements to the project documentation that is not signed on time** - trained negotiators, timely cooperation with the legal service, and timely inclusion of the Project Manager in preparing contract clauses, precise definition of the obligations of the contract purchaser and the contractor, and sanctions, deadlines set in the contract are coordinated with the Project Manager
6. **Poor management of project changes/ planning and management** - training and coaching for Project Managers and Construction site Managers, introductory meetings with all process operators included in the process, increased communication between contract-purchaser and Project Manager, timely estimations on the situation at the site, and weekly planning, control, and reporting, a change management system (schedule, content, costs), specialist and competent management of project teams
7. **Risk of non-payment** - examining contracts by finance and legal services, payment security, timely payment recovery, including the finance and commercial service in the recovery process, evaluation of the customer's credit standing before signing the contract
8. **Risk of lack in competencies of members of the project team** - long-term schemes and career plans, rotation, promotions, training, satisfaction, environment.

Risks arising from IT operations

1. **Risk of un(reliable) hardware equipment** - hardware upgrade, ensuring adequate equipment capacity, regular maintenance, automatic control and notification
2. **Risk of (un)reliable and (un)suitable software equipment** - selection of verified and checked program equipment and programmes according to users' needs, helpdesk and consulting to users, software user training, regular maintenance; software upgrade
3. **Risk of confidential information leak and trade secret disclosure** - document and information control system; respecting regulations and company rules for the relevant area
4. **Risk of unreliable data and information for professional decision-making** - periodical data comparison and analyses, and competent decision-making, input control.
5. **Natural disaster** - duplication of information on a backup location (DRC - *distant recovery centre*)

Natural disaster risks (force majeure)

Risk of thunderstorms, flooding, earthquakes - ensuring rainwater drainage; sewage system; co-operation with the Fire Brigade and Civil Protection

Financial risks

In 2010 the financial risk management area paid special attention to, and aimed their main activities at, risk types:⁸⁶

- **Foreign exchange risk** The company is exposed to foreign exchange risk as soon as its operations become directly or indirectly tied to foreign payment instruments.

Due to an unbalanced currency position Trimo is exposed to risks associated with changing foreign exchange rates. Key foreign currency pairs in 2010 were the EUR and CHF.

- **Interest rate risk** is defined as uncertainty associated with future values of interest rates which directly define the amount of obligations arising from long-term debt.

In 2010 Trimo possessed twelve long-term and six short-term loans in its portfolio. They were bound to the value of reference (variable) interest rates. In 2010 the rate of low reference interest rates continued. Due to the extended financial crisis there has been no danger of major increase of the variable interest rate that is why the risk of a change in the interest rate was not insured in 2010.

- **Credit risk** represents the risk that a customer involved in a financial instrument contract will not fulfil its obligations which will result in a financial loss for the company.

The insurance instruments used by Trimo for insuring against credit risk comprise guaranteed advances for larger transactions, the insurance of foreign receivables with the SEC, concurrent collection of receivables, and the use of bank guarantees and documentary letters of credit. In 2010 we achieved 71 percent of total sales in the foreign markets. Open foreign receivables on 31 December 2010 were insured via the Slovene Export Corporation of 57.4 percent.

- **Insolvency risk** is the risk that the company will encounter difficulties in collecting financial assets required for the fulfilment of financial obligations.

Insolvency risk is actively managed by the Company using basic tools for balancing insolvency risks: cash flow planning, solvency reserves, regulation of asset and liability maturities, dispersal of sources of finance, regular payment of receivables, estimated loans with banks enabling a dispersal of funds in accordance with needs. Trimo estimates that its assets and liabilities are not exposed to the aforementioned risks.

In 2010 the payment deadline for our customers was, compared to 2009, extended on average by seven days with payment deadlines increased by thirteen days for domestic customers and the same deadline for foreign customers. On average our suppliers received payment four days earlier than the company did from its customers in 2010.

- **Risk of financing structure** is the risk of (non-) balanced or (non-) optimal financing funds, according to their duration (long-term / short-term funds) and financing origin (equity / debt).

⁸⁶More information in the section: Other disclosures – Financial instruments in the Financial Statement of the parent company

Trimo manages this risk by ensuring compatibility between the duration of financing funds, control over the extent and cost of borrowing (through analysing debt ratios and credit portfolio management), and the corresponding dividend policy and ownership structure management. The exposure to this risk is assessed as moderate.

- **Risk of property damage** is the risk of sustaining damage to property due to the destructive effects of natural forces, or other incidents.

Trimo manages this risk by assessing facility exposure to such risks, establishing corresponding preventive measures, performing emergency drills, and concluding relevant insurance contracts. The exposure to this risk is assessed as moderate.

- **Risk of financial loss due to operating downtime** is the risk of interrupting the manufacturing process or operations due to property damage.

Trimo manages this risk by insuring economic damage resulting from interrupted operations, and taking organisational and technical (preventive) measures to alleviate the consequences of operating downtime. The exposure to this risk is assessed as low.

