

Człowiek rodzi się na nowo

# Care

ERGO HESTIA GROUP  
SUSTAINABILITY REPORT FOR 2020

Ladies and Gentlemen,

The year 2020, marked by a pandemic, has widened the scope for reflection on the goals of business in today’s world. Beyond the obvious expectations of financial performance, the focus has been on those that serve the wider community. In 2020, we experienced in a special way how many strands make up responsible business policy. Every day we passed the test of responsibility towards our employees, business partners and local communities. Strengthening the sense of community has proven to be a winning business strategy and an effective weapon against uncertainty.

We have confirmed our belief in the role of corporate social responsibility by continuing and expanding the scale of the activities undertaken. We were ranked 2<sup>nd</sup> in a nationwide ranking of socially responsible companies and our initiatives were recognised with awards. Among other things, we received: The CSR Silver Leaf awarded by the editors of the *Polityka* weekly magazine to the most socially responsible and committed companies, in Pomerania we were recognised as the Best Socially Responsible Company in the TOP 100 ranking, *Forbes* recognised ERGO Hestia as the Climate Leader 2021. We are the only financial institution in Poland to have received the EMAS certificate.

As part of the implementation of the ERGO Hestia Group’s strategy until 2023 entitled the Power of Information and Community, we will undertake further tasks in the field of sustainable development, strengthening among all stakeholders the sense of their importance for the environment at the micro and macro scale.

The background for the presentation of ERGO Hestia’s activities in the area of sustainable development in 2020 is the Hestia Park, created over 5 years ago on several hectares of wasteland, with a view to rest and recreation in a friendly designed space. Caring for the enhancement of the aesthetics of everyday surroundings, which has been part of ERGO Hestia’s strategy for years, has become an investment in social health and safety in hazardous conditions.

I invite you to take a look at the results of our work. This reflective walk through the Hestia Park can inspire conversations about tomorrow.



Piotr M. Śliwicki  
President of the ERGO Hestia Group



 **This is where adventure begins.**  
#parkhestii

## Table of contents

<b>INTRODUCTION</b>	3
Statement by the President of the ERGO Hestia Group	3
ERGO Hestia Group's contribution to the 2030 Agenda for Sustainable Development	8
ERGO Hestia Group's value added and environmental impact in 2020	10
<b>CHAPTER 1. About us</b>	14
1.1 Who we are, our strategy and plans for the future	15
1.2 Key non-financial performance indicators	21
1.3 Ethics and risk management	22
1.4 Our stakeholders and the topics that are important to them	24
1.5 We have been with you for 30 years!	26
1.6 Explore our impact on the Polish economy in 2020	28
<b>CHAPTER 2. Customers and business partners at the heart of our efforts</b>	36
2.1 Check who we work with and for whom	37
2.2 Practical support for agents and brokers – what sets us apart	38
2.3 We always act with our customers in mind	42
2.4 Innovation: robotisation and automation	45
<b>CHAPTER 3. Responsible employer</b>	48
3.1 Our work place	49
3.2 Who are Hestians?	51
3.3 Employee development and employer branding	56
3.4 Security in times of pandemics	63
3.5 Results of workplace management	66
<b>CHAPTER 4. Climate and environment</b>	72
4.1 Our approach to climate and the environment	73
4.2 Action for climate and environment	75
4.3 Emissions and consumption levels of natural resources	78
4.4 Results of environmental policy	80
<b>CHAPTER 5. Our social commitment</b>	88
5.1 Our approach to community engagement	89
5.2 Culture: Hestia Artistic Journey and the Józef Tischner Prize awarded by Znak publishing house and Hestia	90
5.3 Integralia Foundation	92
5.4 Victims' Assistance Centre	93
5.5 Assistance to medics during the pandemic	94
5.6 Hestia Volunteer Centre	95
5.7 Results of social programmes	95
<b>CHAPTER 6. About the report</b>	98
6.1 Entities included in the consolidated financial statements	99
6.2 Defining report content and boundaries	99
6.3 Materiality matrix	100
6.4 Compatibility tables and indexes	101
6.5 Approval for publication	108



## Hestia Park

900,000 busy bees and temporarily less busy people. A total area of three football fields and an outdoor sculpture gallery. Alongside young artists, nature exhibits thousands of plants. Plane trees are starting on their two thousand years' long lives. And humans can get reborn...





ERGO Hestia Group’s contribution to the 2030 Agenda for Sustainable Development

ERGO Hestia has become a partner of the “17 Goals 2019 Campaign: Joint Actions”, whose Honorary Patron is the Ministry of Entrepreneurship and Technology. The campaign aims to encourage companies to implement as many ideas and initiatives as possible in support of the UN 2030 Agenda for Sustainable Development. As part of the campaign, the Impact Barometer was developed in cooperation with the Central Statistical Office. It is a tool allowing companies to calculate their contribution to the implementation of Agenda 2030, which was developed as a result of broad expert consultations, also with ERGO Hestia.

ERGO Hestia supports and promotes the global goals set by the United Nations for 2015-2030 under the “2030 Agenda for Sustainable Development”.

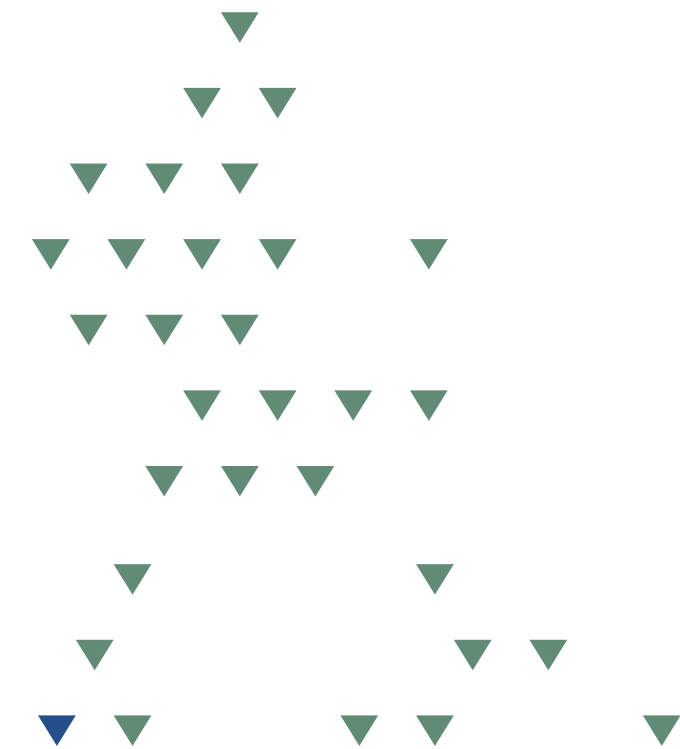


Table 1: Indicators for ERGO Hestia for 2019 and 2020 calculated based on the Impact Barometer methodology

Indicator no.	Indicator name	2019	2020	Change
Goal 3	Ensure a healthy life for people of all ages and promote well-being			
3.1	Average expenditure on employee health	PLN 1 133	PLN 1 030	-9%
Goal 4	Provide quality education for all and promote lifelong learning			
4.1	Average number of training hours per employee	29.74	12.9	-56% <sup>1</sup>
4.2	Number of pupils and students covered by educational support in relation to the number of employees	6.7%	1.83%	-5.87 p.p.
4.3	Percentage of employees trained in sustainable development	100%	100%	No change
4.4	Percentage of employees involved in sustainable development initiatives	25%	28%	+3 p.p.
4.5	Number of people covered by education on sustainable development in relation to the number of employees	37%	8.9%	-28 p.p. <sup>2</sup>
Goal 5	Achieve gender equality and empower women and girls			
5.1	Percentage of women in management positions	53%	51%	-2 p.p.
5.4	Percentage of employees trained to deal with bullying, sexual harassment, violence or discrimination	100%	100%	No change
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all			
8.2	Percentage of employees with an employment contract	100%	100%	No change
8.5	Staff turnover <sup>3</sup>	10%	6%	-4 p.p.
8.6	Percentage of people with disabilities among employees	2.6%	3%	+0,4 p.p.
Goal 12	Ensure sustainable consumption and production patterns			
12.1	Material efficiency (t/employee in Head Office)	668	306	-54%
12.2	Energy efficiency (MWh/employee in Head Office)	606	546.44	-9%
12.3	Share of renewable energy used	63%	59%	-4 p.p.
12.4	Greenhouse gas emissions (Scope 1)	1 963 tonnes of CO <sub>2</sub>	1 363 tonnes of CO <sub>2</sub>	-31%
12.5	Water efficiency (m <sup>3</sup> /employee in Head Office)	960.4	528.66	-45%
12.6	Percentage of waste recycled or reused	43%	41%	-2 p.p.



KAMPANIA 17 CELÓW

BAROMETR WPŁYWU

 [kampania17celow.pl/barometrwplywu/](https://kampania17celow.pl/barometrwplywu/)

<sup>1</sup> The decrease is due to the shift to online training, which is shorter than traditional training  
<sup>2</sup> The decrease is due to reduction in appointments due to pandemic  
<sup>3</sup> The turnover rate according to the formula: number of employees who terminated their employment or cooperation contract in a given year, either unilaterally or by mutual agreement, in relation to the number of employees.

ERGO Hestia Group’s value added and environmental impact in 2020

GRI 102-15

<div>Value for customers</div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>	<div>0.41% is ERGO Hestia’s complaint rate</div> <div>PLN 3.6 billion gross benefits and damages</div> <div>8 days is the average time taken by the Customer Ombudsperson to resolve a case</div>	<div>More than 50% of motor vehicle claims and 75% of property claims handled without personal contact between the injured party and ERGO Hestia</div> <div>Insurance products and services for climate protection</div>	<div>The most recommended firm among the largest insurers in Poland (NPS Index: 20.7)</div> <div>69 019 insurance partners authorised to sell ERGO Hestia products</div>
<div>Value for employees</div> <div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div> <div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>5</div><div>GENDER EQUALITY</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div>	<div>65% of total employees and 51% of ERGO Hestia Group’s managerial staff are women</div> <div>100% of employees employed under an employment contract</div>	<div>96% of employees satisfied or very satisfied in the satisfaction survey of the activities carried out during the pandemic</div> <div>10 training and development programmes for employees</div>	<div>PLN 2.8 million expenditure on employee health</div> <div>Friendly Workplace 2020 Special Award</div>
<div>Value for partners</div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div>	<div>PLN 1.89 billion in commissions paid to insurance intermediaries</div> <div>PLN 334 million on account of payments to counterparties</div>	<div>3 days – this was the average time taken for intermediaries’ commission invoices to be paid</div> <div>85% of contractor invoices were paid within 5 days</div>	<div>2 days is the average time taken by the Customer Ombudsperson to resolve a case</div>
<div>Social and environmental impact</div> <div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div></div> <div><div>4</div><div>QUALITY EDUCATION</div></div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>10</div><div>REDUCED INEQUALITIES</div></div> <div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div></div> <div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div> <div><div>13</div><div>CLIMATE ACTION</div></div>	<div>1,209 tonnes of CO<sub>2</sub> in the atmosphere less compared to 2019 (Scope 1 and 2 CO<sub>2</sub> emissions)</div> <div>PLN 100,000 prize fund in the EKO Hestia SPA competition</div> <div>For 6 years the company has compensated for unavoidable carbon emissions by purchasing certificates (carbon offset)</div>	<div>More than 400 people with disabilities who became independent, found jobs, received training thanks to the support of the Integralia Foundation</div> <div>136 victims under the CPOP care (Personal Injury Rehabilitation and Support Centre), i.e. in rehabilitation and therapy programmes financed by insurance companies</div> <div>15.9 tonnes of CO<sub>2</sub> less in the atmosphere thanks to the “Bike Forever” project</div>	<div>8,274 direct beneficiaries of employee volunteering activities</div> <div>305 young artists taking part in the Hestia Artistic Journey competition</div> <div>1,374 committed employees in voluntary projects</div>
<div>Economic and social impact and partnerships</div> <div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div></div> <div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div></div>	<div>We are members of sustainable development initiatives and projects in cooperation with UN Global Compact, Responsible Business Forum, Climate Leadership, UNEP-Grid Warsaw</div> <div>Almost 8,000 jobs generated in the Polish economy</div>	<div>Almost PLN 10 billion invested in Polish bonds and other securities supporting the country’s finances</div> <div>We generate on average 2 times more value added (GDP) per employee than the average company in Poland</div> <div>Over PLN 1.3 billion of total value added created</div>	<div>About PLN 298 million of taxes paid to the state budget</div> <div>99% of our suppliers are from Poland</div>

Power of Community

diversity

inclusivity

Power of Information

credibility

Highest Standard of Protection

state-of-the-art

active responsibility

friendly partnership

responsiveness

innovation

care

simplicity

dialogue





# 1

## About us

We are delivering on the Sustainable Development Goals:



### 1.1

## Who we are, our strategy and plans for the future

GRI 102-1   GRI 102-2   GRI 102-3   GRI 102-4   GRI 102-5   GRI 102-6   GRI 102-7

We are the largest insurance company established under market economy conditions in Poland. We serve three million individual customers and nearly half a million micro, small, medium and large businesses within the corporate segment.

Corporate customers:

**85%** we serve **85% of companies listed in the WIG20 index** and nearly 500,000 companies and enterprises in Poland

Individual customers:

**3** nearly **3 million** Poles

Since the beginning of our activity, we have been setting trends in the Polish insurance industry. We were the first insurance company in Poland to establish an engineering company specialising in risk management (Hestia Loss Control Sp. z o. o.) in 1999, and in 2015 and 2017 we were the first to appoint a Customer Ombudsperson and an Agent Ombudsperson. We were the first in Poland to launch an online platform at [www.hestia.pl](http://www.hestia.pl) in 1996 and introduced an online sales system in 2009. Today we are one of the leaders in the area of innovation, which is an integral part of our business strategy.

Additionally, STU ERGO Hestia SA is the founder of two foundations: The ERGO Hestia Group Foundation for the Professional Integration of People with Disabilities Integralia and the Hestia Artistic Journey Foundation.

### Special awards

Sustainable Development



**2<sup>nd</sup> place in the Ranking of Responsible Companies in the general category and 1<sup>st</sup> place among insurers** – ERGO Hestia becomes the most responsible insurer in Poland



**CSR Silver Leaf from *Polityka* weekly**  
In addition, the IoT (Internet of Things) solution for corporate customers is recognised as an environmental inspiration in the category of initiatives supporting the 17 Sustainable Development Goals (SDGs)



**Award TOP 100 Pomerania in the category Best Socially Responsible Company**  
*Dziennik Bałtycki* daily



**Stena Circular Economy Awards** – Best initiative in the category of promoting the concept of Circular Economy

HR



**Friendly Workplace 2020 Award** Awarded by the editors of Marka Pracodawcy

Promotion of ecology and social engagement



**Benefactor of the Year Award** in the Ecology category for many years of organising the EKO HESTIA SPA competition, which promotes ecological solutions in health resorts, and an award for social activities, in particular for running the Integralia Foundation, through which we support people with disabilities, and for running the Hestia Artistic Journey Foundation, through which we support art students.

Business ethics



**Ethical Company 2020 Award** awarded by *Puls Biznesu*

Customer service

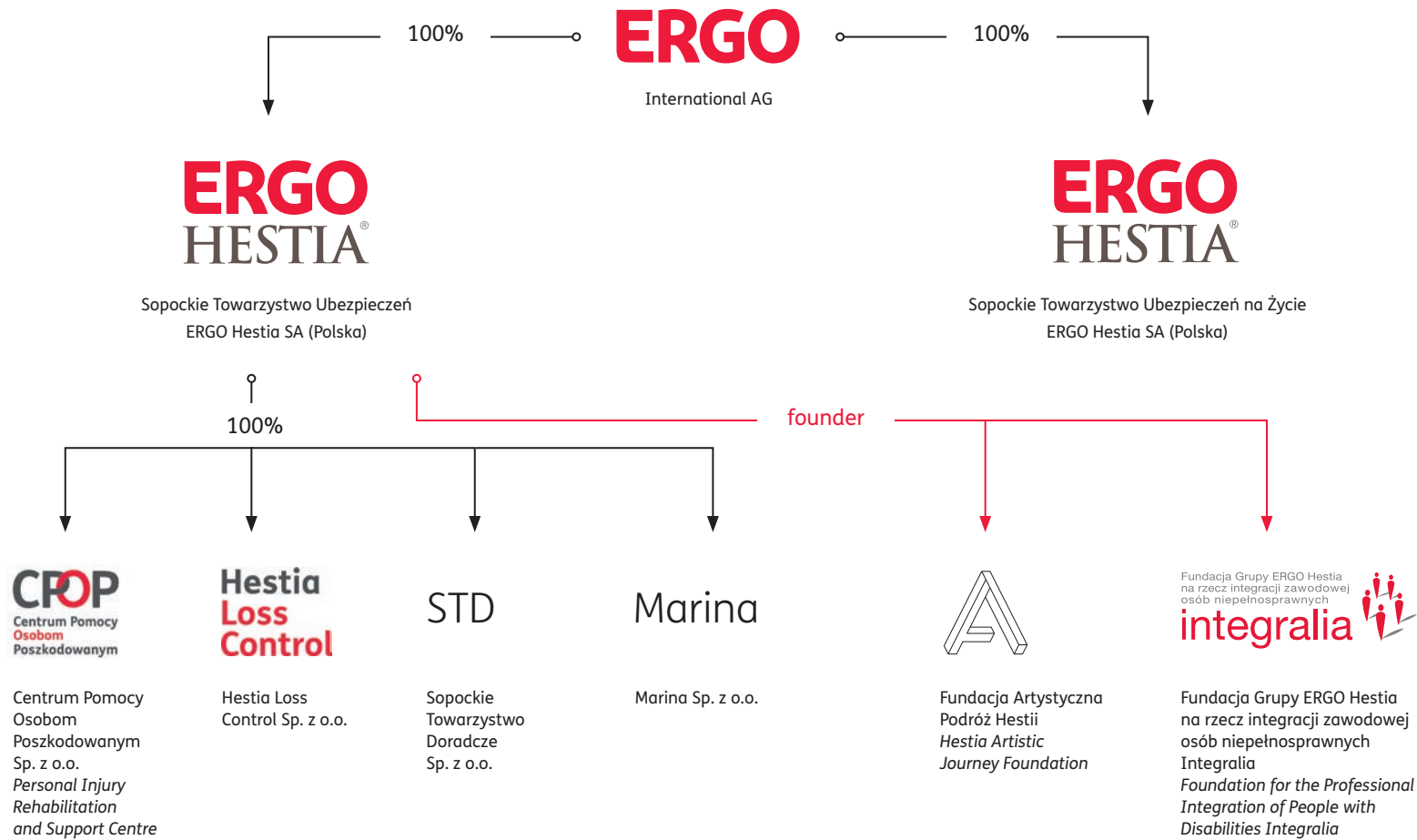


**Service Quality Star Emblem** Awarded by the Polish Quality of Service Programme

Form of ownership, legal and management structure

GRI 102-18 GRI 102-5

The ERGO Hestia Group comprises six companies and two foundations:



ERGO International AG, part of Munich RE, one of the largest reinsurers in the world, owns 100% of ERGO Hestia. Our head office is located in Sopot at ul. Hestii 1. We conduct insurance operations in Poland under the name **Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA and Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia SA**. We do not have branches abroad, but we have notified the supervisory authority of the option of conducting insurance activity in a manner other than through a branch in Poland (in the European Union). These activities represent an insignificant part of our portfolio.

The management bodies of STU ERGO Hestia SA and STU na Życie ERGO Hestia SA are: General Meeting, the Supervisory Board and the Management Board. The Companies have also established an Audit Committee and a Finance Committee.

STU ERGO Hestia SA

Supervisory Board

- Heiko Stüber**, Chairman of the Supervisory Board
- Wojciech Kostrzewa**, Deputy Chairman of the Supervisory Board
- Dr Oliver Willmes**, PhD, Member of the Supervisory Board
- Deniss Sazonovs**, Member of the Supervisory Board
- Janusz Reiter**, Independent Member of the Supervisory Board

STU na Życie ERGO Hestia SA

Supervisory Board

- Heiko Stüber**, Chairman of the Supervisory Board
- Dr Maximilian Happacher**, PhD, Deputy Chairman of the Supervisory Board
- Dr Oliver Willmes**, PhD, Member of the Supervisory Board
- Wojciech Kostrzewa**, Independent Member of the Supervisory Board
- Janusz Reiter**, Independent Member of the Supervisory Board

Composition of the Management Board of STU ERGO Hestia SA and STU na Życie ERGO Hestia SA



Piotr Maria Śliwicki

President of the Management Board

- Directing the work of the Management Board
- Legal protection of ERGO Hestia Group's interests
- Monitoring of the internal audit system
- Supervision of the loss adjustment and claims handling function
- Supervision of staff policy
- Management of retail business lines and customer segments
- Development of the ERGO Hestia Group's CSR policy



Grzegorz Szatkowski

Vice-President of the Management Board for Finance and Organisation

- Management of finances and assets of the ERGO Hestia Group
- Risk management
- Supervision of the actuarial function
- Data security



Justyna Wajs

Member of the Management Board for Sales and Technology

- Managing sales of the ERGO Hestia Group products and services
- Management of the company's IT system and technological development
- Supervision of the area of Sustainable Development



Adam Roman


Member of the Management Board for Corporate Insurance

- Corporate customer and business line management
- ERGO Hestia's reinsurance strategy
- Investment strategy




Brands


Our insurance is offered under 4 brands: ERGO Hestia, MTU, mtu24.pl and You Can Drive.




ERGO Hestia is a pioneer of the most innovative solutions in the insurance sector. For almost 30 years, it has remained a reliable and dependable partner offering top-quality products and services. It provides protection for more than 3 million individual customers annually, as well as several hundred thousand companies and enterprises. The ERGO Hestia brand offers comprehensive property and life insurance for individual and corporate customers.



The MTU brand offers simple and flat-rate motor and property insurance at a competitive price, aimed at the individual customer.



mtu24.pl is a modern form of sales, which includes all available options for our customers to buy insurance over the phone and the Internet. Drawing on the experience of other ERGO Hestia brands to date, we enable our customers to tailor their insurance to their expectations and needs.



You Can Drive is a brand of the ERGO Hestia Group, dedicated to the online sale of motor insurance. This is a unique and only offer on the market of insurance products created especially for young people – people under 30 years of age. At You Can Drive, we make sure the offer is optimal in every respect. This provides the customer with comfort and security at a reasonable price.

