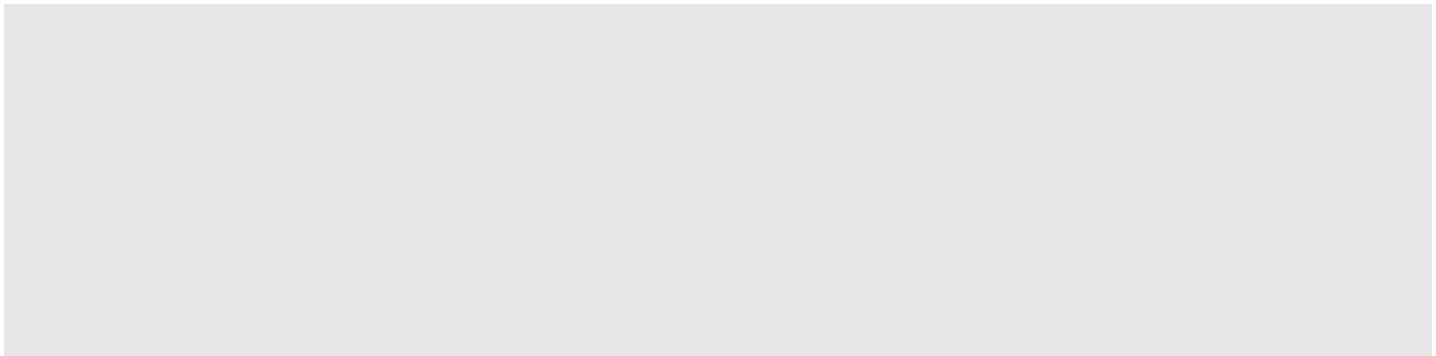




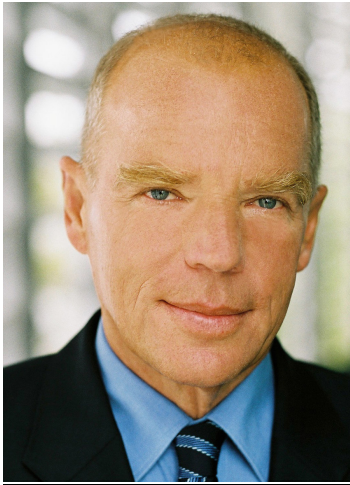
WE SUPPORT

Communication on Progress (COP) 2008
United Nations Global Compact





CEO statement of continued support



In the years since ACH was established, it has grown and developed from a specialised automobile dealership company into a respected and recognised holding company specialising mainly in investment management. Our portfolio is full of strategically relevant activities: manufacture, information technology and investment banking. The continued development of the ACH business system is evident from our business results, capital buffer, number of employees, world map of our markets - in short, from all our business activities. Our basic strategic function that we carefully plan and implement is the efficient corporate managing of the entire business system. Our past business decisions and successful stock market moves have shown repeatedly that we have an important role to play on the global stage. The next important step in strategic corporate management is undoubtedly the consolidation of the ownership structure, enabling the company to grow and develop further. We pay a lot of attention to managing and extending the increasing knowledge of our employees. We firmly believe this will serve to consolidate our position on the global map.

A key factor of successful corporate management is the careful observation of the company's environment. Naturally, the current situation on the global market cannot be overlooked. As soon as we noticed the first warning signs, we made sure the company was prepared for the current situation. We rapidly respond to the daily warning signs from our environment. The financial and economic crisis concerns us all – individuals, companies, national economies and the entire global market. In such times, everyone is expected to do more and to do it better. To do it best. At ACH, we see the crisis as an opportunity that calls for only the best and most effective decisions. Time will show what particular decisions are needed. It is certain that the global economic field will change, since the current conditions demand swift, smart and effective reactions to changes. This is not the time or the place for improvisation. In this new environment, the market positions of certain entities will be consolidated. Our company can be one of them when this time of crisis is over, as long as we remain confident and become more flexible, but also more careful and open to co-operation, dialogues and observation.

This is undoubtedly a time that calls for reflection and evaluation of things we did well and things we could have done better or differently. Only by adopting rational business strategies and further increasing our cost effectiveness will we be able to adapt to the constantly changing market conditions and consumer needs. This is the time for investors and employers to bring up the old values, forgotten in the golden period of the last decade. We must strengthen even the most self-evident relationships and increase our care for the employees, for their knowledge and development. Permanent, sustainable development should not only be aimed at the needs of the current generation, but also provide new opportunities for future generations. As a company and as individuals, we are fully responsible for the social and ecological as well as economic development of our environment.

