

Care | The Power of Community

SUSTAINABILITY REPORT

2018–2019

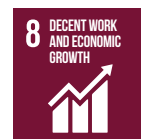
Care | The Power of Community

SUSTAINABILITY REPORT

2018–2019



In the "Care" report, we referred to the United Nations' "2030 Agenda for Sustainable Development". Following last year's idea, we showcase our practices in the context of the 17 Sustainable Development Goals. We describe our activities that contribute to the achievement of selected goals.



Explanations and abbreviations

PLN 6.73 billion

gross written premium

Presentation of 2019 figures

(PLN 6.53 billion in 2018,
PLN 5.85 billion in 2017)

Data in brackets refer to 2018 and 2017

If the data are not presented, it means that
the indicator was not reported

[GRI 102-14]

GRI indicators

p. 7	Letter from the President
p. 8	The Power of Community
p. 16	Events Calendar 2018-2019
p. 20	About ERGO Hestia
p. 30	ERGO Hestia in Numbers
p. 36	Innovative ERGO Hestia
p. 40	Reliable ERGO Hestia
p. 54	Sustainable Development Areas
p. 64	Our Clients
p. 76	Our Partners
p. 88	Our Employees
p. 102	ERGO Hestia for the Society
p. 112	ERGO Hestia for the Environment
p. 124	About the "Care" Report
p. 131	Glossary



Dear Sir/Madam,

We have known for a long time that the definition of a value of a business is not only limited to its financial performance. This conviction was reinforced by the events of 2020, when the condition of the natural environment – combined with human actions – became the focus of attention. We could observe the strength of the mutual relationship and influence of humans and the environment.

The situation of threat that we have all experienced in the face of the pandemic has created a new context for analysing business initiatives for the environment. This global test has reinforced the conviction that only solidarity in the face of the growing domination of self-interest can actively affect the environmental footprint. Only consistent and deliberate actions can shape reality in the long term.

At ERGO Hestia, for the last two years we have been carrying out more and more mature and effective actions for the natural environment. This is confirmed by awards and certificates of compliance with international standards received by our company. We actively participate, among others, in the Climate Leadership program which brings together a community of business change leaders in their fight for climate neutrality.

In order to describe this business activity more comprehensively, we have used numbers and indicators that complete the picture of our strategy implementation and its economic effects.

However, the pages of the "Care" Report prove above all the value of social solidarity, and contribution to the social good. Therefore, let us look together at the details of the responsible initiatives we take. Let us analyse data illustrating different areas of our activity that have a common denominator. The sum of events having a positive impact. The Power of Community.



Piotr M. Śliwicki
President of the ERGO Hestia Group

The Power of Community

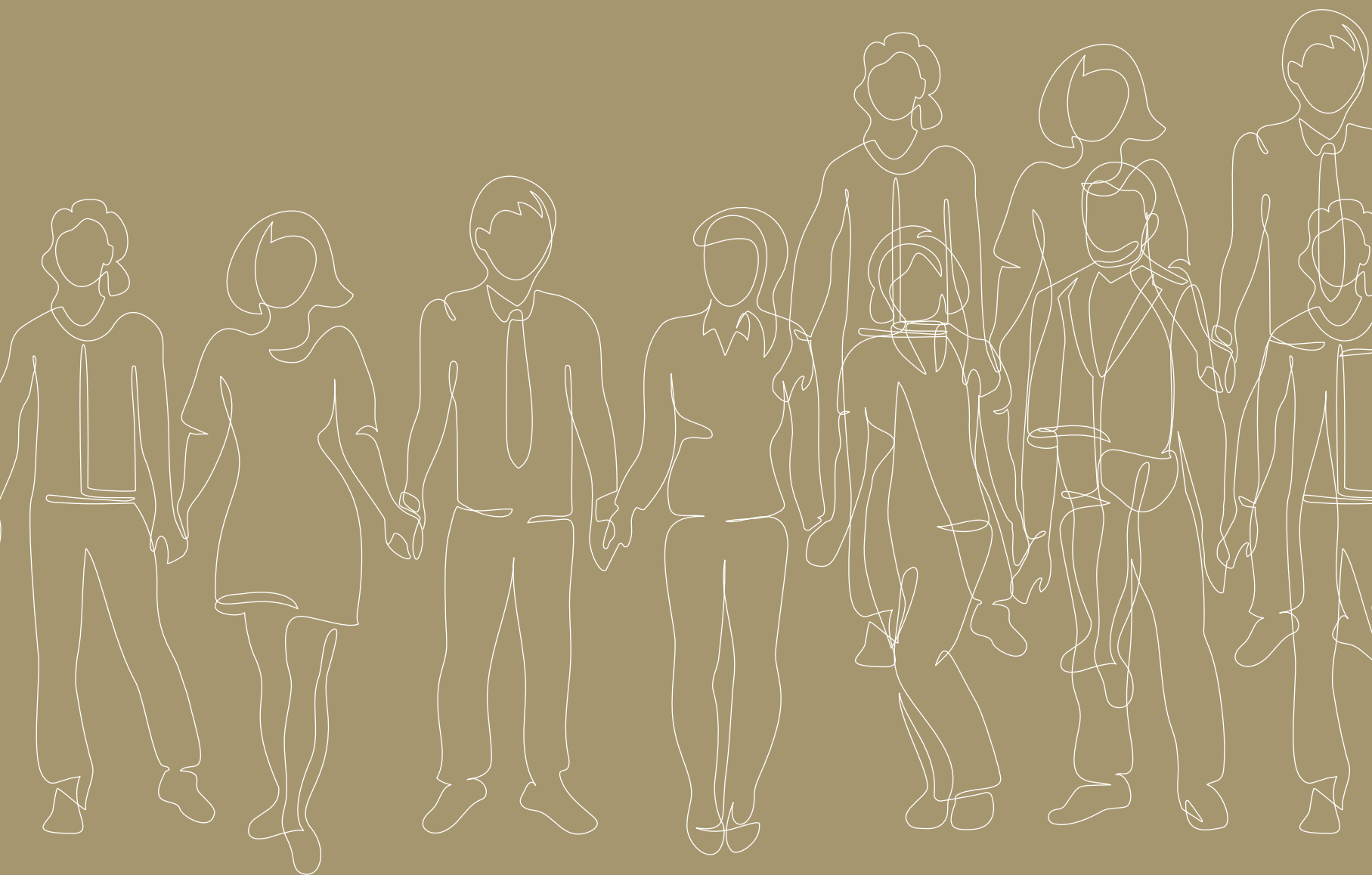
2,856
employees*

77,119
insurance
intermediaries*

1,385
beneficiaries of
voluntary activities*

3.51 million
people and companies
insured in ERGO Hestia*

* Data for 2019





ERGO Hestia Group builds a long-lasting network of links, united by common values – this is where we derive our strength which we call the Power of Community. In addition to the strive for continuous development, we are also brought closer to each other by the feeling of mutual trust that accompanies our daily dealings with the Group's employees, business partners and stakeholders.

The Power of Community together with the Power of Information are two axes that constitute the value of the company and are integral elements of our strategy. Their combination creates a synergy that contributes to a market advantage for the Group. The Power of Community is a source of our motivation and stability, and at the same time a source of pride – we support, inspire and respect each other. For us, it is very important that we are together.

The Community is also the leitmotif of our "Care" Sustainability Report for 2018-2019. We want to make the voice of our partners with whom we are building the Power of Community sound loud in this special publication.

We have therefore asked our stakeholders to develop the slogan "Community is...".

Community is...



Community is much more than a simple sum of similarities. In the deepest sense of the word, it is synonymous with people's principal needs: security, belonging and shared values. It encourages unselfish action. It helps when we're powerless. It continues, despite the distance or differences that may strengthen it.

Community is the force that makes us better – us and the world around us.

Marzena Strzelczak

President
Responsible Business Forum



Community is coexistence and co-penetration.
It is unity in diversity.

It's strength in weakness. It's the power to show weakness. Finally, community is a safe haven for fragility. It's where intimacy transcends shame. It is the community where affection blossoms. Community is capable of heroic acts that transcend the boundary of good. Unfortunately, community can also do evil and persist in blindness, prejudice and stupidity. Fortunately, light always disperses darkness and there is always more goodwill in our global community.

Kamil Wyszowski

Representative | President of the Council
Global Compact Network Poland





Community is the ability to see interdependence and the resulting activity.

It is also a moral obligation to increase its positive impact and to reduce its negative impact, in the belief that the common good matters. If we share this planet, all its tangible and non-tangible resources, we should also see its fragility and together take care of its sustainability and balance.

Prof. dr hab. Bolesław Rok

Director of the Business Ethics Centre
Kozminski University



Community is a strong bond between people who want to go in a mutually agreed direction. It's listening to each other, respecting each other and learning the best from each other. Community is about mutual assistance in difficult situations, regardless of individual interests.

When I think about community, I think about the people I feel at home with.

Marcjusz Kropidłowski

Dom Ubezpieczeń Kropidłowscy
Insurance agent
ERGO Hestia Business Partner



Community is a mutual respect, expressed not only directly, but also through understanding and acceptance of the Partner's objectives. It's the ability to find compromises and the desire to look for them. It's tolerance and sharing of intangible values.

Community is also, and perhaps above all, trust and loyalty to the Partner.

Marcin Ślotała

President of the Management Board of MJM Holdings Sp. z o.o.
Broker / Business Partner of ERGO Hestia



Community is primarily the people who create it.

It is a human relationship and the awareness that each of us acts for the benefit of the other. The certainty that everyone is standing behind you, supporting your decisions and not letting you get hurt. We are all equal, we all have our own opinions, but we respect each other and act for our common good.

Anna Sikorska

Ubezpieczenia Sikorscy
Insurance agent
ERGO Hestia Business Partner



Community is unity in pursuing common goals, through the same values and mutual understanding, albeit seemingly on different sides.

Robert Kaglik

President of the Management Board of RKB Sp. z o.o.
Broker / Business Partner of ERGO Hestia



Community is...

a situation in which a group of people, by their own choice or by chance, learns to work together and over time discovers that by giving something of themselves and adapting to the needs of others, they gain something for themselves and start playing to one goal. Community works well when the benefit of being in a group is concurrent with giving the group something of ourselves.

Community is power, energy and commitment.

Monika Subartowicz

Specialist
ERGO Hestia Collection Office



Community is a magic word.

The word itself is beautiful and sublime, extremely obliging, full of positive associations, and yet I still don't know what its content and message is, where its place is. What's community all about? What does it bring together? Who? Who does belong? What are my responsibilities? What am I not supposed to do?

Community of what? Family – is it community or dependence? Community of values – what kind of values? History – written again by the authorities before our eyes? Culture? Sexuality? Do we have the right to be who we want to be with who we want to be? Sometimes I feel very insecure when I say that word. I don't know, unfortunately, what exactly it means, so it remains empty and in this void it's just a slogan, beautiful and dangerous at the same time.

Barbara Gryka

Artist
Winner of the Grand Prize
at the 18th edition of the Artistic Journey of Hestia competition



I associate community above all with my family: parents and siblings with whom I feel safe and well. We have strong emotional ties.

I can't imagine going through these difficult moments after the accident without their presence and support.

Maciej Kinowski

Beneficiary of the assistance provided by the Victim Support Centre
In 2018, he suffered a serious motorcycle accident



Community is...

being together, even when we're apart, a strong bond regardless of the difficulties, problems. It's a value we identify with, we support, we defend. It is something we want to be responsible for, something we want to build, always, together.

Agnieszka Warecka

Chief Specialist
ERGO Hestia Department of Organization and Administration



Community is... security.

It's as simple as that...

Piotr Lebień

Junior Specialist
ERGO Hestia Retail Insurance Department



Community is a state of mind.

We can talk about it only when no one feels left alone. When everyone feels safe because they know they're part of something bigger. Community is a state of mind – only when you feel it is 100% true.

Agnieszka Szczepkowska

Specialist
ERGO Hestia Corporate Insurance Office





Community is a group of people united by their views, interests, ties of friendship, and willingness to help each other.

It's not just a raw definition, it's a truth that has worked in my life. I've been working at ERGO Hestia for over 17 years. In our community I found the love of my life, warm friends and people with passions similar to mine. Thanks to the Hestia community I have the opportunity to surround myself with people who inspire, motivate and have a great influence on me.

Katarzyna Zaremba

Deputy Director
Retail Representative Office ERGO Hestia Headquarters



Community is... people close to me, friends that I can always rely on, with reciprocity.

We have different passions, interests. We have known each other for many years, we met at different stages of life. We support each other, we can count on each other. It's kind of a second family to me.

Łukasz

Beneficiary of assistance from ERGO Hestia Group Integralia Foundation for the professional integration of people with disabilities



Events Calendar 2018-2019

No. 1

among the
most responsible
insurance companies*

28

years
on the Polish
insurance market*

No. 1

the best
insurance
company*

12

times ranked
as the best
corporate insurer*

* Data for 2019

2018

2019

In 2018-2019, ERGO Hestia received numerous awards and distinctions. Our services, products and IT solutions were appreciated just like the position of ERGO Hestia in the area of sustainable development. It is for us a confirmation of rightly undertaken actions and achievements in the business and social domains.

2018



January

- ERGO Hestia wins the title of the 2017 Pomeranian Employer of the Year
- ERGO Hestia partner of the 25th edition of POLITYKA PASSPORTS



February

- Launch of the Hestia Corporate Solutions (HCS) corporate insurance platform
- ERGO Hestia receives the 2018 Service Quality Star



March

- Start of the ERGO Hestia Insurance School
- Extension of the bus line from Gdańsk to ERGO Hestia headquarters
- New social engagement projects "LET'S MAKE A DIFFERENCE" and "Bike forever"



April

- ERGO Hestia best insurance company according to Banking & Insurance Forum chapter
- ERGO Hestia is the most recognized insurer in Responsible Business Forum Report
- 18th edition of the Znak and Hestia Rev. Józef Tischner Award
- ERGO Hestia partner of the 7th edition of the CSR Fair



May

- Implementation of the Jupiter sales platform for multi-agencies
- ERGO Hestia with the 2017 POLITYKA CSR White Leave
- ERGO Hestia Best Employer in the 2018 "Business Inspirators" competition



June

- ERGO Hestia for the 11th time awarded with the title of the Best Corporate Insurer at the Broker Congress
- ERGO Hestia is a leader in the insurance industry and remains in the Top 15 of the most responsible companies in Poland
- Gala and final exhibition of the 17th edition of the Hestia Artistic Journey competition



August

- Launching the platform for sale of group life insurance – Syriusz "Nowe Życie" in ERGO Hestia



September

- ERGO Hestia bike team from Sopot wins the 1st place in the action "Bike Prank in Sopot – National Bike Game"



October

- ERGO Hestia awarded for promoting Standards of Ethics at the United Nations Day Gala
- ERGO Hestia's Annual Report titled "Getting to Know Each Other" winner of the AGAPE 2018 Company Bulletins Competition
- Extension of trolleybus line 31 from Gdynia to ERGO ARENA



November

- Presentation of the new ERGO Hestia Group Strategy for the years 2018-2020
- ERGO Hestia at the 1st place in the "2018 Driver Selection" ranking
- Final of the Instagram COLORS by Artistic Journey competition



December

- "Golden Bumper" for ERGO Hestia
- ERGO Hestia awarded for participation in honorary blood donation

2019



January

- ERGO Hestia partner of the 26th edition of POLITYKA PASSPORTS



February

- Start of the 3rd edition of the ERGO Hestia Quality Mark campaign



March

- ERGO Hestia awarded with the Ethical Company title
- 19th edition of the Znak and Hestia Rev. Józef Tischner Award



April

- ERGO Hestia Group President with the title of the CEO of the Year
- ERGO Hestia best insurance company according to Banking & Insurance Forum chapter
- ERGO Hestia with the 2018 POLITYKA CSR White Leave



May

- ERGO Hestia for the 12th time awarded with the title of the Best Corporate Insurer at the Broker Congress
- Gala and final exhibition of the 18th edition of the Hestia Artistic Journey competition
- Exhibition in the National Museum in Gdańsk enriched with a work from the ERGO Hestia collection



June

- Launch of a new life insurance offer under the iHestia sales platform
- ERGO Hestia the most responsible insurance company in Poland
- Gold from KTR Advertising Creators Club for the Hestia's ERGO Annual Report "Getting to Know Each Other"



July

- New social engagement project: EcoCar hybrid taxi instead of a replacement vehicle



August

- Justyna Wajs appointed to the Management Board of ERGO Hestia insurance companies
- ERGO Hestia with the BIKE SPOT title



September

- ERGO Hestia with the 2019 "Super Business" Gold Laurel
- ERGO Hestia at the Active Mobility Congress



October

- First Congress of ERGO Hestia Standard Points
- Łądek-Zdrój with the first prize in the EKO HESTIA SPA competition
- Znak and Hestia Rev. Józef Tischner Award, honored in the prestigious Ranking "30X30 – SOCIAL BUSINESS PROJECTS OF THE LAST 30-YEARS"
- ERGO Hestia distinguished at the UN Day
- Participation in the "To Plant" action in the area destroyed by the storm



November

- ERGO Hestia joined the SDGs Partnership "Together for the Environment"



December

- ERGO Hestia one of the best Pomeranian companies of the last 30 years according to Gazeta Wyborcza

About ERGO Hestia

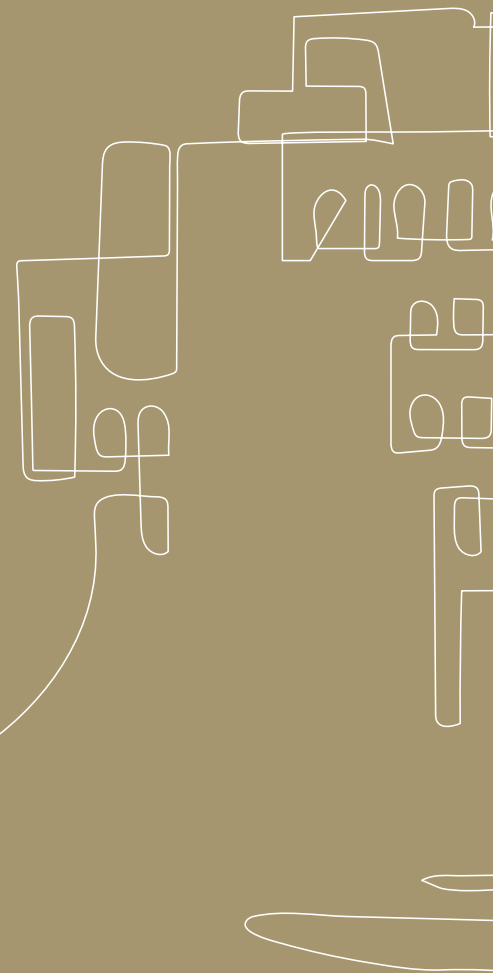
4
members of the
Management Board*

5 companies*
2 foundations*

29 Representative Offices*
214 Standard Points*

9
partner associations
and organizations*

* Data for 2019





For nearly 30 years, ERGO Hestia's products and services have been based on quality and innovation. Every year, we provide insurance cover for more than 3 million individual clients and several hundred thousand companies and enterprises.

The ERGO Hestia Group consists of five companies and two foundations: Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA, Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia SA, Hestia Loss Control Sp. z o.o., Centrum Pomocy Osobom Poszkodowanym Sp. z o.o., Sopockie Towarzystwo Doradcze Sp. z o.o., ERGO Hestia Group Integralia Foundation for the professional integration of people with disabilities and Hestia Artistic Journey Foundation.

The international insurance company, ERGO Versicherungsgruppe, belonging to the largest global reinsurer Munich Re, is the sole shareholder of ERGO Hestia Group companies. The headquarters of the ERGO Hestia Group are located in Sopot, at ul. Hestii 1.

The ERGO Hestia Group carries out insurance activities in the area of the Republic of Poland under the name Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA and Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia SA.

ERGO Hestia, as at 31 December 2019, did not have any branches abroad, but notified the regulatory authority that it could carry on insurance business otherwise than through a branch in a territory of a European Union member state other than the Republic of Poland. Activities conducted outside the Republic of Poland constitute an insignificant part of the portfolio.

Company structure



Product range

The ERGO Hestia Group companies offer non-life and life insurance to individual clients as well as to the industry and small and medium businesses.

The insurance is offered under 5 brands: ERGO Hestia, MTU, mtu24.pl, You Can Drive and YU! The insurer also offers protection against cyber risks under the brand Hestia Corporate Solutions (HCS).

In 2018-2019, Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA and Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia SA had insurance products included in all statutory insurance groups.

Property insurance (STU ERGO Hestia SA)



accident insurance



sickness insurance



credit insurance



insurance guarantees



insurance of goods in transit



legal protection insurance



insurance of various financial risks



third party insurance, including arising out of the use and possession of land, air and sea vehicles, including carrier liability



casco insurance for land vehicles, rail vehicles and aircrafts



maritime and inland waterway insurance



insurance of other property damage



insurance against natural disasters



insurance of assistance and benefits to persons encountering difficulties while travelling or when away from their place of residence

Life insurance (STUnŻ ERGO Hestia SA)



life insurance, including those linked to a unit-linked insurance fund and those where the benefit from the insurance firm is determined based on specific indices or other underlying values



accident and sickness insurance, if supplemental to the insurance referred to under other classes



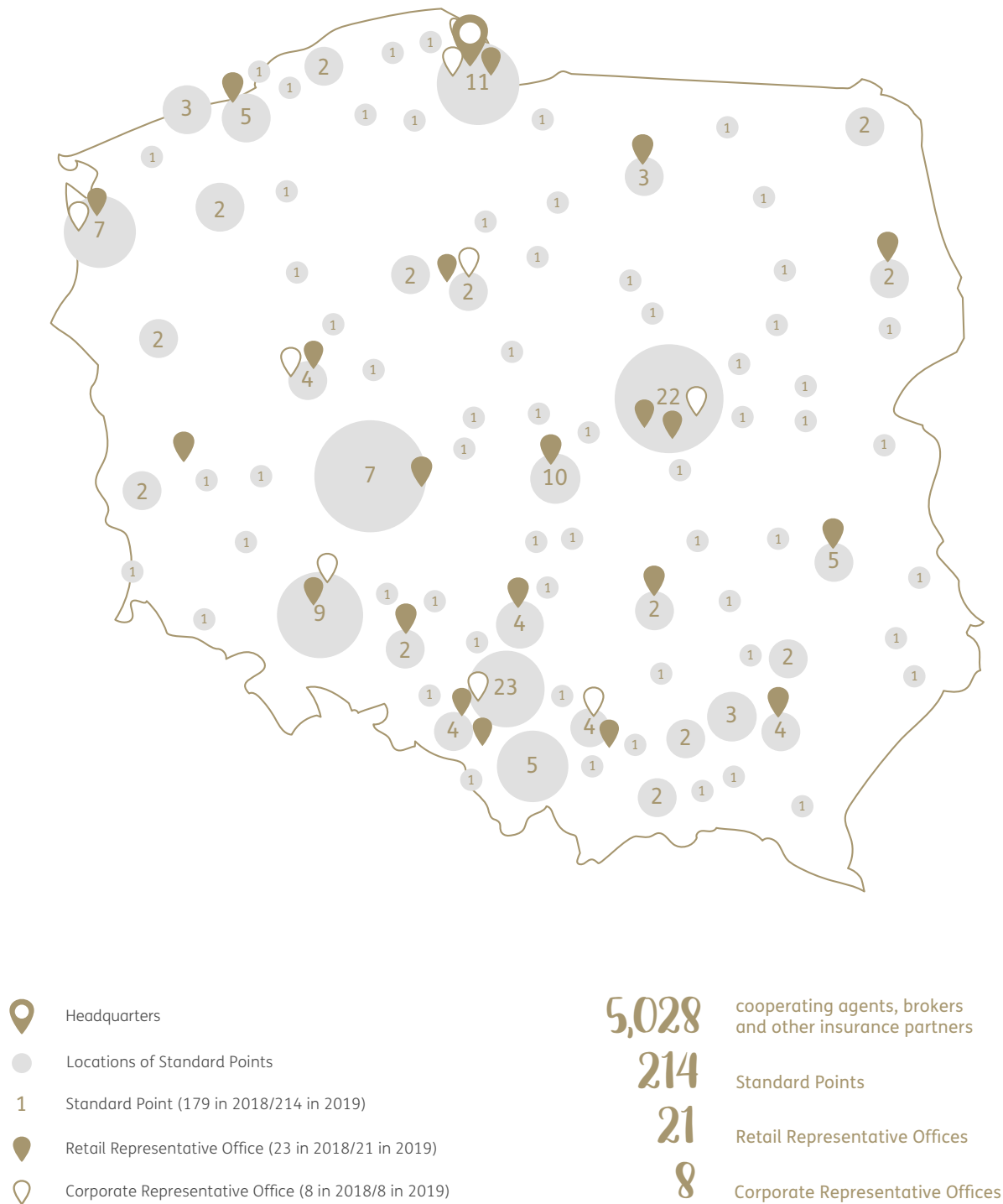
marriage insurance, birth insurance



annuity insurance

Sales network

The network of ERGO Hestia Representative Offices, Standard Points and Access Points, where our insurance policies are distributed, covers the whole country. This gives each client the opportunity to discuss an appropriate, individually tailored policy with their advisor.



Management structure

The governing bodies of STU ERGO Hestia SA and STUnŻ ERGO Hestia SA are: General Meeting, Supervisory Board and Management Board. The Companies also established Audit Committees and Financial Committees.