Power of Information and Community Strategy 2018-2020

GRI 103-1   GRI 103-2   GRI 103-3

Our solid growth and very strong financial performance, through which we have generated even greater value for shareholders, employees, customers, business partners and our other stakeholders, is rooted in the consistent implementation of our **“The Power of Information and Community” strategy for 2018-2020.**

The pillars of this strategy are the synergy of two elements:

- Power of Information – an area of hard data, numbers and information that feeds decisions, which reflects the analytical potential and information resources of the Company
- Power of Community – an area related to the human being, with the strength of his/her commitment, the relationship with the intermediary and the relationship at work, which reflects the potential of employees’ competences with their motivation and commitment.

**The management of sustainability issues** was included as an integral part of the ERGO Hestia Group’s 2018-2020 Business Strategy “The Power of Information and Community” and was implemented across our business areas. Our enduring commitment is to act in accordance with the 2030 Agenda for Sustainable Development, the Universal Declaration of Human Rights, the Diversity Charter, the UN Guiding Principles on Business and Human Rights and the 10 principles of the United Nations Global Compact. The priority in 2020 was:

- providing a safe workplace for employees and the necessary support for them in all situations;
- maintaining the highest quality of customer service, even during dynamic changes beyond our control;
- conducting ethical sales through a network of business partners while providing them with e-sales tools quickly and efficiently;
- consistent implementation of goals in the area of environmental policy, including obtaining ISO 14001:2015 and EMAS (EcoManagement and Augit Scheme) certificates confirming the quality of the implemented environmental management system and joining the Climate Leadership programme committing to reducing carbon emissions and introducing a long-term climate policy;

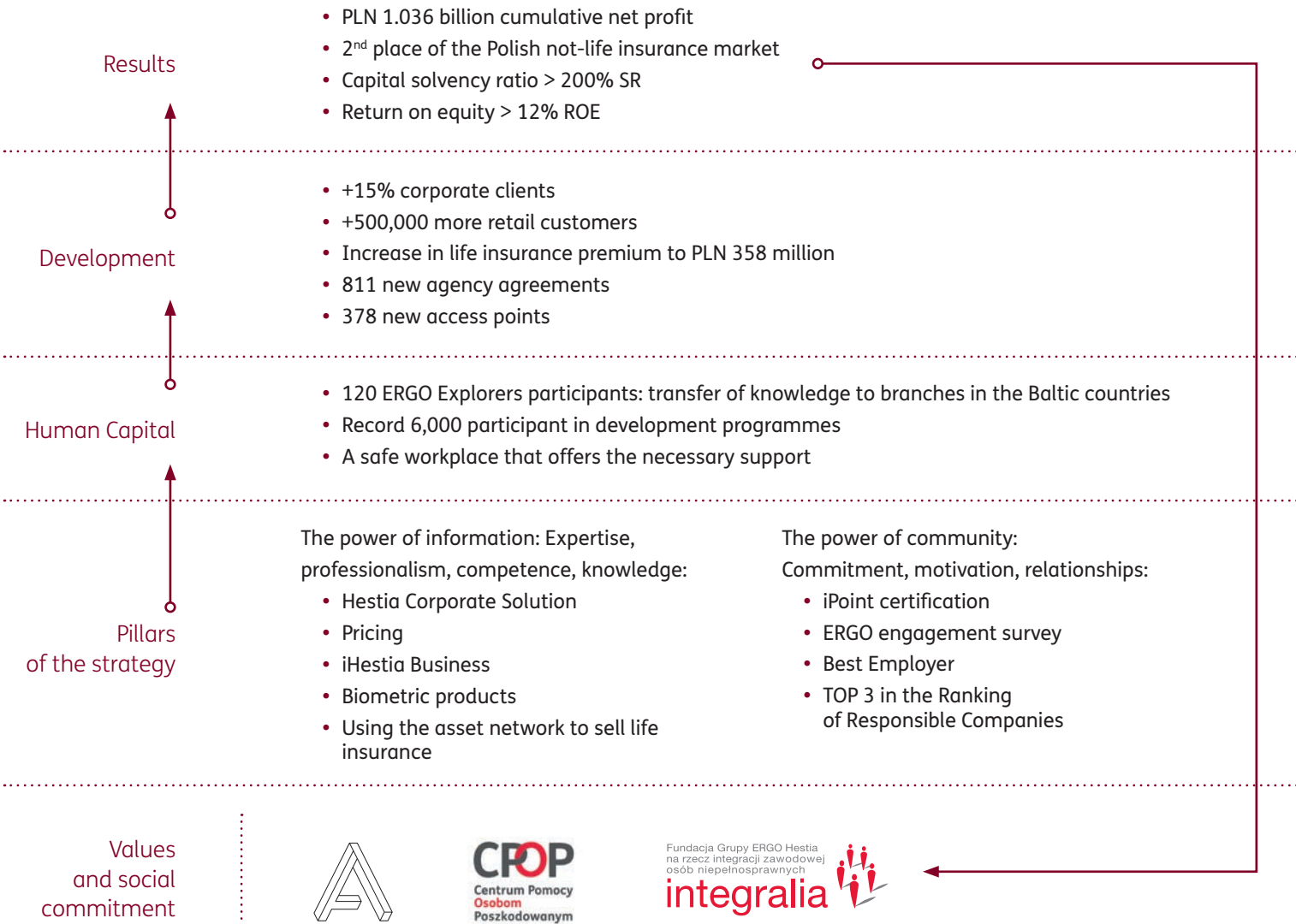
- maintaining and adapting the implementation of social and environmental projects to the conditions of the pandemic. We implement social programmes through, among others, the Integralia Foundation, the Hestia Artistic Journey Foundation and the Personal Injury Rehabilitation and Support Centre. Supervision of the development and implementation of the sustainable development strategy is exercised by the President of the Management Board and the Member of the Management Board for Sales and Technology.

Our sustainability activities are highly valued by the market and stakeholders:

- In the **Ranking of Responsible Companies 2020** organised by the Koźmiński Business Hub, the Responsible Business Forum and Deloitte, **we took 2<sup>nd</sup> place in the general classification and became the most responsible insurer in the country.**
- In June 2020, the editors of the *Polityka* weekly, together with the Responsible Business Forum and Deloitte, awarded ERGO Hestia with **the CSR Silver Leaf**, and our IoT (Internet of Things) initiative was honoured and named an inspiration for other companies in the field of environmental protection in the category of initiatives supporting the implementation of the 17 Sustainable Development Goals (SDGs).
- We received **the TOP 100 Pomerania Award in the category: Best Socially Responsible Company from “Dziennik Bałtycki”** awarded by a panel, which includes representatives of the largest Pomeranian organizations of entrepreneurs, chambers of industry, technology parks, industry associations and the scientific community.
- We received the title **“Ethical Company 2020”** in the competition of the most ethical companies in Poland organized by *Puls Biznesu*.

ERGO HESTIA GROUP BUSINESS STRATEGY 2018-2020  
“THE POWER OF INFORMATION AND COMMUNITY”

Given the Group’s unique organisational culture model, ERGO Hestia’s most important commitment remains the Highest Standard of Protection we provide to all our customers and business partners. The following is a summary of the three-year strategy „Power of Information and Community”.



Our plans for the future

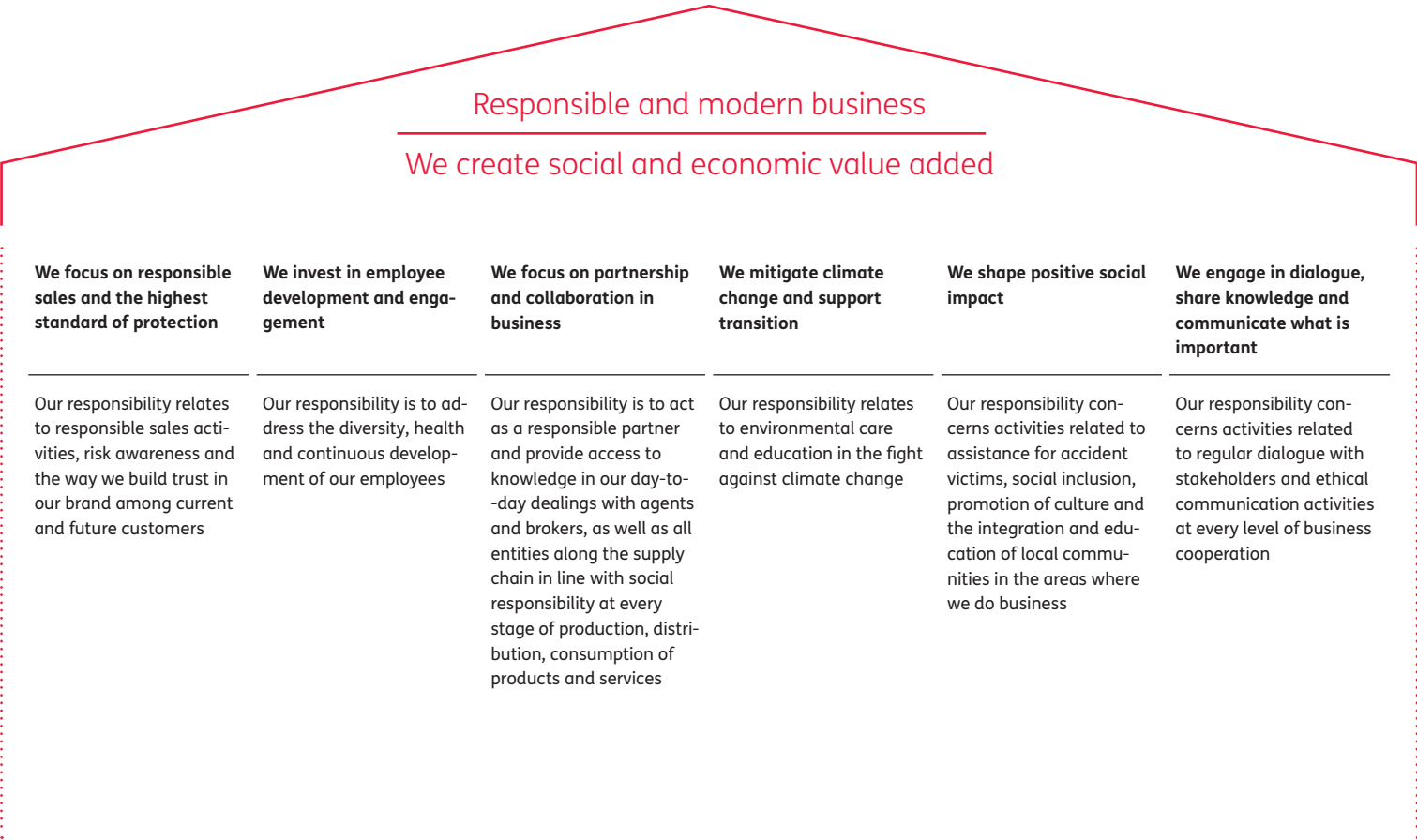
Both areas – Power of Information and Community – remain pillars of ERGO Hestia’s strategy for the coming years.

BUSINESS GOALS

The development strategy assumes that we will maintain the second position on the Polish non-life insurance market, generate a cumulative net profit of PLN 1.1 billion in the years 2021-2023 and obtain a return on equity exceeding 12% in 2023. In addition, we have an ambition for the solvency ratio to exceed 200%.

PILLARS OF THE SUSTAINABLE DEVELOPMENT STRATEGY

The goals listed in the pillars of the ERGO Hestia Group’s Sustainable Development Strategy for the coming years are in line with the 17 UN Sustainable Development Goals.



The new Sustainability strategy is linked to the business strategy and takes into account 7 business areas. It also includes measures of success and KPIs in each area to increase the company’s positive impact on the 2030 Agenda for Sustainable Development.

As part of our social goals, and with a view to changing the conditions in which children and young people functioned in 2020 due to COVID-19, we decided, together with the Wisława Szymborska Foundation, to extend our social commitment and we established the Hestia Literary Journey programme, which will reward the best authors of children’s and youth literature.

1.2 Key non-financial performance indicators

Table 2: Key non-financial performance indicators

	2019	2020	Change
Employee turnover rate <sup>4</sup>	13%	10%	-3 p.p.
Participation of women in management	53%	51%	-2 p.p.
Share of people with disabilities among employees	2.6%	3%	+0.4 p.p.
CO <sub>2</sub> emissions (Scope 1 + 2)	8 261 086 kg	7 051 944 kg	-15%
Water consumption (m³)	18 843	10 827	-43%
Paper consumption (t)	319	207	-34%
Number of key suppliers that have signed our Code of Conduct	100%	100%	-

Partnerships and initiatives

GRI 102-12   GRI 102-13

We participate in shaping the socio-economic environment locally and in Poland, we initiate programmes, we want to broaden our knowledge and management approach to sustainable development. Therefore, in 2020 we were members in the following associations and organisations:

- Lewiatan Confederation
- Gdansk Business Club
- Automobile Dealers Association
- Network of Non-Market Labour Market Institutions
- Polish Insurance Association
- International Network of Insurance
- Hartford Steam Boiler for Central Europe

Including organisations promoting sustainable development:

- Responsible Business Forum
- UN Global Compact
- UNEP-Grid Warsaw

GRI 415-1

ERGO Hestia Group did not finance activities of political parties

<sup>4</sup> Employee turnover rate according to GRI index, i.e. calculated according to the formula: number of departures in relation to the number of employees.



# 1.3

## Ethics and risk management

GRI 102-11   GRI 102-15   GRI 103-1   GRI 103-2   GRI 103-3

### Risk management taking into account climate factors

A coherent risk management system is implemented across the Munich Re Group and the ERGO Group, of which ERGO Hestia is a part. General standards are set at Munich Re Group level. Companies adopt local procedures and processes, tailoring them to both group requirements and local regulatory and market-specific requirements.

We have implemented our own risk and solvency assessment process called ORSA. This process is managed by the Director of the Risk Office. ORSA is an ongoing process involving the Management Board and those responsible for the various elements of risk assessment. They receive regular monitoring, risk identification and reporting reports and attend quarterly meetings of the Risk Management Committee, the Catastrophe Risk Committee and the Asset and Liability Management Committee. Our risk management system at ERGO Hestia is as follows:



Risk management is the responsibility of the Director of the Risk Office, who reports to the Vice President for Finance and Organisation of the ERGO Hestia Group. The Director of the Risk Office provides the Management Board with periodic and ad hoc reports on risk management and advises on and monitors the effectiveness of ERGO Hestia's management system.

- Risk categories in the ERGO Hestia Group:
- Reputational risk
  - Liquidity risk
  - Credit risk
  - Actuarial risk
  - Strategic risks
  - Operational risk
  - Market risks
  - Climate risk

In 2020, we added climate risk to the categories of risks. It distinguishes between physical risk and transition risk associated with the transition to a low-carbon economy. As with the other risks, climate change is one of the aspects considered in managing the risks of each category.

In 2020, despite the threats posed by the pandemic, we ensured the continuity of our business processes and the safety of the employees involved. The pandemic did not significantly affect the risk profile of the ERGO Hestia Group.

GRI 102-16   GRI 102-17   GRI 205-2   GRI 205-3   GRI 206-1

We have established an ethics and anti-fraud management system, including corruption, which consists of:

- Code of Ethics
- Code of Conduct for employees
- Code of Conduct for Suppliers and Subcontractors
- Procedures, policies and rules for proper conduct
- E-learning ethics and anti-fraud training system
- Platform for reporting (anonymously) ethical breaches and suspicions of such breaches
- Anti-money laundering policy
- Cartel policy, i.e. guidelines for proper conduct in complying with antitrust and competition laws
- Gift policy
- Compliance programme to ensure that the company complies with all legal and market requirements

These documents are available to every employee on our intranet, form the basis of many documents and procedures, and elements of them are also present in criteria and information aimed at external stakeholders such as suppliers. In 2020, there were no violations of the principles of free competition or monopolistic practices.

GRI 412-2   GRI 412-3

90% of our key suppliers have signed the Supplier and Subcontractor Code of Conduct, which includes human rights provisions.

### Risk Office and Compliance Area in the Management Board Office

are the units responsible for implementing, monitoring and updating the policies governing anti-corruption in ERGO Hestia. Reporting takes place as soon as the incident is identified.

### Anti-Fraud Officer

is a person responsible for combating fraud. The Anti-Fraud Officer with his or her team are involved in investigating cases in this area.

The Officer and his or her team operate within the structures of the Internal Audit Office.

Since 2008, ERGO Hestia has had in place a system for reporting suspected irregularities (**Whistleblowing**), which allows employees to report anonymously or non-anonymously any suspected, observed or experienced non-compliance with the company's Code of Ethics. Suspicions and reports can be made by phone, SMS or email. The system provides full protection of the applicant's personal data.

GRI 205-2

### Trained in 2020 on the Code of Ethics and anti-corruption

All employees receive training on the principles contained in the "Code of Conduct for ERGO Hestia employees". The training is repeated every two years, and every newly recruited employee of the company must also undergo it. In 2020, due to the pandemic, we introduced a new training format – online and a new training course: "Anti-Corruption Programme in ERGO Hestia", which comprehensively presents anti-corruption issues in ERGO Hestia. This training is repeated periodically and has been targeted at a specific group of workers who are exposed to such risks.

Trained in 2020 on the Code of Ethics and anti-corruption

100%

# 1.4 Our stakeholders and the topics that are important to them

[GRI 102-40](#)   [GRI 102-42](#)   [GRI 102-43](#)   [GRI 102-44](#)

Table 3: Stakeholders of the ERGO Hestia Group and topics important to them

Group of stakeholders	Method of engagement	Topics raised by stakeholders
Employees	<ul style="list-style-type: none"><li>• Internal meetings</li><li>• Annual, quarterly interviews</li><li>• Intranet, newsletter, video</li><li>• Actions engaging and raising awareness of the company</li><li>• Participation in dialogue sessions</li></ul>	<ul style="list-style-type: none"><li>• Benefits, comfort at work, training and development opportunities</li><li>• ERGO Hestia’s sustainable development activities</li><li>• Employee volunteering</li><li>• Corporate culture</li></ul>
Agents and brokers	<ul style="list-style-type: none"><li>• Annual and ongoing meetings with agents and brokers</li><li>• Contact via instant messaging and chat rooms</li><li>• Satisfaction and opinion surveys</li><li>• Agent Ombudsperson</li><li>• Regular training for agents</li><li>• Ongoing support to agents</li><li>• Participation in dialogue sessions</li></ul>	<ul style="list-style-type: none"><li>• Building customer confidence</li><li>• Education and promotion of sustainable development and environmentally-friendly products</li><li>• Diversity of customers served (elderly, disabled or foreign language speakers)</li><li>• Education on new technologies</li></ul>
Customers	<ul style="list-style-type: none"><li>• Website of individual brands</li><li>• Insurance brand profiles on social media</li><li>• Complaints handling</li><li>• Participation in dialogue sessions</li><li>• Customer Ombudsperson</li></ul>	<ul style="list-style-type: none"><li>• Environmentally-friendly products and services</li><li>• Transparency of ERGO Hestia’s activities and communication on CSR issues</li><li>• Quality and standard of services provided</li><li>• Tackling misselling</li></ul>
Suppliers and subcontractors	<ul style="list-style-type: none"><li>• Ongoing contact during the year</li><li>• Enforcement of provisions included in the Code of Conduct for Suppliers and Subcontractors cooperating with ERGO Hestia</li><li>• Participation in dialogue sessions</li></ul>	<ul style="list-style-type: none"><li>• Supporting suppliers in achieving CSR goals</li><li>• Environmental and social impact of suppliers’ activities</li><li>• Reduction of CO<sub>2</sub> emissions</li><li>• Cooperation in CSR projects</li></ul>
Public institutions, NGOs, environmental institutions	<ul style="list-style-type: none"><li>• Cooperation with the Polish Insurance Association</li><li>• Ongoing contact and cooperation on CSR projects</li><li>• participation in dialogue sessions</li></ul>	<ul style="list-style-type: none"><li>• Importance of products and services that support the environment and reduce climate change</li><li>• Transition towards zero-carbon</li><li>• Pro-activity in initiating original inter-sectoral projects</li><li>• ESG indicators in risk and investment assessment</li></ul>
Journalists	<ul style="list-style-type: none"><li>• Contact with ERGO Hestia press office</li><li>• Website and social media profiles of the company</li><li>• Participation in press conferences and events organised by ERGO Hestia</li><li>• Participation in dialogue sessions</li></ul>	<ul style="list-style-type: none"><li>• ERGO Hestia’s efforts to achieve climate neutrality</li><li>• Promotion of good practices, knowledge sharing</li><li>• Transparency of external communication</li><li>• Tackling misselling</li></ul>



# 1.5

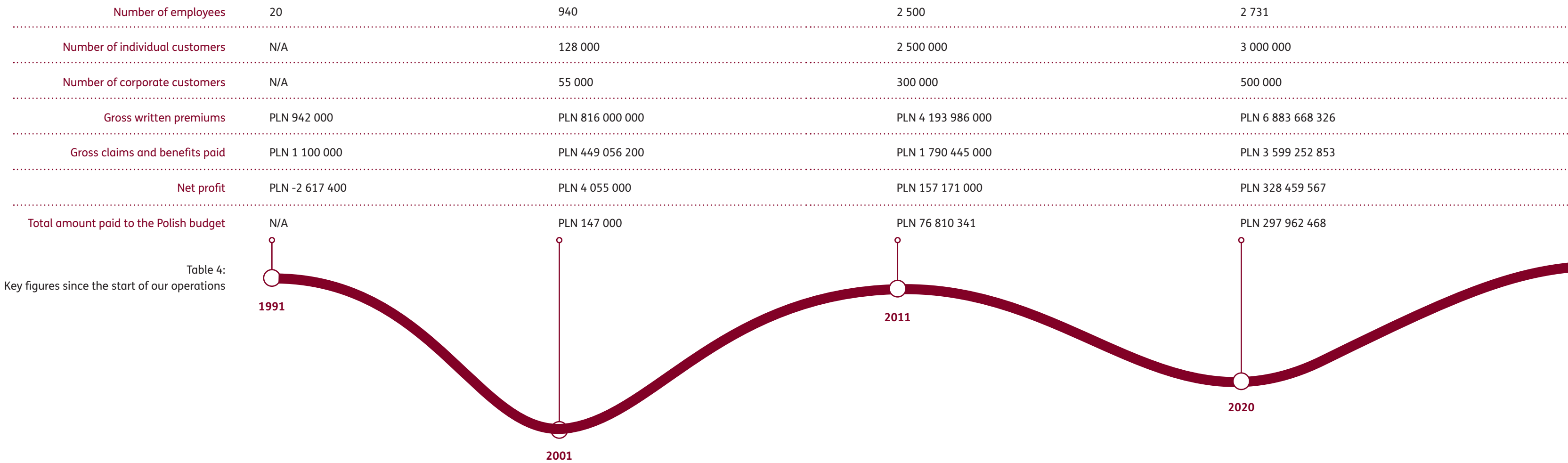
## We have been with you for 30 years!