The environment in which we currently find ourselves is unpredictable, but with some care, we are able to deal with its challenges and opportunities successfully. I have no doubt that we will continue to do so. Swift reactions, flexibility, innovativeness and excellent employees are the qualities that make an excellent company, ensure its long-term survival and the fulfilment of its corporate vision and mission. At ACH, we remain loyal to our vision: to let our knowledge, work and good interpersonal relationships define us as a globally respected and recognised holding company.

mag. Herman Rigelnik
General Director



Brief description of nature of business

1 ACH D.D.

A modern, globally-oriented public limited company for investment management with their head office in Slovenia; an active participant in the flow of capital and labour; the Company's investments and their number are selected prudently, depending on actual market conditions and in accordance with the corporate strategy for dispersing risks.

Investments in subsidiaries and associates comprise five key activities: manufacturing, trade in vehicles, business hotels, investment banking and information & telecommunications technology (ICT).

Through modern management processes and strong social responsibility, the Company introduces new standards to regional business operations while gearing its key development activities towards people and knowledge. We are committed to business excellence and constant care for development and our common future.

1.1 About us

Registered name:	ACH, družba za gospodarjenje z naložbami, d.d., Ljubljana
Management Board:	Herman Rigelnik, MA, Chief Executive Officer
Supervisory Board:	Four shareholder representatives and two employee representatives
Registered office:	Baragova 5, 1000 Ljubljana
Year of incorporation:	1952; public limited company since 1990; ACH d.d. since 2007
Employees of ACH d.d. (30/4/2009)	51
Employees of the Group (30/4/2009)	2,637
Share capital of ACH d.d. (31/12/2008)	11,408,356.89 euros
Net revenue of the ACH Group (31/12/2008)	734,750 thousand euros
Assets of the ACH Group (31/12/2008)	556,188 thousand euros
Number of shares (30/04/2009)	2,650,292 no-par value shares
Ownership structure (30/04/2009)	
I. Legal entities	2,331,829 shares
II. Natural persons	134,580 shares
III. Treasury shares	183,883 shares
Ratings	Under the Dun & Bradstreet methodology, ACH d.d. is listed among the "Magnificent 50", the highest rating for corporate financial discipline.

1.2 Strategic orientation

The mission, vision and strategic objectives are the strategic orientation of our work. They are applied to meet the standards of a modern, respected and successful enterprise, to achieve business efficiency and performance and, at the same time, to establish an internal and external environment that promotes and develops expertise, creativity, sense of usefulness and innovations of employees as well as social responsibility towards other stakeholders outside the Company. We develop values enabling and assisting us in achieving the set orientation of the Company and its



wider environment.

1.2.1 Mission

The mission of ACH d.d. is establishing, financing and managing investments and subsidiaries by applying holding management and group governance methods so as to optimise the management of investors' assets as well as the assets of the Company while constantly developing intellectual capital and strengthening social responsibility.

1.2.2 Vision

ACH d.d. will become the leading investment management company in Southeastern Europe, ensuring its investors adequately high and stable returns at an acceptable risk level. The Company will further consolidate its strategic capital investments in manufacturing, trade in vehicles, business hotels, investment banking and ICT. It will use considered business decisions and top-quality products and services to enter the global markets and strengthen its reputation in the European Union.

1.2.3 Strategic objectives

Strategic objectives are discussed at the corporate level (corporate objectives), the strategic activity level (business objectives) and the functional segment level (functional objectives). This section will discuss, primarily, the corporate objectives, while business objectives will be presented in detail below, in presentation of the Group by activity.

The corporate strategic objectives are based on holding management and group governance. They include stable management of existing investments, expansion of the portfolio, meeting the financial standards of ACH d.d. and monitoring standards of subsidiaries, optimal management of profits and a stable dividend policy, optimising assets and liabilities and streamlining business processes of the parent company and its subsidiaries. The strategic objectives will be implemented while remaining aware and developing social responsibility towards employees and the environment.

2 ALL FACES OF THE ACH GROUP

The ACH Group is composed of ACH d.d. as the parent company and 39 subsidiaries with nearly 2,700 employees. Subsidiaries are classified into five activities: trade in vehicles, manufacturing, business hotels, investment banking and information & telecommunications technology. They conduct business on markets of Europe, Asia and Australia.