The Management Board exercises all rights to manage a given Company, acting pursuant to the provisions of law, and in particular the Commercial Companies Code, the Articles of Association of the Company, the Regulations of the Management Board and resolutions of the General Meeting and the Supervisory Board. It also represents the Company outside. In the organizational structure of each Company, the following areas of activity are distinguished:

- Division of the President of the Management Board
- Division of Vice-President of the Management Board for Financial and Organizational Affairs
- Division of the Vice-President of the Management Board for Marketing and Sales (until 31 July 2019)
- Division of the Member of the Management Board for Sales and Technology (from 1 August 2019)
- Division of the Member of the Management Board for Corporate Insurance

Companies identify their key functions



internal audit
function



compliance
function



actuarial
function



risk management
function

Within each Company, committees may be established to support the management of particular areas of its activity. Their work is led by Members of the Management Board or designated persons who report directly to the supervising Member of the Management Board. These are the most important committees currently operating in insurance companies, established on the basis of resolutions of the Management Board:

- Risk Management Committee, whose strategic objective is to supervise risk management processes in the Company.
- Asset and Liability Management Committee, whose strategic objective is to coordinate asset and liability management in order to minimise the risk of mismatch between the structure of assets and liabilities and the significant risks associated with investments.
- NATCAT Committee, whose strategic objective is to coordinate the identification, measurement, monitoring and reporting of disaster risks, including floods, and to define appropriate scenarios for responding to risk events.

More information on the organizational structure of the Companies:

www.ergohestia.pl/o-ergo-hestia/struktura-organizacyjna/
www.ergohestia.pl/o-ergo-hestia/zarzad-i-rada-nadzorcza/



Composition of the Management Board and Supervisory Board of ERGO Hestia Group Insurance Companies

STU ERGO Hestia SA

Management Board

Piotr Maria Śliwicki / President of the Management Board

Małgorzata Makulska / Vice-President of the Management Board for Marketing and Sales 1.01.2018–31.07.2019

Justyna Wajs / Member of the Management Board for Sales and Technology 1.08.2019–31.12.2019

Grzegorz Szatkowski / Vice-President of the Management Board for Financial and Organizational Affairs

Adam Roman / Member of the Management Board for Corporate Insurance

Supervisory Board

Monika Sebold-Bender / Chairman of the Supervisory Board 1.01.2018–23.11.2018

Cornelius Alexander Ankel / Deputy Chairman of the Supervisory Board 1.01.2018–18.11.2018

Heiko Stüber / Member of the Supervisory Board 30.10.2018–26.11.2018 / Chairman of the Supervisory Board 27.11.2018–31.12.2019

Dirk Christoph Schautes / Member of the Supervisory Board 30.10.2018–26.11.2018 / Deputy Chairman of the Supervisory Board 27.11.2018–31.12.2019

Deniss Sazonovs / Member of the Supervisory Board 1.01.2018–31.12.2019

Wojciech Kostrzewa / Member of the Supervisory Board (independent) 1.01.2018–31.12.2019

Janusz Reiter / Member of the Supervisory Board (independent) 1.01.2018–31.12.2019

STU na Życie ERGO Hestia SA

Management Board

Piotr Maria Śliwicki / President of the Management Board

Małgorzata Makulska / Vice-President of the Management Board for Marketing and Sales 1.01.2018–31.07.2019

Justyna Wajs / Member of the Management Board for Sales and Technology 1.08.2019–31.12.2019

Grzegorz Szatkowski / Vice-President of the Management Board for Financial and Organizational Affairs

Adam Roman / Member of the Management Board for Corporate Insurance

Supervisory Board

Cornelius Alexander Ankel / Chairman of the Supervisory Board 1.01.2018–18.11.2019

Maximilian Happacher / Deputy Chairman of the Supervisory Board 1.01.2018–31.12.2019

Heiko Stüber / Member of the Supervisory Board 30.10.2018–26.11.2018 / Chairman of the Supervisory Board 27.11.2018–31.12.2019

Dirk Christoph Schautes / Member of the Supervisory Board 30.10.2018–31.12.2019

Deniss Sazonovs / Member of the Supervisory Board 1.01.2018–18.11.2019

Wojciech Kostrzewa / Member of the Supervisory Board (independent) 1.01.2018–31.12.2019

Janusz Reiter / Member of the Supervisory Board (independent) 1.01.2018–31.12.2019

As at the end of 2019, the Management Board of the ERGO Hestia Group insurance companies included one woman aged 30–50 and three men aged over 50. The Supervisory Board consists of six men. One person represents the 30–50 age bracket, five people are over 50.





Seaside vegetation, Sopot

[GRI 102-12, 102-13]

Organizations and associations

ERGO Hestia is actively shaping the Polish economic and social reality. The Group companies and foundations are members of many organizations and initiatives.



UN Global Compact



Gdansk Business Club



Polish Insurance Association



Responsible Business Forum



Association of Car Dealers



International Network of Insurance



Leviathan Confederation



Network of Non-market Labour Market Institutions



Hartford Steam Boiler for Central and Eastern Europe

Examples of activities carried out in cooperation with organizations:

- In 2016, ERGO Hestia joined the "Coalition of Ethics Officers", established by the United Nations Global Compact as part of the "Business and Human Rights 2014-2020" program.
- In 2016, the ERGO Hestia Group, together with the Integralia Foundation and the Victim Support Centre, joined the group of signatories to the Diversity Charter. They have thus become part of the international initiative for equal treatment and diversity management.
- ERGO Hestia was the first insurer in Poland to sign a declaration of acceptance of the Ethical Program Standard. This unique tool helps companies implement ethical programs in their organizations.
- The Responsible Business Forum (FOB) is the longest operating and largest non-governmental organization in Poland dealing with the concept of social responsibility. In 2017, also the ERGO Hestia Group joined the Forum which was combining business with social involvement since its inception.



ERGO Hestia's **business model** is based on two pillars. The first is diversification, and the second is the highest standard of protection. Diversification within the Companies includes corporate and retail sales. In addition, in the retail area, it is crucial to further target the Company's specific brands to selected client groups. The Highest Standard of Protection concerns the high quality of

services provided both at the stage of identifying the client's needs and at the after-sales stage as well as during the liquidation of damage. The effectiveness resulting from the model based on diversification and ensuring the Highest Standard of Protection is possible thanks to innovative and breakthrough investments digitalising insurance processes.

[GRI: 102-15, 102-16]

Strategy for 2018–2020

In the reporting period, the ERGO Hestia Group's strategy for the years 2018-2020 was adopted. The strategy is determined by two axes which create a value of the company. These are the Power of Information and the Power of Community.

The former indicates the analytical potential of the Company's information resources, while the latter shows the potential of its employees' competences with their motivation and commitment. The synergy of these values builds the Company's market advantage. This combination gives ERGO Hestia a proper balance and is a foundation for making bold and unconventional decisions.

Considering the unique model of organizational culture, the most important commitment of ERGO Hestia remains the Highest Standard of Protection that we provide to all our clients and business partners. Our guiding principles remain invariably simplicity, responsiveness and modernity.

ERGO Hestia Group's business strategy areas for 2018–2020



* You can read more about our approach to Responsible Business and our Sustainability Strategy in the section "Sustainability Areas".

ERGO Hestia in numbers

PLN **6.73** billion
of gross
written premium*

PLN **3.96** billion
of gross claims
and benefits*

3.51 million
people and companies
insured in ERGO Hestia*

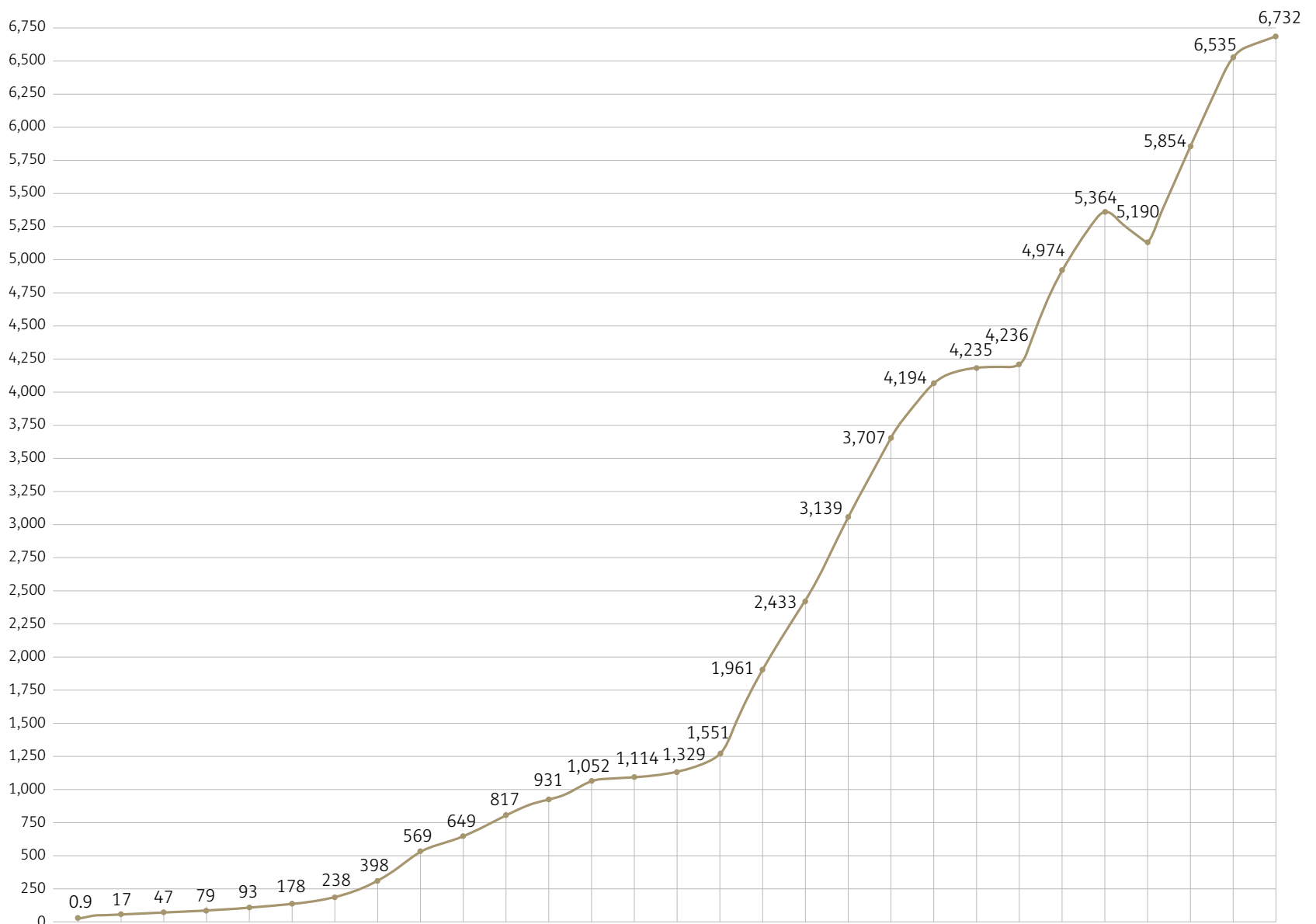
over **100**
offered products
and services*

* Data for 2019



The ERGO Hestia Group is growing year by year, still producing better and better financial results. In 2019, we crossed the barrier of PLN 6.7 billion of gross written premium, achieving the highest technical result in the history of the company. The dynamic development and maintenance of high profitability of the ERGO Hestia Group is a reflection of our innovation and the strength of the community of goals that unites us.

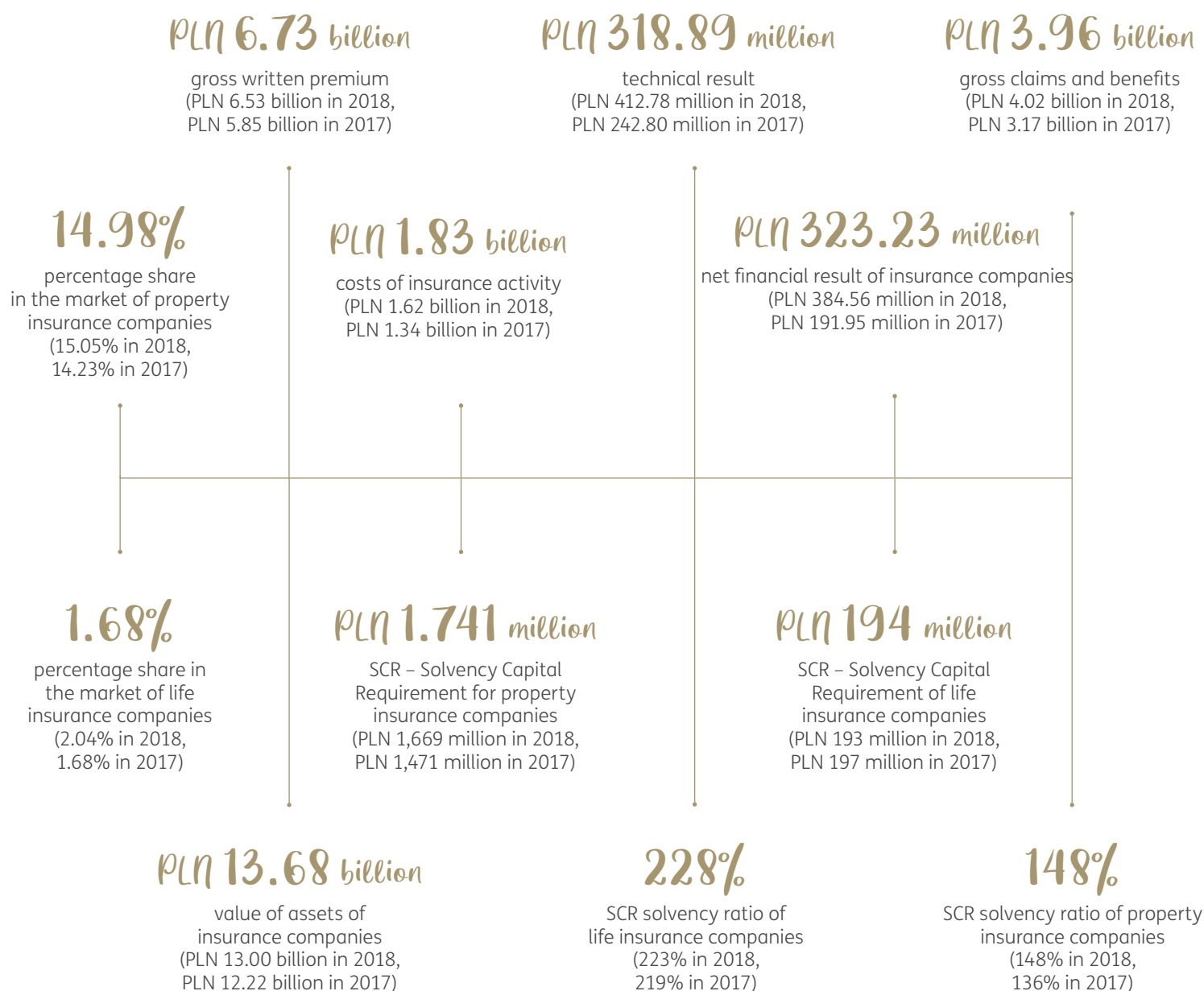
ERGO Hestia Group – Development of gross written premium generated by insurance companies (in PLN million)



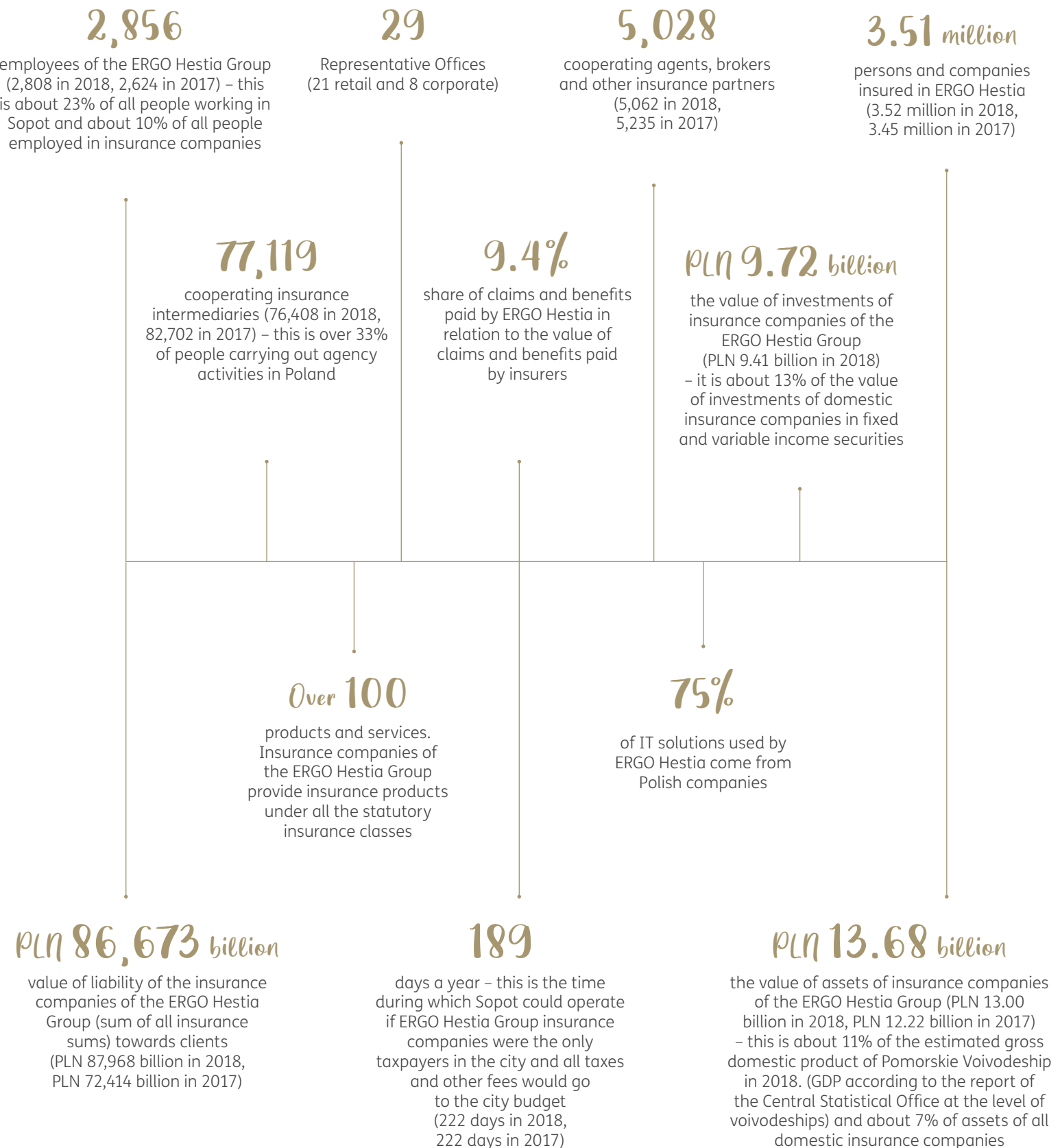
Ergo Hestia Group in 2019:

The dynamic growth of sales in 2019 resulted in a gross written premium of PLN 6.73 billion – the highest in the history of ERGO Hestia Group. Combined with high profitability, the Group's net profit amounted to PLN 323.23 million. Record-breaking technical results were also recorded by the life business.

Financial performance of insurance companies



Operating scale

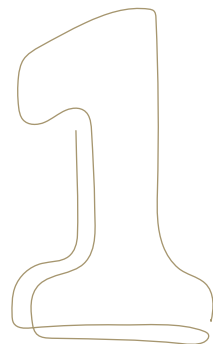


ERGO Hestia is No. 1

In the segment of corporate insurance

We insure:

- 90% of the most valuable Polish brands
- 90% of the top 10 companies in the raw materials and fuel industry
- 87% of construction companies listed on the Warsaw Stock Exchange
- 12 times ERGO Hestia was named by the Association of Polish Insurance and Reinsurance Brokers as the best corporate insurer in the area of property insurance

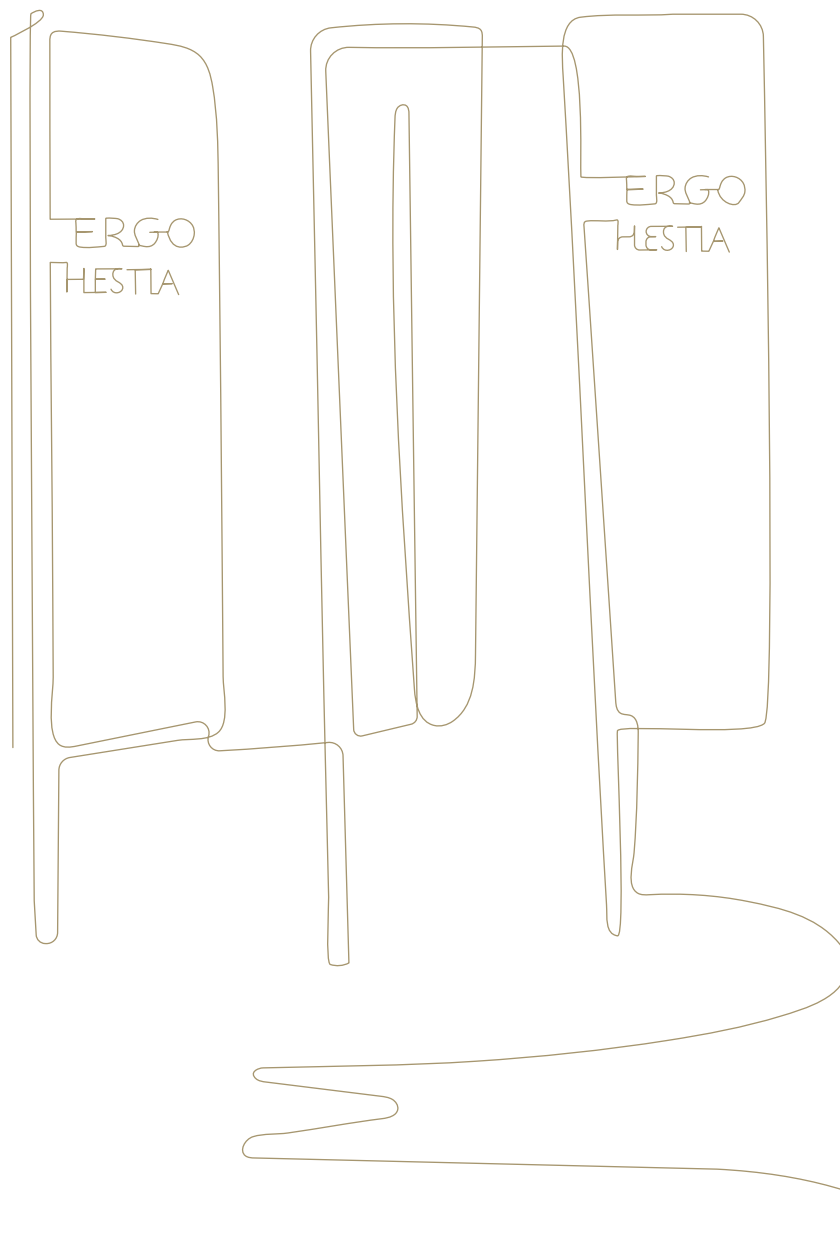


In Innovation

- iHestia – 100% online sales platform
- Pricing tool
- Big Data Analysis
- RPA Platform: mass process robotisation and chatbot
- Artificial intelligence to support communication with intermediaries
- IoT / IT infrastructure vulnerability tests
- Thermal imaging

In the Ranking of Responsible Companies

- No. 1 in the Ranking of Responsible Companies in the Insurance Industry in Poland
- No. 3 in the Ranking of Responsible Companies in the overall ranking in Poland



Innovative ERGO Hestia

no. 1

in innovation*

20

business process
support robots*

75%

of IT solutions from
Polish companies*

100%

iHestia online*

* Data for 2019



ERGO Hestia delivers modern products and services, using advanced technological solutions that support the process of dialogue with clients and business partners. Innovative IT systems for ERGO Hestia intermediaries and experts, as well as dialogue and education tools for our clients, create a coherent platform for cooperation. Infinity of solutions is a fuel for continuous search and improvement of tools to ensure business continuity and development.

Individual clients



Jupiter

A technologically advanced sales platform used by nearly one million individual clients and the largest multi-agencies cooperating with ERGO Hestia. It provides clients with simultaneous access to ERGO Hestia and MTU products, gives constant access to information on purchased insurance and shortens their service time.

More information available at:
www.ergohestia.pl/jupiter/aplikacja/



New ERGO 4 product – life insurance

The insurance covers four basic elements (life, bodily injury, serious illness and child's health), each in three variants with one advisor, the client can insure his or her entire family against financial consequences of accidents – and this for as much as PLN 10 million.

More information available at: www.ergohestia.pl/ergo4 and in the section "Our clients"



New Chat for insurance agents

Our new chat is supported by a chatbot that recognises intentions and either responds or directs the intermediary to a specific service queue. The implementation of the chat has reduced the average service time by 75%.



Online Help application

It allows to check at any time which documents are necessary for the decision on the reported damage and what the status of their verification is. It also enables remote visual inspection during video connection with the damage supervisor.

More information available at:
www.ergohestia.pl/pomoconline/



Process Robotisation

By the end of 2019, more than 20 robots were deployed to support business processes, including customer service. Optimisation including damage liquidation:

- systems to assign damage reports to a special liquidation path which makes it possible to liquidate the damage already
- at the very moment of its reporting,
- platform for communication with car repair shops automated process of generating letters confirming the circumstance of traffic incidents.

The automation work was carried out by employees of all ERGO Hestia offices as part of a hackathon held under the hashtag #RobotaDlaRobota.



Online damage reporting system

ERGO Hestia clients have been given access to an online platform through which they can report damages and communicate with the workshops. This enables full automation of the cost acceptance process for vehicle repairs, thus significantly simplifying procedures and speeding up the liquidation procedures.

More information available at: <http://tiny.pl/7w7wt>



Bike forever

A joint venture between ERGO Hestia and a bike manufacturer, KROSS, allows clients or victims to choose between a replacement car provided by the workshop and a KROSS or Le Grand brand bike that the client can keep forever.