We were established as Sopockie Towarzystwo Ubezpieczeń Hestia in 1991, employing a dozen or so people.  
In 2008, ERGO AG became our strategic investor, changing the company's name to ERGO Hestia, and today, according to rankings, we are the second largest insurance company in Poland!



### Good Practice

The introduction of the Marked Points project aims to establish our presence in cities where we do not yet have our Point of Sale. Thanks to these measures, we are able to bring multi-agents closer to our company, and give our customers easier access to ERGO Hestia. Another very strong impact of this project is the building of brand recognition in places where we have not yet been present as a company. Our plan for the company's 30<sup>th</sup> anniversary is to open 30 such outlets in the anniversary year!



# 1.6

## Explore our impact on the Polish economy in 2020



**Direct impact results from direct activities of the ERGO Hestia Group**

Value added; PLN 685 million  
Employment: 2,731  
Remuneration: PLN 250 million  
Induced production: PLN 538 million

**Indirect impact**  
Thanks to the increased activity of the ERGO Hestia Group, business partners and suppliers employ additional people to whom they pay salaries and generate additional value added in the economy.

Value added: PLN 539 million  
Employment: 4,363  
Remuneration: PLN 270 million  
Induced production: PLN 2 365 million

**Induced impact**  
People employed in the ERGO Hestia Group and employees working for business partners and suppliers whose work indirectly depends on ERGO Hestia's activities, thanks to the remuneration they receive for their work, purchase consumer and investment goods, thus generating demand in the economy as a whole.

Value added: PLN 106 million  
Employment: 862  
Remuneration: PLN 53 million  
Induced production: PLN 467 million

**Total impact**  
Over PLN 1.3 billion of total value added created.  
Nearly 8,000 jobs created in the Polish economy.  
PLN 580 million is the total value of salaries paid out thanks to the activities of the ERGO Hestia Group, our subcontractors and business partners.

**Additional fiscal impact and financial support for Poland:**  
Almost PLN 300 million taxes paid to the national budget and local governments in Poland.  
Nearly PLN 10 billion invested in Polish bonds and other securities supporting the country's finances.

The ERGO Hestia Group's contribution in Poland is not limited to the insurance industry. Our activities have a wider – social and economic – impact on the development of the Polish economy. Our impact on the Polish economy is the sum of generated added value, employment and wages and induced production at our partners and suppliers in three dimensions – direct, indirect and induced.



Our economic and social impact

We contribute to economic prosperity through the efficient use of resources.

- We are the largest insurance company established under market economy conditions in Poland.
- We serve 3 million individual customers and nearly 0.5 million companies – micro-entrepreneurs, SMEs and large companies within the corporate segment.
- Since the beginning of our activity, we have been setting trends in the Polish insurance industry.
- We were the first insurance company in Poland to establish an engineering company specialising in risk management in 1999.
- In 2015, we were the first to create an Agent Ombudsperson office.
- We were the first in Poland to introduce an online sales system in 2008.
- Today we are one of the leaders in the area of innovation, which is an integral part of our business strategy.

The ERGO Hestia Group’s contribution in Poland is not limited to the insurance industry. Our activities have a wider – social and economic – impact on the development of the Polish economy.

Our impact on the Polish economy is the sum of generated added value, employment and wages and induced production at our partners and suppliers in three dimensions – direct, indirect and induced.

Table 5: Socio-economic impact

Impact of the ERGO Hestia Group	Added value [million PLN]	Employment	Remuneration [million PLN]	Induced production [million PLN]
Direct	685	2 731	250	538
Indirect	539	4 363	270	2 365
Induced	106	862	53	467
Overall impact	1 330	7 956	573	3 370
Multiplier	0.9	1.9		

The above impact was calculated using an input-output model originally developed by Nobel laureate Wassily Leontief.



Our direct impact

One of the most popular measures of welfare is value added. ERGO Hestia creates added value through:

- exploiting human potential, including the experience, innovation, expertise and professionalism of its staff,
- use of capital resources, tangible and intangible resources and services.

This value is then shared among the various stakeholders: shareholders, business partners, employees, insurance beneficiaries, the state budget and others. In this way, our activity impacts the environment both near and far, contributing to the development of not only the insurance industry, but also the entire economy in Poland.

In 2020, the ERGO Hestia Group generated more than PLN 685 million in direct value added, which is:

0.5% GDP  
of the GDP of the whole Pomerania

10%  
of the added value generated by the whole insurance industry in Poland

x 2  
We generate on average 2 times more added value (GDP) per employee than the average company in Poland

Social impact

In 2020, the average salary at ERGO Hestia was 32% higher than the average monthly salary in Poland <sup>5</sup>.

Our indirect and induced impact

In addition, the ERGO Hestia Group’s operations require the use of market goods and services and thus induce demand and production in our chain of suppliers and subcontractors. This creates what is **called indirect impact**, created in various branches of the economy. In turn, additional employment and income is generated through the expenses of those employed and working with us, as well as those whose employment is indirectly related to our business. This creates a multiplier effect, otherwise known as **induced impact**, which stimulates growth in the economy as a whole.

GRI 102-9



<sup>5</sup> Central Statistical Office, 2021. Communication of the President of the Central Statistical Office of 9 February 2021 on the average salary in the national economy in 2020.

Fiscal impact

The ERGO Hestia Group’s impact on the Polish economy can also be considered in terms of fiscal impact, i.e. the amount of taxes paid to the state budget and local governments.

PLN 297 962 468.81

This is the total amount of taxes we paid in 2020

72%

this is the share of taxes paid by the ERGO Hestia Group in relation to the City of Sopot’s expenditure in 2020.

264

that’s how many days Sopot could function for the value of taxes paid by ERGO Hestia Group

► [www.ergohestia.pl/zrownowazony-rozwoj/raporty-i-publikacje/raporty-spoleczne/](http://www.ergohestia.pl/zrownowazony-rozwoj/raporty-i-publikacje/raporty-spoleczne/)

Our total impact

PLN 1.3 BILLION

Over PLN 1.3 billion of total added value created

8 000

Nearly 8,000 jobs generated in the Polish economy

PLN 580 MN

is the total amount of salaries and wages paid by ERGO Hestia, its suppliers and business partners

The significance of the ERGO Hestia Group in the insurance industry in Poland and in the local economy

The ERGO Hestia Group influences the decisions and choices of individual customers and companies. The opportunity to reduce risk encourages everyone to develop their activities, businesses and investments, thereby creating jobs and income. It is our wider economic impact on the environment, visible over the long term, which is relevant to the economy as a whole, particularly in periods of heightened uncertainty.

PLN 63.5 BILLION<sup>6</sup>

This is how much Poles spent on insurance in 2020

10%

Over 10% of this amount was spent by Poles on insurance in the ERGO Hestia Group.

PLN 39.7 BILLION<sup>7</sup>

In 2020, Poles received PLN 39.7 billion in compensation and insurance benefits.

9.06%

Payments made by the ERGO Hestia Group accounted for 9.06% of this amount!

PLN 87 BILLION

Over PLN 87 billion was placed in Polish bonds and other securities by insurers in Poland.

11%

11% of this amount was invested by the ERGO Hestia Group, thus supporting the Polish economy and finances.

PLN 6 BILLION

This is the net profit earned in 2020 by insurers in Poland

6%

Nearly 6% of this profit was generated by ERGO Hestia Group.

PLN 15 BILLION

Insurance companies of the ERGO Hestia Group have assets of over PLN 15 billion.

11%

The value of the assets represents around 11% of the Pomeranian Province’s GDP, thus supporting the local economy.

<sup>6</sup> Source: Polish Insurance Association, Insurance Journal of 01.04.2021.

<sup>7</sup> Source: Polish Insurance Association, Insurance Journal of 01.04.2021.



Hi, where can I drop  
off the book?

I will be taking a walk tonight.

See you at 9 in the park?

Great. At 9 by the neon.

👉 Don't be late :)



Człowiek

A photograph of a park at dusk. In the foreground, a paved path leads towards a grassy area. In the middle ground, a large, illuminated neon sign in a cursive script reads "Człowiek" (Polish for "Human"). The sign is supported by several metal poles. The background shows bare trees and a hazy sky with a low sun, creating a soft, golden light. The overall scene is quiet and atmospheric.





# 2

## Customers and business partners at the heart of our efforts

### 2.1 Check who we work with and for whom

Relevant reporting topic: agent development and cooperation, quality of customer service and trust building.

GRI 103-1   GRI 103-2   GRI 103-3

The ERGO Hestia Group’s business partners are among our key stakeholders. They form the sales network for our products and are often the first point of contact with customers. Strengthening relationships and faster adoption of new technologies were what both our business partners and customers expected from us in 2020.

Number of cooperating agents, brokers and other business partners in 2020:		Number of cooperating natural persons performing agency activities in 2020:	
2017	5 235	2017	82 702
2018	5 062	2018	76 408
2019	5 028	2019	77 119
2020	4 822	2020	69 019

- The main documents that regulate and standardise our relations with business partners:
- Agency agreement and business arrangement
  - ERGO Hestia Agent Code of Ethics

#### Standard Points

Standard Points is one of the strategic projects developed with our business partners since 2015. These are flagship and visually and substantively standardised places for sales, advice and customer service for ERGO Hestia. They are run by the best insurance agents in the country.

- Each of the more than 250 such outlets is designed according to strict guidelines and the people working in Standard Points are the best trained part of our retail distribution network.
- Thanks to this project, we have created a unique group of multi-agents in the country, mutually supporting each other and developing our insurance market, and the measure of the success of this project is the decision taken in 2020 to extend it for another five years.

#### Good Practice

For Standard Points agents, we have introduced a dedicated service:

- more than 70,000 small tasks are solved in less than 2 hours on average
- we completed 30,000 chat interactions, which resulted in our service being given the highest rating by agents!



## 2.2

# Practical support for agents and brokers – what sets us apart

At ERGO Hestia, we put good relations first. Openness, clear and readable messages, cooperation and supporting each other are the elements that distinguish us in the insurance market.

As one of the few insurance companies in Poland, ERGO Hestia has an Agent Ombudsperson, who in 2020:

- Handled 2,000 cases (+ 11% vs. 2019),
- Implemented 17 recovery programmes,
- 2 working days: this is the average time taken by the Ombudsperson to explain a case.

Due to the specific nature of 2020, our business partners particularly appreciated the following tools that we made available to them:

- **iPunkt:** a new motivating sales programme for agents in the form of a mobile app. Registration, participation, receipt and settlement of rewards take place online and on the individual agent’s card. Our iPunkt app works in real time and this means that agents can keep track of their performance and it is our business partner who decides when they want to pay out the rewards they have accumulated.
- **Chat for agents:** 20-30,000 chats handled every month
- **Training calendar** made available to agents in advance
- **Dedicated life insurance training programmes:** in 2020 we delivered 68 dedicated training courses to over 1,600 participants
- **Training platform:** which is an offer of online training, webinars and instructional videos for every agent available 7 days a week, anywhere, anytime:
  - 21 property insurance training courses: 16,757 views
  - 23 life insurance training courses: 12,509 views
  - 11 instructional videos: 1,591 views
- A series of **“Closer to Hestia”** meetings in Sopot, which in the days before the COVID-19 pandemic were an opportunity for all agents to visit the company’s Head Office, discover Hestia Park and learn about our environmental policy. These meetings also include presentations on Sustainable Development and workshops with the Integralia Foundation to raise awareness about the employment of people with disabilities. Due to the sanitation regime in 2020, a large proportion of these meetings have been moved to an online studio. In 2020, meetings were held from May to September. For 5 months we hosted over 700 agents at the ERGO Hestia Head Office. The webinars we have prepared have been viewed by nearly 4,500 intermediaries.

What do agents say about us? Are they satisfied with our support? At ERGO Hestia we believe that it is people and relations with our partners that are the most important. And this is what we focus on when our consultants work. Take a look at the messages left for our staff yourself:



Everything explained super, ladies very patient, thanks for the support :))

wrote Edyta after a conversation with Marta



No stress no sewat, no wasted time... Satisfaction level 10 out of 10.

added Margaret after consulting with Pauline



Very friendly service and quick help, which I all that I wanted :)

wrote Marcin after a conversation with Lukasz

## Responsiveness

In 2020, responsiveness proved to be the most important element in relations with our business partners. ERGO Hestia agents appreciated the following online solutions:

- remote policy conclusion,
- secure remote contact,
- remote inspection,
- implementation of the fully mobile sales support programme iPunkt,
- online training for agents,
- creating a studio for online events for partners.

At the same time, we have changed the support model for the multi-agency network in the field. The aim of the project “All for All” was to be closer to the agents through the following activities:

- Increased number and availability of ERGO Hestia sales forces for intermediaries (originally 16 Regional Sales Managers and Head Office Retail Representation, after change 21 Retail Representations and 120 Regional Sales Managers);
- Full sales support across all segments and unified service.

A streamlined reporting system, internally transferred know-how and knowledge, and empowerment of 15 agent groups and over 25,000 salespeople have had a positive impact on the sales performance of the entire company!

### Good Practice

Online marketing practically and without secrets

- Did you know that in 2020 we launched a full agent support programme for online marketing? We are changing our sales model to fully online and supporting our agents: we have set up an online sales and marketing office
- We provide agents with ongoing central support in the implementation of online activities: training, support materials, access to digital agencies
- Helping to build an agent’s online image.

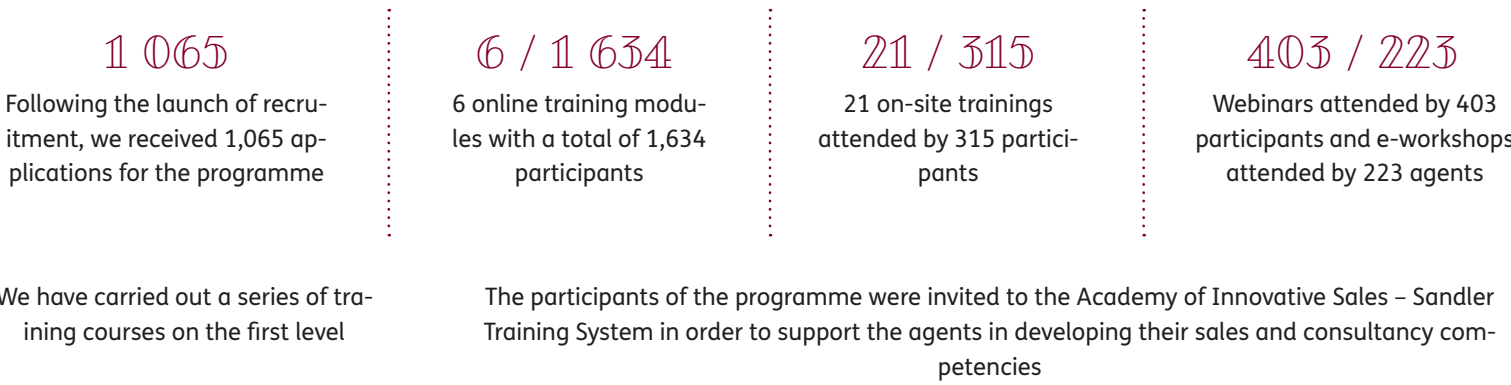
## Practices and solutions for our business partners implemented during COVID-19:

- **The “Totally Remotely”** campaign conducted in the first half of 2020 was a comprehensive support for ERGO Hestia agents and business partners. Solutions such as remote signing of policies, switching to e-circulation of documentation, rent subsidies for some partners, regular and supportive communication from the CEO in the form of video conferences) were introduced. Thanks to the implemented solutions, ERGO Hestia customers can remotely conclude an insurance agreement with one click. The process does not require any additional application or account. All the customer has to do is follow the link sent to them and enter their PESEL or a code received by SMS. It only takes a few seconds. Once the customer accepts the quote, a policy or certificate of insurance will be automatically generated.
- **ERGO Hestia support for agents:** online consultation with a virologist, vouchers for COVID-19 testing, disinfectant fluids.
- Publication and distribution of the **“iHestia knowledge compendium”**, i.e. a practical collection of attitudes for agents on prevention during the COVID-19 pandemic, principles of remote work, presentation of systems and tools made available by ERGO Hestia, products, simplifications in running an agency business, good practices and solutions for customers.

Agency Network Certification Programme

In 2020, we launched a development programme to improve the knowledge and skills of the agency network. Participation in the programme enables agents to be given significantly more authority than the market standard provides. The programme consists of three levels, with gradations based on increasing the number of entitlements held. Agents undergo intensive training culminating in an examination and the award of a certificate which guarantees membership of the elite group of professional insurance advisers.

ERGO Hestia Agency Network Certification Programme in 2020 in figures:



ARGO Programme: agent development with ERGO Hestia

ARGO’s training programme for agents is one of the initiatives most appreciated by our business partners. The aim of the ARGO Programme is to build a community of insurance advisors offering the Highest Standard of Protection, taking care of the customers by accurate recognition of insurance needs and skilful selection of appropriate insurance coverage.

The ARGO programme in 2020:



▶ [www.ergohestia.pl/argo](http://www.ergohestia.pl/argo)

According to brokers we are the best insurer for companies!

The Fair Play award has been granted by the Association of Polish Insurance and Reinsurance Brokers since 2000. Due to COVID-19 there were no awards in 2020, but over the last 20 editions of the competition in the non-life insurance category we have won the award as many as 12 times! And in 2017 we were awarded the Super Fair Play title for the best offer to corporate customers over the last 25 years.

Brokers work best with ERGO Hestia. During the Fair Play competition, brokers evaluate insurance companies operating on the Polish market in terms of professional ethics, modernity of IT systems and timeliness of responses to enquiries, which emphasises the importance of trust and relations in everyday cooperation.

**Good Practice**

We have implemented an electronic system of PIT-11 settlements for our business partners! Behind every agent and broker there is a human being, and such a solution not only facilitates work and ensures quick access to settlements, but also protects the environment – we save paper (printing, envelopes) and transport (CO<sub>2</sub>).

Along the same lines, we have replaced printed vouchers for rewards payments to our agents with ERGO Hestia prepaid cards.

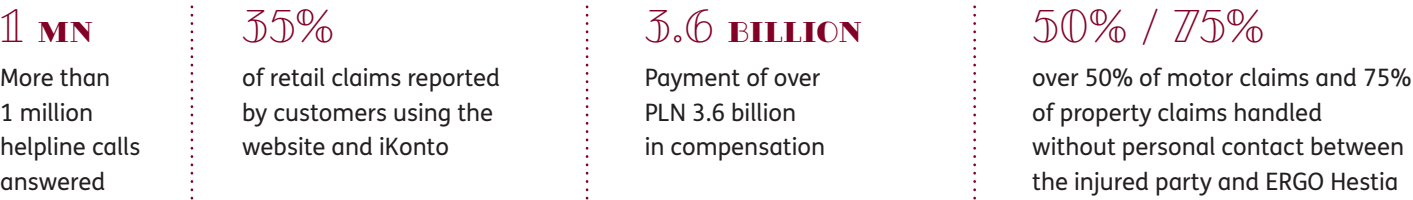
In 2020, the average settlement time for commission payments to brokers was 3 days.



## 2.3

# We always act with our customers in mind

### ERGO Hestia customer service in figures:



The events of the 2020 pandemic have not only triggered health and safety concerns but also sudden changes in decisions dictated by the sanitary situation of our customers, both individual and corporate. On the one hand, we have seen greater demand for insurance and an increase in the value of policies, and on the other hand, a strong need on the part of customers for a quick fit.

### Exceptional support for individual customers in difficult situations caused by the pandemic:

- ERGO Hestia Travel: we introduced cost-free termination of short-term contracts
- As part of the Digital Hestia programme, we quickly moved to remote collaboration, which was appreciated by both corporate and retail customers
- We accelerated the full implementation of the e-circulation and e-signature programme, resulting in reduced paper and fuel consumption in 2020
- We were the first in the market to introduce rollovers of premium payments for individual customers. In 2020, 375 clients took advantage of this option.
- We increased the availability and activities of the Customer Ombudsperson on social media
- We launched more than 40 rehabilitation programmes appreciated by customers under third party insurance despite COVID-19
- We organised a series of open lectures Art to Comfort the Heart, communicated through social media: 70 lectures, 45 000 participants

### Facilitations for corporate customers during COVID-19:

- Implementation of engineering audits assessing corporate customers' risks online
- Pentests were conducted exclusively online
- Moving to e-meetings, which improved the whole process and communication for both parties
- 30% more audited corporate clients vs. 2019.

## Quality of customer service

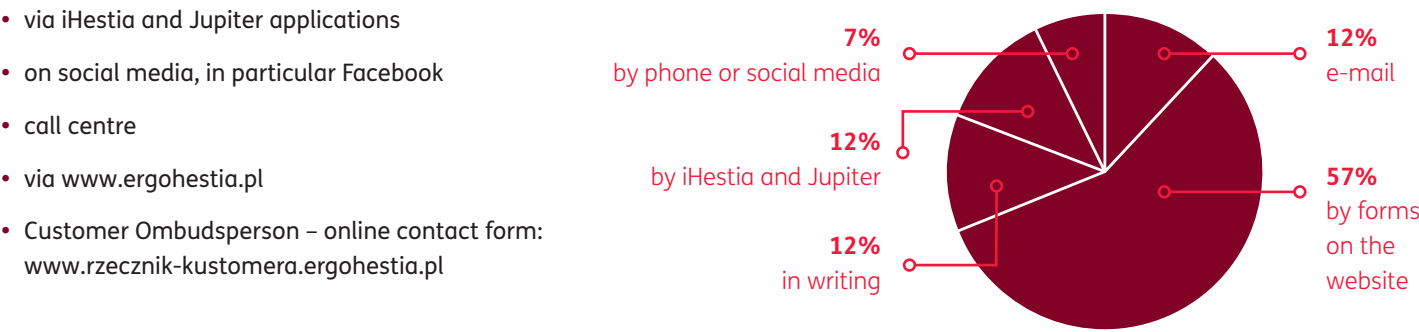
GRI 103-1   GRI 103-2   GRI 103-3

Quality customer service is one of our most important values and our focus in 2020 was on responsiveness. The pandemic situation took us all by surprise, but we promptly implemented unique facilitations and online solutions for customers.