Subsidiaries are independent in their operations. The parent company controls them through the two-tier management system and they must apply functional standards in their operations. An efficient risk management system is a pillar of management.

Composition of the Group managed by ACH d.d. in the five activities is presented in this chart of investments as of 30/04/2009:



ACH, d.d.

Proizvodnja Production	Trgovina z vozili Trade in vehicles	Poslovno hotelirstvo Business Hotels	Investicijsko bančništvo Investment banking	IT in Telekomunikacije ICT
Adria Mobil, d.o.o., Novo mesto	AC-Intercar, d.o.o., Ljubljana	AC-Kapital, d.o.o., Ljubljana	AC-Svetovanje in naložbe, d.d., Ljubljana	Perftech, d.o.o., Bled
Adria Caravan, d.o.o., Novo mesto	Autocommerce, d.o.o., Ljubljana*	Grand hotel Union, d.d., Ljubljana	AC-Broker, a.d., Beograd, Srbija	Perftech, d.o.o., Zagreb, HR
Podgorje, d.o.o., Šentjernej / 98,3 %	AC-Interauto, d.o.o., Koper	Hotel Lev, d.d., Ljubljana	AC Invest, d.o.o., Beograd, Srbija	Perftech, d.o.o., Beograd, Srbija
Adria Plus, d.o.o., Novo mesto	Log-Center, d.o.o., Maribor			Debitel telekomunikacije, d.d., Ljubljana
Adria More, d.o.o., Pakoštane, HR	AC-Mobil, d.o.o., Ljubljana			
Adria Star, d.o.o., Ribnik, HR	Avto Triglav, d.o.o., Ljubljana			
IMV Adria Caravan Aps, Danska	AC Auto, d.o.o., Beograd, Srbija			
Adria Mobil CH, GmbH, Švica	AC-Sistemi, d.o.o., Ljubljana			
Fleetwood Group Holdings Ltd, VB	AC Oprema, d.o.o., Beograd, Srbija			
Fleetwood Caravans Ltd, VB	AC Oprema, d.o.o., Rijeka, HR			
Adria Concessionaries Ltd, VB	AC-Konim, d.o.o., Ljubljana			
Sun Roller, S.A. Španija	AC-Facro, d.o.o., Ljubljana			
Sun Roller Adriatica d.o.o., Črnomelj	Autocommerce Hrvatska, d.o.o., Zagreb, HR			
	Autocommerce, d.o.o., Sarajevo, BiH			
	Autocommerce Nekretnine d.o.o., Zagreb, HR			
	Autocommerce, d.o.o., Beograd, Srbija			

* Sestava skupine je bila na dan 31.12.2008 drugačna, kar je upoštevano v vsebini in izkazih prikazanih v knjižici Finančno poročilo.

* The Group's composition has changed since 31/12/2008, which was taken into account in the text and statements in the Financial Report booklet.

Besides subsidiaries, important Group investments include the following associates: Factor banka, d.d., Ljubljana, Daimler AC Leasing, d.o.o., Ljubljana, Zepter Fond de Pensii, S.A., Bukarešta, Proinvestments, a.d., Belgrade and Qwest Investment, Ltd, Cyprus.



Guidelines and activities of the Company are comprehensively presented within three booklets (in reference throughout the text). The first, the **Company Profile** is a brief yet exhaustive description of our identity and activities clearly based on highly motivated staff dedicated to sustainable development, the **Financial Report** provides a summarised view of the financial and accounting records of ACH d.d. and the ACH Group for 2008, and **Sustainable Development** presents Our endeavours for sustainable development that are based on three intertwining segments: the economy, social activity and protection of the environment. This booklet presents our values, reflections, approaches and activities for a common future. The three booklets:

- Company Overview – The Full Power of Knowledge,
- Financial Report – Written in Numbers and
- Sustainable Development - Our Responsibility to the future

are published on the internet and are available via following url:

<http://www.ach.si/eng/vsebina.asp?IDpm=73>

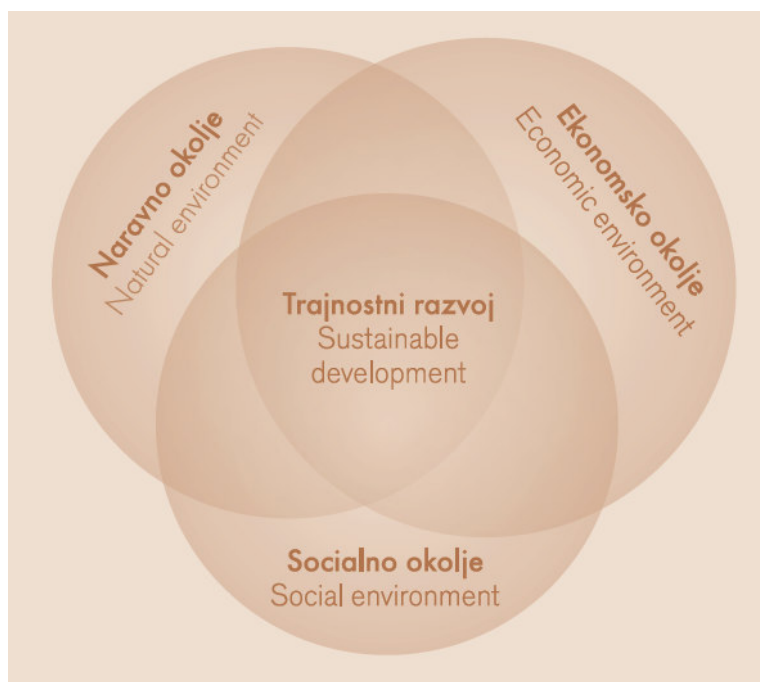


Introduction

The economic boom in the Eighties and Nineties created thousands of jobs and a number of new products and services. Human rights and the environment have been abused in a number of ways and an imbalance has appeared between satisfying the needs of the people, protection of natural resources and raising profits. Short sightedness of globalisation is reflected in total focus on increasing shareholder value and emphasis on short-term effects and performance. Strategic and long-term orientation is not appreciated.

The results of this short-term orientation can be seen in the environment and in the worsening living and economic situation. For this reason, strategic orientation, sustainable development and the related social responsibility of businesses are gaining importance. They even represent a competitive edge these days. The current strategic orientation and day-to-day business of enterprises reflects a consideration for the needs of future generations.

ACH d.d. is aware of its past and present activities. We understand the sustainable development concept, build it and gradually include it in our day-to-day business. We operate in the **economic, social and environmental segment in line with guidelines of the EU and the Lisbon Strategy.**



The seriousness of our approach has been proven by membership in a special network of the United Nations for sustainable development – **United Nations Global Compact** (UN Global Compact), the largest global initiative for social responsibility and sustainable development of world businesses. Members of the network have undertaken to respect, in their operations and strategic orientations, the ten universal principles of social responsibility and sustainable development relating to respect for human rights, labour standards, protection of the environment and prevention of corruption.

References:

Sustainable Development - Our Responsibility to the future, p. 6,7

<http://www.ach.si/eng/vsebina.asp?IDpm=73>



Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

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



Topic	<i>A brief description of our Processes or Systems and activities implemented in the last year / planned for next year with the Measurement of (expected) outcomes and value added for our company</i>	Reference to UNGC principle
Economic Aspect of Sustainable Development	<p>The economic aspect of sustainable development of ACH d.d. is based on orientations of long-term development and constant growth of the Company ensuring long-term and stable benefits for all stakeholders. We as an enterprise and as individuals, are fully responsible not only for economic but also for social and environmental development orientation of the society and the environment of which we are an active part. Responsibility towards the environment is a part of our strategic orientation: we take from and give back to the environment.</p> <p>A part of the economic aspect of sustainable development of the Company is systemic solutions and frameworks in which our core activity is performed. We are referring to the Company's corporate governance system, our organisational structure, based on quality and business excellence, IT support to business processes and our risk management system which is an important part of our activity.</p> <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p.8 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	all
Strategic Orientation Until 2013 With Emphasis on Sustainable Development	<p>Our strategic orientation reflects the determination to become the leading investment management company in south-eastern Europe, ensuring its investors long-term adequately high and stable returns at an acceptable risk level. When we achieve financial results, we will bear in mind responsibilities towards our employees, society and the environment. The orientation towards the development of our employees and their inclusion in the social environment forms the basis of our corporate communications and has been included in the strategic and annual plans of the Company.</p> <p>We are convinced that sound economic performance and social responsibility can go hand in hand. We believe that attaining one should not have a negative impact on the other. We are building a system in which sustainable orientation of the Company will be a competitive edge, a fact that has already been proven by past performance.</p> <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p. 8, 9 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	all