More information available in the chapter "ERGO Hestia for the environment"



EcoCar hybrid taxi instead of a replacement vehicle

As part of loss adjustment, the insurer offers the possibility to use carsharing, hybrid vehicles in Warsaw, Wrocław and Tricity.

More information available at: <http://tiny.pl/7gzsh> and in the chapter "ERGO Hestia for the environment"



mtu24.pl and youcandrive.pl

Modernised and simplified motor insurance packages of both brands have been accompanied by easy-to-customise property and travel packages, providing customers with full protection. The purchase paths have also been simplified and the transparency and responsiveness of www.mtu24.pl and www.youcandrive.pl have been improved.

[GRI 102-2]



Home and Medical Assistance

ERGO Hestia, in cooperation with Europ Assistance Polska, has introduced a new solution improving the process of Assistance-related customer service. Thanks to the Med Link and Home Link platforms, clients are now able to monitor the status of their application on an ongoing basis.

More information available at: <http://tiny.pl/7w7wx>



ERGO Hestia and Masterlease offer in case of total damage

When reporting total damage, victims may take advantage of preferential conditions of purchase of a new car offered by Masterlease.

More information available at: <http://tiny.pl/7w7w9>

Corporate clients and SME sector



Hestia Corporate Solutions

A full service offer for corporate insurance that integrates all engineering risk assessment services. From now on, brokers and clients will find all the prediction and prevention solutions in one place.

More information available at: <https://hcs.ergohestia.pl/> and in the chapter "Our clients"



Thermovision testing

Engineering services including the inspection of electrical installations on company premises which allows to identify local fire hazards, sources of potential property damage and business downtime.

More information available at: <https://hcs.ergohestia.pl/> and in the chapter "Our clients"



Online Help application

More information available at: www.ergohestia.pl/pomoconline/ and in the chapter "Our clients"



Internet of Things (IoT)

IoT solutions allow to transform standard enterprise components into smart wireless communication devices. Thanks to real-time monitoring, they can timely alert clients about potential threats.

More information available at: <https://hcs.ergohestia.pl/> and in the chapter "Our clients"



Pentests

A cyber product for penetration testing of IT infrastructure vulnerabilities to hacking attacks, including engineering services and an injured party assistance that enables data playback and computer forensics.

More information available at: <https://hcs.ergohestia.pl/> and in the chapter "Our clients"

Reliable ERGO Hestia

100%

new employees trained
in anti-corruption and
CSR (data for 2019)*

20

awards
and distinctions
received

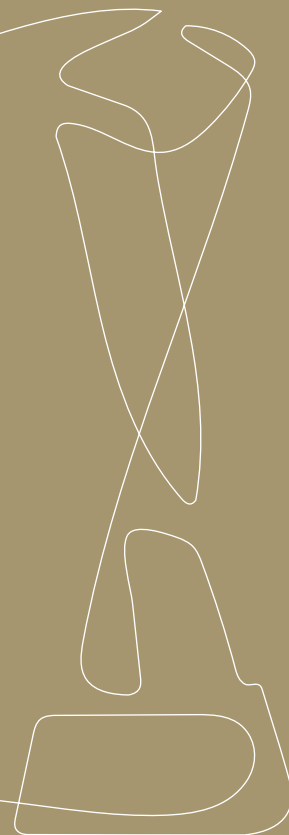
0

confirmed cases
of discrimination
and/or mobbing

0

confirmed
cases
of corruption

* Data for 2019



Business credibility is the basis for success and operations on the modern, competitive market. It is being built for years, on different foundations. ERGO Hestia has built its credibility based on long-term relationships and mutual trust. Based on the care for continuous, positive contact with the environment. We have earned a strong reputation among our clients and partners. We take care of it every day.

Management systems

The ERGO Hestia Group has implemented management systems integrated with the Group's organizational structure and decision-making processes, taking into account people who perform key functions. The effectiveness of the systems is analyzed both in the context of the implementation of strategic objectives and development plans, as well as the implementation of responsibilities within the organizational units. Based on the analyses, decisions are made which allow for the best adjustment of management systems to the Group's business profile and the changing business environment.

[GRI: 102-11, 102-15, 103-2, 103-3]

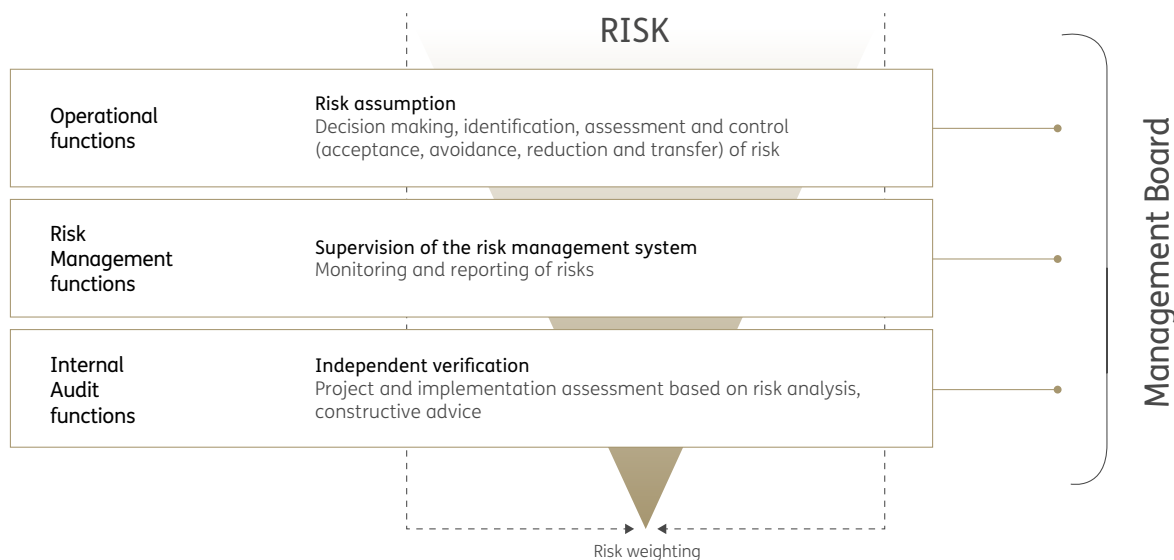
Risk management system

The risk management system operating in the Companies is integrated with their organizational structure and decision-making processes, taking into account persons performing key functions. Each Company, as part of the system, carries out processes aimed at determining, assessing and monitoring the risk to which it may be exposed on an individual and aggregated basis. The risk management system is organized according to the concept of three lines of defence.

The risk management function is performed by the Vice-President of the Management Board for Financial and Organizational Affairs. It is supervised by the Risk Office Director.

In the structure of the Companies, there is also an independent, competent specialised organizational unit which ensures the independence of the risk management function and allows for its effective implementation and performance of its duties in an objective manner, excluding the occurrence of situations of exerting influence and conflicts of interest.

The risk management function includes the coordination of risk management activities, the monitoring of the overall risk position and the early identification of relevant risk factors. The function submits periodical and ad hoc reports to the Management Board which includes discussions and summaries of its activities. In addition, it performs advisory tasks in the area of risky decision-making and monitors the effectiveness of the risk management system.



Risk categories of insurance companies



In each of these areas, ERGO Hestia assesses risk by assessing the identified exposures, examines concentrations and implements appropriate mitigation techniques while monitoring risks in terms of actuarial and market risk.

Due to the nature of its business and the structure of its portfolio, the Companies identify significant exposure to premium and provisioning risk, interest rate risk, credit risk, the risk of cancellation of contracts and counterparty default.

The Companies have conducted sensitivity analyses and stress tests which cover the most important areas of activity and are consistent with the Companies' risk profile. Scenarios for testing were developed taking into account the most significant risks selected as part of ORSA's own risk and solvency assessment process. In the reporting period, there were no significant changes in the risk management system and risk profile of the Companies.

More information available at: Reports on solvency and financial condition www.ergohestia.pl/o-ergo-hestia/raporty

Internal control system

The internal control system is a key element of the corporate governance in the Companies. It is organized according to the concept of three lines of defence. It covers all levels inside the Companies as well as all the outsourced processes. It aims to ensure that business processes run smoothly and that internal and external regulations are respected. The Internal Audit Office conducts system audits in all processes and at the level of internal control organization, in accordance with annual and multi-annual audit plans.





Compliance function

There is an independent compliance function within the Companies, consisting of a Compliance Officer and a competent unit, separated in organizational terms – compliance area, located in the Management Board Office. The employees of this unit are subordinated to the person supervising the compliance function who reports to the President of the Management Board.

The separation of the compliance function ensures the independence of the compliance function and allow it to perform its duties effectively and in an objective manner, excluding the occurrence of situations of influence and conflicts of interest.

The task of the function is to support the Management Board in developing and implementing organizational activities which are necessary to ensure the Company's conduct in accordance with applicable internal and external regulations.

Key tasks performed by the compliance function are:

- early warning
- counselling
- supervision
- control

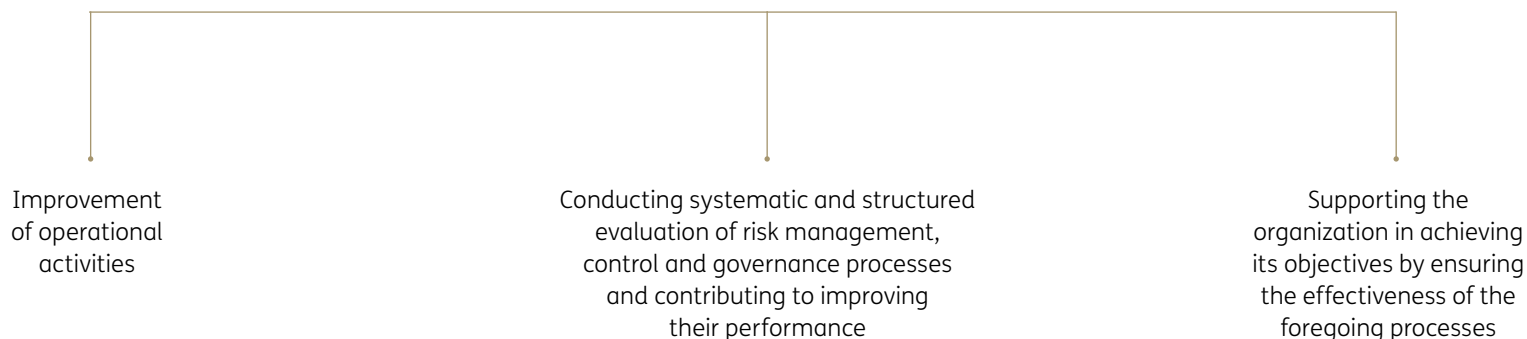
The compliance function performs its tasks individually and independently, submits periodical and ad hoc (as required) reports on the function's activities to the Management Boards of the Companies. It also acts as a permanent compliance advisor to the Supervisory Board.

Internal Audit Function

The function was implemented by a resolution of the Management Board, appointing the Internal Audit Office. Its director has direct and unlimited access to the Management Board.

The internal audit supports the Management Boards of the Companies in monitoring their activities, in particular the control of the internal management system, including the risk management system, internal control system and other key functions. It is subordinated administratively to the President of the Management Board to whom it reports on its results. As required, it also reports the results to the Companies' Supervisory Boards.

Key tasks of the internal audit function

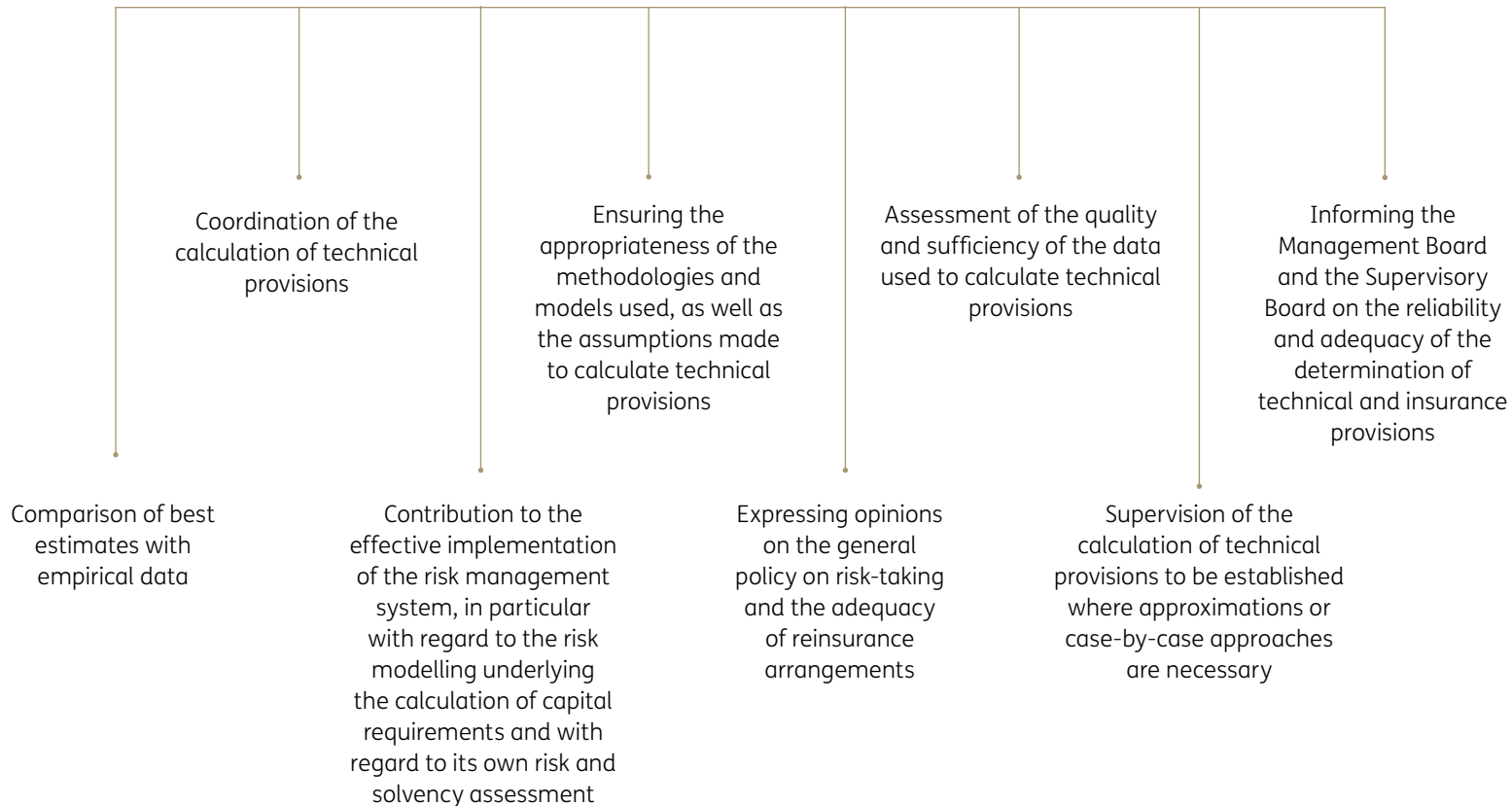


Actuarial function

The function was implemented by a resolution of the Management Board which defined its tasks and appointed a supervising person – an actuary acting as Director of the Actuarial Department and reporting directly to the Vice-President of the Management Board.

In the structure of the Companies, there is also a separate, independent, relevant organizational unit, which ensures the independence of the actuarial function and allows for its effective implementation and performance of duties in an objective manner, excluding the occurrence of situations of influence and conflicts of interest.

Key tasks performed by the actuarial function for solvency purposes



Information Security Management System

The IT strategy regards the security strategy of ERGO Hestia as important factor for maintaining the adopted security level and eliminating non-conformities identified during reviews and audits. The information resources have been separated and secured through the use of indirect networks, automation and construction of monitoring mechanisms.

Creating and implementing the Information Security Management System (ISMS) has also key importance for the security, both in terms of maintenance and development of the ERGO Hestia IT systems.

IT development requires compliance with national, European and internal ERGO Group guidelines. ERGO Hestia, being a financial institution, is subject to regulations in many areas.

Requirements covering IT infrastructure, security and data



Personal data

The systems operating in ERGO Hestia allow for efficient management of personal data processing and information security incident (the process of dealing with an incident, rules for reporting, actions taken after obtaining information, roles in the process, obligations of the Companies related to reporting a data breach to the supervisory authority and to the data subject).

Contact with the Data Protection Officer is possible through the form available at www.ergohestia.pl/ochrona-danych-osobowych-rodo

Monitoring and early warning system

ERGO Hestia is part of the financially strong international insurance company ERGO which belongs to one of the largest reinsurers in the world – Munich Re.

The level of coverage of the capital requirement is subject to regular assessment, monitoring and control within a defined monitoring and early warning system which is based on set limits and triggers. This system, apart from controlling the level of solvency, also covers such issues as: the level of investment risk, disaster damage scenario or monitoring of insurance performance.

In the cases where the level of coverage goes down to the level specified in internal regulations, remedial actions are taken in order to safeguard the solvency position. These actions are closely linked to shareholder processes.

Prudent investor principle

In accordance with the prudent investor principle, the Companies invest their financial resources in assets and instruments whose risks can be properly identified, measured, monitored, managed, controlled and reported. To this end, the Companies are guided by internal procedures and good practices. They define regulations concerning investment, asset allocation and risk management, in particular a system of limits and triggers allowing for constant monitoring of the investment portfolio and appropriate response in the case of identification of risk situations.

Prevention of corruption

ERGO Hestia Group employees know what attitudes are approved and supported and what are not accepted in the organization, as well as what behaviours violate its values and ethical principles. In order to ensure that each employee has the same level of knowledge in this area, the ERGO Hestia Group Anti-Abuse Rules have been introduced.

The Anti-Abuse Rules are a clear procedure that prevents employees and contractors from acting improperly, regardless of their positions. The procedure rules relate to both prevention and detection of fraud. They also include actions to minimise losses and any resulting damage.

In order to improve the management of anti-fraud activities and to ensure a timely flow of information and response to detected fraud, a post of Anti-Fraud Officer and an Anti-Fraud Team were created.

ERGO Hestia has put in place a number of process and organizational solutions that enable employees to report abuses they witness or know about from another source. These solutions give the opportunity to report suspicions personally to the Anti-Abuse Officer or anonymously through a special hotline or regular mail.

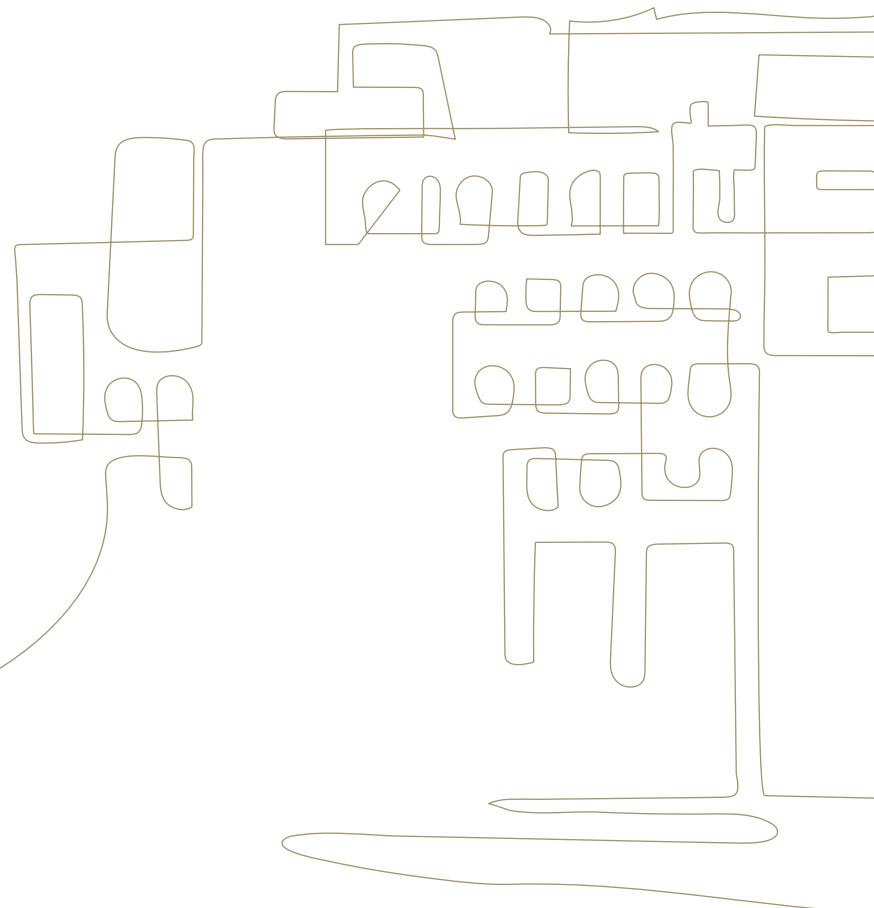
ERGO Hestia responds to all signals and consistently explains all the reported cases using the same measure for all. At the same time, it protects whistleblowers and does not tolerate any form of retaliation against those who report suspected abuses.

[GRI: 102-11, 102-12, 102-16, 102-17, 103-1, 103-3]

Ethical Program at the ERGO Hestia Group

The ERGO Hestia Group is guided by the principles of prudence, responsibility, transparency and integrity – and we expect the same from our employees.

As part of our business planning, we have developed rules governing Hestian's external and internal commitments. Common patterns of behaviour and a catalogue of values allow us to carry out our mission in a consistent and harmonious manner.



Ethical instruments in the ERGO Hestia Group

Reporting system

It allows employees to communicate information about suspected, observed or experienced problems anonymously or under their name. It clearly specifies the path of action taken in the Company to handle the reported issue. Suspicions and questions can be reported by phone, SMS (727 027 333) or e-mail (ryzyko@ergohestia.pl). The system ensures full protection of the applicant's personal data.

Antimobbing and anti-discrimination

Procedure describing the activities undertaken by the ERGO Hestia Group to counteract the phenomena of mobbing and discrimination, presenting both the obligations and policy of the Group with respect to the above-mentioned practices.

Rules of conduct for employees

A collection of information and guidance on the basic legal and ethical requirements that employees must observe when working for the ERGO Hestia Group.

Code of Conduct for Munich Re Group employees

A collection of information and guidance on the basic legal and ethical requirements that employees must comply with when working in ERGO Group/Munich Re companies

Work regulations

A document establishing internal order and organization in the Company and defining the rights and obligations of the employee and employer related to the work process.

Prevention of abuse

Procedures to prevent inappropriate conduct by employees, regardless of their position. They relate to the prevention and detection of abuses. They lay down methods for appropriate and prompt action to minimise losses and damage resulting from abuses.

Anti-money laundering

Procedures and actions to combat money laundering and terrorist financing

Cartel policy

Guidance on appropriate conduct to comply with antitrust and competition laws.

Gift policy

Rules and principles of responsible and lawful behaviour of employees, reflecting the values that are relevant to the ERGO Hestia Group.

Incentive schemes

Rules of participation in incentive trips, events and conferences.

Compliance

It ensures protection of the Company against the consequences of non-compliance with the surrounding legal order and market requirements and expectations.

ERGO Hestia Agent's Code of Professional Ethics

Principles of ethical conduct of agents cooperating with ERGO Hestia towards clients, other agents, and ERGO Hestia itself.

Charter of Diversity

Declaration of commitment to diversity and anti-discrimination at the workplace.

Diversity policy

A document setting out the commitments of ERGO Hestia (including employees) to create the conditions for the implementation and promotion of good diversity practices and to build a work environment free of prejudice, exclusion and any forms of discrimination at all levels of the Company.

Environment Policy

A document setting out the obligations of ERGO Hestia (including employees) both within the Company and in its environment to comply with environmental principles.

Coalition of Ethics Officers

ERGO Hestia belongs to the Steering Committee of the UN Global Compact Coalition of Ethics Officers.

Ethical Program Standard

Business self-regulation concerning the management of the ethical program in an organization, implemented within the framework of the "UN Guiding Principles on Business and Human Rights".

Training program

Training for current and new employees of the organization enables them to become familiar with the ethical principles of ERGO Hestia and the system of reporting irregularities.

Internal communication

Conducted in relation to corporate values, ethics and the system of reporting irregularities, it resembles the content of the training courses.

Initiatives and commitments

The ERGO Hestia Group takes active corporate responsibility very seriously. Our sustainable development strategy involves active participation in many valuable local, national and global initiatives. We are involved in actions and initiatives in the field of human rights protection, care for labour standards and equal treatment.



Partnership for the Implementation of Environmental Sustainability Goals "Together for the Environment"

ERGO Hestia joined the SDGs Partnership "Together for the Environment", organized by UNEP/GRID. Initiative undertaken by the UNEP/GRID Center-Warsaw, in cooperation with the United Nations Environment Program.



Charter of Diversity

ERGO Hestia, together with the Integralia Foundation and the Victim Support Centre, joined in 2016 as signatories to the Charter of Diversity, becoming part of the international initiative for equal treatment and diversity management.



Strategic Partner of the Responsible Business Forum

The Forum is the largest non-governmental organization in Poland dealing with the concept of social responsibility. In 2017, also the ERGO Hestia Group joined the Forum which was combining business with social involvement since its inception.



Climate Leadership

ERGO Hestia has joined the program associating leaders, aware of their role in achieving climate neutrality, working together to reduce harmful effects on the environment.



10 principles of the UN Global Compact

ERGO Hestia has adopted, supports and applies ten fundamental principles in the area of human rights, labour standards, environmental protection and corruption prevention.



Ethical Program Standard

ERGO Hestia, as the first insurer in Poland, signed the Declaration of the Ethical Program Standard. This unique tool helps companies implement ethical programs in their organizations.



Main Partner of the Coalition of Ethics Officers

ERGO Hestia joined the "Coalition of Ethics Officers", established by the UN Global Compact under the "Business and Human Rights 2014-2020" program. The main objective of the initiative is to promote and implement business ethics principles in Polish companies and institutions.