### Good Practice

There are times in everyone's life when we need a quick cash injection. We work with people and for people, which is why we have streamlined payments for simple claims such as the birth of a child or the death of parents or in-laws. A special algorithm verifies the claim, the validity and the documents, reducing the time of payment to one working day!

ERGO Hestia's aim is to build a positive and authentic customer experience and increase satisfaction with service, including during the claims process. We are accessible to everyone, and the digital communication methods we have previously built have only confirmed their relevance. For individual customers, we are available as follows:



A great convenience for ERGO Hestia's customers and an important communication channel is the Customer Ombudsperson, who provides opinions on applications requiring an individual decision and who also initiates the optimisation of customer service processes. In 2020 the Customer Ombudsperson:

- handled 4.400 post-complaint requests (+ 18% vs. 2019)
- reduced the time taken to clear cases to 8 working days (13 days in 2019)
- 45% of cases cleared in just 5 days (vs. 33% in 2019)

In turn, brokers play an important role in dealing with corporate customers. Regardless, relations with corporate customers are maintained both by ERGO Hestia's Head Office and directly by Corporate Representations. Despite the fact that in 2020 contact with corporate customers was rapidly transferred to the e-meeting formula, we also tried to carry out face-to-face meetings maintaining the highest security measures, which was appreciated by customers.

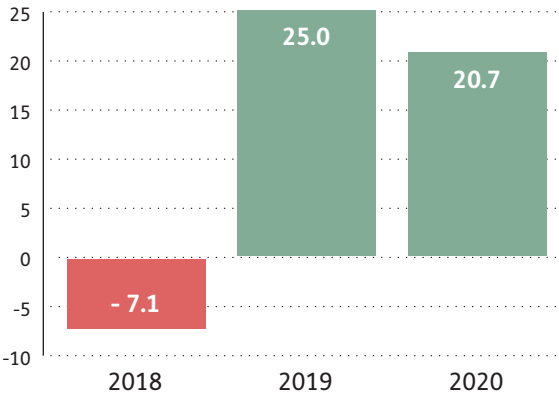
In addition, we constantly monitor complaints made by our customers. We produce periodic monthly reports that present the current situation and quarterly reports that show trends, while the annual summary presents trends and implemented solutions to reduce the number of complaints.

0.41%  
is ERGO Hestia's  
complaint rate in 2020.

It is calculated as the ratio of processed complaints to the number of policies concluded. This ratio, compared to 2019 (0.46%), remains stable and is one of the lowest among insurers in Poland!

Net Promoter Score (NPS) customer loyalty survey

The level of customer loyalty is monitored throughout the year and is the starting point for implementing improvements. The NPS for 2020 stood at 20.7, having increased by 27.8 points over the last three years. Three quarters of the surveyed customers expressed their satisfaction with customer service and services provided by ERGO Hestia.



In 2020 ERGO Hestia was the most recommended company among the largest insurers in Poland!

Figure 6: ERGO Hestia NPS 2018-2020  
According to the 2020 Customer Service Quality Stars consumer survey

For the sake of safety, we have maximised the simplification of claims handling procedures, which has not only made our customers happy but also made us the market leader in this area. More than 50% of motor vehicle claims and 75% of property claims in 2020 were handled without personal contact between the injured party and ERGO Hestia! We made several thousand video inspections and the telephone was recognised as a virtual statement.

2.4  
Innovation: robotisation and automation

Innovation, including in particular robotisation and automation of business processes at ERGO Hestia, is a strategic area of our activities. In 2020, we fully digitised the process of verifying the training certificates of every person who sells our insurance.



Digital facilitation  
of customer service in 2020

95%

In 2020, 95% of 200,000 training certificates were issued by robots!

174 000

In 2020, robots executed 174,000 tasks!

In addition, we continued the following programmes and activities:

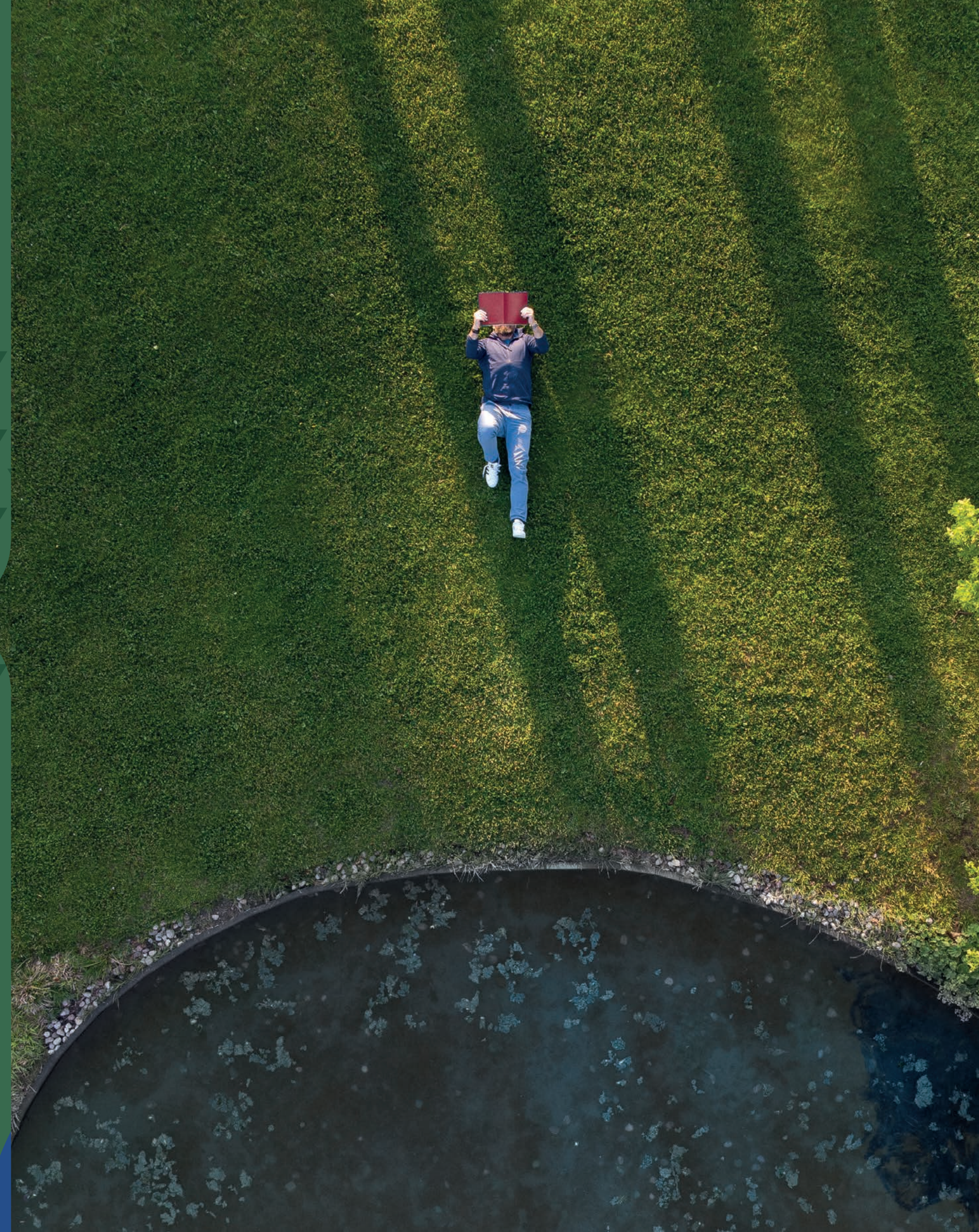
- Further streamlining of ERGO Hestia’s Cumulus Evo platform, which simplifies the work of intermediaries involved in issuing professional liability, accident and health insurance policies and moving from the provision of compensation to organisations that negotiate insurance offers on behalf of their members
- Implementing further changes in the company’s business prevention and risk anticipation (assistance handling)
- Further simplification of the claims process, including implementation of video inspection or attaching photos by telephone
- Update of ERGO Hestia application for remote work for both individual customers and companies

Good Practice

In 2020, we introduced the MLS application, i.e. a system supporting the work of mobile claims handlers, which allows for remote customer service also during the inspection of damage. Thanks to the application, we have reduced the number of documents and paper used and accelerated the service by automatically transferring data to the claims handling systems.



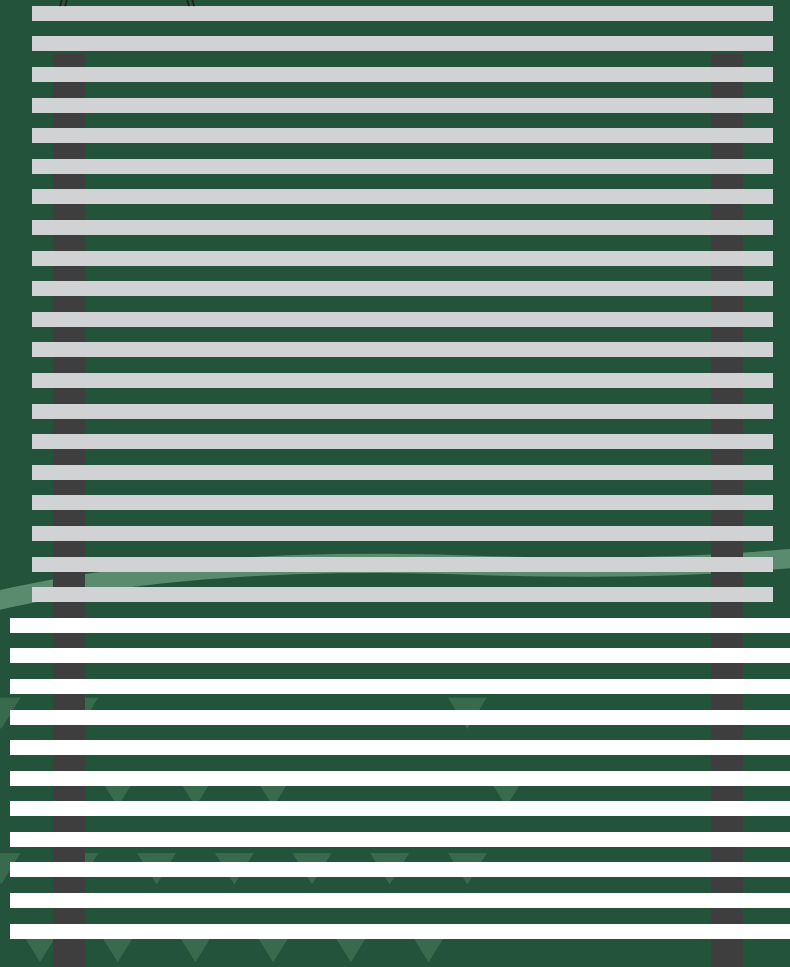
**It's my day off,  
I chase sunlight,  
chase the shade**





# 3

## Responsible employer



We are delivering on the Sustainable Development Goals:



## 3.1 Our work place

[Relevant reporting topics: Working conditions and benefits; Development and training, Diversity and inclusivity]

GRI 103-1   GRI 103-2   GRI 103-3

At the ERGO Hestia Group we ensure stable employment in a dynamically developing industry. Employees are one of our key stakeholder groups and our strategic HR goal is to build human resources that will ensure our competitiveness in the market. We strive to ensure that our employees feel secure, are given opportunities for professional development and continuously develop their competencies in a constantly changing environment. It is our employees who create innovations that set trends on the Polish insurance market.

Every detail is important, which is why we promote the highest standards of work in every position. Our ambition is to be the employer of first choice in the insurance industry in Poland, to maintain a low level of employee turnover and to build a sustainable, responsible and healthy working environment.

Implementation of the HR strategy is the responsibility of the HR Selection and Development Director, who reports directly to the CEO.

Our HR policy consists of the following documents and procedures:

- Munich Re/ERGO Group Code of Conduct for Employees,
- Rules of conduct for ERGO Hestia employees,
- Labour regulations,
- Diversity Policy,
- Environmental Policy,
- Anti-bullying and anti-discrimination procedure,
- Anti-fraud and anti-money laundering policy,
- HR Strategy 2021-2022.

Equal opportunities and respect for diversity shape the organisational culture of ERGO Hestia. Our enduring commitment is to act in accordance with:

- The 2030 Agenda for Sustainable Development,
- Universal Declaration of Human Rights,
- Diversity Charter,
- UN Guiding Principles on Business and Human Rights,
- 10 principles of the UN Global Compact.

► [www.ergohestia.pl/zrownowazony-rozwoj/inicjatywy-i-zobowizania](http://www.ergohestia.pl/zrownowazony-rozwoj/inicjatywy-i-zobowizania)  
[www.ergohestia.pl/zrownowazony-rozwoj/etyka-w-biznesie](http://www.ergohestia.pl/zrownowazony-rozwoj/etyka-w-biznesie)

We work in an atmosphere of respect and community, which form our strength and the basis of the ERGO Hestia Group’s “Power of Information and Community” strategy. We build lasting bonds of friendship and trust each other.

VALUES IN THE ERGO HESTIA GROUP

COMMUNITY

putting employee relations on a par with business goals, respect for family and private goals

RESPONSIBILITY

a sense of responsibility for your project, but also for your company’s image

OPENNESS

to change, but also to new people, new challenges, changes in the organisation

READY TO CHANGE

readiness and positive attitude to change within the company

HONESTY

ensuring the transparency of every action

SIMPLICITY

we do not multiply entities and processes beyond what is necessary

RESPECT

respect for other people’s work and values

DIVERSITY

supporting diversity in the company, no prejudice

INNOVATION

taking the initiative, thinking outside the box

COURAGE

courage to take up new challenges and dynamism in action

THE HIGHEST STANDARD OF WORK

accuracy, quality and attention to detail

Transparent internal communication

GRI 402-1

We maintain high standards of internal communication. We keep employees informed of strategic and operational changes that may affect them. Our main internal communication channel is the EH news intranet portal. In addition, the ERGO Hestia NEWS newsletter and the EH News 24 film summary of the week are sent out once a week. Information that we particularly want to emphasise is reinforced with separate mailings. Online meetings using MS Teams and text messaging for urgent and important topics are also organised. ERGO Hestia’s management communicates with employees in a cascade – it is the directors who pass information on to the employees. In addition, the Management Board sends important communications directly to employees via email or in the form of video recordings. At ERGO Hestia, the most important source of information remains the direct supervisor.

3.2 Who are the Hestians?

With 2,731 employees, we are one of the largest employers on the insurance market in Poland and Pomerania, and the largest employer in Sopot. We make sure that every employee feels safe with us and has prospects for development. To emphasise the importance of the internal community within the company, we often use the term “Hestians” to describe our employees.

Table 7: Number of employees

	GRI 102-7	GRI 102-8	2018	2019	2020
Number of persons employed under an employment contract			2 808	2 856	2 731
including the number of people employed at the Head Office (Sopot, Gdańsk)			2 316	2 159	2 048
Including the number of people employed in other cities in Poland (i.e. outside the Head Office)			492	697	683
Number of persons employed on a contract basis (e.g. internships)			20	36	42

Table 8: New employees and turnover

	GRI 401-1	2018	2019	2020
Number of new entrants to the Group		535	426	166
Number of departures from the Group		352	378	287
Employee turnover rate		Unreported	13%	10%

Diversity in the ERGO Hestia Group: why and how do we care about it?  
And how does this translate into indicators?

Diversity is one of our core values and a major factor that shapes our corporate culture. Since 2016, we have been a signatory of the Diversity Charter in Poland, an international initiative supported by the European Commission. In addition to external guidelines, the internal document regulating this area of our activity is the Diversity Policy, which lists 10 commitments, including ensuring safety, protection against discrimination on various grounds, professional activation of people with disabilities and care for the development of employees at both professional and personal level. We also make sure that the balance between the number of men and women in the company is maintained.

Total number of employees  
in the ERGO Hestia Group<sup>8</sup>

2 731  
PERSONS

1 768  
WOMEN

963  
MEN

<sup>8</sup> including Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA, Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia SA, Sopockie Towarzystwo Doradcze, Fundacja Integralia, Centrum Pomocy Osobom Poszkodowanym and Hestia Loss Control

Table 9: Diversity by gender, age and other characteristics among employees

GRI 405-1

	2018		2019		2020	
Number of women	1 822	65%	1 858	65%	1 768	65%
Number of men	986	35%	998	35%	963	35%
Number of persons aged up to 29	478	17%	623	22%	550	20%
Number of people aged 30-50	2 147	76%	2 068	72%	2 001	73%
Number of people aged 50+	183	7%	165	6%	180	7%
Number of persons with disabilities	66	2%	74	2%	83	3%

Table 10: Diversity of executives by gender, age and other characteristics

	2018		2019		2020	
Total number of executives	267	100%	264	100%	276	100%
Number of women	136	51%	142	53%	142	51%
Number of men	131	49%	122	47%	134	49%
Number of persons aged up to 29	5	1%	5	2%	3	1%
Number of people aged 30-50	216	81%	218	82%	228	83%
Number of people aged 50+	46	17%	41	15%	45	16%
Number of persons with disabilities	1	1%	2	1%	2	1%

At the end of 2020, the Management Board of the ERGO Hestia Group was comprised of one woman and three men. The Supervisory Board was comprised of six men.



Ja też campaign

Ja też campaign is carried out in collaboration with the Integralia Foundation. Targeted at ERGO Hestia employees. We encourage employees with disabilities to take advantage of their rights, additional benefits and assistance in applying for a certificate. We also aim to raise awareness among managers and employees about the presence of people with disabilities in the workplace, their rights and needs, to build managerial competences in diversity management and to mobilise people with disabilities for prevention. As a result, 15 employees provided a disability certificate and the share of people with disabilities in the ERGO Hestia Group increased from 2.6% in 2019 to 3% at the end of 2020.



GRI 102-12

Upskill 4 Future programme

Upskill 4 Future programme is coordinated by CSR Europe. The programme was designed to assess our readiness to implement changes in HR and corporate culture that will lead to an inclusive and forward-looking retraining of employees and redesign of work. Our rating in this survey was positive and above the national average, and the conversations we had resulted in the launch of new diversity initiatives.



“Equal opportunities in business” campaign

“Equal opportunities in business” campaign is organised by Global Compact Network Poland. As part of it, we were surveyed with the WEPs Gender Gap Analysis Tool, which not only strengthened our knowledge of diversity management, but will also help us determine a course of action to eliminate the gender pay gap.



#JestemzHestii campaign

We work in an atmosphere of respect and togetherness, we build lasting bonds of friendship, we trust each other. It is these qualities that have been showcased in the #JestemzHestii campaign, implemented on social media. Its aim was to encourage employees to publish information not only about important and interesting company events, but also to show who we are, who our employees are and what passions they have. Staff were able to benefit from training on social media by an expert. In addition, each Hestian was able to attach a #JestemzHestii overlay to their profile picture. The ambassador of the action was Justyna Wajs, Member of the ERGO Hestia Management Board for Sales and Technology.



Tackling bullying and discrimination

GRI 102-17

Any employee who believes they have experienced discrimination, harassment or other reprehensible practices should report the incident to their supervisor and the **Compliance Officer**. Where the notification concerns a supervisor, the notification should be addressed directly to the Compliance Officer. The employee can also report the situation **by telephone, SMS (+48 727 027 333) or e-mail (ryzyko@ergohestia.pl)**. The system provides full protection of the applicant’s personal data. In 2020, 100% of employees have been trained to deal with bullying, sexual harassment, violence or discrimination. The training took place in the form of e-learning including video recordings of the speakers.

GRI 102-41

There are no trade unions or collective labour agreements in the ERGO Hestia Group.

### 3.3

## Employee development and employer branding

### Why is it worth working for the ERGO Hestia Group?

A talent is any employee who, through his or her knowledge, experience and personality, finds a good fit in his or her role and implements the company's strategy by being an active member of the community. We attach great importance to the recruitment and induction of new employees, to ensure that new hires feel good in the new environment and easily adapt to their new roles.

87% of directors and managers in the ERGO Hestia Group come from internal recruitment.

Confidentiality and equal treatment are ensured for all candidates throughout the recruitment process. We use internal and external recruitment. We are present on major job portals, at job fairs, in career offices at universities, in social media – we run the ERGO Hestia Kariera profile on Facebook and Instagram. We are present in employment agencies and cooperate with personnel consultancy agencies. We also have a system of recommendations, i.e. recommendations of candidates by employees. In addition, we regularly publish current offers in the Careers section of our website [www.ergohestia.pl](http://www.ergohestia.pl). We conduct candidate satisfaction surveys, open communication with candidates, among others via chat available at [www.kariera.ergohestia.pl](http://www.kariera.ergohestia.pl) and each person applying with us receives support from the Candidate Mentor.

GRI 404-1      GRI 404-2

We received the Friendly Workplace 2020 special award from the editors of the Marka Pracodawcy portal for our modern and responsible approach in the area of employee relations and cross-cutting activities aimed at creating an open and friendly working environment based on such values as community, respect, trust and transparency. Our offer in the context of employee development was particularly highly rated, especially the programme **HART – Hestia Academy for Talent Development**, programme for managers **ABC of Leadership** and **Bootcamp** course in programming and robotics, the company's commitment in the context of ecology, sustainable development and a healthy workplace.

In spite of the pandemic, our leading theme in 2020 was **#czasrozwoju** [time of development]. We continued to deliver flagship development programmes such as HART and ABC of Leadership. We also launched several new projects. We moved a lot of training to the online world and we make no secret of the fact that this was a huge change for us, because in our corporate culture we very much value the exchange of experience in face-to-face relationships. This is why we approached online training programmes with special attention and adapted to the new reality.