Risk monitoring

In the Trimo Group risk is constantly monitored and controlled via operators of individual risks within various organisational units in the Trimo company and its subsidiaries that are in charge of this management.

Monitoring of business and operational risks is divided between organisational units, that is, within the responsibilities and authorisation of companies within the Trimo Group.

The parent company's Department of Economics and Finance monitors financial risks. These risks are centrally monitored by the parent company at group level. Even the commercial insurance in larger amounts is centrally coordinated at group level.

Risk assessment

Risk assessment is a mechanism which helps evaluate the probability of risk and the consequences if that risk actually does emerge. Risk assessment is used as part of risk predictions and is part of the preparation for risk management. We use different methodologies to assess risks according to their type.

We use the AUVA⁸⁷ methodology for the assessment of risk in health and safety at work. The methodology, which is in compliance with EFQM business practices, is used to assess project risks. In 2010 we paid more attention to assessing project risks on the operational level in the Trimo company.

There have been no risks and financial consequences due to climate changes in 2010.⁸⁸

⁸⁷ Arbeitsplatzevaluierungsfahrenermittel&beseitigen

⁸⁸ GRI: EC2

Scheme 1: Matrix for operative assessment of project risks

Verjetnost	High	5	Mediocre	High	High	High	High
	Very high	4	Mediocre	Mediocre	High	High	High
	Mediocre	3	Low	Mediocre	Mediocre	High	High
	Low	2	Low	Low	Mediocre	Mediocre	High
	Very low	1	Low	Low	Low	Mediocre	Mediocre
			A	B	C	D	E
			Very small	Small, moderate	medium, manageable	Large, very influential	Very large, critical, dangerous
			Consequence				

Risk priorities in 2010

The priority in 2010 for the Trimo company was project risk for commercial projects. We dealt with project risks especially in the operative level and increased the monitoring of factors for project risks and the effect of different processes on the course of a project. We added project risks to the company level (risk of lack of competencies of the members of the project team) and set the operator responsible for management of a recognised risk.

Future risks

In 2010 we re-identified expected key risks for the period from 2011 to 2013. We identified 24 key risks from a total of 45 risks. Risks, which we will focus more activities on, by 2013, are:

Business risks

1. **Sales-development risks:** risks of obsolete products, price risks
2. **External risks:** risk of changes in the macro-economic operating conditions in individual markets
3. **Procurement risks:** risk of unexpected price changes, risk of new materials
4. **Investment-technology risks:** risk of effective and timely introduction of new technologies, risk of (non-) protection of manufacturing technologies,

patents, and know-how, risk of realising investments within the planned value, quality, and deadline

5. **Personnel risks:** risk of poor qualifications of personnel, risk of lack of competent personnel, risk of key personnel loss

Operating risks

1. **Production risks:** risk of poor product quality and protection (certificates) management, environmental risks (explosion, fire, emissions, spills), and risk of work conditions, safety and health at work
2. **Project risks:** risk of delay of individual project stage, and delayed project completion, risk of (lack of) quality project implementation, risk of non-payment
3. **Risks arising from IT operations:** risk of (un)reliable hardware equipment, risk of confidential information leak and trade secret disclosure, natural disaster

Financial risks

Financial risks include currency, credit, financial solvency, and interest-rate risk.

Building partnerships⁸⁹

Trimo develops partnerships with all stakeholders. In 2010 we cooperated with over 120 partners. We developed new products and improved existing products, together with strategic suppliers. We devoted 190,354 € for funding of various forms of sponsorships and donations.

Picture 4: Trimo's stakeholders⁹⁰



Knowledge centres

We include employees and important stakeholders - customers, suppliers, licensed partners, universities, institutes, departments for development in other companies, and individuals - in the development process.

⁸⁹ GRI: 4.16, SO1

⁹⁰ GRI: 4.14

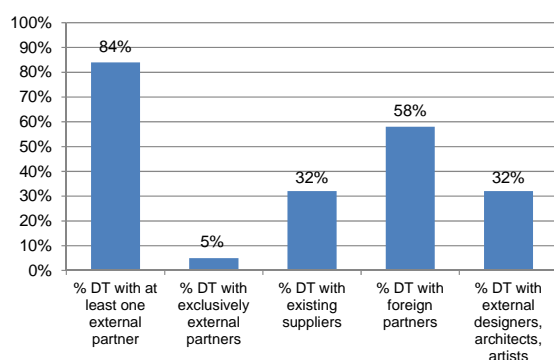
For more on individual Trimo's stakeholders see the following sections: on customers see Creating value for customers for our customers, on the wider community and suppliers see Building partnerships, on shareholders see Achieving balanced indicators, on employees see Succeeding through people .