Compliance with laws and regulations

Our mission is to provide clients with a sense of security. We pursue this goal thanks to the implementation of the Highest Standard of Protection, built on the foundation of ethical principles developed over the years and compliance with applicable laws and regulations.

Fair competition and anti-corruption

In the years 2018-2019, in ERGO Hestia there were no cases of corruption among employees and insurance intermediaries or partners. There have also been no reported instances of non-compliance with regulations and/or voluntary codes of marketing communications or proceedings concerning conduct that infringes freedom of competition or antitrust laws and practices by ERGO Hestia.

Insurance companies belonging to the ERGO Hestia Group strive to achieve their business objectives using measures and means that are ethical and legal at the same time. ERGO Hestia complies with the principles of fair and legal competition. Every employee has a duty to comply with the regulations on the protection of free competition. Behaviour which always constitutes an antitrust infringement includes agreements with competitors on prices and conditions. It is also forbidden to present fictitious offers that may influence the determination of prices of products and services.

All the ERGO Hestia Group insurance products meet the statutory requirements. The Insurance and Reinsurance Act applies to the General Insurance Terms and Conditions (GIC). The procedures for product development include a provision on the mandatory development of the General Insurance Terms and Conditions (GIC). The provisions of the Act on Insurance Distribution are applied.

Disputes

In the years 2018-2019, ERGO Hestia STU recorded 235 and 181 out-of-court conciliation proceedings respectively, conducted by the Financial Ombudsman on the resolution of disputes between the client and the financial market operator. At the same time, STU na Życie ERGO Hestia S.A. recorded 6 and 14 out-of-court conciliation proceedings, respectively, conducted by the Financial Ombudsman on the resolution of disputes between the client and the financial market operator.

Explanatory actions

In each case, each company has carried out explanatory activities with the involved entities, resulting in guidelines and recommendations to the relevant entities.

Social, environmental and economic regulations

ERGO Hestia has not found any illegality or regulation in the social, environmental or economic areas. No penalties or other sanctions have been imposed on ERGO Hestia for non-compliance with environmental law.

Key data on legal and regulatory compliance for 2019

100%

new employees took part in anti-corruption training

0

confirmed cases of corruption

100%

key suppliers are familiar with the organization's anti-corruption policies and procedures

0

non-compliance with regulations or codes concerning the labelling of products and services

0

confirmed cases of discrimination and/or mobbing in the workplace

0

judicial and administrative proceedings brought against ERGO Hestia concerning behaviour in breach of free competition or antitrust rules

0

cases of non-compliance with regulations and voluntary codes on marketing communications, resulting in a fine being imposed on ERGO Hestia

Awards and distinctions

Years of work on our image have resulted in many prestigious awards and distinctions in the area of business and sustainable development. We received some of them even several times in a row – this says a lot about ERGO Hestia's position on the market. Each award provides us with motivation to develop and further build trust among clients.



Best Insurance Company (2018 and 2019)

At the 12th and 13th Insurance Forum, ERGO Hestia won in the "Best Insurance Company" category. The awards once again confirmed the strong market position of ERGO Hestia and the Highest Standard of Protection it provides to its clients.

More information available at:
<http://tiny.pl/7xcxs> and
<http://tiny.pl/7dh5z>



Fair Play Award (2018 and 2019)

At the Congress of Brokers in 2018 and 2019, ERGO Hestia was selected by a vote of insurance brokers as the best corporate property insurance company, receiving the Fair Play award for the 11th and 12th consecutive times.

More information available at:
<http://tiny.pl/trqk3> and
<http://tiny.pl/7xcmn>



ERGO Hestia Group President with the title of the CEO of the Year (2019)

Piotr Maria Śliwicki, President of the ERGO Hestia Group, received the European Leadership Awards in the CEO of The Year category, as a token of recognition for the success in creating from scratch a company that is now a runner-up on the Polish insurance market.

More information available at:
<http://tiny.pl/trg96>



The most responsible insurance company in Poland (2018 and 2019)

ERGO Hestia took the top spot among all the insurance companies in Poland in the 12th and 13th edition of the Ranking of Responsible Companies. In 2019, it came third in the overall ranking too. This was determined by: the quality of corporate social responsibility management and the pro-ecological and social activities conducted by the insurer.

More information available at:
<http://tiny.pl/7xcmh> and <https://tiny.pl/75pjj>



"Super Business" Gold Laurel (2019)

ERGO Hestia received the 2019 "Super Business" Gold Laurel in the category of Corporate Social Responsibility. The jury appreciated the high quality of corporate social responsibility management and social activities conducted by the insurer, consistently and for many years.

More information available at:
<http://tiny.pl/7xcmm>



Quality Service Star (2018 and 2019)

This award is particularly valuable to us because it reflects the opinions of consumers who voted at www.jakoscobslugi.pl and through Premia360 mobile application for companies that provide the highest standard of service.

More information available at:
<http://tiny.pl/7xcqz>



Ethical Company (2019)

The editors of Puls Biznesu award this distinction to Polish institutions acting in accordance with the principles of ethical business and applying best practices.

More information available at:
<http://tiny.pl/7xcxb>



Business Inspirators (2018)

ERGO Hestia received the Best Employer award in the 2018 Business Inspirators contest. The chapter has distinguished companies that provide the best working conditions, implement incentive systems and are able to take care of the development of their staff, as well as are open to training the young generation.

More information available at:
<http://tiny.pl/7xcmf>



Report on the Conditions on the Brokerage Market (2018)

The Polish Financial Supervision Authority published a report presenting notes that brokers gave to individual insurers. Again, the quality of the services provided by ERGO Hestia was rated the best.

More information available at:
<http://tiny.pl/7xcmb>



Golden Bumper (2018)

For the sixth time in a row ERGO Hestia took a podium place in the "Golden Bumper" competition. Owners of car repair shops highly appreciated the quality of cooperation with the insurer.

More information available at:
<http://tiny.pl/7xcqk>



Selection of Drivers (2018)

ERGO Hestia was at the 1st place in the ranking. Respondents to the survey indicated the insurance firms that they believe to be the most trusted. The choice of drivers was determined by: the efficiency of damage liquidation, fairness of settlements and quality of service.

More information available at:
<http://tiny.pl/7xcxn>



Pomeranian Storms (2018)

The ERGO Hestia Group Integralia Foundation for the professional integration of people with disabilities was awarded the 2017 Pomeranian Storms statuette in the category EUROINspiration – Human Capital for the project "Bespoke Competence – social and professional integration of people with disabilities".

More information available at:
<http://tiny.pl/7xcgh>



Gazeta Wyborcza Jedyńka Award (2019)

The development of ERGO Hestia was appreciated during the conference titled "30 years of economic transformation of Pomeranian Voivodeship". ERGO Hestia received the "Gazeta Wyborcza Jedyńka" award for its worthy representation of the region in Poland and abroad.

More information available at:
<http://tiny.pl/7xcg9>



Awards for the ERGO Hestia Group 2018 Annual Report

The Annual Report "Getting to Know Each Other" won gold in the competition of Advertising Authors Club KTR 2019 (Design) and won in the Company Bulletins AGAPE 2018 competition.

More information available at:
<http://tiny.pl/77b7n> and
<http://tiny.pl/7xcm8>



Bronze Shield of the Responsible Film Festival "17 Goals" (2019)

The Integralia Foundation's film about the action #NibyNaŻarty carried out in ERGO Hestia received a prestigious award of the festival – Bronze Shield.

More information available at:
<http://tiny.pl/7xcg7>



Honorable mention in the field of Standard of Ethics (2019)

ERGO Hestia received an honorary mention for its contribution to the implementation of Agenda 2030 in Poland by co-creating the flagship program "Standard of Ethics in Poland" as a member of the Global Compact Network Poland.

Sustainable Development Areas

No. 1

the most responsible
company in the
insurance industry*

More than 20

projects implementing
the Sustainable
Development Goals*

8

pursued
Sustainable
Development Goals*

PLN 10.24 million

in donations
and other subsidies
for CSR activities*

* Data for 2019



The organizational culture of ERGO Hestia is shaped by equal opportunities and respect for diversity. To leave a trace in the environment in which we operate and at the same time to have a positive impact – this is a challenge that we have been taking up for years, combining sales of modern insurance products with care for factors and conditions affecting the lives of our clients.

This is how we understand the Power of Community which is an underlying foundation of our strategy. It gives us an impulse for sustainable development and for beneficial changes in each of the important areas – economy, social life and environmental protection.

Sustainable Development Strategy

Our sustainability strategy covers the most important areas in which we have set tangible and measurable targets.

Performance indicators and progress in their implementation are described in this and subsequent sections of the report.

Our continuing commitment is to act in accordance with the 2030 Sustainable Development Agenda, the Universal Declaration of Human Rights, the United Nations Business and Human Rights Guidelines and the principles of the United Nations Global Compact.

The areas of action on Sustainable Development are consistent with the ERGO Hestia Group Strategy for 2018-2020. Our activities support the implementation of the Business Strategy "The Power of Information and the Power of Community", also being a key part of the pillar "The Power of Community".

In 2019, a new sustainable development strategy for the ERGO Hestia Group was being developed. The new strategy will be adapted to the challenges the insurance industry has to face, to the Group's objectives and to the directions set by the Group's stakeholders.

Areas of the Sustainable Development Strategy



Responsible Sales and the Highest Standard of Protection



Involvement of employees



Partnership and cooperation in business



Climate change



Positive social impact



Stakeholder dialogue and responsible communication

Environmental impact of the ERGO Hestia Group in 2019

Economy

PLN 189.09 million

taxes and other charges:
ZUS, PFRON, KNF, UFG, MSWiA, PBUK
(PLN 204.51 million in 2018,
PLN 173.44 million in 2017)

PLN 295.91 million

damage liquidation and
claim adjustment payments
(PLN 262.01 million in 2018,
PLN 233.60 million in 2017)

PLN 3.96 billion

payment of compensations/benefits
(PLN 4.02 billion in 2018,
PLN 3.17 billion in 2017)

PLN 13.68 billion

value of assets
of insurance companies

PLN 1.80 billion

remuneration for intermediaries
(PLN 1.47 billion in 2018,
PLN 1.24 billion in 2017)

Society

PLN 10.24 million

donations and other subsidies
for CSR activities
(PLN 9.54 million in 2018,
PLN 6.06 million in 2017)

405

young artists taking part in the
"Hestia Artistic Journey" competition
(395 in 2018,
379 in 2017)

1,030

beneficiaries of the Integralia
Foundation initiatives
(1,150 in 2018,
1,390 in 2017)

77,119

insurance intermediaries
(76,408 in 2018,
82,702 in 2017)

295

victims covered by CPOP care,
i.e. in CPOP programs financed
by insurance companies
(rehabilitation/therapy)
(274 in 2018,
148 in 2017)

2,856

staff
(2,808 in 2018,
2,624 in 2017)

2.6%

employees are people
with disabilities
(2.3% in 2018,
2.1% in 2017)

100%

of staff under
employment contracts
(100% in 2018,
100% in 2017)

1,385

beneficiaries of
volunteering actions
(1,812 in 2018,
1,300 in 2017)

64%

of employees
are women
(65% in 2018,
65% in 2017)

Environment

114 tons

of CO₂ less in the atmosphere thanks
to the "Bike to Work" program
(93 tons of CO₂ in 2018,
81 tons of CO₂ in 2017)

2.6 tons

of CO₂ less in the atmosphere thanks
to the "Bike forever" program

Over 600,000

bees in the ERGO Hestia
corporate apiary
(600,000 in 2018,
300,000 in 2017)

PLN 100,000

an award founded in the
EKO HESTIA SPA competition
(PLN 100,000 in 2018,
PLN 100,000 in 2017)

400 tons

of CO₂ less in the atmosphere
thanks to employees using hybrid
cars instead of models with
conventional engines
(370 tons of CO₂ in 2018,
340 tons of CO₂ in 2017)

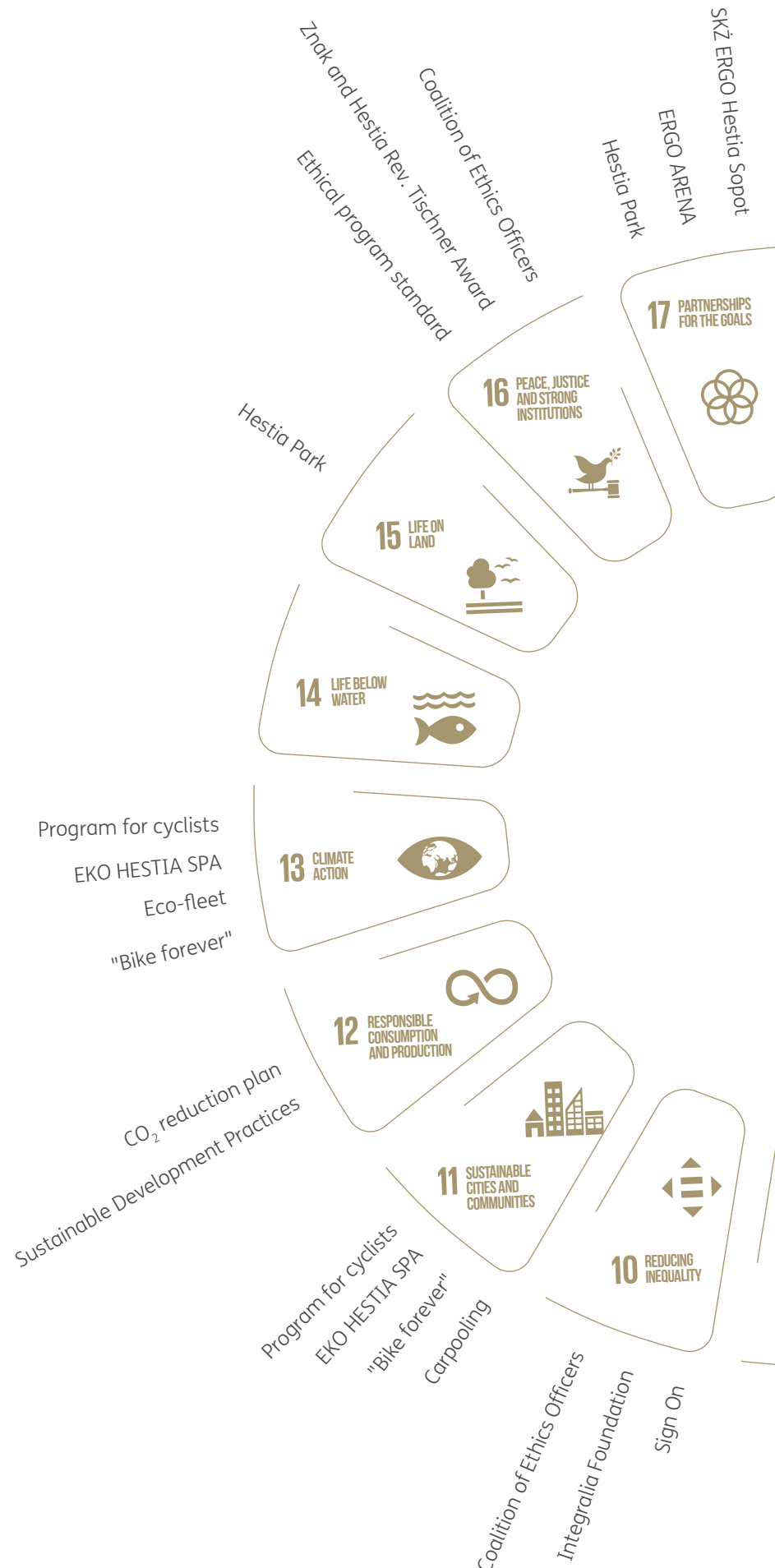
2.3 tons

less plastic by giving up water
bought in plastic bottles and
switching to "tap" water

ERGO Hestia Group projects aimed at pursuing global Sustainable Development Goals

2030 Agenda for Sustainable Development is part of the ERGO Hestia Group strategy. Our activities contribute primarily to the implementation of 8 out of 17 Sustainable Development Goals at local, national and international levels. Initiatives and actions in this area are an important part of our commitment to sustainable development.

We present the goals that we consider particularly important due to specifics of our industry and the nature of our business and the projects that contribute to their implementation.



Hestia Volunteer Centre

1 NO POVERTY



Bees

2 ZERO HUNGER



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



ERGO HESTIA Group Projects



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Victim Support Centre (CPOP)
Healthy Workforce Centre
Hestia Park

Hestia's Artistic Journey – Little Insurance Academy
Museum of Modern Art | ERGO Explorers
"Internship with a view to the future" | HART
Academy for the Development of Managers
Direction – Mathematical Modelling and Data Analysis

Coalition of Ethics Officers

Charter of Diversity

Coalition of Ethics Officers
Integralia Foundation
Victim Support Centre (CPOP)
"Internship with a view to the future"

The company's influence on the pursuit of global Sustainable Development Goals

ERGO Hestia became a partner of the "Campaign of 17 Goals 2019: Joint Actions" whose Honorary Patron is the Ministry of Entrepreneurship and Technology. Its aim is to encourage companies to implement as many ideas and initiatives as possible for the 2030 Agenda.

As part of the campaign, the Impact Barometer, a pioneering tool on the Polish market for measuring the impact of business on the implementation of the Agenda, was developed in cooperation with the Central Statistical Office. The tool was developed as a result of extensive expert consultations, also with ERGO Hestia.

The Impact Barometer allows companies to calculate their contribution to the 2030 Agenda, compare it with the market average and check their strengths and weaknesses. The tool is available free of charge at www.kampania17celow.pl/barometrwpolywu/. Below, there are the indicators for 2019 which were calculated based on the Impact Barometer.



Goal 3: Ensure a healthy life for people of all ages and to promote prosperity (2019 figures)

Indicator no.	Indicator name	Company indicator
3.1	Average health expenditures of the employee	PLN 1,133



Goal 4: Provide quality education for all and to promote lifelong learning (2019 figures)

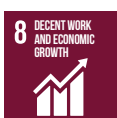
Indicator no.	Indicator name	Company indicator
4.1	Average number of training hours per employee	29.74
4.2	Number of pupils and students covered by educational support in relation to the number of employees	6.7%
4.3	Percentage of employees trained in sustainable development	100%
4.4	Percentage of employees involved in sustainable development initiatives	25%

More information about the Impact Barometer available at: <http://www.kampania17celow.pl/barometrwpolywu/>



Goal 5: Achieve gender equality and empower women and girls (2019 figures)

Indicator no.	Indicator name	Company indicator
5.1	Percentage of women on management positions	53%
5.4	Percentage of employees trained in combating mobbing, sexual harassment, violence or discrimination	100%



Goal 8: Promote sustainable, inclusive and balanced economic growth, full and productive employment and decent work for all (2019 figures)

Indicator no.	Indicator name	Company indicator
8.2	Percentage of employees under employment contract	100%
8.5	Staff turnover	10%
8.6	Percentage of people with disabilities among employees	2.6%



Goal 12: Ensure sustainable consumption and production patterns (2019 figures)

Indicator no.	Indicator name	Company indicator
12.1	Material efficiency	668%
12.2	Energy efficiency	606%
12.3	Share of energy used from renewable sources	100%
12.4	Greenhouse gas emissions*	8,877 tons CO ₂
12.5	Water efficiency	960%
12.6	Percentage of waste recycled or reused	44%

* Greenhouse gas emissions are calculated according to the methodology of the GHG Protocol (ghgprotocol.org) and include emissions from the consumption of heat and electricity, natural gas, from business trips (cars, rail and air transport) and from paper and water consumption. In this calculation, electricity is not included as energy from renewable sources.

More information about the Impact Barometer available at: <http://www.kampania17celow.pl/barometrwpływ/>

Methods of communication and dialogue with stakeholders

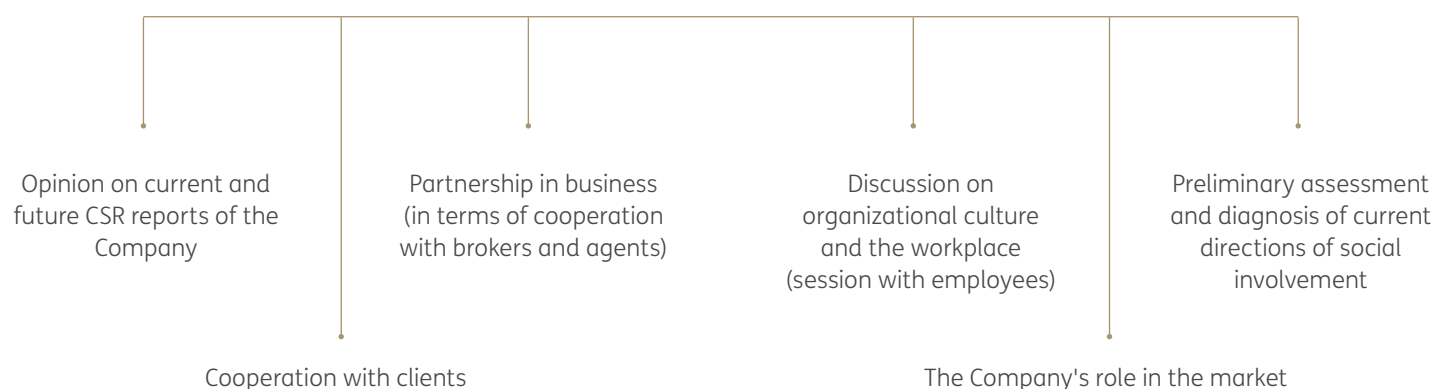
In ERGO Hestia, we have been creating models and patterns for contact with all stakeholder groups for several years. Thanks to open communication we are able to identify those with the largest influence on the brand and on operations of the Companies. Since 2017, we have been holding workshops and dialogue sessions with stakeholders once a year, taking the AA1000SES guidelines as a reference.

The Power of Community – one of the axes building up the value of a company – is connected, among others, with conducting an open dialogue, and thus also with the ability to listen. Therefore, we take into account opinions and recommendations of our stakeholders. We implement the best social initiatives and projects and analyse other partners' needs to better understand and meet their expectations. That allows us to shape our future business strategy.

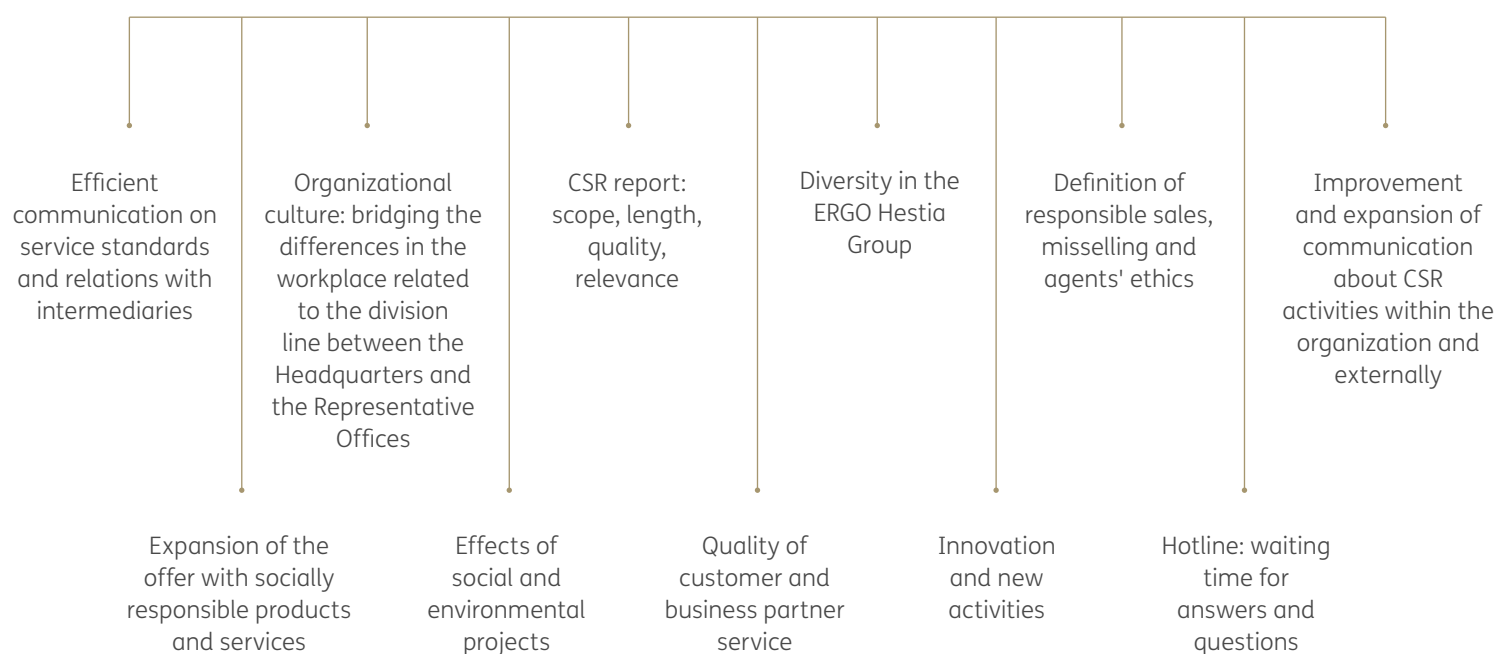
This year we continued our hitherto existing forms of cooperation. During the roundtable dialogue sessions, each of the stakeholders

could present their comments, needs and expectations. The directions of social involvement, friendly partnership in business and the organizational culture of ERGO Hestia were being discussed with the stakeholders. The freedom of expression of all the participants allowed us to know their expectations related to responsible sales, agents' ethics, high quality of service and availability of socially responsible products and services. Lessons formulated and filled in the common matrix have been integrated into local action plans, facilitating bilateral communication.

Topics of dialogue sessions



The most relevant aspects and business and CSR priorities reported by stakeholders



Stakeholder map and communication channels and forms

We present a map of key stakeholders and selected channels and forms of communication. Stakeholders were selected based on the degree of involvement in the ERGO Hestia's activities and their relevance to the business model.

