



## **SUSTAINABILITY REPORT 2017**

The BTC Company





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## Key facts in the scope of the environmental and social responsibility of the BTC Company in 2017:

- 1,851,177 kWh of produced green energy from renewable sources,
- 9,844,876 kWh of saved energy from the projects of efficient energy use,
- reducing carbon dioxide emissions in the environment by 5,449,637 kilograms,
- reaching the annual average of 5.9% of water loss in the last five years,
- 67% of collected and sorted secondary raw materials at the source itself,
- four new one-way streets for slowing down traffic and enhancing the safety of visitors.
- planting 45 new trees and 1,500 shrubs,
- more than 160 different events in business centre ABC Hub.



# Exceptional stories between the earth and the sky

Nature does not need people for its existence, but people cannot survive without nature. This truth should become a part of every single inhabitant of our planet and of our actions. Ways for acting in a sustainable manner are numerous. The BTC Company has actively been paying attention to sustainable development for over 15 years; in 2014, we established a special business unit Mission: Green. In the company's Development Strategy 2020, we engage ourselves in adapting our business to the guidelines of environmental and social responsibility. You can assess our efforts for yourself. This year, we once again invite you to browse through our Sustainability Report, which includes a collection of environmentally and socially responsible activities in 2017.





In 2017, the preparation of the Energy Concept of Slovenia raised a lot of interest in the field of energy in Slovenia. Among other incentives, the concept encourages an increase in energy efficiency, climate sustainability, knowledge development, advanced networking and communities, and raising awareness among consumers about sustainable supply and energy management. All these goals are part of the BTC Company's agenda, as well. At the same time, we are well aware that **the responsibility for success lies with each and every one** of us.

Under the wing of business unit **Mission: Green**, the BTC Company is recognising environmental and social challenges of the modern day, and is active in its endeavours for establishing an open, environmentally aware society by creating green opportunities and encouraging innovativeness. We are assuming an active part in the following domains: improving energy efficiency, saving water, responsible waste managing, finding solutions for sustainable mobility, ensuring safety, supporting broader social incentives, and developing innovative ideas and solutions. We are thrilled to see the **Eco** 

**Index**, which measures the success of our activities, reach higher values every year; in 2017, it amounted to **491 points**.

A significant part of the BTC Company's success are projects from the field of energy efficiency – as much as 21 of them were carried out in 2017. We could say that our strength comes from green energy, since we produce energy from renewable sources, plan a more efficient consumption, and update our tools and equipment. Our responsible relationship to the environment is proven by numbers – in 2017, we reduced the carbon dioxide emissions by as much as 5,449,637 kilograms. Besides that and due to the regular monitoring of losses, as well as modernising the water distribution system, we only recorded an average of 5.9% water loss in the last five years. In compliance with the concept of circular economy, every year we endeavour to collect more secondary raw materials and reduce the amount of mixed municipal waste. In 2017, we were able to sort as much as **67% of secondary raw** materials already at the source.

In the BTC Company, we are well aware that the future lies in sustainable mobility.

This year, we again invested into **electric vehicle charging stations** – we set up as much as 6 across all three BTC City areas. In BTC City Murska Sobota, we also set up the Avant2Go station for electric vehicle sharing. For a pleasant atmosphere, safety, and a good traffic flow we continuously ensure parking spaces, changes to traffic regime, upgrades to infrastructure, and the management of streets and squares.

Together we can achieve more. Numerous positive stories that we write together with different individuals and organisations attest to that. In 2017, we again **supported more than 300**. Entrepreneurial mentality and innovativeness are especially supported through **ABC Accelerator** which in 2017 received the award for the best accelerator in Middle and Eastern Europe and which in the last three years enabled a breakthrough opportunity for more than 90 startups that collectively received over 30 million Euros of investments. Our innovative **ABC Hub** presents an entrepreneurial and social centre where in 2017 over 160 different events took place.

In 2017, we systematically included the elderly into the process of exchanging knowledge and good practices in the innovative technology centre **Simbioza BTC City Lab**. On the other hand we also supported young people. We focused on them with projects like **Mission: Green Steps**, which strengthened their awareness of sustainable mobility, and **Slovenia Has a Heart**, which encouraged almost 8,000 children to read books. For the fifth consecutive year, together with our partners, we organised a unique entrepreneurial course **BTC Campus**.

The BTC Company is certainly staying true to **supporting culture** and **cheering loudly for our athletes**. Together we write exceptional stories between the earth and the sky: on the road, we organise Marathon Franja BTC City and support women's cycling team BTC City Ljubljana; in sports halls, we support our Slovenian gymnasts; in whitewater rafting, we keep our fingers crossed for our kayakers; by sponsoring FIS World Cup Ladies Ski Jumping, we provide the wind underneath the wings of female ski jumpers.

This sums up only a few of our special events in 2017. You can read more on our activities on the following pages. I would like to conclude this editorial with a thought by John Lennon: "A dream you dream alone is only a dream. A dream you dream together is reality." Together, we have the power to ensure a bright future for the environment and the people.

Jože Mermal, President of the BTC Management Board In the last 17 years, we invested 52.5 million Euros into projects of sustainable development.

## 52.5 million €

**ABOUT MISSION: GREEN** 

The driving force behind long-term success: Staying close to people and nature

Nowadays, more and more companies, organisations, and countries are aware that economic activities need to stay in tune with the social and environmental responsibility in order to maintain long-term prosperity. The BTC Company pursues the principle of giving more to the environment than taking from it. We believe we are not alone in our actions. If you plant many trees, they will turn into a forest. Every responsible action carries certain weight and creates an invaluable product – for the environment and the life of people today, tomorrow, and the day after.



it possible for us to raise awareness of the broader public regarding green values and actions, and to create new business opportunities.

Through website Mission: Green, we share the highlights of our activities with the broader public. 2017 was no exception to the annual Sustainability Report of the BTC Company where all the most important sustainability projects are described. This way we measure our activities on a yearly level, since we wish to see the level of success of realising our endeavours in the scope of our missions. For this reason, exactly ten years ago we established our business model Eco Index that helps us evaluate individual sustainable activities and projects that affect the environment and the broader social community. In 2017, the increase in breakthrough activities and projects resulted in complementing the original six missions with the seventh one, which rounds up our support and development of innovative ideas and solutions.

The obligation for companies to act sustainably has become a necessity due to the impact on the social community and the environment. As good citizens and friends of nature, the BTC Company is aware of its responsibility; therefore, we have for many years been encouraging projects that leave green footprints. In the last 17 years, we invested 52.5 million Euros into different projects in order to realise our sustainable approach.

Implementing the business pillar Mission: Green in 2014 proves that sustainable approach truly lies in the heart of our actions. Under its wing, we are actively involved in socially responsible projects and activities from the field of ecology. Mission: Green represents a platform through which we implement and present our good business practices and achievements. We are aware that the transition from "green" to "smart" is necessary. Therefore, we include innovative technologies in our activities and through

strategic partnerships plan projects which contribute to environmental and social progress. This proactive approach makes



In 2017, we realised a number of projects and activities that strengthen our relationship with a broader social community and preserve our environment. In the business unit Mission: Green, we are planning, implementing, and keeping track of sustainable activities and projects within seven Missions:



2. MISSION: **SAVE WATER** 

3. MISSION: WASTE TO RESOURCES

4. MISSION: GREEN TRAFFIC

5. MISSION: **SAFETY FOR ALL** 

6. MISSION: SOCIAL RESPONSIBILITY

7. MISSION: INNOVATIVENESS AND PROGRESS



Every green action of an individual contributes toward sustainable transformation

ADDED VALUE



HUMANISATION, SPONSORSHIP, DONORSHIP



ENERGY, WATER BTC SAFETY, TRAFFIC,

SAFETY, TRAFFIC, WASTE

STRATEGIC MONITORING

In 2017, the BTC Company was for the second consecutive year awarded the Gold **Creditworthiness Certificate** which proves our reliable relationship towards business partners and contributes to strengthening the company's reputation. Upon receiving the certificate, we place among 1.6% of the best corporations in the country that are recipients of this recognition. However, the BTC Company is the sole recipient of this prestigious certificate in the category of loading services. In Slovenia, the Gold Creditworthiness standard AAA is achieved by 2,648 out of registered 167,703 companies.

The Gold Creditworthiness
Certificate is awarded by credit
assessment company Bisnode
with a longstanding tradition
of awarding certificates of
creditworthiness in 12 European
countries. The assessment in
question, based on different
criteria, helps assessment
companies assess the credit
quality of a certain company over
a longer period of time. Among
other criteria, contributing to
the assessment, are solvency,
creditworthiness, indebtedness,
profitability, as well as additional
risk criteria for dealing with
a company. The certificate is
awarded to companies with the
highest creditworthiness AAA for
three consecutive years.



## Numerous awards and recognitions attest to a successful, sustainable path

Numerous awards that the BTC Company received in the last couple of years attest to our successful sustainable path and breakthrough development practices.