We cooperated with over 120 domestic and foreign partners

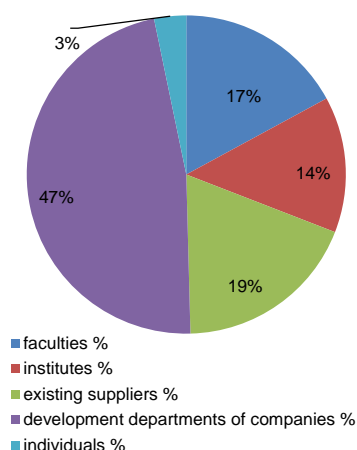
In 2010 our department for development actively cooperated with 123 domestic and foreign partners in the development process. These included 21 universities, 17 institutes, 58 departments for development from other companies, 23 suppliers, and a large number of independent researchers and designers. We cooperated with external partners in 85 percent of all development projects, almost 58 percent were partners from other countries, which means 8 percentage points more than in 2009.

We develop cooperation with knowledge centres through other forms of cooperation such as Trimo Research Awards,⁹¹ cooperation in joint tenders for applications in development (for example: ARRS, Eureka, Competence Centres, Economic Centres), sponsoring students in their activities, enabling visits and tours of production facilities, our specialists functioning as guest speakers at universities or members of specialised associations.

Graph 15: The structure of development tasks (DT) according to cooperation with external partners in 2010



Graph 16: Partners in 2010



In 2010 we continued with the presentation of the Open Innovation Model⁹² that should help accelerate our development activities and include more development

⁹¹ More information in the section: Developing creativity and innovation.

⁹² For transit activities and reasons behind the model on open innovation see Trimo's Annual Report for 2008.

partners in our cooperation. We thereby continued with the project “Work with us” at our online portal, we cooperated with one of the most recognised online service-providers in the field of open innovation - Nine Sigma⁹³ - in our search for potential development partners, and continued a project from the field of open innovation together with the consulting company AT Kearney.

Trimo is a member of EFQM, 2 colleagues are evaluators of business excellence for the European Award, and one colleague is an EFQM Valued Assessor. Trimo is a member of the EFQM Pact that has the mission to develop good practices in various processes. Other members of the EFQM Pact include BMW, Philips, Bosch, Unilever, Solvay, EDV, Grundfoss, and TNT.

Suppliers

In 2010, our basic purchasing activities were focused on implementation level, accelerated negotiations, provision of credit limits, and fast stock turnover. Besides the parent company, the central purchasing control includes also other manufacturing companies of the Trimo Group.

The prices of key materials, such as sheet metal, black metallurgy, and chemistry, increased in 2010, while insulating materials remained at the same level as the year before.

In the entire chain, we were very well inter-connected which can be seen in the reduction of raw material stock levels and days of money deposits.

With our strategic suppliers, we improved the functional and aesthetic qualities of the existing products, and carried out an extensive research and selection of material suppliers for the new facade system.

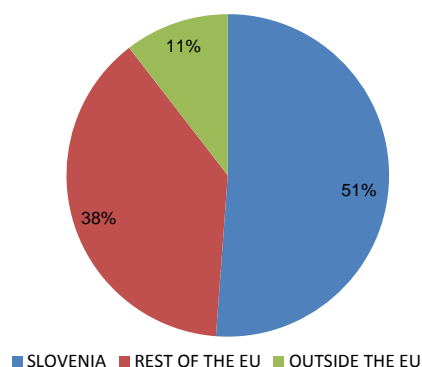
We implemented 30 development / educational round-table discussions with the existing suppliers, and 45 presentations of new materials and systems.

We continued to upgrade online operations with suppliers and internal stakeholders and ensure maximum efficiency of human resources.

Local participation of suppliers represents a 51.17 percent share, especially of local container production, service activities (assembly), and partly due to iron industry purchases by designated Slovenian salespeople.

⁹³ More information: www.ninesigma.com.

Graph 17: Purchase movement of Trimo according to the geographical structure⁹⁴



Shareholders

We published the Trimo company and Trimo Group's Annual Report for 2010 for our shareholders. We also published a magazine titled Delničar, and published important business events on Trimo's website.

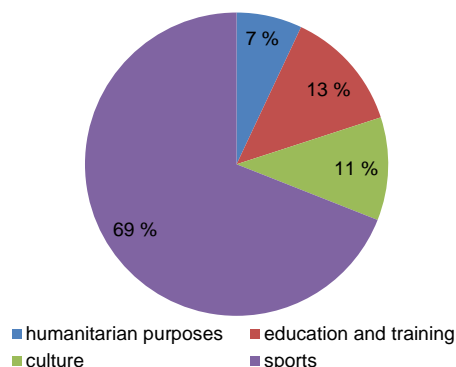
Media

In 2010 we have been considerably strengthening relations with the media, especially in Poland, Russia, and Great Britain. Trimo's recognition in the media significantly increased in the Czech Republic, Croatia, Hungary, Poland, Bosnia and Herzegovina, Slovakia, and Spain. Trimo's recognition in Slovenia remained in compliance with our goals at approximately the same level as the year before.⁹⁵

Society

In 2010 Trimo company allocated 190,354 € of funds for various forms of sponsorships and donations. This represents 0.20 percent from the total revenue, which is the same as the year before.⁹⁶

Graph 18: Structure of funds intended for sponsorships and donations in 2010



⁹⁴ GRI: EC6

⁹⁵ For detailed information contact Trimo's Department for Public Relations.