Communication channel	Employees	Potential employees	Clients	Service providers	Business and social organizations and associations	Schools and universities	Local community	Media	Business partners (agents and brokers)	Shareholder ERGO Group/ Munich Re	Public administration	Environment	Regulators and auditors	Car repair shops
Direct meetings with employees and conferences	•		•	•	•	•	•	•	•	•	•		•	•
Intranet	•													
Employee volunteering and engagement building program – Felix	•		•						•					
Newsletter	•													
Engagement and opinion surveys/satisfaction surveys	•		•						•					
Training and development programs/workshops	•				•				•	•				•
"Care" Report	•		•	•	•		•	•	•	•	•			
Dialogue sessions	•		•					•	•		•			
Social networks	•		•					•						
Job fairs		•												
Articles on theme portals and job portals		•												
Internship program		•												
Activities of the Integralia Foundation for People with Disabilities		•				•			•					
Consumer Ombudsman			•											
Complaints and Complaints Service Centre			•											
Representative Offices			•											
Customer Service Centre (hotline)			•											
Promotional and advertising materials			•											
Website www.ergohestia.pl		•	•	•				•	•				•	
iHestia/iKonto			•						•					
Industry events				•										
Joint projects and initiatives		•			•		•			•	•			
Hestia Artistic Journey Foundation	•		•			•			•					
Patronage over the new course of study at the Faculty of Mathematics of the University of Gdańsk		•				•								
Young Insurance Academy for junior high school and high school students						•								
Tischner Days							•							
Sustainable Urban Mobility Study Initiative in Sopot							•				•	•		
EKO HESTIA SPA, Climate Leadership and other environmental programs					•		•					•		
SKŻ ERGO Hestia Sopot							•							
Press releases, interviews and expert comments								•						
Spokesperson								•						
Agent ombudsman									•					
Webinars with experts	•								•					
Dealer's Zone, Risk Focus and Risk Focus blog, Agent's Zone									•					
Quality certificates									•					
Local Discussion Groups									•					
Reports and presentations of results										•			•	
General Meeting of Shareholders/Supervisory Board														
Contacts and cooperation with environmental organizations												•		
Audits										•		•	•	

Our Clients

3.51 million

people and companies
insured in ERGO Hestia*

90%

of the most valuable
Polish brands with
ERGO Hestia insurance*

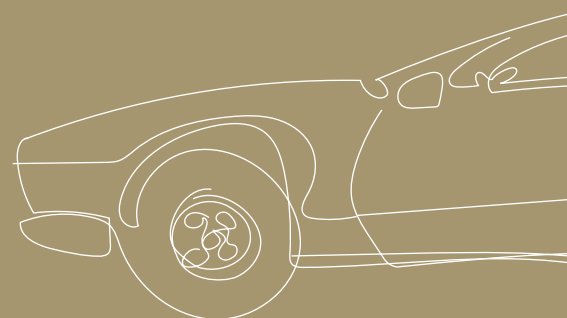
0.46%

second lowest complaint
rate on the market*

3,700

cases considered by the
Customer Ombudsman*

* Data for 2019

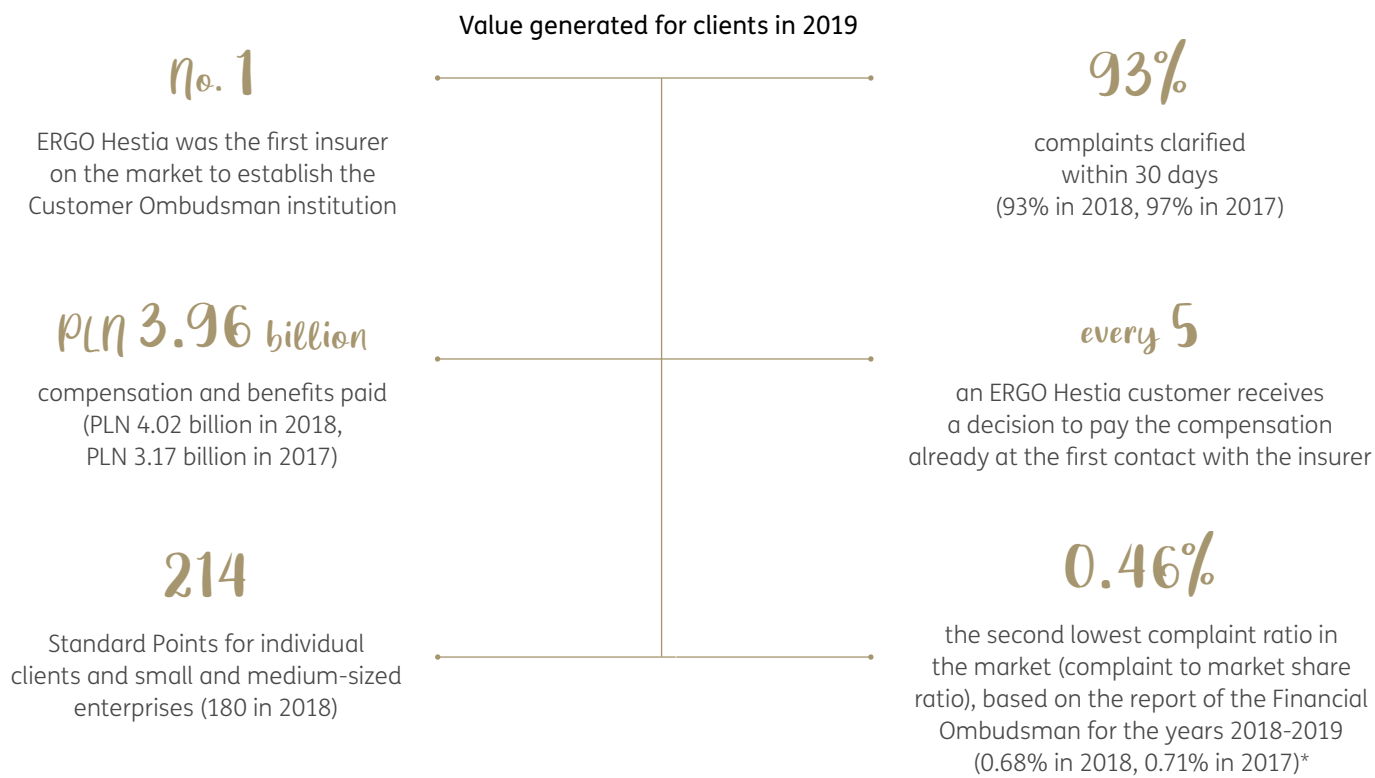




Recent years have been a time of transformation in ERGO Hestia – from the distribution of advanced insurance products to full consultancy, providing additional benefits. The awards and distinctions we have won during this time confirm the validity of our policy. Clients and partners value ERGO Hestia because they feel appreciated.

In 2019, the life insurance company implemented the New Life Strategy, assuming the simplification of sales and service

processes and the creation of a group life insurance offer and a new, matrix product ERGO 4 for individual clients.



* Report on the activities of the Financial Ombudsman available at: <http://tiny.pl/7ddzz>



Our brands

The ERGO Hestia Group companies offer non-life and life insurance to individual clients as well as to the industry and small and medium businesses. Property insurance is offered under 5 brands: ERGO Hestia, MTU, mtu24.pl, You Can Drive and YU! Life insurance is offered under the ERGO Hestia brand.

[GRI: 102-2, 417-3]

Between 2018 and 2019, no campaign of ERGO Hestia Group brands or marketing activity was reported to the Advertising Ethics Committee.



The Group companies offer property and life insurance to individual clients as well as to the industry and small and medium businesses.
Year of establishment: 1991
www.ergohestia.pl



Insurance brand of Yanosik and ERGO Hestia offering insurance where the premium depends on the driving style. The offer is addressed to owners of passenger cars registered for private individuals. The second condition is to use the Yanosik mobile application. And the third one is safe driving.
Year of establishment: 2017
www.payhowyudrive.pl



The brand makes it easy to conclude an online contract for the sale of motor insurance, travel insurance and real estate insurance. An exceptional and unique offer on the market of insurance products created especially for young people – people under 30 years old.
Year of establishment: 2010
www.youcandrive.pl



A modern form of insurance sales offering clients all the options available to buy insurance over the phone and the Internet, and precisely matching the insurance to clients' expectations and needs. It offers insurance for residents of villages and small towns.
Year of establishment: 2012
www.mtu24.pl



Simple and friendly insurance at an attractive price, transparent procedures, easy conclusion of the contract and friendly service in the case of damage.
Year of establishment: 2001
www.mtu.pl

Complaints, claims and appeals

The ERGO Hestia Group has guidelines in place to organize the acceptance, registration and handling of complaints. The process of handling complaints is carried out by the Quality Management Office.

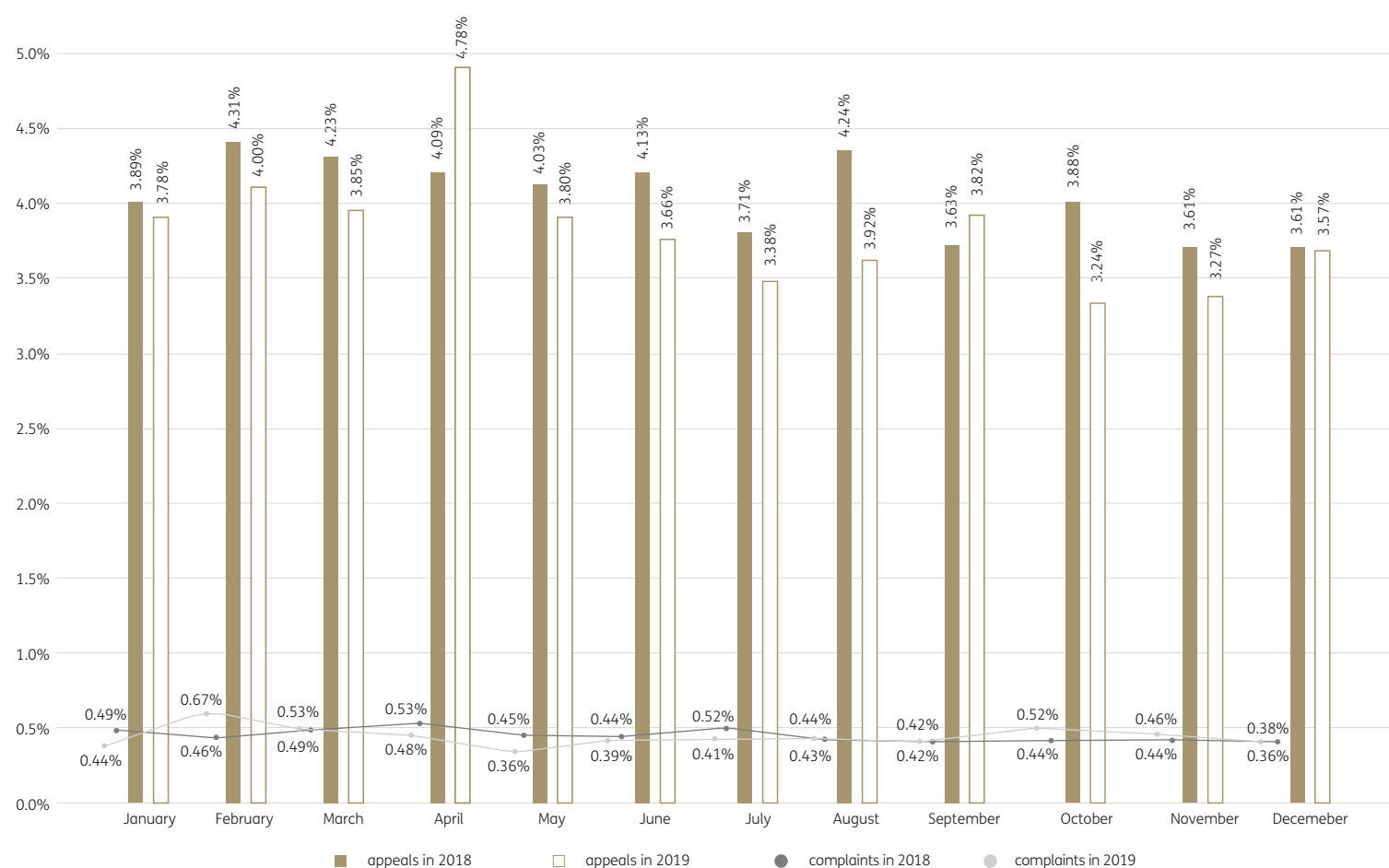
We use the information obtained from various areas of the Company to improve the services provided and, consequently, to prevent complaints. The process of complaint handling is monitored both in quality and in quantity terms.

ERGO Hestia was the first in the insurance market to make key information on appeals and complaints available at www.ergohestia.pl. Every month we create internal reports showing the current situation, and every quarter we compile reports showing any currently observable trends. In the annual summary, we present trends and implemented solutions aimed at reducing

the number of appeals and complaints. We have established appropriate indicators in order to measure these quantities in an objective way.

The data presented in the report refer to the years 2018 and 2019 and take into account complaints and appeals from clients of all the insurance companies from the ERGO Hestia Group. The implementation of recommendations resulting from complaints and appeals allows us to better meet the expectations of our clients and agents.

Summary of complaints and appeals in 2018 and 2019



Complaint ratio — the ratio of handled complaints to the number of issued policies In 2019, the ratio was 0.46%. Compared to 2018, it rose by only 0.01 pp.
Appeal ratio — the ratio of handled appeals to the number of adjusted losses In 2019, the ratio was 3.74%. Compared to 2018, it decreased by 0.20 pp.

More information available at: www.ergohestia.pl/o-ergo-hestia/raporty-reklamacji-i-odwolani and www.rf.gov.pl/publikacje/sprawozdania

Improvements for clients

In 2018-2019, ERGO Hestia focused on quality improvements with the use of the latest technologies and innovative solutions, including the improvement of service quality and optimization of the loss liquidation process.

What do clients complain about?

Customer service

In 2018 and 2019 respectively

43% and 63%

of the complaints explained in the ERGO Hestia Quality Management Office concerned customer service processes. In 2018 and 2019 respectively, 70% and 78% of the complaints were unfounded. Most frequently, the clients made comments related to errors in handling policies and documents and delays in taking action.

Loss adjustment

In 2018 and 2019 respectively

24% and 23%

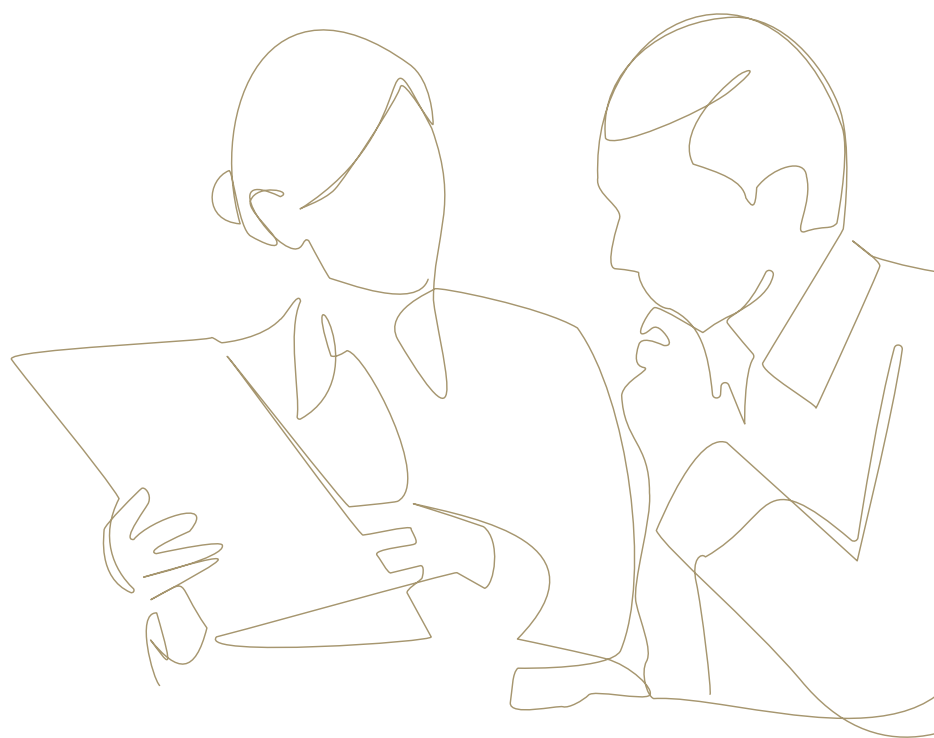
of the reported complaints concerned the liquidation of damages. 60% of them were unfounded. They mainly concerned delays in damage handling and the lack of contact with the damage supervisor.

Conclusion of contracts

In 2018 and 2019 respectively

7% and 6%

of the complaints concerned irregularities during the conclusion of insurance contracts.



Consumer Ombudsman

ERGO Hestia is the first insurance company that clients can contact through the Consumer Ombudsman – it is an additional support for them in difficult and unusual cases.

Established in 2015, the ERGO Hestia Consumer Ombudsman has provided support to more than four thousand people already in its third year. This is the best proof that the decision to personalise contacts with clients is correct. This is confirmed by the constantly growing quality of our service – for the eighth time appreciated

by the Quality of Service Star – a distinction that reflects the opinions of consumers who recommend the Company to other customers. Clients contact the Consumer Ombudsman via an online form, e-mail or telephone. Each notification is recorded in the system, the Ombudsman takes action in all the cases.

Activity of the Consumer Ombudsman in 2019

3,700

cases carried out by the
Consumer Ombudsman
(4,028 in 2018,
5,500 in 2017)

13 working days

timeframe for explaining cases
(median) by the Consumer Ombudsman
(13 days in 2018,
7 days in 2017)

33%

cases clarified by the Consumer
Ombudsman within 5 days
(30% in 2018,
44% in 2017)

Complaints handled by the Consumer Ombudsman in 2019

45%

of complaints concerned service errors
(no policy termination, incorrect
information provided)

45%

of complaints concerned errors and delays in
the loss adjustment (delays in making a decision
despite complete documentation, delay in handling
appeals, lack of contact with the loss supervisor)

6%

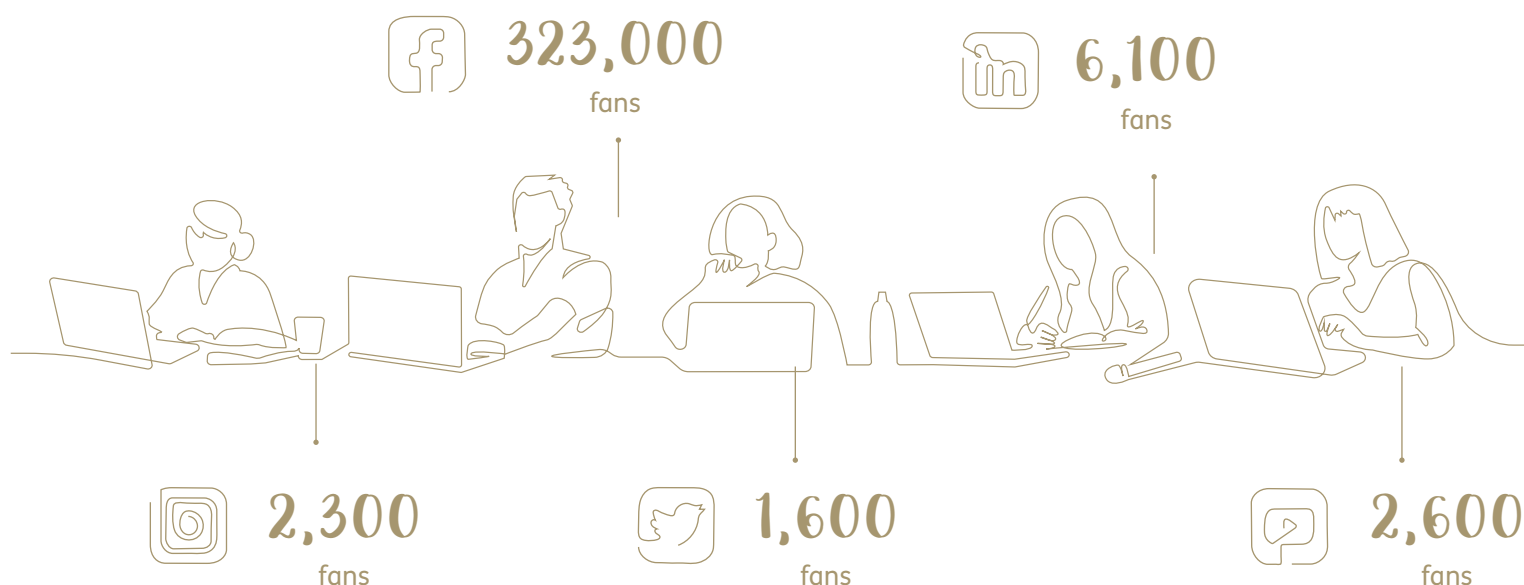
of complaints concerned system
errors (wrong policy renewal
position, impossibility to change
the system, technical errors)

More information available at: www.rzecznik-klienta.ergohestia.pl

Channels of communication with clients

Good client relations are an important element of responsible business. At ERGO Hestia, we are in constant dialogue with our clients. We have monitoring and measurement models at our disposal which allow us to learn the opinion of our clients and their interactions with the Company. The information obtained is analysed in order to implement new solutions.

Number of fans in social media channels



For more information see the chapter on "Areas of Sustainable Development"

[G4-FS13]

Sales network – Standard Points

The ERGO Hestia Group, in cooperation with intermediaries, has been developing a nationwide network of Standard Points since 2017. Dialogue with clients is supported by the highest level of service based on professional advice, and establishing direct contacts facilitates consistent and modern style of space arrangement.

Convenient location and friendly space open to the clients, and above all, professional service of advisors allow us to offer solutions consistent with the highest standard of protection to anyone looking for an insurance offer tailored to their individual needs.

More information available at: www.ergohestia.pl/punkt-standard

214

Standard Points for individual clients and small and medium-sized enterprises (180 in 2018)

58%

Standard Points are located in medium and small towns and in the countryside

Modern products and solutions for individual customers

Victim Support Centre (CPOP)

ERGO Hestia, in cooperation with the Victim Support Centre (CPOP), is revolutionising the liquidation of personal damage in Poland. At our request, the CPOP holds a comprehensive socio-professional and medical diagnosis of the most severely affected people, and then develops Individual Assistance Plans.

Rehabilitation, carried out in the best clinics, gives the affected persons a real chance to return to independent life and professional activity. Our partners share a passion for working with people after accidents and a desire to bring them back to normal life as soon as possible. They include facilities from all over Poland with experience in medical rehabilitation and entities specialising in socio-professional rehabilitation. Such an integrated network (more than 10,000 partners) allows to organize help for the victim in the most convenient place.

All activities are carried out in a responsible and optimal manner both for the Insured and for the Insurers.

Comprehensive CPOP support offer for victims



More information available at: www.cpop.pl

New life insurance offer

Severe illness, accident – we are often surprised by events whose consequences can be unpleasant or even tragic. It is in such situations that good life insurance is extremely helpful.

ERGO 4

Insurance protects family finances in difficult life situations. It comprises four basic elements (life, injury, serious illness and child health), each in three variants. This allows us to offer our clients flexible insurance, precisely tailored to their needs. Under one policy, purchased from one advisor, the client can insure his entire family against financial consequences of unfortunate events – and this for as much as PLN 10 million.

More information available at: www.ergohestia.pl/ergo4/

Group insurance

Open group

Regardless of the form of employment, also available to self-employed professionals. The offer is addressed to people from 18 to 65 years old.

Closed group

Group life insurance for employees and their families. The offer is addressed to people from 15 to 69 years old.



More information available at: <https://tiny.pl/75d72>

Online Help application

It allows to check at any time which documents are necessary for the decision on the reported damage and what the status of their verification is.

With the Online Help application



you can report the damage quickly and conveniently



you will be kept informed about every stage of damage handling



you can make an appointment for an inspection with an ERGO Hestia specialist or you can do it yourself, on your phone



you will receive your decision to pay compensation immediately after it is issued

1,826

video examinations carried out in 2019

More information available at: www.ergohestia.pl/pomoonline

ERGO Hestia Pomoc 24

A solution for professional vehicle repair management. This is yet another investment in modern technology that improves damage control, service and assistance processes, guaranteeing the highest quality of repairs in a network of carefully selected over 200 service stations.

ERGO Hestia supervises and accounts for the entire process without the client's involvement. Already one in three victims has taken advantage of our recommendation and has passed on to us the entire liquidation of the damage.

The quick response around the clock was also appreciated by the owners of repair shops that awarded the Company with the Golden Bumper prize.