Our success stories over the past seven years:



#### 2010

Environment-friendly company award

#### 2011

Horus award for the most socially-responsible company • JAPTI award for the most innovative business model Eco Index • nomination for European Business Award for business model Eco Index

#### 2013

InLoCom 2013 recognition award for an innovative project on the level of local communities »BTC City and Women's Ski Jumping« special award for achievements in the field of efficient energy use, energy production from renewable sources, and energy management in the scope of the 15th conference Days of Energy European CSR Award Slovenia in the category of large companies for the project »BTC City and Women's Ski Jumping« Green Logistics 2013 award for realising environmental goals in the field of logistics Tourist Prism award for new quality in tourism Platinum donor recognition award, awarded by the Slovenian Science Foundation

### 2014

CCIS's (Chamber of Commerce and Industry of Slovenia) award for exceptional economic and business achievements in 2013 • SPORTO award • Gold award for the project »From Cycling Paths to the Marathon« (23<sup>rd</sup> SOF)

#### 2015

Outstanding achievement award in the field of external advertising in the category outstanding (the BTC Company in cooperation with advertising agency Saatchi&Saatchi) • Platinum donor recognition award, awarded by the Slovenian Science Foundation

#### 2016

Prism award for the communication programme in the scope of the project "BTC's Cycling Story: the Programme of Encouraging Cycling in Slovenia" at the 19th Slovenian Public Relations Conference (the BTC Company in cooperation with Pristop agency) 🌣 Energy-efficient Project award for the system of heating Atlantis Water Park with surplus industrial heat from AguafilSLO at the 18th Days of Energy (the BTC Company in cooperation with Aquafil group) • PRIYATELJ award for the BTC Campus programme that is a synonym for the ambassador of young people and the Y generation (awarded by Ypsilon Institute) • Best Manager 2016 award for the Southeast and Central Europe regions as the most prestigious manager award, awarded for his lifetime work to Jože Mermal, President of BTC Management Board, and Best Company 2016 award as a prestigious recognition for the BTC Company's excellent results under Mr Mermal's leadership (awarded by the independent agency for the selection and promotion of managers at the 34th award ceremony in recognition of the best European managers) of Gold Creditworthiness Certificate, awarded by Bisnode

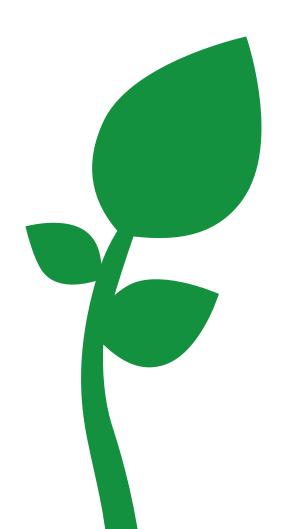
### 2017

the title Honorary citizen of Ljubljana 2017 for the President of the BTC Management Board, Jože Mermal Gold Quill award for business communication excellence in the category of corporate social responsibility for the project »BTC's Cycling Story: the Programme of Encouraging Cycling in Slovenia« (the BTC Company in cooperation with Pristop agency) Gold Creditworthiness Certificate, awarded by Bisnode Platinum donor recognition award, awarded by the Slovenian Science Foundation Best Slovenian cycling team of the year award, awarded to Slovenian women's professional team BTC City Ljubljana award for the best partner of the ABC Accelerator, awarded to the BTC Company, which is the co-founder and supporter of the Accelerator from the very start.





Jože Mermal, President of the BTC Management Board, at the official Honorary citizen of Ljubljana reception and ceremony



The title Honorary citizen of Ljubljana is awarded to individuals with exceptional achievements and who are distinguished by visionary ideas, welfare, cooperative attitude or the care for prosperity or promotion of the City Municipality of Ljubljana (MOL). Upon meeting the criteria, the Award Committee at MOL selects the candidates. In 2017, the City Council of the City Municipality of Ljubljana approved awarding the title to two candidates, one of whom was Jože Mermal. As the President of the BTC Management Board, he has been successfully managing the BTC Company and is also the author of the versatile project BTC City which presents a unique business entity on a global scale.

The explanation of the decision for awarding the title of Honorary citizen of Ljubljana to Jože Mermal points out that under his leadership the BTC Company over the past twenty years has developed from a founder and manager of the first Slovenian shopping centre in Slovenia to the manager of one of the largest European business, shopping, recreational, entertainment, and cultural centres. Per Mr Mermal's initiative, the BTC Development Strategy 2020 was formed, in compliance with which BTC City Ljubljana became an innovative city in 2015. With the establishment of the international ABC Accelerator, the BTC Company enables the formation and implementation of ideas into business models that find their way onto the global markets.

Among the achievements that led to Jože Mermal receiving the title Honorary citizen of Ljubljana were his numerous social and business roles. Awards and recognitions, received by the honouree for his activities, projects, and organisations, supported by the BTC Company under his leadership, should not be overlooked. An especially great value for Ljubljana and its citizens can be seen in the personal pledge by Jože Mermal, who in cooperation with MOL worked on projects, such as Partnership Šmartinska and IKEA, and who strived toward the signing of the Agreement on New Road Infrastructure for the realisation of the investment in the amount of 300 million Euros in the broader BTC City Liubliana area.

### Awarded certificates attest to sustainable and quality activities of the BTC Company

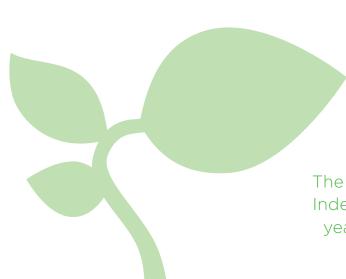
For its business, the BTC Company acquired four internationally acknowledged ISO certificates:

- **CERTIFICATE ISO 9001:2015 FOR QUALITY MANAGEMENT SYSTEM** which proves a documented approach to business that enables better control for implementing individual processes;
- **CERTIFICATE ISO 14001:2015 FOR ENVIRONMENT MANAGEMENT SYSTEM** which ensures cooperation with a company that treats the environment responsibly;
- **CERTIFICATE ISO 50001:2011 FOR ENERGY MANAGEMENT SYSTEM** which is a testament of actions toward improving energy efficiency and saving energy;
- **CERTIFICATE ISO 55001:2014 FOR ASSET MANAGEMENT SYSTEM** which attests to quality real estate and asset management of business partners.

Authorised experts of the Slovenian Institute of Quality and Metrology perform a certificate evaluation of management systems every year. They evaluate the compliance of a company's business and activities with the demands of the standard.

Also during the evaluation in 2017, all the certificate standards were successfully integrated into the business of the BTC Company. In this way, a successful management of business processes, higher work efficiency, and better satisfaction of business partners was ensured. At the same time, better and more systematic care for the environment and the society, and a higher efficiency of the BTC Company's energy and asset management were ensured.





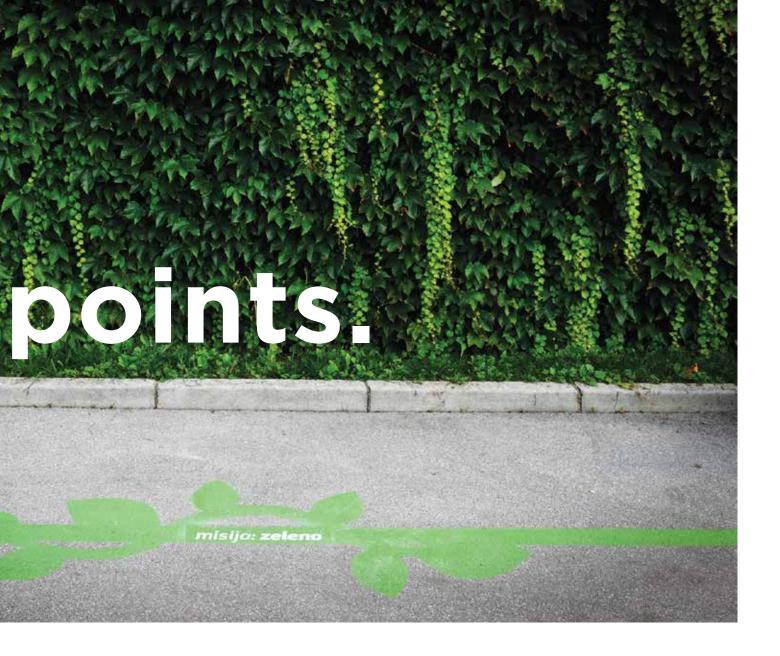
The BTC Company's Eco Index is increasing every year; in 2017, it reached



**MISSION: ECO INDEX** 

# Small actions for great environmental changes

First, we had to take a look back at nature, and only then could we be in step with it. In order to evaluate the success of our common path, an annual evaluation of the level of success of our endeavours is necessary. Only in this manner can we keep track of the successfulness and efficiency of implemented projects through a longer period of time. Companies evaluate their projects differently, but often employ both qualitative and quantitative indicators. Exactly for this purpose, the BTC Company developed its business model Eco Index. It is the company's own comprehensive tool which measures the success of our environmental and socially responsible practices. The value of Eco Index increases every year and shows a growing level of success in the implementation of projects for the sustainable development of the BTC Company.



In order to consistently keep track of the sustainable development of the BTC Company, we developed the business model Eco Index in 2008. The model was recognised as the best innovative business model, since it is able to comprehensively evaluate the company's impacts on the environment and the society.

We are proud that the value of the BTC Company's Eco Index is increasing every year. In 2017, with 491 points it scored 9 points higher than a year before.

## Any activity contributes to the value of the Eco Index

Projects and activities from different systems are included into the calculation of Eco Index and are then logically attributed to individual missions:

- · responsible energy management,
- · responsible water management,
- responsible waste management,
- traffic management,
- · ensuring safety,
- socially-responsible actions through raising awareness and supporting social incentives, including sponsorships and donations to activities in sports, culture, education, and science, and endeavours in the field of the humanisation of environment, and
- the support and development of innovative ideas and solutions.

Eco Index includes all the projects of the BTC Company that influence the environment and the society in every individual year. Every project from this set is evaluated according to three criteria:

- K1 impact on a broader society,
- K2 impact on the BTC Company,
- K3 the difficulty of the activity.

"K" stands for the criteria for calculating the Eco Index and can score the highest value of 3 points. The points for an individual activity are summed up according to the formula  $\Sigma$  (K1 + K2 + K3) which is supplemented by the total sum of all points for the activities in an individual mission.



Raising awareness with the public additionally contributes to the realisation of sustainable attitude

CATEGORY	Number of projects	Points	
Mission: Social Responsibility	59	233	
Mission: Energy Efficiency	21	105	
Mission: Safety For All	14	55	
Mission: Green Traffic	8	47	
Mission: Innovativeness and Progress	4	21	
Mission: Save Water	4	19	
Mission: Waste to Resources	3	11	
TOTAL	113	491	

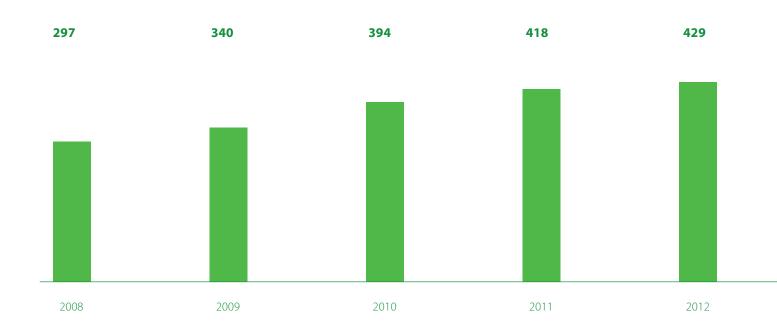
#### TABLE 1:

Eco Index values per mission in 2017

In 2017, we successfully continued with the positive trend of Eco Index value increasing. We realised 113 projects and activities which according to Eco Index together scored 491 points; 9 points more than the year before and as much as 194 points more than 9 years ago.

