

ERGO
HESTIA®

2023

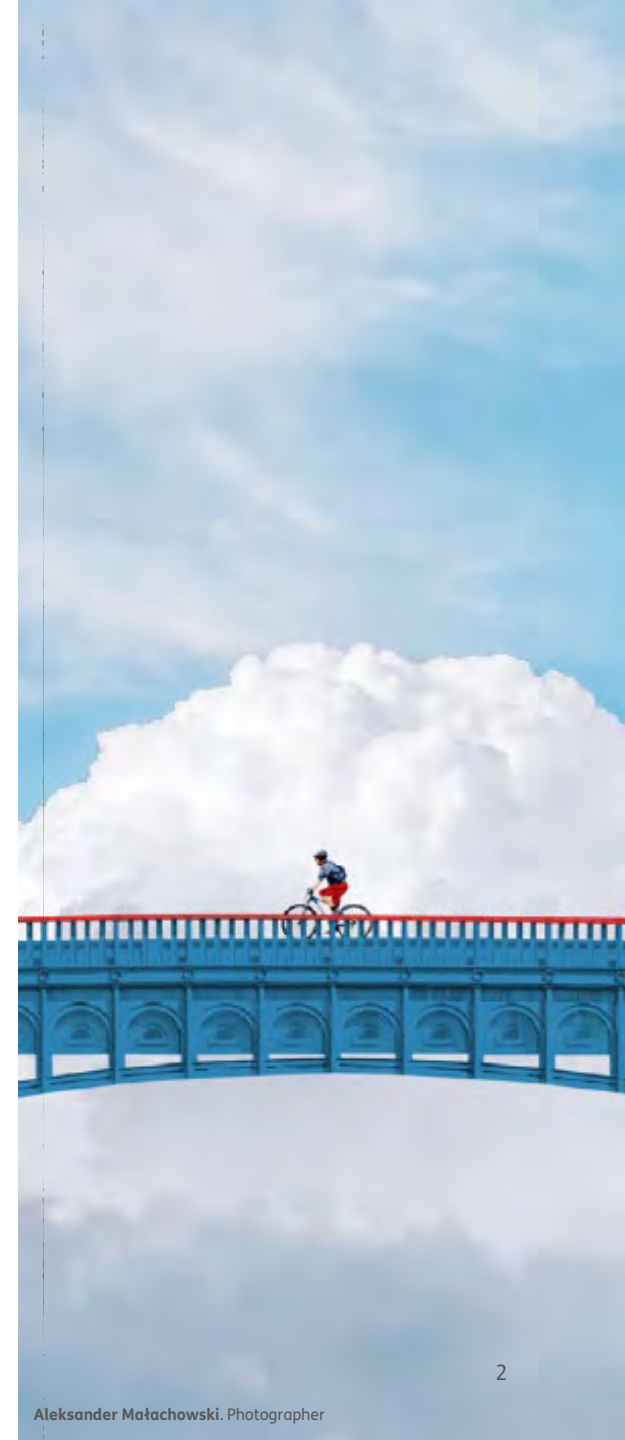
Sustainable Development Report



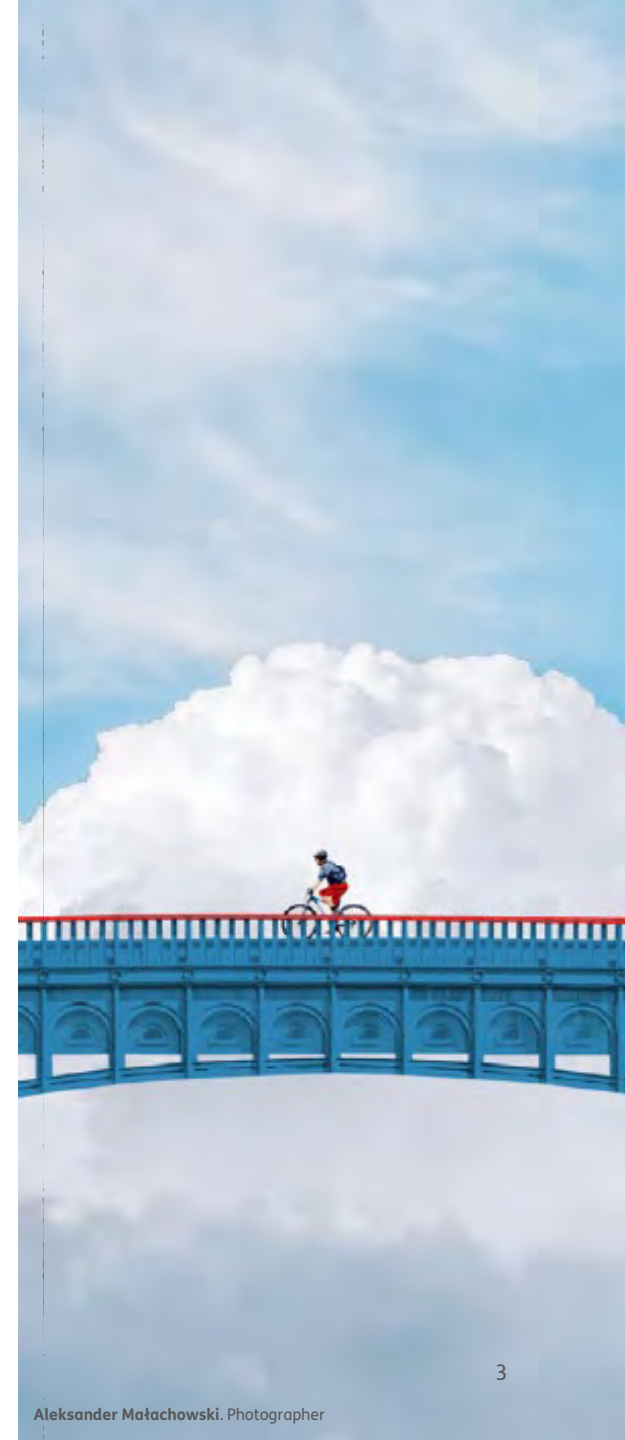
Cooksonia - the oldest land plant that gave rise to the plants and animals we know today. Its sculpture stands in Hestia Park in Sopot.

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Definitions and concepts

Credit rating agencies	Independent companies tasked with assessing the creditworthiness of banks, funds, companies, organisations or national governments. On the basis of the assessment carried out, a so-called credit rating is issued, usually expressed in letter form.
Head office	The head office of ERGO Hestia Group is located in Sopot (ul. Hestii 1) and in Gdańsk (ul. Jelitkowska, 47, 49 and 51).
EMAS	The EU Eco-Management and Audit Scheme for companies and other organisations which voluntarily commit to evaluate their environmental impact and improve their environmental performance.
Greenhouse gas emissions - direct	Emissions emitted directly as part of an organisation's activities, e.g. by burning fuel in vehicles owned and used by the organisation. These emissions fall into Scope 1 according to the GHG Protocol emissions calculation standards (the most important standard for calculating greenhouse gas emissions).
Greenhouse gas emissions - indirect	Emissions related to: ✓ the consumption of energy purchased from energy suppliers (Scope 2 according to the GHG Protocol); ✓ the supply chain and other activities of the organisation, e.g. water consumption or emissions related to travel to/from work and business trips of the organisation's employees (Scope 3 according to the GHG Protocol).
GHG emissions	Greenhouse gas (GHG) emissions into the atmosphere.
ERGO Group	Capital Group, which includes ERGO International AG (the sole shareholder of the ERGO Hestia Group).
ERGO Hestia Group	‘ERGO Hestia Group’ in this document means two insurance companies at the same time: ✓ Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. ✓ Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia S.A. Pursuant to the provisions of the Commercial Companies Code, the term ‘ERGO Hestia Group’ is not the same as the term ‘Group of Companies’ or ‘Capital Group’.
ERGO International AG Group	Shareholder of ERGO Hestia Group companies.
Munich Re Group	Capital Group, comprising the ERGO Group companies, including the ERGO Hestia Group.
IPCC	Intergovernmental Panel on Climate Change (IPCC) - a scientific and intergovernmental advisory body on climate change.
IROs	Impacts, Risks and Opportunities
KOBiZE (National Emission Balancing and Management Center)	National Centre for Emissions Management/Institute of Environmental Protection.
Code of Ethics/Code of Conduct for Employees	The set of standards and rules of ethical conduct ‘Code of Conduct for Employees of ERGO Hestia Companies, as Companies of the Munich Re Group’.

Code of Conduct for Suppliers and Contractors of the Munich Re Group	Code of Conduct of the Munich Re Group, of which the ERGO Hestia Group is a part. Document available here .
Climate change mitigation	Actions aimed at reducing climate change, primarily by reducing greenhouse gas emissions into the atmosphere.
NGFS	Network for Greening the Financial System - a network of 114 central banks and financial supervisors to accelerate green financing and the preparation of recommendations on the role of central banks in climate change initiatives.
Certifying organisations	Companies that have the right to issue certificates in the area of accreditations awarded.
Non-employees	According to ESRS standards, non-employees belonging to the Companies' own group of employees include both individual contractors who provide work for the entity (self-employed persons) and persons provided to the organisation through entities primarily engaged in employment-related activities (NACE code N78).
Underwriting Policy	Policy related to underwriting, i.e. the analysis of insurance risks that an insurance company bears when entering into a contract with a customer. Underwriting aims to assess, accept or reject insurance risks, serves to reduce adverse selection and improve the standing of insurance companies.
Own employees	Employees who have an employment relationship with the entity (employees) and non-employees who are either individual contractors providing work for the entity (self-employed person) or persons employed by entities primarily engaged in 'employment-related activities' (NACE code N78 - European Statistical Classification of Economic Activities).
Adaptation to climate change	The process of adapting to current and expected climate change and its effects.
Base year	The base year is the year 2019.
Reporting year	Period from 1 January to 31 December 2023.
Actuarial risks	Risks associated with the possibility of losses or adverse changes in the value of liabilities that may arise from insurance contracts and insurance guarantee contracts due to inappropriate assumptions regarding the valuation of premiums and the establishment of technical provisions.
Physical risks	Climate risks caused by climatic events, e.g. temperature, wind, precipitation.
Climate risks	Climate change risks. These are divided into physical risks and transformation risks.
Transformation/transition risks	Risks associated with the transformation (transition) to a low-carbon economy.
Companies	Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. and Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia S.A.
STU ERGO Hestia S.A.; Non-life insurance company	Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.
STUnŻ ERGO Hestia S.A.; Life insurance company	Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia S.A.



General information - about the company and the strategy

1.1. Letters



Letter from Artur Borowiński, President of the Management Board

Dear Sirs,

the year 2023 was a year of intensive development and innovation for us at many levels of the organisation. We summarised the business strategy for 2021- 2023 'The Power of Information and the Power of Community'. It was determined by the two title axes representing goodwill. In this way, we integrated the analytical potential of the information resources and competences of the employees with their motivation and commitment. This combination has given ERGO Hestia balance and justified its boldness in taking unconventional decisions. We entered the new year, 2024, with a record gross written premium of **PLN 8.6 billion at STU ERGO Hestia S.A. (an increase of 11.9% relative to 2022) and PLN 588 thousand at STU na Życie ERGO Hestia S.A (an increase of 18.2% relative to 2022).**

However, the insurance market in Poland has not been free of macroeconomic and geopolitical turbulence, yet we have managed to make changes in the technological area, face increasing regulatory pressures, and take into account the changing map of risks and customer expectations in our product offering. The dynamics of change present many challenges, but also many opportunities for growth. For the insurance industry, these are primarily AI and cybersecurity implementations, innovative products and services, building social responsibility through ESG-related instruments and regulations and financial security.

Fitch Ratings has set ERGO Hestia's Issuer Default Rating (IDR) at AA-, with a stable outlook. This is the second highest rating in Polish insurance for 2023, after the financial strength rating (IFS: AA, with a stable outlook).

Strategic 'The Power of Information and the Power Community' has resulted in the implementation, together with the Credit Information Bureau, of a document delivery service using Unified Blockchain technology. We are one of the first companies in the European insurance market with ISO 27001 (Information Security Management System) and ISO 27017 (Cloud Information Security) certification. Following an independent audit, the DEKRA Certification team issued a positive recommendation, confirming the compliance of our processes and procedures with the highest information security standards. The certificates serve as proof that we treat the data entrusted to us with full responsibility. The foundation of all these solutions is the modernisation of the IT infrastructure and the use of cloud computing.

In terms of product, we introduced new capabilities in ERGO 4 in mid-2023. We have improved the product to provide more support to the customer for both more serious events and minor health impairments. We have completed the implementation of ERGO Agricultural Insurance and launched ERGO Health, whose offerings go well beyond traditional health insurance.

Our business model is firmly embedded in the concept of integrated thinking, which means that, as an insurer, we bring more than protection and financial security to society. Our mission is to support and promote economic, social and environmental progress leading to a better quality of life for people and the environment.

The year 2023 was marked by new EU regulations on sustainable development. Equally important have become solutions to ensure reliable reporting on how we are increasing our efforts on ESG issues. This area has been an ambition of ours for many years, and this is reflected in numerous awards and results in rankings, e.g. Listki ESG Polityki (ESG Leaves of Polityka), Banking & Insurance Forum's ESG Leader, Top Employer, Great Place To Work or Diversity IN Check.

Although the first reports prepared in accordance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) do not require data collection until 2024, we have already started preparations now. We went through the organisation's implementation of the new European Sustainability Reporting Standards (ESRS) and performed a double materiality assessment, whereby we identified 13 significant environmental, social and governance areas for us and our value chain.

The report thus prepared, based on the new reporting standards, is hereby handed over to you. I believe you will find in it an acknowledgement of our advancement in sustainability efforts.

Finally, I would like to share some great news with you. In the aforementioned business strategy for 2021-2023, staying in the top 3 of the **'ESG Ranking: Responsible Management' (formerly the Ranking of Responsible Companies)** was one of its key goals, but the result exceeded our expectations. We were awarded 1st place on the podium, becoming the most responsible ESG company in Poland.

I would like to congratulate on this award to all ERGO Hestia Group employees who are committed to achieving strategic goals and striving to minimise the impact on the surrounding environment on a daily basis, and I would like you to enjoy the reading.

Artur Borowiński

President of the Management Board of
ERGO Hestia



Letter from Dirk Schaubtes, Member of the Management Board

Dear Stakeholders,

I am very pleased that once again I can invite you to read the report containing the key activities and effects of ERGO Hestia's work in the field of sustainability. The acronym ESG (environment, social, governance) has gained a much clearer form in connection with the implementation of the Corporate Sustainability Reporting Directive (CSRD). It is not only corporate social responsibility, but above all numbers of quantified indicators that are intended to make ESG reporting comparable, and thus transparent and possible for reliable assessment by interested parties. Since the aim of the Directive is access to reliable information, the ability to assess risks and opportunities and - ultimately - support for sustainable investments, we decided to confront with it before it becomes not only an ambitious challenge, but also a duty for many businesses.

The value chain analysis confirmed our belief that currently, when running a business, not only economic aspects matter. It is important, among other things, what aspects of ESG we take into account in insurance and investment activities, but also in cooperation with our business partners and suppliers, e.g. who is our contractor and whether they are subject to sanctions. Determining how detailed we should analyse the value chain when preparing for reporting will result from our double materiality analysis.

One of the first steps in this year's sustainability report was preparing this analysis. It allowed us to isolate from the wide list of disclosures included in the ESRS standards (European Sustainability Reporting Standards) those that we currently monitor and been most relevant. We have selected 13 topics from a long list, including: adaptation to climate change and carbon emissions, work conditions and investing in employee development, diversity and inclusion, ethics in the workplace, work conditions and development of agents and brokers, responsible products and sales, data protection and cybersecurity, and service availability. In the field of corporate governance, important topics include ESG management, business ethics and strategic risk management.

Identification of essential subjects has been an engaging process. We conducted social dialogue with interests, including: employees, customers, suppliers, insurance agents or brokers. We assessed our policies and strategies, compared the collected information with the market and a group of independent insurance experts and assessed its financial significance. Among the mentioned areas of risks and opportunities, I would like to deepen several of them that we have been developing in the past year.

Adaptation to climate change and carbon emissions are important to us. Starting with the analysis of CO2 emissions per employee, we have expanded scope 3 by adding, among others: data on own accommodation during business trips, product advertising costs and losses related to energy transmission. We have successfully maintained the EMAS environmental certificate. Risk assessment in the Internal Control System (ICS) tool increased the precision of data collection and helps us mitigate risks in the following years.

In terms of social activities, it is worth paying attention to planned systematic increase in the percentage of employees with disabilities in our organization. In the ERGO Hestia Group and its subsidiaries it is currently 3.6%. Additionally, the goal we have set for ourselves in the company's business strategy until 2026, is 6%. 2023 was abundant in employee training and education. The entire organization has been made familiar with the updated code of ethics and channels for reporting irregularities. We have developed a network of cooperation with insurance agents and brokers whose professionalism we consider to be the most reliable confirmation of our high-quality services and products.

In the area of insurance products, we focused among other on increasing the number of access channels to our own products and services supporting the transformation to a low-emission aware economy. Customers benefit from our intelligent warning and energy-saving systems. In addition, we have updated ESG criteria in the investment evaluation process as part of our offer. In the area of risk management, we consider the implementation of actions in the field of climate risks to be relevant. During the year, we conducted sensitivity analyses for the effects of climate change under scenarios examining the severity of catastrophic events and stress test of an increase in average temperature.

In the course of the double materiality assessment, we also performed a gap analysis that will help us continue to meet the requirements and expectations of our stakeholders and European Union regulations in the field of ESG. Our readiness to report on all ESRS standards is at a high level, but we are still identifying aspects that need to be developed.

Enjoy reading our ESG report. I hope it will confirm your belief that we are a trusted partner, employer, supplier and insurer of the health, life and property of our retail and business clients.

Dirk Christoph Schaubtes
Member of the Management
Board of ERGO Hestia

1.2. Company operations and strategies

ESRS 2 SBM-1, 40 a i-iv AR12-13, 40b, 40c, 41 [GRI 2: 2-6; 2-7]

About us

We are an insurance group that offers non-life and life insurance for individual customers and companies. Our experience of more than 30 years has secured us a reputation as a trustworthy and reliable insurer who delivers high quality products and services. Every year, we provide insurance services to more than 3 million individual customers and hundreds of thousands of businesses. The start of our business in 1991 was marked by a very dynamic development, thanks to which we became the largest insurer established under the conditions of a free market economy in Poland. In 2023, we employed 2,967 people and total gross written premiums amounted to PLN 9,207,342,333¹ (including PLN 8,619,135,611 in non-life insurance and PLN 588,206,722 - in life insurance products).

The sole shareholder of Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. is ERGO International AG, based in Düsseldorf, which is part of the international insurance concern ERGO Group AG, a member of the world's leading reinsurer Munich Re.

As the ERGO Hestia Group, we consist of two insurance entities, namely Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.² and Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia S.A. Our offer ranges from the protection of non-life and life of individual customers to customised solutions for large industrial companies and small and medium-sized businesses.

¹ The term net revenue does not apply to the insurance industry. For the purposes of this report, the following definition has been adopted: net revenue is understood as gross written premium.

² Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. has a total of 6 subsidiaries: Centrum Pomocy Osobom Poszkodowanym Sp. z o.o., Hestia Loss Control Sp. z o.o., Sopockie Towarzystwo Doradcze Sp. z o.o. and Marina Sp. z o.o., as well as Hestia Artistic Journey Foundation and the Integralia Foundation of ERGO Hestia Group which works for the professional integration of people with disabilities. The data provided in this report does not include data from these entities.



We provide comprehensive customer protection, under the umbrella of four distinct brands:



Comprehensive non-life and life insurance for individual and corporate customers



Motor and property insurance for individual customers

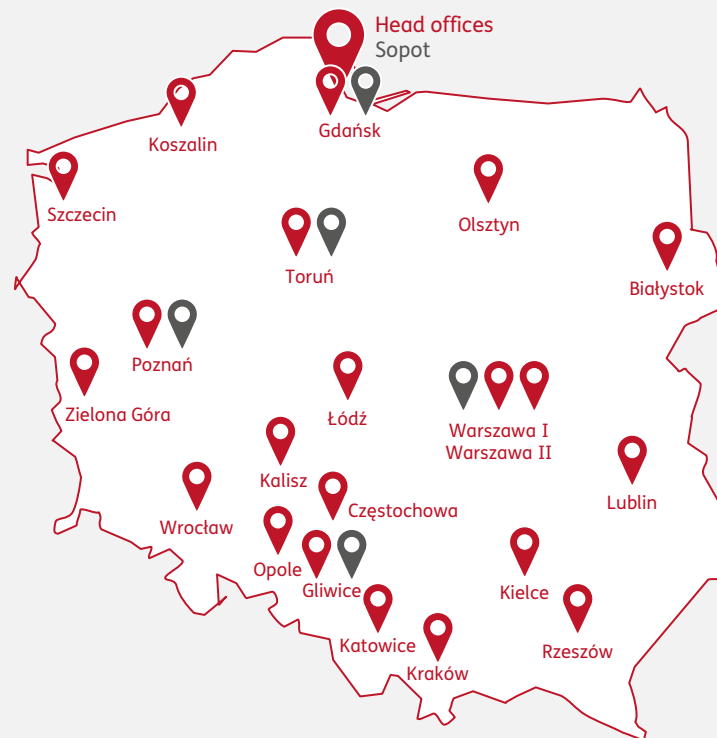


Selling tailored non-life insurance to customers over the phone and online



Sale of non-life insurance created especially for customers under 30 years of age

The area of operation is exclusively Poland, and our head office is located in Sopot at ul. Hestii 1. We carry out our activities through a network of representative offices to serve retail customers (retail representative offices) and corporate customers (corporate representative offices) located in 20 cities in Poland.



- Retail representative office
- Corporate representative office

Retail representative offices

- Gdańsk with a branch in Olsztyn
- Gliwice
- Katowice
- Kraków with a branch in Kielce
- Lublin with a branch in Białystok
- Łódź with a branch in Częstochowa
- Poznań with branches in Zielona Góra and Kalisz
- Rzeszów
- Szczecin with a branch in Koszalin
- Toruń
- Warsaw I
- Warsaw II
- Wrocław with a branch in Opole

Corporate representative offices

- Gdańsk
- Gliwice
- Kraków
- Poznań
- Szczecin
- Toruń
- Warsaw
- Wrocław

Our products

We offer a variety of insurance options tailored to the needs of individual customers. These include popular types of insurance that cover everyday aspects of life. Categories include vehicle-related products for drivers, owners and passengers, as well as health and life insurance, including group policies and permanent health impairments insurance. We also look after properties such as houses, flats and bungalows, together with the surrounding garden and its architectural features, which can easily be combined with liability insurance of tenants and liability insurance in private life. In addition, our range includes travel insurance for tourists and insurance related to sport or work.

In 2023, we took steps to launch a new product - ERGO Health. It is an insurance package that provides multidimensional medical care for the whole family. The insurance is flexible and guarantees, among other things:

- ✓ short waiting times for specialists and diagnostic tests;
- ✓ the provision of medical services in more than 3,300 facilities nationwide;
- ✓ a tailor-made preventive programme;
- ✓ specialised diagnosis of serious illnesses and organisation of treatment in the best medical centres abroad;
- ✓ 24/7 medical helpline support;
- ✓ an application through which the customer makes an appointment for the provision of services.

The product was implemented in early 2024.

Our products are not products banned from the market in Poland. Our business is focused on the insurance industry and it is in the context of this industry that we have considered the impact we have had.

Products by group:

Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A.

1. Accident insurance, including workplace accidents and occupational disease.
2. Sickness insurance.
3. Hull insurance for land vehicles, except rail vehicles.
4. Hull insurance for rail vehicles.
5. Hull insurance for aircraft.
6. Marine and inland waterway insurance.
7. Insurance of objects in transport, covering losses to transported objects, irrespective of the means of transport used.
8. Insurance against damage caused by the elements, covering damage to property not included in groups 3-7.
9. Other damage to property (if not included in groups 3, 4, 5, 6 or 7) caused by hail or frost and other causes (such as theft), if these causes are not included in group 8.
10. Liability insurance of all kinds arising out of the ownership and use of self-propelled land vehicles, including carrier's liability insurance.
11. Liability insurance of all kinds arising from the ownership and use of aircraft, including carrier's liability insurance.

12. Marine and inland waterway liability insurance arising from the ownership and operation of inland waterway vessels and seagoing vessels, including carrier's liability insurance.

13. Liability insurance (general liability insurance) not included in groups 10-12.

14. Credit insurance.

15. Insurance guarantee.

16. Insurance of financial risks.

17. Legal protection insurance.

18. Assistance insurance for persons who get into difficulties while travelling or while away from home.

Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia S.A.

1. Life insurance.

2. Dowry insurance.

3. Life insurance, if linked to an insurance capital fund, and life insurance where the benefit of the insurance company is determined on the basis of specified indices or other underlying values.

4. Disability insurance.

5. Accident and sickness insurance if complementary to insurance listed in groups 1-4.

Our customers

S4 SBM-3, 10 AR 5-AR6, 10a i-iv, 10b; S4-4, AR 25a

In 2023, we offered insurance services to more than 3 million individual customers and several hundred thousand businesses. As part of our access to products and services, our customers can always choose from several variants of the insurance products on offer, ensuring that each customer receives a product that meets their needs.

ESRS 2 SBM-1, 40d i-iv, AR12-13

Our business focuses on providing tailor-made insurance products for individual and corporate customers and complies with national and EU regulations. Our customers are verified in terms of risk (underwriting).

Our offer is also aimed at operators in the mining and energy sectors. Customers in these industries are developing renewable energy operations in addition to their traditional operations that use fossil fuels and coal. We are aware that the Polish economy's move towards zero-carbon will not be possible without the involvement of the energy sector, which needs guarantees and comprehensive financial products, including insurance, for the transformation. All our insurance products are significant and thus 100% of the insurance we offer is subject to regulatory procedures and assessed for compliance. We then identify the insurance requirements of each customer seeking protection so that the offer meets their needs. This is in accordance with Article 8(1)-(3) of the Insurance Distribution Act of 15 December 2017. We are therefore required to obtain information from the customer in question to enable us to propose a tailored insurance contract.

Before concluding it, the customer confirms that:

- ✓ he/she has read the controller's information clause attached to the policy;
- ✓ he/she has familiarised himself/herself with the contents of the power of attorney to conclude the insurance contract on behalf of the company;
- ✓ he/she has received the General Insurance Terms and Conditions together with the appendices on the basis of which the contract was concluded and that he/she has read them and accepted their contents;
- ✓ the data in the application is true and given to the best of his/her knowledge.

In the process of concluding the contract, the customer receives:

- ✓ review of the agent's power of attorney;
- ✓ KID (Key Information for Customers);
- ✓ GITC (General Insurance Terms and Conditions);
- ✓ Distributor information;
- ✓ a statement confirming that APK (Customer Needs Analysis) has been carried out.

Once the contract is concluded, the customer is provided with an insurance policy and, depending on the type of product, a certificate.



Financial result of the ERGO Hestia Group

In the non-life insurance company, we split the result of the insurance business into the result in the motor lines (motor vehicle liability insurance and hull insurance for land vehicles - including rail) and the result in the non-motor lines (other groups according to Polish Accounting Standards - PAS).

Gross written premiums (in thousands)	2023	2022	Dynamics
Motor lines	5 285 744	4,852,683	+9%
Non-motor lines	3,333,392	2,850,305	+17%
Total	8,619,136	7,702,988	+12%

Assets (in PLN thousands)	2023	2022	Dynamics
Intangible assets	346 121	325 136	+6%
Deposits	10 652 139	9 597 793	+11%
Receivables	1 867 012	1 510 288	+24%
Other assets	92 724	103 487	-10%
Accruals/prepayments	2 399 756	2 441 388	-2%
Total Assets	15 357 752	13 978 092	+10%

Equity and liabilities (in PLN thousands)	2023	2022	Dynamics
Equity	2 138 979	1 632 194	+31%
Subordinated debts	221 019	394 857	-44%
Technical provisions on own account	11 109 353	10 379 484	+7%
Other provisions	311,152	211,563	+47%
Other liabilities and special funds	1 383 376	1 181 489	+17%
Accruals/prepayments	193 872	178 505	+9%
Total equity and liabilities	15 357 751	13 978 092	+10%

For the life insurance company, we split the result of the insurance business into result in profit-sharing insurance, unit-linked insurance and other life insurance according to Polish Accounting Standards - PAS.

Gross written premium (in PLN thousands)	2023	2022	Dynamics
Profit-sharing insurance	88 771	87 440	+2%
Unit-linked insurance	63220	64 065	-1%
Other life insurance	436 216	346 083	+26%
Total	588,207	497,588	+18%

Assets (in PLN thousands)	2023	2022	Dynamics
Intangible assets	60 298	62 201	-3%
Deposits	874 389	714 318	+22%
Deposits of life assurance funds with the investment risk borne by the policyholder	450 614	379 456	+19%
Receivables	14 086	17 261	-18%
Other assets	10 605	13 493	-21%
Accruals/prepayments	208 488	187 640	+11%
Total Assets	1 618 480	1 374 369	+18%

Equity and liabilities (in PLN thousands)	2023	2022	Dynamics
Equity	286 088	196 617	+46%
Technical provisions on own account	1 103 307	978 300	+13%
Other provisions	36,852	17,664	+109%
Reinsurers' deposit liabilities	150 875	146 941	+3%
Other liabilities and special funds	20 679	16 758	+23%
Accruals/prepayments	20 679	18 089	+14%
Total equity and liabilities	1 618 480	1 374 369	+18%

ESRS 2 SBM-1, 40 AR 12-13, 42, AR14

Munich Re Group strategy

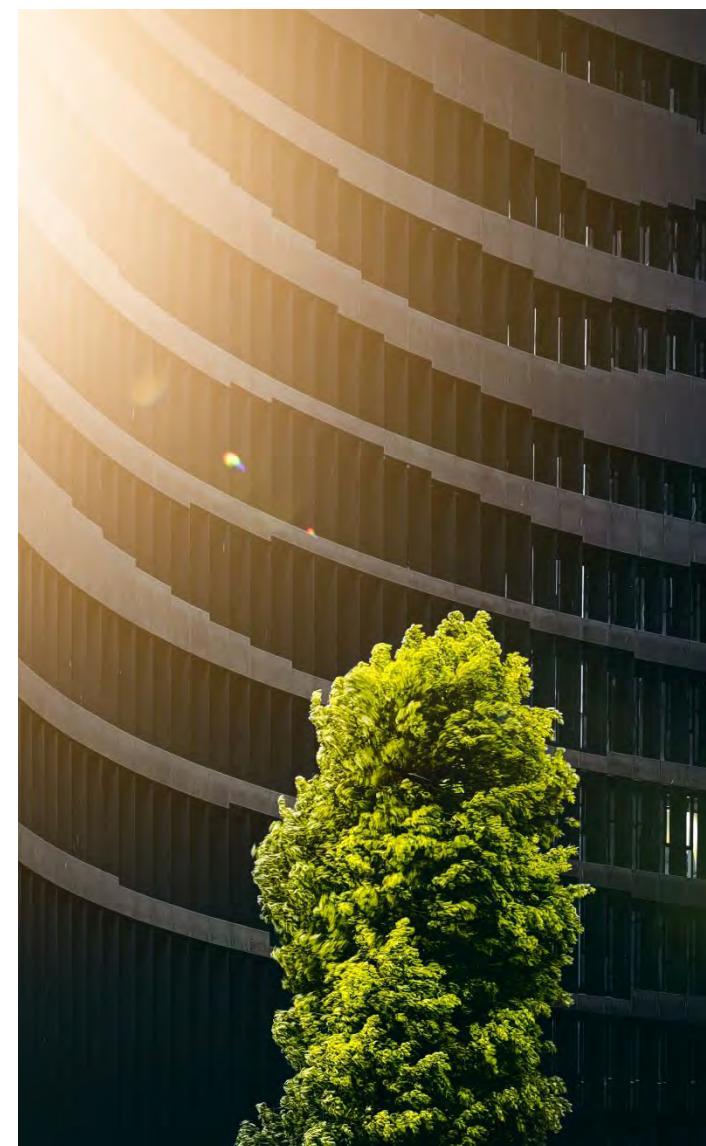
Munich Re Group current strategy 'Ambition 2025' provides a comprehensive framework for its overall business including reinsurance, insurance and asset management. The strategy is based on a commitment to ambitious financial and climate targets, providing added value to shareholders, customers, employees and communities alike. With 'Ambition 2025', the Group is ready to raise its performance to a set level by meeting defined targets. Central to the strategy is an unwavering commitment to sustainability, which is a core element of the vision and mission. While maintaining and strengthening its core business model, Munich Re Group is pursuing innovation and diversification, and is directing its transformation towards new perspectives. 'Ambition 2025' is guided by three basic principles: scale, shape and success, reflecting its commitment to growth, adaptability and target achievement.

As a global investor, Munich Re Group recognises its obligation to invest responsibly and integrates ESG criteria into its investment strategy, aiming to achieve a portfolio with zero carbon emissions by 2050. Munich Re Group is a signatory to the United Nations Principles for Responsible Investing (UNPRI), which commit to managing the sustainability risk of a portfolio. Munich Re sustainability risk management strategy comprises two dimensions:

- ✓ analysis and management of sustainability risk (i.e. environmental, social or corporate governance events or conditions that, if they occur, could have an actual or potential material adverse impact on the value of the investment).

Munich Re Group insurance business model is based on a combination of reinsurance, primary insurance and insurance risk solutions available to customers in one place. Munich Re Group maintains a structured dialogue with its customers and, on the basis of this dialogue, offers appropriate solutions based on their needs and development ambitions. The process involves analysing the market and key players and then implementing tailored insurance solutions.

As part of its 'Ambition 2025' strategy Munich Re Group has set reduction targets for its core insurance, optional and direct reinsurance businesses activity. The Group's target is to reduce greenhouse gas emissions from insured coal production activities by 35% by 2025. In relation to the 2019 baseline, Munich Re plans to eliminate insurance for activities related to the mining and burning of thermal coal by 2040. It ruled out any new insurance for oil and gas fields, midstream oil infrastructure and oil-fired power plants in 2022. Net zero emissions are planned to be achieved in 2050.



Michał Wesolek. Photographer

ERGO Hestia Group strategy

In 2023, we continued to implement our business strategy entitled 'The Power of Information and the Power of Community', which embodies our values and builds on the core pillars of our business. The customer-focused strategy emphasises building a relationship based on trust, which is crucial for success in the insurance industry. We strive to understand and meet our customers' needs through joint dialogue, creating optimal solutions. Our business model takes a specialised management approach, tailored to the unique requirements of both reinsurance and insurance customers. Our extensive network of relationships with agents and brokers enables us to provide solid support to our business partners. Adherence to the principles of simplicity, responsiveness and modernity has enabled us to achieve the highest standard of protection.

The group's business strategy is inextricably linked to sustainable development, an area that the 2022-2025 sustainable development strategy (ESG) has been addressing since 2022 onwards.

ESRS 2 SBM-1, 45 c i-ii

Assumptions of the new business strategy for 2024-2026

The business strategy for 2024-2026 entitled Development-Accessibility-Quality has two main targets:

- ✓ above-average growth with the ambition of achieving second place in the non-life insurance market and a dynamic increase in the number of customers in personal insurance, i.e. life and health;
- ✓ continuous attention to the highest quality of products, services, processes and operations.

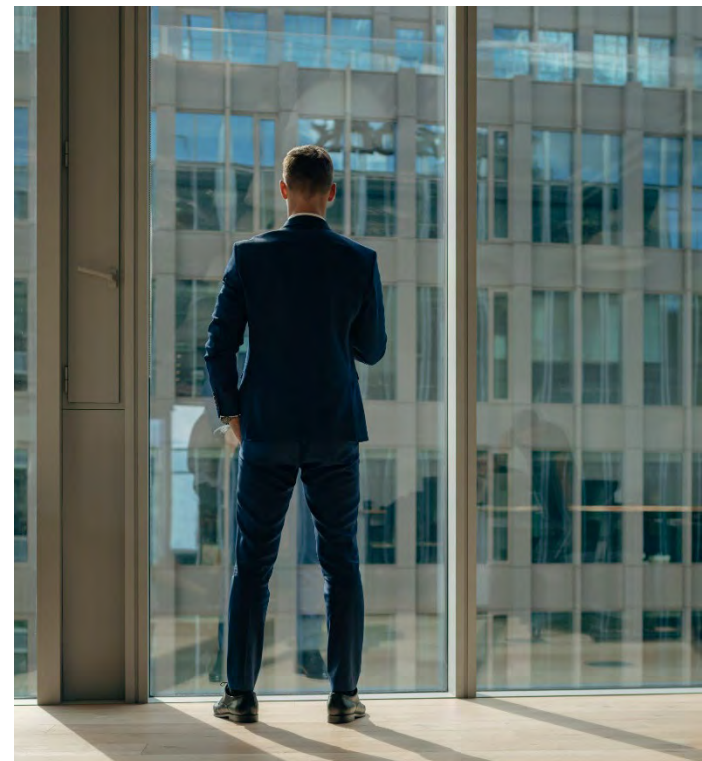
The strategy is based on four pillars: business, people, technology and responsibility, and the targets defined within it include:

- ✓ availability and new distribution channels;
- ✓ ability to quickly adapt to changes on the market and willingness to evolve to meet objectives;
- ✓ use of cutting-edge technology – a leader in the insurance sector in terms of innovation, including responsible AI practices;
- ✓ the highest quality solutions to support agents and a customised level of protection for customers;
- ✓ growing expertise of our experts and agents;
- ✓ respect for the natural environment;
- ✓ building social relations inside and outside the organization based on the principles of diversity, equality and social inclusion.

ERGO Hestia Group strategy for 2021-2023

The Power of Information and the Power of Community

- ✓ Customer
- ✓ Relationships based on trust
- ✓ Simplicity, responsiveness and modernity



ERGO Hestia Group strategy for 2024-2026

Development-Accessibility-Quality

- ✓ Above-average development
- ✓ The highest quality of products, services, processes and operations
- ✓ Business, people, technology, responsibility

ESRS 2 GOV-1, 21, 21 a, 21c AR 5, 21d, 21e, 22 AR3, 22a, 23a, 29 AR7 [GRI2: 2-9] [GRI 405: 405-1]

The governing bodies of the two companies described in the report are:

- ✓ General Meeting;
- ✓ Supervisory Board;
- ✓ Management Board.

General meetings are the highest authority of companies. Their responsibilities comprise those described in the Commercial Companies Code, including in particular:

- ✓ the consideration and approval of the Management Board's report on its operations and the financial statements for the previous financial year, and the granting of discharge to the members of the companies' bodies for the performance of their duties;
- ✓ provisions concerning claims for compensation for damage caused in the incorporation of companies or in the exercise of management or supervision;
- ✓ disposal and lease of an organized part of the Company and establishing a limited property right thereon;
- ✓ the conclusion of a contract between a parent company and a subsidiary for the management of the subsidiary or the transfer of profits by such a company.

Supervisory Boards provide ongoing oversight of the operation of companies in all areas of their business activity. In 2023, they operated as five-member bodies with the following composition:



Name and surname	Heiko Stüber	Wojciech Kostrzewa	Maximilian Happacher	Oliver Willmes	Chrisitne Kaaz*	Janusz Reiter
STU ERGO Hestia S.A.	Chairman of the Supervisory Board	Vice-Chairman of the Supervisory Board (independent)	-	Member of the Supervisory Board	Member of the Supervisory Board	Member of the Supervisory Board (independent)
STUnŻ ERGO Hestia S.A.	Chairman of the Supervisory Board	Member of the Supervisory Board (independent)	Vice-Chairman of the Supervisory Board	Member of the Supervisory Board	-	Member of the Supervisory Board (independent)
Skills and experience	bio	bio	bio	bio	bio	bio
Sex	M	M	M	M	K	M
Age group	>50	>50	>50	>50	30-50	>50
Citizenship other than Polish	Yes	No	Yes	Yes	Yes	No

*held office until March 2024.