⁹⁶ GRI: EC1

Trimo believes that we also make a large contribution to the company by actively responding to invitations of various organisations to present our experience, good practices, and knowledge. Trimo's General Manager is often asked to speak as guest-lecturer or actively participate in round-table discussions on the subject of management, internal entrepreneurship, connecting companies with other stakeholders in the field of innovation, etc. Other colleagues also actively respond to various invitations from their field of expertise.

Memberships in organisations

Trimo's General Manager is a member of the Strategic Commercial Council of the Prime Minister of Slovenia, and the Council on the Economy of the President of the Republic of Slovenia. She is the vice-president of the regional Chamber of Commerce and Industry of Dolenjska and Bela Krajina, and of the Manager's Association of Slovenia. She is a member of the Pokojninska družba A Supervisory Board, a member of the Supervisory Board of the Slovene-Dutch Business Platform, a member of the Faculty of Economics in Ljubljana, a member of the management committee of ZRC SAZa, a member of the Supervisory Board, IEDC Bled, Slovenia, and a member of the council of commerce, University of Ljubljana. She is also a member of of the strategic council for internationalization at Chamber of Commerce and Industry of Slovenia, a member of the Assembly of the International Jožef Stefan Postgraduate School, and a member of council at Museum of architecture and design.⁹⁷

The table below lists the names of organisations, where Trimo (Trimo Company and the Trimo Group) was a member (in 2010).

Table 2: Trimo company and Trimo's subsidiaries - paid membership of organisations in 2010⁹⁸

Name of the company	The English name of the organisation	Country
Trimo, d. d.	The Slovenian Directors' Association	Slovenia
	Chamber of Agriculture and Forestry of Slovenia	Slovenia
	EFQM privatestichting	Belgium
	GS1 Slovenia	Slovenia
	Slovenian Society for Public Relations	Slovenia
	Chamber of Commerce for Dolenjska and Bela Krajina	Slovenia
	UN Global Compact Slovenia	Slovenia
	Trendwatching.com	The Netherlands
	Slovenian-Macedonian business club (SMBC)	Macedonia
	AmCham Slovenia	Slovenia

⁹⁷ GRI: SO5

⁹⁸ GRI: 4.13

	Slovenian Maintenance Society	Slovenia
	Chamber of Commerce and Industry of Slovenia	Slovenia
	Engineering Chamber of Slovenia	Slovenia
	Intermunicipal Society of Safety Engineers	Slovenia
	Slovenian Foundation for Business Excellence	Slovenia
	Nova ljubljanska banka, d. d.	Slovenia
	Slovenian Association for quality	Slovenia
	Slovenian Society Informatika	Slovenia
	Slovenian Users Association	Slovenia
	Slovene-Croatian Friendship Association slovensko-hrvaškega prijateljstva	Slovenia
	Society of Architects	Slovenia
	Manager Association	Slovenia
	Slovenian Association of Suppliers	Slovenia
	Slovenian Association of Employers	Slovenia
OOO Trimo VSK	Self-regulatory organization Uncommercial partnership "Association of Builders, Vladimir region"	Russia
	Self-regulatory organization Uncommercial partnership "Association designers, Vladimir region"	Russia
	Commerce and Industry of Russia and Vladimir region	Russia
Trimo Inženjering d.o.o.	Serbian Chamber of Commerce	Serbia
	Chamber of Commerce of Vojvodina	Serbia
	Slovenian Business Club Beograd	Serbia
Trimo UAE fze	Fujairah Chamber of Commerce & Industry	United Arab Emirates
OOO Trimo RUS	-	-
Trimo UK Ltd.	RIBA CPD Providers	Great Britain
	UK TradeandInvestment	Great Britain
Trimo Polska Sp.z.o.o.	-	-
Name of the company	The English name of the organisation	Country
Trimo Građenje d.o.o.	Croatian Chamber of Economy	Croatia
Trimo ConstructRomania S.r.l.	-	-
Trimo Bulgaria OOD	Bulgarian Slovenian Chamber of Commerce and Industry	Bolgaria
Trimo Italia S.r.l.	Chamber of Commerce in Milan	Italy

	National Organisation for Public Welfare	Italy
	National Organisation for insurance against accidents at work	Italy
Trimo Iberica	-	-
Trimo Makedonija dooel	Economic chamber of Macedonia	Macedonia
	United Economic chambers of Macedonia	Macedonia
	Slovenian-Macedonian business club (SMBC)	Macedonia / Slovenia
	Standardization institute of the Republic of Macedonia (ISRM)	Macedonia
Trimo BH d.o.o.	-	-
CBS Inštitut	Slovenian Green Building Council	Slovenia
	Slovenian Steel Construction Association	Slovenia
Akripol, d. d.	Slovenian Association of Accountants, Treasurers and Auditors	Slovenia
	Slovenian Purchasing Association	Slovenia
	Chamber of Commerce of Dolenjska and Bela krajina	Slovenia
	Chamber of Commerce and Industry of Slovenia	Slovenia
	Center of Excellence PoliMat	Slovenia
	Slovenian Plasttechnics Cluster	Slovenia
Tinde d.o.o.	Slovenian Fire Protection Association	Slovenia
	Association of Employers of Slovenia	Slovenia
	Chamber of Commerce of Dolenjska and Bela krajina	Slovenia