<p>Economic Performance of the Company and Its Role and Significance in the Wider Environment</p>	<p>Past activities of the Company prove that we are following a long-term business concept. We have met the expectations of shareholders and employees, while at the same time, keeping all our business activities socially responsible. We actively support Slovenian sports (ACH Volley), arts (art collection and ACH Gallery) and humanitarian activities. ACH d.d. is among the fifteen most socially responsible Slovenian companies ("Top Socially Responsible Enterprises" survey).</p> <p>References:</p> <p><i>Sustainable Development - Our Responsibility to the future</i>, p. 9</p> <p>http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	<p>all</p>
<p>Corporate Governance</p>	<p>ACH d.d. is a formally established enterprise operating in accordance with law and regulations. The corporate governance system of the parent company and subsidiaries is specified in detail in ACH d.d.'s company regulations and standards. Beside the Articles of Association, an important document is the Rules on managing and representing ACH d.d., which specify relations in the management of subsidiaries and internal work methods.</p> <p>ACH d.d. is managed by applying the two-tier system. The Supervisory Board, on the basis of regular quarterly reports by the Management Board, monitors implementation of the Company's strategic and annual plans at regular meetings. The Supervisory Board consists of six members, four elected by shareholders at the Annual General Meeting and two by the Workers' Council. An important part of reports is the information on performance of subsidiaries, which gives the Supervisory Board an overview of performance and management of the Company's investments.</p> <p>References:</p> <p><i>Sustainable Development - Our Responsibility to the future</i>, p. 12</p> <p>http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	<p>1,2</p>



Organisation and Business Quality Management	<p>ACH d.d. has established a quality system of organisation of corporate governance that is systematic, simple, transparent and understood by all employees. A sound business organisation improves operating efficiency.</p> <p>The Company's management uses business organisation to set the implementation of strategic objectives and annual goals resulting, in the end, in value added to the Company in the form of profit, development of employees or some other socially responsible activity.</p> <p>The constant question concerning business organisation is: "What is the optimal ratio between formalisation and flexibility of documenting business processes?" We want to preserve creativity, independence and innovations of our employees; thus, each year we have been reducing the scope of documented business processes and improving them. Requirements of the ISO 9001 standard are being upgraded towards the ACH business standards, which are accepted by staff of ACH d.d. as work guidelines.</p> <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p. 15,17 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	1,2
Human Resources Policy	<p>The human resources policy of the Company is based on development of key staff of the ACH Group and on building a corporate culture and environment that promote a growth and well-being of all employees. We are following the principles of a learning organisation and align the need for human resources with strategic orientation of the Company. Employees are the key to success and are becoming more important than "physical" assets and one of the key competitive advantages of the Company.</p> <p>Important human resources policies include the management of key staff - managers, executives and experts. These policies are implemented through human resources standards used to arrange their legal employment status, manage bonus systems, monitor their development and training and provide for succession.</p> <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p. 24 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	1,2,6



Values of Employees	<p>We endeavour to achieve satisfaction of employees in their work so they can contribute to the Company's efforts, keep their professional and personal lives in balance and to give them the opportunity for permanent professional and personal growth. These priorities are a part of our corporate culture and represent our common values.</p> <p>Key values of the corporate culture of ACH d.d.</p> <ul style="list-style-type: none">• Objective-oriented. Our main goal is satisfaction of shareholders, business partners, employees and wider society.• Improving results of our work through creativity, permanent education and training and personal growth.• Motivated for work.• Promoting a responsible attitude towards the quality of products and services, business and the environment and life in general.• Respecting colleagues, communicating directly and trusting each other.• We are aware that we represent ACH d.d. in public even outside working hours. <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p. 25 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	6
Climate and Employee Satisfaction	<p>Satisfaction of shareholders, business partners, employees and the wider environment is a core corporate value, thus, we provide for constant development of the corporate culture. We affect detection, analysis, the method of solving problems and, consequently, the Company's performance, innovativeness and response to changes and uncertainties in the environment and in the satisfaction of all employees.</p> <p>Climate and employee satisfaction in the Company are checked with the use of a survey measuring organisational climate and employee satisfaction, called SiOK, and the trends in its results are carefully monitored. We use it to assess the factors that have an important impact on employee satisfaction and, therefore, performance of the Company. Results of the survey are used to adopt measures by which we build a business environment in which we feel good and work effectively. Results and trends of the survey show that our orientation is correct and our work is good.</p> <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p. 32 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	6