The Management Board exercises all management powers, acting on the basis of the law, in particular the Commercial Companies Code, the company's Articles of Association, the By-Laws of the company's Management Board and the resolutions of the General Meeting and the Supervisory Board. It also represents the company externally.



From 1 January to 31 December 2023, the Management Board operated as a six-member body:

	Name and surname	STU ERGO Hestia S.A.	STUnŻ ERGO Hestia S.A.	Skills and experience	Sex	Age group	Citizenship other than Polish
	Artur Borowiński	Chairman of the Board	Chairman of the Board	bio	M	30-50	No
	Responsibilities The key tasks and competencies of the President of the Management Board include: ✓ directing the work of the Management Board; ✓ ensuring that the company's interests are duly legally protected and that the conditions for the company's business are in place, in accordance with the applicable legislation, through, among other things, the Compliance Function; ✓ directing the work of a subordinate division, including: • shaping the company's personnel policy; • setting up and monitoring the Internal Audit Function and the system for controlling the quality of the company's operations; • ensuring the handling of customer complaints and claims; • managing the creation and delivery of training for the company's employees and associates (including insurance agents).						
	Adam Roman	Vice-President of the Management Board for Corporate Insurance	Vice-President of the Management Board for Corporate Insurance	bio	M	>50	No
	Responsibilities The key tasks and competencies of the Vice-President of the Management Board for Corporate Insurance include managing the work of the subordinate division, including: ✓ managing corporate business lines and customer segments; ✓ creating the company's reinsurance strategy and overseeing its implementation; ✓ creating a policy for managing the company's assets for profitable and secure investment.						

	Name and surname	STU ERGO Hestia S.A.	STUnŻ ERGO Hestia S.A.	Skills and experience	Sex	Age group	Citizenship other than Polish
	Marcin Dymek	Member of the Management Board for Finance and Organisation	Member of the Management Board for Finance and Organisation	bio	M	30-50	No
	Responsibilities The key tasks and competencies of Member of the Management Board for Finance and Organisation include: ✓ managing the company's finances and assets; ✓ responsibility for the smooth operation of the company's risk management system; ✓ overseeing the proper implementation of the Actuarial Function within the company, including that relating to the determination of the value of technical provisions.						
	Dirk Schautes	Member of the Management Board for Technology, Debt Collection, Group Standards	Member of the Management Board for Technology, Debt Collection, Group Standards	bio	M	>50	Yes
	Responsibilities The key tasks and competencies of Member of the Management Board for Technology, Debt Collection, Group Standards include: ✓ taking measures to harmoniously develop cooperation between the company and the ERGO Group/Munich Re Group, including the adaptation of group standards implemented in the company to local requirements and conditions; ✓ managing the company's debt collection process; ✓ providing technical and organisational measures for the correct and safe use of the technological solutions used in the company, including those for information management; ✓ ensuring the company's ongoing technological development; ✓ shaping the company's sustainable development (ESG) policy.						
	Kazimierz Majdański	Member of the Management Board for Loss Adjustment	Member of the Management Board for Benefits Service	bio	M	30-50	No
	Responsibilities The key tasks and competencies of Member of the Management Board for Loss Adjustment include: ✓ overseeing the organisation, management and quality of loss adjustment processes; ✓ ensuring the highest quality and efficiency in customer and agent service processes. The key tasks and competencies of Member of the Management Board for Benefits Service include: ✓ overseeing the organisation, management and quality of benefits and compensation handling processes; ✓ ensuring the highest quality and efficiency in customer and agent service processes.						

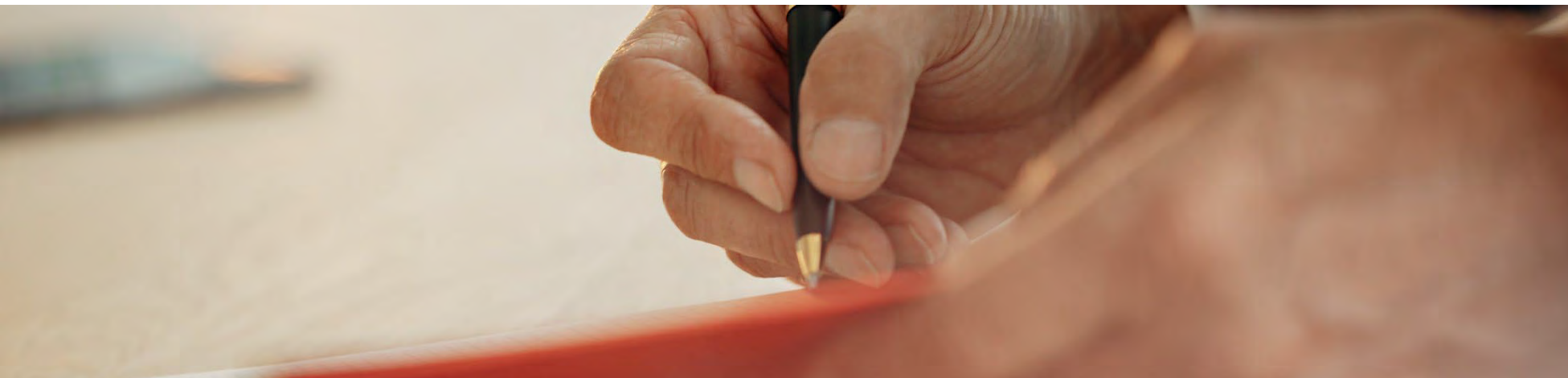


Name and surname	STU ERGO Hestia S.A.	STUnŻ ERGO Hestia S.A.	Skills and experience	Sex	Age group	Citizenship other than Polish
Piotr Matysiak	Member of the Management Board for Retail Insurance and Sales	Member of the Management Board for Individual Insurance and Sales	bio	M	30-50	No

Responsibilities

The key tasks and competencies of Member of the Management Board for Individual Insurance include:

- ✓ managing the individual business lines and customer segments assigned by the Management Board, including:
 - managing insurance sales in terms of segments and distribution of the business lines designated by the Management Board, while taking care of the quality of these sales;
 - striving to achieve a positive technical income statement for the company;
 - managing the company's underwriting activities, the creation of insurance conditions and tariffs;
 - continuous monitoring of risks that may affect the technical income statement;
 - setting maximum acquisition commissions;
- ✓ managing sales of the company's products and services;
- ✓ setting minimum acquisition commissions;
- ✓ managing the company's promotion and advertising, as well as the company's internal and external communication.



ESRS 2 SBM-1, 40e, 40f, 40g AR12-13 [GRI 2: 2-22]
[GRI 3: 3-3]

On the basis of our business strategy and the Munich Re Group 'Ambition 2025' strategy, we have adopted and are implementing a sustainable development strategy in Poland.

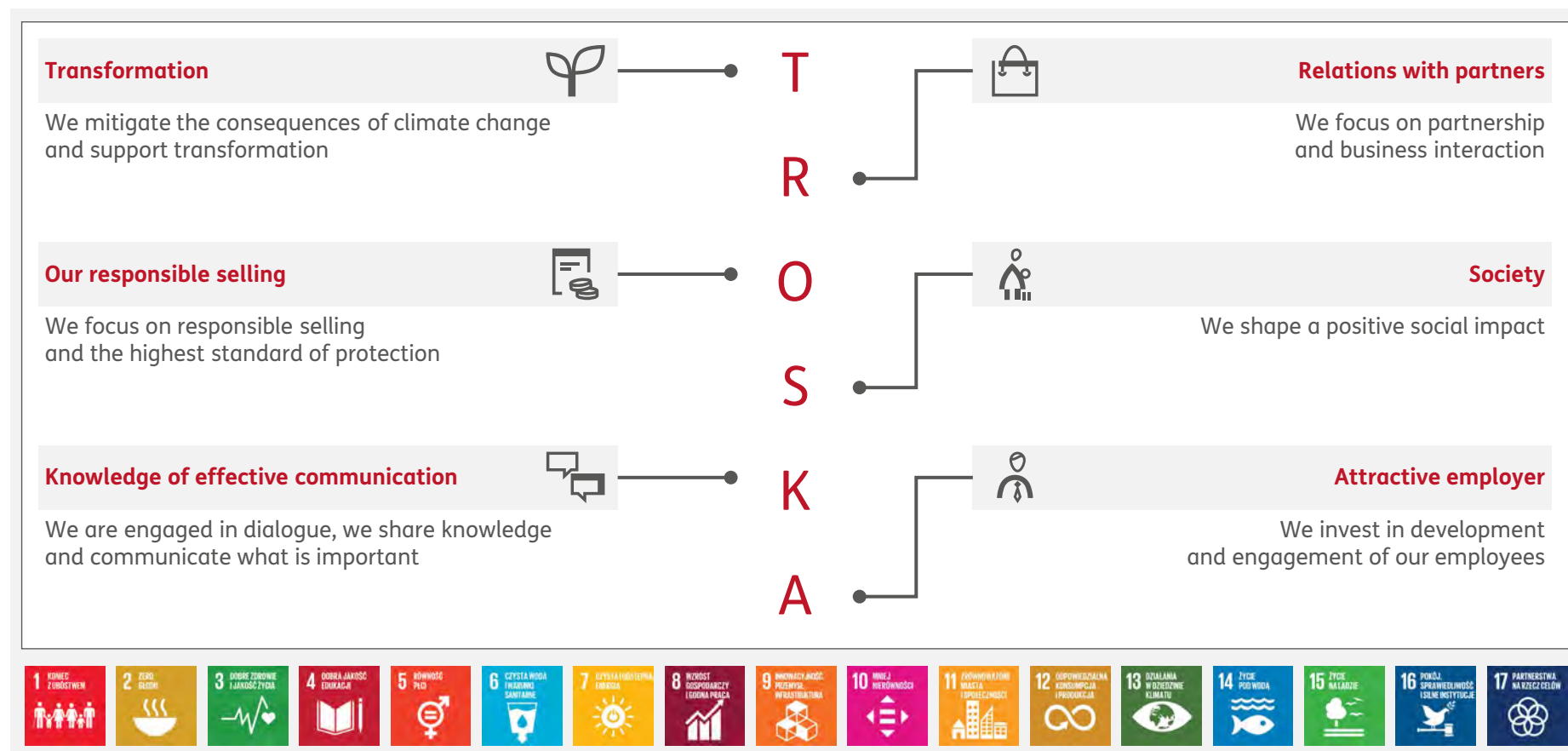
The TROSKA [CARE] strategy takes into account the 3 pillars of our business:

Insurance

Investments

Own business

Sustainable Development Strategy of the ERGO Hestia Group for 2022-2025



To contribute to the climate goals of the Paris Agreement, Munich Re Group adopted the decarbonisation targets set out in its 'Ambition 2025' strategy.

Despite Munich Re Group's exit from the Net-Zero Insurance Alliance (NZIA) on 31 March 2023, the Group continues to maintain its commitment to achieving net zero emissions by 2050. In 2024, we plan to

update the sustainability strategy to fully integrate it with the key ESG areas identified in the double materiality assessment process conducted in H2 2023.

	Implement ation		Implement ation
Transformation		Society	
A 12% reduction in carbon footprint per employee by 2025 (relative to 2019).	●	Reaching a minimum of 25 new people with disabilities professionally activated by Integralia Foundation each year	●
Maintenance of ISO14001 and EMAS environmental certification	●	Adaptation of 100% of websites, services in Standard Points, GITC (key retail products) and procedures for people with disabilities by the end of 2023	◐
Deployment of innovative products and services supporting the transition to a low-carbon economy (for individual and business customers) and projects that save natural resources, prevent waste and minimise environmental impact	●	Reaching an indicator of >50% Standard Points without service/architectural barriers by 2024	◐
Increase in the volume of product premiums that can contribute to climate change mitigation or the transition to a low-carbon economy	●	Knowledge of effective communication	
Increase in the share of investments supporting sustainable development	●	Implementation of a responsible (and/or ethical) marketing and communication policy in 2023	◐
Relations with partners		Carrying out dialogue sessions with various stakeholder groups on an annual basis	●
Maintenance of a ratio of >90% of key suppliers and contractors who have signed the Code of Conduct for Suppliers and Contractors (includes principles for a safe and sustainable supply chain according to ESG principles)	●	Increase the 'AVE' or 'Publication Reach' in the media for sustainability activities by at least 10% (relative to 2019)	●
Achievement of 100% Standard Points that meet the standards set by the company (e.g. 'Responsible Partner' Certificate) by 2023.	◐	Attractive employer	
Implementation of a programme to support the development of corporate social responsibility among insurance agents/partners to increase ESG engagement in 2023.	◐	Doubling the proportion of people with disabilities among the group's total number of employees by the end of 2024 (relative to 2020)	◐
Our responsible selling		Maintenance of an employment ratio of 50% women and 50% men at the level of directors reporting directly to the company's Management Board Members, and at least 40% women representation in director and deputy director positions	●
100% of agents trained in responsible selling and ethics every 3 years	◐	Implementation of a programme supporting Work Life Balance and work with caring roles for women and men by the end of 2023 'Mummy Daddy Time' [Mamy Taty Czas].	●
Achievement of the highest NPS indicator in the Polish insurance market according to TNS survey until the end of 2023	◐	Reaching a rate of average annual training hours per employee of more than 30 hours	●
Maintenance of a complaint rate of <0.50% using data from the Financial Ombudsman's annual reports	◐		

● Implemented ◐ In progress

ESRS 2 GOV-1, 23a, 23b

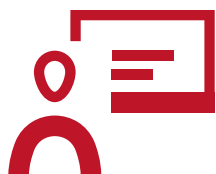
All members of the management bodies and key managers of our organisation have the knowledge and experience necessary to perform their functions properly. Given their role in the effective implementation of the TROSKA strategy, responsibilities are placed on them to set climate targets. Aiming to continuously improve their skills, they participate in meetings and programmes within the ERGO Group - covering sustainability and climate change issues (e.g. ESG reporting, taxonomy, products and solutions to support sustainability and human rights). In addition, two members of the supervisory boards and key managers are active in the organisations involved in this area, sharing their experience and expertise in carrying out their duties:

- ✓ Dirk Schautes is the Member of the Management Board responsible for, among other things, sustainability in our organisation and a member of the Programme Board at the UN Global Compact Network Poland;
- ✓ Janusz Reiter is the Member of the Programme Council of Chapter Zero Poland;
- ✓ Artur Borowiński is the Member of the ESG Advisory Board of the ERGO Group/Munich Re Group;
- ✓ Mario Everardo Zamarripa Gonzalez is the Member of the Programme Board of the 'Climate Leadership Council', the Member of the Steering Committee of the Business and Human Rights (UN Global Compact), Climate Positive (UN Global Compact) and the Coalition of Ethics Advocates (UNGC) programmes and is the Member of the Gdańsk Council for Volunteer Development (appointed by the Mayor of the City of Gdańsk).

The following sustainability training was provided to the Members of the Management Board in 2023: Code of Ethics, Risk Management System, Anti-Fraud, Anti-Money Laundering and Countering the Financing of Terrorism System and Internal Model. In addition, the President of the Management Board and the Member of the Management Board for Technology, Debt Collection and Group Standards participated in discussions and deliberations within the ESG Advisory Board.

Below is a list of the topics discussed at the meetings:

- ✓ guidelines for external communication related to sustainability (greenwashing);
- ✓ supply chain due diligence guidelines (human rights);
- ✓ ERGO Group AG Declaration of Human Rights Principles;
- ✓ Insurance Association Emission.



ESRS 2 GOV-1, 22c, 22c i, 22c ii, 22c iii, 22d [GRI 2: 2-12; 2-13]

ESRS 2 GOV-2, 26a, 26b, 23a, b [GRI 2: 2-24; 2-12; 2-13; 2-16]

In our organisation, sustainability has an important place in the management process. The Sustainability Director leads the formulation, approval and implementation of our targets in the sustainability strategy. The Sustainability Office, which has been in operation since January 2023, further reinforces our commitment in this area. This is a vital function providing detailed oversight, which is supported by a dedicated team of specialists and managers.

It is the responsibility of the Member of the Management Board with responsibility for supervision and management in the field of sustainability to control the activities of the Sustainability Office. The primary objective of the office is to create and coordinate a sustainable development strategy towards external and internal stakeholders. Dirk Schaubes, the Member of the Management Board responsible for, among other things, advising the rest of the Management Board on sustainability issues, is also the communication agent between the Sustainability Office and the Management Board.



The responsibilities of the Sustainability Office, and consequently within the terms of reference of the designated Management Board Member, include:

- ✓ creating, implementing and coordinating the ERGO Hestia Group's sustainable development strategy, including managing dedicated projects;
- ✓ supporting the company's sustainability goals;
- ✓ ensuring the effective operation of an environmental management system, including an environmental impact reduction programme within the 3 pillars of our business (insurance portfolio, investment portfolio and own business);
- ✓ working with insurance offices to develop sustainable (including pro-environmental and pro-social) products and services with a positive impact;
- ✓ analysing and assessing climate risks for sustainable development in the area of the management system within the 3 pillars of our business (insurance portfolio, investment portfolio and own business);
- ✓ working in partnership with external institutions and expert organisations committed to sustainable development and fostering good relations with the business and social environment;
- ✓ implementing and coordinating sustainability policies and monitoring the insurance portfolio, investment portfolio and own business in the social, environmental and climate areas, as well as those related to corporate governance;
- ✓ overseeing the implementation of measures to support sustainable development ideas, monitoring and evaluating the effectiveness of sustainable development programmes;
- ✓ non-financial reporting in the local market (TROSKA Report) and to the ERGO Group/Munich Re Group (in the area of own operations), as well as supporting the offices in reporting non-financial data in the TROSKA report;
- ✓ advising the Management Board on sustainability management issues.

Management structure of the ESG area in the ERGO Hestia Group:



Summary of activities implemented by the Sustainability Office in 2023.

Increasing sustainability reporting requirements, in particular disclosures in line with the CSRD, the European Sustainability Reporting Standards (ESRS), the EU Taxonomy Regulation and the TCFD guidelines, cause us to participate with other offices in projects organisationally, substantively and technically preparing companies to report and monitor the required data. In 2023, we updated the Responsible Investment Guidelines.

In terms of our own activities, we pursued the targets set out in the ESG strategy, e.g. recertification and renewal of the Environmental Management System in accordance with ISO 14001 and the EMAS Regulation

and reduction of the carbon footprint per employee, but we have also been involved in the dissemination of knowledge and popularisation of good practices in the area of environmental, social and corporate governance initiatives, through their presentation in industry reports, meetings with stakeholders and at conferences, e.g. during the 25th Insurance Brokers Congress, TOGETAIR and the Responsible Capital Congress. We joined and became a signatory to the working group of the 'Charter of Children's Right in Business' initiative. From 2023 onwards, as part of the 'Re:Generation' programme, we have been involved in the protection of unique peat bogs in the Slovianian National Park [*Słowiński Park Narodowy*], one of 23 national parks in Poland and one of 2 coastal parks included on the list of global protected area network, such as: HELCOM BSPA, a UNESCO World Biosphere Reserve or a Ramsar wetland. The activities undertaken as part of the 'Re:Generation' programme are aimed at

restoration of forest systems, farmland, rivers, lakes, sea and peat bogs. This means supporting and restoring areas that have been degraded or destroyed and protecting those that have not.

Through close cooperation with local and international organisations such as the [UN Global Compact](#), [Responsible Business Forum](#), [UP Development Foundation](#), [UNEP/GRID Warsaw](#) we were able to develop programmes and initiatives to promote sustainable development in the local market.

As part of the 2024-2026 business strategy 'Development-Accessibility-Quality' published at the end of 2023, we have planned to continue our sustainability efforts. Our inclusion of environmental and social issues in the strategy's catalogue of goals demonstrates our awareness of the challenges in these areas and our readiness to face them in the near future.



ESRS 2 GOV-3, 29 e [GRI 2: 2-20]

The structure of total remuneration is in line with market practice and the level of remuneration is in line with insurance sector standards. The bonus system for the Members of the Management Board makes the level of remuneration dependent on an assessment of the organisation's long-term financial position, long-term growth in shareholder value as well as stability of operations and acceptable level of risk. The remuneration of the Members of the Management Board comprises a fixed part and a variable part, being the smaller of the components. Its elements allow for appropriate rewards for achieving set goals. Meeting the goals of the sustainability strategy is part of achieving the company's strategic targets. The level of achievement of the group's annual goals is one of the elements of the bonus policy.

ESRS 2 GOV-3, 29a-d [GRI 2: 2-19]

The company's sustainability goals are an important element of ERGO Hestia business strategy. The achievement of these goals is therefore closely monitored and forms part of the Management Board's performance review. Disclosures omitted due to the secrecy of remuneration data of the Members of the Management Board.

ESRS 2 GOV-1; 21b

No employee representatives were included in the administrative, management and supervisory bodies in 2023. This changed in 2024 - a selection procedure and a vote took place.

ESRS 2 GOV-1, 23 AR5 [GRI 2: 2-9; 2-17]

The Management Board determines whether appropriate skills and expertise are available or will be developed within the organisation to oversee sustainability issues based on meetings and discussions with the Sustainability Director as part of the annual plan. Each year, the Member of the Management Board responsible for ESG establishes an action plan with the Sustainability Director, including training needs.

ESRS 2 GOV-4, 30-32, AR8-AR10

We have a Code that governs the conduct of suppliers and contractors, based on a sustainable development strategy. In the Code, we have described the basic principles of cooperation and business conduct, which we expect to be actively implemented by both current and future business partners. Due diligence procedures enable us to effectively monitor the risk of potential breaches in the value chain.

Codes of Conduct for here Suppliers and Contractors are available [here](#).

ESRS 2 GOV-5, 36 AR11, 36b, 26c, 36d, 36e [GRI 2: 2-14]

Reporting is carried out using information provided to the ERGO Munich Re Group for reporting as part of the consolidated report or at local level, as in the case of the non-financial report, the environmental declaration in accordance with EMAS requirements and the SFDR statement.

Climate disclosures developed using TCFD recommendations are part hereof.

The material issues included in the report were developed on the basis of a double materiality assessment conducted in 2023 in accordance with the double materiality guidelines described in the CSRD.

The ERGO Group's Sustainability unit is involved in the work of verifying sustainability issues. Among other things, our Management Board is responsible for including the relevant units in the reporting process and ensuring that due diligence processes are followed. The Sustainability Office is coordinating ESG reporting work in the area of own operations and the TROSKA report. Units providing quantitative and qualitative data for the report and units ensuring the quality of the information are involved in the reporting process.

Key ESG risks

From an ESG impact point of view, operational risk (including compliance risk), reputational risk and climate risk are of particular importance. ESG risk management is an integral part of the overall risk management process. The individual risks in the ESG area are categorised into major risk categories. Issues in the social, corporate governance area are primarily operational risks (including compliance risks). For environmental issues, these are credit, market and actuarial risks.

The principles and structure of operational and compliance risk management are based on adopted internal regulations. These risks are monitored at multiple levels of the organisation. The Risk Office carries out the tasks assigned to the organisation's risk management function and, in particular, ensures the effective functioning of the Risk Management System and monitors it.



1.3. Key sustainability topics for the ERGO Hestia Group

ESRS 2 SBM-3, 48 c i - iv

The insurance sector, compared to other sectors of the economy such as industry or transport, is responsible for low direct greenhouse gas (GHG) emissions. As representatives of the insurance industry, we can have a significant impact on their reduction through our investments, risk assessment, insurance products and within our own operations. We are focused on such activities in Poland that aim to reduce the negative impact on the environment, while promoting initiatives that support sustainable development and environmental protection. We prioritise assessing the impact of our activities on important stakeholder groups. For several years, we have been publishing comprehensive reports on our impact in the environmental, social or economic areas [on our website](#). In addition, we publish annually the 'Environmental Statement' as required by the EMAS Regulation. The success of an organisation depends on the effective management of the resources available and the influence exerted. We manage these elements taking into account their specificity and strategic importance to our organisation.

ESRS 2 IRO-1, 53h

The double materiality assessment process, based on the European Sustainability Reporting Standards (ESRS), was implemented for the first time during the reporting period.

ESRS 2 BP-2, 17

The purpose of carrying out the double materiality assessment process was to identify topics of relevance that were intended to reflect our key influences. This analysis formed the basis for the disclosure of information on sustainability issues contained in this report. To comply with the requirements under the ESRS, the process was carried out using a clear and structured methodology and with stakeholders' participation. This structured process enabled us to identify which of the disclosure requirements listed in the ESRS are material and mandatory to be disclosed. The process assessed all the sustainability issues included in the list of Article 16, Appendix A of the ESRS1 Regulation and all the topics and sub-topics listed in the table of Article 12 of Appendix B of the ESRS1 Regulation.



Areas resulting from the TROSKA [CARE] strategy assigned to topics of relevance resulting from the double materiality assessment

Transformation



- 1** Adaptation to climate change
- 2** GHG emissions

T

R



Relations with partners

- 7** Working conditions and development of agents and brokers
- 9** Data protection and cybersecurity
- 12** Business Ethics

Our responsible selling



- 8** Responsible offering and selling
- 4** Diversity and inclusion

O

S



Society

- 4** Diversity and inclusion

Knowledge of effective communication



- 10** Availability of services

K

A



Attractive employer

- 3** Working conditions of own employees
- 4** Diversity and inclusion
- 5** Investing in employee growth
- 6** Ethics in the workplace
- 11** Management of ESG issues
- 13** Strategic risk management

The process of double materiality assessment consisted of the following stages:

Stage 1



Defining assumptions and understanding the context of the organisation

- ✓ Understanding the businesses in order to identify specific elements of the business model and define the scope of analysis
- ✓ Defining the value chain

Stage 2



Identification of impacts, risks and opportunities

- ✓ Identification of potentially significant ESG impacts, risks and opportunities ('IROs')
- ✓ Creating a long list as a basis for further assessment

Stage 3



Assessment of impacts, risks and opportunities

- ✓ Assessment of the materiality of identified impacts (in terms of scale, scope, reversibility and likelihood of occurrence), ESG risks and opportunities

Stage 4



Prioritisation and validation of results

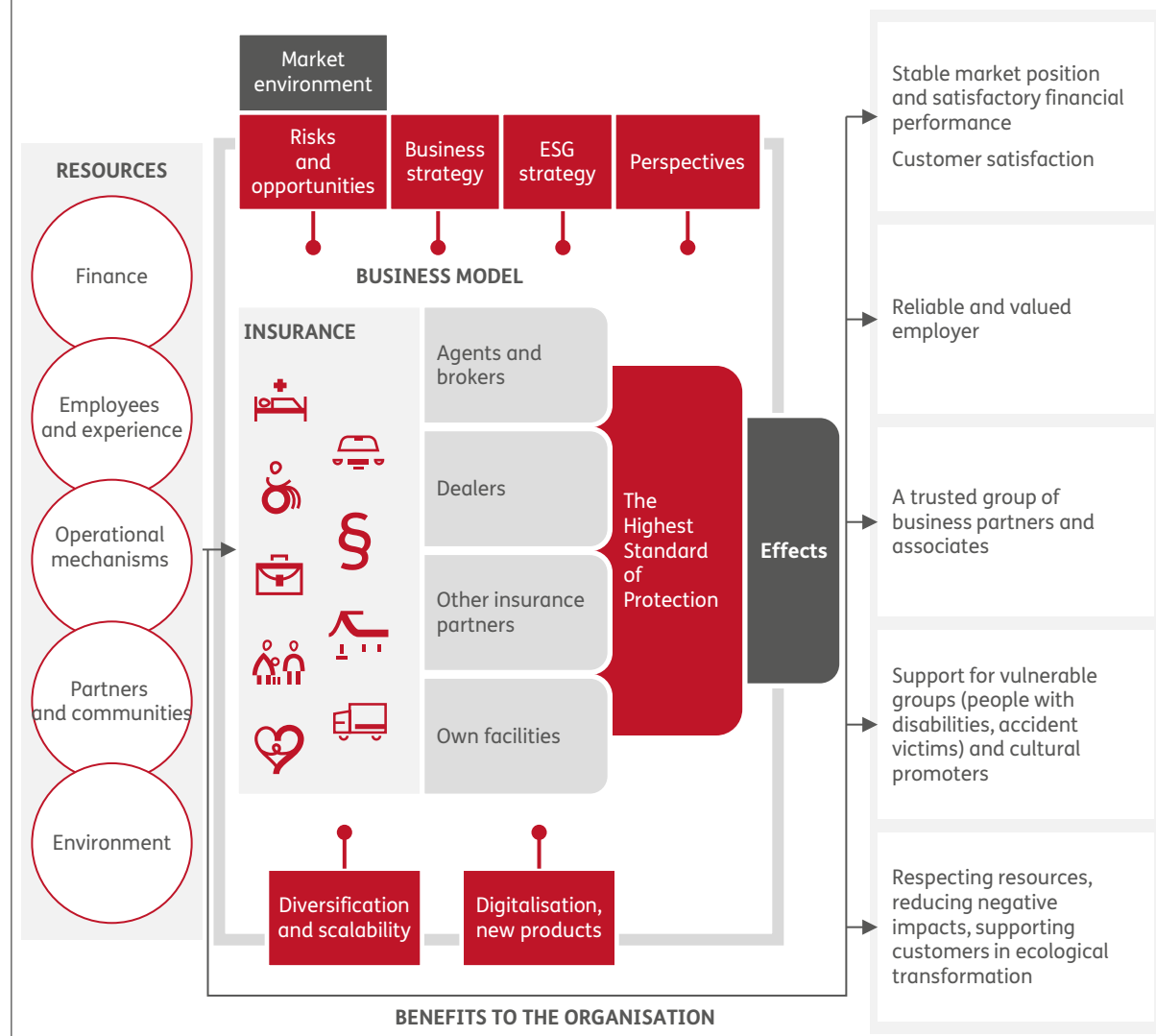
- ✓ Prioritisation of the most relevant IROs
- ✓ Presentation of the results of the entire assessment with justification of the list of relevant topics

STAGE 1 - Defining assumptions and understanding the context of the organisation

To carry out the process in a comprehensive manner, we first analysed the business model and the group's approach to materiality to date, as well as an analysis of the business operations. Taking into account the characteristics of the insurance business, we analysed and mapped the entire value chain considering the upstream, in-house and downstream operations. This allowed us to define the assumptions of a double materiality assessment with regard to the business model, business activities and our value chain.



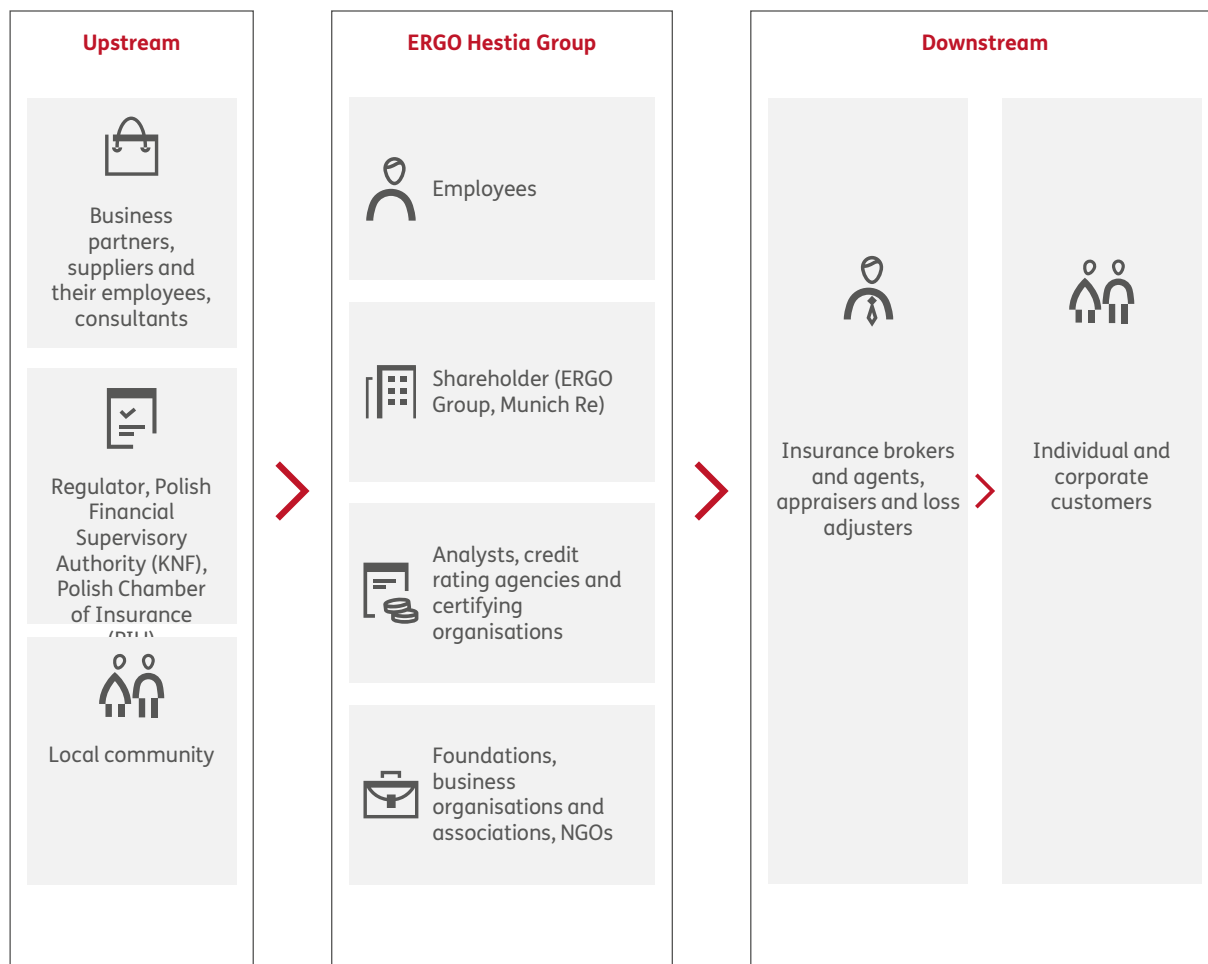
Business model of the ERGO Hestia Group



Value chain of the ERGO Hestia Group

ESRS 2 SBM-1, 42 a, 42b, 42c [GRI 2: 2-6]

ESRS 2 BP-1, 5c



Our value chain encompasses many entities with whom we interact at both the product and service creation and sales stages. Only its in-depth knowledge helps to determine what influence we have or can exert through our chain, as well as which resources and relationships our operations depend on (as these can be sources of risks and opportunities). It is also the first step in adopting appropriate policies and an action plan to manage the identified impacts through the value chain, as well as risks and opportunities. For example, as mentioned above, own business, compared to other sectors of the economy such as industry or transport, is responsible for low direct greenhouse gas (GHG) emissions. In contrast, as representatives of the insurance industry, we have an important influence on their reduction through downstream, i.e. our investments, risk assessment and insurance products.



Upstream

Suppliers and their employees - this group includes suppliers of products and services necessary for the execution of the insurance business. Examples include companies that offer data analysis software or provide risk assessment tools and pricing models, but also companies that offer services such as a supplier of electricity, gas, paper, water, furniture, rental and servicing of a fleet of cars, ensure the functioning of our operations. IT infrastructure providers supply systems for policies administration and claims processing;

Business partners - key partners for our company are reinsurance companies, which provide risk sharing, increase underwriting/insurance capacity and ensure liquidity. Consultancy and legal firms, in turn, assist with regulatory compliance. Marketing agencies support brand promotion and customer acquisition strategies. Strategic advisers provide insight into business development and expansion;

Regulators - bodies that oversee the insurance industry and set standards for liquidity, consumer protection and market conduct. Compliance is key to avoiding fines, legal sanctions and reputational loss;

Local society - due to the location of the head office, stakeholders include residents of the Tricity, but also businesses and other organisations operating in the area, as well as local authorities.

Downstream

Insurance brokers and agents - customer proxies and insurance intermediaries who play a key role in distributing our insurance products and providing personalised services to customers. Building strong relationships with brokers and agents is key to market outreach and customer engagement;

Customers - at the end of the value chain, customers purchase insurance products to protect themselves against risk. Building trust and providing value-added services are key to retaining customers and ensuring their loyalty;

ERGO Hestia Group

Employees - a key resource for effective internal operations, including underwriting, claims processing, customer service and strategic decision-making. Employee engagement, training and retention are key to ensuring operational stability and implementing innovations;

ERGO Group/Munich Re Group (shareholder) - the parent company sets strategic direction, provides financial resources and oversight. Synergies between the insurance company and other companies in the group can create competitive advantages;

Credit rating agencies and certifying organisations (Independent companies tasked with assessing the creditworthiness of a company and companies that have the right to issue certificates in the area of accreditation granted. On the basis of the assessment carried out, a so-called rating or certification is issued) - we have financial and credit ratings and a number of certifications in many areas of our business (environmental management, IT, HR, Responsible Selling);

Foundations, associations, NGOs - working with foundations and NGOs can bring a new quality to corporate social responsibility, promoting sustainability, community involvement and ethical business practices.

Effective management of these relationships is crucial to our success and competitiveness in a dynamic insurance market.

Membership of associations and organisations

Many of the challenges of our time - such as combating climate change and upholding human rights - require interaction involving multiple parties from both the business and political or social worlds. In line with Sustainable Development Goal 17 - Partnerships for the Goals, we work with a variety of industry partners, NGOs, international organisations and others to successfully implement our ESG strategy. This commitment translates into both participation in sustainability initiatives and provides us with a voice in the insurance industry dialogue related to ESG.

Our most notable environmental and social engagements include participation in programmes such as Climate Leadership, Chapter Zero Poland, Climate Positive, Business and Human Rights, and the Responsible Business Forum Partnership Programme.

We are also an active participant in discussions on sustainability and governance among both insurance industry regulators and market participants - e.g. within the Polish Chamber of Insurance, the Gdańsk Business Club, the Programme Board of the Insurance Forum or the International Network of Insurance ABSL.

We respect the Ten Fundamental Principles of the United Nations Global Compact, we are a signatory to the Diversity Charter, the Charter on the Rights of the Child and the first ever business self-regulation implemented under Pillar 2 of the UN Guiding Principles on Business and Human Rights - the Ethical Programme Standard. Based on the guidelines and principles, we have implemented the [ERGO Hestia Group Diversity Policy](#).

We are also involved in wide-ranging development, support for local business or employer issues through, for example, our participation in the Partnership for the Implementation of Sustainable Development Goals in Poland under the aegis of the Ministry of Economic Development and Technology, membership of the Development Initiation Forum, the Employers of Poland and Employers of Pomerania organisation or the Polish Business Roundtable.

In addition, for the past 3 years we have been working with Kozminski University, with which we have delivered two editions of the Leadership in the 21st Century programme and Courageous Leadership training. In addition, we have jointly launched a postgraduate course dedicated to ERGO Hestia employees called Management in insurance - so far, two classes have had the opportunity to start their studies. Together with Kozminski University, we have joined the prestigious group of companies making up the so-called 'university endowment fund'. This will provide our experts and those of the Academy with greater opportunities for knowledge transfer between organisations. The two entities work together towards values that are the same for both parties - innovation, fostering diversity, modern management and leadership education.

STAGE 2 - Identification of impacts, risks and opportunities

The second stage of our work was to identify impacts, risks and opportunities. To this end, we carried out an analysis of the issues covered by the European Sustainability Reporting Standards covering standards E1, E2, E3, E4, E5 and S1, S2, S3, S4 and G1. In addition, we performed external and internal analyses to identify topics of relevance among competitors and market analysis of the insurance industry. The sustainability reports of companies accepted as comparable to our organisation (benchmark) were analysed.