Taking responsibility for sustainable future

Trimo's commitment to sustainable development has been the basis of Trimo's operation since the beginning and it represents one of the foundations of Trimo's organisational culture and mission. As a socially responsible company Trimo opts for environment and people-friendly products, production programs, and technology processes. The examples of our commitment are: the participation in the initiative 'Cradle to cradle' (C2C), the production of life cycle analysis (LCA) for key products of Trimoterm and Qbiss families, and Trimo's solar power plant on the roof of our company.

We define sustainable development as achieving commercial, social, and ecological sustainability, and develop it in accordance with our values and with the help of Trimo's key competencies and a clear vision. The results of social and ecological sustainability are shown in the previous sections of this Annual Report.

As members of the UNGC we respect their 10 principles (on human rights, labour standards, environment, transparency, and anti-corruption).⁹⁹

Environmental protection in Trimo company and the Trimo Group

In the Trimo Group we opt for environmentally and people-friendly products, production programs, and technological processes, and act according to the aim of complete solutions, with consideration of a high level of safety and risk reduction for customers and shareholders. We spread this responsibility into subsidiaries; especially in the production companies.¹⁰⁰ In development we consider the complete life cycle of a product, including its wear and tear. Technology transfer and construction of new manufacturing companies are based on the criteria of European legislation, to minimise effects on the environment. They do not present a high risk for shareholders regarding environmental demands. We implement emission monitoring and separate waste collection in all production companies. The Trimo Group spreads the culture of constant improvement and raises the awareness of the importance of responsible environmental operations in local and global sense. Trimo companies and Akripol have an integrated operating system according to ISO 14001 standard. This operating system will be gradually transferred to other subsidiaries.

Our actions prove that we follow UNGC¹⁰¹ principles.

In accordance with Trimo's policy and strategy we are committed to achieving high goals regarding environmental protection and sustainable development. **Our product portfolio includes products which are at least 99 percent re-cyclable.**¹⁰² Trimo's offer of complete solutions also includes the option and implementation of

⁹⁹ More information: Annual Report for 2009.

¹⁰⁰ Trimo VSK, Trimo Inženiring and Trimo FZE.

¹⁰¹ This part focuses on "environment-related" UNGC principles; 7th principle: Business should support the preventive approach to environmental challenges; 8th principle: undertake initiatives to promote greater environmental responsibility; 9th principle: encourage development and diffusion of environmentally-friendly technologies.

¹⁰² GRI: EN2

environmental-friendly solutions that contribute to added value for the customer and to sustainable development of the planet. These products are called EcoSolar¹⁰³ panels with built-in PV modules for generating electrical energy from the sun, PV control panel integrated into Trimo roofs, panels for heating sanitary water with solar energy, noise-reducing panels, self-cleansing panels - Trimo EcoClean, Trimo EcoEnergy that reduces building overheating in the summer with its reflectivity, and thereby reduces the level of energy needed for cooling.¹⁰⁴

The scope of the environmental management system in Trimo is conducted by the Deputy General Manager for the Technical Department, Danijel Zupančič, MSc, who is also the representative for Environmental Management. He is in charge of the environmental and safety team, which is an advisory body that ensures the development of the whole department, and implementation of the strategy on sustainable development.¹⁰⁵ The most important elements of this strategy are waste reduction, the introduction of full recycling approaches or an approach that leads to 'cradle to cradle' concept¹⁰⁶, the rational use of natural resources, the use of renewable energy, and the development of such products and technologies that are in balance with natural processes and do not cause lasting consequences for the planet.

In 2010 governance over the environmental management system was successful in all key areas. Important operations and achievements in 2010 include:¹⁰⁷

- 26 percent reduction of municipal waste compared with 2009.
- Increased share of recyclable waste, and transfer in the form of secondary or primary raw materials (94.4 percent of all waste).
- Use of packaging material per product unit is reduced.
- Electricity used per one unit of Qbiss One line product is reduced¹⁰⁸
- The CO₂e footprint for Qbiss One and Trimoterm - LCA modular elements is reduced.
- We organised the 11th traditional Trimo Environment Day as we joined the nation-wide campaign 'Let's Clean Slovenia in a day'
- We purchased approximately 55,000 tons of materials needed for production.¹⁰⁹

In 2010 we spent 18,320 € on the costs of investing in environmental management system, and thereby exceeded legal obligations in individual areas.¹¹⁰ The effects of the implemented environmental protection program and sustainable development were higher than the funds invested.

¹⁰³ GRI: EN26

¹⁰⁴ GRI: EN6

¹⁰⁵ The environmental and safety team is comprised of specialists from individual departments (health and safety at work, dangerous substances, personnel, natural resources, energy, etc.) GRI: LA6

¹⁰⁶ »Cradle to cradle« means the production of a new product from a discarded product.