Staff Communication	<p>We are proud of the quality of dialogue with our staff. Frequent contacts enable timely detection of any changes and problems and quick response to them. We communicate directly with employees and the Workers' Council, which participates in management. We use dialogue to promote creativity and the search for effective and quicker means to achieve common objectives. Along with our colleagues, we are searching for a path to a better future.</p> <p>We have been raising quality and improving internal communications year after year, notably with the intranet project, with an important upgrade being working environments on the SPPS portal for individual organisational segments. The working environments are places to work and to use for virtual meetings as well as for less formal discussions. Visits to ACHnet are increasing.</p> <p>We use different communication tools, various methods and channels. Electronic communications use ACHnet and written communications use notices. Our informal discussions also result in a number of interesting topics, ideas, findings and other interesting revelations.</p> <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p. 32,33 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	1, 2, 3,6
Rights and Social Security of Employees	<p>Differences between employees enrich our daily working lives as challenges in our work and can be analysed from different points of view and given a flexible response. The Company employs more than 70% women, which are also the majority among managers and executives. There are virtually no terminations; contracts are only ended with staff going into retirement or being employed by a subsidiary under the internal mobility system. We treat cooperation with employees as a long-term investment and, as a rule, conclude permanent employment contracts after one year of work for the Company.</p> <p>We are a responsible employer and, as a member of the UN Global Compact, are obliged to respect the principles related to human rights and labour standards. We operate in accordance with the Employment Relations Act, the regulations concerning the equal treatment principle and the regulations on equal possibilities for men and women. We comply with the legal provisions on equal treatment regardless of sex, age, health condition, ethnic and social origin, religion or belief, union membership, financial or other personal circumstances, prohibition of sexual and other harassment at work and other legal provisions. We provide for equal and non-discriminatory treatment in all segments of activities involving people. Compliance with the regulations relates to labour and social security.</p> <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p. 33 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	1,2,3,4,5,6



Organisation of Employees	<p>A five-member Workers' Council has been organised within the Company in accordance with law and the Corporate Governance Code for Publicly Traded Companies. The Council's rules of procedure specify the methods and procedures of its work and cooperation with employees and management. Two members of the Workers' Council are also members of the Supervisory Board supervising the Company's business along with shareholder representatives.</p> <p>The Company cooperates with employees in all key business decisions related to employees as we believing that their inclusion in management is crucial.</p> <p>ACH, d.d. promotes freedom of choice among its employees and allows full freedom to join any associations or interest groups including trade unions.</p> <p>References:</p> <p><i>Sustainable Development - Our Responsibility to the future</i>, p. 34</p> <p>http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	3
Inclusion of Employees In Society	<p>We are aware that linking with the wider environment contributes to good performance of the Company and employee satisfaction and encourages employees to become actively involved in their social community. In addition to their basic duties, the employees of ACH d.d. are members of various national economic associations (the Managers' Association of Slovenia, FAM – Businesswomen's Association, TGZ – Chamber of Commerce, etc.), branch and professional associations (auditing, accounting, human resources management, quality, public relations, etc.), non-profit organisations (sports, culture, social services, etc.) and supervisory bodies for companies and non-profit organisations. We also cooperate with educational institutions, where we act as contractors or guest lecturers linking our practical experience with theory, transferring our knowledge and experience to students and assisting the faculty.</p> <p>We will continue our intensive cooperation with educational and research institutions and make our contribution to the society. Our goal is to return to the environment what we receive – we have a drive for the development of ourselves and society as a whole. Our variety of implemented projects shows that we are successfully implementing this goal.</p> <p>References:</p> <p><i>Sustainable Development - Our Responsibility to the future</i>, p. 35</p> <p>http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	1,3,6,7



Environmental Responsibility	<p>ACH d.d. is not a major polluter; nevertheless, its existence and operation have an impact on the climate, energy sources, water, etc. Although our impact on the environment is significantly lower than is the case with some manufacturing plants, our responsibility is no lesser. We are aware that the environment enables us constant growth and development and we want to give something back for the opportunities it offers.</p> <p>Activities concerning protection of the environment are a must. Economic efficiency and protection of the environment are inseparable as waste management, energy consumption and inappropriate handling of the environment can strongly influence performance.</p> <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p. 36 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	7,8,9
Environmental Policy	<p>We would like to be as efficient as possible in protection of the environment, so the Company adopted a policy to be implemented in the short term.</p> <p>Policy on protection of the environment:</p> <ul style="list-style-type: none">● promoting environmental responsibility of employees and other stakeholders by using targeted information and education and by providing an example;● modernising buildings and equipment and installation of new, environmentally-friendly materials and energy consumers;● measuring and minimising CO₂ emissions;● applying the “4 R” concept in waste management (reduce, reuse, recycle and rethink), which influences reduced consumption, reuse, recycling and rethinking possible ways for reducing the quantity of produced waste;● preparing standards that include aspects of social responsibility in relations with suppliers. <p>Our policy follows the principles of the UN Global Compact of which we are a member.</p> <p>References: <i>Sustainable Development - Our Responsibility to the future</i>, p. 36,37 http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	7,8,9