ERGO Hestia Pomoc 24 provides



quick and thorough repair of the vehicle



3 years guarantee on the repair performed



vehicle towing service



care during repair

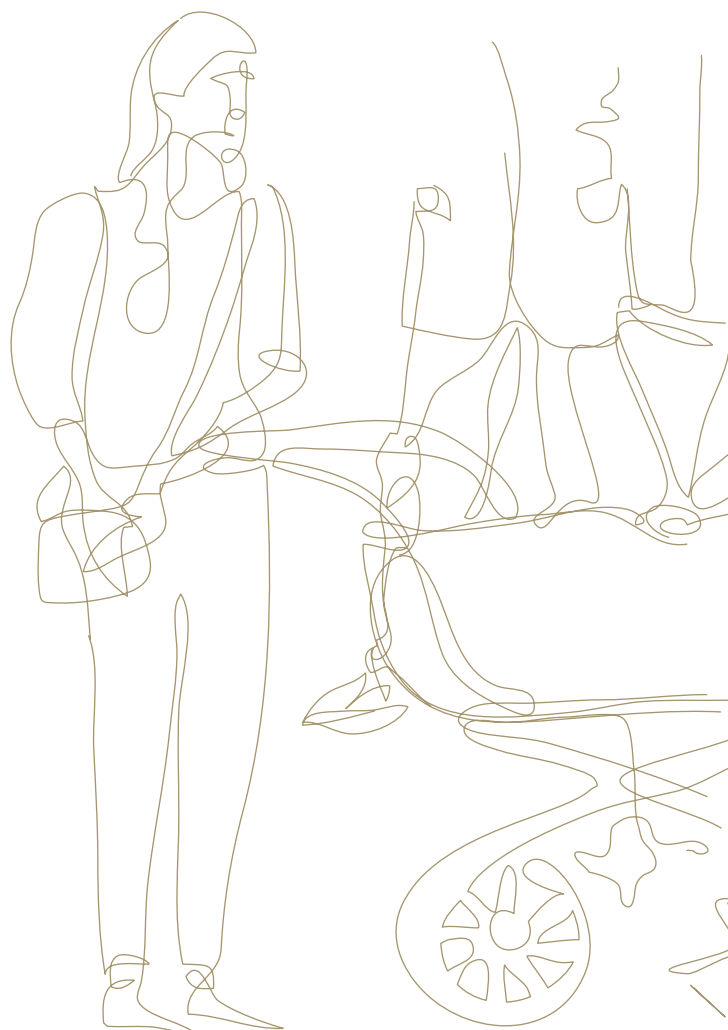


free replacement car for the time of repairs



door-to-door service

More information available at: www.ergohestia.pl/pomoc-24



Bike forever

A joint venture of ERGO Hestia and KROSS S.A. allows the client or the victim to choose between a replacement car for the time of vehicle repairs and a KROSS or Le Grand brand bicycle which will become the property of the client/victim afterwards. The models available under the program meet different needs and tastes of cyclists.

EcoCar taxi

Under the program, the client or the victim holding a third-party liability insurance policy receives funds for EcoCar hybrid taxi rides in Warsaw, Wrocław and Tricity instead of a replacement vehicle. Just order a taxi via the application or phone. Funds are transferred to the client's account in the EcoCar application or to the indicated telephone number and can be used at any time. This is the first such solution in Poland.





Modern products and solutions for corporate clients and SMEs

Hestia Corporate Solutions (HCS) is a response of the leader of the corporate insurance market to the expectations of entrepreneurs looking for protection against risks that are specific for the new, digital economy. ERGO Hestia launched services, products and tools thanks to which advanced insurance programs significantly enrich the existing protection offer.

Cybernetic Laboratory

ERGO Hestia, in cooperation with Hestia Loss Control engineers, helps companies and institutions to minimise the effects of potential hacking attacks by conducting a detailed risk analysis of the ICT environment. Recommendations and advice increase the level of security and limit the consequences of possible successful attacks.

The offer is addressed to companies from the production, trade, e-commerce, health care, education and financial agency sectors.

Our liability includes computer attacks which in the sense of cyber insurance consist of the operation of malicious software, regardless of its source, and hacking attacks.

Thermal imaging

Thermal handheld cameras used by HCS engineers allow for an initial assessment of the risks associated with the use of electricity. However, the real breakthrough is comprehensive thermal imaging audits that provide our clients with information on the condition of electrical installations, potential hazards and areas that need to be addressed in order to minimise fire risk and support activities to ensure business continuity.

Internet of Things (IoT)

IoT solutions allow to transform standard enterprise components – such as electric motors or electrical switchgears – into smart wireless communication devices.

The greatest strength of IoT solutions is the data collected in an uninterrupted manner – their appropriate use allows to make key decisions related to technological processes and minimise the risk of crisis situations.

The whole solution is made available under the HCS IoT platform thanks to which the client has access to real-time alarm notifications, measurement readings, generation of reports from aggregated data.

More information available at: www.hcs.ergohestia.pl

Our Partners

77,119

of cooperating
insurance partners*

35

highest NPS ratio
by insurance agents
on the market*

405

training courses
carried out for insurance
intermediaries
and partners*

1,800

cases handled by the
Agent Ombudsman*

* Data for 2019

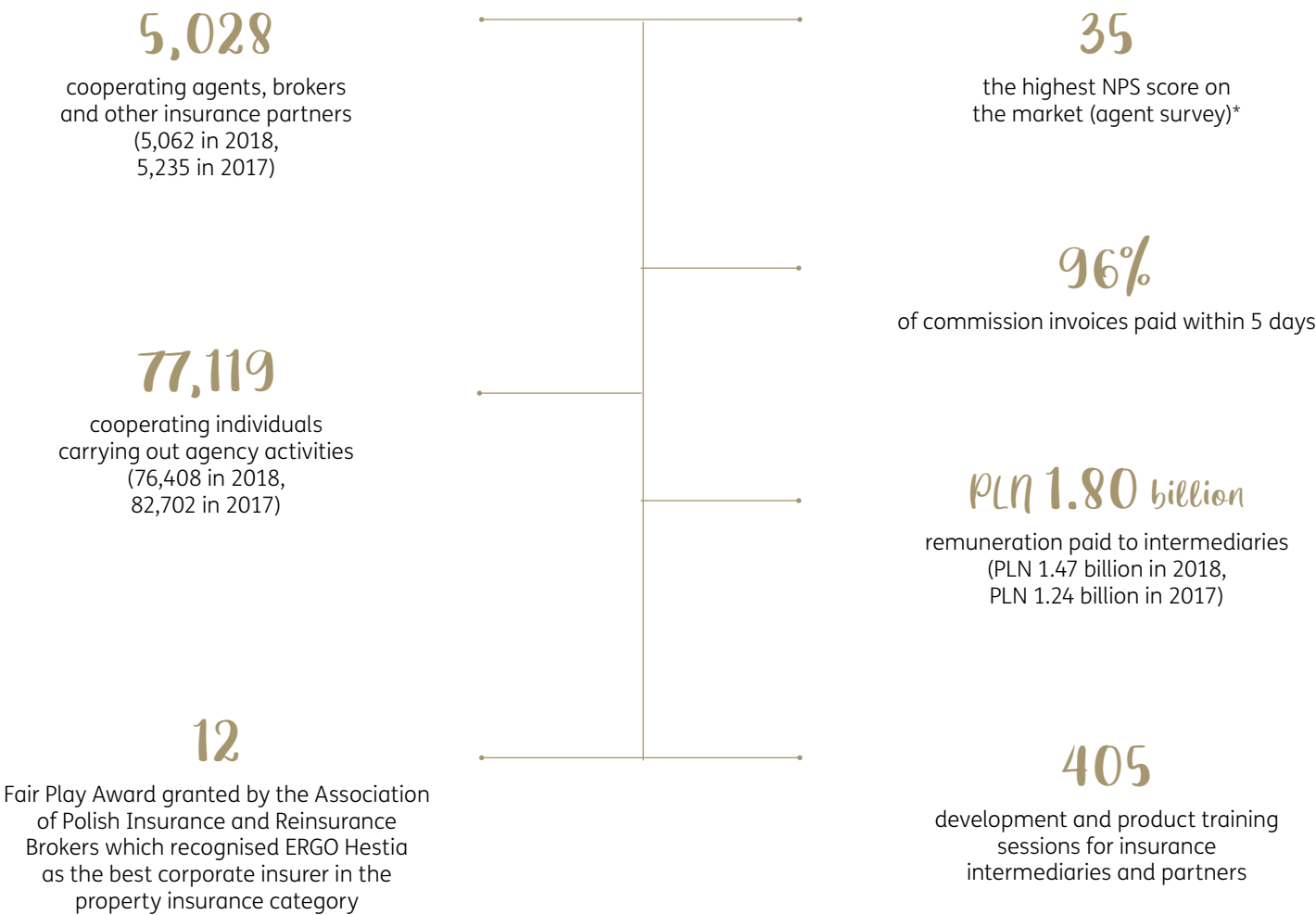


ERGO Hestia applies the Highest Standard of Protection strategy in its activities.
We are associated with quality which we provide to our clients thanks to partnership with intermediaries.
They are key ambassadors for our brands and a source of inspiration for new solutions.

We respect the ideas of social responsibility and transparency also in partner relationships with suppliers and contractors. We know that our activity has an impact on the broadly understood economic and social environment and natural environment.

That is why we build our identity, guided by the principles of prudence, prevention and responsibility in the selection of contractors and partners.

Value generated for insurance intermediaries and partners in 2019



* Survey conducted by Kantar TNS in 2019 among agents, in areas of cooperation with ERGO Hestia Group, such as: agent service, customer service, product offer and general recommendation of an insurance company.

Agent satisfaction survey

ERGO Hestia periodically monitors the level of agents' satisfaction. The survey covers both the assessment of general satisfaction and individual products and communication channels. The NPS (Net Promoter Score) survey supplemented with comments allows to determine the overall level of satisfaction of agents.

During the evaluation, the agent is free to express comments, observations, suggestions, expectations or recommendations regarding service, products, procedures and fees. This enables ERGO Hestia to make more comprehensive analyses, implement improvements in service processes to meet the needs and expectations of clients and agents.

Agent Ombudsman

Since 2017, ERGO Hestia's insurance intermediaries have had their representative in the Company – Agent Ombudsman. Together with his team, the Ombudsman solves problems, accepts comments and analyses objections from intermediaries.

The Ombudsman's main task is to initiate and implement changes that improve the quality of the agent's work in terms of service. The Agent Ombudsman, together with the Consumer Ombudsman and the Quality Management Office team, is able to look at the needs of the insurance market participants as a whole and better adapt any created service solutions to the dynamically changing business environment.

Activity of the Agent Ombudsman in 2019

35

ERGO Hestia NPS score for 2019
(NPS ratio for other companies was 29)

1,800

cases completed
(2,700 in 2018, 1,600 in 2017)

29

implemented corrective programs
(30 in 2018, 37 in 2017)

2

working days
time to explain matters (median)
(4 days in 2018, 3 days in 2017)



More information available at:
<https://rzecznik-agenta.ergohestia.pl>

Modern products and solutions



Launch of New Life

On 11 June 2019, exactly 3 years after the premiere of iHestia, ERGO Hestia implemented the New Life Strategy, based on the creation of a new group life insurance offer and a new ERGO 4 matrix product for individual clients and simplification of sales and service processes. During the premiere, ERGO Hestia presented two new systems: Sirius and iHestia Life. Many intermediaries, especially those specialising in the sale of motor and property insurance, have found the process of selling life insurance to be laborious and difficult. The new ERGO Hestia solution significantly simplifies this process while ensuring high quality of insurance products.



Jupiter

A modern, simple and intuitive platform that streamlined the ERGO Hestia insurance sales process. This highly technologically advanced system is designed for the largest multi-agencies cooperating with ERGO Hestia and for individual clients. It serves nearly one million of them, and policies are sold by 23,500 multi-agents. Under the system, the intermediary, in addition to simultaneous access to the ERGO Hestia and MTU offer, can present an offer for vehicle and real estate insurance through the same sales path.

More information available at:
<http://tiny.pl/7gsbt>



Sirius

A modern system for group life insurance sales. Its most important advantages are the fact that policies are issued at agents' location, the package nature of the products and the possibility of joining the contract electronically. It is a way to meet the needs that are a priority for agents in life insurance distribution. In 2019, ERGO Hestia continued to improve efficiency by implementing, among others, a modern RPA platform for mass process robotisation, and chatbot – artificial intelligence to support communication with intermediaries.

More information available at:
www.ergohestia.pl



ERGO 4

New matrix offer of life insurance, allowing to personalise protection programs, NNW or Best Doctors insurance. The matrix enables precise selection of the appropriate scope and sum insured which in the case of a life insurance policy may amount to as much as PLN 10 million.



iHestia Lite

The mobile version of the most advanced Polish market platform for sales and service of policies – iHestia. Distribution of extensive, packaged products with a wide range of protection, i.e. ERGO 7, ERGO Travel, ERGO Sport, motor third-party liability insurance, is available through a smartphone in a convenient application, available for ERGO Hestia agents.



iHestia for companies

In 2019, the iHestia system for companies was extended – a key sales platform which introduced a number of changes improving the work of insurance agents.



iScanner

An application addressed to ERGO Hestia system users. It permits to send data directly from smartphone cameras. iScanner allows to read the Aztec code from the registration card, scan and verify the correctness of the policy or send photos.



Hestia Corporate Solutions (HCS)

The offer of full service of corporate insurance which integrates all engineering services of risk assessment in the field of prediction and prevention, developed based on many years of experience of risk engineers, experts in underwriting and loss adjustment.

More information available at:
www.hcs.ergohestia.pl and in the chapter "Our Clients"



Cumulus Evo platform

A completely new, technologically advanced platform, which facilitates the work of intermediaries dealing with the issuance of occupational liability, accident and medical expenses policies and organizations which negotiate insurance offers on behalf of their members.

Sales network – Standard Points

Standard Points is a project created especially for the best insurance intermediaries. The innovative approach to running your own business goes hand in hand with creating a friendly space. For cooperation under the project we invite selected, trusted and

loyal business partners who identify themselves with ERGO Hestia and are determined to achieve their goals. It's a real elite with whom we are creating a workplace worthy of its position.

214

Standard Points in 2019
(180 in 2018)

More information available in the chapter "Our Clients" and at: www.ergohestia.pl/punkt-standard/

Business ethics

The basic principles of our cooperation with intermediaries are governed by an agency agreement. Our cooperation is based on mutual respect for each other's interests, and in our actions we keep the highest degree of care and moral standards.

The rules of cooperation are clear, transparent and result from the work of our partners and their commitment. In addition, the Group is bound by the ERGO Hestia Agent's Code of Professional

Ethics which defines the ethical conduct of agents working with ERGO Hestia towards clients, other agents and ERGO Hestia itself.

Friendly Partnership – Strategy

Expanding the field of cooperation and deepening relations with agents and brokers remains the most important task, described in the Friendly Partnership program based on three pillars which are:



Credibility

We trust each other in our activities which we have been carrying out together with intermediaries for many years.



Attractiveness

We offer innovative products, tools, development paths and transparent rules of mutual settlements. We provide development opportunities and competitive conditions for cooperation.



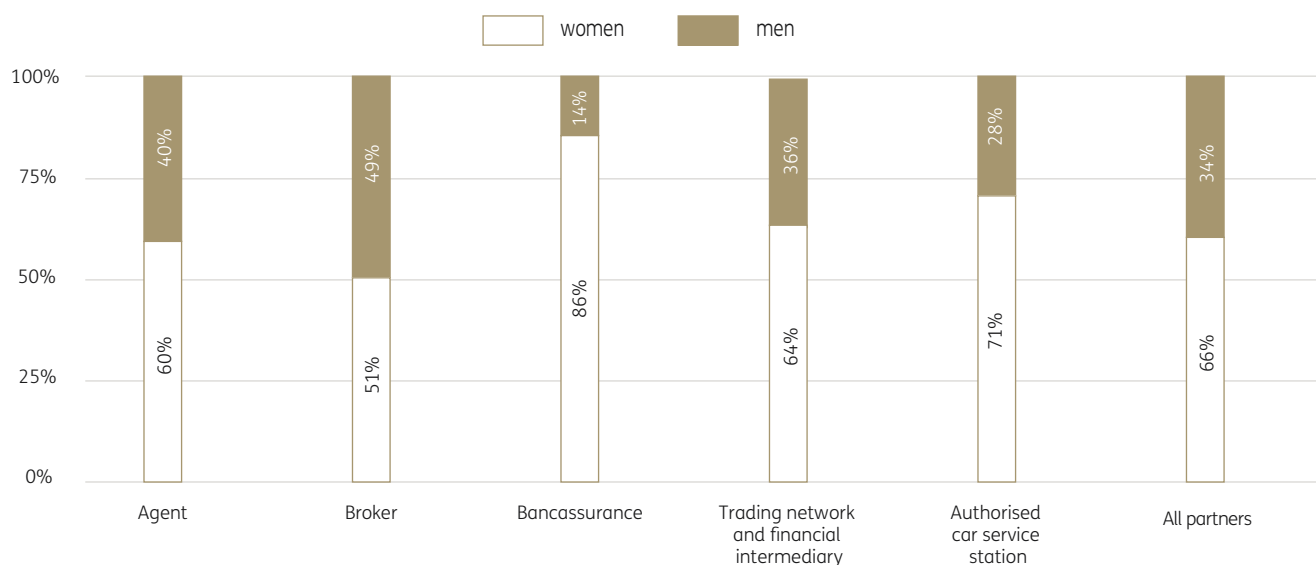
Accessibility

We are open to the needs of our intermediaries. We maintain close contact with them using modern technologies and solutions.

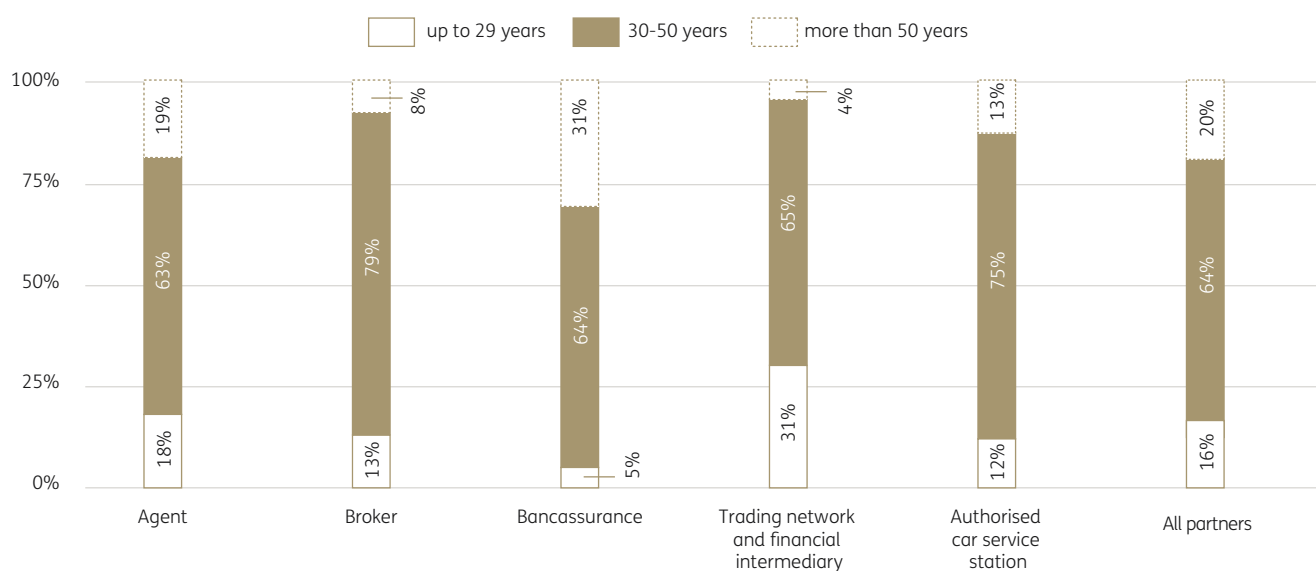
An important measure in the implementation of the Strategy for 2018-2020 is the establishment of cooperation with new insurance agents and an increase in the number of standardised points of sale.

Diversity among our insurance partners

Share of ERGO Hestia Group insurance partners by gender



Share of ERGO Hestia Group insurance partners by age group



66%

of our business partners
are women

34%

are men

16%

of them are under
29 years old

64%

between 30-50 years
of age

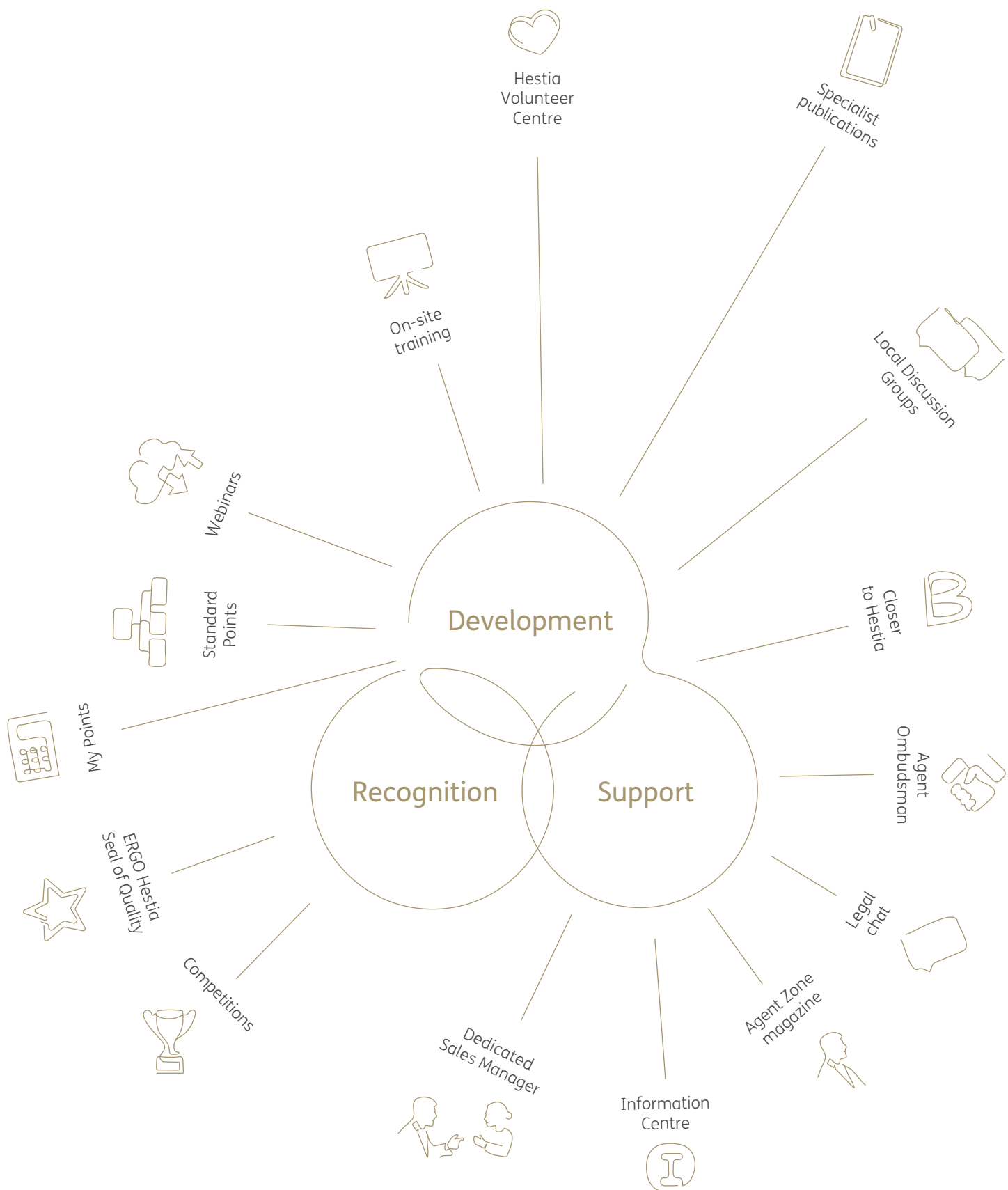
20%

is over
50 years old

Development of agents

ERGO Hestia is open to the needs of insurance intermediaries who can always count on effective and specialised support. They have advanced incentive and training programs at their disposal.

We respect and highly value the agents' market knowledge and use their experience. We are absolutely convinced that the satisfaction of partners results not only from the pursuit of business goals but also from participation in undertakings of social and cultural dimension.

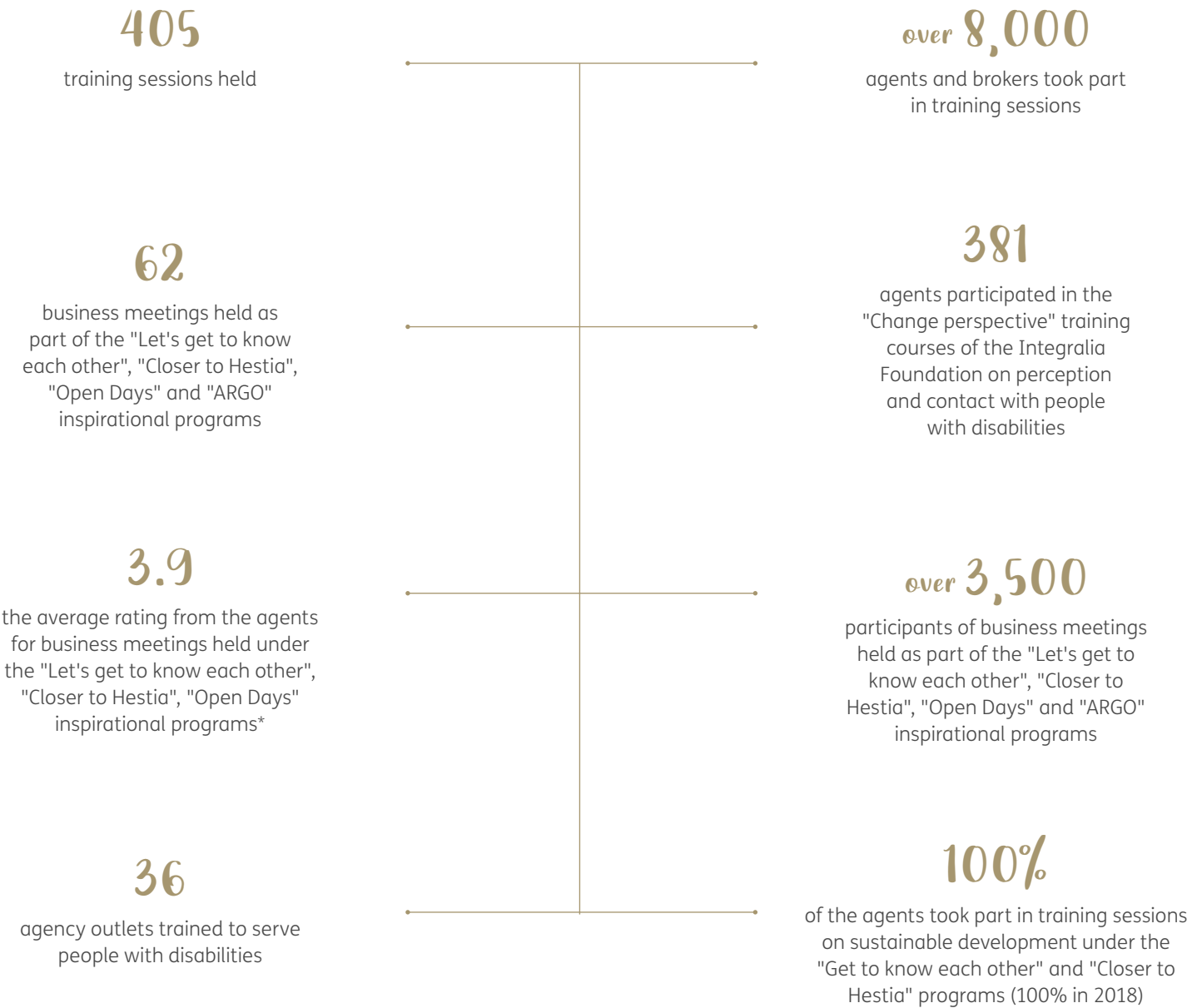


Development and product training

ERGO Hestia gives its insurance partners a wide range of development opportunities so it is an attractive place to start and take the next steps in their careers. In accordance with the

ERGO Hestia Group's training and development policy, agents are provided with training to support the process of adaptation and development within the career path and product training.