## **GRAPH 1:**

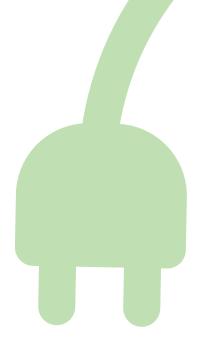
Value growth of Eco Index per year











In 2017, we produced 1,851,177 kWh of green energy from renewable sources, which is enough for an average yearly consumption of



**MISSION: ENERGY EFFICIENCY** 

## The power arises from green energy

With a growing need for energy, its management is becoming one of the key challenges of today's society. Energy efficiency is ranked high on the agenda of the EU and in compliance with the Energy Efficiency Directive (2012/27/EU) of its member states. Slovenia has a set national goal of reducing the entire consumption of energy by 20% by 2020, with the state encouraging the measures for efficient energy use in the fields of production, traffic, and end-user consumption. Along with sustainable development of society as a whole, the efficient energy use presents not only an "obligation", but also a powerful "tool" for companies to secure saving and thereby a competitive edge.



Clean energy is becoming more and more accessible; private and professional users can use the advanced technological solutions and platforms to become a part of the process of buying, selling, and trading (electric) energy. In the BTC Company, we use modern and innovative approaches for energy efficiency, and are constantly on the lookout for energy improvements. Under the wing of business unit Mission: Energy Efficiency, the BTC Company plans projects in the field of responsible and efficient energy use. In the last 7 years, we invested 6.2 million Euros into projects of energy efficiency.

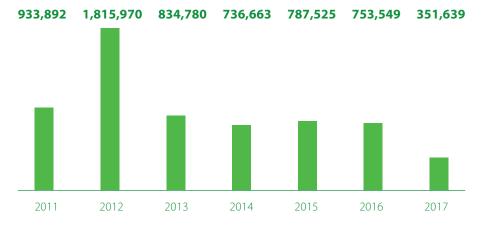
On the one side, we use solar power plants to produce energy from renewable sources, and on the other, we strive towards efficient energy use by investing in infrastructure and making upgrades. With the help of the BTC research team who is active in the field of

## **GRAPH 2:**

The value of investments in energy efficiency of the BTC Company between 2011 and 2017 (in Euros) technology and energy, we are constantly in touch with the newest technology trends, with innovative technologies concerned with renewable energy sources, and are seeking for ways for efficient and responsible energy source management. We are connecting with different partners in the scope of national and international tenders. By raising awareness of our business partners, visitors, and employees we encourage a more rational energy use.

## Our two key objectives in the field of responsible energy management are:

- actively managing all energy sources and thereby reducing the consumption of energy in the BTC Company, simultaneously increasing saving in own real estate and the real estate of partners;
- realising the activities for more responsible energy use and searching for new energy sources.



In the field of energy, we are active in managing energy sources and realising projects for using them more responsibly. Here, we are cooperating with Jožef Stefan Institute; together we performed an energy inspection of the BTC City Ljubljana area in 2017. We inspected the areas of electricity and heating and will use the results as the basis for future investments in efficient

energy use and renewable energy sources in 2018. The lighting on all our locations is regularly upgraded, as well. We are replacing illuminants with energy-saving LED-lighting; old heating and cooling devices are being replaced with modern ones. We are constantly investing in rationalising the cooling system, the heat insulation of the facade, heat insulation itself, and moisture

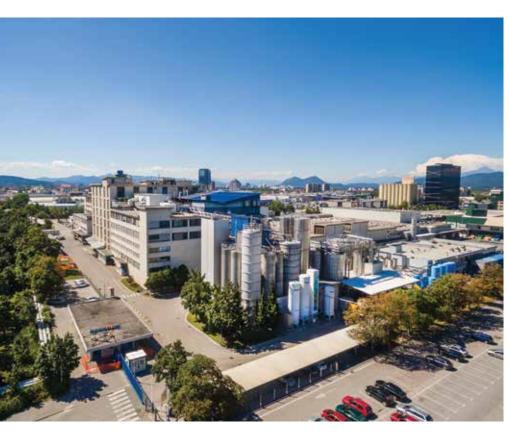
insulation of the roofs, as well as perfecting the current technologies.

## Every saved watt of energy is good for the environment

In 2017, we realised 21 projects regarding energy efficiency. Following are key projects concerned with upgrading the infrastructure and the equipment, which were performed in the last year and have contributed to more efficient energy use:

- the start of the NEDO project (smart networking),
- replacing the lighting with LED-lighting in the hallways of the lower floor of the Emporium in BTC City Ljubljana,
- performing an energy inspection of the BTC City Ljubljana area,
- introducing tube LED-lighting in the parking garage BTC City Ljubljana,
- replacing cooling aggregates in Hall 4, Hall 18, Water Park Atlantis, and in business tower BTC City,
- replacing the heating station in BTC Logistics Centre,
- replacing the lighting with LED-lighting on certain locations in BTC City Murska Sobota,
- setting up new street lights in BTC City Ljubljana,
- modernising the lighting in the parking area of the BTC Logistics Centre,
- replacing the air-conditioning systems in Hall C and Hall D in BTC City Novo mesto.

Three solar power plants and a gas cogeneration system make it possible for us to successfully produce electric energy from renewable sources. Solar power plants are located in the business unit BTC Logistics Centre, on the southern part of the Crystal Palace facade, and in BTC City Murska Sobota. Together with the cogeneration of heat energy, we can produce as much as



The cooperation of company AquafilSLO and the BTC Company in the field of sustainable heating solutions brings positive environmental effects Photo by Peter Škrlep

#### TABLE 2:

Saving from EEU projects (in kWh), the production of green energy from RES (in kWh), and the reduction of  $CO_2$  emissions (in kilograms)

EEU — efficient energy use

RES — renewable energy sources

kWh/year	2011	2012	2013	2014	2015	2016	2017
Saving (EEU projects)	67,080	830,400	1,198,310	1,635,660	2,296,876	9,044,876	9,844,876
Production of electric energy from RES	1,017,356	1,226,460	1,535,263	1,618,862	1,785,812	1,760,760	1,851,177
TOTAL	1,084,436	2,056,860	2,733,573	3,254,522	4,082,688	10,805,636	11,696,053
CO <sub>2</sub> emission reduction (kg)	759,105	1,439,802	1,913,501	2,278,165	2,857,882	4,868,345	5,449,637

2 million kWh of green energy on a yearly basis. In Prekmurje, a gas cogeneration system is located which also produces electric and heat energy in a sustainable manner.

In 2017, using three solar power plants and the cogeneration of heat energy, we have produced 1,851,177 kWh of green energy. On top of that, the projects in the field of efficient energy use made it possible for us to save 9,844,876 kWh of energy, which in comparison to the previous year represents a 9% growth, and as much as a 329% growth compared to 2015. The total saving regarding the EEU projects and renewable energy sources RES in 2017 amounted to 11,696,053 kWh, which represents a decrease in  $CO_2$  emissions in the amount of 5,449,637 kilograms.

Substantially contributing to energy saving was the new heating system of Water Park Atlantis and Sports Centre Millenium, using surplus industrial heat from the company AquafilSLO. At the end of 2015, the system was successfully introduced in Water Park Atlantis and in Sports Centre Millenium in the following year. In 2017, the new heating system contributed additional saving in the amount of 201,000 kilograms of carbon dioxide on a yearly basis; taking into account all the measures, on a yearly basis we reduce the pollution of air in Ljubljana by 2,201,000 kilograms of carbon dioxide. The heating system promises energy saving and reduction in carbon dioxide emissions in the future, as well.

### **SMART GRID THROUGH PROJECT NEDO**

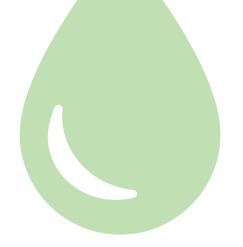
The Slovenian-Japanese project NEDO is a partnership between Japanese agency NEDO and a Slovenian transmission system operator. Advanced functionalities will be set up in the scope of the project, which will enable better coordination among stakeholders in the electricity system and its more efficient operation.

NEDO is a smart grid project spanning four years. The main project partners are the Japanese development agency NEDO and its authorised vendor Hitachi, the Slovenian transmission system operator ELES, who is heading and coordinating the project (although the project activities will be carried out on the infrastructure of all the owners of the Slovenian power network), the urban community of Idrija and BTC City Ljubljana. NEDO supplies modern equipment by Japanese and Slovenian solution providers while ELES funds the development of advanced functionalities which will combine with the equipment to form advanced smart grid infrastructure. The benefits of the project for the electricity system lie in the use of advanced solutions, which address the challenges of modern power systems with environment-friendly solutions in line with sustainable development. Instead of making investments into the expansion of the network, the use of modern secondary equipment, information and communication technologies, and cloud solutions will enable us to make better use of the existing network. A part of the ancillary services offered by ELES, otherwise largely relying on coal and natural gas power plants, will be provided through ancillary electricity reservoirs. The customers will receive a better quality electricity supply and the possibility to actively participate on the electrical energy and ancillary services market. By raising awareness among customers and using advanced electrical energy management systems, we will pursue the efficient use of electricity.

The key benefits of the project for BTC are the increased reliability of the electrical energy supply, supplanting diesel generators with electricity reservoirs, and the promise of income derived from the collaboration, i.e. providing a part of ELES' ancillary services and marketing implemented solutions.

"The Energy Efficiency Centre at the Jožef Stefan Institute has been successfully collaborating with BTC on projects aimed at improving energy and environmental efficiency, making an essential contribution to a better quality of life in Ljubljana. We are proud that those in charge at BTC have recognised that accelerating the development of energy efficiency and the use of renewable energy sources can also kickstart additional services and green jobs. The vision of a sustainable development of BTC is reinforced by examples of best practices, which can inspire many in a broader European context. In the future, we plan to continue with our cooperation in sustainable mobility and the introduction of advanced energy management models, designed primarily to optimise costs, increase supply reliability, and decrease the environmental impacts of energy management."

dr. Boris Sučić, u. d. i. e., head of EUREM, Energy Efficiency Centre, Jožef Stefan Institute



In the last 5 years, water losses in BTC City Ljubljana on average amounted to



**MISSION: SAVE WATER** 

Only in the desert do we realise the true taste of water

The Hebrew saying in the title alerts us to the fact that water is a vital resource, indispensable to all living beings, even though we only become aware of its true significance once it is scarce. Due to the excessive exploitation of water in the world, some of the rivers are in danger of drying up. According to expert projections, in the future as many as two thirds of the world's economy will feel the repercussions of water scarcity. In the upcoming years, the importance of water will further increase and profoundly change our lives and our water management.