### MANAGEMENT PROGRAMMES

HART,  
or Hestia Academy for  
Talent Development

A programme for ERGO Hestia Group employees who are being prepared for a managerial role:

- 16<sup>th</sup> edition, lasting 18 months and ending in 2020
- 23 participants in 16 editions
- 10 business projects
- 60% of HART programme graduates promoted to management positions
- 46% of graduates from this programme are women and 54% are men

The ABC of Leadership

The programme involves the development of managerial competences, leadership and management effectiveness. It emphasises the exchange of experience in the field of managerial practices of those who will play a leadership role. It is a programme for newly appointed managers from different areas of the ERGO Hestia Group:

- In 2020, we carried out 2 editions, the duration of each being 3 months. In 2021, the third edition was launched
- A total of 22 graduates
- 60% of graduates from this programme are women and 40% are men

Academy  
for Management  
Development

The programme is aimed at people who focus on developing their managerial competences or discovering their potential towards managing people. Through participation in meetings with experts, knowledge and experience sharing workshops and mentoring sessions, young managers explore the importance of their role and face challenges on their managerial path. A programme aimed at managers and employees with managerial potential from the Operations and Claims Adjustment Office:

- 3 editions
- 60 participants
- 52% of graduates are women and 48% are men

Leaders of Tomorrow

A training programme dedicated to directors and deputies in the development of managerial competences such as team and talent management and communication:

- in 2020, one edition lasting 3 months was implemented
- 70 participants

EXPERT PROGRAMMES

Strength in Experts

A programme dedicated to key specialists in the field of claims adjustment, aimed at sharing knowledge and experiences, developing expert competences, popularising the role of the expert, projects ensuring decision-making and a real impact on change:

- In 2020 we implemented one edition
- 20 participants

#Podziel się wiedzą

A programme in which employees willing to share their knowledge and experience trained other employees. In-house trainers receive prior training on how to run such a workshop. They use their creativity, enthusiasm and positive energy for new activities. In 2020, we carried out 2 editions that developed 30 themes.

- 27 in-house trainers
- 99 training courses
- 1,000 participants

Analysis Forum

A programme for those passionate about data science. Participants in the programme work together to use the latest technologies in data analytics while developing their analytical skills.

- We have completed 2 editions lasting 18 months each
- Number of graduates: 17
- 20% of graduates are women and 80% are men

PM Forum

The programme is aimed at current and future Project Managers and anyone who uses elements of Project Management in their work.

- Two editions have been completed and a third has been launched
- Number of graduates: 33
- 65% of programme graduates are women and 35% are men

IT Service Manager Forum

The programme is carried out in the form of a knowledge exchange forum aimed at developing a single model standard of business system maintenance by ERGO Hestia experts.

- In 2020 we launched the first edition lasting 12 months
- Number of participants: 15
- 73% of programme graduates are women and 27% are men

Innovative Bootcamps!

Modern technologies and employee development are inseparable in the ERGO Hestia Group. Hence the idea of Bootcamps – intensive courses that allow a selected group of employees to acquire the skills necessary to work in a completely new area. Bootcamps are run under the supervision of both internal and external experts and provide a powerful dose of practical knowledge, peer discussions and, above all, the opportunity to change the scope of your responsibilities without changing employers.

RPA Bootcamp

An intensive programming course with a large dose of practical technical knowledge and independent work on process automation with the opportunity to gain a new qualification as a certified RPA programmer.

- In 2020 we carried out one edition lasting 8 weeks
- Number of participants: 9
- 100% of graduates are men

Bootcamp 2.0

A programme in which every ERGO Hestia employee can participate and which helps develop in the IT field. Bootcamp 2.0 helps to create technological solutions so that we can improve processes in the company. In the 2020 edition, ERGO Hestia employees designed chatbots and voicebots based on artificial intelligence.

- We held one edition in 2020
- Number of participants: 8
- 25% of graduates are women and 75% are men



SCALE OF TRAINING

GRI 404-1

2020 was a time to expand our training platform. Not only is all compulsory training – resulting from laws and regulations – available there, but we have also added completely new training products, such as those related to remote working. Most e-learning courses have been developed by our in-house experts.

12.9 h – average number of training hours per employee in 2020.

Table 11: E-learning training in 2020

E-learning training topics	Number of participants
ERGO Hestia Group Employee Code of Conduct	2 419
Prevention of money laundering and terrorist financing	717
Protection of personal data	512
Vocational training for employees in the role of OWCD	358
Identification and reporting of tax schemes	253
Training in ergonomics of working with computers	159
How do you turn a problem into an idea for a solution?	86
Can self-motivation be learned?	82
Communication in remote working	33

BENEFITS

GRI 401-2

As an ERGO Hestia employee, you get additional non-wage benefits, such as:

In the area of integration and family:

Flexible working hours

Company bistro and café

ERGO Hestia after hours

Events to build a sense of community, to integrate employees, as well as exhibitions and meetings with artists from the world of art

Preferential terms for insurance and loans

ERGO Hestia kindergarten and day camps on days off school

Holiday offer in Zakopane

Carpooling

Libraries for employees

ERGO Hestia Cup (sports competition for employees)

Christmas gifts for employees

Hestia Volunteer Centre

In the area of health:

Extended medical care package in the Healthy Employee Centre

On-site clinic (Gdansk)

Dental care package

Location of Head Office by the beach

Cycling programme (cloakroom, bike parking, repair station, free lunch and discount on bike purchases)

Benefit programme for persons with a disability certificate

Online sports classes: zumba, thai-chi, trainings and consultations with a personal trainer, nordic walking and mindfulness classes

Massages

Seasonal healthy food fair

HEALTHY EMPLOYEE CENTER

Due to the COVID-19 pandemic, virtually all projects related to the promotion and activities of the Healthy Employee Centre were cancelled. Naturally, where possible, we have introduced online access in the form of medical consultations and remote sports activities. Partial stationary activities and Nordic walking in smaller groups were brought back from June 2020. The possibility of testing employees for COVID-19 and diagnostics for recovering workers was launched.

Number of diagnostic and laboratory tests available	870
Number of physician specialties available	35
Number of completed visits by employees	4 432
Number of employees who received services from the Healthy Employee Centre	1 180
Average expenditure on employee health	PLN 1 030.82

COOPERATION WITH UNIVERSITIES

Due to COVID-19 and out of concern for the health and safety of both students and lecturers, collaboration with universities was carried out online. We offered full-year internship programmes. Participation in events dedicated to students and graduates:

- Autumn edition of the Absolvent Fair
- 2 internships in cooperation with the Polish Business Roundtable within the Career Programme
- Speech at the Faculty of Management of the University of Gdansk
- Cooperation with the Scientific Circle of Insurance Law at the University of Gdansk
- Cooperation with the Kozminski University in creating an innovative e-bootcamp training project for employees

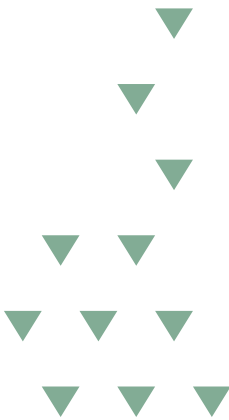
49 Total number of trainees per year

2 Number of interns – summer programme (Polish Business Roundtable Career Programme)

47 Number of trainees – full-year programme

47% % of trainees moving to full-time positions in 2020

13 Number of trainees moving to full-time positions



3.4 Security in times of pandemics

GRI 403-6

Taking care of the health, technological comfort and sense of financial security of ERGO Hestia’s employees was one of the first and most important decisions taken by the Management Board in March 2020.

- In the head office, the following measures and new rules were quickly implemented: greater distance than government recommendations, rotation of employees and teams, distribution of masks and disinfectant fluids, minimisation of contact with external stakeholders, regular disinfection of common areas, changes in the arrangement of office space, the principle of one lift user, one person in the kitchen, labelling of meeting rooms with information on the permitted number of people, additional disinfection of common areas (e.g. doorknobs, handrails, lift buttons, in front of lifts), rental and delivery of furniture to employees’ homes (chairs, desks, purchase of ergonomic pads);
- Digital Hestia and the introduction of remote working for nearly 80% of employees within two weeks, which meant providing additional hardware (purchasing around 700 laptops and phones), software and a series of training courses. In addition, ERGO Hestia has also prepared equipment for individual employee needs;
- Creation of a dedicated helpline for employees to support them with technical issues (e.g. granting permissions and launching remote working applications, call forwarding);
- Establishing a COVID-19 team made up of people working in the Office of Personnel Selection and Development, the Risk Office and the Department of Organisation and Administration. Preparation and continuous updating of policies and standards, the 24/7 registration and monitoring of suspected and confirmed infections and ongoing response to reports were the main tasks of this team. In 2020, the team handled nearly 500 cases, with over 130 employees receiving support. A Chief Coordinator for Employee Support in COVID-19 has also been appointed to organise support for those affected. In 2020, 275 tests were funded and performed at the request of staff. In addition, from November 2020, we enabled employees to test for COVID-19 at the Healthy Employee Centre. These activities continue in 2021.

136 employees received information support and recovery packages

15 families received help with shopping, transporting medicines and organising meals

6 employees who successfully donated plasma were awarded with a gift from the company (it is more difficult to become a plasma donor than a blood donor)



We decided to popularise information on how to take care of your physical and mental health during COVID-19 pandemic by means of:

- webinars with experts such as Doctor of Medicine Tomasz Dzieciątkowski, Professor of Medicine Włodzimierz Gut and Doctor of Psychology Kondar Maj,
- recommending specialist reading, inspiring employees to develop hobbies (growing a home garden, recipes for healthy meals, recommending films).
- holding a series of meetings entitled “Art to enrich the heart” on art and its role in business, technology and the design of property and urban spaces.
- introducing elements of positive psychology (managing emotions, online classes in Laughter Yoga which gathered over 750 participants, training in self-motivation in e-learning format and **Power Speech with Jakub B. Bączek, whose transmission reached 600 colleagues**).

Good Practice

- More than 1,300 people (employees and agents of ERGO Hestia) listened in March 2020 to a lecture by a specialist in microbiology and virology, Professor Włodzimierz Gut
- Nearly 800 staff and agents attended the webinar “Society during and after a pandemic”, led in April 2020 by Dr Konrad Maj
- 500 employees asked questions of Doctor of Medicine. Tomasz Dzieciątkowski during the April online meeting “How to stay sane during a pandemic?”

► [www.ergohestia.pl/zostanwdomu](http://www.ergohestia.pl/zostanwdomu)

In 2020, we sent invitations to interesting lectures, activities and competitions to staff several times a month. In addition to regular awareness-raising campaigns, such as Movember or the Pink Ribbon, we developed programmes aimed at employees, such as Heart+, Prevention: Dietetics or online training, which aimed to increase knowledge on healthy lifestyles.

And how did the employees rate us?

We conducted a remote working satisfaction survey with over 1,400 employees, which showed that:

- 96% of employees were satisfied or very satisfied with the way the company communicated during COVID-19,
- 96% of employees rated contact with their supervisor while working remotely as good or very good,
- 78% of employees rated their efficiency when working remotely as comparable or higher than when working in the office,
- 63% of employees would like to be able to work partly remotely in the future.

Our employees appreciated the opportunity to work remotely during the pandemic, but the results showed that they ultimately prefer to work in the office with the occasional home office option. Moreover, employees value not only personal freedom, but also relationships, direct contact and the exchange of experiences with colleagues.

ARE WE A SAFE PLACE TO WORK?

GRI 403-1

GRI 403-2

GRI 403-3

GRI 403-4

GRI 403-5

GRI 403-7

In the ERGO Hestia Group, the OHS unit is located in the division of the President of the Management Board, reports directly to the plenipotentiary of the President of the Management Board and performs, inter alia, the assessment and update of occupational risk related to the work of all persons employed in the Group companies. Through a system of OHS training (initial and periodic), employees are made aware of the risks associated with their work and how to prevent them. Via the EH News intranet, to which all employees have access, they can keep up to date with current risk assessments.

Every year, workplaces are reviewed to ensure they meet health and safety requirements, identify risks and ways to prevent them.

The OHS team also participates in investigating the circumstances and causes of accidents at work and on the way to and from work in an accident report, presented to the injured party is familiarised. Preventive conclusions are drafted and included in the OHS training programme.

GRI 403-8

All newly recruited employees receive initial health and safety training. In addition, in 2020, 760 ERGO Hestia Group employees underwent periodic training. All training in 2020 was delivered via e-learning.

Due to the shift to remote and rotational working, the number of workplace accidents decreased significantly compared to 2019 (-55%).



# 3.5

## Results of workplace management

GRI 102-7    GRI 102-8

Table 12: Total number of employees.

	2018	2019	2020
Number of persons employed under an employment contract	2 808	2 856	2 731
of which number of persons employed at Head Office	2 316	2 159	2 048
of which number of persons employed in the Field (outside the Head Office)	492	697	683
Number of persons employed on a contract basis (e.g. internships)	20	36	42

Table 13: Total number of employees by type of contract, broken down by gender.

	2019		2020	
	Fixed-term contracts	Contracts for an indefinite period	Fixed-term contracts	Contracts for an indefinite period
Women	305	1 553	217	1 551
Men	162	836	139	824
Total	467	2 389	356	2 375

Table 14: Total number of employees by FTE, by gender

	2019		2020	
	Full-time	Part-time	Full-time	Part-time
Women	1 793	65	1 719	49
Men	982	16	957	6
Total	2 775	81	2 676	55

GRI 401-1

Table 15: Total number of new hires<sup>9</sup>

	2019	2020
Total number	421	166
Number of women	263	91
Number of men	158	75
Number of persons aged up to 30	284	110
Number of people aged 31-50	133	51
Number of people aged 50+	4	5
Number of persons with disabilities	11	6
Number of persons of citizenship other than Polish	3	0

GRI 401-1

Table 16: Total number of employees who left the company<sup>9</sup>

	2019	2020
Total number	378	287
Number of women	232	180
Number of men	146	107
Number of persons aged up to 30	161	108
Number of people aged 31-50	196	163
Number of people aged 50+	21	16
Number of persons with disabilities	12	8
Number of persons of citizenship other than Polish	2	1

<sup>9</sup> Przedstawione dane dotyczą Sopockiego Towarzystwa Ubezpieczeń SA oraz Sopockiego Towarzystwa Ubezpieczeń na Życie SA.

GRI 401-1

Table 17: Turnover rate

	2018	2019	2020
Number of new entrants to the Group	535	426	166
Number of departures from the Group	352	378	287
Employee turnover rate	Unreported	13%	10%

GRI 404-1

Table 18: Number of training hours

	2019	2020
Average number of training hours per employee	29.7	12.9
Women	28.7	11.2
Men	31.5	16.0

GRI 403-9

Table 19: Number of accidents and accident frequency rate

	2019	2020	Zmiana
Total number of accidents	9	4	-55%
Number of accidents at work for women	4	1	-75%
Number of accidents at work for men	5	3	-40%
Accident frequency rate (total)	3.2	1.5	-53%
Accident frequency rate (for women)	2.2	0.6	-72%
Accident frequency rate (for men)	5	3.1	-38%
Number of fatal accidents	None	None	-
Number of deaths due to diseases caused by workplace conditions	None	None	-
Number of days of incapacity to work due to work accidents	181	107	-40%



When the weather's good,  
I go to the park





# 4

## Climate and environment

We are delivering on the Sustainable Development Goals:



### 4.1

## Our approach to climate and the environment

Relevant reporting topics: ERGO Hestia's climate neutrality and reduction of CO<sub>2</sub> emissions in cooperation with suppliers, pro-environmental services and products, responsible supply chain and promotion of green attitudes

GRI 102-11   GRI 103-1   GRI 103-2   GRI 103-3

In October 2020, we adopted the ERGO Hestia Group Sustainable Development Strategy for 2021-2023. One of its pillars is climate change mitigation and supporting the transition towards climate neutrality. The company's management is directly responsible for managing environmental issues. It enacted the ERGO Hestia Group Environmental Policy and is committed to overseeing the implementation of the declarations contained therein. Verification of the direction of our environmental activities, such as policy, goals and strategy, is carried out at meetings of the company's Supervisory Board.

Our Environmental Policy is available at [www.ergohestia.pl/zrownowazony-rozwoj/dla-srodowiska](http://www.ergohestia.pl/zrownowazony-rozwoj/dla-srodowiska) and consists of 12 commitments. All Group employees are required to comply with it and its implementation is monitored by the **ERGO Hestia Environmental Management Team**. In addition, the Management Board is informed quarterly about the level of CO<sub>2</sub> emissions for the entire ERGO Hestia Group, and at least once a year the Management Board Member for Sales and Technology receives a summary of activities (i.e. an environmental management review) and accepts proposals for activities and commitments for the next period.

### Our main commitments in the area of environmental policy:

- Reduce carbon footprint by at least 10% by 2023 by reducing consumption of materials and raw materials such as water, plastic, paper and fuel
- Pro-environmental innovations: development of an offer of products and services supporting the environment, such as the green recovery clause or EKO Hestia
- Education: participating in environmental initiatives, raising awareness among employees, customers, contractors and suppliers and sharing good practices with stakeholders
- Partnerships: cooperation in Climate Leadership, Climate Positive with the United Nations Global Compact and participation in initiatives supporting the UN 2030 Agenda for Sustainable Development

### Did you know that ERGO Hestia is the first organisation from the financial sector in Poland with an EMAS certificate?

In 2020, our environmental management system was assessed and we received ISO 14001:2015 and EMAS i.e. EcoManagement and Audit Scheme certification. It applies to all our activities covering insurance and reinsurance services for individual and corporate customers, as well as activities relating to the preparation of an insurance quote and the conclusion and servicing of an insurance contract. EMAS covers our operations carried out in office buildings in Sopot and Gdańsk, including the entire ERGO Hestia vehicle fleet and selected elements in our supply chain. This certificate was awarded to us by the General Directorate of Environmental Protection following an audit of our environmental management system, which demonstrates compliance with ISO 14001:2015 and EMAS. We are **the first organisation from the financial sector in Poland and the fourth non-life insurer in Europe to be entered in the register of organisations covered by EMAS**, and the purpose of implementing this certification was to structure and control all environmental processes within the company and to generate a positive environmental impact by ERGO Hestia.

We want to lead the transition of the insurance value chain by:

- providing customers with a robust climate risk assessment service,
- selecting measures to minimise environmental impact,
- offering preventive services,
- offering attractive insurance packages for low- or zero-carbon solutions such as energy produced from the sun, wind or water (RES).



Table 20: Our 2020 targets and their achievement

Area of influence	Targets 2020	What specifically have we done?	Results 2020
CO <sub>2</sub> emissions			
Reducing negative impacts on the climate/actions to achieve climate neutrality	-5% of electricity consumed	Replacement of lighting with LEDs in Head Office and Marinas	Implemented
		Changes in the server room	
		Implementation of an automatic process for switching computers (workstation) on and off remotely (Shutdown/Wakeon Lan)	
		Educational activities among employees on energy saving	
		Further control of energy consumption and implementation of an energy monitoring system in buildings	
Reducing consumption of natural resources to achieve climate neutrality	-5% reduction in office paper and print consumption	New version of GT&Cs for corporate and retail insurance customers (smaller size and fewer pages)	Implemented
		Introduction of the new printers project at Head Office/Marines	
		Elimination of subprints in iHestia	
		Implementation of a project that involves emailing the GT&Cs during the quotation process, among other things	
		Reduction and control of GT&C orders by agents	
Reducing consumption of natural resources to achieve climate neutrality	-5% of average fuel consumption	Increasing the number of green cars in the fleet	Reduced fuel consumption by 0.3%
		Conducting ECO DRIVING training for some employees with company cars	
		Implementation of a fuel consumption monitoring system and competition for employees in this area	
		Maintaining the level of 40,000 bicycle commuting trips per year by employees	
		Increase promotion of the Bike to Work Programme among employees	
Environmentally-friendly products and services			
Achieving climate neutrality	+40% more customers for the product “Environmental liability insurance EKO Hestia”	Implementation of a product training programme for insurance intermediaries	Increase in customers for EKO Hestia product by 20%
Achieving climate neutrality	+300%: increase in the number of orders under the “Bike Forever” programme	Launch an incentive scheme for employees involved in the programme and increase the promotion of the programme among customers and injured parties	Implemented
Transforming our value chain			
Implementation of standards for more effective environmental management	Implementation of environmental guidelines for Standard Points operated under the ERGO Hestia brand by agents	Implement environmental guidelines for Standard Points of Sale (i.e. a list of environmental requirements for existing and new Standard Points)	Green Office standards for points of sale have been developed, but implementation will take place in 2021

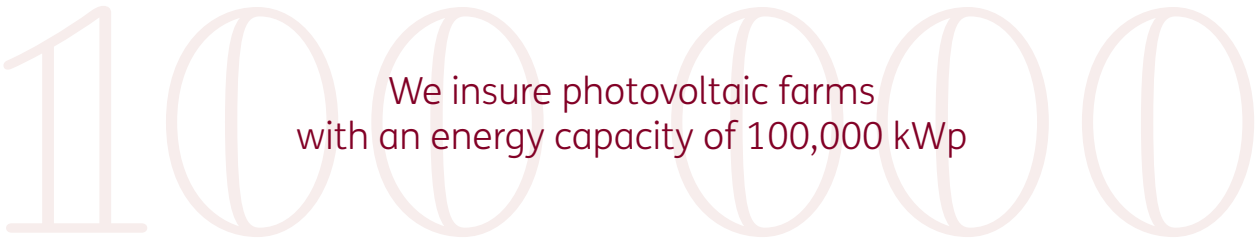
GRI 308-1

Caring for the environment is embedded in our value chain, which is why we require new suppliers to sign the Code of Conduct for Suppliers and Contractors and complete a CSR questionnaire, which is the basis for evaluating suppliers during the tendering process. ERGO Hestia reviews policy provisions against its own human rights requirements and environmental standards. In 2020, 100% of our new key suppliers signed the Code and gave us a completed CSR questionnaire.

## 4.2 Action for climate and environment

### We are the leader in insuring RES installations

The ERGO Hestia Group offers comprehensive property insurance for photovoltaic farms and installations addressed to business customers regardless of the size of the company. We insure not only traditional material damage (both natural risks and failures) and the resulting interruption in operation (i.e. production of electricity by the installation/farm) but also – and this is unique in the market – losses resulting from solar modules being insulated less than planned and therefore producing less electricity than planned, even though the installation itself did not fail.



### The Green Recovery Clause is the first and currently the only such initiative in the market.

We offer the Green Recovery Clause as an add-on (no additional cost) to business property insurance programmes covering the protection of the building in which the business operates. The aim of introducing this clause to the property insurance offer is to build the environmental awareness of corporate customers and actively motivate them to take pro-environmental action in managing their property.