¹⁰⁷ GRI: EN27

¹⁰⁸ GRI: EN5

¹⁰⁹ GRI: EN1

¹¹⁰ GRI: EN30



We joined the nation-wide campaign 'Let's Clean Slovenia in a day'. We collected 28 m³ of waste in the surrounding of Trimo and forests. We estimate that 55 percent of waste will be further processed.

Preparations in case of emergencies

Trimo implements measures for risk management in the field of environmental protection (fire, spillage, explosion, etc.). In 2010, we had no emergencies with a negative impact on the environment or fire safety.¹¹¹

Waste management¹¹²

The waste management system based on EU guidelines and directives that is improved annually affects Trimo's results which are above the country's average, and in some departments they serve as an example of good practices to leading European companies. The same waste management system is established in all of Trimo's subsidiaries where the results will be gradually raised to the same level as in the parent company.

Municipal waste

Reducing municipal waste represents a component part of Trimo's waste management program. In 2010 the quantity of municipal waste was significantly lower as a consequence of an additional collecting and separation of waste. The share of municipal waste presents 5.4 percent of waste total of the company.¹¹³

Secondary waste

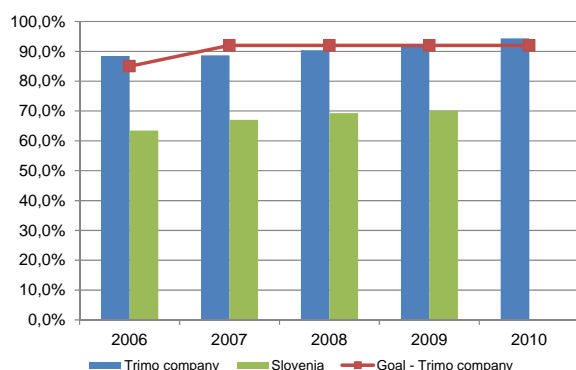
The relative share of separated waste and waste handed over in the form of secondary raw materials in Trimo company is increasing as the program on waste management is implemented consistently; constant improvements also have a positive contribution on the results. **The share of waste intended for processing /recycling has increased by 2.9 percent in 2010 and reached a total of 94.4 percent of all waste produced.**

¹¹¹ GRI: EN23

¹¹² GRI: EN22

¹¹³ For the results according to years see Annual Report for the environmental management system and safety and health at work system 2010 at: <http://www.trimo.eu/company/sustainable-development/for-sustainable-operation/>

Graph 19: Share of processed (selected and handed over) industrial waste in Trimo compared to the Republic of Slovenia [%] in the period from 2006 to 2010.¹¹⁴



Dangerous waste¹¹⁵

Dangerous waste is collected in a controlled environment and handed over to authorised persons that hold concessions for this type of service. The amounts of dangerous waste¹¹⁶ are relatively low in Trimo and it represents 0.23 percent of all waste.

Water use¹¹⁷

Trimo's environmental protection program includes caring about rational use of natural resources - tap water being the most important. Water used in 2010 was slightly less than in 2009. Water-use per employee in 2010 was 0.90 m³ / month¹¹⁸.

Water is used only for sanitary needs and in the kitchen. It is not used in technological processes and that is why there is no waste water from technological processes.¹¹⁹ All waste water is conducted to the public central waste water plant, Trebnje.¹²⁰ The environmental protection program includes control over the internal sewage system where special attention is paid to the separation of light oils.

Use of heating gas-oil (HGO)¹²¹

Trimo's use of natural resources includes HGO. The majority of its use is related to the heating system during winter. We monitor the absolute consumption, and the usage per unit of heating volume. The goal of the annual HGO consumption is set according to the average winter temperature and the roof and façade production plan. In 2010, HGO consumption was lower than planned.¹²²

¹¹⁴ Data for Slovenia for 2010 are not available at ARSO yet.

¹¹⁵ GRI: EN24

¹¹⁶ For the amounts of dangerous waste according to years see Annual Report for the environmental management system and safety and health at work system 2010 at: <http://www.trimo.eu/company/sustainable-development/for-sustainable-operation/>

¹¹⁷ GRI: EN8

¹¹⁸ For water use according to years see Annual Report for the environmental management system and safety and health at work system 2010 at: <http://www.trimo.eu/company/sustainable-development/for-sustainable-operation/>, EN 21

¹¹⁹ GRI: EN9

¹²⁰ GRI: EN10, EN21

¹²¹ From now on: HGO.

GRI: EN3, EN4

¹²² For the use of HGO according to years see Annual Report for the environmental management system and safety and health at work system 2010 at: <http://www.trimo.eu/company/sustainable-development/for-sustainable-operation/>.

Electricity use

Electricity use is also an important environmental consideration in Trimo. It includes the electricity consumption for production processes, ventilation, air-conditioning, and heating and lighting. In 2010 the electricity used was below the goal¹²³.