<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Activities in Protection of the Environment</p>	<p>As ACH d.d. is not a major polluter, employees primarily meet the classic approaches to protection of the environment. We implement activities that require conservation of energy and environmental awareness: waste management, control of consumption of water and energy, consumption of paper and use of IT, logistic & transport services, including business travel. Complying with the 4 R concept:</p> <ul style="list-style-type: none">• separately collecting paper, cartridges, glass and plastic and handing them to authorised specialised companies for collecting and recycling waste;• using energy-saving settings in use of work tools (computers, printers, etc.) and strictly turning off devices at the end of the business day;• returning all written-off IT equipment to suppliers, who hand it over to companies authorised to handle such equipment;• using appropriate communication tools to inform the interested public on activities concerning environmental responsibility; <p>One-off environmental activities such as:</p> <ul style="list-style-type: none">• we replaced all cathode monitors with LCD monitors, which consume twice as less energy and emit very little electromagnetic radiation;• we switched the drinking water medium from bottles to the public water supply system and reduced waste packaging (plastic bottles);• we direct our subsidiaries in behaviour and activities in line with the principles of protection of the environment. <p>We are regularly training and acquiring knowledge related to protection of the environment and are sensitised representatives of a model of environmental responsibility. Our environmental responsibility is noticed, required and respected by our stakeholders.</p> <p>Environmental awareness is also present in our subsidiaries; particularly in the segment of manufacture and trade of vehicles, which complies with requirements of the international environmental standard ISO 14001. They regularly recognise their impact on the environment, keep records on environmental aspects, use the data to prepare environmental programs and take preventive action. Such activities are reflected in lower operating costs and favourable economic effects.</p> <p>References:</p> <p><i>Sustainable Development - Our Responsibility to the future</i>, p. 37,38</p> <p>http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	<p>8,9</p>
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Selection of Suppliers	<p>Our environmental responsibility is also confirmed by selection of suppliers of materials, equipment and services. We cooperate primarily with those who offer:</p> <ul style="list-style-type: none">● quality;● favourably prices;● energy-saving products (e.g. low voltage electrical equipment, electromagnetic compatible devices, etc.) made from natural materials and that are environmentally impeccable as well as complying with international standards (CE); and● products with checked References. <p>Examples of responsible behaviour include setting up a wireless local area network enabling automatic setting of transmitting power (radiation) with regard to the number of computers connected at a given time.</p> <p>By responsible selection of suppliers, we provide, along with our subsidiaries, for a reduction of negative impact on the environment and people, prevent pollution and save energy.</p> <p>References:</p> <p><i>Sustainable Development - Our Responsibility to the future</i>, p. 38</p> <p>http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	8,9
Ssocial Responsibility	<p>ACH d.d. acts in a socially responsible manner. We fill the environment with pleasant content, thus contributing to a better life of society. Our social responsibility strategy is planned in three segments: 1. arts, culture and science; 2. sports; and 3. development of individuals including employees (the latter described in detail in the section on human resources management).</p> <p>Our Company is involved in a number of social processes. We look for projects oriented towards sustainability and connect them, search for synergies and change the social environment and ourselves.</p> <p>References:</p> <p><i>Sustainable Development - Our Responsibility to the future</i>, p. 40</p> <p>http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	7