ESRS 2 SBM-2, 45a i-v AR16, 45b

Stakeholder dialogue

As part of our analysis, we also identified our key stakeholders and determined their relevance for conducting the materiality assessment process. It is important to emphasise that cooperation with our stakeholders plays an essential role in the due diligence process we carry out and the sustainability materiality assessment.

Stakeholder engagement and perspective add significant value to the impact materiality and financial materiality assessment process. In carrying out the double materiality assessment, we organised 14 dialogue sessions across Poland (Gdańsk, Katowice, Gliwice), attended by 66 key stakeholders. Stakeholder groups included in the analysis comprised employees, insurance agents and brokers, journalists, representatives of the Sopot City Hall and academia, NGOs, customers and suppliers. Dialogue sessions with stakeholders were held from 16 October to 2 November 2023 in a hybrid format (7 online and 6 face-to-face meetings) and on 15 January 2024 (1 online meeting). The aim of the dialogue was to identify relevant reporting topics for stakeholders and to learn more about our organisation's sustainability needs and expectations, which form an important reference point in the double materiality assessment.

According to stakeholders, relevant topics are as follows:



Human Rights



Diversity and social inclusion
(age, gender, disability, etc.)



Employer attractiveness (including
employee development, training and
career paths) and a friendly working
environment (including work-home
balance and employee benefits)



Standards of cooperation with business
partners



Sustainable value chain and supply chain
(including promotion of ethical business
standards within the industry and among
partners)



Key stakeholders

1. The academic and scientific community - our experts

We maintain a dialogue with scientists, associations and organisations who support us with their knowledge and solutions. We are also involved in research and development projects.

2. NGOs - partners in relations with local authorities and communities

We maintain close contact with NGOs, which support us in inclusive activities, identification of the needs of vulnerable groups or dialogue with affected communities. We actively involve this group in the design and delivery of our programmes.

3. Suppliers - partners influencing the quality of our services

We build lasting relationships based on mutual trust, for the sake of the highest quality and perception of our brand. We exchange information through dialogue, business negotiations and surveys.



7. Employees - both current and potential

We promote a culture of feedback and transparent communication using a wide range of means such as satisfaction surveys, appraisal interviews, intranet, social media platforms and other forums for dialogue.

6. Agents - direct representatives of the group in relations with customers

We support this key stakeholder group through training and conferences, ensuring knowledge sharing, and we have an ongoing dialogue e.g. through the Agent Ombudsman.

5. Brokers - ombudsmen for customers' interests

We maintain a transparent business and partner relationship with this stakeholder group. We support them with our expert background and maintain the exchange of information through newsletters and conferences.

4. Customers - the recipients of our products and services

We serve our customers as a reliable and solution-oriented business partner. We regularly monitor their satisfaction with our services through analysis and surveys and tailor our offerings to their needs.

Based on the results of the work carried out in Stage 2, a list of topics, risks and opportunities was developed and further analysed for materiality (Stage 3).

STAGE 3 - Assessment of impacts, risks and opportunities

We determined the criteria of scale, scope, irreversibility and probability for the identified impacts based on the specifics of the organisation. Each aspect listed was rated on a scale of 0 to 5 (where 5 represents the greatest impact). We then assessed all identified impacts (list of topics) based on the ESRS guidelines and determined their materiality. Based on the scores obtained, each issue was assigned one of the following impact categories: very high, high, medium or low.

Criteria for assessing impacts

Positive impact		Negative impact	
Potential	Real	Potential	Real
scale	scale	scale	scale
scope	scope	scope	scope
probability		irreversible nature	irreversible nature
		probability	

severity

Source: GRI, ESRS



The next step was to assess the risks and opportunities relevant to us. To this end, we first gathered key information and data on:

- ✓ the impact of ESG issues on the industry's long-term performance and financial results;
- ✓ risks and opportunities arising from ESG issues for the industry;
- ✓ preliminary results of the impact analysis.

We then assessed all identified impacts and the resulting risks and opportunities in terms of the potential strength of the financial effect and its likelihood. Financial materiality was determined using the following formula:

Cumulative strength of the potential financial effect	<0-10>
x	
Cumulative probability	<0%-100%>
/2	
=	
Financial materiality	<0-5>
Low financial materiality	<0-2.5>
Average financial materiality	<2.5-3.5>
High financial materiality	<3.5-4.5>
Very high financial materiality	<4.5-5>

The formulated results regarding the assessment of impact materiality and financial materiality were presented by the Sustainability Office at an internal workshop attended by people representing various offices and departments.

Based on the discussions and consultations, the scoring was adjusted accordingly. This stage concluded with the assignment of a final score and the drawing of conclusions regarding materiality.

ETAP 4 - Prioritisation and validation of results

The final stage of our materiality assessment was to draw up a list of relevant topics and associated IROs (Impacts, Risks and Opportunities) and validation of the results. To this end, we have made a final prioritisation of the results by grouping the IROs into significant topics

and we adopted a significance threshold of 3.5. Based on these activities, we created a materiality matrix for key IROs and relevant topics, which was validated and approved by the Management Board.



As a result of the Stage 4 process, 13 topics of relevance (27 IROs) were identified and are discussed in this report.

Identified relevant topics included in the report

 Relevant topic	Area	Number of impacts (27)	Type of impact
1 Adaptation to climate change	Environmental area (E)	2	
2 GHG emissions		1	
3 Working conditions of own employees	Social area (S)	5	 
4 Diversity and inclusion		3	
5 Investing in employee growth		1	
6 Ethics in the workplace		1	
7 Working conditions and development of agents and brokers		2	
8 Responsible offering and selling		2	
9 Data protection and cybersecurity		1	
10 Availability of services		3	
11 Management of ESG issues	Governance area (G)	2	
12 Business ethics		2	
13 Strategic risk management		2	



Positive



Negative

Below we have listed policies that aim to prevent negative identified actual and potential significant impacts. They also ensure that we counter important risks and seize opportunities.

Policies and measures related to relevant topics

Area	Relevant topic	Selected 2023 metrics and goals with their implementation	Policies and actions adopted
Environmental area (E)	Climate change:  Adaptation to climate change	Reduction of environmental impact ✓ electrical energy consumption: – 18% (or by 1.5 GWh) vs. 2019;	✓ Sustainable development strategy 'TROSKA' ✓ Environmental Policy ✓ Environmental Statement
	 Climate change mitigation	✓ water consumption: – 4,099 m ³ vs. 2019; ✓ paper consumption: – 41% vs. 2019; ✓ 6,089 video inspections (89 more than planned); ✓ 32,417 - number of commutes by bicycle (4,317 more than in 2022). Reduction of carbon footprint: ✓ carbon footprint per employee: – 20% vs. 2019; ✓ the installation of sensors to prevent failures and negative environmental impacts on customers: ✓ 4,219 (84% of the target achieved in the deployment of Internet of Things solutions); ✓ number of policies concluded with Green Recovery Clause - 1,888; ✓ number of vouchers under the 'Bike Forever' programme: – 14,5% compared to 2023.	✓ Investment in building infrastructure (relates to reducing energy and water consumption) ✓ Changing business processes through digitisation (relates to reducing paper consumption) ✓ Programme to support employee mobility, i.e. commuting by bicycle ✓ ERGO Hestia Group Offer for 2023
	Climate change:  Climate change mitigation - GHG emissions	Reduction of carbon footprint: ✓ carbon footprint per employee: – 20% vs. 2019 ✓ Intensity factor for the level of greenhouse gas emission reductions (t CO ₂ e/PLN mln): Scope 1: 0.21 Scope 2: 0.20 (market-based) Scope 2: 0.64 (location-based) Scope 3: 0.04 (market- and location-based)	✓ Munich Re Group strategy 'Ambition 2025' ✓ Sustainable development strategy ✓ Environmental Policy ✓ EMAS and ISO 14001 certification ✓ Environmental Statement



Area	Relevant topic	Selected 2023 metrics and goals with their implementation	Policies and actions adopted
Social area (S)	 Working conditions of own employees	✓ 88.68% of those with an employment contract for an indefinite period ✓ 100% of employees are paid more than/equal to the national minimum remuneration ✓ The average amount spent on employee health was PLN 1,496.98	✓ Offering employment on the basis of an employment contract ✓ Remuneration Policy ✓ Healthy Employee Centre and physical and mental health prevention programmes
	 Diversity, equity and inclusion	✓ 3.1% of employees are persons with disabilities in the ERGO Hestia Group ✓ 3.6% of employees are persons with disabilities in the ERGO Hestia Group and other subsidiaries (not covered in this report) ✓ Managers: 50% women and 50% men ✓ 'Diversity IN Check' survey distinction	✓ Statutes and activities of the Integralia Foundation ✓ HR Department activities ✓ The Equal Treatment Principles annexed to the Work Regulations entitled 'Equal Treatment in Employment' ✓ Diversity Policy ✓ Sustainable development strategy
	 Investing in employee growth	✓ 30.8 hours of training per year per employee	✓ 'Hestia Talent Development Academy' ✓ "Courageous Leadership" ✓ '#ShareTheKnowledge' [„#PodzielSięWiedzą"] ✓ Analysis Forum ✓ 'Data Analysis Upskill Academy' ✓ Training platform
	 Ethics in the workplace	✓ 99.5% of employees trained on the Code of Ethics	✓ Code of Ethics ✓ Whistleblowing channel ✓ Ethics training ✓ Ethics legislation
	 Working conditions and development of agents and brokers	✓ 753 participants in the Agency Network Certification programme ✓ Winning, for the 15th time, the 'Fair Play' award and the title of 'Best non-life insurer for companies' at the Brokers Congress	✓ ERGO Hestia Insurance Agent Code of Ethics ✓ Training for agents and brokers ✓ Satisfaction survey among intermediaries
	 Data protection and cybersecurity	✓ Use of Blockchain technology ✓ ISO 27001 i ISO 27017 certification	✓ Information Security Management System ✓ IT strategy
	 Responsible offering and selling	✓ 0.2% complaint rate	✓ Ethical and Responsible Communication Policy ✓ Declaration of Responsible Selling
	 Availability of services	✓ 84 customer calls completed thanks to 'I sign' service ✓ Website and selected documents adapted to the needs of persons with disabilities	✓ Customer service in sign language





We are assisted in maintaining the high quality of our organisation's corporate culture and daily concern for our employees, associates and customers by, among other things, the Ethical Programme Standard, whose declaration of acceptance we signed as the first insurer in Poland, but also by signing the Declaration of Responsible Selling and by serving as one of the main partners of the [Ethics Ombudsmen Coalition](#) established by the UN Global Compact. We are also a strategic partner of the Responsible Business Forum.



Impact, Risk and Opportunity (IRO) management

ESRS 2 BP-2, 17d

We define sustainability risks as the possibility of environmental, social or corporate governance situations or conditions that could have an actual or potential material adverse effect on our financial position and results of operations and our reputation, as well as on the value of investments made by us, at our own risk and at the risk of our customers. Sustainability risks interact with individual risk categories through different transmission channels and can have a significant impact on them.

Based on our double materiality assessment, we reviewed existing strategies, policies and systems for their adequacy to effectively manage the identified impacts, risks and opportunities. A list of policies covering the management of relevant topics, together with key metrics and goals, are listed in the table above.

We also have a risk management system in place, which is integrated into organisational structures and decision-making processes, taking into account those in key functions.

Each company is responsible for implementing processes to identify, assess and monitor the risks to which the organisation may be exposed at an individual and aggregate level. A risk management system has been implemented and is applied in accordance with the three lines concept, which is further described in [subsection 4.3 Business risk management](#). Climate risks are described in more detail in [subsection 2.2](#).

ESRS 2 IRO-1, 53d

Decision-making in the context of sustainability management is carried out at different levels of the organisation, in accordance with the company's rules:

- ✓ the decision-making body is the Management Board, which manages the affairs of the company and represents it, as well as decides on all matters not included in the competences of other bodies in accordance with applicable laws and the company's Articles of Association; decisions in the form of resolutions are taken at the Management Board meetings, convened pursuant to the applicable regulations. In addition, in accordance with the provisions of the Commercial Companies Code and the company's Articles of Association, some decision-making powers have been reserved to the company's general meeting and the Supervisory Board. Moreover, the company's senior management is also authorised by the Management Board to make decisions within a certain scope;
- ✓ a dedicated unit within the organisation has been entrusted with the task of advising the Management Board on sustainability management topics;
- ✓ internal regulations are adopted in accordance with the company's rules for the adoption of internal legislation.

As part of the company's internal control system, procedures are in place for the above-described decision-making process, in particular to ensure the completeness of materials for decision-making, the proper documentation of the meetings of the company's Management Board, consultation rules and the implementation of the company's internal legislation. Furthermore, the company has documented the risks and dedicated control procedures in selected sustainability activities of the company (collection of environmental data, calculation of emissions of CO₂).





E
S
G

Environmental
impact

ESRS 2 BP-2, AR2

In 2019, the Management Board decided to adapt the management system to the requirements of ISO 14001:2015 and the EMAS Regulation. On 20 June 2020, our activities were confirmed by a certificate of compliance with this standard and an entry in the EMAS (Eco-Management and Audit Scheme) Register, which took place on 25 January 2021. EMAS certification covers locations in Sopot (ul.

Hestii 1) and in Gdańsk (ul. Jelitkowska, 47, 49 51). In 2020, our company STU ERGO Hestia S.A. was certified to the ISO 14001 standard, which is the leading standard for environmental management. In line with Munich Re Group Strategy 'Ambition 2025', the year 2019 has been chosen as the base year against which we monitor changes within the environmental area.

As a result of the double materiality assessment for environmental areas where we analysed the areas of climate change adaptation and climate change mitigation (ESRS E1), the topics identified are the same as the environmental areas. Within these topics, we have highlighted 3 impacts: 2 positive - adaptation to climate change and the development of a sustainable offer and 1 negative - in the area of climate change mitigation - greenhouse gas emissions.





ESRS	Relevant topic	Impact	Positive/ negative	Selected 2023 metrics and goals with their implementation	Policies and actions adopted
Climate change (E1)	Climate change: Adaptation to climate change Climate change mitigation	✓ Adaptation to climate change ✓ Climate change mitigation		We have reduced the environmental footprint: ✓ electrical energy consumption: -18% (or by 1.5 GWh) vs. 2019; ✓ water consumption: -19% vs. 2019; ✓ paper consumption: -41% vs. 2019; ✓ 6,089 video inspections; ✓ 32,417 - number of commutes by bicycle. We have reduced our carbon footprint per employee by 20% by the end of 2023 vs. 2019	✓ Sustainable development strategy ✓ Environmental Policy ✓ Environmental Statement ✓ Programme to support personal mobility, i.e. commuting by bicycle
		Development of a sustainable offer		✓ We have set up 4,219 sensors at our customers' sites in 2023 (84% achievement of the Internet of Things Solution target). ✓ In 2023, we concluded 1,888 policies with a Green Recovery Clause. ✓ The number of vouchers under the Bike Forever programme fell by 14.5% compared to 2023. ✓ We conducted 6,089 video inspections (89 more than planned).	✓ ERGO Hestia Group Offer for 2023
	Climate change: Climate change mitigation - GHG emissions 	Emissions		Percentage change compared to the year before the reporting year: ✓ Scope 1: +5%; ✓ Scope 2: -19% (market-based); ✓ Scope 2: -14% (location-based); ✓ Scope 3: +25% (market- and location-based).	✓ 'Ambition 2025' strategy ✓ Sustainable development strategy ✓ Environmental Policy

The materiality assessment carried out showed a lack of identified topics relevant to the areas of pollution (ESRS E2), water and marine resources (ESRS E3), biodiversity (ESRS E4) and resource use and the circular economy (ESRS E5). Although the topic of biodiversity was not identified as material, the loss of biodiversity and ecosystems is an important aspect of our commitment to ESG issues. We are therefore taking measures to support biodiversity.

Among other things, we reduce the scale of operations by no longer insuring entities operating close to protected areas. To contribute to the protection of key areas of biodiversity, the company does not carry out direct insurance/investment programmes if a material part of the underlying assets is located in a Natural or Mixed World Heritage Site as defined by the UNESCO World Heritage Convention. We exclude sites located in these particularly sensitive areas, depending on the type of risk and industry sector. Specific ESG guidelines regulate how certain business activities are carried out and include restrictions on biodiversity. In 2023, we have included a requirement for increased risk analysis (due diligence process) to protect biodiversity.

This applies in particular, to our primary corporate insurance, or property, engineering, transport and agricultural insurance.

We are also involved in various initiatives to take care of biodiversity. An example is the 'EKO HESTIA SPA', a competition that has been running for eight years in cooperation with the Association of Polish Spa Communities, the Institute of Oceanology of the Polish Academy of Sciences and Local Governments. The competition aims to promote innovative activities and investments with a positive impact on the environment, including biodiversity. EKO HESTIA SPA is the only competition in our country exclusively for Polish spas. It evaluates and rewards comprehensive, long-term measures, investments and initiatives to protect the environment and biodiversity, reduce emissions, eliminate water and air pollution, etc.



2.1. Climate change adaptation and mitigation

E1-1, 14, 16 (a-i), 17, Transformation plan

As ERGO Hestia Group, we do not have our own transformation plan, but instead rely on the Munich Re Group's sustainability strategy and 'Ambition 2025' strategy, which was prepared on the basis of scenarios and emission pathways from the latest IPCC reports, such as the Special Report on Global Warming of 1.5°C and the IPCC Sixth Assessment Report.

E1-2, 24, 25 Managing impacts, risks and opportunities

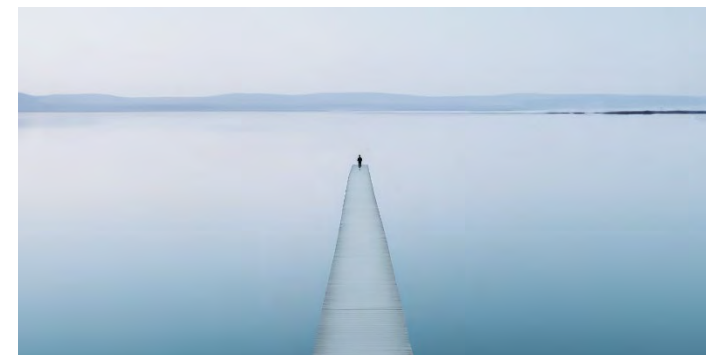
We integrate climate considerations into our environmental policy, sustainability strategy, environmental management system and other internal regulations for climate change mitigation and adaptation activities. The matters we have considered include those related to:

- ✓ the climate change mitigation: we are developing guidelines for new products and their ESG assessment;
- ✓ the adaptation to climate change: we have products to support the energy transition (insurance for Green Energy, electric cars, chargers and others);
- ✓ the energy efficiency: we are making changes within our own operations aimed at more energy-efficient solutions;
- ✓ the use of renewable energy: we only use electrical energy generated from renewable sources in the head office.

In addition, we offer insurance for assets exposed to adverse weather events.

Key environmental transformation goals included in the ESG strategy

At the same time, the Management Board oversees analytical activities related to climate change issues. All relevant and strategic matters are dealt with by the Management Board or one of its subordinate departments. Our key environmental transformation goals included in our ESG strategy are as follows:



Jakub Šrutwa. Photographer

Key environmental transformation goals included in the ERGO Group ESG strategy

Reduction measures and goals	Assets/Investments	Insurance portfolio	Own business
Up to 2025	Value of investments supporting sustainable development (e.g. green bonds) at min. level of PLN 250 million in 2024.	Increase the share of gross written premiums of products supporting sustainable development.	A 12% reduction in carbon footprint per employee by 2025 (relative to 2019).
2026 – 2040	Maintaining the value of investments supporting sustainable development.	Pursuing a portfolio transformation towards climate risk mitigation (in line with current risk analyses in any given year).	Reducing the carbon footprint and achieving zero emissions in terms of own emissions (according to Munich Re Group methodology). Publication of the group's climate transformation plan
2050	Maintaining the value of investments supporting sustainable development.	Pursuing a portfolio transformation towards climate risk mitigation (in line with current risk analyses in any given year).	Achieving net zero CO ₂ emissions (as part of the Munich Re Group's common goals).



Rajmund Barań. Photographer

The Munich Re Group is one of the first signatories of the Principles for Responsible Investment (PRI) (signed in 2006) and is committed to implementing them appropriately and in a forward-looking manner. The aim of this initiative is to improve understanding of the impact of investment activities on environmental, social and green governance issues and to support signatories in integrating these issues into investment decisions. In addition, Munich Re Group is committed to taking appropriate action to mitigate climate change as part of its action called 'Climate Action 100+', including action on risks and opportunities related to ESG criteria with entities in which it invests or intends to invest. As part of the investment decision, investments are not permitted in shares/bonds of companies that generate more than 30% of their revenue from steam coal mining or the production of electrical energy from steam coal. More information is available [here](#).

E1-1, 16j, E1-3 29b; E1-4, 32

Within our group, we continuously monitor and take action on climate change mitigation and comply with internal and group regulations that aim to seek to reduce CO₂ emissions from our investment portfolio. 90% of STU na Życie ERGO Hestia S.A. portfolio is made up of Treasury bonds, and more than 75% of STU ERGO Hestia S.A. total deposits are in debt instruments issued or guaranteed by the State Treasury.

A summary of the key environmental transformation goals contained in the 2023 Sustainable Development Strategy

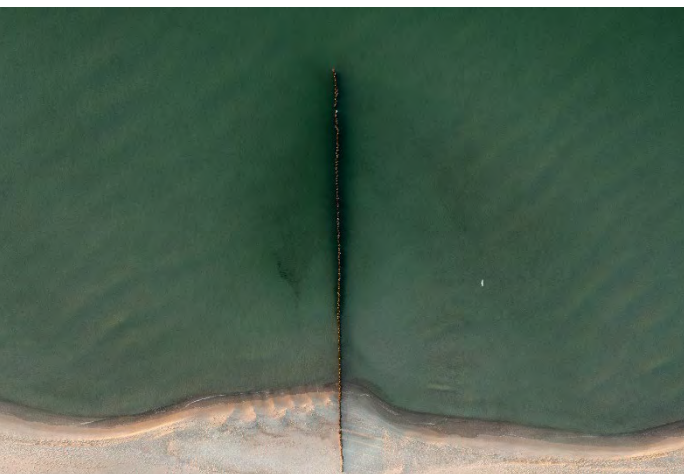
Area	Goal	Implementation
Own business	A 12% reduction in carbon footprint per employee by 2025 vs. 2019	● We have reduced our carbon footprint per employee by 20%.
	Reduction in electrical energy consumption by 10% vs. 2019	● We have reduced electrical energy consumption by 18%.
	CO ₂ reduction in the fleet area of 3% vs. 2019	● We have reduced emissions in the fleet area by 8%.
	Reduction in paper consumption by 35% vs. 2019	● We have reduced paper consumption by 41%.
Insurance portfolio	Development of online loss handling (implementation of 6,000 video inspections per year).	● We have conducted 6,089 video inspections.
	Continuation of the 'Bike Forever' programme and maintenance of results as in the previous year.	○ The number of vouchers fell by 14.5% compared to 2022. This is due to less interest in such a solution among customers and injured persons.
	Continuation of the promotion of the 'Green Recovery Clause': a total of 2,000 policies by 2025.	◐ In 2023, we concluded 1,888 policies with a 'Green Recovery Clause' (94% implementations).
	Developing an 'Internet of Things' solution: a total of 5,000 sensors by 2025.	◐ We placed 4,219 sensors with our customers in 2023 (84% of the target).
	Implemented in 2022, ESG certification programme for business entities in partnership with Hestia Corporate Solutions.	○ For budgetary reasons, implementation postponed to 2024.
Investments	Implemented ESG indicators in the investment appraisal process.	● This has resulted in an update of the Responsible Investment Guideline document. Reduction of high-emission investments and expansion of the type of investments that support sustainable development.

● Implemented ◐ In progress ○ Not implemented

2.2. Climate risks

E1 SBM-3, 18, 19(a-b), AR7b, 19c, AR8b; E1 IRO-1, 20a, AR9, 20b, AR11(a-d), 21, 20c, AR12(a-d), 21, AR15

By properly defining the risks associated with climate change, it is possible to take action to increase resilience to these risks. Climate risks are the most significant of the ESG risks for the company. They are long-term in nature and extend beyond the planning horizon. Within climate risks, we distinguish between physical risk, which refers, among other things, to climate change resulting in an increase in the frequency and severity of weather events (severe weather events), and transition risks, which relate to the transition to a low-carbon economy. Given the complexity of the risks and the high degree of uncertainty regarding the likelihood of occurrence and materiality of impact on the company's operations, climate risks are identified and monitored as emerging risks.



Wojciech Radwański. Photographer

Physical risks

The non-life insurance company is directly exposed to physical risks in terms of climatic risks in the context of rising losses resulting from increasingly frequent and severe weather events, such as drought-induced fires, flooding caused by weather anomalies or rising sea levels. Physical risks can also affect the company through operational losses, business interruptions and related claims. Equipping properties with modern technology, further increases the losses in the event of catastrophic events. An increase in extreme weather events may also lead to higher reinsurance prices. The company has a high level of catastrophe reinsurance cover, selects reinsurers with high ratings and splits contracts between multiple reinsurers, effectively reducing concentration risk in addition to a prudent underwriting policy.

Both companies are exposed to risk through the insurance and investment portfolios they hold.

In the case of a life insurance company, environmental degradation can translate into living conditions, mass migration of the population, but also macroeconomic indicators such as inflation levels. Climate change will affect life expectancy and healthy life expectancy, i.e. increased mortality and morbidity resulting from heat waves (especially in the elderly population) or emerging pandemics.

Physical risks are taken into account in both companies as part of actuarial risk management, in terms of possible change trends and their impact on portfolio losses, as well as operational risks (e.g. blackout).

Transition risks

Transition risks include risks arising from the requirements of the transition to a low-carbon economy, i.e. technological and regulatory changes that may affect the business model of the insurance company and corporate customers (i.e. small, medium and large enterprises). These risks affect the company in terms of product design and through emerging climate change liabilities, which can lead to increased legal liability for the Company and customers. In addition, climate change affects the company's operations and customers through changes in the value of certain products or industries, as well as changes in customer preferences, which the company must keep up with and to which it is obliged to adapt its product policy.

The ERGO Hestia Group analyses its exposure to climate risks in its insurance and investment activities. According to our analysis in transition risk, new and stricter regulations that will force climate-friendly solutions could translate into higher costs of business for some companies. Particularly vulnerable to these risks are sectors (including energy) that depend on coal and other fossil fuels, on which the Polish energy mix is predominantly based.

Regulatory risks may restrict the operation of certain industries, particularly emission entities.

Own risk and solvency assessment

Climate risk is one of the risks analysed as part of the own risk and solvency assessment process. The results of the sensitivity analyses or prospective scenarios carried out in 2023 do not indicate a decrease in the solvency ratio below 100% for the life insurance and non-life insurance company.

In the case of the non-life insurance company, the scenario of transition to a so-called green economy and the sensitivity to the frequency/severity of catastrophic events in the case of a scenario of an increase in average temperature was analysed. The life insurance company analysed the sensitivity to mortality when the average temperature increases.

As part of actuarial risk, sensitivity analyses were also carried out for flooding with partial non-fulfilment by reinsurers (for the non-life insurance company) and sensitivity analyses for changing trends in population mortality (for the life insurance company).

The Management Board of the ERGO Hestia Group incorporates sustainability goals into all areas of its operations, as evidenced by the adopted ESG strategy. The environmental management system is included in the overall management system and forms part of the strategic and development plans. As part of the EMAS environmental management system, direct and indirect environmental aspects are analysed, i.e. those that ERGO Hestia can influence through its impact on the insured, injured and subcontractors. The company defines the duties, responsibilities and powers of key employees whose competencies include environmental issues. The system is subject to periodic internal and external audits, and was re-certified by an external auditor for ISO 14001 and EMAS in 2023.

Scenarios

In 2023, the company carried out sensitivity analyses for the effects of climate change under scenarios exploring the severity of catastrophic events in the event of an increase in average temperature and a scenario for a transition to a 'green' economy. The stress tests carried out cover the most important areas of the insurance business and are in line with the company's risk profile.

Sensitivity analysis of the frequency and severity of catastrophic events for an average temperature increase scenario.

The sensitivity analysis assumes an indirect increase in severity for all natural disasters of 10% and 20%, which would correspond to a scenario of a global temperature rise of 2°C and above. Furthermore, the company made a general assumption of increasing the frequency of catastrophic events by 50%. In the in-house model, the negative impact is effectively mitigated by deep catastrophe reinsurance. The solvency ratio in the scenarios analysed does not fall below 100% (no risk of non-coverage of the solvency capital requirement was identified). The Company does not identify the need for additional management action.

Risk mitigation techniques

ERGO Hestia Group does not currently identify any significant climate risk to its solvency position, however, due to the long-term nature of the risk, it will continue to monitor it. In modelling natural catastrophe risk, the company uses advanced models from external providers to monitor its physical risk exposure.

The company's Management Board is committed to environmental concerns, mitigating the effects of climate change and supporting the transition (e.g. through the company's own efforts to reduce the carbon footprint of its own operations, the development of a range of environmentally supportive products and services, the consideration of ESG factors in the underwriting and investment risk assessment process), as well as education and support for climate change initiatives. In the case of non-life insurance contracts, they are short-term in nature, so that risks are mitigated by the ability to re-price risks if climate change materialises. In terms of actuarial risks, the company monitors possible trends of change and their impact on the loss ratio of the insurance portfolio.



Rajmund Barań. Photographer

Transition to a low-carbon economy

The scenario analysis also follows the company's identification of risks as a consequence of climate change.

Emerging risks characterised by both a high degree of uncertainty in terms of the probability of occurrence and the losses that could potentially have a material impact on the company, hence the tests carried out focused on the elements that were feasible to test, taking into account the information and data held by the company. There is increasing pressure to reduce sales of combustion-powered cars. The European Commission has adopted an Act that will ban the sale of new cars running on petrol or diesel from 2035. The stress test assumes a situation where there is a transformation of the vehicle portfolio through an increase in the share of electric cars (as a consequence of the ban on the sale of new combustion-powered cars). The solvency ratio does not fall below 100% in any of the years analysed (no risk of non-coverage of the solvency capital requirement was identified).

The following year we carried out the tests required by the Polish Financial Supervision Authority:

- ✓ a delayed transition (2050 time horizon) assuming a delay of needed climate action, followed by a sudden and not necessarily consistent introduction of additional regulations to achieve the Paris Agreement goal;
- ✓ Hot House Scenario (2050 time horizon), in which the global community fails to implement consistent and effective decarbonisation regulations, so that emissions, and therefore average temperatures, continue to rise.

The Management Board is committed to leading on environmental change mitigation, climate change mitigation and supporting the transition (including through the company's own efforts to reduce the carbon footprint in its own operations, the development of environmentally supportive product and service offerings, the consideration of ESG factors in the underwriting and investment risk assessment process), as well as education and support for climate change initiatives). In the case of non-life insurance contracts, they are short-term in nature, so that risks are mitigated by the ability to re-price risks if climate change materialises. In terms of actuarial risks, the company monitors possible trends of change and their impact on the loss ratio of the insurance portfolio.



E1-4, 32, 34b, AR 25b, 34e 16a, 34f 16b, AR 30c; E1-6, 47

The greenhouse gas reduction targets from our own operations not only apply to our own operations, calculated for Scopes 1 and 2, but also apply to some extent to the value chain (selected categories of Scope 3). Year on year, we adopt the same organisational boundaries. In the base year we calculated only Scopes 1 and 2 for GHG emissions and a small part of Scope 3, and in the following years we are gradually extending the calculations, taking into account the value chain. To date, we have not recalculated the base year because the sustainable development strategy and Munich Re 'Ambition 2025' strategy are valid until 2025.

Decarbonisation leverage in our own operations in the short term will be carrying out activities in the areas of energy efficiency, changing the mix of fuels used in vehicles, replacing vehicles that have a lower CO₂/km emission rate and digitalising business processes.

Our GHG reduction goals have been developed on the basis of available information for 2020 and are based on 1.5°C scenarios according to the IPCC. The year 2025 will be the first major milestone in which we plan to achieve an emissions reduction of 12% per employee relative to 2019. This is an interim target on the way to achieving environmental goals. Depending on the identified materiality of the impact and the time horizon, individual emerging risks are subject to further monitoring or steering action is taken, including by incorporating in the scope the other risks highlighted in our risk profile and its categories.

We monitor our progress on decarbonisation and climate action under EMAS. In addition, within the Group we report our consumption of, among other things, fuel and energy to the ERGO Hestia Group and Munich Re, on the quarterly basis, according to which the emissivity is recalculated.

E1-3, 28, 29a, AR 19d, AR 21, 29ci 16c, 29cii 16c, AR22

E1-4, 33, 33, 34c, AR25a, 34e, 16a [GRI 305: 3-3; 305-1; 305-2; 305-3; 305-5] [GRI 302: 3-3]

The report does not indicate sources of funding for climate change adaptation and mitigation, as well as a link to the relevant items or notes in the financial statements.

In 2023, we have allocated more than PLN 23 million for climate change mitigation activities. The funds have been allocated for changing the fleet to a less carbon-intensive one, upgrading lighting and optimising electrical energy consumption, as well as measures aimed at reducing water consumption. We also upgraded the IT infrastructure to a more energy-efficient one.



2.3. Development of the offer



We are committed to implementing environmentally friendly solutions, as climate transformation is an important topic for us. We also strive to support our customers in mitigating negative climate impacts, preventing climate change and adapting to these conditions through, among other things, the products we offer.

Product/service name	Product/service description
Photovoltaic insurance	Property insurance against fire and other random events and property insurance against theft includes cover for items such as solar panels e.g. installation, photovoltaic (solar) cells and photovoltaic installations. Insurance for these items is included in the home or flat insurance. Our offer also covers property insurance for farms and photovoltaic installations. It is aimed at business customers, regardless of the scale of their business. The energy output of the photovoltaic farms we insure is approximately 1,200,000 kWp.
‘Green Recovery’ clause in corporate insurance	It is in addition to business property insurance programmes covering the protection of the building in which the business is conducted. Thanks to the clause, customers can increase the indemnity payment by the cost of applying environmental solutions in the event of total loss. These costs can include the use of building materials, installations to reduce CO ₂ emissions, the removal of elements of the damaged building. The clause has been introduced in all property insurance products against fire and other fortuitous events for corporate customers.
Financial guarantees for companies that operate in the waste management chain	The financial guarantee is a form of security for claims to cover the costs of carrying out substitute waste removal and management as well as the removal of negative effects on the environment or environmental losses in the course of a waste collection or processing activity (pursuant to Article 48a of the Waste Act) or for the performance of obligations to remove and eliminate negative effects on the environment and environmental losses in connection with the operation of a landfill site (pursuant to Article 125 of the Waste Act). Both individuals engaged in economic activity and legal persons, as well as organisational units that do not have legal personality but are engaged in economic activity, can apply for the environmental guarantee.
Clause arising from interruption of operation of photovoltaic installation	In our offer to individual customers, we provide packages that cover losses in the installation of private PV and solar (thermal) collectors. Content of the clause: ‘ERGO Hestia shall reimburse, against an additional premium, the additional costs of purchasing electrical energy resulting from the interruption of the operation of the photovoltaic installation in the event that it is damaged, destroyed or lost due to an insured event’. The maximum period for which we reimburse the costs indicated in the previous sentence is 90 days.
‘Bike Forever’ - instead of a courtesy car	In 2018, we introduced a programme for customers and the injured to educate them about sustainability and environmental protection. The ‘Bike Forever’ programme is a joint venture with KROSS. The programme gives the customer or the injured party a choice, for the duration of the car repair, between a courtesy car provided by the car workshop and a KROSS or Le Grand bike, which the customer or the injured party can keep forever.
Wallbox insurance in dealer packages	Extension of the terms and conditions of insurance to cover losses resulting from damage to or misuse of wallboxes (home charging devices) or charging cables for electric cars with batteries.
‘Internet of Things’ - monitoring the functioning of equipment, protection against the risk of failure (prevention of environmental losses, among other things)	The service extends the basic insurance coverage (policy) with so-called prevention clauses. This means that we include in the scope of protection the monitoring of key areas and facilities within the company. For the duration of the protection, we provide devices that measure specific physical values such as temperature, humidity, magnetic field, vibration or oscillation and detect conditions such as flooding or power failure. The measurements are analysed and algorithms detect anomalies. Designated persons are immediately informed of any detected malfunctions.
Environmental liability insurance	As part of the offer or product, we secure the costs of restoring the natural environment to its state before the loss (environmental disaster). We protect the customer from administrative and civil liability for environmental losses caused. The coverage of this insurance includes, among other things, the costs of removing pollutants from land or water, the costs of restoring protected natural habitats and protected animal and plant species.

2.4. Emissions

Our direct greenhouse gas emissions are mainly due to the use of our vehicle fleet. Indirect emissions are related to purchased electrical energy and heat in the offices (Scope 2). The intensity of Scope 1 and 2 emissions in relation to PLN billion of adopted net revenue has been decreasing since 2019. We calculate scope 3 emissions for selected categories and currently exclude the insurance portfolio, among others. We are preparing to calculate emissions from the investment portfolio as well.

E1-6, 44+52, 48a, AR48, 49a, AR48, 49b,

The basis for calculating the intensity of the level of GHG reduction was net revenue, understood as gross written premiums (the concept of net revenue does not apply to the insurance industry).

E1-1, 16b; E1-4 34f; E1-3 AR19d

The main decarbonisation leverage in terms of own emissions are energy consumption and fuel (through business trips), paper and water as well as waste generated.

The production and consumption of conventional energy has an impact on the environment. The economic development of recent decades has resulted in increasing energy consumption. The main sources of energy consumption in our organisation are office maintenance (electrical energy and heat) and fuels used in the vehicle fleet. The electrical energy used at the head office comes from renewable energy sources (we spend more money on this than on purchasing energy obtained from conventional sources). We are carrying out measures to reduce electrical energy consumption, such as increasing energy efficiency. Thermal energy is consumed at about the same level every year, and reducing this consumption would require in-depth analyses that are not currently planned.

Components of the greenhouse gas reduction intensity calculation

Component	Unit	Value
Gross written premium	PLN	9,207,342,333
- used to calculate greenhouse gas emission intensity	PLN	9,207,342,333
- other than that used to calculate greenhouse gas emission intensity	PLN	–

Electrical energy consumption - 2023 compared to 2019

Energy		Consumption		
		2019 (base year)	2023	Dynamics
Renewable energy sources - head office	MWh	7,447	5,948	82%
Renewable energy sources - facilities		0	245	
Conventional energy		472	288	

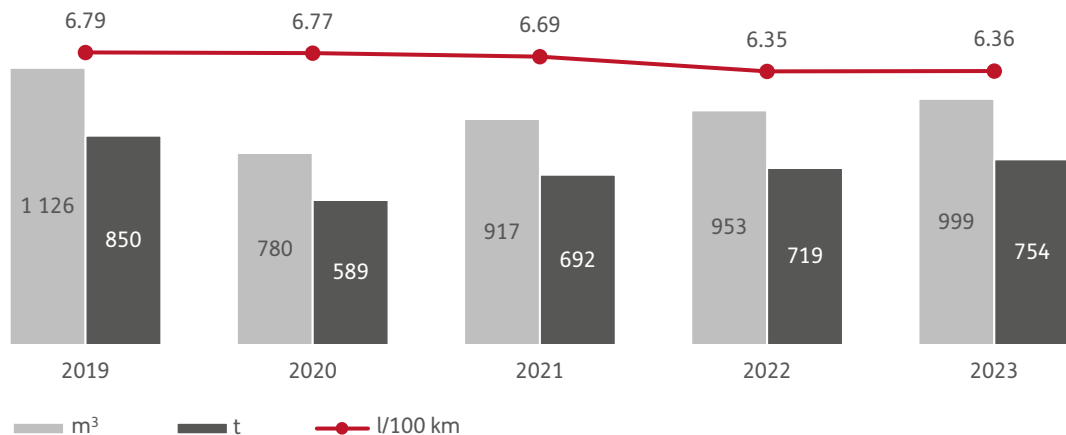
There has been a significant decrease in electrical energy consumption between 2019 and 2023 as a result of the measures we have taken:

- ✓ we have introduced hybrid working;
- ✓ we replaced equipment - we replaced old desktop units with laptops;
- ✓ we replaced the lighting with LEDs;
- ✓ we replaced the large domestic air conditioning units with new ones;
- ✓ we replaced the UPS equipment supplying power to the server room loads with new equipment;
- ✓ we replaced the chillers;
- ✓ we use the heating, ventilation and lighting equipment at individual locations more economically;
- ✓ we upgraded the IT infrastructure.