Even though Slovenia has more than 26,000 kilometres of rivers and streams, 1,300 lakes and numerous springs, we must use water prudently and rationally. At BTC, we want everyone to recognise the significance of water in due time, and use it respectfully and responsibly on a daily basis. BTC has already introduced rational water management into our daily lives in all the business units. The most infrastructure investments and measures for responsible water use have been implemented in BTC City Ljubljana, which is our most frequented centre.

With our IT system, we regularly monitor water use and promptly detect any potential water loss. At the same time, we try to further reduce water consumption with a variety of measures. We are raising awareness among our employees, business partners and visitors to BTC City Ljubljana, and encouraging them to use water more responsibly. We are introducing new technologies and investing in the renovation of fire hydrant and sewage networks. In the past 15 years, we have changed 1,750 metres of water pipes. By upgrading the water supply network and responding swiftly, we gradually reduced water losses from 2000 onward – in the past 5 years, we have noted no more than 5.9% of water loss on average. The results of sustainable projects in responsible water management prove that we have a well-maintained water supply system, and that our awareness, as well as the awareness of our stakeholders, of the vital importance of water is gradually increasing.



## In 2017, we carried out the following responsible water management projects:

- upgrade of the control equipment for swimming pool technology in Atlantis Water Park,
- repair and protection of the concrete surfaces of the compensatory pool in Atlantis Water Park (washing water, waste water, service water),
- new filter medium in Atlantis Water Park,
- renovation of the sewerage next to Hall 2 in BTC City Ljubljana.



In 2017, we collected and separated 67% of secondary raw materials at source together with our business partners.



**MISSION: WASTE TO RESOURCES** 

# Waste for some, for us a valuable resource

Circular economy is the future. It is a concept that promotes the rational use of resources used by a company for its business and the reduction of waste toward zero. The final goal is for the waste of one industry to become raw materials for another. The re-use of raw materials has many benefits, from reducing environmental stress to diminishing the costs of purchasing raw materials and energy. Due to population growth, limited natural resources and excessive waste accumulation, re-use is absolutely necessary. Even at the design stage of a product, companies should use materials that will enable later use in other industries and will retain their value for as long as possible.



In the spirit of sustainable growth, BTC is already headed in the direction of circular economy. We operate in accordance with the guidelines and standards of the ISO 14001 Environmental Management certificate. We carry out numerous environmental programmes, recycle waste, and create savings in energy and raw materials by re-using them. In this regard, we consistently reach our primary objectives: to increase the share of separated secondary raw materials in the total waste headed for recycling and decrease the share of mixed municipal waste.

## The cooperation of all stakeholders is

At BTC, we encourage our employees, as well as our business partners and visitors to separate their waste. A prerequisite for this is an effective system of deliberate and prompt waste collection and its separation at source. Employees can sort waste in three-compartment bins in the offices, lessees at special waste sorting spots, and

visitors at ecological stations equipped with sorting bins. We have our own ecological stations and waste compacting machines in four of our business units – in BTC Cities in Ljubljana, Novo mesto and Murska Sobota, and in the BTC Logistics Centre. The lion's share of waste in BTC is produced by companies, and a smaller share by visitors. In addition to the waste-sorting infrastructure, spreading information, raising awareness and encouraging all stakeholders to behave more responsibly toward the environment are of vital importance; with active communication, we shed light on the issue of responsible waste management.

## Modernising the waste management system to gain more raw materials

In 2017, the BTC Company collected 4,511 tons of diverse waste, carefully separated into 27 fractions at our ecological stations. Out of these, secondary raw materials amounted to 17 fractions. They fall into the following categories: paper and cardboard packaging, biodegradable waste, construction waste, mixed packaging, plastic packaging, wooden packaging, glass packaging, and metals and metallic packaging. In 2017, as much as 67% of total waste was separated at source into secondary raw materials. The rest, meaning 33% of mixed municipal waste, gets taken care of by the public utility company, which gains another 40% of raw materials out of the sorting facility at the central ecological station.





In 2017, the following activities were carried out with respect to waste collection, separation and disposal:

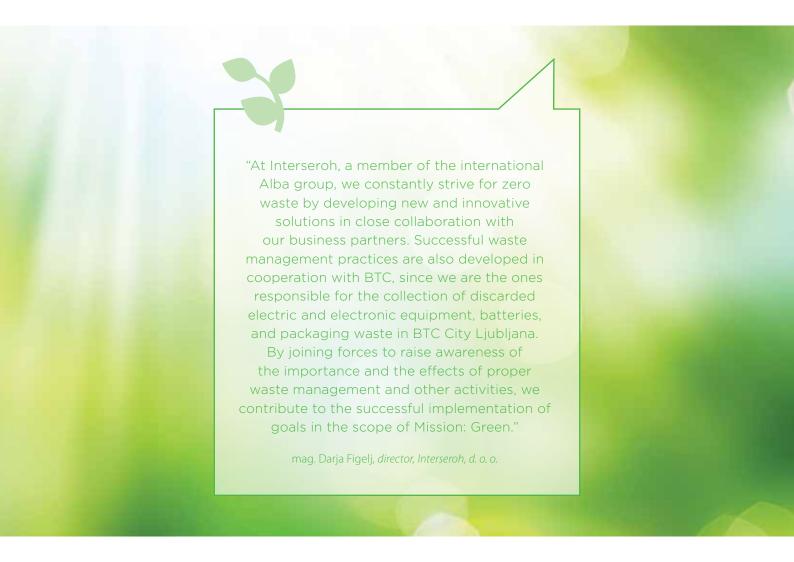
- presentation of best circular economy practices at the congress of our business partner Interseroh in the Crystal Palace,
- support and participation at Eurocities 2017 on the topic of circular economy at the Ljubljana Exhibition and Convention Centre.
- positioning additional sorting bins in the Flower square of the BTC City Open Market.

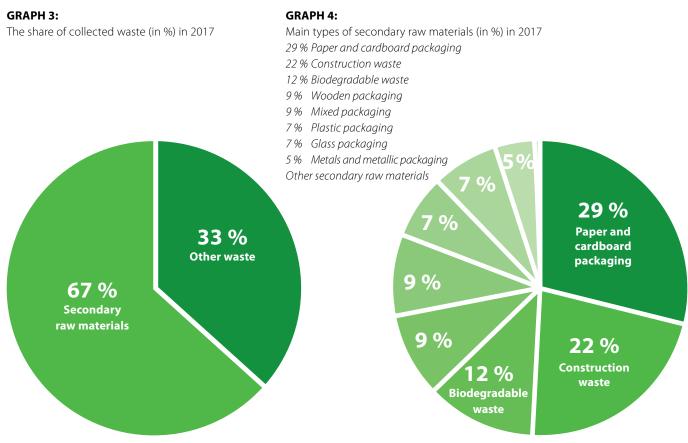
The desire for sustainable growth directs BTC into circular economy, which was one of the topics at the congress of our business partner Interseroh. The congress was also attended by BTC, which reported on the sustainable development of the company. We also took part in the annual conference of the network of European cities Eurocities 2017 in Ljubljana. We participated in the roundtable discussion on circular economy, and introduced our business pillar Mission: Green and the Smart City platform in our own exhibition room.

Given the results of the modernisation of the waste management system and the public awareness raising on responsible waste management, our efforts in this regard have brought measurable results. From the year 2000, when we first introduced systematic waste management, and until the end of 2017, we have managed to raise the share of waste separated at source from 20% to 67%.

Introduction of the Smart City platform at Eurocities 2017 Ljubljana Photo by Matjaž Očko

In 2018, BTC will combine responsible waste management with the benefits of digital technologies by digitising the waste management process. With this project, we plan to digitally upgrade the existing waste management system in order to get even more current and accurate data about the amount of waste and its streams.







Six new electric vehicle charging stations have been introduced in our BTC Cities.



**MISSION: GREEN TRAFFIC** 

# Leaving green tracks on the roads

The biggest consumer of end-use energy in Slovenia today is traffic. Traffic also creates the highest amount of carbon dioxide emissions. Due to climate change and environmental pollution, reducing greenhouse gas emissions and gradually transitioning to alternative fuels is of paramount importance. In 2017, Slovenia took a significant step in this direction as the government approved the strategy on alternative fuels in the transportation sector, which emphasises hybrid and electric vehicles. Among other things, the strategy proposal envisages that after 2030, the first registration of cars with internal combustion engines running on gasoline or diesel fuels will no longer be permitted in Slovenia. One of the possible solutions is electric mobility, and this trend is also followed by BTC.



The supply and demand of electric vehicles grow year by year, new business models are introduced, new charging infrastructure is being put in place, technological development is focused on improving batteries ... Within Mission: Green Traffic, BTC is mindful of diminishing the environmental impact of traffic and improving the traffic flow and safety for all road users. We provide parking spaces for both cars and cyclists, we put up electric vehicle charging stations in collaboration with our partners, we renovate and upgrade our traffic infrastructure, and we introduce alternative modes of mobility.

In 2017, we implemented a number of transport-related projects. The most important among them, which contribute to the greater safety of our visitors and a better traffic flow, are:

 signed agreement on new road infrastructure for the implementation of investments in the amount of 300 million Euros in the broader area of BTC City Ljubljana,

- six new electric vehicle charging stations in BTC Cities,
- new electric car sharing station in the Avant2Go system in BTC City Murska Sobota,
- new self-service bike rental stop in BTC City Novo mesto,
- smart parking system on the P4 parking lot in BTC City Ljubljana,
- smart parking system in between Hall 3 and Hall 4 in BTC City Ljubljana,
- new parking regime for employees and business partners in the BTC City Ljubljana parking garage,
- renewal of the transport infrastructure in the BTC Logistics Centre.

## BTC City Ljubljana: fit for pedestrians, cyclists and drivers

BTC City Ljubljana is annually visited by 21 million people, which demands appropriate infrastructure solutions. We implement those in the scope of our traffic management projects. The entire area of BTC City Ljubljana features 15 roundabouts and a parking garage. With constant investments into infrastructure, new footpaths, as well as additional pavements and bike trails, we keep our city accessible to all quests and employees, regardless of whether they visit us on foot, by bike or by car. To visit BTC City Ljubljana and brave shorter distances within the area, visitors can use two of Ljubljana's public transport bus lines and the free City Bus. Cyclists can take advantage of the bike sharing system BicikeLJ and more than 490 bicycle parking spots. We also take care of those guests who arrive by car. In the entire area of BTC City Ljubljana, there are 8,500 free parking spaces, including special parking spots for people with disabilities and visitors with children. We let our visitors know how many free parking spots are available on digital signboards, which makes for safer traffic and a better traffic flow. We also provide orderly traffic management and guidance during daily rush hours and special events.