Development and product training for agents and brokers completed in 2019



* score on a scale from 1 to 4, where 4 is the highest score

Development programs supporting cooperation with agents

ARGO Program

The aim of the ARGO Program is to build a community of insurance advisors offering the Highest Standard of Protection. The program responds to the needs of potential and current ERGO Hestia business partners by offering two paths of recruitment and development.

ARGO Standard

designed for people without experience in the insurance industry who are ready to start their own business.

ARGO Succession

addressed to people who perform agency activities, employed by an agent cooperating with ERGO Hestia, e.g. for agents who are looking for support in transferring their family business or want to develop with ERGO Hestia, directing for cooperation new sellers with potential.

We provide every ARGOnaut with development support through a wide range of training courses as part of a mentoring program. We provide the knowledge and tools necessary to achieve sales targets.

ARGO program in 2019

21

program graduates
(18 in 2018)

32

ARGOnauts
(43 in 2018)

24

training days of sales competence
development workshops
(32 in 2018)

More information available at: www.ergohestia.pl/argo

ERGO Hestia Seal of Quality Program

The "ERGO Hestia Seal of Quality" is a certificate awarded to agencies distinguished by the best customer service and professional image of their premises. This proves that the agency operates in accordance with the principle of the Highest Standard of Protection which ERGO Hestia strives to achieve.

ERGO Hestia assesses the quality of agents' activities taking into account the following criteria:



building a client portfolio in cooperation with ERGO Hestia, respecting mutual interests



maintaining client loyalty and top quality customer service



exercising diligence in the performance of their duties by implementing customer service quality indicators



growth momentum, claims ratio, agency receivables and other operating parameters



customer service focused on advice and tailored to the clients' insurance needs and requirements



maintaining the appropriate standard and aesthetics of offices



meeting the requirements set out in the Insurance Distribution Act

More information available at: <https://znakjakosci.ergohestia.pl/#tekst>

Points of sale awarded with the "ERGO Hestia Seal of Quality" in 2019

243 Points of sale awarded with the ERGO Hestia Seal of Quality



[GRI 102-9]

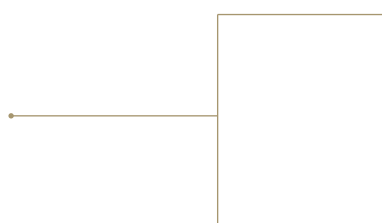
Cooperation with suppliers and contractors of products and services

In 2019, we cooperated with more than 4,500 suppliers and contractors of products and services. This is a major commitment in which it is particularly important to adhere to the principles and values that underpin the ethical, professional and safe business that is conscious of responsibility for its role in economic and social terms.

Value generated for suppliers and contractors of products and services in 2019

PLN 605.19 million

payments to contractors at the liquidation of damages and benefits and to suppliers and contractors of products and services
(PLN 513 million in 2018,
PLN 475 million in 2017)



99%

suppliers and contractors from Poland

83%

invoices paid within 5 days

Code of Conduct for suppliers and contractors

As the Company that cares about the quality of business relations and has a positive impact on the society and the environment, we have developed the Code of Conduct for suppliers and contractors. It contains important declarations in line with the strategy of the ERGO Hestia Group and sets out the basic principles of behaviour, cooperation and business activity that we expect our current and future partners to apply.

We work exclusively with suppliers and contractors who have been tested for quality, reliability and flexibility. The commitment to follow the Code of Conduct is a part of the agreement concluded with ERGO Hestia, and constitutes a declaration of voluntary compliance with the requirements contained in this document. The Code covers, among other things, the process of evaluating suppliers and contractors for their sustainable development.

In 2019, we intensified our audits at key suppliers. The Risk Office and the employees responsible for contacts with the partner are involved in systematically increasing control of working conditions at our suppliers. In the reporting period, we carried out 25 audits at key suppliers and contractors.

100%

of our key suppliers are committed to knowing
and following the Code



Requirements included in the Code of Conduct for suppliers and contractors



The Code of Conduct is available at:
www.ergohestia.pl/zrownowazony-rozwoj ("For stakeholders"
/"For suppliers and contractors" tab)

Our employees

2,856

employees*

85%

level of employee
involvement*

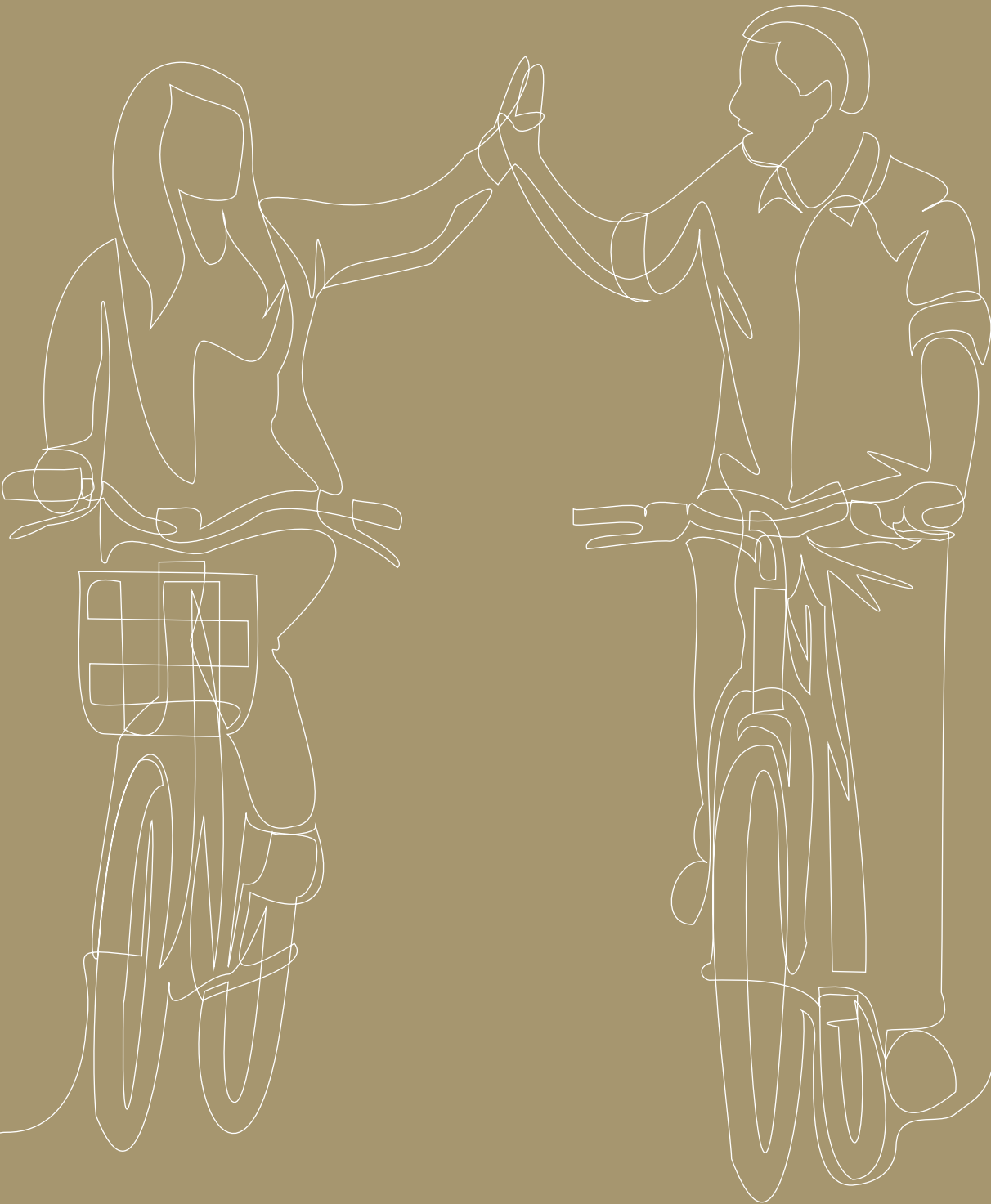
PLN 3.22 million

expenditures on
employee health*

29.74

average number of training
hours per employee*

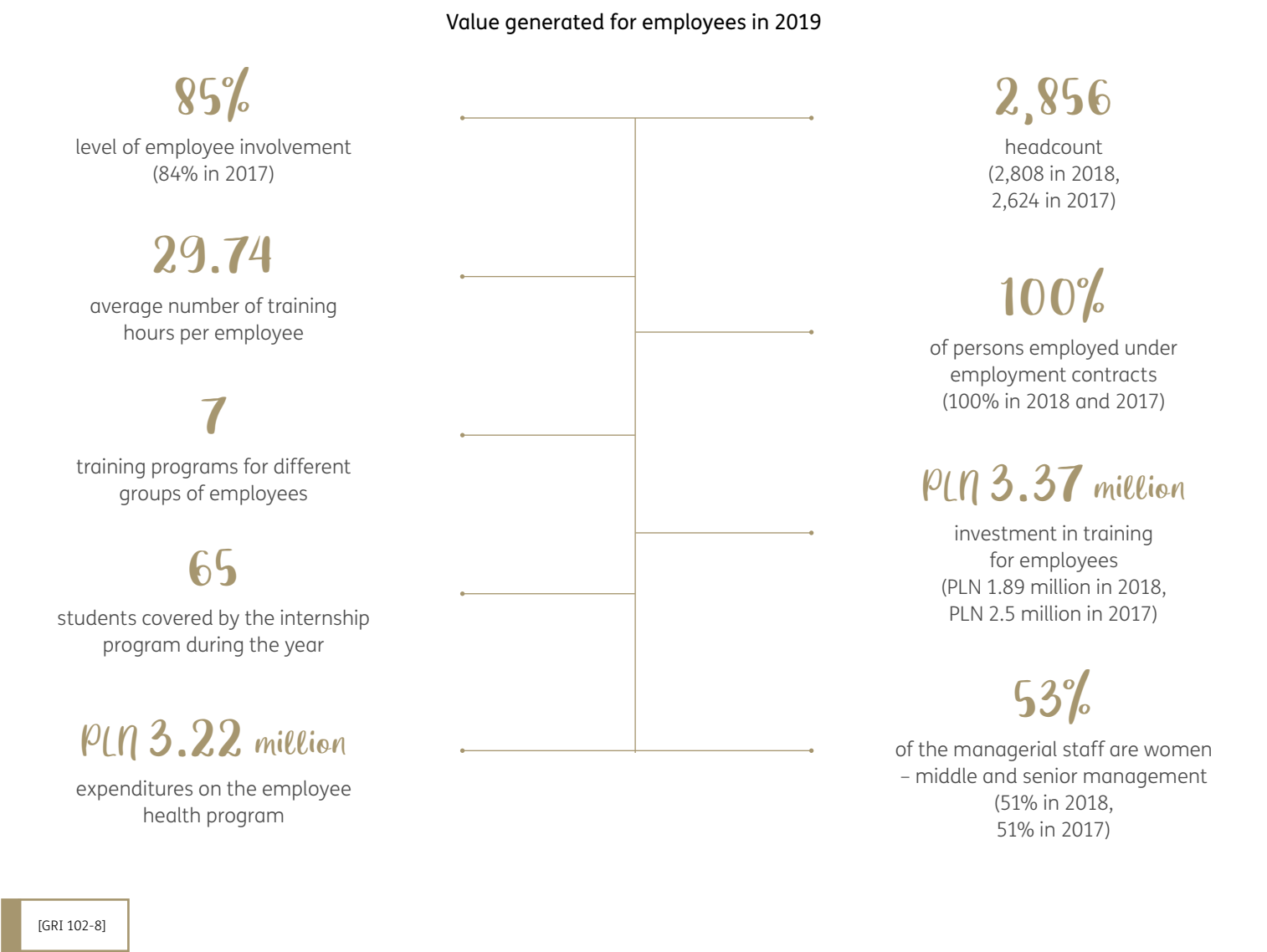
* Data for 2019



Mutual relations and trust between employees and ERGO Hestia are a special reason for us to be proud. Work is an important part of our lives, but not the only one. We create a lasting network of connections, going far beyond the office space.

Our personnel policy is appreciated and brings us many awards. But they are not the most important – a real value is the Hestia's shared Power of Community.

This axis of our strategy is the greatest value of ERGO Hestia, the source of our development, motivation, sense of purpose and stability.



Personnel policy

Aptitude, competence and education profile are the key criteria for selecting employees in the ERGO Hestia Group. The personnel policy is designed to fully leverage on their potential.

As at the end of 2019, ERGO Hestia Group had 2,856 employees, 76% of whom were employed in the Company's headquarters (i.e. Sopot and Gdańsk) and 24% in other cities in Poland. 64% of all employees are women. 40% of employees are mums About 6% of employees are over 50 years of age.

The average age of all employees is 36 years. The oldest employed person is 68 years old and the youngest is 19. The percentage of people with disabilities among employees of the ERGO Hestia Group is 2.6%. More than 80% of employees have higher education.

Total number of ERGO Hestia Group employees by gender, type of contract, type of employment

	2018			2019		
	Women	Men	Total	Women	Men	Total
Number of employees	1,822	986	2,808	1,858	998	2,856
Number of persons employed full time	1,783	981	2,764	1,793	982	2,775
Number of part-time employees	39	5	44	65	16	81
Number of employees in the managerial staff (middle and senior staff)	136	131	267	142	122	264
Number of other employees (excluding managers)	1,686	855	2,541	1,716	876	2,592
Number of people employed in the Headquarters (Sopot, Gdańsk)	1,472	844	2,316	1,494	665	2,159
Number of persons employed in Representative Offices (outside the Headquarters)	350	142	492	364	333	697
Number of persons employed for an indefinite period	1,517	816	2,333	1,553	836	2,389
Number of persons employed on a temporary basis	305	170	475	305	162	467
Number of persons employed on an employment contract	1,822	986	2,808	1,858	998	2,856
Number of persons employed under contract (including internship)	9	11	20	20	16	36
Number of new hires	340	208	548	358	221	579
Number of departures	231	132	363	275	166	441

Thanks to the advice of the ERGO Hestia Group Integralia Foundation, many people with disabilities have successfully entered the competitive labour market, not only within ERGO Hestia, but also in other companies and institutions. The Group supports a healthy lifestyle and promotes employee volunteering by building employee engagement.

ERGO Hestia employees have been able to participate in cyclical meetings devoted to art and art workshops for years. This is made possible through activities of the Hestia Artistic Journey Foundation which supports the insurer's extensive artbranding program.

The ERGO Hestia Group does not enter into collective agreements and does not employ supervised employees. The number of employees is not subject to seasonal fluctuations.

Diversity in ERGO Hestia

According to the "Charter of Diversity" to which we are a signatory, ERGO Hestia applies a policy of equal treatment and diversity management in the workplace.

In our team, we promote attitudes of social responsibility by implementing initiatives and projects proposed by employees. All this translates into the level of satisfaction and commitment

of people. They are regularly examined in order to be able to continuously improve the level of job satisfaction.

All employees	2018	2019
Total number	2,808	2,856
Number of women	1,822	1,858
Number of men	986	998
Number of people up to 29 years	478	623
Number of people aged 30-50	2,147	2,068
Number of people aged 50+	183	165
Number of people with disabilities	66	74
Number of people of non-Polish citizenship	5	5

Managers	2018	2019
Total number	267	264
Number of women	136	142
Number of men	131	122
Number of people up to 29 years	5	5
Number of people aged 30-50	216	218
Number of people aged 50+	46	41
Number of people with disabilities	2	1
Number of people of non-Polish citizenship	1	2

Indicators for diversity

There were no confirmed cases of discrimination in the organization in the years 2018-2019.

Other indicators on diversity	2018	2019
Percentage of employees trained in combating mobbing, sexual harassment, violence or discrimination	100%	100%

Management Board and Supervisory Board

As at the end of 2019, the Management Board of ERGO Hestia Group insurance companies consisted of one woman aged 30-50 and three men aged 50+. The Supervisory Board consists of six men. One person represents the 30-50 age bracket, five people are over 50.

Social inclusion

People with disabilities represent 2.6% of the employees of the ERGO Hestia Group. We activate them professionally through the Integralia Foundation, cooperating with companies outside the ERGO Hestia Group. The Foundation supports people with disabilities in recruitment and employment.

Business ethics

Behaviour in line with the ethical dimension of business is the basis of ERGO Hestia's activities.

We apply the precautionary principle in every undertaking, trying to anticipate any and all possible negative effects of actions by applying specific programs and standards. More information can be found in the chapter "Reliable ERGO Hestia".

Employee safety

At the ERGO Hestia Group, we provide training on safety at work, preparing all new employees to perform their duties in accordance with the principles of due care for health.

Between 2018 and 2019, all employees have received health and safety training. The ERGO Hestia Group also subsidises the purchase of glasses for people working on monitors. We ensure high standard of workstations thanks to which we minimise the risk of injuries, improve comfort and ergonomics of work.

All injuries recorded between 2018 and 2019 were mild. They were caused, among others, by traffic accidents, twists, dislocations, etc.

Number of work-related accidents in the ERGO Hestia Group	2018	2019
Number of accidents at work (total)	5	9
Number of accidents at work suffered by women	2	4
Number of accidents at work suffered by men	3	5
Accident rate (sum)*	1.8	3.2
Accident rate (for women)*	1.1	2.2
Accident rate (for men)*	3.0	5.0
Number of fatal accidents at work	0	0
Number of days of inability to work due to accidents at work	94	181

* The number of accidents recorded during the reporting period, divided by the number of employees, multiplied by 1,000.



Recruitment of employees

Recruitment and implementation of new employees is a key process that directly affects the continuity of projects and the effective running of business by ERGO Hestia.

The Group has rules governing the process of recruitment, hiring and adaptation of new employees as well as the rules of concluding another employment contract, introducing changes to the terms and conditions of the contract and terminating cooperation with the employee. For the purposes of recruitment, internal and external sources of employee acquisition are distinguished:

Internal recruitment sources



Advertisements published in internal ERGO Hestia communication channels



Nominations – direct designation of a given employee for a specific position by the Company's Management Board, Director of Personnel Selection and Development Office or recruiting manager

External recruitment sources



Recommendations – recommendations from candidates by ERGO Hestia staff



Offers published by ERGO Hestia on job advertisement portals



Career tab at www.ergohestia.pl



Job fairs



Career offices and contacts with universities



Direct search



Social networks



Employment agencies, personnel consulting and headhunters

[GRI: 401-1, 405-1]

Number of new employees and departures

Total number of new employees by gender and age	2018	2019
Total number	548	579
Number of women	340	358
Number of men	208	221
Number of people up to 29 years	342	306
Number of people aged 30-50	192	262
Number of people aged 50+	14	11
Number of people with disabilities	14	13
Number of people of non-Polish citizenship	3	1

Total number of employees who left the organization, by gender and age	2018	2019
Total number	363	441
Number of women	231	275
Number of men	132	166
Number of people up to 29 years	132	145
Number of people aged 30-50	222	263
Number of people aged 50+	9	33
Number of people with disabilities	11	13
Number of people of non-Polish citizenship	0	1

The employee turnover rate* in 2019 was

10%

* Index according to the Impact Barometer. Number of employees who terminated their employment or cooperation contract in 2019, unilaterally or by agreement of the parties, in relation to the number of employees. In 2018, the indicator was not reported.

Employee development

ERGO Hestia gives its employees a wide range of development opportunities, being an attractive place to start and build their careers.

Students are invited to year-round or holiday specialist internships in selected units in the Company. Analytical internships are a particularly important source for acquiring young professionals – more than half of the participants are offered employment.

In accordance with the ERGO Hestia Group's training and development policy, in addition to training supporting the process of adaptation and development within the career path the following are held:

- individual training resulting from development needs at selected positions
- group training for groups of employees with homogeneous competencies and similar developmental needs.

Average number of training hours (full-time training + e-learning) by gender

	2019
Average number of training hours per employee	29.7
Women	28.7
Men	31.5

Total number of training hours (full-time training) by category of employment

	2019
Total number of hours	84,513
Managers	1,721
Other employees	82,792

Training sessions completed in 2019

2,000

employees took part in development training sessions (approx. 2,000 in 2018)

100%

of new employees took part in training on sustainable development (100% in 2018)

100%

of new employees took part in the "Change Perspective" training courses of the Integralia Foundation on perception and contact with people with disabilities (100% in 2018)



Programs for the development of managerial skills and lifelong learning which support the continuity of employees' service

Management programs for employees



HART (Hestia Academy for Talent Development)

The original training program is addressed to the Company's talents – people who are distinguished by their commitment to work, creative approach to their tasks, focus on their own and their team's success, and predisposition to manage the work of others. Around 70% of those who graduated from the Academy have been promoted within the ERGO Hestia Group, and currently they are a majority of the managerial staff.

16

editions of the
program

24

participants

300

alumni



Academy for the Development of Managers

The program is addressed to employees who want to develop their managerial competences and human capital management skills. Through participation in meetings with experts, knowledge and experience exchange workshops and mentoring sessions, participants explore the importance of their role and face challenges on the leadership path.

2

editions of the
program

55

participants

55

alumni



ABC of leadership

The program assumes the development of managerial and leadership competences and the enhancement of management efficiency through the acquisition and strengthening of a set of competences necessary to perform the role of a manager/leader. It puts emphasis on the exchange of experience in the field of managerial practices.

2

program sessions

21

participants

Expert programs for employees



ERGO Explorers

A project for the exchange of knowledge and best practices between ERGO Hestia employees in Poland and the Baltic States, also aimed at integrating participants and building a community of talented people within five thematic forums. The sessions take place in the cities which are the headquarters of the Baltic Sea branches of ERGO Hestia (Sopot, Riga, Tallinn, Vilnius).

2

editions of the
program

64

participants

49

alumni



Analytical Forum

A program designed for data science enthusiasts. The participants jointly use the latest technologies from the world of advanced data analysis, developing their analytical talents.

2

editions of the
program

14

participants

17

alumni



PM Forum

The program is aimed at enthusiasts of project management. The participants, together with Atena IT company employees, exchange knowledge, create best practices and integrate the IT world with the business world. The program ends with a PMP certificate.

1

edition of the
program

32

participants

Other programs for staff and students



Internal work experience program

It is addressed to employees who wish to acquire or expand their knowledge and competence in the individual areas of the company's operations.

1

edition of the
program

15

participants



"Internship with a view to the future" program

It is addressed to trainees, 4th and 5th year students of analytical, technical, legal, marketing and management studies. ERGO Hestia gives them the opportunity to develop not only in insurance-related areas but also in emerging areas such as data science, robotics or pricing.

6

editions of the
program

65

participants

Cooperation with universities

Mathematical Modelling and Data Analysis is a time-sensitive field of study, launched by the University of Gdansk in cooperation with ERGO Hestia. The insurance and financial markets are looking for specialists who can draw valuable information from the unimaginable amount of data collected. The most talented students have a chance for internships and permanent work in, among others, the Actuarial Office, the Risk Office and product offices. The specialists employed in them give their opinion on the curriculum of the first degree studies and get involved in conducting classes. The company holds patronage over the specialty "Exploration of data in finance and insurance".

In 2019, more than 190 students took part in lectures given by ERGO Hestia experts at the University and Technical University of Gdansk and the Technical University of Lodz.

More information available at: <http://tiny.pl/7w2x1>
and <http://mat.ug.edu.pl/mmad/>

Termination of professional career

There are no programs in place in ERGO Hestia to manage end of career resulting from retirement or termination.