Our fleet comprises several hundred cars. Vehicle operation is a significant factor in our carbon footprint. We are constantly minimising the environmental impact of our fleet, e.g. by switching to hybrid propulsion (the hybrid fleet accounted for 49% of vehicles at the end of 2023) or optimising routes and, where possible, encouraging the use of public transport. At the same time, we provide training for our fleet drivers to improve their driving skills with optimal fuel consumption.

In 2023, we have seen an increase in petrol consumption due to the increased number of vehicles for regional sales managers and the increased number of travels for this group of employees due to company growth.

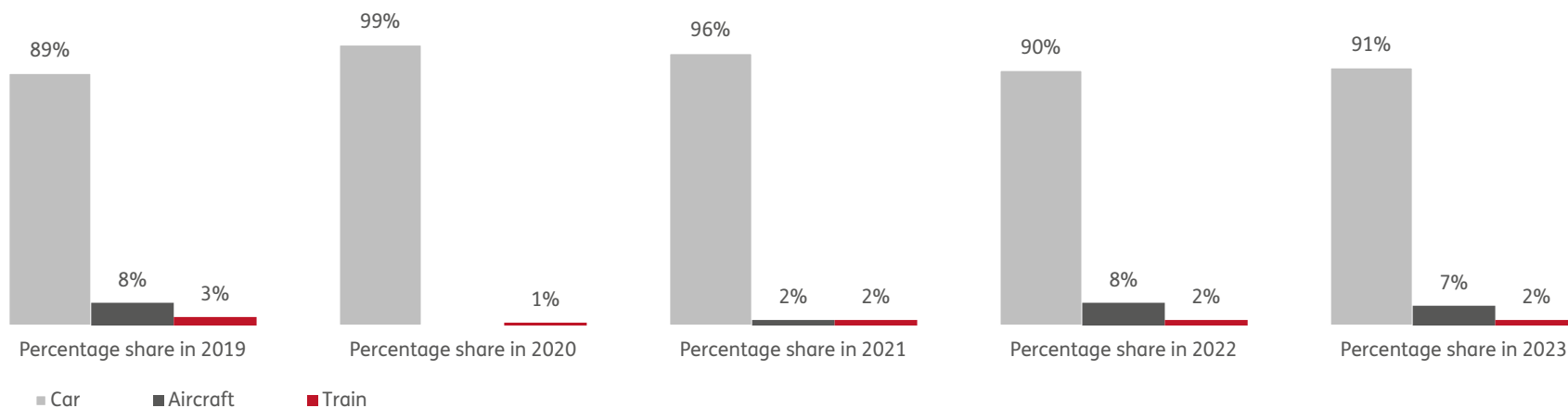
Petrol consumption due to the operation of the fleet between 2019 and 2023:



The share of diesel in total fuel consumption has fallen below 1%, so we do not report consumption figures.

We also identify our impact on climate change when travelling on business by means of transport other than cars. An important factor we take into account when choosing a mode of transport is the efficient use of employees' time and the impact on the environment - gas and dust emissions into the air.

Distribution of business travel structure between 2019 and 2023



The paper consumption is due to the record-keeping associated with our business. The main tool for reducing its consumption is the digitisation of documents, which we are implementing as far as possible. Together with the Credit Information Bureau, we have launched a secure document delivery service while maintaining security with privacy and a guarantee of data and documents unchangeability (blockchain technology). We have continued the loss adjustment in the form of video inspections, which saves on the emissions associated with travelling to the person reporting the loss, but also produces documentation in digital form, without the consumption of paper.

We do not disclose the amount of CapEx invested in relation to coal, oil and gas business during the reporting period.

We do not have frozen emissions.

In Munich Re Group strategy 'Ambition 2025', a comprehensive framework has been created covering issues related to our investments, insurance portfolio and our own business. In each of these segments, our emission reduction targets focus specifically on climate impacts.

The water efficiency rate for 2023 was 5.59 m³ per person. The percentage change compared to the previous year was 8% - consumption increased. The increase in this value, however, is a natural consequence of ensuring the comfort and hygiene of employees, who are increasingly using stationary work in the office - rather than remote working - and using shower when they arrive by bicycle.

Between 2024 and 2025, we plan to carry out further measures to reduce our own emissions by:

- ✓ further replacement of the fleet;
- ✓ energy reduction measures in office buildings;
- ✓ replacing IT equipment with more energy-efficient one.



E1-5, 37, 37a, 37b, AR 34, 37c, 37ci, 37cii, 37ciii, AR 34, (AR 71) [GRI 302: 302-1]

Energy consumption and energy mix

Energy consumption of the organisation related to its own operations	Unit	Quantity
Total energy consumption, including from:	MWh	21,036
fossil fuels	MWh	14,903
nuclear energy	MWh	0
Share of nuclear energy consumption in total energy consumption	%	0
Total energy consumption from renewable sources, including:	MWh	6,133
consumption of fuels including biomass (including industrial and municipal biowaste), biofuels, biogas, renewable hydrogen and others	MWh	0
consumption of purchased or acquired electrical energy, heat, steam or cooling	MWh	6,133
fuel-free self-generated renewable energy	MWh	0
Share of energy consumption from renewable energy sources in total energy consumption	%	29

The data for the calculation of the energy mix comes from invoices and estimates for the consumption of petrol and diesel, natural gas, heat and electricity. Fuel conversion factors are taken from the Defra 2023 database. Other data was given in units of energy (kWh or GJ).

Consumption of electricity was confirmed by guarantees of origin issued by the Polish Power Exchange (*Towarowa Giełda Energii*).

The total energy consumption intensity ratio in relation to net revenue is 2.27 MWh/PLN million.

E1-6, 44, 50, AR41, AR46d, AR50, AR52, 48(a-b), 49(a-b), 51, 44, 52(a-b), 47, AR39b, AR42c, AR43c, AR45(d-e), AR 45g, AR46(i-h), 53, 55, AR55 [GRI 305: 305-1; 305-2; 305-3; 305-4]

E1-4, 34a+34b [GRI 305: 3-3]

In calculating greenhouse gas emissions, we relied on the standards of the Greenhouse Gas Protocol (GHG Protocol), according to the revised version: 'A Corporate Accounting and Reporting Standard revised edition, GHG Protocol Scope 2 Guidance Amendment to the GHG Protocol Corporate Standard' and 'Corporate Value Chain (Scope 3) Accounting and Reporting Standard, Supplement to the GHG Protocol Corporate Accounting and Reporting Standard'.

In addition to our own emissions, we calculate value chain emissions, taking into account the split between upstream and downstream emissions. Year on year, we are increasing the category numbers for the calculation of greenhouse gas emissions.

In the period between the reporting dates of the entities/companies in our value chain and the date of the financial statements, there were no significant events that could have had an impact on greenhouse gas emissions (and did not affect the number of categories in the greenhouse gas emissions calculation). We calculate the greenhouse gas emissions associated with electrical energy use using a market-based and location-based approach. The electrical energy supplied to the head office was generated from 100% renewable sources, to which we have guarantees of origin. We covered the purchased electrical energy at all locations in Poland with 95% guarantees of origin. We do not produce or resell energy.

The emissions calculated for Scope 3 were based on both physical and financial data. We have excluded some of the Scope 3 categories due to the fact that we do not have complete data. We have included the following Scope 3 categories in the 2023 calculation:

- ✓ cat. 1. Purchased goods and services;
- ✓ cat. 3. Energy and fuel-related emissions not included in Scope 1 and 2;
- ✓ cat. 4. Upstream transport and distribution;
- ✓ cat. 5. Waste generated from the operations;
- ✓ cat. 6. Business travels;
- ✓ cat. 7. Employee commuting;
- ✓ cat. 9. Downstream transport and distribution;

Whereas, the following Scope 3 categories were identified as significant:

- ✓ insurance portfolio;
- ✓ investments;
- ✓ business travels;
- ✓ employee commuting and remote working;
- ✓ use of products sold/loss adjustment.

Calculation methodology for each category:

Scope	Emission sources included	Calculation methodology
Scope 1	Leakage of refrigerants R407C	Emissions calculated based on R407C top-up volume data and the emission factor extracted from DEFRA 2023. The GWP (Global Warming Potential) of a compliant DEFRA 2021 GWP = 1774 was adopted.
	Emissions from mobile sources: ✓ diesel; ✓ petrol.	Emissions calculated using data from the manufacturer indicated in the homologation and data from the employee mileage surveys in 2023.
	Emissions from stationary sources: ✓ natural gas.	Emissions calculated based on consumption data obtained from invoices, from lessees or from own estimates made on the basis of available actual gas consumption data and the data are estimated according to the area of the premises and the average gas consumption per m2 and the emission factor obtained from DEFRA 2023. 0.20 kg CO ₂ e/kWh.
Scope 2	Electrical energy	Market-based method - green-certified electrical energy from Renewable Energy Sources has been recognised as zero-emission. On the other hand, an emission factor obtained from KOBIZE (<i>National Emission Balancing and Management Center</i>) 2023 was used to calculate emissions from conventional electrical energy. 650.80 kg CO ₂ e/MWh – rate does not take losses into account Location-based method – an emission factor obtained from KOBIZE 2023 was used to calculate emissions from conventional electrical energy. 650.80 kg CO ₂ e/ MWh.
	District heating	Emissions calculated using consumption data at Head Office and estimations at representative offices and the emission factor obtained from Energy Regulatory Office (ERO) 2022. Source data where possible comes from invoices, while for locations where we do not have information on actual consumption the data is estimated. 102.03 kg CO ₂ e/GJ.
	Heating oil	Emissions calculated on the basis of consumption data and the emission factor obtained from DEFRA 2023. The data comes from the personnel operating the units. 2.76 kg CO ₂ e/kWh.

Calculation methodology for each category (cont.):

Scope	Emission sources included	Calculation methodology
Scope 3	Category 1. Purchased goods and services	Emissions calculated using the cost method - based on data on goods and services purchased or consumed and the costs incurred for the above, using an emission factor obtained from DEFRA, BEIS or EPA. ✓ Paper (print, office and marketing) - 910.48 kg CO₂e/t - see source; ✓ Water 0.18 kgCO₂e/m³ - see source; ✓ Toners 4.80 kg CO₂e/t; ✓ Cartridges 2.80 kg CO₂e/t; ✓ Product advertising (0.129 kg CO₂e/USD = 0.129 kg CO₂e/3.9350 PLN = 0.03278 kg CO₂e/PLN) - see source; ✓ Office furniture, e.g.: chairs, desks, cabinets, etc. (0.376 kg CO₂e/GBP = 0.376 kg CO₂e/4.9997 PLN = 0.0752 kg CO₂e/PLN) - see source; ✓ Workstation equipment, e.g.: laptops, headphones, etc. (0.2832 kg CO₂e/EUR = 0.2832 kg CO₂e/4.3480PLN = 0.0651 kg CO₂e/PLN) - see source; ✓ Office supplies - broadly defined from stapler to whiteboards (0.343 kg CO₂e/USD = 0.343 kg CO₂e/3.9350 PLN = 0.08717 kg CO₂e/PLN) - see source; ✓ Products related to repairs in the building and its ongoing maintenance, e.g.: paints, light bulbs, carpets, etc.-what is not in the services (0.086 kg CO₂e/USD = 0.086 kg CO₂e/3.9350 PLN = 0.02186 kg CO₂e/PLN) - see source; ✓ Water 0.18kgCO₂e/m³ - see source; ✓ Building repairs and maintenance - 0.342 kg CO₂/USD = 0.342 kg CO₂e/3.9350 PLN = 0.08691 kg CO₂e/PLN - see source; ✓ Security and cleaning company services - 0.08 kg CO₂e/USD = 0.08 kg CO₂e/3.9350 PLN = 0.02033 kg CO₂e/PLN - see source; ✓ Non-fuel car maintenance costs (excluding leasing) - 0.127 kg CO₂e/USD = 0.127 kg CO₂e/PLN 3.9350 = 0.03227 kg CO₂e/PLN - see source; ✓ Legal services - 0.058 kg CO₂e/GBP = 0.058 kg CO₂e/PLN 4.9997 = 0.0116 kg CO₂e/PLN - see source; ✓ Other marketing services - 0.129 kg CO₂e/USD = 0.129 kg CO₂e/PLN 3.9350 = 0.03278 kg CO₂e/PLN - see source; ✓ Image advertising - 0.129kg CO₂e/USD = 0.129kg CO₂e/PLN 3.9350 = 0.03278kg CO₂e/PLN - see source; ✓ Consultancy and expert services -0.084 kg CO₂/USD = 0.084 kg CO₂e/PLN 3.9350 = 0.021347 kg CO₂e/PLN - see source.
	Category 3. Energy and fuel-related emissions not included in Scope 1 and 2	Emissions associated with purchased natural gas were calculated using DEFRA 2023 factor: 0.03 kg CO₂e/kWh. Emissions associated with electrical energy transmission have been calculated according to the following indicators: ✓ for conventional energy: 165.70 kg CO₂e/MWh; ✓ for energy from renewable sources (wind): 12.15 kg CO₂e/MWh.
	Category 4. Upstream - transport and distribution	Estimates calculated on the basis of incoming mail volumes and the emissivity calculator available here .
	Category 5. Waste	Emissions calculated from data on waste generated and Waste Declaration and data in BDO records and emission factor obtained from DEFRA 2023. 21.28 kg CO ₂ e/t.
	Category 6. Business travels	Emissions calculated relating to overnight stays and distance travelled by different modes of transport. Emissions for overnight stays were calculated based on national overnight stay data and the emission factor obtained from DEFRA 2023. 33.2 kg CO₂e/day. Emissions for distance travelled calculated based on km travelled and the relevant indicator used by the group: ✓ Air flights in Poland - 0.097 kg CO₂e/km; ✓ Air flights abroad - 11319 kg CO₂e/km; ✓ Travel by train- 0.0549 kgCO₂e/km. Data on the number of overnight stays and the number of kilometres travelled by plane comes from the travel agency through which the booking is made, while the distances travelled by train are derived from the tickets. Source VFU Factoren / GHG Protocol.
	Category 7. Employee commuting and remote working	Commuting by employees is calculated using the company's own survey on how they commute to work and the number of kilometres and information on the number of people working in the company's buildings. Remote working is calculated on the basis of information obtained from HR Departments confirming the number of employees working in the office in a given month and the data used to account for the remote working allowance.
	Category 8. Upstream - leased assets	Emissions calculated on the basis of mobile internet consumption data from the provider and the emission factor obtained here . 3 kg CO ₂ e/GB.
	Category 9. Downstream - transport and distribution	Emissions calculated on the basis of data from the DHL supplier and estimates. Own estimates for courier shipments are carried out on a ratio basis. The emissivity calculator is available here .

We used emission factors developed by DEFRA, BEIS or EPA, the National Emission Balancing and Management Center and the Energy Regulatory Office.

The term net revenue does not apply to the insurance industry. For the purposes of this report, the following definition has been adopted: net revenue is understood as gross written premium.

The net revenue used to calculate the GHG intensity is reconciled to the audited financial statements (2023 Report on Solvency and Financial Condition of STU na Życie ERGO Hestia S.A. and STU ERGO Hestia S.A. - Table 1 on insurance performance

by material business lines, separately for the non-life insurance company and life insurance company).

In order to be able to compare the data, we calculated the greenhouse gas emissions for 2022 and 2023 in the same way as for the base year (with the same boundaries). These data are presented in a table called Carbon Footprint Data - Basic Calculations. We then calculated greenhouse gas emissions taking into account the additional Scope 3 categories. Due to the extended scope of the calculations, these data cannot be compared to the base year. These data are presented in a table called Carbon Footprint Data - Extended Data.

Intermediate goals

2025 **2030** **2050**

By 2025, the goal in the area of own emissions is to reduce them per employee by 12% (relative to 2019). Quantitative targets for the following years are currently being prepared.

Carbon footprint data - basic calculations:

Year	Information on emissions in previous years			
	Base year emissions		Emissions in the reporting year	Percentage change compared to the year before the reporting year
	2019	2022	2023	
Scope 1 greenhouse gas emissions				
Gross Scope 1 greenhouse gas emissions (t CO ₂ e)	2,607	1,825	1,917	+5
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading schemes (%)	We are not subject to the emissions trading scheme.			
Reduction level of greenhouse gas emissions (t CO ₂ e)	0	-782	-690	-12
Reduction level of greenhouse gas emissions in relation to the base year (%)	0	-30	-26	-13
Intensity factor for the reduction level of greenhouse gas emissions (t CO ₂ /net revenue PLN mln)	0.39	0.22	0.21	-5
Scope 2 greenhouse gas emissions				
Gross Scope 2 greenhouse gas emissions by location-based method (t CO ₂ e)	7,266	6,785	5,862	-14
Reduction level of greenhouse gas emissions by location-based method (t CO ₂ e)	0	-481	-1,404	
Reduction level of greenhouse gas emissions in relation to the base year by location-based method (%)	0	-7	-19	

Year	Information on emissions in previous years			
	Base year emissions		Emissions in the reporting year	Percentage change compared to the year before the reporting year
	2019	2022	2023	
Intensity factor for the reduction level of greenhouse gas emissions by location-based method (t CO ₂ /net revenue PLN mln)	1.08	0.83	0.64	-23
Scope 2 greenhouse gas emissions by market-based method (t CO ₂ e)	1,749	2,273	1,832	-19
Reduction level of greenhouse gas emissions by market-based method (t CO ₂ e)	0	524	83	
Reduction level of greenhouse gas emissions in relation to the base year by market-based method (%)	0	30	5	
Intensity factor for the reduction level of greenhouse gas emissions by market-based method (t CO ₂ /net revenue PLN mln)	0.26	0.28	0.20	-29
Scope 3 greenhouse gas emissions				
cat. 1. Purchased goods and services	315	205	172	-16
Optional subcategory: Cloud computing and data processing centre services	-			
cat. 2. Investment goods	-			
cat. 3. Fuel and energy activities (not included in Scope 1 or 2) (location-based)	-			
cat. 3. Fuel and energy activities (not included in Scope 1 or 2) (market-based)	-			
cat. 4. Upstream transport and distribution	-			
cat. 5. Waste generated from the operations	4	3	4	33
cat. 6. Business travels	194	164	160	-2
cat. 7. Employee commuting	-			
cat. 8. Leased upstream assets	-			
cat. 9. Upstream transport and distribution	-			
cat. 10. Processing of products sold				
cat. 11. Use of products sold				
cat. 12. Disposal of post-consumer waste				
cat. 13. Leased downstream assets				
cat. 14. Franchises				
cat. 15. Investments				

No data is available at this point

Year	Information on emissions in previous years			
	Base year emissions		Emissions in the reporting year	Percentage change compared to the year before the reporting year
	2019	2022	2023	
Scope 3 greenhouse gas emissions by location-based method (t CO ₂ e)	513	372	337	-9
Reduction level of greenhouse gas emissions by location-based method (t CO ₂ e)	0	-141	-176	+25
Reduction level of greenhouse gas emissions in relation to the base year by location-based method (%)	0	-27	-35	+30
Intensity factor for the reduction level of greenhouse gas emissions by location-based method (t CO ₂ /net revenue PLN mln)	0.08	0.05	0.04	-20
Scope 3 greenhouse gas emissions by market-based method (t CO ₂ e)	513	372	337	-9
Reduction level of greenhouse gas emissions by market-based method (t CO ₂ e)	0	-141	-176	+25
Reduction level of greenhouse gas emissions in relation to the base year by market-based method (%)	0	-27	-34	+26
Intensity factor for the reduction level of greenhouse gas emissions by market-based method (t CO ₂ /net revenue PLN mln)	0.08	0.05	0.04	-20
Scope 1, 2 and 3 greenhouse gas emissions				
Scope 1, 2 and 3 greenhouse gas emissions by location-based method (t CO ₂ e)	10,386	8,982	8,116	-10
Intensity factor for the Scope 1, 2 and 3 greenhouse gas emissions by location-based method (t CO ₂ /net revenue PLN mln)	1.54	1.10	0.88	-20
Reduction level of greenhouse gas emissions (t CO ₂ e) by location-based method	0	-1,404	-2,270	+62
Reduction level of greenhouse gas emissions in relation to the base year (%) by location-based method	—	-13	-22	+62
Intensity factor for the reduction level of greenhouse gas emissions (t CO ₂ /net revenue PLN mln) by location-based method	—	-0.17	-0.25	+45
Scope 1,2 and 3 greenhouse gas emissions by market-based method (t CO ₂ e)	4,869	4,470	4,086	-9
Intensity factor for the Scope 1, 2 and 3 greenhouse gas emissions by market-based method (t CO ₂ /net revenue PLN mln)	0.72	0.55	0.44	-20
Reduction level of greenhouse gas emissions (t CO ₂ e) by market-based method	0	-399	-783	96
Reduction level of greenhouse gas emissions in relation to the base year (%) by market-based method	—	-8	-16	100
Intensity factor for the reduction level of greenhouse gas emissions (t CO ₂ /net revenue PLN mln) by market-based method	—	-0.05	-0.09	80

Carbon footprint data - expanded calculations:

Year	Information on emissions		
	Base year emissions	Emissions in the reporting year	
	2019	2022	2023
Scope 1 greenhouse gas emissions			
Gross Scope 1 greenhouse gas emissions(t CO ₂ e)	2,607	1,825	1,917
Intensity factor for the reduction level of greenhouse gas emissions (t CO ₂ /net revenue PLN mln)	0.39	0.22	0.21
Scope 2 greenhouse gas emissions			
Gross Scope 2 greenhouse gas emissions by location-based method (t carbon dioxide equivalent)	7,266	6,785	5,862
Intensity factor for the reduction level of greenhouse gas emissions by location-based method (t CO ₂ /net revenue PLN mln)	1.08	0.83	0.64
Scope 2 greenhouse gas emissions by market-based method (t CO ₂ e)	1,749	2,273	1,832
Intensity factor for the reduction level of greenhouse gas emissions by market-based method (t CO ₂ /net revenue PLN mln)	0.26	0.28	0.20
Scope 3 greenhouse gas emissions			
cat. 1. Purchased goods and services	315	234	1,724
Optional subcategory: Cloud computing and data processing centre services	–	–	–
cat. 2. Investment goods	–	–	–
cat. 3. Fuel and energy activities (not included in Scope 1 or 2) (location-based)	–	–	411
cat. 3. Fuel and energy activities (not included in Scope 1 or 2) (market-based)	–	–	411
cat. 4. Upstream transport and distribution	–	36	7
cat. 5. Waste generated from the operations	4	3	4
cat. 6. Business travels	194	256	254

Year	Information on emissions		
	Base year emissions	Emissions in the reporting year	
		2022	2023
cat. 7. Employee commuting	–	10,578	2,850*
cat. 8. Leased upstream assets	–	1	1,355
cat. 9. Upstream transport and distribution	–	–	126
cat. 10. Processing of products sold	No data is available at this point		
cat. 11. Use of products sold			
cat. 12. Disposal of post-consumer waste			
cat. 13. Leased downstream assets			
cat. 14. Franchises			
cat. 15. Investments			
Scope 3 greenhouse gas emissions by location-based method (t CO ₂ e)	513	11,073	6,731
Intensity factor for the reduction level of greenhouse gas emissions by location-based method (t CO ₂ /net revenue PLN mln)	0.08	1.35	0.7
Scope 3 greenhouse gas emissions by market-based method (t CO ₂ e)	513	11,073	6731
Intensity factor for the reduction level of greenhouse gas emissions by market-based method (t Co2/net ₂ /net revenue PLN mln)	0.08	1.35	0.7
Scope 1, 2 and 3 greenhouse gas emissions			
Scope 1, 2 and 3 greenhouse gas emissions by location-based method (t CO ₂ e)	10,386	19,717	14,510
Intensity factor for the Scope 1, 2 and 3 greenhouse gas emissions by location-based method (t CO ₂ /net revenue PLN mln)	1.54	2.40	1.58
Scope 1, 2 and 3 greenhouse gas emissions by market-based method (t CO ₂ e)	4,869	15,205	10,480
Intensity factor for the Scope 1, 2 and 3 greenhouse gas emissions by market-based method (t CO ₂ /net revenue PLN mln)	0.72	1.85	1.14

* compared to 2022, the calculation methodology has been changed

The Scope 3 carbon footprint in 2022 was counted for selected categories (paper, building water, municipal waste - residual, non-municipal waste - non-hazardous, non-municipal waste - bulky, air travel, train travel, hotel accommodation as part of business travel, tea, coffee, toners, cartridges, car commuting, remote working of employees, insurance agents and brokers, waybills and mobile internet).

The Scope 3 carbon footprint in 2023 was counted for selected categories (paper, water in buildings, municipal waste - residual, non-municipal waste - non-hazardous, non-municipal waste - bulky, air travel, train travel, hotel accommodation as part of business travel, toners, cartridges, car commuting, remote working of employees, insurance agents and brokers, shipment and letters to and from customers, energy transmission losses, mobile internet, product advertising costs, office furniture, workstation equipment, office supplies, products related to building renovation and ongoing maintenance, repair services, security, cleaning and vehicle maintenance costs except for fuel).

The percentage of Scope 3 emissions calculated in 2023 for the extended scope using the original data is 81%.

For the 2023 data, biogenic emissions associated with the addition of biofuel to diesel and petrol were calculated.

Biogenic emissions

Biogenic emissions	Quantity (l)	Quantity (t CO ₂ e)
Diesel (bio-additive)	5,002.7	0.7
Petrol (bio-additive)	999,190.8	119.9
Total	1,004,193.5	120.6

These are emissions given outside of Scopes 1, 2 and 3 (outside of scopes). We do not have data underlying the calculation of emissions from biomass combustion or biodegradation not included in Scopes 2 and 3.

E1-7, 58a, AR 60

We take part in projects to support environmental protection. Year after year, our employees take part as volunteers in forest restoration through tree planting. We also support the regeneration of peat bogs.

E1-7, 56a-b, 58, 58b, AR 58e, 59a-b, AR60, AR 61, AR 62b, 60, 61, 61a-c58b, AR58e, 59(a-b), AR60, AR61, AR62(a-e), AR64, 60, 61, 61a, 61b, 61c, AR62 [GRI 305: 3-3]; E1-8

We do not use greenhouse gas storage and mitigation projects financed through carbon credits (off set) and have not set internal emission charges.

Munich Re Group offsets the greenhouse gas emissions generated throughout the group by purchasing

certificates from projects that aim to reduce greenhouse gas emissions ('GHG-neutral') or remove greenhouse gases from the atmosphere ('GHG net zero'), respectively. When choosing certifications, the Munich Re Group emphasises internationally recognised certification standards such as Gold Standard.

E1-9

We do not disclose at this point.

2.5. Taxonomic Disclosures

The European Union has established rules to assess the performance of companies in terms of their support for the climate goals formulated in the Paris Agreement by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 ('Taxonomy').

Disclosures on how and to what extent the company's activities are related to business activities that qualify as environmentally sustainable are based on Article 8 of the EU Taxonomy.

In 2023, we set up an internal panel of experts to analyse products for compliance with the Taxonomy and our internal classification system. This system allows us to accurately determine whether our financing is truly sustainable. We base our analysis on the Munich Re Group's sustainability criteria developed in accordance with international standards and regulations (including the EU Taxonomy).

We are required to disclose the percentage of our qualifying and non-qualifying business activities that are eligible for and compatible with the Taxonomy for non-life insurance.

The Taxonomy compliance report as of 31 December 2023, which covers us and our subsidiaries, is prepared by the top-level entity of the Munich Re Group and published on a consolidated basis in the documents below:

- ✓ Munich Re Group [Annual Report 2023](#) (p. 30-42).





E
S
G

Social impact

S1-1, AR 10, S1-5, 46 AR50-52, 47a-c [GRI 401: 3-3] [GRI 402: 3-3] [GRI 403: 3-3] [GRI 404: 3-3] [GRI 405: 3-3] [GRI 406: 3-3] [GRI 407: 3-3] [GRI 408: 3-3] [GRI 409: 3-3] [GRI 3: 3-3]



Our social impact stems from the nature of our business and how our organisation supports the well-being of the community in which it operates - from our own employees and in the value chain to our customers. Through our core business of providing risk protection and investing funds for the long term, we enable businesses and individuals to increase their risk resilience. We are guided by the principle of social responsibility in all aspects of our impacts and implement appropriate mechanisms to manage the impacts, risks and opportunities associated with the social area. Legislation, adopted and in force at companies in this area in 2023, has not changed significantly from the previous year. The goals of our social impact, including the intended outcomes of all actions taken for the benefit of employees, are indicated in the section describing the sustainable development strategy 'TROSKA'. Representatives of our employees are included in the process of setting goals and monitoring the effectiveness of the actions taken through their involvement both through dialogue and satisfaction surveys.

S-1 SBM-3, 14, AR6, AR7, 14a, 14b, 14 f i-ii, 14 g i-ii, 15 AR8, 16 AR9

As a result of our double materiality assessment, we have identified topics of importance to our employees, insurance agents and brokers, as well as customers. Our activities are carried out exclusively in Poland, the country where there is no risk of forced labour or child labour. The assumptions we have made for the strategy, the policies we have implemented and the actions we have taken revolve around the effective management of each of the areas identified.

Pursuant to a double materiality assessment in the social area - where we analysed the areas of own-employees (ESRS S1), employees in the value chain (ESRS S2) and consumers and end-users (ESRS S4) - we identified eight relevant topics: own-employee working conditions, diversity and inclusion, investing in employee development, ethics in the workplace, working conditions and development of agents and brokers, responsible offer and sales, data protection and cybersecurity, and service availability. Within these themes, we highlighted 18 impacts, one negative among them.



Topics of relevance and impact in terms of social responsibility

ESRS	Relevant topic	Impact	Positive/ negative	Selected 2023 metrics and goals with their implementation	Policies and actions adopted
Own employees (S1)	Working conditions of own employees	✓ Employment stability ✓ Market-based remuneration levels ✓ Regulated working hours ✓ Family and leisure time ✓ Occupational health and safety		✓ 88.68% of permanent employees ✓ 100% of employees are paid more than/equal to the national minimum remuneration ✓ The average amount spent on employee health was PLN 1,496.98	✓ Offering employment on the basis of an employment contract ✓ Remuneration Policy ✓ Healthy Employee Centre and physical and mental health prevention programmes
	Diversity, equity and inclusion	✓ Gender equality ✓ Developing diversity ✓ Disability-inclusive workplace		✓ Managers: 50% women 50% men ✓ 'Diversity IN Check' survey distinction ✓ 3.1% of employees are persons with disabilities in the ERGO Hestia Group ✓ 3.6% of employees are persons with disabilities in the ERGO Hestia Group and other subsidiaries (not covered in this report)	✓ Statutes and activities of the Integralia Foundation ✓ HR Department activities ✓ Work Regulations ✓ Diversity Policy ✓ Sustainable development strategy
	Investing in employee growth	✓ Investing in employee growth		✓ 30.8 hours of training per year per employee	✓ 'Hestia Talent Development Academy' ✓ "Courageous Leadership" ✓ '#ShareTheKnowledge' [„#PodzielSięWiedzą”] ✓ 'Analysis Forum' ✓ 'Data Analysis Upskill Academy' ✓ Training platform
	Ethics in the workplace	✓ Ethics in the workplace		✓ 99.5% of employees trained on the Code of Ethics	✓ Code of Ethics ✓ Whistleblowing channel ✓ Ethics training ✓ Other ethics legislation

Topics of relevance and social impact

ESRS	Relevant topic	Impact	Positive/ negative	Selected 2023 metrics and goals with their implementation	Policies and actions adopted
Employees in the value chain (S2)	Working conditions and development of agents and brokers S2	✓ Taking care of employees' rights in the value chain (insurance agents and brokers)		✓ 753 participants in the 'Agency Network Certification' Programme	✓ ERGO Hestia Insurance Agent Code of Ethics
		✓ Investment in the development of agency employees and brokers		✓ Winning, for the 15th time, the 'Fair Play' award and the title of 'Best non-life insurer for companies' at the Brokers Congress	✓ Training for agents and brokers ✓ Satisfaction survey among intermediaries
Consumers and end-users (S4)	Data protection and security S4	✓ Data protection and cybersecurity		✓ Use of blockchain technology ✓ Obtaining ISO 27001 and ISO 27017 certification	✓ Information Security Management System
	Responsible offering and selling S4	✓ Complaints and whistleblowing		✓ 0.2% claims ratio (We define the ratio as the number of claims received divided by the number of policies taken out)	✓ Declaration of Responsible Selling
		✓ Responsible offering and selling		✓ 100% of agents trained in AML (Anti Money Laundering), including responsible selling and ethics - certificate to be updated every 3 years ✓ 1,888 policies with Green Recovery Clause	✓ AML Policy
	Availability of services S4	✓ Straightforward communication ✓ No restrictions on access to services ✓ Communication without barriers	 	✓ 84 customer calls completed thanks to 'I sign' service ✓ <u>Barrier-free service</u> tab with accessible form and selected documents adapted to the needs of visually impaired persons	✓ Standard facilities customer service in sign language ✓ Products and services handling in sign language

3.1. Working conditions of own employees

Our employees form a unique community of Hestians (*Hestianie i Hestianki*). They are the most important pillar of our company's success. Their expert knowledge, years of experience, ability to work together in an ever-changing environment, as well as their ambition and bold approach to innovation determine a strong organisational culture. The right policies that allow us to manage this area and have a positive impact are key factors in achieving our goals. The effectiveness of activities in the employee area is reviewed by the Management and the Supervisory Board.

Employment stability

As of 31 December 2023, we employed 2,967 employees on a contract basis. This figure forms the foundation of the data reported in the remaining part of Chapter 3. Social impact. As our business is conducted in Poland, we have assumed that region means country (Poland) when presenting the data. These indicators are collected centrally by the HR Departments for both companies. Where other definitions or proprietary methods are used, such information is given with the data presented.

Right to decent working conditions

We employ employees on a contract basis and provide decent remuneration. Each person is provided with the equipment necessary to carry out their duties. We promote work-life balance. Issues of overtime work are strictly defined in the work regulations and require the approval of the President of the Management Board. All employees are entitled to benefits (described later in this Chapter). We undertake awareness-building activities on work-life balance/well-being. Every employee is entitled to leave, and those with medical certificate on mild degree of disability (according to the Labour Code, no additional leave days are granted), as part of equalisation of opportunities, can take two days of additional leave. The 'Me Too' programme, which supports employees with disabilities, provides them with funding for rehabilitation or the purchase of medication. Due to the update of the Labour Code and the Work-Life Balance Directive, parents can benefit from an additional 9 weeks of parental leave exclusively for the other parent. In order to promote the idea of partnership, we ran the 'Mummy Daddy Time' [*Mamy Taty Czas*] campaign. In addition, we have introduced the 'Month to Start' benefit, whereby those returning to work after maternity, parental or extended parental leave can work four hours a day for the first month, receiving full pay.



S1-6, 50 a, 56 AR62 [GRI 2: 2-7] [GRI 405: 405-1]

Number of employees employed by gender

	Unit	ERGO Hestia Group
♂ Men	Total number	1,094
♀ Woman	Total number	1,873
Total employees	Total number	2,967

88.68% of our employees have an indefinite contract and the percentage of employees with an employment contract is 100%, which ensures employment stability. The majority of our active personnel are full-time employees. Some employees benefit from the flexibility we offer by working part-time. In addition to employment contracts, we also employ on the basis of traineeship contracts, contracts of mandate and contracts of specific work.



S1-6, 52 a-b, 55 a

Number of employees employed by type of contract and by gender

♀ Woman	♂ Men	👥 In total
Number of temporary employees (total number/EPC)		
213	123	336
Number of permanent employees (total number/EPC)		
1,660	971	2,631
Number of employees who are not guaranteed working hours (total number/EPC)		
0	0	0
Number of full-time employees (total number/EPC)		
1,838	1,089	2,927
Number of part-time employees (total number/EPC)		
35	5	40
Number of persons employed on traineeship contracts		
18	12	30

The data refers to employees employed under employment contract.

The number of employees is given in persons per FTE, the data refers to the status as of the last day of the year (31 December 2023) and the country (Poland).



Employment rate by type of contract and by gender

Employment by type of contract	EHM		EHŽ	
	number	share	number	share
Number of persons employed under an employment contract	2,752		215	
♀ Woman	1,712	62%	161	75%
♂ Men	1,040	38%	54	25%
Number of persons employed under a contract of mandate	4		0	
♀ Woman	2	50%	0	0%
♂ Men	2	50%	0	0%
Number of persons employed under a contract of specific work	1		0	
♀ Woman	0	0%	0	0%
♂ Men	1	100%	0	0%
Number of persons employed under contracts other than those listed above	no data		no data	
♀ Woman	no data		no data	
♂ Men	no data		no data	
Number of apprentices and trainees	28		2	
♀ Woman	17	61%	1	50%
♂ Men	11	39%	1	50%

S1-6, 50 e; S1-7, 55(b-c) AR 64- AR 65, 57 AR63; S1-8, 60 a-c, 62 [GRI 2: 2-7]

Since the pandemic, we have not seen significant fluctuations in the number of employees. We are gradually expanding and increasing our workforce, but it is not a sudden and large increase. The changes are a consequence of market conditions.

Collective labour agreements are not in force in our organisation and therefore have no impact on terms and conditions of employment.

We have not carried out any collective redundancies, and due to the small percentage of employment forms other than employment contracts - we do not monitor fluctuations and do not report data in this area, including estimates. Any changes from the previous year are due, for example, to the assumptions of the trainee programme.

S1-8, 63a AR69, 63b, AR70

Due to the lack of collective labour agreements - the rates do not apply.

S1-6, 50 c AR59, 50d AR60, 50d i, 50d ii [GRI 401: 401-1]

Number of employees who left the organisation during the reporting period and turnover rate

Category	Unit	2023
Total number of employees who left the unit during the reporting period	Total number	316
Employee turnover rate in the reporting period	Percentage	10.7

The rate takes into account all work resignations (excluding retiring employees and using the balance sheet method, the turnover rate is 10.2%).

S1-6, 50f

Disclosure of the reference to the relevant figures in the financial statements is being identified and will be reported in subsequent years.

Regulated working hours

We manage our employees' working time in a responsible manner. As part of our HR activities, we promote work-life balance.

The subject of overtime is strictly defined in the Work Regulations. Their potential implementation requires the approval of the President of the Management Board in each case. Working hours are verified by supervisors, supported by the HR system in place. Our employees can take advantage of flexible work start hours (from 7 a.m. to 9 a.m.) and work end hours (between 3 p.m. and 5 p.m., respectively). Parents of children under 8 years of age can apply for additional benefits, detailed in the company's internal regulations.