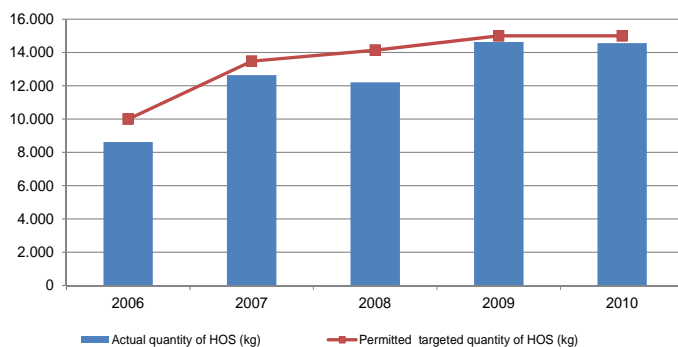
Trimo's solar power plant operated the whole year and generated over 31,000 kWh of green electrical energy.¹²⁴

Emissions of harmful substances into the natural environment

In accordance with regulations Trimo implements regular measurements on emissions of harmful substances into the natural environment (monitoring), that is for emissions of particles, fumes, and noise emissions into the natural environment. In 2010 we performed regular emission measurements of harmful substances on the existing technological equipment. All results are below legally permitted limits. We regularly perform monitoring of emissions in all combustion plants. These plants are in accordance with legally permitted limits.¹²⁵

We control the emissions level of vaporous organic substances (VOC) from the polishing appliance - which is operated by our contractual partners - to make sure that they do not exceed permitted values.

Graph 20: Comparison of actual and prescribed VOC target emission (kg) in Trimo in period from 2006 to 2010



LCA¹²⁶

Trimo is spreading the culture of a responsible attitude towards climate change, together with our partners in the supply chain, by implementing careful natural resource and energy product management, and measures for reducing the indirect impact on the level of emissions. Trimo's responsibility is also displayed in the implementation of a CO₂e footprint for the main Trimoterm and Qbiss related

¹²³ For electricity use according to years see Annual Report for the environmental management system and safety and health at work system 2010 at: <http://www.trimo.eu/company/sustainable-development/for-sustainable-operation/>.

¹²⁴ For the production of green electrical energy according to years see Annual Report for the environmental management system and safety and health at work system 2010 at: <http://www.trimo.eu/company/sustainable-development/for-sustainable-operation/>.

¹²⁵ GRI: EN20

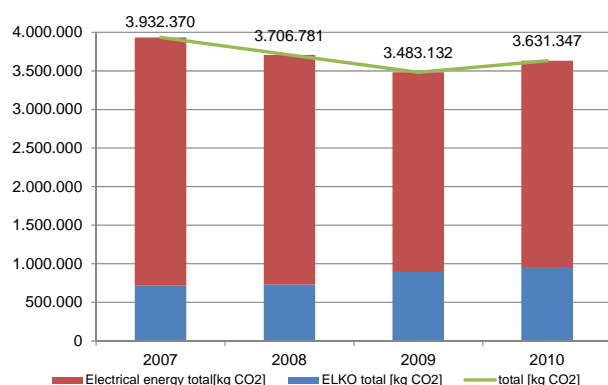
¹²⁶ GRI: EN16, EN17, EN18, EN 29

The CO₂e data includes emissions for all 6 green house gases in accordance with the Kyoto protocol.

products in the complete supply chain (LCA). In 2010, with the help of measures to reduce emissions of a CO₂e footprint we achieved a CO₂e footprint reduction of approximately 3 percent.

We also monitor CO₂ emissions occurring from the activities in the production factory on the basis of energy product use, emissions, and calculations. In 2010, absolute emission increased due to large production volume.¹²⁷ Emissions by employees (arrival at work, work-related travelling, etc.) are not included in these calculations.

Graph 21: Absolute CO₂ (kg) emission - operation of Trimo in Trebnje



Communications with environment

In 2010 Trimo celebrated Environment Day¹²⁸. A great majority of employees participated in the nation-wide clean-up action 'Let's clean Slovenia in a day'. We collected 28 m³ of waste in the surrounding of Trimo and forests. We estimate that 55 percent of waste will be further processed.

¹²⁷ See graph: Absolute CO₂ emission (kg) – company's operation.

¹²⁸ For more information see: <http://www.trimo.si/mediji/porocila-za-javnost-66/?y=2009&m=05>.

Plans for 2011

PLAN - BUSINESS INDICATORS FOR 2011	TRIMO COMPANY	TRIMO GROUP
TOTAL REVENUES in million €	105.0	174.6
Index 2011/2010	111	104
ADDED VALUE PER EMPLOYEE in €	50,000	34,000
Index 2010/2009	117	112
TOTAL CAPITAL in million €	48.8	47.8
Index 2010/2009	104	107
AVERAGE NUMBER OF EMPLOYEES	464	1,050
Index 2011/2010	97	93

In Trimo company and the Trimo Group we are determined to achieve the set goals by positive energy and responsible work and thus, in accordance with our motto “Energy + Responsibility = Richness”, create richness for all Trimo’s stakeholders in all areas.