Thanks to the clause, the customer will be able to increase the compensation payment by the costs of applying ecological solutions in the event of total damage. As part of the compensation, we will cover the additional costs necessary for the design and reconstruction of the damaged facility, making the solutions adopted more environmentally friendly. These costs can include the use of environmentally friendly building materials, the reduction of CO<sub>2</sub> emissions, the removal of elements of a dilapidated building, or the ecological certification of a building.

### EKO Hestia: We help nature to return to its original state

We are one of three insurers on the Polish market offering specialised environmental protection insurance – EKO Hestia. The insurance covers the cost of restoring the environment to its state before the damage. The insurance covers the costs of removing hazardous substances from land or water and the restoration of habitats for protected animal species.

In 2020, we increased the number of EKO Hestia insurance customers by 20% and we conducted 4 training courses for business partners on environmental liability insurance, resulting in 66 certificates for our intermediaries!





Financial guarantee, property and vehicle insurance

ERGO Hestia also offers a financial guarantee for companies involved in the waste management chain. Additionally, in the offer for individual customers within the Hestia 7, ERGO 7 and Moja Firma packages, ERGO Hestia covers losses to private PV (since 2016) and solar (thermal) collectors (since 2009). In the case of motor insurance, the company has extended the scope of its general insurance conditions for new cars in packages offered through car dealers. The product covers losses specific to batteries/electronic equipment in electric and hybrid cars.

Customer service in claims handling via mobile app

Online Assistance application

The Online Assistance application allows you to check at any time which documents are necessary for a decision concerning the reported claim and the status of their verification. It also makes it possible to carry out a remote visual inspection via video connection with the claim adjuster, so that a mobile adjuster (expert) does not have to travel to the customer to carry out the visual inspection. ERGO Hestia makes every effort to make the claim adjustment process simple and quick. There were 1,688 video inspections in 2019 and 2,794 in 2020 thanks to applications and the simplified procedure.

AutoValuation app

In November 2020 ERGO Hestia launched a new AutoWycena app. This is an alternative solution to simplified claims handling, where ERGO Hestia gives the customer the possibility to claims handling minor motor damages. Thanks to this application, it shortens the time needed for handle, as well as making the whole process involve a minimum of formalities.

After reporting damage, the customer receives an individual link via SMS to the application, which allows him or her to carry out his or her own visual inspection, add photos of the damage and the necessary documentation for settling the claim. The customer defines the scope and extent of damage, on the basis of which the system automatically calculates the amount of compensation. The proposal can be accepted or rejected by the claimant, and all accompanying documentation goes directly into the claims file.

If the customer accepts the amount of compensation, it is paid immediately. In the case of disagreement with the cost estimate calculated by the customer, an ERGO Hestia consultant contacts the customer to present a proposal after possible recalculation in order to conclude a settlement.

Up to now, simplified claims handling has mainly been based on telephone contact between the claim adjuster and the customer, during which the claim would be handled. To encourage customers to take advantage of the new opportunity, 1,700 auto-pricing tokens were sent out to customers, allowing them to calculate the damage themselves by attaching documentation and entering the damage into the application. The success rate was 56%, i.e. 952 customers benefited from the auto damage assessment.

The environmental programmes most appreciated by customers

“**Bike Forever**” is a pro-ecological action of the insurance company ERGO Hestia and the brand KROSS. Instead of a replacement car, customers can receive a bicycle, which will stay with them forever. In 2020, “Bike Forever” reached 606 settlements with customers and victims, an increase of 275% over 2019, and averaged approximately 50-60 bikes issued per month. Over 1.000 bicycles have already been donated as part of this project.

In 2020, the number of bees increased from 600,000 in 2019 to **900.000**. Considering the difficult weather conditions, it was a great challenge and a success at the same time. We currently have 8 active hives.

In the **EKO Hestia SPA** competition we award the most interesting projects, initiatives and ideas of Polish spas related to environmental protection in a broad sense, and the winner of the 2020 edition was the Latoszyn-Zdrój health resort, which received PLN 100 thousand for the further development of its forest, park and recreational areas. The spa was reactivated after more than 75 years.

**Hestia Park** connects the company's Head Office with ERGO ARENA through tens of thousands of fascinating plants and thousands of square metres of lawn. It is also a spring feast of colours and scents and thousands of smiles every day – of residents, tourists and guests who come to Sopot. It not only fulfils a recreational role. It is also home to local fauna, provides food for Hestia's bees and hosts real art – the works of the winners of Hestia's Artistic Journey competition.

Our environmental activities are rewarded!

In April 2020, we became the winner of the 3<sup>rd</sup> edition of **the Stena Circular Economy Award**. As an insurer, we sometimes have unnecessary materials or broken parts that come to us during claims handling or arise during our operations. In order to use them in some way, we decided to work with start-ups and upcycling product designers. Waste products include jewellery, fabric cases for electronic equipment, gift gadgets or even furniture that is used in the company's premises. The project involves, among others, the School Student Cooperative from Gdańsk and the dekoeko.com platform.

► <https://tiny.pl/rb7sf>

The *Forbes* magazine placed us in the prestigious group of companies reducing greenhouse gas emissions and we were awarded the title “**Climate Leader Poland 2021**”. The ranking was determined by calculating the annual revenue-adjusted cumulative rate of greenhouse gas reduction (CARR). The ranking business continuity by Statista.

In June 2020, as part of the 9<sup>th</sup> edition of CSR Leaves from *POLITYKA* weekly, the IoT (Internet of Things) project received an award as an inspiring action in support of the Sustainable Development Goals (SDGs). The project was recognised for its use of Internet of Things technology to create a new insurance model focused on prevention, methodology was provided and minimising atmospheric emissions.

### 4.3

## Emissions and consumption levels of natural resources

EMAS certification requires organisations to publish information about their environmental performance. The format and scope of the data presented was strictly defined for the “core indicators”. We present the results of our environmental management in accordance with EMAS requirements. Wherever data were available, we report values for the last three years for comparison.

### Greenhouse gas emissions

GRI 305-1   GRI 305-2   GRI 305-3   GRI 305-5

Table 21: Greenhouse gas emissions in Scope 1, 2 and 3

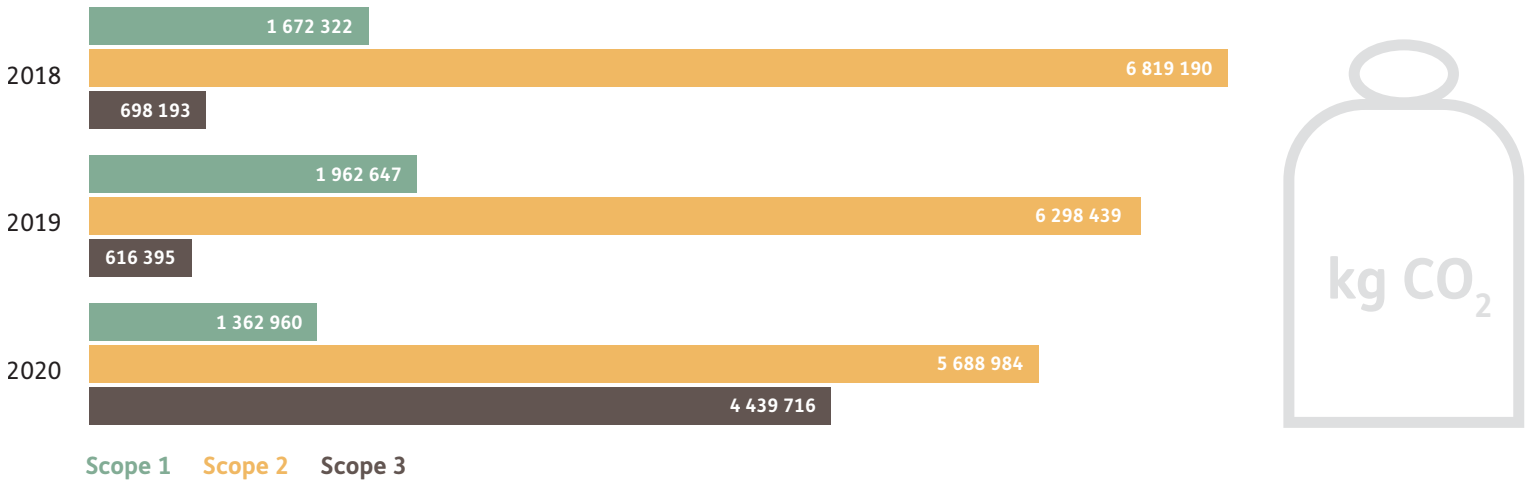
CO <sub>2</sub> emissions	2018	change [%]	2019	change [%]	2020
Scope 1	1 672 322 kg	+17%	1 962 647 kg	-31%	1 362 960 kg
Scope 2	6 819 190 kg	-8%	6 298 439 kg	-10%	5 688 984 kg
Scope 3	698 193 kg	-12%	616 395 kg	620%	4 439 716 kg
Total	9 189 705 kg	-3%	8 877 481 kg	29%	11 491 660 kg

CO<sub>2</sub> emissions are calculated according to the Corporate Value Chain (Scope 3) Accounting and Reporting Standard Greenhouse Gas Protocol methodology and covers the activities of ERGO Hestia in Poland.

The calculations of Scope 3 in 2020 included: purchased raw materials and services (mobile internet, toners and cartridges, paper, coffee and tea, waybills), waste, business travel by planes and trains, accommodation in hotels, transport and distribution, employees commuting to work, remote work of employees, including the work of Agents performed for ERGO Hestia.

GRI 102-48   GRI 102-49

In the calculation of CO<sub>2</sub> emissions in the scope in the report for 2018-2019, only waste, paper, business trips by planes and trains were taken into account.



Our environ-  
mental plans  
and commit-  
ments for the  
coming mon-  
ths and years

reduce our carbon  
footprint by at least  
10% by 2023

start measuring CO<sub>2</sub> emis-  
sions in Scope 3, including  
at ERGO Hestia branches

for the second time join  
the Climate Leadership  
(UNEP Grid) and Climate  
Positive (UNGC)

implement the Green  
Office standard and  
certification in ERGO  
Hestia sales points

Good practice

We conducted an analysis of employee fuel consumption and a mailing campaign addressed to company car drivers. Drivers with an average fuel consumption 20% higher than the company average were informed about their results and asked to pay more attention to their driving style, and an eco-driving guide was made available to them. In addition, drivers who scored 20% below the average consumption were recognised for their efforts.

In 2020, the ERGO Hestia Group replaced high-emission cars with newer cars with lower emission parameters, resulting in 31% of our fleet being hybrid cars.

The decrease in fuel consumption in 2020 results from the transition to remote work and a reduction in business trips. Average fuel consumption was reduced, but the target of reducing consumption by 5% was not achieved (reduction by 0.3%), which could be caused by decisions not to commute, e.g. by public transport and carpooling, in favor of safe arrivals by car alone.

### CO<sub>2</sub> offsetting

ERGO Hestia has been responsible for its impact on the environment for many years. We actively support climate protection and strive to make our business activities neutral. This is particularly important to us, the more so as the effects of climate change already have a noticeable impact on insurance activities.

Since 2015, the entire Munich Re/ERGO Group (including ERGO Hestia) has implemented its climate commitment and has thus been able to achieve carbon neutrality in its business activities. The Group compensates for unavoidable carbon emissions by purchasing certificates (carbon offset).

ERGO Hestia continues to work on further reducing raw material consumption and CO<sub>2</sub> emissions. A key factor in achieving this is an environmental management system.

GRI 301-1   GRI 302-1   GRI 302-3   GRI 302-4

We implement many solutions to increase energy efficiency. In some of the rooms renovated in 2020, we replaced lighting from conventional to LED and upgraded chillers at the company's Head Office in Sopot. In addition, we communicated the importance of energy saving measures to employees. However, the biggest impact on the **decrease in energy consumption** in 2020 (-11% compared to 2019) came with the introduction of remote operation.

Natural gas is only consumed in the canteen located in the Marina 1 building for food preparation purposes. The significant **decrease in natural gas consumption** in 2020 (-61% compared to 2019) is due to the lower number of meals served as a consequence of the introduction of remote working and the refurbishment of the canteen.

A significant **decrease in paper consumption** (-34% compared to 2019) was achieved through the elimination of sub-prints in iHestia, the implementation of an e-circulation of documents and by reducing the procurement of general conditions (GT&C) by agents.



Water

GRI 303-3

Water is one of the most precious natural resources with the most limited availability. The issue of the water crisis also concerns Poland, as water is beginning to be scarce in places where, until now, there has been plenty of it. In the ERGO Hestia Group, water consumption is not significant, as it is only due to the presence of employees at the head office, and the decrease in consumption in 2020 (-43% compared to 2019) is due to the introduction of remote and rotating working modes, which reduced the amount of water used in the offices.

GRI 307-1

In 2020, the ERGO Hestia Group did not record penalties or non-financial sanctions for non-compliance with environmental legislation.

4.4  
Results of environmental policy

GRI 302-1

GRI 302-3

GRI 302-4

Table 22: Electricity consumption, overall and per employee and floor area of buildings in Poland, excluding energy from renewable sources

Electricity consumption	2018	Change [%]	2019	Change [%]	2020
MWh	7 990	-7%	7 447	-11%	6 628
MWh/m²	0.243	-7%	0.227	-11%	0.202
MWh/employee (FTE)	4,14	-8%	3.79	-7%	3.52
Thermal energy consumption					
GJ	18 641	-14%	16 001	3%	16 416
GJ/m²	0.57	-14%	0.49	3%	0.50
MWh	5 182	-14%	4 448	3%	4 563
MWh/m²	0.158	-14%	0.136	3%	0.139
Consumption of natural gas					
kWh	29 659	21%	35 813	-61%	13 857
kWh/employee (FTE)	15.37	19%	18.24	-60%	7.36

The data, which are converted into number of employees, in the case of electricity, heat and natural gas refer to the employees of the head office.

Consumption of raw materials and consumables

GRI 301-1

GRI 302-1

GRI 302-4

GRI 303-3

Table 23: Fuel consumption broken down into diesel and petrol

Petrol consumption	2018	Change [%]	2019	Change [%]	2020
m³	1 066	6%	1 126	-31%	780
Mg	805	6%	850	-31%	589
m³/100 km	7.13	-5%	6.79	0%	6.77
Diesel consumption	2018	Change [%]	2019	Change [%]	2020
m³	17.86	7%	19.09	-41%	11.22
Mg	15.00	7%	16.04	-41%	9.43
m³/100 km	8.50	-15%	7.20	101%	14.46

Table 24: Paper consumption

Paper consumption (including printed matter)	2018	Change [%]	2019	Change [%]	2020
Mg	365	-14%	315	-34%	207

GRI 303-3

Table 25: Water intake

Water taken from the municipal network	2018	Change [%]	2019	Change [%]	2020
m³	17 793	6%	18 843	-43%	10 827

Table 26. Consumption of other materials and services in 2020

Toner	2 180 pcs.
Cartridges	700 pcs.
Mobile internet	263 000 GB
Lading bills	12 100 pcs.
Coffee	989,4 kg
Tea	21 140 pcs.
Overnight delivery service	28.98 tonnes CO <sub>2</sub>

Information on climate issues, with reference to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

I. Corporate governance and management system	
Role of the Management Board	Assessing and managing climate change risks and opportunities is an integral part of ERGO Hestia's strategy. <ul style="list-style-type: none"><li>The Management Board of the ERGO Hestia Group oversees analytical activities related to climate change issues. All relevant and strategic related matters are dealt with by the Board or one of its committees/teams.</li><li>The Management Board, in cooperation with the Risk Office and the Sustainability Director, are committed to a risk management system that aims to identify and reduce all risks relating to the ERGO Hestia Group's activities, including risks and opportunities related to climate change.</li><li>ERGO Hestia Management Board appointed:<ul style="list-style-type: none"><li>Risk Management Committee – a collegiate body that oversees the Company's risk management processes and advises the Board on the risk management process. The rules of operation of the Committee are laid down in its Rules of Procedure and</li><li>Environmental Management Team to ensure the smooth operation of the environmental management system, at ERGO Hestia. The rules of operation of the Environmental Management Team are set out in Order No. WS 1/2020.</li></ul></li></ul>
	<ul style="list-style-type: none"><li>The location of the risk management function in the organisational structure of ERGO Hestia ensures its adequate operational independence (an independent organisational unit in the division of the Vice-President of the Management Board for Finance and Organisational Affairs).</li><li>The person overseeing the risk management function is the Director of the Risk Office. His duties consist of overseeing the performance of tasks in the Company's risk management activities, including risks related to, inter alia, overseeing the control of the Company's overall risk position and the early identification of significant risk factors.</li></ul>
List and verification of risks and opportunities	<ul style="list-style-type: none"><li>An up-to-date list of environmental risks and opportunities for ERGO Hestia is maintained by the Director responsible for Sustainable Development.</li><li>Risks are assessed by the Environmental Management Team.</li><li>A review of the list of risks and opportunities is carried out at least once a year during the review of the risk management processes.</li></ul>
ESG education of employees	<ul style="list-style-type: none"><li>The individual business units in ERGO Hestia are responsible for the activities they carry out, both with regard to insurance, investment and operational aspects of ESG.</li><li>We offer targeted training programmes to enhance the skills of our employees and develop their competence in ESG aspects.</li><li>They are tailored to individual business operations and regions, include training on the practical implementation of our underwriting guidelines regarding insurance and provide information on current sustainability topics.</li><li>Training is designed for managers, underwriters, customer managers, business analysts and trainees in business units.</li></ul>

II. Strategy

Scope and goal of the strategy	Our holistic strategic approach to environmental and climate protection encompasses both business-related measures (i.e. the insurance, investment area and our own operational emissions) and corporate responsibility measures. Actions are aimed at mitigating the effects of climate change and supporting transition.
Strategic commitments and projects	<p>The strategy consists of the following strategic commitments and projects:</p> <ul style="list-style-type: none"><li>We monitor the Carbon Intensity of the insurance and investment portfolio in terms of greenhouse gas emissions</li><li>We are implementing actions to achieve climate neutrality and to limit the global temperature increase to below 2°C (including reduction of carbon dioxide emissions)</li><li>We are developing product and service offerings that support the environment and climate change reduction and integrate ESG indicators into the risk and investment assessment process</li><li>We support environmental initiatives, raise awareness and share practices</li></ul>
Climate neutrality target at Group level	<ul style="list-style-type: none"><li>Since 2015, the entire Munich Re/ERGO Group (including ERGO Hestia) has implemented its climate commitment and has thus been able to achieve carbon neutrality in its business activities. The Group compensates for unavoidable carbon emissions by purchasing certificates (carbon offset).</li><li>In line with its strategy, the Group will further offset unavoidable carbon emissions by purchasing certificates (carbon offset).</li></ul>

III. Risk management

- The Company invests its funds in accordance with the prudent investor principle as set out in Article 276 of the Insurance and Reinsurance Act of 11 September 2015 (Dz.U. [Journal of Laws] item 1130).
- The Company does not distinguish a separate category of risk for sustainability, but views it as one aspect of the risks of each category. Sustainability risks interact with individual risk categories through different transmission channels and can have a significant impact on them.
- In making its investment decisions, the Company takes into account all relevant risks, including, where possible, with particular reference to the availability of information published by financial market participants, the risk to sustainable development.

Environmental risks, including climate risks, are identified based on relevant direct and indirect environmental aspects. As a result of this analysis, environmental goals are set to minimise the emergence of a threat or maximise the emergence of an opportunity and its appropriate use in terms of environmental management.

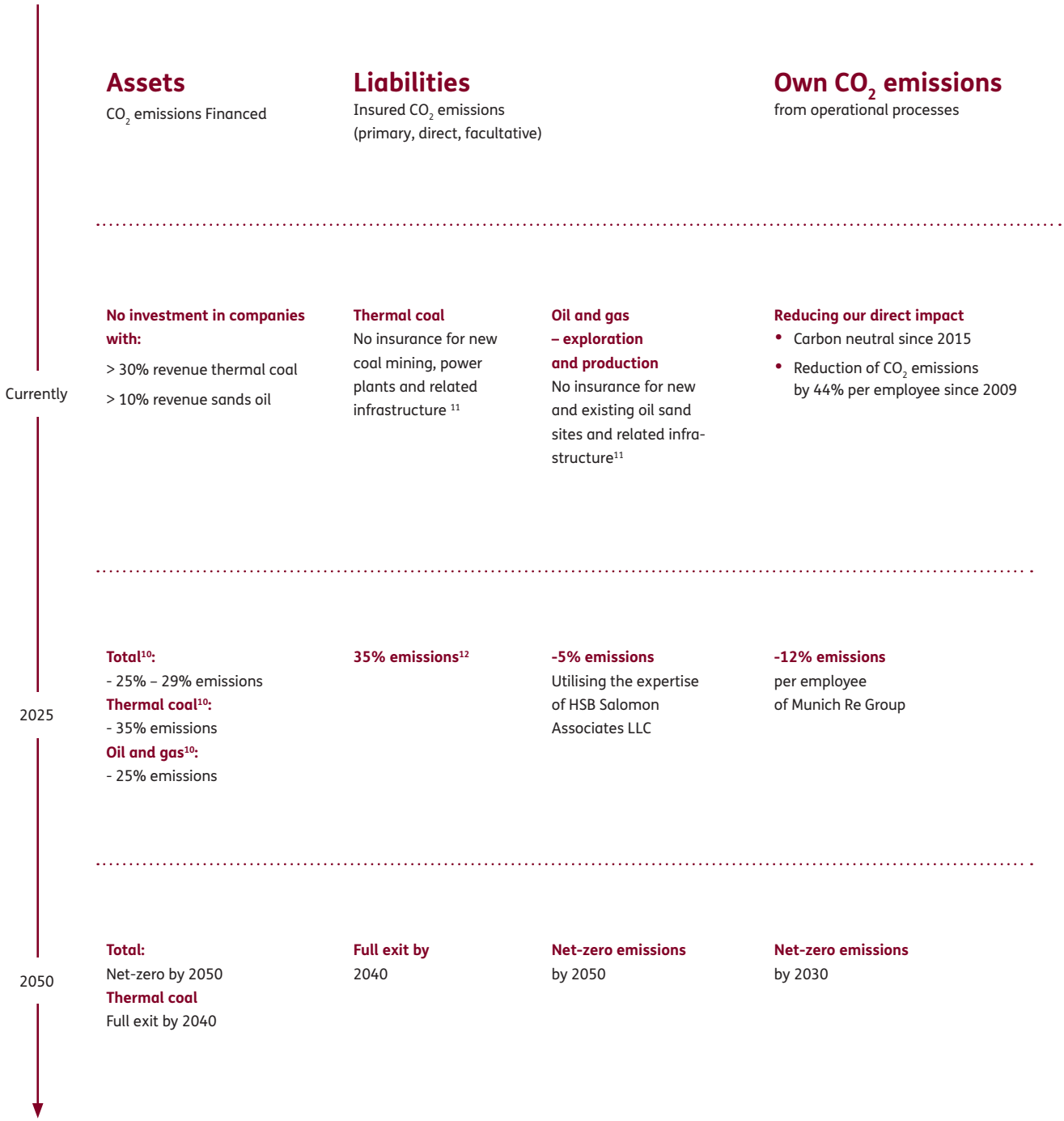
- The climate change risk management process is integrated into the risk management system. The Company does not treat climate change risk as a separate category, but views it as one aspect of the risks in each category.
- Climate change risks interact with individual risk categories through different transmission channels and can have a significant impact on them.
- Within the identification of climate risks, in accordance with the classification adopted inter alia by the Task Force on Climate-related Financial Disclosures (Task Force) at the initiative of the Financial Stability Board, we distinguish between physical risk and transition risk associated with the transition to a low-carbon economy.
- All material risks, including those related to climate change, are adequately addressed in the risk reports provided to management.