Market-based remuneration levels

S1-10, 69 AR 64- AR 65, 70 [GRI 202: 202-1]

We are guided by the principles of equality and fairness in accordance with our Code of Ethics. This includes ensuring that the entities in the ERGO Hestia Group offer an adequate remuneration - the summary shown refers to the lowest gross national remuneration.

S1-10, 71, S1-7, 55a AR 61 [GRI 202: 202-1]

We do not disclose data on non-employees.

S1-16, 97a AR 98-AR 99-AR 100, 97c AR102 [GRI 2: 2-21]

In addition to fair pay, the gender pay gap must also be taken into account. In 2023, the adjusted pay gap was 4%³ in favour of men (both in terms of base remuneration and total remuneration, i.e. base remuneration plus bonuses and awards). This compares favourably with both the European Union average (12.7%) and the national average (4.5%)⁴.

Rate of adequately remunerated employees

	Unit	2023
Adequate remuneration reference rate	Percentage	100% of employees are paid more than/equal to the national minimum remuneration
Percentage of employees whose remuneration is below the adequate remuneration reference rate	Percentage	0



³ Methodology: When calculating the pay gap, we consider 12 months' remuneration by gender, job level and organisational unit.

⁴ Source: <https://www.europarl.europa.eu/topics/pl/article/20200109STO69925/luka-placowa-miedzy-kobietami-a-mezczyznami-definicja-i-przyczyny>.

Family and leisure time

The culture of support in our organisation goes beyond remuneration. We also support our employees with benefits, taking care of their health, career development and the achievement of both professional and personal goals.

S1-15, 93 a AR 96-AR 97, 93b

Leave for family reasons includes: maternity, paternity and parental leave, caring for a family member for up to 14 days and caring for a child for up to 60 days, as well as extended parental leave and care under Art. 188 of the Labour Code (2 days of care).

S1-15, 94

Disclosure omitted due to lack of collective labour agreements.

S1-4 37, 38a AR42, 38b, 38c, 38d AR38-39 [GRI 403:403-9; 403-10]

Parenthood is a challenge in which it is worth having the support of an employer, without worrying about employment, working time or moments spent with children. Our employees are supported to fulfil these roles and maintain a positive work-life balance. The topic of reconciling family and professional roles has always been close to our heart - we are committed to supporting parents and families, not only by offering leave related to parenthood (including maternity leave, paternity leave, extended parental leave and in accordance with Article 188 of the Labour Code), but also through ongoing **initiatives** such as:

✓ Flexible working hours (parents can start work between 6 and 10 a.m.)

✓ 'Month to Start' benefit

✓ Thematic webinars e.g. on parents' rights – in connection with the implementation of the *work-life balance* directive, we organised 3 webinars)

✓ Hestia kindergarten for employees' children

✓ ,Mummy Daddy Time' campaign - partner parenting

✓ Day camps for children

✓ Parenting themed webinars such as:

- ✓ 'What professional competences can you learn by caring for children',
- ✓ 'Partnership in parenting as seen by women and men'

✓ Art workshops

✓ Family events - e.g. Christmas workshops

✓ Children's thematic webinars, e.g. 'Teenage mental health'

Rate of employees entitled to and taking leave for family reasons

	Unit	2023
All employees		
Percentage of employees entitled to the use of leave for family reasons	Percentage	100
Percentage of eligible employees who took leave for family reasons	Percentage	37
Percentage of eligible employees who took leave for family reasons by gender		
♀ Woman	Percentage	45
♂ Men	Percentage	22

Parental custody rights

We are implementing an information campaign on partner parenting. Parents can benefit from flexible working hours. Among the benefits are: a kindergarten for employees' children, the possibility for a child to participate in a day camp, a 'Month to Start' for parents returning from leave to care for a young child (during the first month, they can work 4 hours a day with full remuneration). We deliver webinars to support the development of parenting skills.

§

Occupational health and safety

Our approach to OHS aims to prevent work-related injuries and illnesses and create a safe and healthy working environment, while complying with regulatory obligations and access to training.

S1-14, 88a, AR 80, 90 [GRI 403:403-8]

OHS indicators

	Unit	ERGO Hestia Group
Percentage of the entity's own employees who are covered by a health and safety management system based on legal requirements, adopted standards or established guidelines.	Percentage (based on number of employees)	100
Percentage of the entity's own employees who are covered by a health and safety management system that has been developed pursuant to legal requirements, adopted standards or established guidelines and that has been subject to internal or external audit or third-party certification.	Percentage	100

S1-14, 88b AR 89-91, 88c, 88d, 88e AR 89-91, AR 95, 89 [GRI 403:403-9, 403-10]

Accidents at work and accident rates

	Unit	ERGO Hestia Group
Employees		
Number of fatalities due to work-related injuries and work-related ill health.	Total number	0
Number of reportable work-related accidents.	Total number	6 ⁵
Rate of reportable work-related accidents.	Percentage	1.28 ⁶
Number of reported cases of work-related ill health, subject to legal restrictions on data collection.	Total number	0
Number of days lost due to work-related injuries and fatalities due to work-related accidents, due to work-related ill health and fatalities due to ill health.	Total number	129 ⁷
Deaths that result from work-related injuries among own employees.	Total number	0
Deaths that result from work-related ill health among own employees.	Total number	0

⁵ 5 employees in STU ERGO Hestia S.A., 3 employees in STUnž ERGO Hestia S.A., including two employees in both companies.

⁶ When calculating the work-related injury rate, the unit divides the relevant number of cases by the total number of hours worked by employees who are its own employees and multiplies by 1,000,000.

⁷ Data refers to work-related injuries only.

All incidents were discussed during periodic training with employees. Most of these were related to the performance of official duties while on delegation, so making changes to improve was not possible. Each of these events was caused by a human factor. The most common of these, such as limb injuries, are part of the examples and prevention during introductory and periodic training in OHS principles.

S1-14, AR82, AR94 [GRI 403-9; 403-10]

We are in the process of collecting and aggregating data in order to report on the non-employee rate in the future.

In addition to health and life, we also protect the privacy of our employees in accordance with our Code of Ethics and the Munich Re Group Code of Conduct. We only collect information on employees related to the implementation of the employment relationship. This information is protected pursuant to the company's existing processes that comply with the requirements indicated in the Data Protection Act. In 2023, we recorded no incidents related to the leakage of the aforementioned data.

S1-11, 74a-e, S1-11, 75 [GRI 401: 401-2]

All our employees are covered by social security without exception.

S1-1, 23

Our organisation has an accident prevention procedure in place, introduced in the form of a circular prepared by the Director of the Administration Department. We investigate the circumstances and causes of occupational accidents on a case-by-case basis, in accordance with the relevant legislation. The outcome of the post-accident investigation is that a report is drawn up and the causes of the incident are discussed with the injured party, and knowledge of the incident is included in the periodic training on occupational health and safety. After each identified workplace accident, we introduce appropriate preventive measures to prevent similar incidents in the future.

In accordance with current legislation, the companies have the OHS service that reports directly to the

Management Board. Once a year, OHS officers carry out an analysis of the occupational health and safety status of the organisation by reviewing workstations.

Based on the analysis, comments are written down and forwarded to the Administration Department. In addition, explanations and advice on occupational health and safety are provided on an ongoing basis, as required.

S1 SMB-3, 14

Regular preventive examinations are the cornerstone of our employees' health and an indispensable part of their well-being - allowing early detection of diseases and individual adaptation of the prevention programme. Regular visits to the doctor and carrying out the recommended examinations are an investment in the future of our employees that significantly affects their quality of life. In 2023, the average health expenditure per employee was PLN 1,496.98.

A Healthy Employee Centre operates on the company's premises. In 2023, more than 6,000 appointments, examinations and tele-consultations have been made, where it was possible to carry out specialised examinations and make an appointment for a consultation with doctors (internist, cardiologist, dietician, endocrinologist, physiotherapist, etc.) within the available limit. In addition, we implement campaigns to develop employees' awareness of mental health prevention such as the 'How are you?' campaign and cancer prevention, especially breast cancer prevention ('October - the Pink Ribbon Month') and testicular cancer prevention ('November'). Each employee is also entitled to an annual subsidy limit for dental care. Additional medical services are available for persons with disabilities.

We are currently witnessing a mental health crisis, both in Poland and internationally. Professional work is a large part of our everyday life, which is why, as an employer, we want to take preventive measures and support Hestians in caring for their mental and physical condition.

Our employees have access to:

- ✓ psychologist and psychiatrist as part of the services at the Healthy Employee Centre (more than 6,000 visits, examinations or tele-consultations were provided in 2023);

- ✓ free tele-consultations with a psychologist (in February 2023 - 22 tele-consultations);
- ✓ information materials on the internal EH News portal - 'How to prepare for your first visit to a psychologist/psychiatrist', 'The role of diet in mental health' and 'Emotions';
- ✓ live webinars/meetings with specialists - 'How to build mental resilience on a daily basis and in a crisis' (403 employees online), 'How to support an employee in a crisis' (managers - nearly 40 people in a face-to-face meeting, 130 - online);
- ✓ year-long mindfulness workshop - total attendance - nearly 400 people.

Many of the activities listed above accumulate in February, when we implement the campaign 'How are you? - February - the Mental Health Prevention Month'.

The health and safety of our employees is important to support the corporate culture.

We undertake periodic activities to support the OHS area, such as:

- ✓ first aid training for administration, security and maintenance department employees;
- ✓ trial evacuations;
- ✓ replenishing the first-aid kits available in the social areas;
- ✓ placing a tab on the intranet dedicated to OHS procedures, identifying members of the OHS service, procedures for reporting accidents/injuries and evacuation and fire policies.

Our employees also carry out periodic OHS training.

In addition, the 'Consciously Responsible' campaign was conducted in May 2023 to build awareness among employees on safety and first aid principles. It featured articles and educational interviews (e.g. familiarising people with the topic of evacuation), competitions related to the emergency telephone and the presence of fire extinguishers in buildings, classroom workshops on first aid and a webinar entitled 'First Aid Psychology'.

3.2. Diversity, equity and inclusion

Gender equality

We monitor the level of gender representation at different levels in the organisation.

S1-9, 66a, 66b, AR 71 [GRI 405: 405-1]

We consider employees in top management to be Management Board Members, Directors and Deputy Directors.

Middle management consists of all other employees who are supervisors for other employees.

Percentage of women and men in top management - the denominator is the total number of people in top management.

Diversity rates in the organisation

	Unit	2023
Total number of people in top management	Total number	146
Total number of women in top management	Total number	58
Total number of men in top management	Total number	88
Percentage of people in top management	Percentage	5
Percentage of women in top management	Percentage	40
Percentage of men in top management	Percentage	60

	Unit	2023
Percentage of women in top and middle management	Percentage	50
Percentage of man in top and middle management	Percentage	50
Total number of employees under 30	Total number	598
Percentage of employees under 30	Percentage	20

	Unit	2023
Total number of employees aged between 30 and 50	Total number	2,099
Percentage of employees aged between 30 and 50	Percentage	71
Total number of employees over 50	Total number	270
Percentage of employees over 50	Percentage	9

S1-1, 24a, 24b AR 15 – AR 16, 24c, 24d, AR 14; S1-1, AR 17a, 17b, 17c, 17d
[GRI 406: 3-3]

Legislation and the Work Regulations that apply in our organisation detail what we understand to be discriminatory actions in the recruitment, training and promotion process. They also regulate the equalisation of opportunities for employees and measures to achieve the legitimate aim of differentiating the situation of an employee. They indicate employees' rights should violations occur.

Our organisation also has an internal order regarding the recruitment process, which includes the following elements:

- ✓ a declaration of equality of all candidates;
- ✓ persons responsible for the process (functions);
- ✓ the different stages of the recruitment process, specifying their duration;
- ✓ a mechanism to ensure the confidentiality of all candidates' data;
- ✓ sources of candidates.

We also adhere to the principles of equal treatment when running our development programmes - each has a separate recruitment policy, which is described in communications sent to employees and/or the 'EH News' intranet. Recruitment generally takes place in several stages and is based on candidates' competences verified on the basis of: - implementation of recruitment tasks/projects, competency tests, etc. (e.g. Hestia Talent Development Academy - stages: Development Centre, recruitment interview).

Equality

We are bound by the ERGO Hestia Group's Diversity Policy and Work Regulations - both of which exclude all forms of discrimination regardless of their rationale and ensure equal rights for all employees.



These issues are also addressed by our Diversity Policy, which ensures bias-free recruitment based solely on aptitude, competence and educational profile, as well as equal treatment in terms of

training, benefits, remuneration, promotions and redundancies, so that both men and women, regardless of their age and other characteristics, have equal opportunities to take on managerial positions and realise their full career potential. They also form part of the mandatory Code of Ethics training, which ends with a test to verify knowledge.

We care about **equal treatment**. The effectiveness of our activities has been evidenced by the figures for many years - women account for 50% of those in management positions (as at 31.12.2023).

In this area we implement:

- ✓ campaign in support of partnership in life and parenting;
- ✓ campaign on language diversity - we include feminine forms (*feminatywy*) that contribute to equal perspectives for all employees and implement them on a completely discretionary basis;
- ✓ initiative to promote breast cancer prevention - 'October - the Pink Ribbon Month';
- ✓ initiative to promote testicular cancer prevention - 'Movember'.



Disability-inclusive workplace

An inclusive work environment is one that is welcoming and ensures not only gender balance, but also promotes a culture of inclusion in other dimensions, such as disability.

S1-12, 79, 80, AR 76 [GRI 405: 405-1]

Indicators for people with disabilities

	Unit	2023
Percentage of people with disabilities among own employees subject to legal restrictions on data collection	Percentage	3.1
Percentage of people with disabilities among ERGO Hestia Group's own employees and in other subsidiaries (not covered in this report) subject to legal restrictions on data collection	Percentage	3.6
♀ Percentage of women among people with disabilities	Percentage	60
♂ Percentage of male among people with disabilities	Percentage	40

We include the employees of all companies in the group, on a per-person basis.

S1-4, 37, 38a AR42, 38b, 38c, 38d AR38-39 [GRI 403: 403-9; 403-10]

Our employment of people with disabilities is 3.1% (3.6% of employees are people with disabilities in the ERGO Hestia Group and other subsidiaries not covered in this report). This result was achieved, among other things, thanks to 20 years of cooperation with the Integralia Foundation of the ERGO Hestia Group in terms of recruitment and training. The Foundation was established in 2004 and is an important part of our Group. Its mission is to support people with disabilities on the path to professional self-fulfilment.

We are also a partner of the 'Efficient Internship' programme aimed at people with disabilities starting their careers. Our commitment to the employment activation of people with disabilities has spanned more than 20 years and can be seen whether in our benefit programmes or in the awareness-building campaigns we run, such as 'Me too'.

'Me too' programme

The programme is aimed at people who have a disability certificate or wish to apply for one. Persons with disabilities are valuable employees and represent potential, which is not fully appreciated on the Polish labour market. We are working hard to build our organisation in a way that creates space and development opportunities for them, too.

Benefit programme with an annual information campaign on the entitlements of employees with a disability certificate:

financial support of PLN 2,000 for medical treatment, the purchase of medicines or medical equipment;

- ✓ additional 2 days of leave for those with a mild disability;
- ✓ two additional appointments with an internist and a psychologist at the Healthy Employee Centre;
- ✓ support provided by the Integralia Foundation for the employee on all disability-related topics.



We adapt our buildings and facilities to meet the needs of people with disabilities. In addition, to ensure comfort, we try to tailor the position to individual needs. According to current legislation, the employee is not obliged to declare a disability, so the whole procedure of checking the workplace starts after the employee has submitted the relevant certificate and consists of establishing the type of condition and referring to the working conditions that are necessary for the safe and hygienic performance of the job.

We audited our head office buildings with the Integration Foundation as part of the certification programme. As a result of the audit, we received a report that confirms compliance in 88% of all mandatory requirements. We also received recommendations for improvements, in our bid to become a 'Barrier-Free Facility'. These recommendations will be implemented sequentially until 2025.

Changes that have been implemented in 2023 include ensuring that building entrances are appropriately accessible, horizontal and vertical signage for parking spaces designated for people with disabilities, the use of doors that have automatic opening, the adaptation of toilets to meet the needs of people with disabilities and the provision of evacuation trolleys.



Diversity

S1-1, 24 a-d AR15-16

Since the company's inception, diversity has been one of our fundamental values. We promote it in the organisational culture and translate it into everyday actions. We are guided by the principles and processes detailed in the ERGO Hestia Group's Diversity Policy implemented in 2018. We are also a signatory to the Diversity Charter and the Charter on Children's Right in Business.

S1-9

The Diversity Policy commits us to promoting respect for diversity by supporting equal opportunities procedures and whistleblowing mechanisms. We promote prejudice-free thinking and enable employees to respond to any signs of discrimination. We are taking steps to promote inclusion, including labour activation for people with disabilities and gender equality, which we described earlier. We cultivate open dialogue, support employees' passions and ensure fair recruitment and equal treatment. Our management is committed to promoting socially appropriate behaviour and responding promptly to incidents of discrimination or bullying, and reports regularly on actions taken in this area.

”

Our ongoing commitment, embedded in the promotion of diversity as a value, is to act in accordance with the '2030 Agenda for Sustainable Development', the 'Universal Declaration of Human Rights', the 'UN Guiding Principles on Business and Human Rights' and 'The Ten Principles of the United Nations Global Compact'. While respecting these international legal acts and, above all, the values indicated therein and shared by us, especially respect for a diverse, multicultural society, and placing particular emphasis on the policy of equal treatment - irrespective of gender, age, disability, health status, race, nationality, religion, lack of religious denomination, political beliefs, union membership, psychosexual orientation, family status, lifestyle, form, scope and basis of employment, other type of cooperation and other grounds that may become the basis for discriminatory behaviour, ERGO Hestia undertakes to implement the principles of diversity management and equal treatment policy and to promote and disseminate them among all stakeholders of the organisation.

Excerpt from the ERGO Hestia Group Diversity Policy

In 2023, we are again on the list of the most advanced employers in Poland in diversity and inclusivity management. As one of 11 employers, we scored above 80% of the possible points awarded. The list was created based on the results of the 3rd edition of the Diversity IN Check survey conducted by the Responsible Business Forum. The survey diagnoses the level of maturity of employers in terms of managing diversity, nurturing inclusivity in the organisation and striving for social cohesion. Employers answer questions divided into four thematic areas: management basics, programmes and activities, building commitment and outcome indicators.

S1 SMB-3, 14c

We make sure that the topic of diversity is constantly present in our internal dialogue, which is why we have made the e-learning course 'We are united by diversity' on intergenerational dialogue available on the platform. We also publish articles on our intranet on topics such as 'Intimacy parenting' and 'Partnership instead of geraniums: let's start spring cleaning' by women psychologist and psychotherapists who work with us. Because we want our core values to be represented in every aspect of our business and by all Hestians. During the mandatory induction training for new employees, we implement a special module on 'savoir vivre towards people with disabilities'. For the next year, we have also planned training for managers on unconscious bias and online HR training on parental rights and the rights of people with disabilities.

We want to participate in building an inclusive society. Our support is an important leverage in this context, especially with vulnerable groups. We realise the positive impact primarily through the Integralia Foundation, established in 2004. Among the foundation's statutory goals are the creation of jobs and the search for suitable people with disabilities, advice on the

social and professional activation of people with disabilities, or organisation and provision of training courses for people with disabilities as well as carrying out awareness-raising activities in this area.

Through Integralia's activities, we support people with disabilities to enter the labour market on an equal footing. In 2023, the organisation expanded the Efficient Internship programme, inviting more companies to join. Thus, the number of placement places on offer for students and graduates with disabilities has almost doubled. Companies such as Bayer, Ikea, Siemens Healthineers and ERGO Hestia, participating in the 1st edition, were joined by Accenture, Symfonia and Twinings. As a result of the recruitment and selection of applicants, 25 programme winners were chosen. At the end of the three-month internships with employers, 10 people, i.e. 40% of the interns of the second edition of the programme, continued to work together. The project had almost four times the interest among people with disabilities than in 2022 when it was initiated.

The Integralia Foundation was awarded the 'DNA - because helping is in our genes' award in the Honest Management category for its 'Efficient Internship' programme. The competition is aimed at entrepreneurs and representatives of non-governmental organisations who affect positive changes in society and the environment through their activities. Integralia won the internet vote and the award was presented at the closing gala of the ESG Polish Power of Business Congress.

In 2023, Integralia also carried out a project co-financed by European funds entitled 'I Can Do More'. It provided comprehensive and individualised support in the form of counselling sessions, training courses and internships to help people with disabilities gain permanent and rewarding employment; it was aimed at people with disabilities who are not working and who live in the Pomeranian Voivodeship. The project supported 41 people, of whom 20 participants continued the processes started in 2022. A total of 368 hours of individual meetings with personal and professional development specialists were conducted.

In addition, the Foundation organised 36 vocational training and courses for 50 people, totalling 1,695 hours. Participants could choose, for example, a course in motor vehicle mechanics with journeyman examination, a course in 'Adobe Premiere Pro film editing', 'Data Science from scratch', a course in wedding floristry, 'Scrum Master' or marketing communication using social media and online tools for content creation. Six participants in the project received internships, including three who found employment afterwards. A total of 74 people were supported through the one-and-a-half-year 'I Can Do More' project. 643 hours of meetings were held with personal and professional development specialists and a Polish Sign Language interpreter. 55 vocational training courses totalled 2,099 hours.

One of the Foundation's statutory tasks is also education, e.g. in the field of communication with people with different types of disabilities. In 2023, under the name 'Change the Perspective', the Foundation delivered 16 training courses for newly hired ERGO Hestia Group employees as well as employees and managers of offices accepting interns with disabilities into their teams. There were 465 participants. Furthermore, as part of the 'Little Insurance Academy' project implemented by the marketing and PR office, the Foundation conducted 2 educational workshops for children and young people on how to function and communicate with people with disabilities. The workshop was attended by 83 participants, including pupils from the Janusz Korczak Primary School in Przechlewo and pupils from the High School No. 2 in Lębork. Moreover, the Foundation conducted 11 training sessions for students, employees and managers of companies and external organisations, including the Responsible Business Forum, ERGO Technology & Services, Emerson, Accenture, Bayer, Ikea, Siemens Healthineers, Symfonia, Twinings, and delivered 2 workshops for car dealers, ERGO Hestia's business partners. A total of 861 people attended the foundation's 31 workshops and trainings in 2023.

S1-2, 29; S1-5, 81

Disclosure is not applicable.

S1-2, AR25a-b, AR 25d

We do not have disclosure data.

3.3. Investing in employee growth

We are committed to the development of our employees, including through a proper performance management process. It aims to both improve individual employee performance and align their priorities with our corporate and strategic business objectives. Properly prioritising

and having regular follow-up conversations on the goals set enables employees to realise their full potential, which in turn helps us to achieve our business ambitions.

S1-13, 83a AR77, 83b, 84 AR79, 85 [GRI 404: 404-1; 404-3]

Indicator for regular performance reviews and career development by gender

Percentage of own employees who participated in regular performance reviews and career development, by gender

	Unit	2023
♀ Woman	Percentage	97
♂ Men	Percentage	96

The conversation process is carried out on an annual basis, all contracted employees who have been working for the company for no less than three months

from the date of the start of the annual conversation and have had a goal sheet completed in the previous period are subject to it.

Indicator for regular performance reviews and career development by job level

Percentage of own employees who participated in regular performance reviews and career development, by job level

	Unit	2023
Employees (other than managers and senior managers)	Percentage	98
Managers	Percentage	98
Senior managers	Percentage	72
Total	Percentage	97

⁸ Senior managers include managers who report directly to the Management Board. Meetings in this group took place outside the tool in one-to-one meetings with Management Board.



Learning and development is a key differentiator in the financial services industry. This is due to the rapidly changing external environment, including legislation and customer needs. Our ambition is for employees to develop both the skills needed today and for the future. This allows us to prepare for upcoming trends and supports effective talent management.

We calculate the average number of training hours per employee in terms of the average employment during the period under review (active employees):

- ✓ we include in the numerator all training hours that have been completed in a given year and have been recorded;
- ✓ we indicate to the denominator the average number of active people employed in a given year in the ERGO Hestia Group (globally and by gender);
- ✓ we do not include inactive people in the denominator because, as an employer, we are not in a position to train these people (they are on sick leave). In addition, the average employment in a year helps to reflect the structure of employment throughout the year.

The aforementioned approach allows us to reflect the scale of training activities more accurately than when reporting by headcount at the end of the year. We capture all training activities that have taken place.

Average number of training hours by gender

	h/person
♀ Woman	32.9
♂ Men	27.5

Average number of training hours per employee

	h/person
👤 Average number of training hours per employee	30.8



S1 SMB-3, 14c, S1, AR 17h

The training courses we offer provide Hestians with the competences needed in a rapidly changing world and working environment. We see the upskilling of our employees as a prerequisite for long-term success and a way to retain key talent within the organisation. To remain a leader in the insurance sector, we offer professional development in many dimensions, both hard and soft competences.

'Hestia Talent Development Academy' (HART)

It is aimed at talented employees - people with managerial potential who particularly stand out for their commitment to work and their creative approach to the tasks at hand. To date, we have completed 17 editions.

- ✓ 2023-2024 - 18th edition
- ✓ 13 women and 10 men

Power MBA

A fully remote, intensive business course that is based on a microlearning model and runs for 10 months in day-to-day classes. The proposed materials are closely related to market trends and the classes are conducted in English. An important part of learning is knowledge exchange and networking.

- ✓ 2023 - 2nd edition
- ✓ 22 participants, of which 50% women and 50% men

**'Courageous Leadership'**

The training is open to any member of the management team, starting from the position of manager. It includes three meetings and allows knowledge in the area of leadership to be gained as well as enables the exchange of experiences between participants.

- ✓ 2023 - 2nd edition
- ✓ 716 person-events⁹
- ✓ 213 participants, of which 50% women and 50% men
- ✓ 1,982 h - total number of training hours
- ✓ 9.3 h - average number of training hours per participant

The ABC of Leadership

Programme for newly appointed managers. It focuses on strengthening the competences necessary for a manager/leader role and emphasises cross-fertilisation of participants and sharing of their practice.

- ✓ Two editions in 2023 (2 groups of men and women managers undergoing onboarding in a new managerial role)
- ✓ 28 participants, of which 18 women and 10 men

⁹ Sum of all training courses for employees in case an employee has attended several training courses, e.g. if someone has attended 3 training courses, we present 3 person-events.

Analysis Forum



A programme aimed at those involved in data science. Participants work with the latest technology to develop their analytical talents together and analyse real business cases. These projects are presented in front of the Management Board and implemented in the organisation, with the 5th edition taking place in 2023.

- ✓ Two editions in 2023 (2022-2023 and 2023-2024)
- ✓ Duration – 9 months
- ✓ 24 participants, of which 15 women and 9 men

The right to develop

Employees have access to an e-learning platform, in-house HR and area-based training (internal certification programmes), as well as benefits that support their development (not only intellectual, but also physical), i.e. LEGIMI, YOUNIVERSITY, MULTILIFE, MULTISPORT. We also organise sports and well-being activities within the company's operations (training during or immediately after work, thematic webinars, etc.).



#ShareTheKnowledge [#PodzielSięWiedzą]



A programme in which employees willing to share their skills and experience provide training to other Hestians. In-house trainers also undergo a business certification process. In doing so, they use their creativity, enthusiasm and positive energy for new activities. They share their knowledge of both insurance products, processes, systems operation, programmes, legal issues and soft skills development.

- ✓ Two editions (3rd Edition: 2022-2023 - 4th Edition: 2023-2024, in 2023 the certification of trainers started)
- ✓ Over 1,000 submissions
- ✓ Nearly 800 person-events, around 2,240 training hours, nearly 30 topics



3.4. Ethics in the workplace

We are not only obliged to comply with the requirements of the applicable regulations, but are also subject to recommendations from the relevant supervisory authorities, as well as guidelines defined at group level. We are an employer committed to a safe and abuse-free working environment. Rules of conduct for employees are in place - our Code of Ethics, which includes provisions prohibiting any discriminatory or bullying actions.



99.5% of our employees have received training on the Code of Ethics.

S1-1, 19, 20, 20a, 20b, 20c, 21 AR12, 22 [GRI 2: 2-21; 2-25, 2-29] [GRI 402: 3-3] [GRI 403: 3-3] [GRI 404: 3-3] [GRI 405: 3-3] [GRI 406: 3-3] [GRI 407: 3-3] [GRI 408: 3-3; 408-1] [GRI 409: 3-3; 409-1]

In connection with the ethics programme adopted, Hestians implement mandatory training on the Code of Ethics and the anti-abuse system, and we also have a whistleblowing procedure in place - described in detail in [Chapter 4. Responsible management](#).

Opposing all forms of discrimination, unequal treatment, restrictions on the right to freedom of expression and other forms of human rights violations, we have established a dedicated Human Rights Officer in 2024, who is responsible for monitoring the process of managing the risk of non-compliance with human rights standards. The function is responsible for overseeing and supporting the implementation of effective human rights risk management practices by managing the operational first line of defence and supporting the risk owner in making appropriate recommendations for risk mitigation within the organisation.

Our policies and commitments on responsible labour impact management refer to and take into account the provisions of international legal instruments to which we are also signatories, which include:

- ✓ Diversity Charter;
- ✓ Charter of Children's Right in Business;
- ✓ Ten Principles of the UN Global Compact;
- ✓ UN Guiding Principles on Business and Human Rights;
- ✓ Universal Declaration of Human Rights.

The aforementioned initiatives exclude, inter alia, the issues of human trafficking, forced or compulsory labour and child labour.

In the measures we implement, we focus on the things that are most important to our employees, such as respecting their human rights by providing appropriate working, pay and development conditions, looking after their well-being and creating a working environment that promotes diversity or equal opportunities.

Our activities in this area are governed by documents such as programme and/or benefit regulations, work regulations and campaign programmes. We examine and monitor the effectiveness of the actions taken through the following tools and functions: compliance and anti-fraud officers; opinion surveys, whistleblowing procedure, engagement survey, Great Place to Work survey and Diversity IN Check.

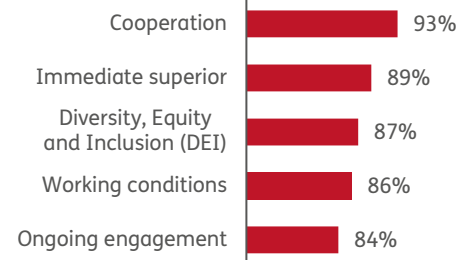
S1-2, 27 AR 21, AR 23-24, 27a, 27b AR19, 27c AR 18-19, 27d AR20, 27e, 28, AR25c, AR26 [GRI 2: 2-29] [GRI 3: 3-3] [GRI 401: 3-3] [GRI 402: 3-3] [GRI 403: 3-3] [GRI 404: 3-3] [GRI 405: 3-3] [GRI 406: 3-3] [GRI 407: 3-3] [GRI 408: 3-3] [GRI 409: 3-3]

We take into account the opinions of our own employees in our decision-making process.

We ensure a process of continuous competence improvement and engage in the development of Hestians, and listen to their needs through tools such as:

- ✓ the annual conversation, during which employees, together with their manager, set their goals, including developmental goals for the following year, and share their conclusions about the passing period;
- ✓ the employee engagement survey - carried out annually, alternating between an extended and an abridged version, with a comments section;
- ✓ surveys of employee opinion on initiatives introduced, development programmes, changes in work organisation.

Results of the 2023 engagement survey (90% turnout)



We respond to suggestions and proposals made by employees through these communication channels - here are some examples of how we have taken into account the feedback provided by our employees in 2023:



in the previous engagement survey, the need to introduce MultiSport into the benefits package was frequently mentioned among the comments, and it has been implemented since 2023;



in 2023, we carried out a survey on the evaluation of the programme for people with disabilities - among the requests there was information on the need for physiotherapy support. In 2023, we adopted a plan to launch the physiotherapist appointment programme from the new pay period (i.e. in 2024). In addition, we have received indications of the need to change the way this type of funding is accounted for, which will also be addressed in 2024;



we have also started the process of implementing feminine forms in the company, with the matter of equality between women and men in mind.

The HR Department is responsible for the processes described above, and the effectiveness of our activities in this area is confirmed by the following:

- ✓ turnout for the engagement survey;
- ✓ obtaining Great Place to Work certification;

- ✓ the fact that in 2023, one in four employees was employed under an employee referral scheme;
- ✓ obtaining the Top Employer 2024 certification;
- ✓ maintaining the Diversity IN Check certification.



In 2023, ERGO Hestia won the Top Employer certificate for the second consecutive year. In doing so, it has joined the ranks of exclusive companies that build their market advantage based on their values and respect for the employee. The Top Employer title confirms the high quality and advanced degree of HR practices implemented, from recruitment to onboarding, career development, performance management, technology or building engagement.



In 2023, ERGO Hestia received the Great Place to Work certificate, awarded on the basis of an employee survey on the company's organisational culture. The survey is carried out by the Great Place to Work Institute, the global authority on organisational culture, employee experience and leadership behaviour. This certificate is the only official accolade awarded based on the votes of the employees themselves on the company culture. Its key element is an anonymous survey measuring the level of trust and satisfaction of employees. It covers five areas: credibility, integrity, respect, dignity and fellowship. Employees give feedback on processes, atmosphere and other aspects of the company. The most important issue examined during the certification process is the answer to the question: 'Does the company succeed in building a culture based on trust?'.

AR 14

In addition to the above-described interaction processes with our employees, we also have other channels for communicating with them - both in the form of external media on the company premises, e.g. monitors, stands, as well as via email messages, the intranet - a tab dedicated to projects/articles, the EH Portal (a kind of internal Facebook).

In 2023, we launched the Simple Language of Communication programme. We have started a process of simplifying letters and documents so that all the information we address to customers is understandable and easy to read.

Other communication channels

	www.ergohestia.pl website
LinkedIn Profile	Facebook
You Tube	Instagram
Tik Tok	Twitter/X

Right to information

Employees are informed about the values of the ERGO Hestia Group, the changes that are being implemented in the company, current events. Information is provided to them through several tools:

- ✓ face-to-face meetings with the company's Management Board;
- ✓ mailing;
- ✓ an intranet where articles are published;
- ✓ EH Portal - a kind of corporate Facebook;
- ✓ external media - monitors, posters and more;
- ✓ SMS.



S1-4, 37, 38a AR42, 38b, 38c, 38d AR38-39; S1-2 AR 25e [GRI 403: 403-9; 403-10]

Our employees value a flexible, inclusive and safe working environment, a genuine commitment to corporate social responsibility, as well as competitive pay and benefits and career development opportunities. Equally important is respect for human rights in the broadest sense - both those relating to personal freedoms and economic and cultural rights.

Personal and political rights and freedoms | Freedom of expression

Employees can share their comments on the EH Portal and in satisfaction and feedback surveys.



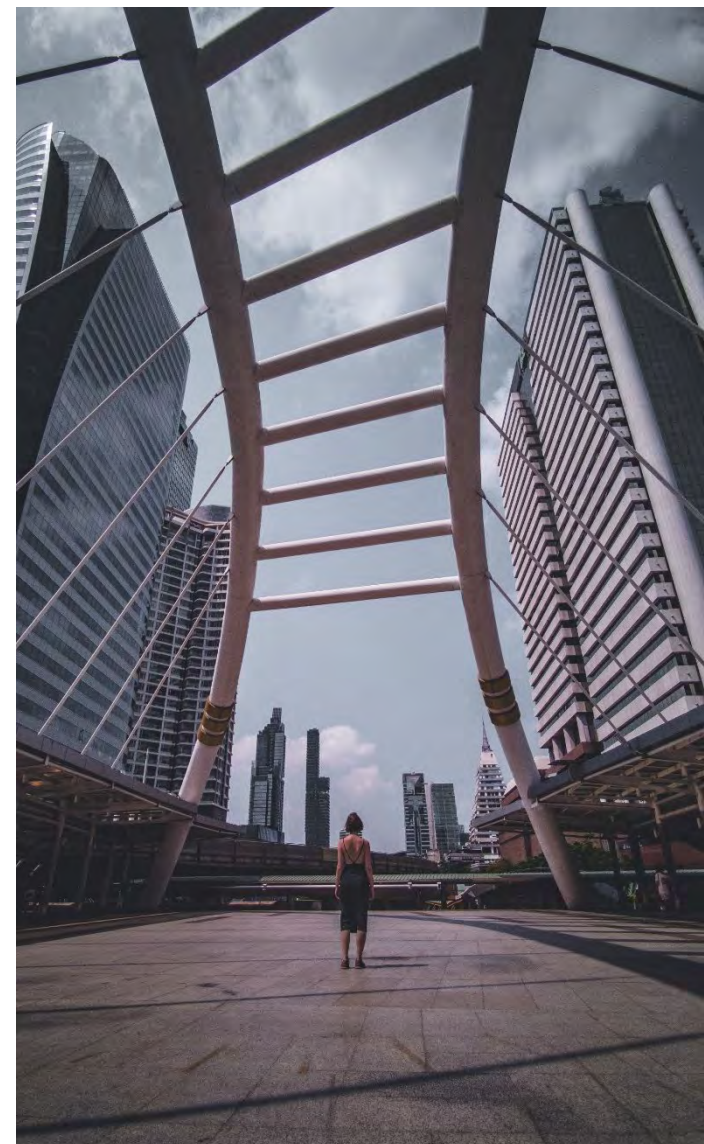
Economic, social and cultural rights and freedoms | The right to enjoy cultural goods/freedom of the arts

As part of the ERGO Hestia Group, there is the Hestia Artistic Journey Foundation; as a result of the cooperation, employees can, for example, participate in art-related exhibitions/events. In addition, there is the 'ERGO Hestia after hours' series - special film screenings and meetings with actors, music creators, directors (in 2023 - Artur Żmijewski; Łukasz Rostkowski, Artur Barcis and Paweł Chmielewski).



Collective/solidarity rights | The right to democracy

We are implementing the 'Hestians Budget' project, modelled on the Civic Budget, where employees can submit their ideas for a certain amount, followed by a promotional campaign and a vote. The project that wins the most employee votes is implemented. Furthermore, we have employee volunteering, a large part of which focuses on the implementation of support initiatives submitted by employees.



Michał Wesótek. Photographer

3.5. Working conditions and development of agents and brokers

S1-3, 32a AR 27, 32b AR 28, 32c, 33 AR31 [GRI 2: 2-25] [GRI 403: 403-2]

In the event that any negative actions are found against persons employed by the group, an investigation is carried out to establish the facts, assess them and draw the appropriate consequences, as well as to compensate those affected by the misconduct.

At ERGO Hestia we foster a culture of respect, trust and openness and as an organisation we actively work to ensure that diverse viewpoints, voices and skills are heard and valued. At the same time, the group allows those within it to raise any concerns or needs in any form, i.e. by phone, email, in writing or in person, with the Compliance Officer.

Since 2008, we have had in place a system for reporting suspected irregularities (known as whistleblowing), which allows employees to report anonymously or by name information about suspected, observed or experienced non-compliance with the company's Code of Ethics and generally applicable law (more on this subject in [Chapter 4. Responsible management](#)).



The system provides full protection of the reporting party's personal data. The Compliance Officer and the Anti-Fraud Officer deal with reports, as well as with the management of negative consequences of violations of the rules arising from the Ethics Management System and Anti-Fraud System. In 2023, there were no reports indicating a breach of the Code.

S1-3, 34

Disclosure is not applicable.