In BTC City Ljubljana, four electric car sharing station bear witness to the fact that we are following the e-mobility trend, along with the Avant2Go electric car sharing system. For its own transport, BTC has four electric vehicles at its disposal, two of which are intended for the courier service.

#### New steps in sustainable mobility

In 2017, we continued with and built on our vision of an energy-efficient and transport-streamlined high-tech BTC City Ljubljana. At the end of the year, we joined forces with our business partner Petrol and built as many as 12 new electric vehicle charging stations. The charging stations are located at four different spots in BTC City Ljubljana, one spot in BTC City Novo mesto, and another one in BTC City Murska Sobota. At all six locations in BTC Cities, these public alternating current (AC) charging stations allow the charging of up to two vehicles simultaneously, with a maximum charging power of 22 kW per charging spot. We have also given the corresponding parking spots a suitable paint job, setting them apart from the regular parking spaces and making them more visible. Charging can be initiated with Petrol's electric mobility card, but there are also plans to use the OneCharge web app in the future, which gives the user an overview of the state and availability of all the charging stations.

BTC and Avant car have once again joined forces to promote sustainable mobility. Since the middle of March 2017, a new Avant2Go **electric car sharing** station is operational in BTC City Murska Sobota. The station features a modern electric vehicle charging port with three parking spots: two are intended for electric vehicles in the Avant2Go system, while one is available to drivers of other electric cars.





Avant2Go in BTC City Murska Sobota



In the final quarter of 2017, we set up a **smart parking system** on parking lot P4 south of the Crystal Palace in BTC City Ljubljana. The system employs ground sensors, which provide an overview of the available parking spots in real time, allowing for faster and more efficient parking. This improves customer satisfaction and traffic flow, as well as the safety of all road users, and has a positive effect on the environment.

In the BTC City parking garage next to Atlantis Water Park, we arranged 400 parking spots for a more comfortable daily access of our employees and business partners. We equipped them with a barrier and access controls, so a specific parking spot is always available to an employee. This makes for a better shopping experience of visitors to BTC City Ljubljana, allows for better traffic flow, and also reduces exhaust gas emissions into the atmosphere.

BTC was the initiator of the project for an independent **automated public bike rental system** in the City Municipality of Novo mesto. The aim of the project is to contribute to the development of sustainable urban mobility and increase the popularity of cycling in Novo mesto. The City Municipality of Novo mesto supported our initiative, launched a public tender for an automated bike rental system and unveiled the first two rental stations in autumn. The other three rental stations were contributed by BTC in BTC City Novo mesto, Krka, and School centre Novo mesto.

## NEW ROAD INFRASTRUCTURE FOR A BETTER TRAFFIC FLOW

Together with the Ministry of Infrastructure of the Republic of Slovenia the City of Ljubljana, DARS, and the Slovenian Infrastructure Agency, BTC has signed an agreement on new road infrastructure for the implementation of investments in the amount of 300 million Euros in the broader area of BTC City Ljubljana. The first measures derived from the agreement, which will improve the traffic regime for companies and citizens alike, focus primarily on ringroad or expressway junctions onto the roads Letališka cesta, Šmartinska cesta, and Leskoškova cesta. An expansion of the rest of the Letališka cesta road into a four-lane road and the construction of a couple of roundabouts are also planned. A so-called "turbo roundabout" will replace the current two-lane roundabout at the junction of the Bratislavska cesta

The planned investments are predominantly associated with commerce and logistics. In addition to investments made by BTC, further investments by domestic and foreign partners – namely IKEA, Mercator, and Slovenian Railways – are planned for the development of BTC City Ljubljana. The plan is to ensure the continuation of logistic partnership in an area spanning 50 hectares, where additional 160,000 m2 of logistic surfaces are foreseen.

These projects will have an important impact on job growth, the concomitant development of industry projects and state infrastructure, and the consequent acceleration of economic development and the promotion of business investments.



In 2017, BTC City Ljubljana saw the construction of four new one-way streets following the principles of shared space in order to improve traffic safety.



**MISSION: SAFETY FOR ALL** 

# Safety: without it, everything else loses its value

Safety and security are not self-evident – they result from long-term endeavours. With the tense security situation in the world, they are becoming increasingly cherished goods. In addition to providing physical security, the question of security in the digital world is a burning issue. In 2017, the new General Data Protection Regulation (GDPR), which will come into use in May 2018, spurred a fiery discussion and measures to adequately protect the private data of citizens of the European Union. At BTC, we believe in preventive measures, which is why we systematically reduce the possibilities for the endangerment of the safety of our employees, business partners and customers, and are ready for a swift and efficient action in the case of a potential security incident.



At BTC, we pay a lot of attention to BTC City Ljubljana, which is an open area with a high daily visitor count and therefore a special challenge in terms of keeping everything under control 100% of the time. In our operations, we deal primarily with general, fire, and traffic safety. We carry out different activities aimed at fire prevention measures and the upgrade of our asset protection systems. We continually upgrade our centrally controlled video system, the anti-burglary security systems, and the fire safety systems.

Our own security unit has an important part in our endeavours. Its employees regularly attend professional education and training courses in addition to their ongoing cooperation with the police, rescue, and fire services. Trained personnel and investments in the modernisation and improvement of security systems help create an environment in which our customers, employees and business partners feel safe.

## 

- construction of four one-way streets and a new traffic regime following the principles of shared space in BTC City Ljubljana,
- upgrade of the fire safety sound system in Hall A in BTC City Ljubljana,
- beginning of the project Mission: Safe City in collaboration with MiDS (iHelp),
- participation in the project Safe Cycling, organised by the company Butan plin,
- re-arrangement of the parking lot crosswalk to improve the safety of visitors to the BTC City Open Market,
- upgrade of the lightning conductor in Halls 8, 9 and 10 in BTC City Ljubljana,
- upgrade of the fire safety system in the basement of Hall 11 in BTC City Ljubljana,
- new security lighting in Hall 18 in BTC City Ljubljana,
- lighting on building walls for the illumination of the street next to the BTC City Open Market,
- installation of a stationary fire extinguishing system in Atlantis Water Park,
- renovation of the sidewalk next to Kratochwill in BTC City Ljubljana,
- supplementation of the video surveillance system in the area of BTC City Ljubljana.

#### **HEART-FRIENDLY COMPANY**

### Changing the traffic regime

In 2016, BTC City Ljubljana saw the emergence of four new one-way streets, a trend that continued in 2017. Now, there are four additional one-way streets: between Halls 3 and 4, between Halls 6 and 11, between Halls 11 and 12, and between the renovated Youth square and the Kolpa salesroom. Besides providing better security, we also improved the general atmosphere of the area by further greenifying it in addition to setting up a new traffic regime. Along the new transport surfaces we planted 45 trees and more than 1,500 shrubs. With the new regime, we have preserved the number of parking spots and are gradually improving the traffic flow in the entire area of BTC City Ljubljana. Our interventions are in accordance with the principles of shared space, whose goal it is to slow down traffic and create a more visitor-friendly environment.

At the end of 2017, we partnered with the company MiDS and started to plan the project Mission: Safe City, whose activities will reach into 2018. The goal of the project is to inform BTC's employees as well as visitors to BTC City Ljubljana and our business partners, about the basic resuscitation techniques using a defibrillator. With this project, we want to improve safety in the area of BTC City Ljubljana. BTC is also the recipient of the certificate "Heart-friendly company", awarded by MiDS.



Worksnops on basic resuscitation techniques using a defibrillator in the ABC Hub, hosted by MiDS



With the project iHELP we want to ensure faster first aid provided to people in need. In 2017, BTC joined us on our path toward this goal. Together, we are writing a hearty story – with workshops on basic first aid techniques, we are raising awareness among people on how they can react appropriately at the site of an accident as first responders. Participants in the seminars are informed about the importance of shortening the time to providing quality first aid at home, at work, or on the road. Together with the iHELP team, BTC provides better safety and security for all the visitors and employees of BTC City Ljubljana.

Andraž Ogorevc, director, MiDS, d. o. o.

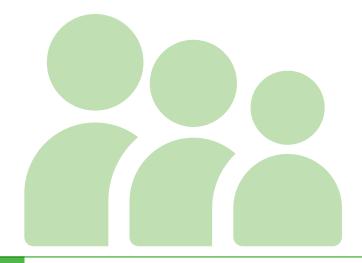




## Safe cycling

In 2017, BTC was one of the partners of the all-Slovenian project Safe Cycling, organised by the company Butan plin, for the fifth year in a row. This programme, which encourages young cyclists to bike responsibly, brought together 90 schools or almost 3,000 students in 2017 alone. With the help of educational tasks, the participating primary school students familiarised themselves with the road traffic rules, potentially dangerous traffic situations and cycling gear, while also discovering the fun of cycling as a recreational sport. At the closing event in May 2017, more than 500 children from 12 Slovenian primary schools gathered in multiplex cinema Kolosej. The most diligent schools and children received awards for their effort.





In 2017 we supported more than



**MISSION: SOCIAL RESPONSIBILITY** 

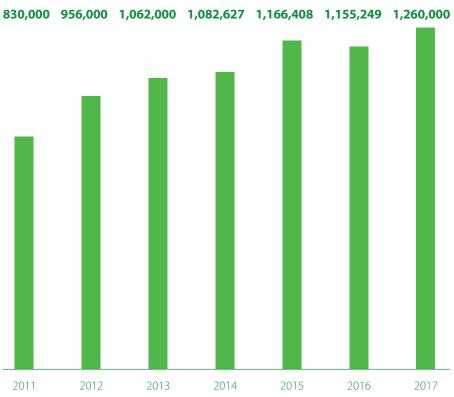
If we want to go far, let's go together

"If everyone is moving forward together, then success takes care of itself." At BTC, we agree with these words by Henry Ford – we believe that cooperation among individuals and organisations results in tremendous achievements and greater personal and societal growth. Cooperation writes countless inspiring stories, including that of our company. We view social responsibility as mutual cooperation that supersedes one-time sponsorships and donations. We build solid relationships and actively co-create the achievements of individuals and organisations in many fields of endeavour. The secret to many success stories lies precisely in the power of support, which propels actors toward the desired goal. BTC is this kind of a propellant, and we want to remain such in the future.