IV. Indicators and targets

12 ESG aspects in risk assessment and investment transactions	<p>We have identified 12 generally applicable ESG aspects that are taken into account in our assessment of insurance business risks and investment transactions.</p>
	<p>The ESG aspects relate to corporate responsibility in scope and reinsurance and investments:</p> <ol style="list-style-type: none"><li>1. natural resources and biodiversity,</li><li>2. pollution,</li><li>3. greenhouse gas emissions,</li><li>4. political environment and public perception,</li><li>5. human rights,</li><li>6. working conditions,</li><li>7. cultural heritage,</li><li>8. human resettlement,</li><li>9. health and safety of communities,</li><li>10. responsible and careful planning and evaluation,</li><li>11. compliance,</li><li>12. consultation and transparency.</li></ol>
Goals	<p>The Munich Re/ERGO Group, including ERGO Hestia, has adopted a holistic approach and set itself ambitious decarbonisation and climate neutrality targets for its investments, transactions and reinsurance (i.e. insurance portfolio) and its own emissions from operating processes. Information on commitments to reduce the negative impact on the climate, goals, counteracting climate change - including work to achieve climate neutrality - and directions of changes can be found in the Munich Re Group Ambition 2025 Strategy.</p>

Munich Re Group ambition 2025 and beyond (“Ambition 2025” Strategy)

Lead by climate action – leveraging role as investor, underwriter and audible public voice



Leading with high and credible ESG standards

► <https://tiny.pl/rzlv3>

<sup>10</sup> Based on sub-portfolio of equities, corporate bonds and real estate at the end of 2019.  
<sup>11</sup> Minor exceptions apply, such as locations in countries with an electrification rate < 90%.  
<sup>12</sup> “Produced tonnes of thermal coal / MW capacity insured used as a proxy for emissions; base year 2019.



Take  
a broader  
perspective



# 5

## Our social commitment

We are delivering on the Sustainable Development Goals:



## 5.1 Our approach to community engagement

Relevant reporting theme: community engagement, diversity and inclusivity, partnerships and original cross-sector projects:

GRI 103-1   GRI 103-2   GRI 103-3

Our ambition is to create a positive social impact. We want to help accident victims, empower people with disabilities so that they become more confident and integrated into working life, and integrate and educate local communities through employee volunteering wherever we operate. We support culture because we believe that art and exposure to it can generate extraordinary creativity, attentiveness and social value. We also sponsor ERGO Arena and Sopot Sailing Club ERGO Hestia, because sport unites and releases positive energy. Social programmes are implemented through the Integralia Foundation, the Hestia Artistic Journey Foundation and the Personal Injury Rehabilitation and Support Centre. The Management Board oversees the implementation of the aforementioned programmes and sponsorship policy, and our social activities are one of the pillars of the ERGO Hestia Group’s 2021-2023 Sustainable Development Strategy “The Power of Community and Information”.

In our social activities we focus on three areas:



Assisting accident victims and vulnerable people, as well as integrating people with disabilities into working life



Supporting culture and art, especially young artists from universities all over Poland



Sponsorship of sports facilities and events: we are the title sponsor of ERGO Arena and Sopot Sailing Club ERGO Hestia



## 5.2 Culture: Hestia Artistic Journey and the Józef Tischner Prize awarded by Znak publishing house and Hestia

The Hestia Artistic Journey Foundation promotes young Polish artists by, among other things, organising the annual national Artistic JourneyHestia competition for fourth and fifth year students of art faculties at all Polish universities. We are also the curator of the website uncommonground.pl , which is run in English and Polish and is a knowledge repository of the most interesting art branding activities from around the world. We also organised the first conference in the world dedicated to cooperation between art and business called (Un)common Ground.

2020 was a special year because of COVID-19, but it also, in a way, showed us all how positive a role art can play in moments of doubt or weakness. We moved much of our art patronage activity to the online world and this never stopped us from pursuing the following initiatives:

- We conducted a series of 70 online lectures “**Art to comfort the heart**” for 4,500 participants, including ERGO Hestia Group employees.
- We organised a series of meetings “**The Art of Emotions. Emotions in Art**” with prominent people from the world of culture, during which the most important human values and weaknesses were discussed using examples of world-class works of art.
- We implemented the “**Window**” project, in which, together with the finalists of the 19<sup>th</sup> edition of the Hestia Artistic Journey competition, we built an artistic dialogue with local communities from all over the country. Employees of the local ERGO Hestia branches selected 14 urban space points belonging to micro-entrepreneurs whose economic situation had deteriorated due to the pandemic (e.g. an optician, a shoemaker or a wedding dress shop), where 14 different shop windows created by 14 young artists from all over the country were set up for a period of two weeks. These showcases acted as art galleries.
- We also organised a “**New Year’s Eve with Art**” online, to offer our colleagues, business partners and customers a different, alternative way of spending time, focused on art and culture.

In this way, we implement educational activities, involving different communities.



Karolina Pawelczyk’s work – a showcase in Agata Wojtkiewicz’s wedding dress salon at Piotrkowska Street in Łódź.

**Hot summer 2020**  
A postcard from all the places  
no one has been.  
The sun that no one has seen.  
Internet that nobody wants  
to see anymore.



Table 27: Hestia Artistic Journey Foundation’s activities in 2020 in figures:

Number of young artists taking part in the Artistic Journey Hestia competition	305
Number of finalists in the competition	15
Number of collaborating universities	28
Number of open exhibitions organised for the public	4
Number of conferences and meetings organised	67

► [www.artystycznapodrozhestii.pl](http://www.artystycznapodrozhestii.pl)

### Literature and social action are also art!

We are the founder of the Józef Tischner Prize awarded by the Znak publishing house. We want to honour people who combine their creativity and actions with reliability, courage and sensitivity to other people. In 2020, we met online with the winners of this unique award in the 20<sup>th</sup> edition of the competition, who were:

- **Robert Piłat** for his book “On Reason and its Madness”, in which he reminds us that philosophy is meant to serve the good life,
- **Aleksandra Domańska** for her book “Bohatyrowicze. Sketches for a portrait”, in which she examined the historical causes of divisions among Poles,
- **Marina Hulia** for her work on behalf of refugees and prisoners.

► [www.nagrodatischnera.pl](http://www.nagrodatischnera.pl)



### 5.3

## Integralia Foundation

The Integralia Foundation was established in 2004 on the initiative of the President of the Management Board of the Ergo Hestia Group. The aim of the Foundation's activities is the professional activation of people with disabilities. For many companies and individuals, the transition to remote working in 2020 has been challenging. It seemed that this situation would limit the Foundation's activities. Meanwhile, the closed doors of companies showed that the most enduring stereotype regarding the belief that an architecturally maladjusted company can not employ people with disabilities, was obsolete.

In 2020, the Integralia Foundation carried out the following programmes:

- Psychological support was provided for people with disabilities who particularly felt the effects of social isolation as a result of the SARS-CoV-2 coronavirus pandemic.
- A "Change Your Perspective" workshop was held and attended by 189 people including business partners and employees of ERGO Hestia.
- A comprehensive offer has been developed for companies in the field of recruitment and training on communication and principles of cooperation with people with disabilities. An offer was sent to 74 companies, with two large companies – Carlsberg Polska and BNP Paribas Bank Polska – finally cooperating. The Bank has signed a long-term agreement with the Foundation, on the basis of which it will carry out around 30 recruitment processes.
- The project Tailor-made COMpetences 2, which is a vocational activation programme for people with disabilities, was continued. As part of this activity, a total of 20 group workshops and 750 hours of individual meetings with specialists in personal and professional development were organized. This is a project that the Integralia Foundation is implementing with European funds.
- The Foundation co-led a project aimed at launching an additional program for employees with disabilities, which would support treatment and rehabilitation.
- We continued the ERGO Hestia product accessibility project for customers with various disabilities. As a part of this activity we have adapted further General Terms and Conditions of Insurance (GT&Cs) for blind people. We audited the sales and after-sales procedures in place at ERGO Hestia.

► [www.integralia.pl](http://www.integralia.pl)



### Interview with Kasia, beneficiary of the Integralia Foundation:

**What kind of help have you received from the Integralia Foundation?**  
I came into contact with the Foundation at a difficult time for me, when I was going through a divorce. I had a feeling as if someone like a mother embraced me and said "I will help you". I have met many different people, with many different types of disabilities. I made many friends who are still in my life today. It's 2021 and I finished working for the ERGO Hestia Group in 2015. I have undergone dozens of fantastic and very varied and attractive training courses and have gained a broader perspective on the needs, challenges and problems of others.

**What has changed in your life?**  
I gained financial independence, despite my poor physical condition. This independence also applied to another area – thought. I realised that we are all basically alike – we want to be accepted, we want to love and be loved, and health status has nothing to do with it. The division is above all in our heads. Yes, the technical problems are still real, but the barriers to being together are within us. When it comes to disability, we differ only in overcoming a given obstacle course and in our ideas about how we can get around these obstacles. What has changed most in my life is the way I think, experience, feel emotions and analyse the reality I encounter, and the fact that I am not afraid of a disability other than my own. As my disability worsened and I went on disability pension because of it, I had a break of 5 years. The Integralia Foundation invited me to the "Tailor-made Competences" programme, which helped me to return to work. I am currently working online.

**What would you like to pass on to others?**  
To open themselves up to receiving help. Professional assistance works. We receive support, energy to act, and the first money we earn on our own helps us even more. All of these elements uplift any person with a disability. Let's dispel the myth of helplessness of people with disabilities. Let's show that we can choose the colours and paint the picture ourselves. Let's start by changing our mindset, opening up to people and expressing our gratitude that there are organisations that really help.

### 5.4

## Personal Injury Rehabilitation and Support Centre

The Personal Injury Rehabilitation and Support Centre is a unique project in Poland. Dealing with the most serious cases of people injured in severe accidents, it restores them to health and reintegrates them into society. It has helped over 1.300 people in a decade. Over 400 accident victims were covered by Individual Assistance Plans, i.e. comprehensive medical, social and vocational support, giving them a chance to return to active life. The Personal Injury Rehabilitation and Support Centre has been successfully changing Polish standards of rehabilitation after accidents for ten years now.

In 2020 the Personal Injury Rehabilitation and Support Centre was named a finalist for the Partnership for Sustainability Award 2020 in the Peace category! Organised by Global Compact Network Ukraine, the competition aims to identify the best projects implemented in support of Agenda 2030. The ceremony was officially opened by Prime Minister of Ukraine Denys Shmihal, President of UN Global Compact Network in Ukraine Tatiana Sakharuk and CEO Club Ukraine Serhiy Gaidaichuk.

► [www.cpop.pl](http://www.cpop.pl)



"I will walk. If not for myself, then for my children - but I will walk"

Małgorzata Makarewicz, as a result of a serious car accident, suffered serious multi-site injuries, cerebral coma and paralysis of the lower limbs.

The Individual Assistance Plan developed by the Personal Injury Rehabilitation and Support Centre began in September 2020. The program includes, therapy using the only HAL robotic device in Poland (a type of powered exoskeleton).

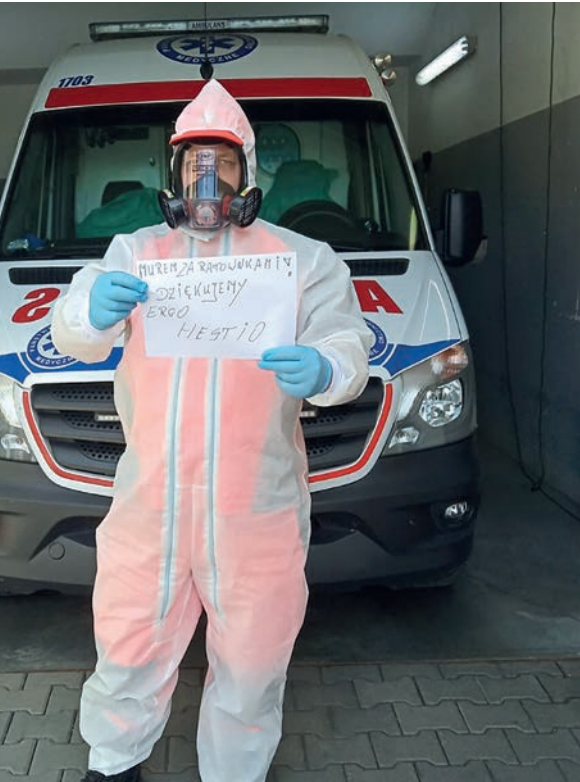
Małgorzata emphasizes that the sessions on this device require a lot of strength and are difficult not only physically but also mentally. Her motivation to exercise is hope for full recovery.





## 5.5 Assistance to medics during the pandemic

By signing an agreement with the Polish Council of Paramedics in March 2020, we launched the #MuremZaRatownikami [supporting paramedics] campaign. Not only did we donate PLN 1 million for the rapid purchase of products necessary for the safe work of medics in the period of the greatest shortage of medical equipment, but we also started – on the siepomaga.pl platform – a collection of money for means to fight the pandemic. The number of beneficiary rescuers in this action was approximately 3.000.



## 5.6 Hestia Volunteer Centre

Together and in solidarity – this is the essence of community and Hestia volunteering. ERGO Hestia employees willingly engage in such initiatives. Ideas and projects can be submitted to the Hestia Volunteer Centre, which has been active since 2013.

The Hestia Volunteer Centre supports the active attitude of employees who work as volunteers in foundations or associations. It also coordinates mutual assistance for employees and business partners in difficulty.

Involvement in volunteering is not just about helping others – it is also about building life satisfaction and a sense of pride in the workplace among the volunteers themselves and strengthening their community.

All Hestia Volunteer Centre projects have been cancelled due to COVID-19. Naturally, where possible, we remained active.



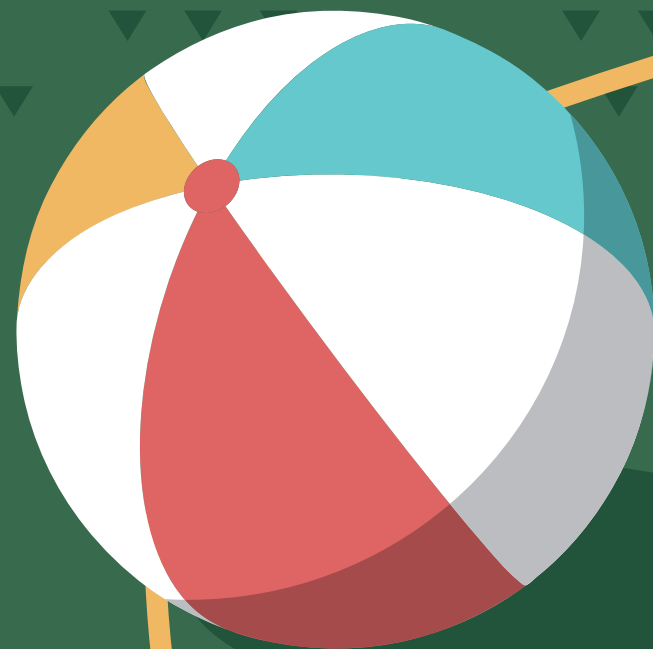
## 5.7 Results of social programmes

GRI 413-1

Our social commitment in 2020: What we achieved.

Integralia Foundation	Personal Injury Rehabilitation and Support Centre	Hestia Volunteer Centre	Hestia's Artistic Trip
107 This is the number of people who have become independent, found a job, received training or simply benefited from our support	PLN 35 000 This is how much we spend on average on the treatment of an injured person	8 274 This is the number of beneficiaries of employee volunteering activities	305 This is the number of young artists taking part in the Hestia Artistic Journey competition
373 This is the number of employers working with us who are open to people with disabilities	600 This is the average number of hours of rehabilitation for an injured person	10 This is the number of public benefit organisations we have worked with	10% Number of pupils and students covered by the Foundation's activities supporting the education process in relation to the number of ERGO Hestia employees
104 This is the number of ERGO Hestia agents who have been trained in the "Change your perspective" programme to be open to employing people with disabilities	10 000 This is the number of medical facilities cooperating with us	11 We have carried out so many voluntary actions together with our employees	67 Number of conferences, meetings and seminars organised in the field of arts





Small steps,  
big emotions.





# 6

## About the report



## 6.1 Entities included in the consolidated financial statements

GRI 102-45

In accordance with the requirements of the Accounting Act, the non-financial report of the ERGO Hestia Group for 2020 includes information and consolidated non-financial data from the companies Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia SA, Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA, Hestia Loss Control Sp. z o. o., Sopockie Towarzystwo Doradcze Sp. z o. o. and Centrum Pomocy Osobom Poszkodowanym Sp. z o. o.

## 6.2 Defining report content and boundaries

GRI 102-46

In accordance with the materiality principle, non-financial information has been presented in the report to the extent that it is necessary to assess the development, performance and position of the ERGO Hestia Group.

The process of defining relevant reporting topics consisted of the following activities:

- **Identification:** In November and December 2020, dialogue sessions with ERGO Hestia's external and internal stakeholders were conducted in the formula defined by the international AA1000SES standard. The subject of the consultation was to share opinions on ERGO Hestia's past and future sustainable development activities. The consultation was attended by employees, business partners, agents and brokers, customers, representatives of environmental institutions and journalists.
- **Defining and prioritising:** In February 2021, six area meetings were held (employees, customer service, business partners – agents and brokers, strategy and ethics and risk management, environmental policy, social engagement), during which ERGO Hestia managers gave additional priorities to the topics discussed, taking into account their relevance to ERGO Hestia's operations and its impact on the socio-economic and environmental environment. The topics of sustainability for the insurance industry and general CSR trends were then considered. Reference is made to S&P Global ESG Scores, UN SDGs 2015-2030 and European regulations – Task Force on Climate-Related Financial Disclosures (TCFD).
- **Validation:** In mid-March 2021, ERGO Hestia Group representatives assigned final ratings of “low”, “medium” or “particularly high” to the topics included in the 2020 Report.



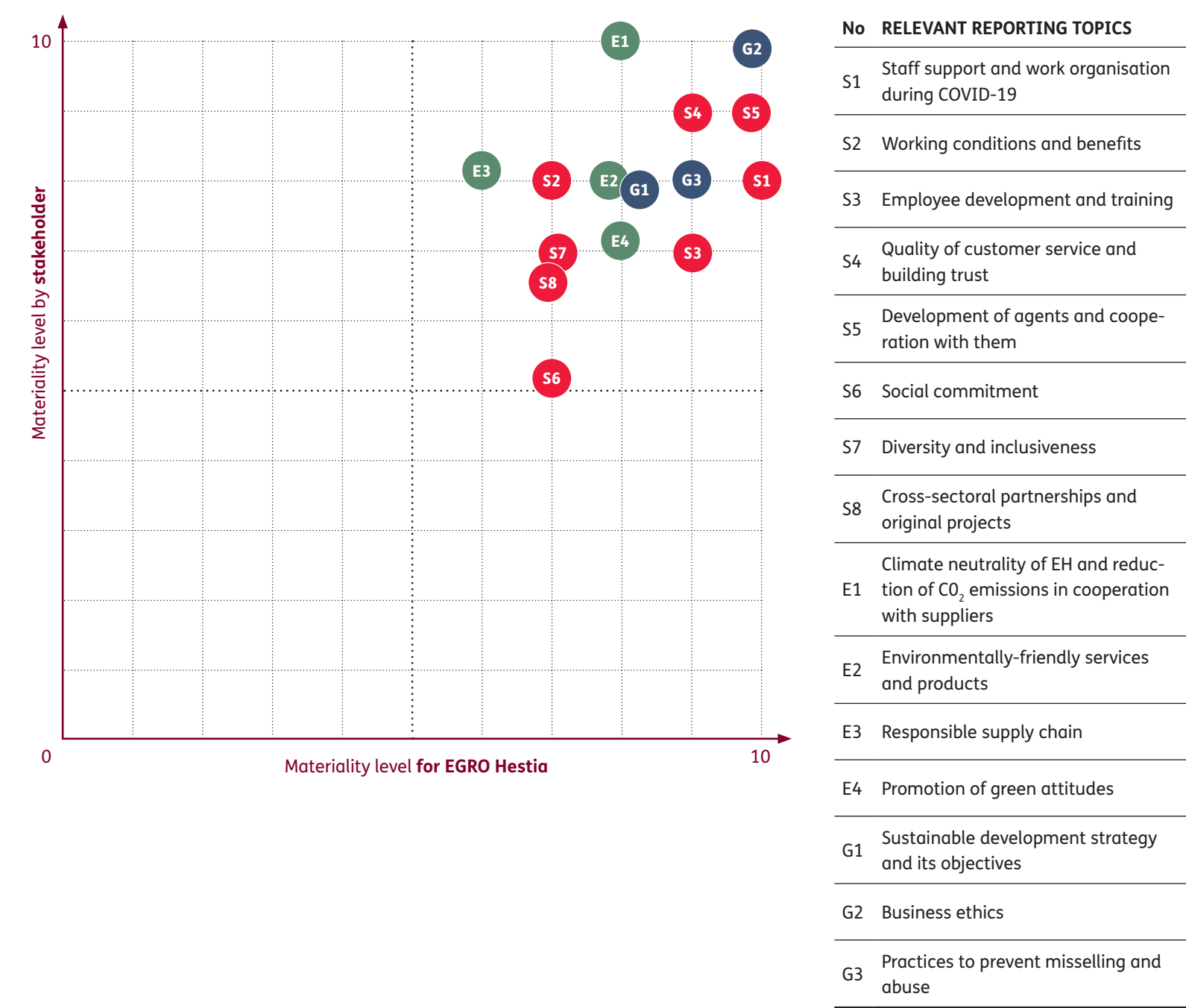
# 6.3

## Materiality matrix

GRI 102-47

The results of the dialogue sessions are presented in the relevance matrix below. The Y axis shows the relevance of the topics from the perspective of ERGO Hestia Group stakeholders. The X axis shows the relevance of the topics from the perspective of company executives. Based on the analysis of the dialogue sessions, the identification of key issues and their prioritisation, 15 relevant topics were identified from 3 areas (E – environment, S – social and G – governance).