<p>Culture and humanitarian activities</p>	<p>ACH d.d. is making an exceptional contribution to Slovene culture. We are partners of a number of cultural and educational institutions including: the Scientific Research Centre, the Slovenian Academy of Sciences and Arts, the National gallery of Ljubljana, the Ljubljana International Graphic & Arts Centre and Ljubljana's cultural and congressional centre, Cankarjev dom. We support a number of educational and humanitarian institutions and foundations including: the Foundation of Dr. Šiftar and the Foundation of Franc Rozman Stane, the Žiga Zois Institute and its project To the Children of Slovenia and the UNICEF Committee of Slovenia. We are convinced philanthropists – we are among the first to offer humanitarian assistance to those in need locally, nationally or internationally. We link our cultural and humanitarian activities with sports as in the case of our volleyball team ACH Volley (see more in the section Sports).</p> <p>We are particularly proud of our cultural activities in cultural heritage represented by our art collection. It features nearly 400 exceptional paintings by exclusively Slovene painters from the end of the 19th and the beginning of the 20th century. A portion is occasionally topically exhibited at the ACH Gallery and presented to different public segments at certain events.</p> <p>References:</p> <p><i>Sustainable Development - Our Responsibility to the future</i>, p. 40,41</p> <p>http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	<p>1,2</p>
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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Compliance</p>	<p>ACH d.d. is, as a public limited company, exposed to the risk of compliance due to detailed and compulsory law. We are exposed to the same risk indirectly as is a parent company. Subsidiaries perform miscellaneous activities with a variety of legal provisions governing them.</p> <p>Our social responsibility is based on compliance with internal and external regulations, business ethics and business morals. We are constantly improving organisational processes and accounting for amendments to laws in order to organise a more efficient structure and more efficient work of all bodies and processes serving the elimination and management of regulatory risks.</p> <p>ACH d.d. checks compliance with an internal control system and with supervision carried out by the Corporate Legal Department and the Internal Audit Department.</p> <p>Special attention is given to the following in the internal control system:</p> <ul style="list-style-type: none">- recognising important units with operations closely linked to regulations;- prompt supplementing of business processes' documentation;- assessing the risks of reporting and setting the related control objectives;- evaluating processes and controls on the basis of their planned testing;- preparing and implementing test plans; and- evaluating test results and eliminating weaknesses in planned and operational internal controls. <p>The Company set up the Internal Audit Department as an independent and impartial segment in 2001. It performs subsequent control that contributes to prevention of irregularities in operations. Its operation is in line with the adopted annual action plan or by decision of the CEO (extraordinary audits). Audits are performed by an experienced internal auditor whose work is based on the Rules on work of internal audits and the Internal auditing standards.</p> <p>Compliance is included in all business decision-making processes so that no decision is made until compliance or any issue arising from business ethics and business morals are checked. Compliance and ethics are effectively monitored, assessed and maintained by the Corporate Legal Department, which monitors and assesses appropriateness and efficiency of regular procedures and adopted measures to eliminate any deficiencies. Thus, we prevent and limit the possibility for incompliance by the Company.</p> <p>References:</p> <p><i>Sustainable Development - Our Responsibility to the future</i>, p. 22,23</p> <p>http://www.ach.si/eng/vsebina.asp?IDpm=73</p>	<p>1,2,10</p>
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In Conclusion	<p>ACH d.d. strives towards long-term and stable business growth with results satisfying the requirements of shareholders. We are aware that we can only be successful if we respect each other, nature, the environment and society and provide for comprehensive development. Our strategic orientation thus balances all stakeholders. We are assisted by a developed organisational culture with key values following the principles of sustainable development in terms of economy, society and the environment, which are successfully combined in the Company's strategic orientation.</p> <p>Our dedication to sustainable development is confirmed by our long-term sound performance. Sustainable development is achieved by:</p> <p>formal and systemic framework of the Company's operations: corporate governance system, organisation of the Company and our risk management system;</p> <p>employees and processes of a learning organisation;</p> <p>respectful attitude towards nature and the environment and society as a whole.</p> <p>We are led by self-confidence, optimism and flexibility of thinking. We are assisted by being familiar with the strengths and weaknesses of our operation. We are aware that there is no such thing as stable and lasting competitiveness of enterprises on the global market and therefore constantly adjust our operation to new conditions. We develop the potentials of employees by communication, encouragement and teamwork, form our own management models and business development concepts and build the reputation of the Company.</p>	all
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How do we intend to make this COP available to our stakeholders?

We believe that the value of sustainability reporting in general, but specifically the COP, lies in both the creation of the report (internal benefits) and in sharing it publicly (external benefits).

Contents of this COP are integrated into existing communication with stakeholders through the annual report and especially the sustainability report.

This stand-alone Communication on Progress Report (COP) 2008 will be published on the internet and will be available via following url's:

- on the ACH website at <http://www.ach.si/eng/vsebinska.asp?IDpm=82>
- on the UN Global Compact site at <http://www.unglobalcompact.org>



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