Among the values that particularly inspire us at BTC are ethical actions, respect for the environment, innovation, the promotion of development, and the creation of added value. We happily connect and grow with people and organisations who share these values. In the past seven years, we have invested no less than 7.5 million Euros in socially responsible projects. Similar to previous years, we supported more than 300 organisations, individuals, events, and other activities and projects from different domains, including sports, education, science, culture, innovation, transport and ecology, also in 2017. Below are the selected highlights, which enrich our daily lives.

#### GRAPH 5: Annual comparison of funds intended for socially responsible projects at BTC (in EUR)



## Young people are the generators of new energy

The projects in which BTC participated in 2017 once again shone a spotlight on young people. In the middle of February, we hosted the closing event and exhibition of the project **Slovenia Has a Heart** (Slovenija ima srce) in SiTi Teater BTC. The goal of the project was to encourage young people to read books, strengthen their reading habits, and make them aware how important it is to care for the environment. As part of the project, 7,988 children from all over Slovenia read two books. In 2017, BTC supported the all-Slovenian project Safe Cycling, organised by the company Butan plin, for the fifth year in a row. The programme, which encourages young cyclists to bike responsibly, brought together 90 schools or almost 3,000 students in this school year. In June, SiTi Teater BTC hosted the closing event of the project Mission: Green Steps, which saw the participation of 2,100 young people from 129 institutions from all over Slovenia. With the support of our partnership, the organiser of the project, the internationally renowned sustainable development programme Eco-Schools, strengthened the awareness of young people on sustainable mobility. For the fifth year in a row, BTC also supported the project Encouraging Friendship, initiated by the society for sustainable development Sobivanje. Their contest fostered the creativity and solidarity of the children and promoted positive values. This year, the project brought together 11,260 Slovenian children from 172 primary schools and kindergartens from all over Slovenia, while interest in project participation was also shown by potential partners beyond Slovenian borders.





"At Bomark, the agency for sustainable marketing, we pay special attention to sustainability-oriented upbringing and education. Encouraging Friendship is one of our more important projects, which stresses the significance of interpersonal relationships among our youngest, as well as those who are a little bit older, and promotes ethical actions. That is why we are happy and proud that BTC is one of our project partners. Together, we have been creating a unique story, which keeps including ever more people, for as many as six years. In the scope of the project, we cooperate with almost 200 kindergartens and primary schools, with a total of more than 11,000 children from all over Slovenia. With the support of experts, we also present our topic of interest to parents in the magazine Sobivanje, which is delivered to 30,000 families free of charge. We believe that honest and sincere relationships are fundamental to any society, since our attitude toward people is finally also reflected in our attitude toward the environment we live in."

mag. Borut Petelin, director, Bomark, d. o. o.



For the fifth year in a row, we organised our own project called **BTC Campus**. This is a unique business education programme, which we first organised in 2013 in cooperation with our partners, the Employment Service of Slovenia and the Centre of Business Excellence of the University of Ljubljana. The project only took place in Ljubljana for the first three years of its implementation, but in 2016 and 2017 we also brought it to Murska Sobota. Throughout the programme, participants perfect their entrepreneurial skills as they work on concrete business challenges and consider best practices. In the last iteration of the programme, the young candidates delved deep into understanding the different groups of visitors coming to BTC City Ljubljana – they thought about how to address them through traditional communication channels and, especially, through modern digital solutions. They presented their suggestions to members of the BTC Management Board and BTC's partner companies, which opened doors to potential cooperation in the future. The education programme spanned 36 hours and had a total of 61 participants: in addition to a group of 30 young people in the startup centre ABC Hub in Ljubljana, the BTC Campus was also attended by 31 participants in BTC City Murska Sobota. The lectures were held by lecturers from the Centre of Business Excellence of the University of Ljubljana Faculty of Economics.



BTC Campus Ljubljana

# spo

The power of cooperation is seen with athletes, teams, and sports societies who achieve successful results on a global scale. The BTC Company has supported top athletes, who have achieved top results at an international level, as well as young upand-coming athletes with huge potential. Besides that, we contributed to different Slovenian sports clubs and associations that have a tradition of raising athletes and participating in competitions.

The BTC Company is proud to continue its 20-year-long support of the **ski jumping club SSK Ljubno** ob Savinji BTC and be the general sponsor of the FIS World Cup Ski Jumping Ladies in Ljubno ob Savinji right from the beginning. In February 2017, we saw already the sixth edition of this event, which is considered to be one of the best in women's ski jumping on a global scale – with regard to its organisation and the atmosphere set by all the ski jumping fans. In 2017, the World Cup competitions under the Rajhovka peak were visited by 13,500 fans, and it was broadcast live on TV to several countries across the world. For example, more than 400,000 viewers tuned in for TV Slovenija's live coverage of



36th Marathon Franja BTC City

### PERSISTENCE AND COMMITMENT MAKE IT POSSIBLE TO REACH THE HIGHEST GOALS

The project involves several organisations and individuals, locals and volunteers, who give this competition a unique positive energy. With its support and cooperation, the BTC Company contributes to the strengthening of the renown, and especially the recognition and popularity of women's ski jumping in Slovenia and abroad.



FIS World Cup Ski Jumping Ladies Ljubno ob Savinji

# Charity and sports go hand in hand

In January 2017, sports centre ŠC Millenium hosted the already 12<sup>th</sup> **24-hour-cycling charity event with Marko Baloh**, which was attended by more than 80 sports fans. The goal of the event was for the participants and the supporters to contribute food with a long shelf-life to people in need. Cyclists had the chance to try out the new version of the legendary Pony bike.

Charity and sports intertwined once again in May, when ŠC Millenium hosted the charity tennis tournament Memorial Pavla Kosa. The event welcomed lots of sports fans as they watched Slovenian sports legends, journalists, entrepreneurs, and friends of Pavel Kos, the first director of ŠC Millenium, play tennis.

#### WE SHARE OUR LOVE OF CYCLING



In June 2017, we saw the already 36<sup>th</sup> edition of the Slovenian cycling festival **Marathon Franja BTC City**, whose general sponsor since 2003 is the BTC Company, and which is organised in cooperation with cycling association KD Rog, the City Municipality of Ljubljana, and others. As per tradition, the main marathon area is in BTC City Ljubljana. Since its beginnings, Marathon Franja, which is included in the world marathon series UWCT Gran Fondo, has seen the participation of over 100,000 riders from 42 countries. In 2017, more than 7,000 riders took part in the biggest Slovenian cycling festival. We also registered a record-breaking number of riders from abroad, who came from 42 countries.

The Marathon started off with Friday's Time Trial Ljubljana–Domžale–Ljubljana. Saturday was reserved for families – the Hofer Family-School Marathon and the Vzajemna Kids' Trial. Due to the resurrection of the Rog brand, the Ameriška avenija avenue saw the premiere relay race for teams of three with new Pony bikes. On Sunday, two main events took place – Little and Big Marathon Franja. Franja's story is written by recreational cyclists, sports enthusiasts, and passionate supporters. Every year, the impeccable organisation of the Marathon is in the hands of more than 1,800 members of the organising team and volunteers. Last but not least, Franja's story is written by all who have discovered business opportunities within cycling.

The 2-year-long project **My Sport is Franja** is the European upgrade of Marathon Franja. In 2016 and 2017, cycling association KD Rog, with the support of the European programme Erasmus+ and in cooperation with sports organisations from Austria, Italy, Croatia, Slovakia, and Slovenia, including the BTC Company, carried out the pilot project of connecting cycling and cultural heritage. The aim of the project was to expand the renowned Marathon Franja BTC City onto the European level and establish Franja as a synonym of good practice in sports. In the years of project implementation, BTC City Ljubljana hosted the five-day-long educational event Franja Akademija twice, while partner sports organisations organised two-day-long non-competitive cycling events, similar to the Family-School Marathon Franja BTC City.

In 2014, BTC made a larger contribution to the development of Slovenian professional cycling, as it supported breakthrough female energy alongside KD Rog and the City Municipality of Ljubljana. By establishing the cycling team BTC City Ljubljana, Slovenia got its very first professional women's cycling team. In its first four years, the team enthralled us with numerous great individual and team results. In 2017, the team was ranked 11th in the women's WorldTour rankings (in 2016 it was ranked 12th). The team made an even greater leap in the UCI rankings, from 13th place in 2016 to 9th in 2017. All the achievements of team BTC City Ljubljana in 2017 were nicely rounded up by the team being recognised as the best road cycling team by the Slovenian Cycling Federation. The cyclists enter the 2018 season – their 5<sup>th</sup> – full of rich experience, as they will once again challenge themselves and strive towards achieving and surpassing set goals.

At the end of March 2017, Gymnastics Centre Ljubljana hosted the signing of sponsorship contracts with twelve promising **Slovenian gymnasts**. By renewing its sponsorship contract, the BTC Company remains the general sponsor of the Gymnastics World Cup, which was organised for the 13th consecutive year in 2017. By sponsoring this competition and the best Slovenian gymnasts, the BTC Company remains one of the key supporters of the development of gymnastics in Slovenia. In this way, we contribute to the continuous functioning of the Slovenian Gymnastics Federation and make it possible for gymnasts to take part in the biggest competitions for over twenty years.



In the scope of the event, the roundabout by the BTC City Business Tower saw the unveiling of the sculpture Rhine Nymphs, a work by Andrej Grabrovec - Gaberi. He found the inspiration for this work in *The* Tales of Hoffmann by French composer Jacques Offenbach. The Rhine Nymphs are already the 12th sculpture located in BTC City Ljubljana, which is accessible to all visitors free-of-charge.



#### **RHINE NYMPHS**



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# THE OLD LJUBLJANA AIRPORT GETS A NEW LOOK

In 2016, the BTC Company was the only applicant to the public tender for the renovation of the old Ljubljana airport area. By signing the contract in April 2017, the company entered into a public-private partnership with the City Municipality of Ljubljana to work on the Old Ljubljana Airport project. The aim of the project is to present the location as a cultural heritage site of great significance by renovating the airport, managing its surroundings, and reviving the area with new programme content. The project, which is expected to conclude by spring 2019, is implemented in compliance with the directives of the City Municipality of Ljubljana and other organisations involved in the project (the Institute for the Protection of Cultural Heritage of Slovenia, Museum and Galleries of Ljubljana).