GRI ASSESSMENT¹²⁹

GRI Indicator		INCLUSION	PAGE
Strategy and Analysis			
1.1	Statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and its strategy.	partly	16
1.2	Description of key impacts, risks, and opportunities.	partly	69
Organizational Profile			
2.1	Name of the organization.	full	5
2.2	Primary brands, products, and/or services.	partly	46,51
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	full	6,12
2.4	Location of organization's headquarters.	full	5
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	full	45
2.6	Nature of ownership and legal form.	full	8
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	full	38,47
2.8	Scale of the reporting organization	full	5,27,31
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	full	6,8
2.10	Awards received in the reporting period.	full	14
Report Parameters			
Report Profile			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	full	27,31,89,138
3.2	Date of most recent previous report (if any).	full	1
3.3	Reporting cycle (annual, biennial, etc.)	full	1,4
3.4	Contact point for questions regarding the report or its contents.	full	1
Report Scope and Boundary			
3.5	Process for defining report content.	partly	89,137
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	partly	6
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	full	6
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	partly	89,91,137,138

¹²⁹ GRI: 3.12

Some descriptions of indicators are shortened.

Version 2000 – 2006, 3.0

Evaluations related to Trimo company

GRI Indicator		INCLUSION	PAGE
GRI Content Index			
3.12	Table identifying the location of the Standard Disclosures in the report.	full	88,183
Governance, Commitments, and Engagement			
Governance			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	full	9,2
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	partly	8,9
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	full	11
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	partly	20
Commitments to External Initiatives			
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	full	69
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	full	13
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	full	80
Stakeholder Engagement			
4.14	List of stakeholder groups	full	76
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	partly	47,48,57,76
Performance: Economic			
Aspect: Economic Performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	full	27,28,31,35,79
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	full	73
EC4	Significant financial assistance received from government.	full	51

GRI Indicator		INCLUSION	PAGE
Aspect: Market Presence			
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	partly	78
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	partly	19
Aspect: Indirect Economic Impacts			
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	partly	35,85
Performance: Environmental			
Aspect: Materials			
EN1	Materials used by weight or volume.	partly	83
EN2	Percentage of materials used that are recycled input materials.	full	82
Aspect: Energy			
EN3	Direct energy consumption by primary energy source.	full	85
EN4	Indirect energy consumption by primary source.	full	85
EN5	Energy saved due to conservation and efficiency improvements.	full	83
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	full	83
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	full	83
Aspect: Water			
EN8	Total water withdrawal by source.	full	85
EN9	Water sources significantly affected by withdrawal of water.	full	85
EN10	Percentage and total volume of water recycled and reused.	full	85
Aspect: Emissions, Effluents, and Waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	full	85
EN17	Other relevant indirect greenhouse gas emissions by weight.	partly	85
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	full	85
EN20	NO, SO, and other significant air emissions by type and weight.	partly	85
EN21	Total water discharge by quality and destination.	full	85
EN22	Total weight of waste by type and disposal method.	full	84
EN23	Total number and volume of significant spills.	partly	84
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	partly	84

GRI Indicator		INCLUSION	PAGE
Aspect: Products and Services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	partly	51,82
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	partly	83
Aspect: Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	partly	85
EN30	Total environmental protection expenditures and investments by type.	full	83
Performance: Labor Practices and Decent Work			
Aspect: Employment			
LA1	Total workforce by employment type, employment contract, and region.	partly	58
LA2	Total number and rate of employee turnover by age group, gender, and region.	partly	58
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	full	58
Aspect: Labor/Management Relations			
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	partly	63
Aspect: Occupational Health and Safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	partly	83
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region.	partly	63
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	partly	63
LA9	Health and safety topics covered in formal agreements with trade unions.	full	63
Aspect: Training and Education			
LA10	Average hours of training per year per employee by employee category.	partly	60
LA12	Percentage of employees receiving regular performance and career development reviews.	full	60
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	partly	61
LA14	Ratio of basic salary of men to women by employee category.	full	61

GRI Indicator		INCLUSION	PAGE
Performance: Human Rights			
Aspect: Investment and procurement activities			
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	partly	60
Aspect: Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	full	58
Aspect: Freedom of Association and Collective Bargaining			
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	partly	58
Aspect: Child Labor			
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	full	58
Aspect: Indigenous Rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	full	58
Performance: Society			
Aspect: Community			
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operation communities, including entering, operating, and exiting.	partly	76
Aspect: Corruption			
SO4	Actions taken in response to incidents of corruption.	full	11
Aspect: Public Policy			
SO5	Public policy positions and participation in public policy development and lobbying.	full	79
Aspect: Anti-Competitive Behavior			
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	full	11
Aspect: Compliance			
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	full	11

GRI Indicator		INCLUSION	PAGE
Performance: Product Responsibility			
Aspect: Customer Health and Safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for Improvement, and percentage of significant products and services categories subject to such procedures.	partly	52
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	full	52
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	partly	44
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	full	44
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	partly	48
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	partly	44
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	full	44
Aspect: Customer Privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	full	45
Aspect: Compliance			
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	full	45