### Materiality matrix for ERGO Hestia reporting topics



GRI 102-50   GRI 102-51   GRI 102-52   GRI 102-53   GRI 102-54

The previous Sustainability Report of ERGO Hestia Group was published in 2020 and covered the activity in 2018 and 2019.

If you have any questions about the ERGO Hestia Group’s 2020 Sustainability Report, which has been prepared in accordance with the GRI Standards (option Core), please contact:

Mario Everardo Zamarripa Gonzalez  
Director responsible for Sustainable Development in the ERGO Hestia Group  
mario.zamarripa@ergohestia.pl  
Address: ERGO Hestia, ul. Hestii 1, 81-731 Sopot, Poland

and  
The Sustainable Development Team  
zrownowazony.rozwoj@ergohestia.pl

# 6.4

## Compatibility tables and indexes

Table of compliance with the Accounting Act

Issue	Page numbers
Business model (Article 49b(2)(1))	19
Key non-financial performance indicators (Article 49b(2)(2))	21
<b>Policies in non-financial areas and their results – procedures, governing documents in ERGO Hestia (Article 49b(2)(3)):</b>	
Anti-corruption policy	22, 23
Human rights policy	23, 55
Staff policy	49
Environmental policy	73
Policy in the social area	89
Due diligence procedures (Article 49b(2)(4))	23
Significant non-financial risks and how they are managed (Article 49b(2)(5))	22, 23

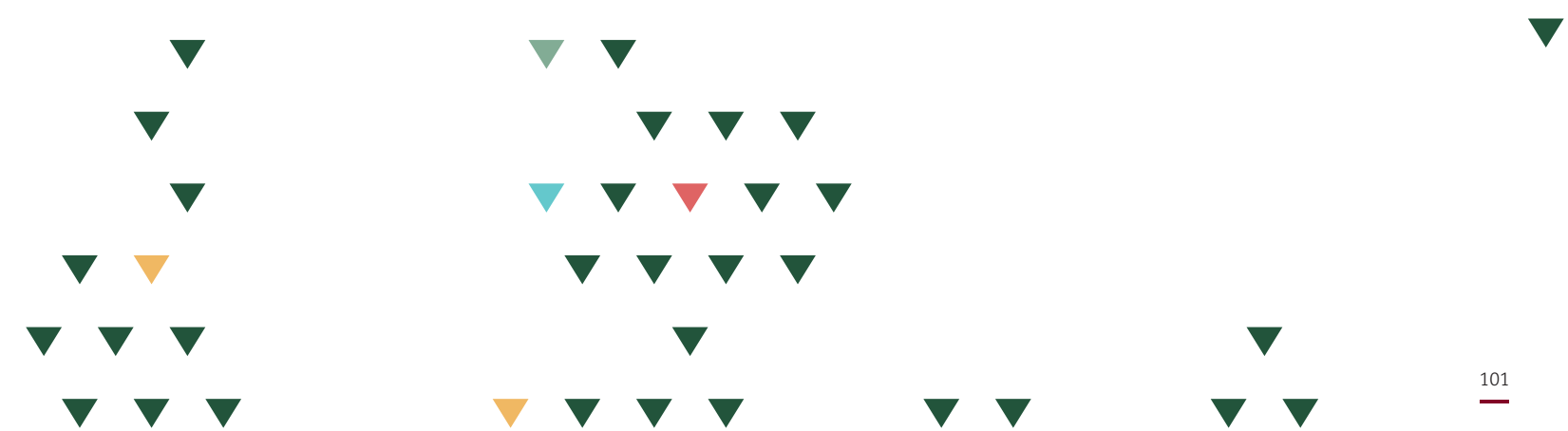


Table of compliance with the TCFD recommendations

Issues:		Page numbers
Corporate governance and management system:		
Description of how the Board oversees climate-related risks and opportunities	Shaping CSR policy, including climate issues, is the responsibility of the CEO	82
Description of management's role in assessing and managing climate-related risks and opportunities	The company described the system and the role of the Board and management in managing climate-related risks and opportunities	82
Strategy:		
Description of the climate-related risks and opportunities that the company has identified in the short, medium and long term	The company identifies climate risk and mitigation is one of the pillars of its CSR strategy for 2021-2023	82
Description of the impact of climate-related risks and opportunities on the organisation's operations, strategy and finances	An inventory of climate-related risks and opportunities is maintained by the Director responsible for Sustainable Development	82
Description of the resilience of the organisation's strategy, considering different climate-related scenarios, including a 2°C or lower scenario.	Climate-related scenarios, including the 2°C or lower scenario, are not presented within this report	
Risk management:		
Description of how the company identifies and assesses climate-related risks		83
Description of how the company manages climate-related risks	The company identifies climate risks	83
Description of how the processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management of the organisation		83
Indicators and targets:		
Indicators used by the organisation to assess climate-related risks and opportunities in line with its risk management strategy and process	Indicators for assessing climate-related risks and opportunities are not presented within this report	
Scope 1 and 2 greenhouse gas (GHG) emissions and associated risks	The company reports Scope 1, 2 and 3 greenhouse gas emissions	78
Description of the goals used by the organisation to manage climate-related risks and opportunities, and performance against goals.	The company has adopted the goals of its strategic investor	84, 85

GRI 102-55

GRI Content Index

Indicator number	Title of the GRI Standard	Indicator name	Chapter	Page numbers
GRI 101	Foundation 2016	GRI 101 Foundation 2016 Background information (does not include any indicators)		
I	II	II Profile disclosures		
GRI 102-1	GRI 102. GRI 102. General Disclosures 2016	Name of organisation	1	15
GRI 102-2		Description of the organisation's activities, main brands, products and/or services	1	15-18
GRI 102-3		Location of organisation's Head Office	1	16
GRI 102-4		Location of operations	1	16
GRI 102-5		Form of ownership and legal structure of the organisation	1	16
GRI 102-6		Markets served	1	15-18
GRI 102-7		Scale of operations	1, 3	15-18, 51, 66
GRI 102-8		Information on employees and other persons working for the organisation	3	51, 66
GRI 102-9		Supply Chain	1	31
GRI 102-10		Significant changes in the organization – no changes	1	31
GRI 102-11		Explanation of whether and how the organisation applies the precautionary principle	1, 4	22, 73
GRI 102-12		External initiatives supported by the organisation	1 3	21 54
GRI 102-13		Membership of associations and organisations	1	21
GRI 102-14		Statement by top management	Introduction	3
GRI 102-15		Description of key impacts, risks and opportunities	Introduction, 1	10-11, 22
GRI 102-16		Values, principles, standards and norms of behaviour	1	23
GRI 102-17		Mechanisms for seeking advice and clarifying ethical concerns	1 3	23 55
GRI 102-18		Governance structure	1	16
GRI 102-40		List – stakeholder group	1	24
GRI 102-41		Collective labour agreements	3	55
GRI 102-42		Identification and selection of stakeholder groups	1	24
GRI 102-43		Approaches to stakeholder engagement	1	24
GRI 102-44		Key issues and concerns raised by stakeholders	1	24
GRI 102-45		Entities included in the consolidated financial statements	6	99
GRI 102-46		Defining report content and boundaries	6	99
GRI 102-47		List of relevant reporting topics	6	100
GRI 102-48		Corrections of information from previous reports	4	78
GRI 102-49		Changes in reporting	4	78
GRI 102-50		Reporting period	6	101
GRI 102-51		Date of last report	6	101
GRI 102-52		Reporting cycle	6	101
GRI 102-53		Contact person	6	101
GRI 102-54		Indication whether the report was drawn up in accordance with the GRI standard	6	101
GRI 102-55		GRI Content Index	6	103



Specific disclosures on material topics

Indicator number	Title of the GRI Standard	Indicator name	Chapter	Page numbers
Reporting theme: Developing agents and working with them.				
GRI 103-1	GRI 103. Management approach 2016	Explanation of topics identified as material with indication of reporting boundaries	2	18, 28–37
GRI 103-2		Approach to managing topics identified as important		
GRI 103-3		Evaluation of the management approach		
Own ratio	Not applicable	Number of cases handled by the Agent Ombudsperson	2	38
Reporting theme: Quality customer service and building trust.				
GRI 103-1	GRI 103. Management approach 2016	Explanation of topics identified as material with indication of reporting boundaries	2	18, 43
GRI 103-2		Approach to managing topics identified as important		
GRI 103-3		Evaluation of the management approach		
Own ratio	Not applicable	Level of customer loyalty using the NPS method	2	44
GRI 201-1	GRI 201. Economic performance 2016	Direct economic value generated and distributed	1	19
GRI 203-1	GRI 203. Indirect economic impact 2016	Supported investments in infrastructure and services	Introduction, 1	12 28–31
Reporting topics: Business ethics. Anti-misselling practices and abuses.				
GRI 103-1	GRI 103. Management approach 2016	Explanation of topics identified as material with indication of reporting boundaries	1	18, 22–23
GRI 103-2		Approach to managing topics identified as important		
GRI 103-3		Evaluation of the management approach		
GRI 205-2	GRI 205. Anti-corruption 2016	Communication and training on anti-corruption procedures and policies	1	23
GRI 205-3		Confirmed cases of corruption and action taken		
GRI 206-1	GRI 206. Anti-competitive practices 2016	Proceedings concerning infringements of the principles of free competition, monopolistic practices [No such cases were reported in the company]		

Indicator number	Title of the GRI Standard	Indicator name	Chapter	Page numbers
Reporting theme: Working conditions and benefits. Development and training. Diversity and inclusiveness.				
GRI 103-1	GRI 103. Management approach 2016	Explanation of topics identified as material with indication of reporting boundaries	3	49
GRI 103-2		Approach to managing topics identified as important		
GRI 103-3		Evaluation of the management approach		
GRI 401-1	GRI 401. Employment 2016	Newly recruited staff and staff turnover	3	51, 67
GRI 401-2		Benefits provided to full-time employees that are not provided to temporary or part-time employees	3	61
GRI 402-1	GRI 402. Commu- nication with the employees 2016	Minimum notification periods for operational changes	3	51
GRI 403-1	GRI 403. OHS at work 2018	OHS management system	3	65
GRI 403-2		Process for identifying risks and threats and dealing with in- cidents		
GRI 403-3		Occupational medicine		
GRI 403-4		Involvement, consultation and communication with employees on health and safety	3	69
GRI 403-5		Employee OHS training		
GRI 403-6		Promotion of healthy lifestyles among employees		
GRI 403-7		Prevention and mitigation of OHS impacts directly related to the nature of the activity	3	65
GRI 403-8		Workers covered by the company’s OHS policy	3	56
GRI 403-9		Accidents at the workplace		
GRI 404-1	GRI 404. Training and education 2016	Average number of training hours per year per employee	3	56
GRI 404-2		Professional competence development and transition program- mes	3	56
GRI 405-1	GRI 405. Diversity and equal opportunities 2016	Composition of management bodies and staff	3	53, 60
GRI 412-2	GRI 412. Human rights 2016	Staff trained in human rights procedures or policies	1	23
GRI 412-3		Valid investment agreements and contracts that include human rights provisions or have been reviewed for compliance with human rights		

Indicator number	Title of the GRI Standard	Indicator name	Chapter	Page numbers
Reporting topics: ERGO Hestia’s climate neutrality and reduction of CO <sub>2</sub> emissions in cooperation with suppliers. Pro-environmental services and product. Responsible supply chain. Promotion of green attitudes.				
GRI 103-1	GRI 103. Management approach 2016	Explanation of topics identified as material with indication of reporting boundaries	4	18, 73
GRI 103-2		Approach to managing topics identified as important		
GRI 103-3		Evaluation of the management approach		
GRI 301-1	GRI 301. Materials 2016	Raw materials used by weight or volume	4	81
GRI 302-1	GRI 302. Energy 2016	Energy consumption within the organisation	4	79–81
GRI 302-3		Energy intensity		
GRI 302-4		Reducing energy consumption		
GRI 303-3	GRI 303. Water 2018	Total water abstraction by source	4	80–81
GRI 305-1	GRI 305. Emissions 2016	Direct greenhouse gas emissions (scope 1)	4	78
GRI 305-2		Indirect greenhouse gas emissions (scope 2)		
GRI 305-3		Indirect greenhouse gas emissions (scope 3)		
GRI 305-5		Reduction of greenhouse gas emissions		
GRI 307-1	Compliance with environmental requirements 2016	Value of fines and total number of non-financial transactions for non-compliance with environmental laws and regulations	4	80
GRI 308-1	GRI 308. Environ-mental assess-ment of suppliers 2016	New suppliers selected to meet environmental criteria	4	74
Reporting topics: Community involvement.				
GRI 103-1	GRI 103. Management approach 2016	Explanation of topics identified as material with indication of reporting boundaries	5	18, 89
GRI 103-2		Approach to managing topics identified as important		
GRI 103-3		Evaluation of the management approach		
GRI 413-1	GRI 413. Local community 2016	Establishments with community engagement programmes, im-pact assessments and development programmes in place	5	95
GRI 415-1	GRI 415 Participa-tion in public life 2016	Support for political goals	1	21
Own ratio	Not applicable	Information on the main partnerships and cross-sector projects in which the company is involved	5	90–95

List of tables and graphs included in the report

Table number	Title of table	Chapter	Page number
1	Indicators for ERGO Hestia for 2019 and 2020 calculated based on the Impact Barometer methodology	Introduction	9
2	Key non-financial performance indicators	1	21
3	Stakeholders of the ERGO Hestia Group and topics important to them	1	24–25
4	Key figures since the start of our operations	1	26–27
5	Our socio-economic impact	1	30
6	ERGO Hestia NPS indicator 2018-2020	2	44
7	Number of employees	3	51
8	New employees	3	51
9	Diversity by gender, age and other characteristics among employees	3	53
10	Diversity of executives by gender, age and other characteristics	3	53
11	E-learning training in 2020	3	60
12	Total number of employees	3	66
13	Total number of employees by type of contract, broken down by gender	3	66
14	Total number of employees by FTE, by gender	3	66
15	Total number of new hires	3	67
16	Total number of employees who left the company	3	67
17	Turnover rate	3	68
18	Number of training hours	3	68
19	Number of accidents and accident frequency rate	3	69
20	Our 2020 targets and their achievement	4	74
21	Greenhouse gas emissions in Scope 1, 2 and 3	4	78
22	Electricity consumption, overall and per employee and floor area of buildings in Poland, excluding energy from renewable sources	4	80
23	Fuel consumption broken down into diesel and petrol	4	81
24	Paper consumption	4	81
25	Water intake	4	81
26	Waste and consumption of electrical and electronic equipment	4	81
27	Hestia Artistic Journey Foundation's activities in 2020 in figures	5	91



6.5

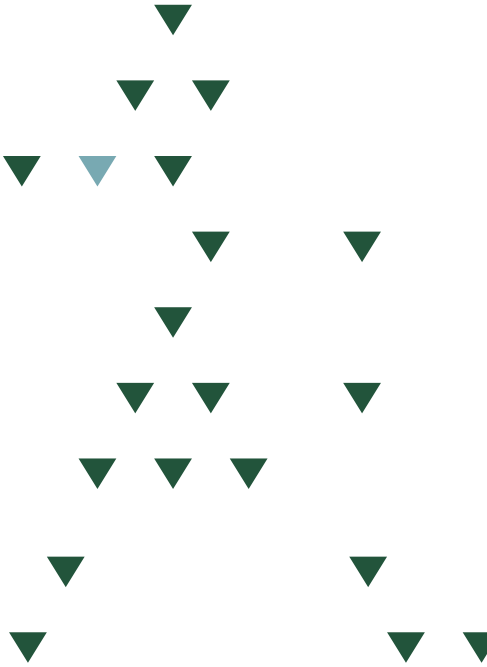
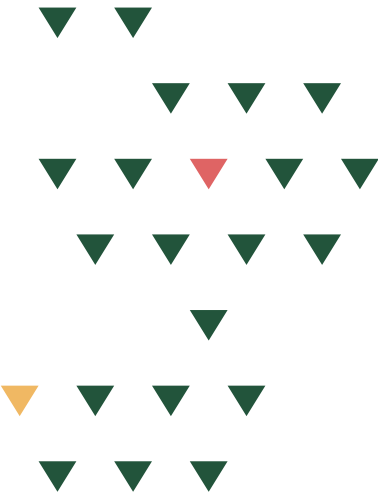
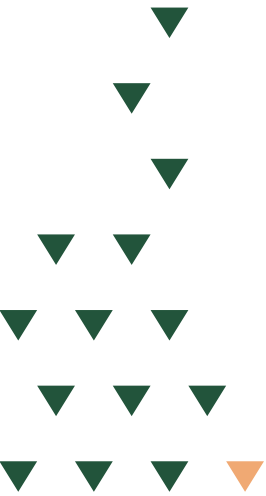
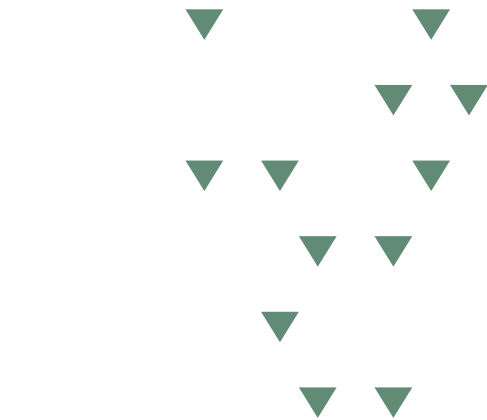
Approval for publication

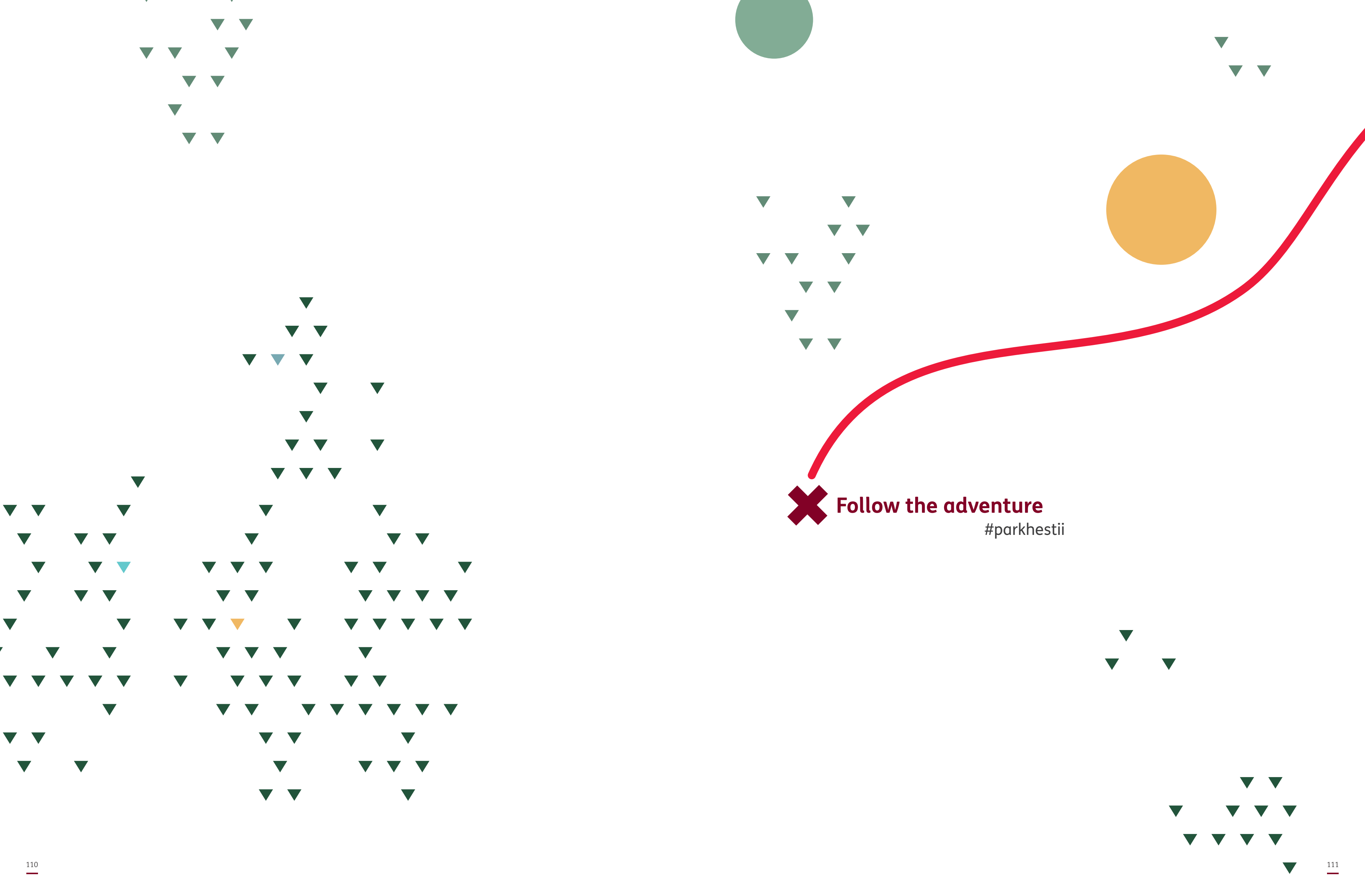
Piotr Maria Śliwicki

President of the Management Board

*signed with a qualified  
electronic signature*

Sopot, 30 June 2021





**Follow the adventure**

#parkhestii