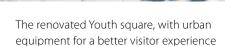
This was the first Slovenian civil airport, which operated between 1933 and 1963. After that, it was a sports airport until 1979. In 2011, the area became a monument of local importance. The preserved objects of the old airport have a great historical and architectural value and reflect historical, technical, urban, architectural, artistic, and landscape values. The historical value of the airport will be presented by the BTC Company in partnership with the City Municipality of Ljubljana in a new story. The airport was also the setting of a couple of scenes from the cult Slovenian film Vesna.

#### **CULTURE INSPIRES THOSE WHO DARE TO DELVE INTO ITS DEPTH**



BTC City Ljubljana hosted the first Art Expo in Slovenia

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»In culture, the same as elsewhere, cooperation is tightly intertwined with success. The BTC Company is a symbol of successful networking at a national and international level, which is clearly shown by our cooperation in Slovenia, as well as in Prague and Hong Kong. We share our mission of opening doors to (young) artists and bringing international culture to one place, under the patronage of the AAMI platform.

There is no future in economy without innovative, modern companies. Help, means, and work are not sufficient, what is needed is energy, energy that pushes the limits, and energy that the BTC Company has.«

Miha Murn, founder, owner, and director of Institute Atelje Art Murn International Squares are areas for socialising and some of the most important urban areas in cities. The same as in any other city, squares are also a significant element of social life in BTC City Ljubljana. Each of our squares has its own character, while all are intended for socialising, organising events, carefree chatting, or simply a short stop by the BTC visitors. As we want our visitors to feel good in our city and see it as a well-managed, urban, and visitor-friendly centre, we started renovating our squares in 2017.

SQUARES ARE THE HEART OF SOCIAL LIFE IN CITIES

Similar to big cities, which pride themselves on their flower markets and squares, BTC City Ljubljana renovated the Flower square on the southern end of the BTC City Market. Twenty-two neat and modern roof-covered sales points are intended for the sale of flowers, potted plants, and bushes. They are divided into two parallel lines. In the spring, we started renovating the Youth square between Hall A and Citypark. The renovated square was given an additional footpath, while the square's central part boasts two food and drink vendor buildings with benches - Hot Horse and Soba'Room. The square was greenified, and a new one-way road and a cycling path were introduced between both buildings and the Kolpa showroom and salesroom. With the southern part of the BTC City Market renovated in 2016 and a new culinary offer, this area was given a wellrounded and modern look.



#### SIMBIOZA BTC CITY LAB: ENTRY POINT INTO THE INFORMATION SOCIETY FOR THE ELDERLY

These days, when digitisation is blossoming, the BTC Company has not forgotten the elderly. In November 2017, in cooperation with the social company Simbioza, we opened the innovative centre of technologies – Simbioza BTC City Lab – on the lower floor of the Emporium. The centre joins the energy of the young with the experience of the elderly and addresses the challenges of educating people about the digital world. The centre also organises several free-of-charge programmes intended for strengthening the skills of the elderly. Among them are **Tretja kariera** (**Third Career**), which educates the elderly about e-skills and the use of digital technologies, **Accelerator55+**, intended for people aged 55 and above who want to develop ideas, products and projects, and **Senior pripravnik** (**Senior Apprentice**), in which pensioners enrol in the apprenticeship programmes of companies as experienced advisors



Opening of the Simbioza BTC City Lab

»Today, society faces the challenges of aging fast, and an even faster technological progress. The cooperation between Simbioza Genesis and the BTC Company, which has recognised the social challenges of longevity provided a solution in form of the Simbioza BTC City Lab. The centre represents an entry point to the information society for the elderly, since it enables intergenerational cooperation, deals with the challenges of employing the elderly, encourages entrepreneurship and diminishes digital differences among generations. Together we join the energy of the young with the experience of the elderly.«

Ana Pleško, CEO of Simbioza Genesis, social company

#### No bees - no life

The BTC Company has been actively involved in urban beekeeping since 2014. The development of urban beekeeping goes hand in hand with our efforts to greenify urban settlements and encourage a healthy lifestyle, as well as with our pursuit of self-supply and staying in touch with the environment. The BTC Company is proud of its urban beehive on the meadow next to Atlantis Water Park, which provides a home to four bee colonies, which return the favour with a harvest of quality honey each year.

Flower fair in front of Hall A as part of Help the Bee – Flower up the City project



In 2017, we continued to raise awareness about the importance of bees for our lives. At the beginning of the year, we connected with the City Municipality of Ljubljana and our partners to present the project »Help the Bee - Flower up the City« in 2017. The project brought together several partners in their joint effort to raise awareness on the significance of bees and encourage the people of Ljubljana to flower up their window sills and balconies with melliferous plants. As part of the project, the BTC City Market hosted the Flower Fair, while some other project partners organised **Open Days**. The latter offered visitors an insight into urban beehives and a walk on the Bee Path, and informed them about the challenges of urban beekeeping.

On World Peace Day, 21 September 2017 at 12:00 p.m. local time, people in 150 countries around the world **planted trees**. In 24 hours, a green ring of trees across the Earth was formed. The BTC Company, along with the society Društvo Zeleni Prstan and the company Želva, contributed its green footprint to the cause. Mr Jože Mermal, President of the BTC Management Board, planted a melliferous lime tree next to primary school OŠ Jože Moškrič in Ljubljana. On this occasion, he donated to the school's students and teachers a painting by Marica Trček called Jutranja svežina (Morning Freshness). The project involved 10,000 schools. Children planting trees is a symbol of peace and future life.

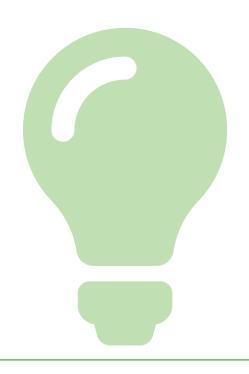


»The BTC Company is well aware of the significance of environmental protection, which it shows with its numerous activities in this field. In the scope of Mission: Green, we joined forces on the project Help the Bee – Flower up the City, with which we successfully raised awareness among the broader public about the importance of bees and the preservation of biodiversity. Special attention is given to urban beekeeping, since the presence of bees in a city is an indicator of a quality and healthy living environment. It pleases us that the BTC Company is willing to cooperate with us on environment-friendly projects, to consider good ideas, and to implement the commitments that meet high environmental standards.«

Nataša Jazbinšek Seršen, Head of the Department for Environmental Protection at the City Municipality of Ljubljana

In November, in cooperation with the City Municipality of Ljubljana, the BTC Company organised the photography exhibition »Urban Beehives from Plečnik to Today«, which displayed different beehives in urban environments, including the beehive designed by Jože Plečnik. The business centre ABC Hub in BTC City Ljubljana hosted an expert discussion on the challenges and opportunities of urban beekeeping, organised by the society Medtem and the society Društvo Urbani čebelar, with the support of the City Municipality of Ljubljana and the BTC Company.

At the end of the year, all bee lovers were thrilled to hear the news that upon the initiative of the Republic of Slovenia, the United Nations designated 20 May as **World Bee Day**. In this way, the bees received their well-deserved place on the world map. This day is mainly intended to raise awareness about the significance of bees for the survival of humankind.



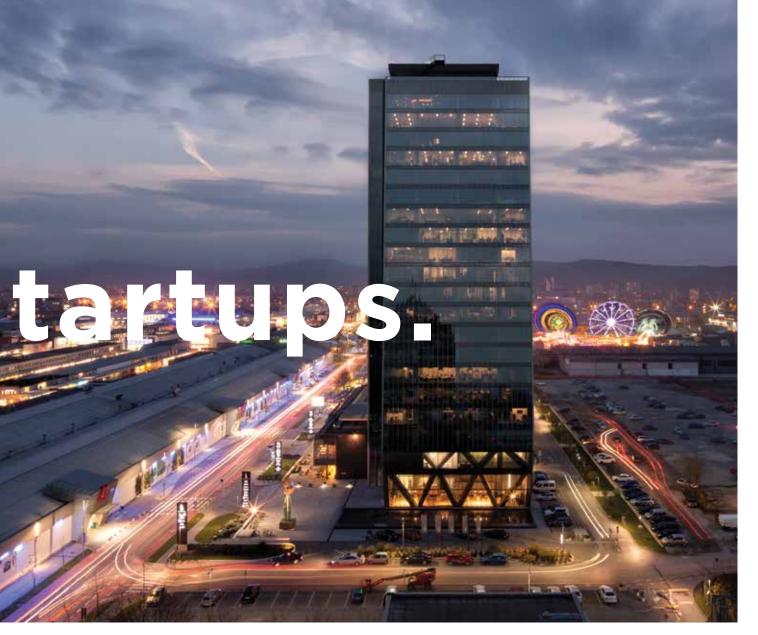
Between 2015 and 2017, the ABC Accelerator enabled the breakthrough of over



**MISSION: INNOVATION FOR PROGRESS** 

# From innovative ideas to breakthrough solutions

One of the "trailblazing pioneers", Steve Jobs, defined innovation as the ability to see change as an opportunity – not as a threat. The fast pace of digitisation and the expansion of technology demand that many necessary changes be implemented in our activities. In the Innovation Union Scoreboard 2017 rankings, Slovenia was placed among the last in the group of so-called "strong innovators". As a country, Slovenia is innovatively strong in human resource management, investments, and an innovation-friendly environment, while improvements are necessary in the field of support, financing, and business effects, as well as within innovation companies themselves.



Investments in innovation are therefore necessary, while the key to its successful basis and growth lies in the creation of a supportive environment for cooperation among actors who believe in breakthrough ideas and possess suitable knowledge and competencies to implement said ideas. The BTC Company sees innovation as an opportunity to strengthen our competitiveness; we see novelties and improvements as beneficial not only to our company but also to the society at large and the environment.

# BTC City Ljubljana – a unique innovative ecosystem

The BTC Company started to write the story of the innovative city – BTC City Ljubljana – in 2015, when BTC City Ljubljana saw the opening of two innovation centres – the ABC Accelerator and the ABC Hub. Today, both are already well-established as unique innovative ecosystems that provide access to an international business environment, fresh knowledge, and the newest business processes and technologies to young startups

and corporations. As a co-founder of these two centres, the BTC Company set a new milestone in its own development and contributed to both centres gaining recognition in Slovenia and globally.