S1-3, AR29, AR30, 32c, 32d, 32e

There are no whistleblowing mechanisms operated by an external entity. For a detailed description of how the channel works, see [Chapter 4. Responsible management](#)

S1-17, 103a, b, c, d AR 103- AR 106, 104 a AR 105, 104 b, AR 103 [GRI 406: 406-1] [GRI 2: 2-27]

We are not ready to disclose data in this regard.

Taking care of employees' rights in the value chain

S2 SBM-3, 11 AR6-AR7, 11a, 11a i-iv, 11b, 11c

As described in the Value Chain section, the employee group in the value chain includes all upstream and downstream employees on whom we as the ERGO Hestia Group have or can have significant influence. The most relevant group in this respect are our agents and brokers.

As with our own employees, since the activities of our brokers and agents are carried out in Poland, there are no risks associated with forced or child labour.

S2 SBM-3, 11e, 12 AR 8, 13 AR 9; S2-2, 23 [GRI 2: 2-29]

The risks and opportunities associated with employees in the value chain, as well as the identification of groups subject to particular influences, were established through a process of double materiality assessment, described in [Chapter 1.3. Key topics in sustainable development](#).

We have not identified groups of employees in our value chain that would be negatively affected by us.

S2-5, 41 AR 46-AR 48

The goals defined for our value chain are described in the section relating to the sustainable development strategy.

S2-1, 16 AR 10, 17a, 17b, 17c, 18, 19 AR 14 [GRI 401: 3-3] [GRI 402: 3-3] [GRI 403: 3-3] [GRI 404: 3-3] [GRI 405: 3-3] [GRI 406: 3-3] [GRI 407: 3-3] [GRI 408: 3-3] [GRI 409: 3-3] [GRI 2: 2-23; 2-25, 2-29]

Building sustainable relationships with our value chain is a priority and one of the key areas of our sustainable development strategy. We focus on partnership and cooperation in business, appreciating the importance of effective communication with our environment. Respecting the rights of agents and brokers just as much as our own employees and engaging in dialogue and enriching their knowledge are an integral part of our approach.



In 2023, the number of cooperating agencies reached 3,901 (3,104 in 2022). Our value chain also included brokers at 1,104 (1,190 in 2022) and cooperating natural persons performing agency activities (OFWCAs) at 62,555 (69,019 in 2022).



Documents that ensure that we properly manage our impact in this area include the Agent Code of Ethics and the Code of Conduct for Suppliers and Contractors. These documents set out the basic standards and principles of cooperation and business conduct that we expect our current and future partners to follow.

Our agents and brokers, as well as suppliers and subcontractors, comply with internationally accepted human rights laws and standards. They are also committed to eliminating all human rights violations within their own organisation, regardless of where they do business. In 2023, we have not recorded any violations of these principles in our value chain.

S2-1, AR 12, AR 16 [GRI 2: 2-23, 2-25]

We plan to update the Code of Conduct for Suppliers and Contractors in 2024.

ESRS 2, S2-1, 62

Disclosure is not applicable.

S2-2, 22d AR 19

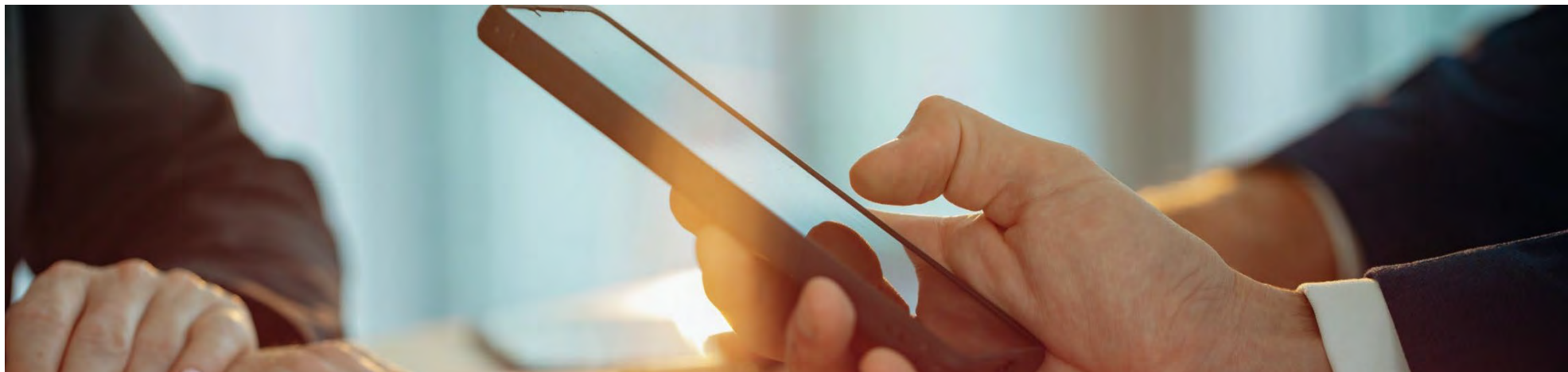
As the ERGO Hestia Group, we operate in Poland and are therefore obliged to comply with the Polish legal system as well as with acts of international law to which Poland is a signatory - including acts regulating fundamental human rights and freedoms.

S2-3, 27a AR 21, 27b AR 22, 27c, 27d AR 27, 28 AR 25-26; S2-2, 22e [GRI 2: 2-25; 2-26]

ERGO Hestia was the first in the market to establish an Agent Ombudsman function. We wanted the agent to have a representative in the company. The purpose of the Agent Ombudsman is to initiate and carry out activities to improve the quality of the service provided to agents and to provide direct assistance to agents in difficult or non-standard cases and which at the same time require immediate action. The Agent Ombudsman assists agents in explaining: dissatisfaction with the procedures used in dealing with the agent; difficult, non-standard cases concerning the agent's cooperation with the Company; cases assessed as requiring immediate action, due to reputational, legal or business risks. The Ombudsman implements measures to improve, standardise and systematise agent service standards in the Company. In 2023, the number of cases handled by the Agent Ombudsman was 1,534. The corrective actions taken by the Agent Ombudsman result in an improvement, from the agent's point of view, in the standards of service and support for agents.

In 2023, we received the Fair Play award for the 15th time. Brokers recognised our efforts to maintain the highest standards of customer service and cooperation with brokers. This accolade shows that the cornerstone of our Strategy - 'The Power of Community' - is working and doing well. The joint work of a wide range of professionals and the close-knit, motivated team of our company allows us to once again enjoy this prestigious award.

To make our agents' work and customer service as easy as possible, in 2023 we prepared the 'Product Clauses Guide', a new and fully automated solution to make our range of retail property products even more attractive and flexible. The changes implemented were largely the result of dialogue with our agents.



S2-3, 29

Disclosure is not applicable.

S2-3, AR 23, AR 24, AR 25; S2-4, 35 AR 32; S2-4, 36 [GRI 401: 3-3] [GRI 402: 3-3] [GRI 403: 3-3] [GRI 404: 3-3] [GRI 405: 3-3] [GRI 406: 3-3] [GRI 407: 3-3] [GRI 408: 3-3] [GRI 409: 3-3]

In addition to the Agent Ombudsman, our employees in the value chain can also use the whistleblowing channel anonymously. We do not have *whistleblowing* mechanisms operated by an external entity. In 2023, we have not recorded any violations of human rights in our value chain. For a detailed description of how the channel works, see [Chapter 4. Responsible management](#).

S2-2, 22 AR 20, 22a, 22b AR18, [GRI 3: 3-3] [GRI 401: 3-3] [GRI 402: 3-3] [GRI 403: 3-3] [GRI 404: 3-3] [GRI 405: 3-3] [GRI 406: 3-3] [GRI 407: 3-3] [GRI 408: 3-3] [GRI 409: 3-3] [GRI 2: 2-29]

Agents and brokers are also included in the dialogue sessions we hold and consultations on our business strategy. They were also the group involved in the dialogue sessions held in 2023, as part of the double materiality assessment.

During the sessions in both groups, we conducted an NPS survey, which was 8.4%. Both groups identified human rights, supplier relations, climate change and adaptation, and upskilling and improving agents and brokers as key topics important to identify in the ESG report.

S2-5, 42a, 42b, 42c

By engaging in a dialogue process as part of a double materiality assessment, agents and brokers had input into the process of setting sustainability goals. Monitoring their implementation and suggesting improvements are done on an ongoing basis through surveys.

S2-2, 22c AR 17-18; S2-4, 38

The unit responsible for managing the relationship with our agents is the Sales Department, together with the retail representations and the agent contracts office, which are also responsible for ensuring that their views are properly taken into account in the business actions taken.

Summary of activity of natural persons performing agency activities (OFWCA)

- ✓ By the end of 2023, almost 9,300 intermediaries were using the iPunkt application;
- ✓ in all special initiatives, we rewarded intermediaries with 2,123,220 Coins within the iPunkt application, and the value of the prizes in kind amounted to PLN 223,077;
- ✓ 5,238 intermediaries were winners of the initiatives thanks to their activity;
- ✓ iPunkt in 2023 is not only about incentive campaigns - the application also featured materials on, among other things, training, the introduction of clauses and product novelties, discounts for ERGO Hestia customers.

In 2023, we have launched two special initiatives at iPunkt:

1. Supporting animals 'iPunkt for Animals'. The initiative effect is as follows:
 - ✓ 15,425 Coins that went to intermediaries;
 - ✓ PLN 15,425, as decided by the initiative winners, went to the Judith Puppy Foundation (*Fundacja dla Szczeniąt Judyta*).
2. Supporting the planting of new trees 'New trees with iPunkt'. The initiative effect is as follows:
 - ✓ 29,380 Coins that went to intermediaries;
 - ✓ 1,469 qualified policies for initiative = number of new trees planted.

**iPunkt application**

The application is designed for intermediaries (OFWCA) belonging to the independent channel and own agency network, selected multiagencies direct. Once downloaded, the intermediary can participate in organised activities and earn virtual coins or material prizes. Coins won can be converted into Polish zlotys (1 coin equals 1 Polish zloty). In this way, iPunkt users receive additional funds that they can transfer to their prepaid card and pay with it in shops.

The unit responsible for managing broker relationships is the corporate insurance office, together with the corporate representatives.

S2-2, 24

Disclosure is not applicable.

Investment in the development of agency employees and brokers

S2 -1, 16, AR 10, S2-4, 34a AR 40-41, AR 43 [GRI 2: 2-23]

Maintaining strong relationships with our agents and brokers, who play a key role in the distribution of our products, is of the utmost importance. This aspect also highlights our significant impact as we contribute to the creation of jobs for intermediaries.

Brokers and agents act as both advisors and distribution channels in the insurance industry. They are very important to us because, as advisors, they help the consumer through the entire sales and after-sales process and, as a distribution channel, they establish a close relationship with the consumer and have a significant impact on the success of our offering, for example by promoting information about available products. In addition, their experience and knowledge of the solutions and products we offer ensure the right fit for our customers, which in turn translates into their satisfaction and well-being. This is why it is so important for us to engage them in our training system, including development training, in order to improve their competences, strengthen human capital and thus support the company's intellectual potential and credibility. The broader competence of our agents and brokers is also a factor in guaranteeing the highest standard of service and customer loyalty. This is our response to the call to strengthen strategic partnerships with these value chain entities.

S2 SBM-3, 11d; S2-4, 32a AR38, 32b; S2-4, 34b [GRI 403: 403-7]

The profession of insurance agent is one that requires periodic professional development. We therefore provide our intermediaries with appropriate training to enable them to acquire the necessary skills and to update their knowledge. The training we offer takes into account both the nature of the insurance offered (non-life, life, agricultural), the range of activities performed, as well as specialised certifications ('Agency Network Certification', 'Regional Sales Manager') and personal development (consultancy, managerial). We offer training in both traditional and online formats. In 2023, we developed and launched an implementation training for intermediaries on our training platform.

The 'Agency Network Certification' programme comprises three levels: level I - γ (gamma), II - β (beta) and III - α (alpha). Successful achievement of each of these, involving the completion of training courses and the passing of examinations, ensures

As part of the training for γ level agents acquire knowledge of, among other things, asset valuation, legal aspects of third-party liability, technical risk assessment, cybersecurity, insuring electronic equipment and, more broadly, the property of private customers. In addition, they learn retail insurance sales techniques.

Training at β level are dedicated to non-life insurance, risk assessment in non-life insurance and business liability insurance, loss adjustment, underwriting in life insurance, insurance of construction equipment and machinery, thermovision, photovoltaics, as well as so-called prospecting and branding.

Level α are training courses designed for those who successfully complete the γ and β level training courses and pass the recruitment interview. Completion of α -level training allows an intermediary to gain the highest level of authorisation.

the receipt of certain qualifications related to retail and corporate insurance. The programme lasts 12 months and the certificate obtained is valid for two years - after which each participant can renew it.

Agency Network Certification Programme

Summary of the training programme in numbers in 2023.

	 Number of people	 On-site training	 Online training	Completion of examination session (pass rate for the first term)
Gamma	167	8	1	70%
Beta	96	5	1	71%
Gamma	181	31	8	79%
Beta	58	23	4	89%
Gamma	158	14	1	April 2024 examination session.
Beta	93	14	1	

S2-4, 32c AR 39, AR 28b

We also offer the opportunity to join the ranks of sales management professionals through the Regional Sales Managers Certification. As sales is all about people and relationships, we train people who manage regions and micro-regions to be able to build and maintain long-term relationships with intermediaries. Nurturing relationships with our business partners is our strategic goal.

S2-4, 32d AR 33-35, 33a AR 29; S2-4 AR 44 [GRI 401: 3-3] [GRI 402: 3-3] [GRI 403: 3-3] [GRI 404: 3-3] [GRI 405: 3-3] [GRI 406: 3-3] [GRI 407: 3-3] [GRI 408: 3-3] [GRI 409: 3-3] [GRI 3: 3-3]

Our group's training office monitors the effectiveness and attractiveness of the training on offer and adapts and enhances the offer on an ongoing basis to best meet the needs of agents and brokers in terms of developing their skills.

S2-4, 33 c, AR 28a

Disclosures do not apply - we have not identified significant negative impacts on this group of employees in the value chain.

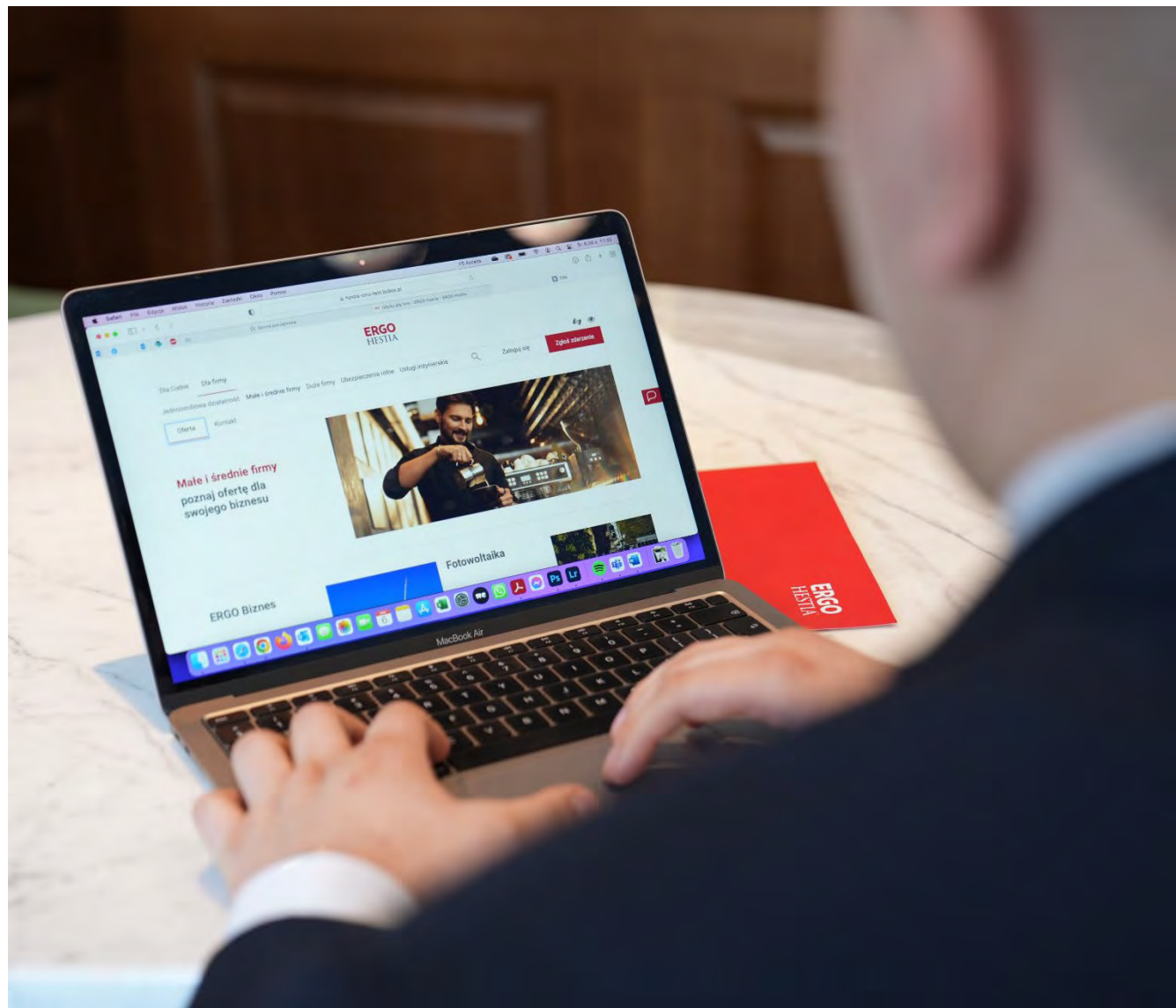
S2-4, 62

Disclosure is not applicable.

S2 SBM-3, 11

We have also built strategic partnerships with suppliers of a wide range of categories of goods and services, including professional services, software, business services, marketing, and telecommunications and network services. Our supplier base is very geographically homogeneous - as many as 98% are from Poland. The remaining 2% are European Union suppliers - thus reducing the risk of human rights violations.

We are committed to making a positive difference in the communities where we work, live and serve our customers, and we expect the same from our suppliers. We also expect them to comply with certain rules, to manage both social risks in an ethical and responsible manner and to take responsible action in the area of the environment by inserting appropriate clauses in the contract, carrying out an ESG survey and reviewing the ESG ranking analysis (more information in [Chapter 4. Responsible management](#)).



3.6. Data protection and cybersecurity

Due to the rapid development of electronic communication channels with customers and access channels to the services we provide, there are series of risks associated with the protection of confidential customer data. Our priority is security first, hence the security measures taken for our ICT environment.

S4 SBM-3, 11 AR7, 12 AR 8

Issues of accessible barrier-free communication were identified during the double materiality assessment as a source of positive impact for the group of customers with disabilities.

S4-5, 41 AR43-35, 41a, 41b, 41c [GRI 417: 3-3] [GRI 418: 3-3] [GRI 3: 3-3] [GRI 406: 3-3] [GRI 416: 3-3]

Goals for our impact on consumers and end users are indicated in the section describing our sustainable development strategy. Customers were one of the key groups included in the dialogue as part of the double materiality assessment process. We have also taken into account the findings of this stakeholder group in our assessment of impacts, risks and opportunities. Involving customers in the dialogue is an iterative process, so they are involved both in monitoring the achievement of the goals set and in proposing changes.

ESRS 2 S4-5, 81

Disclosure is not applicable.

S4 SBM-3 10c, 10d

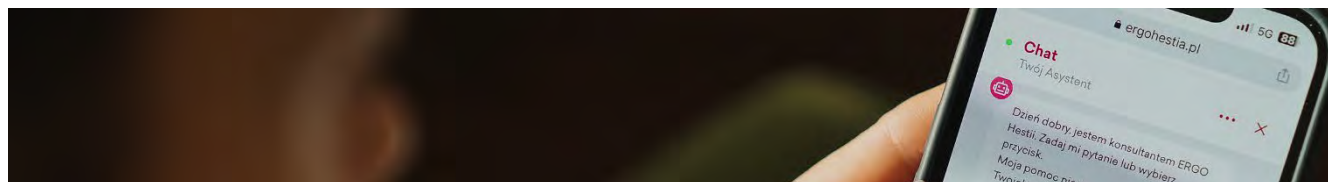
Every company faces unique challenges, depending on the scope of its business. This is why we offer our customers a variety of products, including insurance against cyber security risks. Companies, regardless of profile or size, can also benefit from our engineering services, including cyber security training, driver skills development and the extension of basic insurance coverage with prevention clauses.

By developing cutting-edge cyber security solutions and products that attract and retain customers, and by continually improving the level of service we provide, we are building customer trust, enabling the growth and long-term success of our group.

S4-1, 15 [GRI 2: 2-23]

Securing consumer data is not only a legal obligation, but a fundamental ethical responsibility. In an era where personal data is increasingly vulnerable to breaches and abuse, data protection policies are a priority. By adhering to strict privacy protocols, such as encryption, access controls and regular audits, we ensure that sensitive data remains confidential and secure. Data security is overseen by dedicated areas such as the Information Security Division within the Risk Office, the IT security and compliance management team and the data protection department in the legal office, employing specialised experts.

in 2023, ERGO Hestia became one of the first companies in the European insurance market to obtain ISO 27001 (information security management system) and ISO 27017 (cloud information security) certification. Following an independent audit, the DEKRA Certification team issued a positive recommendation, confirming the compliance of ERGO Hestia processes and procedures with the highest information security standards. The certificates serve as proof that the company treats the data entrusted to it with full responsibility.



S4-4, 31b, 32b, 37, AR41 [GRI 416: 3-3] [GRI 418: 3-3]

The security of our customers' data is crucial to us. Dedicated units and assigned functions have been set up within our organisational structures to implement and oversee the Information Security Management System. The Management Board is responsible for determining the direction and priorities of security efforts, with support from the Chief Information Security Officer (CISO) and the Information Security Division in the Risk Office.

S4-4, AR25b, AR 36

The basis of our strategy is to take advantage of the benefits of technological development and innovation, thanks to which we introduce modern tools to the Polish insurance market. The implementation of these targets goes together with attention to the development of the maturity of the information security function and compliance with legal and regulatory requirements. We implement a series of coordinated measures to ensure data integrity, availability and confidentiality, as well as to reduce information security risks. The actions taken are in accordance with the provisions of generally applicable laws and supervisory regulations, including the guidelines of the Polish Financial Supervision Authority. We monitor both existing and potential threats using reliable sources of information, such as the internal security architecture and cooperation with CSIRT.

In addition, in 2023, we implemented with the Credit Information Bureau (BIK), a market leader in information and analytical services, a document delivery service using Billon Unified Blockchain technology.

Digital communication in customer service is increasingly important. In an era of increased digitalisation of processes and remote communication, the security of our personal data, and therefore of documents containing information that needs to be protected, is becoming particularly important. Blockchain technology makes it possible to address these issues by enhancing the traditional form of electronic document archiving and further processing in a secure, durable medium.

Credit Information Bureau has launched a secure document delivery service for us, whereby the first customers have already received their documents in a blockchain-based durable medium. This solution not only ensures the security, privacy and integrity of the information provided, but also enables quick access to documents.



3.7. Responsible offering and selling

Complaints and whistleblowing

The effectiveness of claims management has a direct impact on the overall quality of customer service. From the initial submission of the claim to its resolution, every interaction should be smooth, efficient and empathetic. We have user-friendly digital platforms and responsive customer service channels to streamline claims processing and respond quickly to any issues.

S4-1, 16b; S4-2, 20 AR 17, 20a AR 14, 20b AR 16, 20c AR15-16, 20d; S4-4, 37, AR41 [GRI 2: 2-29]

Our customer service structures give customers a direct voice and allow us to use their feedback to shape our products and service standards. Interaction with customers takes place both in sales and in the process of handling claims, complaints or customer satisfaction surveys. We use the information gained from all these means of interacting with customers, from their evaluations and feedback, to improve our products, services, communications and processes.

Any indication that our organisation's actions may negatively affect our customers is carefully analysed by the Quality Management Office, which meticulously investigates the causes and consequences of any dissatisfaction. On the basis of the reported cases, monthly summaries are drawn up in the form of email reports, which are forwarded to both Management Board and the relevant units.

In the handling of complaints, Quality Management Office specialists initiate corrective action and identified irregularities are resolved on an ongoing basis. Customer feedback serves as an incentive to modify processes to minimise negative impacts.

In non-standard cases, customers have the option to turn to the Customer Ombudsman for individual consideration. In addition, as part of the Quality Management Office, we systematically analyse complaints and improve service, which contributes to increased customer satisfaction and loyalty. Promoting continuous improvement among employees, reinforces their commitment to improving customer service. Improving the quality of service in an insurance company based on information about customer complaints is a key element of quality management in our company. Analysing our customers' requests inspires us to innovate and introduce new solutions that better meet needs. As part of our corrective actions after analysing customer complaints, we have implemented more than 100 initiatives in 2023.

S4-1, 16, 16a, 16c, 17 AR11; S4-4, 35 [GRI 2: 2-23; 2-25] [GRI 406: 3-3] [GRI 416: 3-3] [GRI 417: 3-3] [GRI 418: 3-3]

In line with our organisation's existing policies, (more information in [Chapter 4. Responsible management](#)) we apply the principles and regulations arising from international instruments such as the Ten Principles of the UN Global Compact or the Universal Declaration of Human Rights to our customers. Any issues reported to us are dealt with and we take appropriate action (complaints process). In 2023, we did not register any cases of human rights violations among the complaints filed.

In line with the goals of the sustainable development strategy, we have maintained a complaint rate of <0.50% in 2023 using data from the Financial Ombudsman's annual reports. Thanks to the measures taken in this area, the rate was 0.2% in 2023.

Other processes to prevent customer and agent dissatisfaction, especially in the case of complaints, include:

- ✓ Quality monitoring - consists of verifying the quality parameters of service processes and analysing the complaints reported in these areas. The results of the analysis, together with the quality support initiatives undertaken, are summarised in the form of periodic email reports.
- ✓ Monitoring customer satisfaction in the insurance sales process enables an understanding of customers' needs and expectations. We are developing standards that clearly define expectations and procedures to be followed. We regularly train employees in customer service, communication and problem solving.



Responsible offering and selling

S4-4, 34 AR 29, AR25b, AR36

We are a signatory to the Declaration of Responsible Selling, which means that we take many measures to ensure quality and safety in serving our customers. In pursuit of this objective, we undertake a range of activities, including consumer education and organising dialogue sessions with academics. We shape our offer to meet the needs of our customers, reported during satisfaction surveys or dialogue sessions. As a result of these activities, we are developing products that support sustainable development ('AGRO/agricultural insurance', photovoltaics, 'Green Recovery Clause').

In 2023, there were no reports of infringements in the areas of information and labelling of products and services as well as marketing communications.

In our marketing activities, we take special care to work with our key business partners, namely agents. We provide them with a set of materials on the product offering, regularly verify that they are using up-to-date documents, and carry out mystery shopper research to verify the correctness of the partners' actions.

100% of agents who sell our life insurance company products have been trained in mandatory AML (Anti Money Laundering). All agents are required to implement responsible selling and ethics training. We have also achieved the highest NPS (Net Promoter Score) in the Polish insurance market according to a survey by the TNS Public Opinion Research Centre until the end of 2023.

S4-1, AR9, AR13 [GRI 2: 2-23]

Business environments play a key role in shaping responsible communication. Thanks to their huge reach, they can influence a wide range of audiences, including business partners, employees and customers. In addition, they have a significant impact on society as a whole through their information and education activities for sustainable development. Therefore, the manner, content and purpose of business communications are extremely important.



In 2023, we developed the ERGO Hestia Group standard for ethical and responsible communication, based on the belief that everyone should have access to reliable information - a fundamental human right respected by all UN member states. Increasing awareness and responsibility is a sign of an organisation's social maturity.

In our day-to-day operations, we strictly adhere to the principles of ethics in our relations with stakeholders: customers, employees, suppliers, business partners and competitors. We operate in compliance with the provisions of law and social standards. We understand the crucial role of communication and the importance of our words, especially in the age of social media, where credibility can easily be lost.

For this reason, we have developed comprehensive ethics-based communication standards that show us the way to take action to improve reality, emphasising the great importance of responsible communication.



Key principles of ERGO Hestia Group standard for ethical and responsible communication



A key element of the standard is **a commitment to truth** by using reliable and verified information, while actively avoiding and neutralising disinformation. The standard emphasises the importance of maintaining an objective stance to prevent social polarisation and the spread of radicalising information.

An important aspect of the standard is the **recognition of the responsibility** that comes with the role of the message sender. We are committed to ethical practices, recognising the broad impact that their messages can have. Transparency is also fundamental to the policy; the company ensures that no relevant information is concealed, although trade secrets are respected.

Equality and inclusion are key elements, and the standard mandates inclusive language and equal treatment of all customers and employees. The company will actively combat and prevent discrimination, guided in its communication by empathy and understanding of diverse social attitudes, avoiding manipulation and countering all forms of violence.

The standard also assumes **flexibility** to keep pace with technological and social changes, and the **ethical use of new solutions** to improve the quality of life in the world. **Promoting sustainable development** is another key element, with an emphasis on environmentally friendly practices and avoiding harmful misinformation.

We use both traditional and new media, not only to promote our image, but also to positively influence the quality of public debate by providing valuable and reliable information. Finally, the policy emphasises the importance of recognising and filling knowledge gaps through continuous education and cooperation with experts, seeking to continuously improve communication practices.

S4-4, 33a, AR 37-38, AR 40, 33b

Our offer includes a variety of insurance products, which are included in most insurance groups on the Polish market. Our priority is not only to develop existing products, but we are also exploring new areas where we see benefits for both the customer and growth opportunities for us. We also offer solutions that support sustainable development.

New products introduced in 2023 (from 21 March) are **crop insurance**. Under this product, farmers can expect up to 65% of their premium to be covered by subsidies from the state budget, which cover crops such as cereals, maize, rapeseed, agrimony, potatoes, sugar beet, hops, tobacco, legumes, ground vegetables, fruit trees and bushes, strawberries. With our product, customers can insure their crops against damage or destruction resulting from random events, which is crucial with increasingly intense weather events. As of 22 May 2023, we have also extended our offer to include **Agrocasco**, which extensively covers the agricultural machinery used on the farm.

Specialised insurance to protect the environment is also available in our portfolio. As one of only three insurers on the Polish market, we have created an **Environmental Liability Insurance** offering that protects companies against liability for environmental damage. As part of the offer or product, we secure the costs of work to restore the environment to its pre-damage (environmental disaster) state. More on the products in [subsection 2.3. Development of the offer](#).

ESRS 2 IRO-2, S4-1

Disclosure is not applicable.



3.8. Availability of services

Straightforward communication

Clear and transparent communication is key to building trust and understanding between the insurer and the consumer. The terms and conditions of insurance, its coverage and claims procedures are often complex and intimidating for the average holder, so it is our duty to communicate this information in a way that is easy to understand, free of specialist jargon and easily accessible through various channels.

In 2023, we launched the Simple Language of Communication programme. We have started a process of simplifying letters and documents so that all the information we address to customers is understandable and easy to read.

S4-2, 22

Disclosure is not applicable.

S4-2, 21; S4-4, 31c AR 36, 31d AR30-32, 32a AR26, AR41 [GRI 2: 2-29]

Delivering on the commitment to accessible communication, which was identified as a topic of importance in the double materiality assessment, together with the Integralia Foundation, we adapted products and services to meet the needs of people with disabilities. The Foundation supported us with the creation of accessible documents and an automatic policy translation programme for people with visual impairments. In addition, it tested and consulted on the accessibility for visually impaired people of a new application being designed by a team of developers working with us.

Unlimited access to services

S4-4, 31a AR35

Our contracts do not contain clauses that could be perceived as discriminatory clauses. Access to products is driven by industry practice and business rationale - we have a range of digital tools to facilitate access to the services offered (voicebot, chatbot) or to facilitate the handling of already deployed products ('AutoWycena 2.0'). There is also an emphasis on breaking down communication barriers - in the sales channels, but also at the reception desks of the head office buildings, we have sign language support available, implemented by a sign language interpreter via the website. In 2023, 84 calls were made with this assistance so that deaf customers could resolve their case. On the homepage, we also have a **Barrier-free service** tab with accessible form and selected documents adapted to the needs of visually impaired persons.

In addition, for deaf persons we have a dedicated tab - the [sign language interpreter \(I sign\)](#) - to help with communication and necessary errands.

Customer Ombudsperson

S4-3, 25a AR18, 25b AR19, 25c, 25d AR24, 26 AR23, 26, AR20, AR22 [GRI 418: 418-1; GRI 2: 2-25]

Keeping an open dialogue, ensuring non-discrimination and constant accessibility for our customers are our priorities. We are aware of the importance of having the support of a person familiar with the organisation and empowered to make independent decisions, especially in difficult situations, which is why we have a Customer Ombudsperson within our structure.

S4-4, 32c, 37, AR41 [GRI 2: 2-25]

The Customer Ombudsperson provides individual support to our customers, especially in difficult situations requiring flexible solutions. By bridging the gap between customer and insurer, we aim to change the stereotypical perception of insurers as an institution lacking sensitivity to human problems. The Ombudsperson plays a key role in recommending improvements to our service processes, resulting in better customer service. Customers can contact the Ombudsperson via the form available [here](#), where they receive comprehensive support and personalised solutions in exceptional situations.

By fostering an atmosphere of trust and openness, customers are more willing to share their opinions and suggestions for improvement, which contributes to a year-on-year reduction in the number of reported irregularities.

In 2023, the number of cases handled by the Customer Ombudsman was 1,518.

S4-3, 27

Disclosure is not applicable.

S4-3, AR21, AR22

A complaints mechanism operated by an external entity is not in place. Customers can also submit complaints via the form available [here](#).



In 2023, we obtained for one of our products - the Allegro Care electronic device insurance terms and conditions - the Centre for Simple Polish Certificate. The Centre uses the so-called standard plain language. Its use is recommended to all authors and institutions writing texts addressed to a mass audience. The model includes quantitative-qualitative tools to accurately assess the communicativeness of a text. The certificate guarantees that the insurance terms and conditions created in cooperation with Allegro are transparent and that the rules of equipment protection are understood by everyone.



ESG

Responsible management

ESRS G1-1, 7 [GRI 2: 2 -23; GRI 205: 3-3]

Aware of our responsibility to our surroundings as a leading insurance market company in Poland, we strive for the highest standards in the operation of our organisation, constantly improving our corporate culture.

We are therefore guided by the highest ethical standards in our daily activities. The foundation of activities based on ethical standards is compliance with the law and the requirements arising from regulations and guidelines from supervisory institutions, because as a group operating in the insurance market, we are also obliged to respect and take into account recommendations issued by market supervisory authorities, including international institutions. In addition, in conducting our business, we implement and apply appropriate

internal guidelines, codes and procedures, integrating ethical, social, environmental and governance issues. The corporate culture thus developed and the standards, rules and values derived from it form the basis of our daily conduct.

In practice, this means that we build relationships with our internal and external stakeholders based on respect, cooperation in a spirit of open dialogue, understanding and support, as well as creating a good, friendly working environment framed by the internal regulations implemented.

As a result of our double materiality assessment, we identified key topics in the management area related to the business conduct.

A detailed description of the process of identifying and assessing significant impacts, risks and opportunities as part of the materiality assessment undertaken is provided in [Chapter 1. General information - Company operations and strategy](#). As part of this process, we analysed the Business' Conduct area of ESRS G1, identifying 3 topics of relevance: management of ESG issues, business ethics and strategic risk management, and associated 6 positive impacts.

The assumptions we have adopted for the 'TROSKA' sustainable development strategy, the policies and actions implemented revolve around the effective management of each of the identified topics.

Topics relevant to responsible management

ESRS	Relevant topic	Impact	Positive/ negative	Selected 2023 metrics and goals with their implementation	Policies and actions adopted
Business conduct (G1)	Management of ESG issues	Management of ESG issues		✓ Publication of Sustainable Development Report 'TROSKA'	✓ Sustainable development strategy 'TROSKA'
		Strategic partner for ESG transformation		✓ Maintenance of ISO14001 and EMAS environmental certification	✓ Environmental Policy ✓ Sustainable Development Report 'TROSKA'
	Business Ethics	Transparent whistleblowing system		✓ 99.5% - percentage of employees who have received training on the Code of Ethics	✓ Code of Ethics
		Prevention of corruption		✓ 92% - percentage of new suppliers who have familiarised themselves with the Code of Conduct for Suppliers and Subcontractors	✓ ERGO Hestia Agent Code of Ethics ✓ Code of Conduct for Suppliers and Contractors ✓ Anti-fraud system
	Strategic Risk Management	Business risk management		✓ Integration of climate risks into the risk management system	✓ Risk strategy
		Deploying funds with ESG criteria in mind		✓ Integrating climate risks into underwriting policy ✓ MSCI ESG rating analysis (BBB, among others) for exposure analysis in investment activities	✓ ORSA Policy ✓ Underwriting Policy ✓ Reports on solvency and financial condition

4.1. Management of ESG issues

Corporate culture

Values of the ERGO Hestia Group

Our business is defined by two axes that constitute goodwill. These are the 'The Power of Information' and the 'The Power of Community', the synergy of which builds market advantage. In this way, we link the analytical potential of the information resources and competences of the employees to their motivation and commitment. This link gives us balance and justifies our boldness in making out-of-the-box decisions while maintaining integrity in all business transactions.

Our guiding principles remain simplicity, responsiveness and modernity.

G1-1, 7 [GRI 2: 2 -23; GRI 205: 3-3]

Through the implementation of the sustainable development strategy 'TROSKA', we aim to grow our organisation, striking a balance between financial performance and progress in the implementation of sustainability.

When dealing with customers, we aim to build lasting relationships based on transparency, openness and mutual respect for each other's needs. Our sales activities are guided by accountability and the highest standards of service. We maintain clear and transparent communication allowing our customers to make optimal decisions tailored to their needs and expectations.

We also apply the Highest Standard of Protection, which is demonstrated by the high quality service provided at the customer needs identification and after-sales stages, as well as during the loss adjustment. With this approach, at every level of contact with the customer, we focus on a dialogue around their individual needs and expectations.

We are assisted by programmes and partnerships, among others:

Declaration of Responsible Selling



Since 2021, we have been a signatory to the Declaration of Responsible Selling, a project initiated by financial institutions and hosted by the Consumer Federation. It aims both to raise and disseminate ethical standards in customer relations and to educate the market environment, including consumers.

The project also has the effect of increasing confidence in the financial industry and countering unfair practices.

Signatories to the declaration commit to the highest standards in nine key areas, including product offering, complaint reporting, consumer safety for socially vulnerable groups and education of consumers and other market participants. Signatories undergo periodic audits to verify the implementation of their obligations under the document and the continued use of the project logo.

For more information visit: <https://odpowiedzialnaspredaz.pl>

Ethics Programme Standard



We are the first insurer in Poland to sign a declaration adopting the Ethics Programme Standard. This globally unique tool helps companies to implement ethical programmes in their organisations.

The Ethics Programme Standard is the first ever business self-regulation implemented under Pillar 2 of the UN Guiding Principles on Business and Human Rights. It sets the direction for companies and institutions, based on adherence to ethical and sustainable development principles, and identifies useful tools for their implementation and verification. Based on the requirements arising from the Standard, we have developed, among other things, our Code of Ethics, the Code of Conduct for Suppliers and Contractors and a system of training in the ethical area.

In Poland, the work on its development was coordinated by the UN Global Compact Network Poland on the basis of the activities of the Steering Committee of the Business and Human Rights Programme, to which we belong.