A year later, in the scope of the newlyestablished business pillar for innovation and digitisation, the BTC Company started to implement numerous projects supported by new technologies, which upgrade the company's existing offer and services: from smart logistics and property management to a smart city. By implementing the concept of the BTC Living Lab, we took another step forward, since we now provide companies with the possibility of testing advanced business ideas in a real-life environment. The network of connections between small companies and multinational corporations, between academia and the business world, among different generations of people, and among different countries and continents shows that BTC City Ljubljana is open to global trends in all fields – from modern business concepts to new technologies. By planning and implementing innovative

projects, in 2017 the BTC Company successfully realised its developmental Strategy 2020, which aims to implement the vision of the BTC Company as an »open company«. The rich and extensive infrastructure of BTC City Ljubljana enables the testing of progressive business ideas, products, and services in a real-life environment. Through our testing ground, we build strategic partnerships with all stakeholders who wish to become a part of the BTC Company's innovative ecosystem. Along with our innovative activities, we strengthen the credibility and renown of the testing ground, as well as that of our company, locally and globally.

Among the projects that have already found their place in BTC City Ljubljana are the construction of a smart city, the energy project NEDO for the optimal consumption of energy and the setting up of our own energy reservoirs, the development of (electric) mobility, and projects from the field of autonomous driving. Besides these, 2018 will also see the introduction of the platform Eligma, which will significantly change the consumer experience.



#### Innovation runs in our genes

Since its beginnings in 2015, the ABC **Accelerator** has, after almost three years, become a generator of innovation and change for startups as well as for traditional Slovenian and international companies. Until today, it enabled the breakthrough of more than **90 startups** and provided them with over 30 million Euros of investments. Besides Ljubljana, the ABC Accelerator also has offices in San Jose in Silicon Valley (USA), Munich (Germany), Kiev (Ukraine), and Tuzla (Bosnia and Herzegovina). The ABC Accelerator also connects with numerous innovative ecosystems that provide networking for startups that operate under its patronage. By connecting with technologically advanced environments, the ABC Accelerator makes possible the transfer of innovation, knowledge, and capital. This contributes to our smart city - BTC City Ljubljana, the city of Ljubljana, and Slovenia getting the wind beneath their wings for their own development. A testament to the level of quality of the ABC Accelerator's operations is the CESA award, which the ABC Accelerator received in November 2017 as the best accelerator in Central and Eastern Europe.

In 2017, the arrival of new startups and individuals resulted in the blossoming of the entrepreneurial centre **ABC Hub**. We are pleased by the high level of mutual connection of users and the establishment of a real entrepreneurial community. Besides cooperating in shared »co-working« areas, the ABC Hub also became the centre of social activities. In 2017, it hosted **more than 160 different events**, including seven hackathons. The events were organised by the BTC Company, the ABC Accelerator, the Ypsilon Institute, users of office spaces business areas, BTC's business partners, and other external organisers.

With strategic connections, its own digital transformation (BTC City Living Lab, Smart City Platform, etc.), and the organisation and support of activities and events such as demo-days and hackathons, the BTC Company has positioned itself on the map of innovative and technologically advanced companies in Slovenia and abroad.

»Our aim for the future is the transformation of mobility. In the spirit of digitisation, the AV Living Lab, with the support of its partners, including the BTC Company, plans to establish a partnership ecosystem for the development of innovative solutions and applications, and for the formation of new business models for modes of mobility that will impact our daily lives in the future. We will also try to answer the question of what we should be doing when we don't need to hold the wheel.«

Daniel Avdagič, managing director at AV Living Lab, d. o. o.



Petrol's hackathon in the ABC Hub

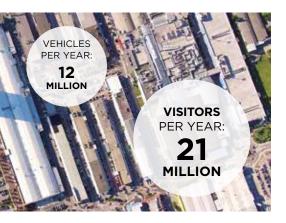




# BTC City Ljubljana to become a testing ground for the development of autonomous mobility

As part of the intensive implementation of the BTC Living Lab concept, the BTC Company, in cooperation with its partners, plans to establish a unique ecosystem that will enable the development of solutions for autonomous vehicles (**the AV Living Lab**) and the cultivation of technologies that will adjust to the needs of the people. Together with our partners, we wish to join diverse infrastructure, expert knowledge from different industries, and an understanding of the advantages provided by Industry 4.0. This will represent a basis for the establishment of a learning environment for the development of autonomous vehicles, which will be set up in BTC City Ljubljana.

In the near future, connected and autonomous vehicles will become a part of our daily lives. That's why learning in a real-life environment, such as BTC City Ljubljana, where real people are a part of numerous genuine interactions, is the best possible way to acquire valuable knowledge and cultivate solutions for autonomous vehicles. The model of this unique ecosystem will be transferrable to other countries and will spread the renown of Slovenia as a green reference country in a digitised Europe.



#### Employees' innovativeness reflected in visionary ideas and projects

The BTC Company's management continues to encourage its employees and business partners to participate in their projects and innovation processes. They can all share their original breakthrough ideas and new visions, so we may create together and build an innovative city. Since 2008, we have fostered a model of effective encouragement to participate in the further development of the company and the inclusion of employees' creativity in the company's business, known as **Ideas and Projects with a Vision**. The employees are rewarded for the contribution of their innovative ideas and projects. By establishing the company's new business pillar for innovation and digitisation, in addition to our own innovation office, the breakthrough ideas and innovativeness of our employees have found their way to the forefront and have become amplified. Our employees have become more connected in their interpersonal communication and more efficient in their cooperation in shared projects. The establishment of the **innovation office** in 2016 accelerated the implementation of ideas in practice. In 2017, 90 visionary ideas were registered (working on them were 80 employees) and 12 visionary projects (with 31 employees working on them). Every year, the best visionary ideas and projects of our coworkers are presented and awarded at the Strategic Conference and the BTC Innovation Day.

# Unique shopping experience with Eligma

In 2017, the BTC Company and a group of young experts co-founded the company Eligma, d. o. o. The company is developing a new online platform which will simplify, accelerate, and financially optimise online purchases for all people around the world. The Eligma platform promises a completely new, better, and technologically advanced consumer experience, which will use artificial intelligence and blockchain technology to provide users with a safe, transparent and modern shopping experience, and payment with cryptocurrencies.

It is expected for Eligma to become fully operational by the end of 2018. This visionary and global project was recognised by the BTC Company as an exceptional opportunity for its visitors and consumers, so it became a significant stakeholder in the company with the aim of testing and presenting the platform in BTC City Ljubljana.



With this pilot project, BTC City Ljubljana will become a well-rounded shopping centre, where physical will meet digital, and where visitors, consumers and business partners will be provided with the most modern innovative environment and an optimal shopping experience. The long-term vision of BTC City Ljubljana is to become one of the first shopping centres in the world to use blockchain technology and artificial intelligence in order to give the user the opportunity to find the product they want in a matter of seconds.

#### MOST PROMINENT PARTNERSHIPS AND PROJECTS OF

#### THE BTC COMPANY IN 2017

#### SPORTS

- general sponsorship and co-organisation of Marathon Franja BTC City,
- general sponsorship and co-organisation of FIS Ski Jumping World Cup Ladies in Ljubno ob Savinji,
- · general sponsorship of SSK Ljubno BTC,
- general sponsorship of the Slovenian Gymnastics Federation and individual gymnasts,
- · sponsorship of Basketball Club Olimpija,
- sponsorship of the Slovenian Table Tennis Association,
- sponsorship of the National Olympic Committee of Slovenia,
- sponsorship of the Hockey and Ice Skating Club Olimpija Ljubljana,
- · sponsorship of the Slovenian Tennis Federation,
- · sponsorship of Cycling Association Rog,
- · sponsorship of the organisation ŠKL,

- sponsorship of professional women's cycling team BTC City Ljubljana,
- Alive Step Up (run to the top of the Crystal Palace),
- traditional cycling marathon BTCiklin in BTC City Murska Sobota.

#### CULTURE

- restructuring of the old Ljubljana Airport and the revival of the location as a cultural heritage of great significance,
- · support of the theatre SiTi Teater BTC,
- reveal of the sculpture The Rhine Nymphs,
- support of and cooperation with the Cankarjev Dom Cultural and Congress Centre,
- · sponsorship of the Ljubljana Festival,
- support of the 1st Art Expo Ljubljana,
- · sponsorship of institute AAMI,
- support of the Association for Technical Culture of Slovenia,
- support of the society Društvo Bralna značka Slovenije.

#### **EDUCATION AND SCIENCE**

- support of the ABC Accelerator for the development of startups and young businesses,
- support of the educational programme BTC Campus for young first-time job seekers,
- strategic partnership with the Centre of Business Excellence of the Faculty of Economics at the University of Ljubljana,
- cooperation with the Slovenian Science Foundation (accelerating and promoting science),
- strategic partnership with the foundation Ypsilon Institute.
- partnership with the Managers' Association of Slovenia,
- partnership with the Association for intergenerational cooperation Simbioza Genesis Ljubljana,
- sponsorship of the Slovenian Marketing Conference, the Slovenian Energy Days, and the Environmental Conference,

 cooperation with and support of IEDC – Business school Bled.

#### **SOCIAL AND ENVIRONMENTAL RESPONSIBILITY**

- · 24-hour cycling event with Marko Baloh,
- co-organisation of the Encouraging Friendship contest,
- donation of the area for the collection of gifts at the charity event Santa for a Day,
- cooperation in the project Help the Bee Flower Up the City,
- organisation of events at the BTC City Market for the promotion of Slovenian products and cuisine,
- · co-organisation of the Festival Co-existence,
- charity tennis tournament Pavel Kos Memorial in ŠC Millenium,
- 45 new trees and 1,500 shrubs planted upon establishing new one-way streets and the renovated Trg mladih square,
- · partnership in the project Mission: Green Steps,
- · cooperation in the project Slovenia Has a Heart,
- cooperation in the humanitarian project #podarizvezek.

The secret to long-term success is cooperation. A wise saying goes: »If you want to go fast, go alone. If you want to go far, go together.«

The BTC Company expresses its gratitude to all who contributed to our shared stories. They should serve as motivation for future socially responsible steps and the continuation of development in the field of sustainability.

Contact:

#### BTC, d. d.

Šmartinska 152 1000 Ljubljana

#### Mission: Green business unit

T: +386 1 585 13 00 F: +386 1 585 14 27 E: misijazeleno@btc.si W: www.misijazeleno.si

Published by: BTC, d. d. Content: Pristop, d. o. o. Design: Nicha, d. o. o.

Photography: BTC, d. d., archive, Bomba, d. o. o.

Ljubljana, May 2018

The Sustainability Report is also available at

www.misijazeleno.si.

Printed on 100% recycled paper.



Together we create the future.