For more information visit: <https://standardetyki.org>

G1-1, 9 [GRI 2: 2-24]

We have built and intend to continue to develop our corporate culture to ensure the highest standards of our business, also ensuring optimal management of ESG issues. Our corporate culture is shaped by the following internal systems and regulations:

- ✓ Business strategy 'The Power of Information and the Power of Community';
- ✓ Munich Re Group 'Ambition 2025' strategy;
- ✓ Sustainable Development Strategy 'TROSKA' of the ERGO Hestia Group for 2022-2025;
- ✓ Environmental Management System and associated Environmental Policy;
- ✓ Risk Management System and associated Risk Management Policy;
- ✓ Diversity Policy;
- ✓ Code of conduct for Employees - also known within the organisation as the Code of Ethics;
- ✓ ERGO Hestia Agent Code of Ethics;
- ✓ Procedures, policies and rules for proper conduct;
- ✓ Responsible Investment Guideline;
- ✓ Underwriting guidelines;
- ✓ Guidelines for the implementation or modification of insurance products;
- ✓ Purchasing/tendering procedure;
- ✓ Extensive ESG, ethics, anti-fraud and anti-money laundering training in the form of e-learning;
- ✓ Anti-Money Laundering Policy;

- ✓ Cartel Policy, i.e. guidelines for proper conduct in complying with antitrust and competition laws;
- ✓ Gift Acceptance and Giving Policy;
- ✓ Compliance Programme, ensuring that the company's activities comply with all legal and market requirements;
- ✓ Guidelines on human rights requirements in the procurement process and human resources management.

In addition to the above-mentioned documents, we have implemented for use many other internal procedures that complement our corporate culture in specific areas.

The aforementioned policies, codes and other documents relating to ethics and responsible business conduct operate entirely internally as a result of the legislation and guidelines adopted within our Group and the Munich Re Group.

Hestians have constant access to responsible business and sustainability documents online within the EHNews intranet platform under the dedicated 'Sustainability' tab, but also directly with the Sustainability Office employees.





What areas are covered by our Code of Ethics?

Running a business

Cooperating with customers and partners

Financial management

Human resources management

Responsible and sustainable approach to business

Our values expressed in the Code of Ethics also include the Ten Principles of the UN Global Compact, based on the UN Universal Declaration of Human Rights and the Declaration of the International Labour Organisation.

The Sustainability Director is responsible for managing our ESG corporate culture and, as of January 2023 by internal resolution, the Sustainability Office in the division of the Member of the Management Board for Technology, Debt Collection, Group Standards. Following the adoption of the 'TROSKA' sustainable development strategy, the office directors responsible for each goal were also required to summarise the annual stage of their implementation.

For more information on how ESG issues are managed and the role of governance and supervisory bodies, see [Chapter 1. About the company and strategy](#) and in the individual chapters describing our management model in the environmental, social and governance areas.

Confirmation of the proper building of our ESG-compliant organisational culture is the 1st place in the overall ranking of the 18th edition of the ESG Ranking. **Responsible Management** (formerly: Ranking of Responsible Companies). New in this edition were the awards given to the leaders of individual ESG areas,

in which we won 2 titles, i.e. leader in area S (social) and in area G (corporate governance).

We were also awarded the title of ESG Leader at the 2023 Banking & Insurance Forum for our activities.

In addition, we plan to proceed with ESG ratings to make another objective assessment of our management of ESG issues.

In 2023, we received special accolades as we were among a small group of winners of the following awards:

- ✓ The Golden and Green CSR Leaf of Polityka - the publishing house has for 12 years honoured companies that follow the guidelines of the ISO 26000 standard, the new requirements of the European Sustainability Reporting Standards (CSRD/ESRS), as well as the latest ESG trends.
- ✓ Super Ethical Companies - a distinction awarded by Puls Biznesu. Each year, the publishing house honours companies that follow the Code of Ethics. Organisations that have received this award three times in a row are awarded the title of Super Ethical Company. We were also among them. The title of Ethical Company can only be earned by organisations that comply with the law and ethical standards, treat business partners with respect, apply the principles of fair competition, build internal trust and good relations ~~between employees, combat fraud and pathologies,~~ and engage with different stakeholder groups.



99.5%¹⁰

Percentage of employees who received training on the Code of Ethics (own employees as defined in the adopted policy) during the reporting period

Strategic partner for ESG transformation

Aware of our impact on the environment, we implement the idea of sustainability not only internally, but also promote it among our partners and stakeholders.

Internally, our corporate culture is promoted primarily through training and ethics initiatives, as well as internal communication.

We have had an online training formula in place since 2020, to which all employees have access. Irrespective of their position and duties, as part of their initial training, they are required to complete training on the principles covered in the Code of Ethics. In addition, extended level training is provided for employees who are directly related to a specific topic. The training courses are subject to a periodic content update, after which each employee is required to complete it again in what is known as renewal training. The last update took place in 2023. The e-learning training courses conclude with a test to verify knowledge of the principles under the Code of Ethics.

In addition, we provide regular training on the principles included in the Anti-Money Laundering Policy and the Cartel Policy, i.e. guidelines for proper conduct in complying with antitrust and competition laws.

For more information on training issues, see the [subsection on the prevention of corruption and bribery](#).

G1-1, 8

As a leading company in the insurance sector, providing cover to more than 3 million individual customers and several hundred thousand companies and businesses, and as part of the international concern ERGO Group, which is owned by one of the world's largest reinsurers, Munich Re, our business involves working with numerous partners. Therefore, in our business environment, we aim to build a culture of co-responsibility by developing sustainability awareness among our partners.

¹⁰ The rate includes people active on 31 December 2023. It does not include people on long-term sick leave.

We have implemented and apply a Code of Conduct for Suppliers and Contractors. It has been formulated according to the statements and principles that guide us in line with the ERGO Hestia Group's strategy. The Code sets out the basic principles of conduct, cooperation and business that we expect our current and future partners to follow. We work with suppliers and contractors who are proven in terms of quality, reliability and flexibility of operations. The obligation to comply with the Code is part of the contract one enters into with us, as well as a declaration of voluntary compliance with the requirements contained in this document. Its content also provides for a mechanism to verify compliance with the provisions of the Code.

In addition, we are involved in organisations that promote and implement sustainable development. We are one of the main partners of the Coalition of Ethics Advocates, Climate Positive as well as Business and Human Rights established at the initiative of the UN Global Compact and we are a strategic partner of the Responsible Business Forum. Furthermore, we participate in the 'Climate Leadership' organised by UNEP-GRID Warsaw.

Independent Supervisory Board Member, Janusz Reiter is the Member of the Chapter Zero Poland Council. The managing director of the sustainability area, together with the company's lawyers, are Members of the Steering Committee of the Business & Human Rights and Climate Positive Programme of the UN Global Compact Network Poland.

We also organise regular 'Closer to Hestia' meetings, i.e. service and product training for agents, during which our intermediaries can get to know our organisation in more detail, including our approach to responsible business conduct with respect to ESG principles.

For more information on membership of organisations and the participation of our representatives in ESG initiatives, see [Chapter 1. About the company and strategy](#).

A breach by a supplier or contractor of any of its contractual obligations entitles us to demand an explanation within 30 days from the date on which the breach is discovered.

In the event of non-cooperation and/or refusal to provide an explanation, we are entitled to:

- ✓ exclude the supplier and contractor concerned from pending tendering procedures;
- ✓ terminate the existing contract with immediate effect;
- ✓ exclude a supplier or contractor from subsequent tendering procedures for at least 3 years.

In addition, in the wording of the contract entered into with a supplier or contractor, we reserve the right to carry out inspections and audits (including those carried out by third parties acting on our behalf) as necessary to verify the supplier's or contractor's compliance with the Code.



The content of the Code of Conduct for Suppliers and Contractors is available [here](#).

G1-2, 12

New suppliers, i.e. suppliers with whom we have signed contracts in 2023.

	Unit	2023
Percentage of new suppliers checked against environmental criteria	Percentage	93
Percentage of new suppliers checked against social criteria	Percentage	93
Percentage of new suppliers who have read or been provided with the Code of Conduct for Suppliers and Contractors	Percentage	92

4.2. Business Ethics

Transparent whistleblowing system

G1-1, 10(a,c,e,g,h), 11, 18(a-c), 20, 21(a,c), 25(a,d) [GRI 2: 2-26]

According to the wording of the Law, which will enter into force on 25 September 2024, transposing Directive (EU) 2019/1937 of the European Parliament and the Council, we are subject to legal requirements for the protection of whistleblowers. We are therefore waiting for the Law in question to be enacted to review the solutions currently in place in the organisation and possibly adapt them to the required protection regime to be in line with national legislation. Separately, under the provisions of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Law, we are also subject to whistleblower protection requirements for reporting AML/CFT violations. We therefore have procedures in place to prevent allegations or incidents of corruption and bribery - preventing these incidents is part of our Code of Ethics.

We are also committed to the principles involved in the Munich Re Group Code of Conduct, which sets out guidelines for responsible action. According to the aforementioned regulations, employees must, among other things, avoid situations leading to a conflict between personal and group interests, and unavoidable cases of conflict of interest must be disclosed to their immediate supervisors or to the relevant supervising Member of the Management Board - in case of doubt, the matter should be referred to the Compliance Officer for assessment. The investigating authorities are independent. In addition, all business decisions should only be made for objective and verifiable reasons - employees do not accept or offer any money or equivalents, and any acceptance or offer of other gifts should be

preceded by the employee's familiarisation with the guidelines applicable in this respect, as set out in the aforementioned acts, which regulate, among other things, the handling of any business gifts.

Mechanisms for identifying, reporting and investigating concerns and potential violations related to unlawful conduct, conduct contrary to the Code of Ethics and other internal regulations have been in place and in use since 2008. The primary mechanisms are whistleblowing and the investigation of reports - through general whistleblowing systems such as:

- ✓ telephone reporting;
- ✓ reporting form available on the following [website](#);
- ✓ email to whistleblowing@ergohestia.pl;
- ✓ a letter addressed to the Compliance Officer, at ul. Hestii 1, 81-731 Sopot;
- ✓ in person to the Compliance Officer.

The mechanism allows employees to communicate anonymously or openly about suspected, observed or experienced non-compliance, including corruption. In addition, other stakeholders - employees in the value chain, customers or suppliers - also have a compliance whistleblowing mechanism in place to ensure that allegations are reported securely, anonymously and confidentially.

If a report is received, the Compliance Officer immediately follows up, i.e. analyses the report to verify the information on the breach and decides whether to initiate an investigation on the matter. The whole process is fully objective and independent.

In addition to the Compliance Officer, the second unit functioning to manage the occurrence of negative consequences of a breach of the rules arising from the ethics and Anti-Fraud Management System is the Anti-Fraud Officer. Its core competences include ensuring protection against internal and external abuse within the group. The tasks of the Anti-Fraud Officer are carried out by the Officer personally or by his/her team.

The system provides full protection of the whistleblower's personal data and anonymity for whistleblowers who wish to remain anonymous, as well as full protection against repressive actions, discrimination or other types of unfair treatment towards the employee who reported the violation (e.g. termination of employment contract or other form of cooperation, unfavourable change of working and pay conditions, omission in the allocation of financial and personal benefits).

To best understand how the mechanism works, Hestians are included in mandatory periodic whistleblowing and breach training. The first training in this area takes place upon employment and is renewed at an interval of two years, while for substantive updates, employees are required to renew it before the end of the aforementioned period.

G1-3

Prevention of corruption and bribery

The phenomenon of corruption poses a serious threat to economic growth, distorts market mechanisms, reduces public trust in financial institutions and fosters human rights violations, which is why it is so important to put in place measures to prevent corruption within an organisation.

We have a zero-tolerance approach to all cases of corruption and other fraud.

G1-3, 16, 18a, [GRI 2: 2-26; GRI 205: 3-3]

A coherent, clear and structured system of ethical conduct arising from our corporate culture, as described above in ESRS G1-1, and established in the form of policies, procedures and mechanisms, is an essential tool for preventing allegations or incidents of corruption or bribery.

It also consists of a training process covering anti-corruption issues. The basic training in this sphere is the training called 'Anti-Fraud System'. Due to the specific activity that is insurance business, this training is mandatory for all employees (regardless of area) and is subject to updates.

In between updates, training is mandatory for new employees who join our organisation.

G1-3, 21a

All employees also receive training on the anti-corruption principles included in the Code of Ethics.

In addition, training on AML and Cartel Policy, i.e. guidelines on proper conduct in the framework of compliance with antitrust and competition laws presenting anti-corruption issues comprehensively, at an expanded level, is provided to employees who are directly exposed to such risks.

General level training forms part of onboarding training and is repeated every two years as part of what is known as renewal training.

From 2020 onwards, training has been conducted in an online format on our e-learning platform.

G1-3, 21c [GRI 205: 205-2]

Management Board Members are also included in a training programme to familiarise them with anti-corruption rules.

Individual terms such as corruption, bribery, conflict of interest or facilitation payments and payments to 'speed things up' were defined in the training process by indicating which activities our employee should not engage in. The issues of both giving and accepting business gifts as well as giving gifts to officials, hiring relatives of employees, bribery and corruption behaviour and when there is a conflict between private and professional interests are described. Moreover, when in doubt about the definition, it is reasonable to refer to generally applicable legislation.

Anti-corruption issues are also included in the Code of Conduct for Suppliers and Contractors, which means that our anti-corruption approach also extends to our partners. Under its provisions, our partners are obliged to comply with the law, applicable standards and all regulations and guidelines on anti-corruption activities.

Suppliers and contractors declare against all forms of fraud, corruption and bribery in their day-to-day business practice and operations and commit to conducting their business ethically and in accordance with the law and principles of good conduct. The obligation to comply with the Code is part of the contract concluded with us and a breach of its provisions may result, among other things, in the termination of the cooperation with the breaching party.

Our Anti-Corruption and Anti-Bribery Policies are based on national and Community legislation and comply with the United Nations Convention against Corruption.

Our target from the sustainable development strategy is to achieve a rate of >90% of key suppliers and contractors who have read and signed the Code.

G1-3, 18a [GRI 205: 3-3]

A description of the procedures in place to detect and respond to incidents of corruption and bribery is described in ESRS G1-1 in the paragraph entitled 'Mechanisms for reporting concerns and violations and protecting whistleblowers'.

G1-3, 20 [GRI 205: 205-2]

Our policies and procedures related to anti-corruption practices, in addition to training, are communicated to the units concerned periodically as part of ad hoc information campaigns.

G1-1, 10h, 21b

Functions most at risk from corruption and bribery

The Group assesses that the employees most at risk of corruption and bribery are those with functions or responsibilities in the following areas:

- ✓ underwriting,
- ✓ corporate insurance area,
- ✓ marketing,
- ✓ administration,
- ✓ group insurance area,
- ✓ sales department.

The above groups are most vulnerable to corrupt activities because of their direct contact with customers and business relationships based on high-volume contracts.

G1-4, 25a

In 2023, there were no reported incidents of corruption or bribery and no public law proceedings for corruption or bribery brought against the company or its own employees, and therefore no further action was taken in this regard either.

G1-4, 25d

There have also been no public law proceedings relating to corruption or bribery brought against us or our employees.

G1-3, AR7 [GRI 205: 205-2]

The optional training dedicated to Hestians is not differentiated by area of activity and is driven by their chosen development path and assigned competences.

Data for 2023 on anti-corruption and bribery training for members of the administrative, management and supervisory bodies and other own employees is not available.

The performance evaluation of the effectiveness of the Ethics Management and Anti-Fraud System implemented in our company is

Anti-corruption and anti-bribery training

	Persons holding positions at risk	Managers
Scope of training: Anti-Fraud System e-learning training		
Total number	2,440	298
Total number of people trained	2,418	292
Rate	99.1%	98.0%
Delivery method and duration: e-learning followed by a knowledge test (approx. 30 minutes)		
On-site training	Yes	–
Computer-based training	Yes	Yes
Optional computer-based training	–	–
Frequency:		
How often training should be provided (as per policy)	Carried out by all employees after a substantive update, at least every 2 years.	Carried out by all employees after a substantive update, at least every 2 years.
Topics covered		
Definition of corruption	Yes	Yes
Policy	Yes	Yes
Procedures relating to suspicion/detection of abuse	Yes	Yes

primarily carried out by a separate organisational unit responsible for the compliance function, located autonomously in the Management Office, and a Compliance Officer appointed to oversee this body. Employees performing tasks in the area of compliance carry them out autonomously and fully independently. They have unrestricted right of access to information on the most relevant tasks, while part of the compliance or compliance risk management tasks are delegated to the business and operational units.

In accordance with current needs, but at least once a year, the Compliance Function shall review the established compliance policies and plans. This review covers all areas of our business.

The review results in periodic reports submitted to the Management Board or *ad hoc* reports prepared on the function's activities, including information on the compliance violations identified and the corrective actions taken by management.

An assessment system structured in this way allows us to effectively prevent, detect and respond in the event of non-compliance and fraudulent activities in line with our principle - zero tolerance for any violations of the Code of Ethics and other abuses, including financial ones, thus ensuring the optimal development of our corporate culture.

Data on non-compliance with ERGO Hestia Group policies

	Unit	2023
Total number of convictions for violations of anti-corruption and anti-bribery legislation	Total number	0
Amounts of fines for violations of anti-corruption and anti-bribery legislation	Amount	0
Total number and nature of confirmed incidents of corruption or bribery	Total number	0
Number of confirmed incidents where unit employees were dismissed or punished in connection with corruption or bribery incidents	Total number	0
Number of confirmed incidents involving contracts with business partners that were terminated or not renewed due to breaches related to corruption or bribery	Total number	0
Total number of cases of discrimination, including harassment, reported during the reporting period	Total number	0
Number of complaints made through the entity's own employees troubleshooting channels (including complaint mechanisms) and, where applicable, to the national contact points for the OECD Guidelines for Multinational Enterprises on the issues identified in section 2 of this Standard, excluding complaints already reported as described in the sections above.	Total number	0
The total amount of fines, penalties and compensation for loss resulting from the incidents and complaints disclosed above, and a reconciliation of such monetary amounts disclosed with the most material amount presented in the financial statements	Amount	0
Number of serious incidents regarding respect for the human rights of an individual's workforce during the reporting period, including an indication of how many represent instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.	Total number	0
The total amount of fines, penalties and compensation for loss resulting from the incidents described in the paragraph above, together with a reconciliation of the monetary amounts disclosed with the most significant amount presented in the financial statements	Amount	0

4.3. Strategic risk management

Business risk management

Our organisation has a Risk Management System in place that is integrated into the organisational structures and decision-making processes, taking into account those in key functions.

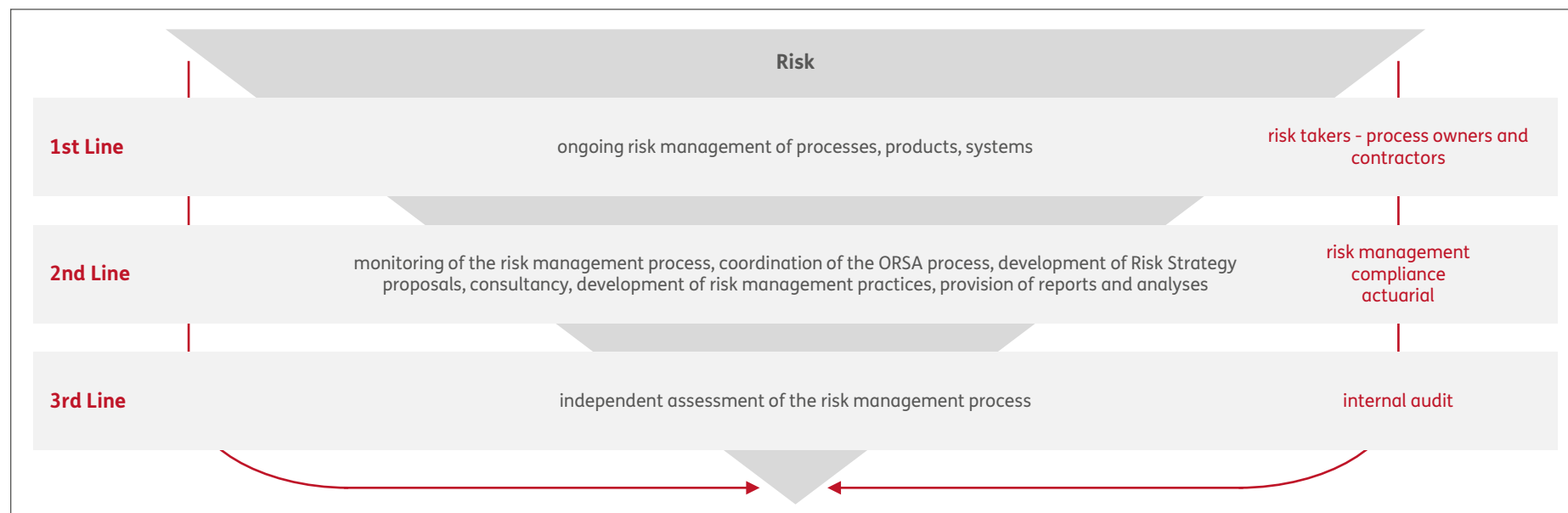
Each company is responsible for implementing processes to identify, assess, control and monitor the risks to which we may be exposed at an individual and aggregate level.

A Risk Management System has been implemented and is applied according to the three lines concept.

This model of system operation has allowed the companies to establish an organisational framework that sets out a clear division between risky business decision-making and independent control of these risks.

The risk management function, implemented by the Risk Office within the division of the Member of the Management Board for Finance and Organisation, is responsible for ensuring the effective operation and monitoring of the system (together with the company's risk profile). The risk profile of companies is a combination of categories of identified risks, resulting from the specific nature of their business.

The person directly responsible for overseeing the risk management function is the Director of the Risk Office. Director's responsibilities include overseeing the company's risk management tasks, including but not limited to overseeing the company's overall risk situation and the early identification of significant risk factors.



The Risk Office also handles tasks related to the implementation and maintenance of the internal model, solvency monitoring, as well as the development of risk strategies, including limits and triggers the coordination of the ORSA process, including the development of the ORSA Report, as well as advising the Management Board on risk management matters.

It is the responsibility of the Director of the Internal Audit Office within the internal audit function to independently assess the risk management, internal control and organisational governance processes, together with contributing to improvements in their performance and supporting the organisation in achieving its objectives by ensuring the effectiveness of the aforementioned processes.

Within companies, we can set up committees to support the management of specific areas of its business. Their work is directed by Management Board Members or designated persons who report the work directly to the Supervising Board Member.



Piotr Maślanka. Photographer

We use a risk catalogue with eight categories:

- ❗ actuarial (insurance) risk
- ❗ market risk
- ❗ credit risk
- ❗ operational risk
- ❗ liquidity risk
- ❗ strategic risks
- ❗ reputational risk
- ❗ emerging risk

One of the tools of the own risk and solvency assessment process is the ORSA Report (Own Risk and Solvency Assessment), which summarises the annual activities within the ORSA process and the results and lessons learned, which are taken into account when making strategic decisions.

The purpose of the ORSA process is to ensure that we engage in a process to assess all the risks to which we may be exposed and that this process determines the corresponding capital needs. The ORSA report is prepared annually in the second half of the year and is adopted by the Management Board. In addition, it is drawn up in the event of extraordinary circumstances resulting in significant changes to the risk profile or capital position. The person who decides on the preparation of the additional ORSA Report is the supervisor of the risk management function, i.e. the Director of the Risk Office.

Detailed information on the identification, assessment, measurement, control, monitoring and reporting of risks is included in the solvency and financial condition reports for STU ERGO Hestia S.A. and for STU na Życie ERGO Hestia S.A.



Deploying funds with ESG criteria in mind

We are required to invest funds in accordance with the prudent investor rule as set out in Article 276 of the Insurance and Reinsurance Law of 11 September 2015. The insurance and reinsurance undertaking shall only invest funds in assets and financial instruments whose risks they can properly identify, measure, monitor and manage.

Munich RE Group, which is a member of the Net Zero Asset Owner Alliance, has committed to reducing CO₂ emissions in the group's investment portfolio (shares, corporates and real estate) by 25% by 2023 and up to 29% by 2025 to consistently move towards zero-carbon by 2050. Our aim is to increase the proportion of sustainable investments in the asset portfolio. We comply with the Responsible Investment Guidelines, which set out investment principles, limits and environmental, social or economic factors that should be taken into account during the investment process, including limiting investment in shares or bonds of companies that generate a certain percentage of revenue from mining or thermal coal production.

The presentation of information on sustainability-related disclosures in the financial services sector concerns Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia S.A. We focused mainly on indices applicable to investments in government bonds or bonds guaranteed by the State Treasury, as these investments account for almost 90% of STUnŻ ERGO Hestia's own deposit portfolio.

However, the possibilities to verify and control the use of invested funds are limited. We take ESG ratings into account, but not every company, all the more a country (investments in government bonds), is assessed by ESG ratings. Some analyses are made *post factum*. When investing through investment funds, we also have little influence over the exact composition of the package of companies the fund offers.

Investments within the financial products offered to our customers by STU na Życie ERGO Hestia S.A.

In making investment decisions, we consider all relevant risks including, where possible, with particular reference to the availability of information published by financial market participants, risks to sustainability.

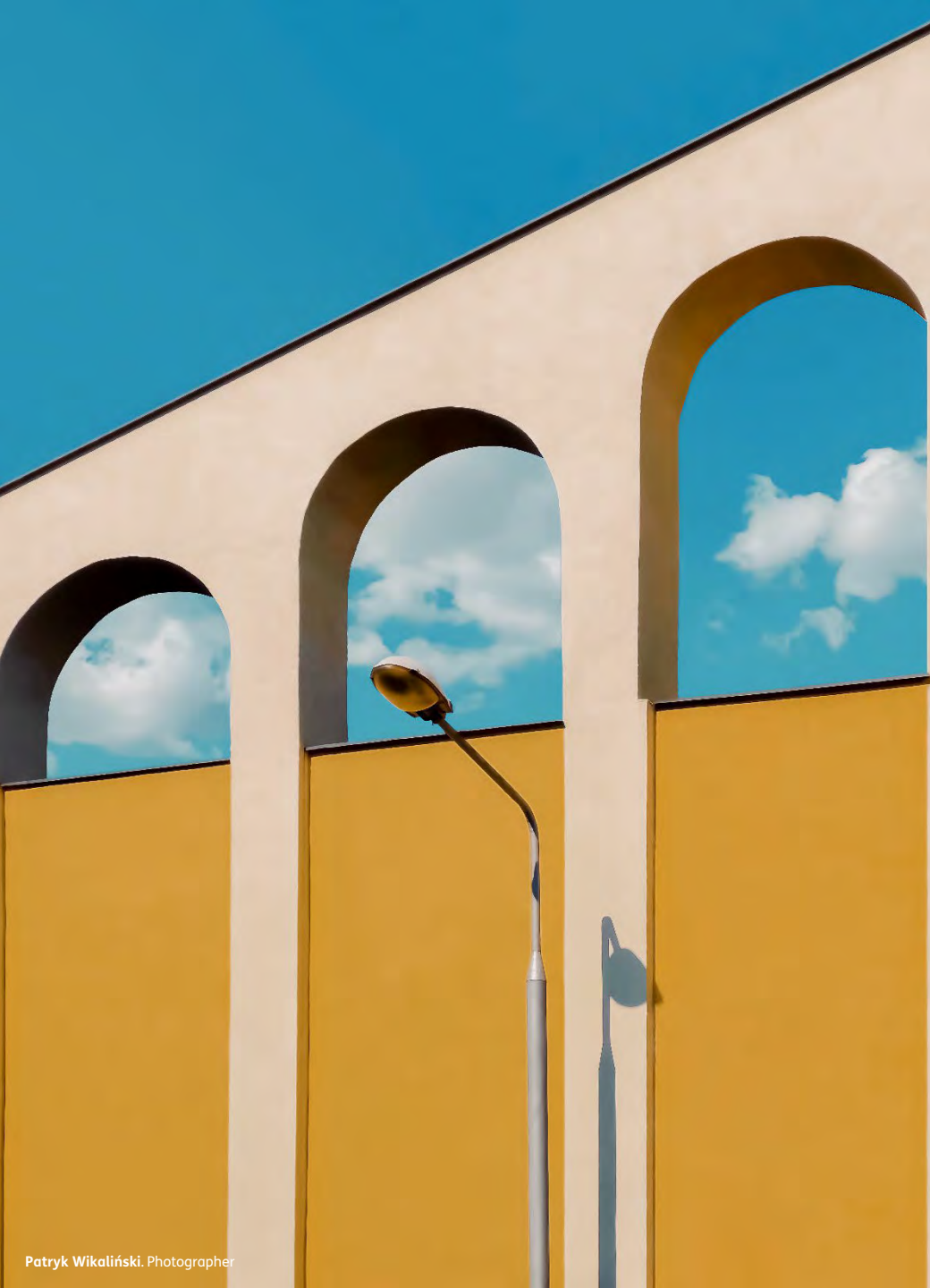
Investment decisions can have a significant or likely significant impact on, contribute to or be directly linked to sustainability factors (negative sustainability impact cases). Key impact cases are the effects of investment decisions that have a negative impact on sustainability factors. These factors include environmental, social responsibility and corporate governance issues, the so-called ESG criteria.

Sustainability indicators for the investment portfolio are collected and processed by the Asset Manager, based on data from external providers. However, the data currently available on the market is incomplete, as not all companies worldwide are actually ready to publish the relevant information.

For more information on sustainable investment, please refer to the 'Statement on major adverse impacts on sustainability factors relating to the period from 1 January to 31 December 2023' available [here](#).



Aleksander Małachowski. Photographer



About the report

5.1. Approach to reporting

ESRS 2, 5a

The report was prepared by the sustainable development office and covers the following companies: Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. and Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia S.A.

The companies were not subject to a direct reporting obligation however, since 2016 we have published non-financial data covering both companies together with their subsidiaries in sustainable development reports.

The non-financial data presented in this report relate to the ERGO Hestia Group, which consists of two insurance companies: Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. and Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia S.A.

Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. has 6 subsidiaries: Centrum Pomocy Osobom Poszkodowanym Sp. z o.o., Hestia Loss Control Sp. z o.o., Sopockie Towarzystwo Doradcze Sp. z o.o., Marina Sp. z o.o., Hestia Artistic Journey Foundation and the Integralia Foundation. The non-financial data in this report does not include data from these entities with the exception of the % of people in the organisation with a declared disability and the historical data indicated.

ESRS 2, 5b (i – ii)

As Towarzystwo Ubezpieczeń ERGO Hestia S.A., we are not required to prepare consolidated sustainable development reporting in accordance with Article 19a(9) or Article 29a(8) of the Directive 2013/34/EU.

ESRS 2, 6

The report presents data and information covering the period from 1 January to 31 December 2023, unless otherwise stated in the descriptions of the information presented. The reporting process is carried out on an annual basis. The subject scope of this report is broadly analogous to the subject scope covered by the financial reporting of the two companies.

ESRS 2, 13 a -c

The previous report for 2022 was published on 1 August 2023. The relevant information presented in this report has comparative data (data for the previous reporting period) unless otherwise stated. Any differences in terms of comparative data are not significant apart from those relating to carbon footprint calculations (for more information see [subsection 2.4. Emissions](#)) and are primarily due to a change in the reporting standard.

ESRS 2, 14a – 14c

No material reporting errors were identified in previous periods.

ESRS 2, 16 -17

Where we have chosen to incorporate information by reference in this report, this is in accordance with ESRS 1 Section 9.1 Incorporation by reference and in each case indicates precisely where the required information is included. We have chosen to use most of the transitional provisions listed in Appendix C of ESRS 1 and therefore do not provide disclosures e.g. on anticipated financial impacts.

ESRS 2, 3, 15

The report has been developed with reference to the Global Reporting Initiative standard (GRI Standards) and the latest European Sustainability Reporting Standards (ESRS) with elements of the TCFD (Recommendations of the TaskForce on Climate-related Financial Disclosures) (2017). Disclosures in the report are provided based on ESRS and GRI requirements. The information presented, which is derived from the double materiality assessment together with the management of these areas and the metrics used, includes key stakeholder information.

ESRS 2, 5d

We have not exercised the option to omit specific information on intellectual property, know-how or innovation results (in accordance with ESRS 1 Section 7.7 Classified and sensitive information and information on intellectual property, know-how or results of innovation).

ESRS 2, 5e

The scope of disclosure does not apply.

ESRS 2, 9 (a-b)

As a general rule, we carried out the analysis and presented the results considering the short-, medium- or long-term time horizons defined in ESRS 1 Section 6.4 Definition of the terms short-, medium- and long-term for reporting purposes.

ESRS 2, 10, 10a-10d, 11

The details of the presented scope of data in the value chain, its sources and impact, are clearly defined with the individual disclosure requirements. Metrics, when required, are based on internally collected data. In calculating the ratios, the Group has indicated each time when assumptions and judgements were relied upon.

5.2. Disclosure indexes included in the report

ESRS disclosure index and GRI references

Number and title of the Standard	ESRS number	Name of disclosure	GRI reference	Location
General information				
ESRS 2	BP-1	General basis for making sustainable development statements		30.115
	BP-2	Disclosure in relation to special circumstances		26, 39, 40, 42, 115
	GOV-1	Roles and responsibilities of the Management Board and Supervisory Board	GRI 2: 2-9; 2-12; 2-13; 2-17; 405: 405-1	16, 22, 23, 25
	GOV-2	Information provided to the entity's administrative, management and supervisory bodies and the sustainability issues they undertake	GRI 2: 2-12; 2-13; 2-16; 2-24	23
	GOV-3	Including sustainability-related outcomes in incentive schemes	GRI 2: 2-20; 2-19	25
	GOV-4	Due diligence statement		25
	GOV-5	Risk management and internal inspections over sustainable development reporting	GRI 2: 2-14	25
	SBM-1	Strategy, business model and value chain	GRI 2: 2-6; 2-7; 3: 3-3	9, 12, 14, 15, 20, 30
	SBM-2	Stakeholder interests and opinions		32
	SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model		26
	IRO-1	Description of processes to identify and assess significant impacts, significant risks and significant opportunities	GRI 3: 3-1	26, 40
	IRO-2	ESRS disclosure requirements covered by the entity's sustainable development statement		99
ESRS E1	E1-1	Transformation plan for climate change mitigation		45, 46, 53
	E1-2	Policies related to climate change mitigation and adaptation		45,
	E1-3	Action and resources in relation to climate policy		46, 51, 53
	E1-4	Goals related to climate change mitigation and adaptation	GRI 305: 3-3; 305-1; 305-2; 305-3; 305-5; 302: 3-3	46, 51, 53, 56
	E1-5	Energy consumption and energy mix	GRI 302: 302-1	56

Number and title of the Standard	ESRS number	Name of disclosure	GRI reference	Location
ESRS E1	E1-6	Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions	GRI 305: 305-1; 305-2; 305-3; 305-4	51, 53, 56
	E1-7	Greenhouse gas removal and mitigation projects financed through carbon credits	GRI 305: 3-3	64
	E1-8	Internal setting of greenhouse gas emission charges		64
	E1-9	Anticipated financial impacts from significant physical and transition risks and potential climate-related opportunities		64
	E1.SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model		48
	E1.IRO-1	Description of processes for identifying and assessing climate-related significant impacts, risks and opportunities		48
ESRS S1	SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model		76, 81, 84
	S1-1	Policies related to own workforce	GRI 2: 2-21; 2-25, 2-29; 402: 3-3; 403: 3-3; 404: 3-3; 405: 3-3; 406: 3-3; 407: 3-3; 408: 3-3; 408-1; 409: 3-3; 409-1	67, 76, 78, 80, 86
	S1-2	Procedures for working with own employees and their representatives on impact issues	GRI 3: 3-3; 401: 3-3; 402: 3-3; 403: 3-3; 404: 3-3; 405: 3-3; 406: 3-3; 407: 3-3; 408: 3-3; 409: 3-3	81, 86, 88
	S1-3	Processes for levelling negative impacts and channels for reporting problems by own employees	GRI 2: 2-25; 403: 403-2	89
	S1-4	Taking action on significant impacts on its own employees and applying approaches to manage significant risks and opportunities related to its own employees and the effectiveness of these actions	GRI 403: 403-9; 403-10	74, 79, 88
	S1-5	Goals for managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities	GRI 401: 3-3; 406: 3-3; 2: 2-21; 2-25, 2-29; 402: 3-3; 403: 3-3; 404: 3-3; 405: 3-3; 406: 3-3 407: 3-3; 408: 3-3; 408-1; 409: 3-3; 409-1	67, 81
	S1-6	Characteristics of the unit employees	GRI 2: 2-7; 405: 405-1; 401: 401-1	71, 72
	S1-7	Characteristics of non-employees who are the entity's own employees		73

Number and title of the Standard	ESRS number	Name of disclosure	GRI reference	Location
ESRS S1	S1-8	Scope of collective bargaining and social dialogue	GRI 2: 2-7	72
	S1-9	Diversity indicators	GRI 405: 405-1	77, 80
	S1-10	Adequate remuneration	GRI 202: 202-1	73.
	S1-11	Social protection	GRI 401: 401-2	76
	S1-12	Persons with disabilities	GRI 405: 405-1	79
	S1-13	Training and skills development indicators	GRI 404: 404-1; 404-3	82
	S1-14	Occupational health and safety indicators	GRI 403: 403-8, 403-9, 403-10	75, 76
	S1-15	Work-life balance indicators		74
	S1-16	Remuneration indicators (pay gap and total remuneration)	GRI 2: 2-21	73
	S1-17	Incidents, complaints and serious human rights impacts	GRI 406: 406-1; 2: 2-27	73, 89
ESRS S2	SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model	GRI 2: 2-29	89, 92, 93
	S2-1	Policies related to people working in the value chain	GRI 401: 3-3; 402: 3-3; 403: 3-3; 404: 3-3; 405: 3-3; 406: 3-3; 407: 3-3; 408: 3-3; 409: 3-3; 2: 2-23; 2-25, 2-29	89, 90, 92, 93
	S2-2	Cooperation processes with those doing work in the value chain in terms of impacts	GRI 3: 3-3; 401: 3-3; 402: 3-3; 403: 3-3; 404: 3-3; 405: 3-3; 406: 3-3; 407: 3-3; 408: 3-3; 409: 3-3; 2: 2-29	89, 90, 91
	S2-3	Processes for levelling negative impacts and channels for reporting problems by value chain employees	GRI 2: 2-25; 2-26	90, 91
	S2-4	Addressing significant impacts on value chain employees and applying approaches to manage significant risks and opportunities related to value chain employees and the effectiveness of these actions	GRI 2: 2-23	91, 92, 93
	S2-5	Goals for managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities		89, 91

Number and title of the Standard	ESRS number	Name of disclosure	GRI reference	Location
ESRS S4	SBM-3	Significant impacts, risks and opportunities and their interrelationship with the strategy and the business model		12, 94
	S4-1	Policies related to consumers and end-users	GRI 2: 2-23	94, 96, 97, 99
	S4-2	Cooperation interaction processes with consumers and end-users	GRI 2: 2-29	96, 100
	S4-3	Remediation processes for negative impacts and channels for consumers and end-users to report problems	GRI 418: 418-1; 2: 2-25	100
	S4-4	Taking action on significant impacts on consumers and end-users and applying approaches to manage significant risks and opportunities related to consumers and end-users, and the effectiveness of these actions	GRI 416: 3-3; 418: 3-3; 2: 2-25	12, 95, 96, 97, 99, 100
	S4-5	Goals for managing significant negative impacts, enhancing positive impacts and managing significant risks and opportunities	GRI 417: 3-3; 418: 3-3; 3: 3-3; 406: 3-3; 416: 3-3	94
ESRS G1	G1-1	Business policies and corporate culture	GRI 2: 2-23; 205: 3-3; 2: 2-24; 2: 2-26	102, 103, 104, 105, 107, 109
	G1-2	Supplier relationship management		106
	G1-3	Prevention and detection of corruption and bribery	GRI 2: 2-26; 205: 3-3; 205: 205-2	108, 109
	G1-4	Confirmed cases involving corruption or bribery	GRI 205: 205-3	109

Index of disclosures in line with TCFD recommendations

Corporate governance	Management Board's oversight of climate-related risks and opportunities.	ESRS 2, GOV-1, 23a, 23b
	The role of management in assessing and managing climate-related risks and opportunities.	ESRS 2, GOV-2, 26a, 26b, 23a, b
Strategy	Climate-related risks and opportunities that the organisation has identified in the short-, medium- and long-term.	E1.IRO-1: 20a, AR9, 20b, AR11(a-d), 21, 20c, AR12(a-d), 21, AR15 (podrozdziały: Climate Risks, Physical Risks and Transition Risks)
	The impact of climate-related risks and opportunities on the organisation's operations, strategy and financial planning.	E1.IRO-1: 20a, AR9, 20b, AR11(a-d), 21, 20c, AR12(a-d), 21, AR15
	Resilience to various climate-related scenarios, including a 2°C or lower scenario.	E1-4 32, 34b, AR 25b, 34e 16a, 34f 16b, AR 30c, E1-6 47
Risk management	The organisation's processes for identifying and assessing climate-related risks.	E1.IRO-1: 20a, AR9, 20b, AR11(a-d), 21, 20c, AR12(a-d), 21, AR15 (subsections: Own risk and solvency assessment, Risk mitigation techniques)
	The organisation's processes that relate to climate risk management.	E1-4 33, 33, 34c, AR25a, 34e, 16a
	A description of how the processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management of the organisation.	E1-4 33, 33, 34c, AR25a, 34e, 16a
Metrics and goals	Disclosure of indicators used by the organisation to assess climate-related risks and opportunities in line with the risk management strategy and process.	E1-1 16b; E1-4 34f; E1-3 AR19d; E1-5 37, 37a, 37b, AR 34, 37c, 37ci, 37cii, 37ciii, AR 34, (AR 71)
	Disclosure of the extent of greenhouse gas emissions and the associated risks.	E1-5 37, 37a, 37b, AR 34, 37c, 37ci, 37cii, 37ciii, AR 34, (AR 71); E1-4, 34a+34b
	Goals used by the organisation to manage climate-related risks and opportunities and performance against goals.	E1-2 24, 25; E1-1 16j, E1-3 29b, E1-4 32, E1-7, 58a, AR 60

ESRS 2; 17

Appendix 1 Table showing significant topics resulting from the double materiality assessment:

ESRS			Impact	Evaluation of impacts				
Area	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	Relevant topic
Environmental	Climate change (ESRS E1)	Adaptation to climate change	Adaptation to climate change	Positive potential	4.67	Risk	4.00	 Adaptation to climate change
		Description of the impact Climate risk analysis identifies threats and opportunities that may affect the company's future goals. From the perspective of regulators, banks, insurers and investors, climate risks - both physical and transition - are becoming increasingly important in assessing the value and current condition of companies, business continuity and their growth prospects. The analysis of climate risks is becoming a mandatory element of reporting through the EU Taxonomy or European Securities and Markets Authority (ESMA) guidelines. Risk analysis allows better preparation for adaptation measures that support operation under climate change conditions, such as optimising water and energy consumption or using green infrastructure for rainwater management. In the ERGO Hestia Group, climate risk is identified as part of the Risk Management System. The Group identifies environmental risks, including climate risks, these are classified according to TCFD requirements into physical risks and transition risks. Climate risks are also considered in investment decision-making processes - where possible, the ERGO Hestia Group complies with internal and group investment regulations that indicate, the aim to reduce CO₂ emissions from the investment portfolio. In the life insurance company, 90 per cent of the portfolio is made up of government bonds (mainly Poland, also other EU countries), with more diversification planned for the future. The ERGO Hestia Group also invests in corporate bonds, checks ESG ratings of companies when available. It takes company emissions into account, but this data is hard to access and not always verifiable. Investments are also analysed <i>post factum</i>. ERGO Hestia has products on offer to support the transition to a low-carbon economy, such as the 'Low Carbon Economy Clause' and the 'Bike Forever'. In addition, it is introducing operational solutions that result in a reduced environmental footprint of the services, such as video inspections. In 2020, Sopockie Towarzystwo Ubezpieczeń ERGO Hestia S.A. was certified in accordance with ISO 14001 and EMAS, which are the leading standards for environmental management. In 2023, the certificates were once again confirmed by an independent verifier.						

ESRS			Impact	Evaluation of impacts				
Area	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	Relevant topic
Environmental	Climate change (E1)	Adaptation to climate change	Development of a sustainable offer	Positive potential	3.50	Opportunities	3.00	 Adaptation to climate change
		Description of the impact The primary role of insurance companies for natural persons and companies is to protect against risk. Without insurance, many projects and investments will not receive funding. The ERGO Hestia Group develops insurance products considering environmental, social and/or economic impacts. With the photovoltaic installation insurance offer, the insured can benefit from the payment of compensation in the event of property damage due to a breakdown or extreme weather conditions that caused power outages. Individuals using insurance for their properties can also insure their photovoltaic installations. The 'Bike Forever' programme contributes to educating the public by promoting a healthy lifestyle and helps to reduce pollution caused by traffic. 'Internet of Things' (IoT systems) are innovative risk monitoring solutions for businesses that allow for prevention and increased business continuity of systems. Consequently, they can prevent failure and negative environmental effects.						
		Climate change mitigation	Emissions	Negative actual	4.38	Risk	2.80	GHG emissions
		Description of the impact Human activity, mainly through greenhouse gas emissions, has unequivocally caused global warming, with the Earth's global surface temperature increasing between 2011 - 2020 by 1.1°C compared to 1850 - 1900 (IPCC). As part of the Paris Agreement established in 2015, which aims to limit the increase in global warming, the European Union declared climate neutrality by 2050. One of the means to achieve this goal is to reduce greenhouse gas emissions from business. ERGO Hestia Group's Scope 1 and 2 emissions are due to the use of the vehicle fleet and the use of electrical energy and heat in the offices. Scope 3 emissions are counted for selected categories and currently exclude investments, among others. The company is preparing to calculate emissions from the investment portfolio as well. Membership of the Net Zero Asset Owner Alliance underlines the commitment of Munich Re to reduce greenhouse gas emissions from its investment activities. In terms of Munich Re investment decisions, the aim is for them to be low or zero carbon. As part of the investment decision, investments in shares or bonds of companies that generate more than 30% of their revenue from coal mining or coal-fired power generation or generate more than 30% of their revenue from coal mining or processing of coal into electricity are not allowed. The company complies with internal and group investment regulations, which indicate, the aim to reduce CO ₂ emissions from its investment portfolio. In the life insurance company, 90 per cent of the portfolio is made up of government bonds (mainly Poland, also other EU countries), with more diversification planned for the future. The Company invests in corporate bonds, checks ESG ratings of companies when available. ERGO Hestia also takes company emissions into account, but this data is hard to access and not always verifiable. Investments are also analysed <i>post factum</i> .						

	ESRS		Impact	Evaluation of impacts					
Area	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	Relevant topic	
Social	Own employees (ESRS S1)	Employment security	Employment stability	Positive actual	5.00	Risks and opportunities	4.00	 Working conditions of own employees	
		Description of the impact Although unemployment rate in Poland remains relatively low (at 5.1% at the end of December 2023), the barometer of consumer sentiment remains negative. This is mainly due to the level of inflation, with as many as 82% of respondents expecting prices to rise in the coming months. In this context, the guarantee of employment and trust in the employer becomes extremely important. ERGO Hestia employs 88.68% of its employees on indefinite period contracts, 98% of whom are full-time. Satisfaction with employment is expressed by up to 84% of employees, and the company has been certified as a Great Place to Work since 2021. The Group has also implemented a system of employee benefits aimed at both maintaining the attractiveness of the workplace in the eyes of employees and enhancing the working comfort itself. These include canteen subsidies, the MyBenefit system, Enel-Med care, employee health support programmes such as the 'How are you' campaign, access to preventive examinations, preparatory training for the 'ERGO Hestia Cup' internal tournament or the Hestians Budget. It should be noted that some of the benefits are only available to Head Office employees, which is noted and raised by branch employees as an issue for improvement.							
		Working time	Regulated working hours	Negative actual	2.75	Risks and opportunities	4.00		
		Description of the impact 85% of respondents to a survey called 'Overtime 2023' carried out by HAYS answered that they work overtime, and the reason for this is that they have too many responsibilities. Only 24% of respondents say that working overtime does not affect their well-being. ERGO Hestia has a regulated overtime implementation. In discussions with employees, the group received an expectation of a change in attitude towards working beyond the usual hours.							
		Adequate remuneration	Market-based remuneration levels	Positive actual	5.00	Risks and opportunities	4.00		
		Description of the impact According to data from HAYS annual 'Salary Reports', the insurance industry has seen a persistent pay differential over the years depending on the department in which an individual works. The issue of remuneration is regulated at ERGO Hestia by the Remuneration Regulations, which apply to employees at all levels and include regulations on how remuneration is determined. The level of remuneration of the Members of the Management Board and Supervisory Boards is governed by separate, publicly available documents. The level of remuneration is related, among other things, to average market levels, and one of the factors considered is the availability of specialists in a particular area. Employees express their views on remuneration in the engagement survey and during annual appraisals. These opinions are taken into account in the process of setting remuneration levels. In addition, discretionary bonuses are also adopted annually. The entire process is overseen by the Management Board and Supervisory Boards. Internships carried out at the ERGO Hestia Group are paid internships. Employees signal the need to take inflation into account in the annual evaluation of remuneration levels.							

	ESRS		Impact	Evaluation of impacts				
Area	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	Relevant topic
Social	Own employees (ESRS S1)	The ERGO Hestia Group actively supports employees in combining their private lives with work and provides opportunities to actively spend time together with their families, for example, it enables them to win tickets to local events in competitions and organises the ‘ERGO Hestia Cup’ event. Some of the benefits are only available to head office employees. A dialogue session with representatives of employees highlighted the need to limit emails sent after the end of usual working hours and to tailor event messages to recipients in the region concerned.						 Working conditions of own employees
		Occupational health and safety	Occupational health and safety	Positive actual	3.50	Risk	0.60	
		Description of the impact ERGO Hestia complies with all the necessary requirements indicated in the Labour Code and relevant documents regulating occupational health and safety issues concerning both the provision of safety and ergonomics in the workplace and employee training and examinations. In addition, the company provided training in safe and environmentally friendly driving and conducted a first aid education campaign.						
		Work-life balance	Family and leisure time	Positive actual	4.50	Risks and opportunities	1.50	
		Description of the impact The ERGO Hestia Group actively supports employees in combining their private lives with work and provides opportunities to actively spend time together with their families, such as enabling them to win tickets to various cultural events in competitions.						
		Gender equality and equal pay for work of equal value	Gender equality	Positive actual	4.50	Risks and opportunities	3.00	 Diversity and inclusion
		Description of the impact Women account for 63% of all ERGO Hestia employees, including 50% of middle and senior management. The ERGO Hestia Group has declared its willingness to introduce parity of 25% women in the next term of the Management Board at both companies. The Group adopted Diversity Policy in 2018, which prohibits gender discrimination and expresses the company's will to actively promote equality among employees. The company is a party to the Diversity Charter and has been Diversity IN Check certified every year since 2020. ERGO Hestia relies on the data included in the detailed pay gap indicator, where job level and specialisation are taken into account, reflecting the actual level of pay equality independent of the gender distribution across job levels.						

Area	ESRS		Impact	Evaluation of impacts				Relevant topic
	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	
Social	Own employees (ESRS S1)	Employment and integration of people with disabilities	Disability-inclusive workplace	Positive actual	4.33	Opportunities	1.50	 Diversity and inclusion
		Description of the impact ERGO Hestia has the highest percentage of employed people with disabilities in the industry at 3.6% of all employees together with its subsidiaries in 2023 (an increase of nearly 10% year-on-year) This is a result of the company's proactive attitude in supporting the professional activation of people with disabilities - it supports employees in its own structures through a special onboarding system, providing carers, as well as offering additional health benefits. The company removes architectural barriers in its facilities, implements digital solutions to facilitate the use of our products, and provides training on how to cooperate with or serve customers with various disabilities.						
		Diversity	Developing diversity	Positive actual	4.50	Opportunities	1.50	
		Description of the impact ERGO Hestia adopted Diversity Policy in 2018, which prohibits discrimination and expresses the company's will to actively promote equality among employees. The company is a party to the Diversity Charter and, every year since 2020, it has remained on the Diversity IN Check list - a survey that confirms the DEI business maturity and attention to social inclusion. ERGO Hestia was again among the selected employers in 2023 and 2024 who scored above 80% of the points possible in this survey.						
		Training and skills development	Investing in employee growth	Positive actual	5.00	Risks and opportunities	2.00	 Investing in employee growth
		Description of the impact A study by the Brandon Hall Group shows that organisations that pay attention to the onboarding process increase employee retention by up to 82% and improve productivity by up to 70%. In addition, the high competitiveness in attracting employees, especially those with IT, AI, big data competencies, means that traditional insurance companies, competing for employees with InsuranceTech, need to invest in expanding development and talent management programmes to maintain high levels of employee engagement. Especially as turnover of IT employees is still high at around 25%. Getting the management approach right across the company is proving to be key - it was the top reason for leaving in 2022 (56%), even surpassing the better pay offered elsewhere (52%). A bad working atmosphere and the opportunity to develop with a new employer remain in 3rd and 4th place among the reasons for leaving, accounting for 39% and 37% respectively. ERGO Hestia has introduced two employee development paths: a managerial one for employees of different levels and functions, including those in representative establishments, and an expert one, including those in teams exposed to higher turnover such as IT. The company also has a '#ShareTheKnowledge' programme in place, where employees share their experience and area knowledge with other employees. During the dialogue sessions, employees indicated the need to standardise the way they enrol for training, to better link the system to development plans, and to the annual interview process, so that the feedback provided could be implemented more effectively.						

Area	ESRS		Impact	Evaluation of impacts				Relevant topic
	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	
Social	Own employees (ESRS S1)	Measures to prevent violence and harassment in the workplace	Ethics in the workplace	Positive actual	4.50	No risks and opportunities	–	Investing in employee growth
		Description of the impact ERGO Hestia has a Code of Ethics in place that includes provisions prohibiting any discriminatory or bullying conduct. As part of the system for the operationalisation of the Code, the Group has had a whistleblowing system in place since 2008, which allows employees to report anonymously or by name suspected, observed or experienced non-compliance with the Code of Ethics. Reports can be made by telephone via the website, by email or in person. The system provides full protection of the reporting party's personal data. The Compliance Officer and the Anti-Fraud Officer deal with reports, as well as with the management of negative consequences of violations of the rules arising from the Ethics Management System and Anti-Fraud System. In 2023, there were no reports indicating a breach of the Code.						
	Employees in the value chain (ESRS S2)	Working conditions	Taking care of employees' rights in the value chain (insurance agents and brokers)	Positive potential	3.57	Risk	0.30	Working conditions and development of agents and brokers
		Description of the impact ERGO Hestia was the first insurer in Poland to sign the declaration of the Ethics Programme Standard - the first business self-regulation for managing an organisation's ethics programme, implemented under Pillar 2 of the UN Guiding Principles on Business and Human Rights. It is a signatory to the Ten Principles of the UN Global Compact, which it endorses, adopts and applies to all spheres of activity of rules in the areas of human rights, labour standards, environmental protection and corruption prevention. The company has committed to principles in line with the 2030 Agenda for Sustainable Development, the Universal Declaration of Human Rights, the Diversity Charter. These Declarations are included in the Code of Conduct for suppliers and contractors working with ERGO Hestia. The document guarantees that employees in the value chain can report violations of the Code anonymously. The document does not contain information on the available reporting channels. 98% of ERGO Hestia suppliers are from Poland - the risk of labour rights violations is not high. The remaining 2% of suppliers come from the European Union, where the risk is also not high. It is similar with the investment portfolios - the Group invests in a secure manner, e.g. in the life insurance company 90% of the portfolio is made up of bonds that are verified for, among other things, human rights compliance. As one of the key insurance groups on the Polish market, ERGO Hestia exerts a significant indirect and induced influence stimulating the economy and thus guaranteeing stable employment for thousands of employees of companies cooperating with the company.						

Area	ESRS		Impact	Evaluation of impacts				Relevant topic
	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	
Social	Employees in the value chain (ESRS S2)	Training and skills development	Investment in the development of agency employees and brokers	Positive potential	3.17	Risks and opportunities	4.00	Working conditions and development of agents and brokers
		Description of the impact ERGO Hestia close relationship with agencies and brokers creates the potential to engage their employees in the company's training system, including developmental training on ESG and support for people with disabilities, so as to enhance their competences, strengthen human capital and thereby support the company's intellectual potential and credibility. This will respond to the call for stronger strategic partnerships with these stakeholders expressed during the dialogue session.						
	Consumers and end-users (ESRS S4)	Privacy	Data protection and cybersecurity	Positive actual	5.00	Risks and opportunities	4.00	Data protection and cybersecurity
		Description of the impact ERGO Hestia customer data protection activities relate to the protection of personal data obtained in the process of purchasing products from the company's portfolio and data collected in connection with the use of devices provided as part of product implementation, e.g. IoT. In both cases, the company takes the utmost care, has implemented multiple procedures, including ISO 27001, and the protection of all data acquired is subject to an ongoing risk assessment and monitoring process. In 2023, the company recorded no customer data protection incidents. Pursuant to the audit by the Polish Financial Supervision Authority, a positive opinion on data protection was issued.						
		Freedom of expression	Complaints and whistleblowing	Positive actual	5.00	Risks and opportunities	3.00	Responsible offering and selling
		Description of the impact ERGO Hestia customers are completely free to express their dissatisfaction with the company's activities, including the products offered. Customers can make complaints using forms on the website. To prevent complaints, the company has implemented a number of procedures, including quality monitoring. Customer representatives attend dialogue sessions to discuss, among other things, areas for improvement in the company's operations. ERGO Hestia has also established a Customer Ombudsman function to support customers in proceedings that require an individual approach.						

Area	ESRS		Impact	Evaluation of impacts				Relevant topic
	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	
Social	Consumers and end-users (ESRS S4)	Access to (quality) information	Straightforward communication	Positive actual	5.00	Risks and opportunities	2.00	 Availability of services
		Description of the impact ERGO Hestia provides easy access to information about its services and the opportunity to verify its offer through the successive development of digital contact tools. Currently, around 90% of customers use this form of communication. The company is also reviewing its contracts and marketing communications for transparency and message quality, implementing a Simple Language of Communication standard. ERGO Hestia issues a sustainable development report every year, in which it includes financial and non-financial disclosures.						
		Non-discrimination	No restrictions on access to services	Positive actual	3.67	Opportunities	1.00	
		Description of the impact ERGO Hestia does not include clauses in its contracts that could be perceived as discriminatory ones. Access to products is dictated by industry practice and business rationale. The company is committed to promoting inclusivity, including facilitating sales and contact processes for people with disabilities. Indirect activity realised through the investment portfolio - the group invests in a secure manner, 90% of the portfolio consists of bonds that are verified for, among other things, respect for human rights.						
		Access to products and services	Communication without barriers	Positive actual	3.67	Risks and opportunities	1.50	
		Description of the impact ERGO Hestia is developing digital tools to facilitate access to the services offered (voicebot, chatbot) or to facilitate the operation of products already implemented. At the same time, the company is investing in breaking down communication barriers - it has introduced sign language services in its online sales channels, delivered by a sign language interpreter through the website.						
		Responsible marketing practices	Responsible offering and selling	Positive actual	4.50	Risks and opportunities	3.20	 Responsible offering and selling
		Description of the impact ERGO Hestia is party to the Declaration of Responsible Selling, under which it takes many steps to guarantee the quality and safety of its service. It uses dialogue sessions with academics to develop its educational activities, including consumer education. The company shapes its offering in response to customer needs reported during satisfaction surveys or dialogue sessions - among other things, it develops products to support ecological trends. In 2023, there were no reports of infringements in the areas of information and labelling of products and services as well as marketing communications. One of the demands after the dialogue sessions is that ERGO Hestia should ensure transparent communication of the environmental, social and/or economic impact of a product and thus create the conditions for an informed purchasing decision.						

	ESRS		Impact	Evaluation of impacts					
Area	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	Relevant topic	
Corporate governance	Business conduct (ESRS G1)	Corporate culture	Management of ESG issues	Positive actual	3.33	Risks and opportunities	4.00	 Management of ESG issues	
		Description of the impact Corporate culture, as defined by L.J. Mullins, is ‘a set of values, traditions, beliefs and attitudes that underpin everything that is done and thought in an organisation. It is fed by a system of rituals, communication patterns and informal structures. It is therefore important for companies to have internal documents governing the issues mentioned’. ERGO Hestia is committed to efficient and profitable growth, taking into account a unique organisational culture model with a commitment to the Highest Standard of Protection. ERGO Hestia also signed the declaration of the Ethics Program Standard as the first insurer in Poland and the Declaration of Responsible Selling. The ERGO Hestia Group has a Sustainability Director and, since January 2023, a Sustainability Office has been established by internal resolution in the division of the Member of the Management Board for Technology, Debt Collection, Group Standards. ERGO Hestia was ranked 1st overall in the 18th edition of the ESG Ranking. Responsible Management (formerly: Ranking of Responsible Companies). New in this edition were the awards given to the leaders of the individual ESG areas, in which it won 2 titles, i.e. leader in area S (social) and in area G (corporate governance). For 2023, ERGO Hestia was awarded Golden CSR Leaf of Polityka and Green CSR Leaf of Polityka. In addition, ERGO Hestia is seeking to join the ESG ratings.							
		Corporate culture	Strategic partner for ESG transformation	Positive actual	3.83	Opportunities	3.00		
		Description of the impact ERGO Hestia not only implements the idea of sustainable development within the organisation, but also promotes it among its key partners and stakeholders. ERGO Hestia serves as one of the main partners of the Coalition of Ethics Advocates established by the UN Global Compact and is a strategic partner of the Responsible Business Forum. ERGO Hestia also participates in the Climate Leadership programme. Independent Supervisory Board Member, Janusz Reiter is the Member of the Chapter Zero Poland Council. The Managing Director of the ESG area, together with the company's lawyers, are Members of the Steering Committee of the Business & Human Rights Programme of the UN Global Compact Network Poland. Sustainability Director participates in the Climate Positive programme of the UN Global Compact Network Poland.							

Area	ESRS		Impact	Evaluation of impacts				Relevant topic
	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	
Corporate governance	Business conduct (ESRS G1)	Protection of whistleblowers	Transparent whistleblowing system	Positive actual	4.00	Opportunities	1.80	 Business Ethics
		Description of the impact A whistleblower is a person who acts primarily out of concern for the well-being of his or her workplace and often for the well-being of the general public. A whistleblower reports information about irregularities occurring in a particular company. The purpose of whistleblowers is therefore to report all kinds of improper procedures, consisting of both actions and omissions that are in contravention of the applicable legislation. The ERGO Hestia Group has had whistleblowing system in place since 2008, which allows employees to report anonymously or by name suspected, observed or experienced non-compliance with the Code of Ethics. The Compliance Officer and the Anti-Fraud Officer deal with reports, as well as with the management of negative consequences of violations of the rules arising from the Ethics Management System and Anti-Fraud System. In 2023, no critical incident was reported in the ERGO Hestia Group.						
		Prevention and detection of corruption, including training	Combating corruption	Positive actual	4.50	Risk	1.60	
		Description of the impact The phenomenon of corruption poses a serious threat to economic growth, distorts market mechanisms, reduces public trust in financial institutions and fosters human rights violations, which is why it is so important to put in place measures to prevent corruption within an organisation. In the ERGO Hestia Group, 99.5% of employees have been trained in ethical behaviour, and those directly exposed to the risk of corruption have pursued extended training in this area. In turn, 99.8% of newly recruited employees have received anti-corruption training. The group has also adopted a Code of Conduct for Suppliers and Contractors, which includes provisions against corruption and bribery. The obligation to comply with the Code is part of the contract concluded with the ERGO Hestia Group and a breach of its provisions may result, among other things, in the termination of the cooperation with the breaching party. In 2023, no cases of corruption were reported in the ERGO Hestia Group and therefore no corrective action was required.						

	ESRS		Impact	Evaluation of impacts					
Area	Subject	Subtopic	Proceeds	Significant impact identified	Significance of impacts	Identified risk/opportunity	Financial materiality	Relevant topic	
Corporate governance	Business conduct (ESRS G1)	Strategic risk management	Business risk management	Positive actual	5.00	Opportunities	5.00	 Strategic risk management	
		Description of the impact The Risk Management System in place at the ERGO Hestia Group is integrated into the organisational structures and decision-making processes, considering those with key functions. Each company has processes in place to identify, assess, control and monitor the risks to which the organisation may be exposed at an individual and aggregate level. A Risk Management System operates according to the three lines concept. The main categories of risk handled by the companies are: actuarial, market, credit, operational, liquidity, strategic, reputational, emerging. The ERGO Hestia Group also attaches great importance to sustainable development risks, however, does not treat them as a separate category but sees them as one aspect of the risks above. The Risk Office is primarily concerned with ensuring the effective functioning and monitoring of the system together with the risk profile of the ERGO Hestia Group. In addition, it carries out tasks related to the development of the Risk Strategy and the ORSA report, as well as advising the Management Board on risk management issues.							
		Asset management (investments)	Deploying funds with ESG criteria in mind	Positive actual	3.50	Risks and opportunities	4.00		
		Description of the impact ERGO Hestia, as an insurance company, is obliged to invest funds in accordance with the prudent investor rule as set out in Article 276 of the Insurance and Reinsurance Law of 11 September 2015. The insurance and reinsurance undertaking shall only invest funds in assets and financial instruments whose risks they can properly identify, measure, monitor and manage. ERGO Hestia aims to increase the proportion of sustainable investments in its asset portfolio. The company adheres to the Responsible Investment Guidelines, which set out the principles for the placement of funds, limits and environmental, social and/or economic impact factors that should be taken into account during the investment process. As part of investment decisions - direct investment in government bonds and bonds of government-related institutions of countries with a rating of 'CCC' according to the applicable ESG rating scale are not permitted. The life insurance company has mainly focused on indices applicable to investments in government bonds or bonds guaranteed by the State Treasury, as these investments account for almost 90% of its own deposit portfolio. However, the possibilities to verify and control the use of invested funds are limited. ERGO Hestia takes ESG ratings into account. Some analyses are made <i>post factum</i> as some investment decisions are outsourced. When investing through investment funds, ERGO Hestia has little influence over the exact composition of the package of companies the fund offers. Investments within the financial products offered to ERGO Hestia customers do not take into account EU criteria for environmentally sustainable business.							

Auditor's statement



Raport z wykonania niezależnej usługi atestacyjnej dającej ograniczoną pewność

Dla Zarządu Sopotckiego Towarzystwa Ubezpieczeń ERGO Hestia S.A.

Zakres usługi

Zostaliśmy zaangażowani przez Zarząd Sopotckiego Towarzystwa Ubezpieczeń ERGO Hestia S.A. („Towarzystwo Ubezpieczeń”) do sporządzenia raportu na temat oceny zgodności wybranych przez Towarzystwo Ubezpieczeń oraz wymienionych w Załączniku nr 1 do niniejszego Raportu wskaźników (dalej: „wskaźniki podlegające weryfikacji”) przedstawionych w Zintegrowanym Raporcie Równoważonego Rozwoju Grupy ERGO Hestia (dalej: „Zintegrowany Raport Równoważonego Rozwoju”) na dzień 31 grudnia 2023 r. zgodnie z kryteriami określonymi w Rozporządzeniu Delegowanym Komisji (UE) 2023/2772 z dnia 31 lipca 2023 r. uzupełniające dyrektywę Parlamentu Europejskiego i Rady 2013/34/UE w odniesieniu do standardów sprawozdawczości w zakresie zrównoważonego rozwoju (dalej: „kryteria ESRS”) w formie, która jest właściwa dla usługi atestacyjnej dającej ograniczoną pewność, że w oparciu o przeprowadzone przez nas prace i uzyskane dowody nie zwrócilo naszej uwagi nic, co pozwoliłoby nam sądzić, że wskaźniki podlegające weryfikacji nie są, we wszystkich istotnych aspektach, sporządzone i przedstawione zgodnie z kryteriami ESRS.

Usługa atestacyjna została przeprowadzona w celu realizacji polityki Towarzystwa Ubezpieczeń dotyczącej zewnętrznego poświadczenia zgodności wybranych części Zintegrowanego Raportu Równoważonego Rozwoju z kryteriami ESRS.

Odpowiedzialność Zarządu

Zarząd Towarzystwa Ubezpieczeń jest odpowiedzialny za sporządzenie Zintegrowanego Raportu Równoważonego Rozwoju przedstawienie informacji w zakresie wskaźników podlegających weryfikacji wolnych od istotnych zniekształceń, zgodnie z kryteriami ESRS. Odpowiedzialność ta obejmuje również zaprojektowanie, wdrożenie i utrzymanie systemu kontroli wewnętrznej umożliwiającego sporządzenie i przedstawienie wskaźników podlegających weryfikacji wolnych od istotnych zniekształceń spowodowanych oszustwem lub błędem. Obejmuje ona również wybór właściwych kryteriów zapewniających zgodność Towarzystwa Ubezpieczeń z kryteriami ESRS, wybór i stosowanie polityk; dokonywanie osądów i szacunków, które są uzasadnione w danych okolicznościach; oraz prowadzenie odpowiedniej dokumentacji w odniesieniu do wskaźników podlegających weryfikacji.

Zarząd Towarzystwa Ubezpieczeń jest również odpowiedzialny za zapobieganie nadużyciom i ich wykrywanie oraz za identyfikację i przestrzeganie przez Towarzystwo Ubezpieczeń przepisów ustawowych i wykonawczych mających zastosowanie do jego działalności. Zarząd Towarzystwa Ubezpieczeń jest odpowiedzialny również za upewnienie się, że pracownicy zaangażowani w sporządzenie i przedstawienie wskaźników podlegających weryfikacji są odpowiednio przeszkoleni oraz za właściwą aktualizację wykorzystywanych w danym procesie systemów informatycznych, a także aby wszelkie zmiany w sprawozdawczości obejmowały wszelkie istotne jednostki organizacyjne.

KPMG Advisory Solutions z ograniczoną odpowiedzialnością sp. z o.o.

ul. Włocławek 44, 05-105 Warszawa, Polska
NIP: 525-019-11-10, KRS: 0000391591, Sąd Rejonowy dla M. St. w Warszawie XII, XII/1505/S, XII/1505/S

KPMG jest firmą spółką z ograniczoną odpowiedzialnością z siedzibą w Warszawie, która jest członkiem sieci międzynarodowej KPMG, działającej jako niezależny system kontroli wewnętrznej i niezależny system kontroli wewnętrznej (KPMG), który jest członkiem sieci międzynarodowej organizacji do ryneków publicznych.

Spółka zarejestrowana w Sądzie Rejonowym dla M. St. w Warszawie XII, XII/1505/S, XII/1505/S
Krajowy Rejestr Sądowy, Krajowy Rejestr Sądowy

KOS 200000070
NIP 525-019-11-10
REGON 141670131

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Odpowiedzialność praktyka

Naszym zadaniem było przeprowadzenie usługi atestacyjnej dającej ograniczoną pewność oraz przedstawienie wniosku z wykonanej pracy.

Usługę przeprowadziliśmy zgodnie z postanowieniami Międzynarodowego Standardu Usług Atestacyjnych 3000 (zmienionego) „Usługi atestacyjne inne niż badanie lub przegląd historycznych informacji finansowych” wydanego przez Radę Międzynarodowych Standardów Rewizji Finansowej i Usług Atestacyjnych (IAASB) oraz, w zakresie weryfikacji ujawnień dotyczących emisji gazów cieplarnianych, z postanowieniami Międzynarodowego Standardu Usług Atestacyjnych 3410 „Usługi atestacyjne dotyczące sprawozdań na temat gazów cieplarnianych” wydanego przez Radę Międzynarodowych Standardów Rewizji Finansowej i Usług Atestacyjnych (IAASB). Standardy te nakładają na nas obowiązek zaplanowania i wykonania procedur w taki sposób, aby uzyskać znaczący poziom zapewnienia, że wskaźniki podlegające weryfikacji zawarte w Zintegrowanym Raporcie Równoważonego Rozwoju zostały porządzone i przedstawione, we wszystkich istotnych aspektach, zgodnie z kryteriami ESRS, jako podstawy dla naszego wniosku o ograniczoną pewność.

Nasza Firma stosuje Międzynarodowy Standard Zarządzania Jakością 1 „Zarządzanie jakością dla firm wykonujących badania lub przeglądy sprawozdań finansowych lub zlecenia innych usług atestacyjnych lub pokrewnych” opracowany przez IAASB, który wymaga od nas zaprojektowania, wdrożenia i utrzymywania systemu zarządzania jakością, w tym polityk i procedur dotyczących zgodności z zasadami etyki, standardami zawodowymi oraz mającymi zastosowanie regulacjami i przepisami prawa.

Spełniany wymogi dotyczące niezależności i etyki wynikające z Międzynarodowego kodeksu etyki zawodowych księgowych (w tym Międzynarodowych standardów niezależności) Rady Międzynarodowych Standardów Etyki dla Księgowych (IESBA), który jest oparty na podstawowych zasadach dotyczących uczciwości, obiektywizmu, zawodowych kompetencji i należytej staranności, zachowania tajemnicy informacji oraz profesjonalnego postępowania.

Przeprowadzone procedury

Wybór procedur zależy od naszego osądu oraz zrozumienia zagadnienia będącego przedmiotem usługi i innych okoliczności zlecenia, w tym naszej oceny ryzyka wystąpienia istotnego zniekształcenia wskaźników podlegających weryfikacji. Uzyskując zrozumienie zagadnienia będącego przedmiotem usługi oraz innych okoliczności zlecenia, rozważyliśmy proces wykorzystywany przez Towarzystwo Ubezpieczeń do sporządzenia i przedstawienia Zintegrowanego Raportu Równoważonego Rozwoju i zawartych w nim wskaźników podlegających weryfikacji w celu zaplanowania stosownych do okoliczności procedur, nie zaś w celu wyrażenia wniosku na temat procesu lub kontroli wewnętrznej w zakresie sporządzenia i przedstawienia Zintegrowanego Raportu Równoważonego Rozwoju i zawartych w nim wskaźników podlegających weryfikacji.

Przeprowadzone przez nas procedury obejmowały również ocenę czy zagadnienie będące przedmiotem usługi jest odpowiednie i przyjęte kryteria stosowne do danych okoliczności.

Zakres procedur wykonywanych podczas usługi dającej ograniczoną pewność jest bardziej ograniczony niż w przypadku usługi dającej racjonalną pewność. W związku z powyższym, poziom zapewnienia uzyskany przy usłudze dającej ograniczoną pewność jest niższy niż poziom zapewnienia, jaki byłby uzyskany, gdyby przeprowadzono usługę dającą racjonalną pewność.

Przeprowadzone procedury dotyczyły wskaźników podlegających weryfikacji przedstawionych w Zintegrowanym Raporcie Równoważonego Rozwoju i nie obejmowały pozostałych informacji przedstawionych w Zintegrowanym Raporcie Równoważonego Rozwoju.

Nasze procedury obejmowały w szczególności:

- Uzyskanie, w drodze wywiadów z wybranymi przedstawicielami Towarzystwa Ubezpieczeń odpowiedzialnymi za zaprojektowanie, wdrożenie i utrzymanie systemu kontroli wewnętrznej oraz za sporządzenie Zintegrowanego Raportu Równoważonego Rozwoju, zrozumienia systemu kontroli wewnętrznej umożliwiającego przygotowanie Zintegrowanego Raportu Równoważonego Rozwoju i przedstawienie w nim wskaźników podlegających weryfikacji,

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Auditor's statement



- Uzyskanie, w drodze wywiadów z osobami odpowiedzialnymi za sporządzenie Zintegrowanego Raportu Zrównoważonego Rozwoju, zrozumienia metod gromadzenia danych źródłowych oraz zastosowanych założeń dotyczących sporządzenia Zintegrowanego Raportu Zrównoważonego Rozwoju w zakresie wskaźników podlegających weryfikacji,
- Ocena kompletności informacji oraz adekwatności zawartości ujawnień w zakresie wskaźników podlegających weryfikacji z kryteriami ESRS,
- Porównanie informacji zawartych we wskaźnikach podlegających weryfikacji z wewnętrzną dokumentacją Towarzystwa Ubezpieczeń,
- Uzgodnienie wskaźników E1-5 i E1-6 zatwierdzonych przez Walne Zgromadzenie Akcjonariuszy sprawozdań finansowych za rok finansowy kończący się 31 grudnia 2023,
- Uzgodnienie wskaźników podlegających weryfikacji dokumentów, raportów lub innych źródeł informacji przedstawionych przez Towarzystwo Ubezpieczeń,
- Uzgodnienie, na wybranej próbie, do danych źródłowych przedstawionych przez Towarzystwo Ubezpieczeń (faktur, wyciągów z systemów) oraz uzgodnienie, na bazie otrzymanych lub zaprezentowanych zestawień analitycznych, kompletności i matematycznej poprawności wyliczenia wskaźników o charakterze ilościowym (tj. E1-5, E1-6 i S1-6, S1-9).

Kryteria

Kryteria, zgodnie z którymi dokonano pomiaru i oceny wskaźników podlegających weryfikacji zawarte są w kryteriach ESRS.

Wniosek

Podstawę sformułowania naszego wniosku stanowią kwestie opisane w niniejszym Raporcie, dlatego nasz wniosek powinien być czytany z uwzględnieniem tych kwestii.

Uważamy, że uzyskane przez nas dowody są wystarczające i odpowiednie, aby stanowić podstawę dla naszego wniosku.

Na podstawie przeprowadzonych procedur nie stwierdziliśmy niczego, co pozwalałoby sądzić, że przedstawione w Zintegrowanym Raporcie Zrównoważonego Rozwoju wskaźniki podlegające weryfikacji nie zostały przedstawione, we wszystkich istotnych aspektach, zgodnie z kryteriami ESRS.

W imieniu

KPMG Advisory Spółka z ograniczoną odpowiedzialnością sp.k.

*Podpisano kwalifikowanym
podpisem elektronicznym*

Andrzej Gałkowski
Digitally signed by
Andrzej Gałkowski

Pełnomocnik

Warszawa, 7 sierpnia 2024 r.



Załącznik nr 1 - Lista wskaźników podlegających weryfikacji

Ład korporacyjny:

GOV1 - Rola organów administrujących, zarządzających i nadzorczych

G1-1 - Polityki prowadzenia działalności gospodarczej i kultura korporacyjna

G1-4 - Potwierdzony incydent związany z korupcją lub przekupstwem

Środowisko

E1-5 - Zużycie energii i koszyk energetyczny

E1-6 - Emisje Gazów cieplarnianych 1,2 i 3 brutto oraz całkowite emisje gazów cieplarnianych

Obszar społeczny:

S1-6 - Charakterystyka pracowników jednostki

S1-9 - Wskaźniki różnorodności

S1-13 - Wskaźniki dotyczące szkoleń i rozwoju umiejętności

Contact

Detailed information on the Sustainable Development Report of the ERGO Hestia Group provides:

Sustainability Office

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ERGO
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