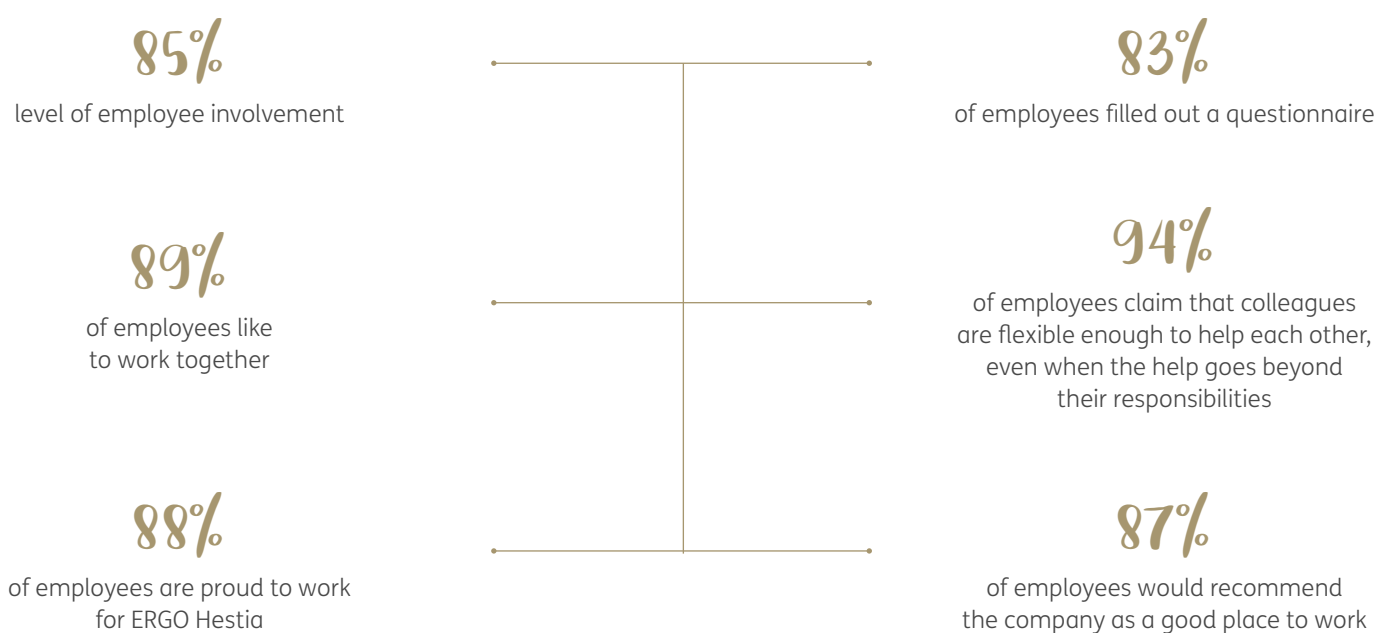
Employee Engagement Survey

In the ERGO Hestia Group, we periodically examine the level of employee satisfaction and try to improve it. During the last survey conducted in 2019, we got to know opinions about the company and its employment conditions and determined the level of engagement.

The survey was conducted in cooperation with an external company in the following categories: cooperation, company image, company management, customer orientation, direct supervisor, efficiency, decision-making and innovation, process follow-up,

remuneration and work, strategy and changes, as well as working conditions. The employees pointed out areas for improvement and helped us to define directions for corrective actions and improvements. All participants were informed of the results.

ERGO Hestia Group Employee Engagement Survey in 2019



The participants in the survey proved that together they create a good place to work, thanks to mutual respect (97% of responses) and company management culture (75%). The way in which the Management Board communicates the company's strategy was evaluated very positively (93%).

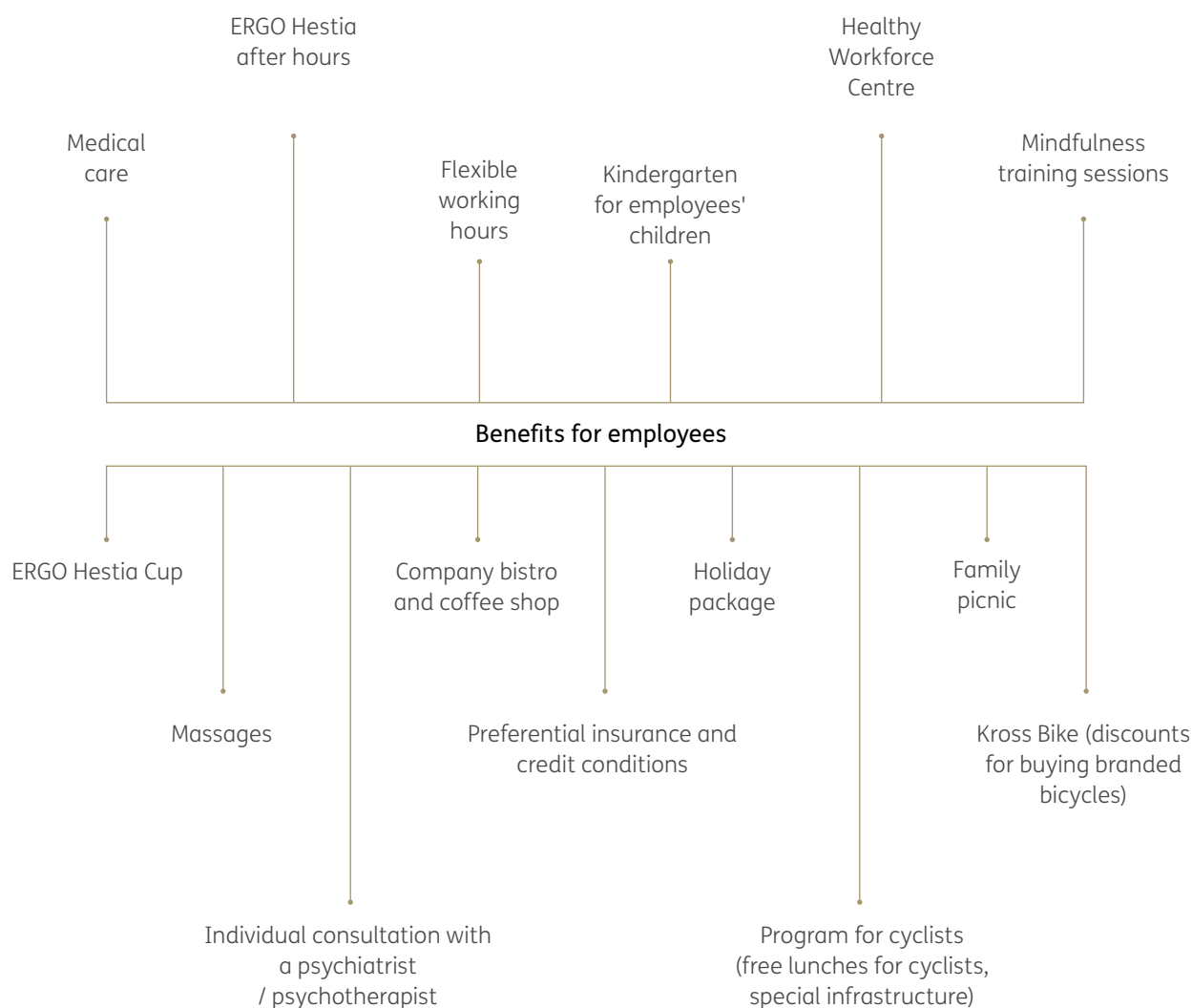
Hestia also offers non-financial benefits such as flexible working hours, the Healthy Workforce Centre, a program for cyclists, the "ERGO Hestia after hours" cycle and a kindergarten for employees' children. The offer of the company's development programs and the possibilities of engagement outside of work provided by the Hestia Volunteer Centre were also appreciated.

Benefits for employees and work-life balance

As the ERGO Hestia employer, Hestia strives to provide its employees with as much comfort as possible, not only in their professional daily lives. The company provides a diverse and attractive range of health, family and safety benefits.

Work is an important part of our lives, but not the only one. In order to reconcile it with parenthood or favorite hobbies, we offer our employees many work-life balance programs. They make it easier to balance personal and professional life. In 2019, expenditures on the employee health care program amounted to PLN 3.22 million.

Benefits are available to all full-time employees. Some of the benefits such as a company bistro and café, kindergarten for employees' children and mindfulness trainings are available only in Sopot and Gdańsk.



Hestia Volunteer Centre

Together and in solidarity – this is the essence of community and Hestia volunteering. ERGO Hestia employees are willing to get involved in such initiatives. Ideas and projects can be submitted to the Hestia Volunteer Centre (HCW) which is active since 2013.

It strengthens and supports the activity of the employees who work for the community, support foundations or societies. It also coordinates mutual assistance for employees and business partners in difficulties.

Commitment to volunteering is not only about helping others – it is also about building the satisfaction of life and pride in the volunteers themselves and strengthening their community.

Impact of the Hestia Volunteer Centre in 2019

16

voluntary activities
(28 in 2018,
38 in 2017)

2,091

volunteer workers participated
in HCW actions
(approx. 2,000 in 2018,
approx. 2,000 in 2017)

1,385

beneficiaries of
volunteering actions
(1,812 in 2018,
1,300 in 2017)

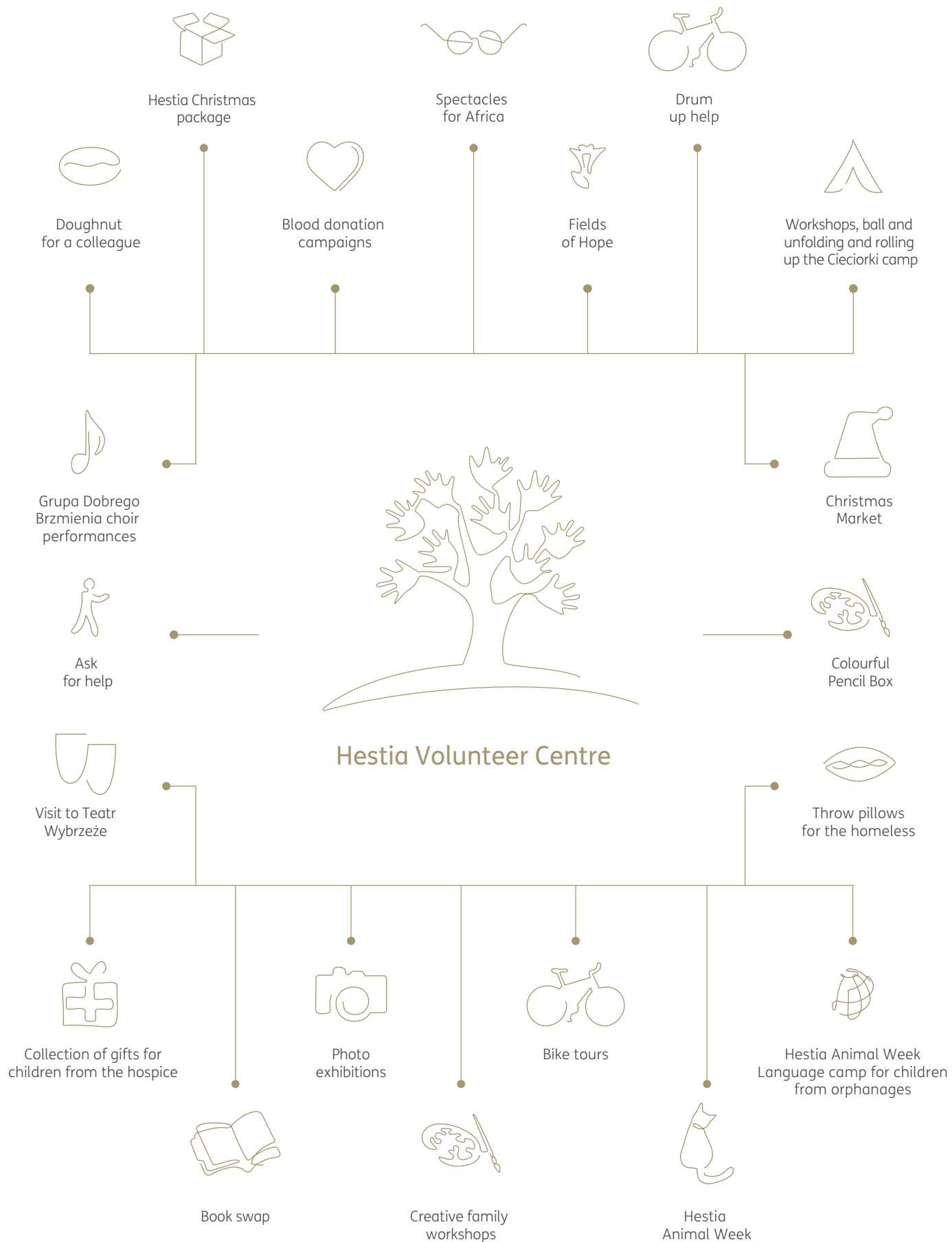
12

public benefit organizations
cooperating in voluntary activities
(12 in 2018 and 12 in 2017)

over PLN 150,000

transferred to beneficiaries for statutory
activity, rehabilitation, care and
assistance or in the form of gifts
(PLN 220,000 in 2018,
PLN 200,000 in 2017)





More information available at: PomagaMY <http://tiny.pl/79rw8>

ERGO Hestia for the society

295

victims under the
care of the CPOP*

405

young artists taking part
in the APH* competition

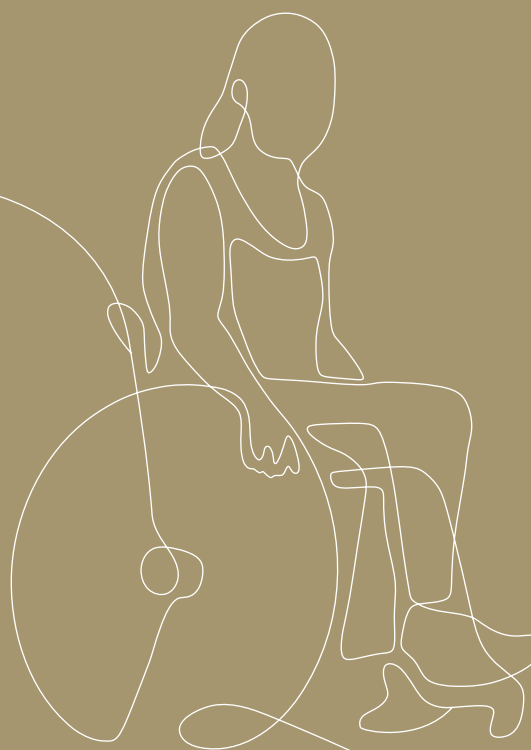
1,030

beneficiaries of the
Integralia Foundation
activities*

1,385

beneficiaries of the
Hestia Volunteer
Centre*

* Data for 2019





For years, the ERGO Hestia Group has been initiating beneficial changes aimed at having a positive impact on the world around us. The number of our stakeholders is still growing, and it is thanks to the strength of our communities that our ideas can be implemented. It is expressed in a permanent network of connections. We are united by similar values and goals – living in a better and safer world.



Social objectives

Our strategic goal is the responsibility of the ERGO Hestia Group for activities related to the care for the society.

Social objectives for 2020

The main objective is to increase the impact of social projects.



Other objectives include the implementation of the International Classification of Functioning, Disability and Health (ICF) – a standard recommended by the World Health Organization for services provided by insurance companies, as well as the continuation of social projects such as the Hestia Artistic Journey, and sponsorship activities.

Our social projects

ERGO Hestia is committed to social programs and supports the achievement of Sustainable Development Goals (SDG). We have a real impact on key areas: social inclusion, education and culture and sport.



Social inclusion



Integralia
Foundation



Victim
Support
Centre



Hestia
Volunteer
Centre

Education



Hestia Artistic
Journey



Young
Insurance
Academy



Instagram
Artistic
Journey



Znak and Hestia
Rev. Józef Tischner Award

Culture and sport



ERGO ARENA



Sopot Sailing Club
AERGO Hestia Sopot



Museum
of Modern Art

Social inclusion

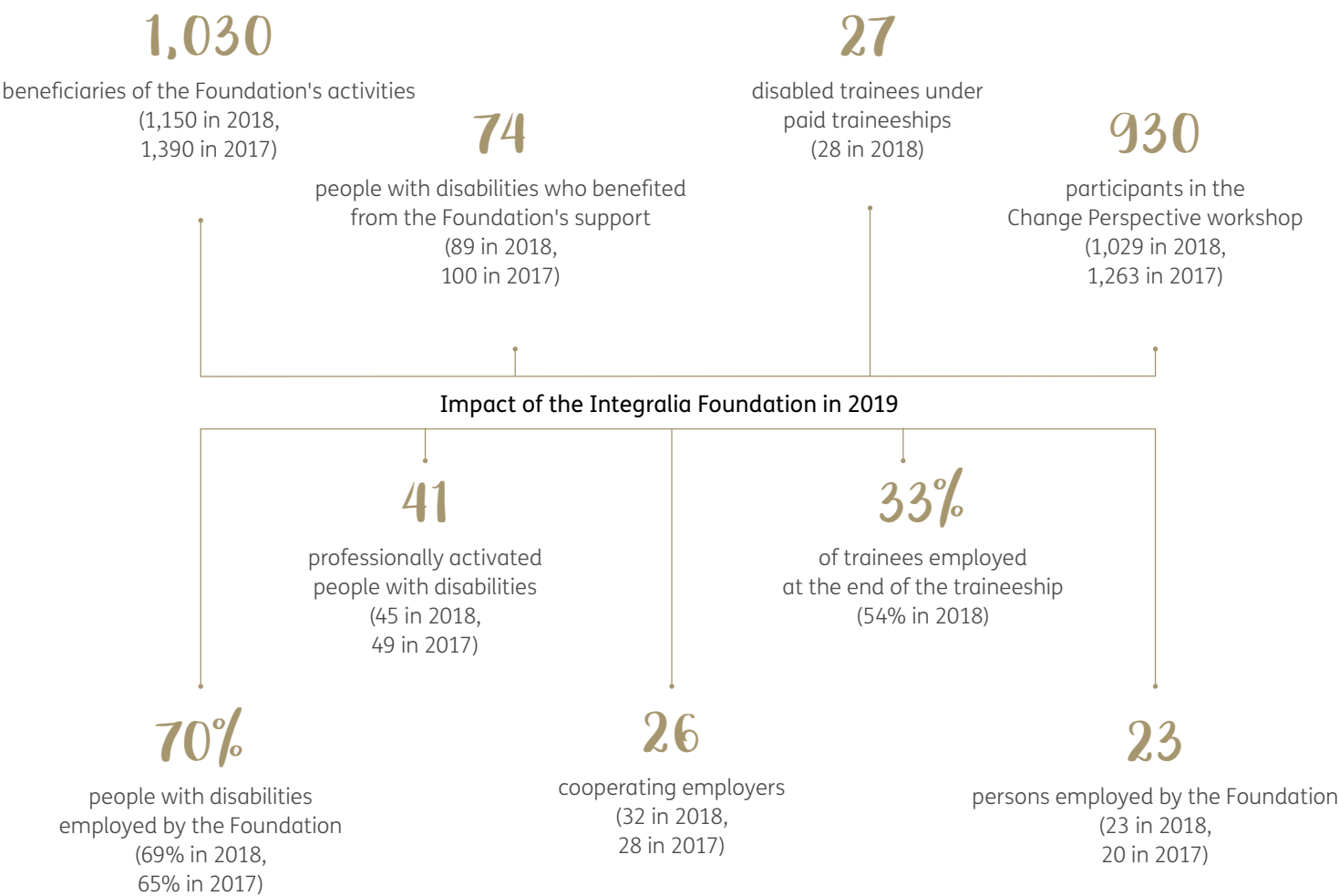
Years of consistent development of the ERGO Hestia Group have shaped our attitudes and culture that distinguish us in the market. This is an active responsibility: we anticipate clients' needs, cross barriers, create the state-of-the-art technologies and solutions.



Integralia Foundation

Making it easier for people with disabilities to enter the labour market is a priority for the Integralia Foundation. Sessions with psychologists, coaches, job mediators or professional advisors, carried out as part of the "Bespoke Competences" program, give a real chance for its implementation.

Another important project activating people with disabilities is the pilot project "Internships with agents. LET'S STAND OUT." The innovative project involves a series of workshops for insurance agents on cooperation and contact with people with disabilities.





Seaside, Sopot

Projects implemented by the Integralia Foundation



Bespoke COMpetences

A project implemented with the European funds, aimed at people with disabilities in order to train and support them in finding a job in line with their competences.



Professional activation of CPOP beneficiaries

The project is implemented in cooperation with the Victim Support Centre. It includes a career guidance program to employ people who have suffered an accident.



Internships with agents. LET'S STAND OUT

A series of workshops organized for agents cooperating with ERGO Hestia on cooperation and contact with people with disabilities. Seven agencies took part in the Program – in 4 of them the pilot was fully implemented, for 3 agencies candidates are being recruited.



#NibyNaŻarty – Award for the movie under the Integralia Foundation's action

On the premises of ERGO Hestia, the foundation organized an unusual action called #NibyNaŻarty during which the company's employees experienced the difficulties that people with disabilities have to deal with on a daily basis. For the film presenting this action, Integralia received the Bronze Shield at the IV Responsible Film Festival "17 Goals" 2019.
youtube.com/watch?v=S1TOvCaTD-E



Change the Perspective

Workshops on the perception of people with disabilities. During the exercises, participants learn about the specificity of various dysfunctions. They learn to understand the challenges facing people with disabilities and how to treat them.

More information available at: www.integralia.pl

Victim Support Centre (CPOP)

The mission of CPOP is to provide the highest quality services in the field of medical, social and professional rehabilitation of people seriously affected by accidents. The way is also important – responsible and optimal for both clients and insurers.

Only then does the victim have a real a chance to return to professional activity and to function independently in the society. Under the new fast-track procedure, people with lighter injuries can also apply for help.



More information available in the chapter "Our Clients" and at: www.cpop.pl

Hestia Volunteer Centre

It strengthens and supports the activity of the employees who work for the community, support foundations or associations. It coordinates mutual assistance for employees and business partners in difficulties.

More in the chapter "Our Employees"

Education

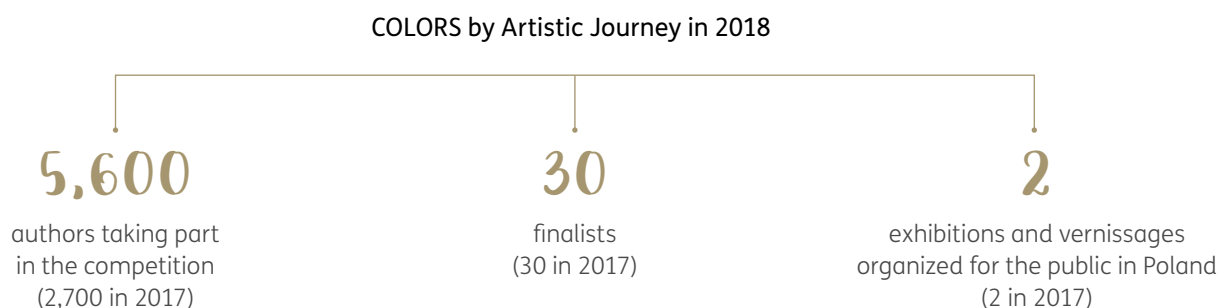
The history of ERGO Hestia's pro-social projects aimed at education needs is almost two decades old. Consistently implemented and innovative, they gain a strong brand in the environments for which they are intended.



Artistic Journey – Instagram

In order to meet the latest trends, ERGO Hestia also runs a competition for amateurs of mobile photography on Instagram. Its next edition, carried out in 2018 under the name COLORS by

Artistic Journey, turned out to be a great inspiration for Instagram creators – the largest number of works ever submitted to the competition.



More information available at: www.artystycznapodroz.pl

Hestia Artistic Journey (APH)

Supporting cultural projects from the stage of talent discovery is a conscious choice of ERGO Hestia. Even if it is a longer and more difficult route, the later effect rewards this unobvious choice. Therefore, we created Hestia Artistic Journey Foundation

On behalf of ERGO Hestia, the Foundation conducts an artistic patronage program, promoting young Polish artists – students of universities and art faculties.

As part of the competition, which has been organized since 2002, it supports them by funding the best scholarship programs abroad and organizing exhibitions of their works in the largest cultural centers in Poland and in the ERGO Hestia Pavilion in Warsaw. The Foundation also runs a large-scale program of art branding – it takes care of the creative development of the business environment by organizing intriguing meetings with art for ERGO Hestia employees and partners.



More information available at: <https://artystycznapodrozhestii.pl>

Museum of Modern Art (MSN) in Warsaw

The strategic partnership with the Museum of Modern Art in Warsaw is a natural consequence of the program of active artistic patronage of ERGO Hestia. The cooperation assumes support for the statutory activities of the museum and joining forces to organize the gala and the final exhibition of the Hestia Artistic Journey competition which deepens the possibilities of promoting

young Polish artists. The vernissages of APH in the Museum on the Vistula River, a branch of the Ministry of National Remembrance on Warsaw's Vistula boulevards, turned out to be important events on the cultural map of the capital. ERGO Hestia is also supporting the construction of the new museum's seat at pl. Defilad.

Impact of the Museum of Modern Art in 2019



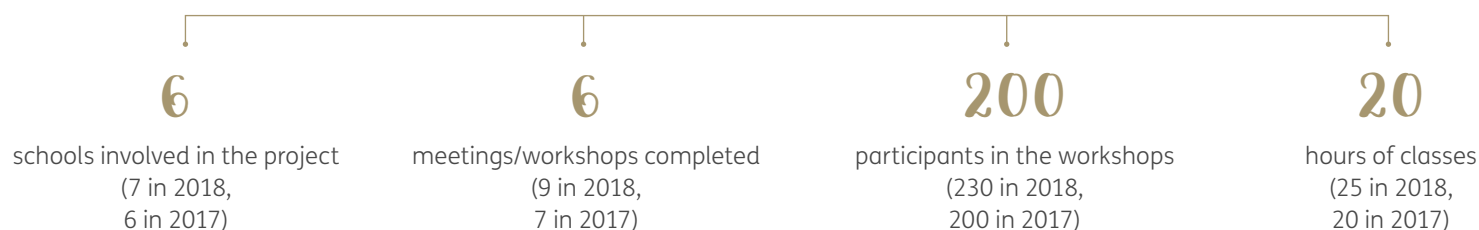
More information available at: www.artmuseum.pl/pl

Young Insurance Academy

The Young Insurance Academy builds the insurance awareness of Poles by educating teenagers, among others, about the principles of creating an insurance offer and the essence of the insurer's activities and its duties. In recent years, it has been cooperating more closely with the Inspirational Examples Foundation in Gdańsk

which organizes incoming visits of groups of young people from all over the Pomeranian Voivodeship. They were also joined by a group of students from Uniejów – a health resort which is a winner of the EKO HESTIA SPA competition that contributed to synergies of social activities and their effects.

Impact of the Young Insurance Academy in 2019



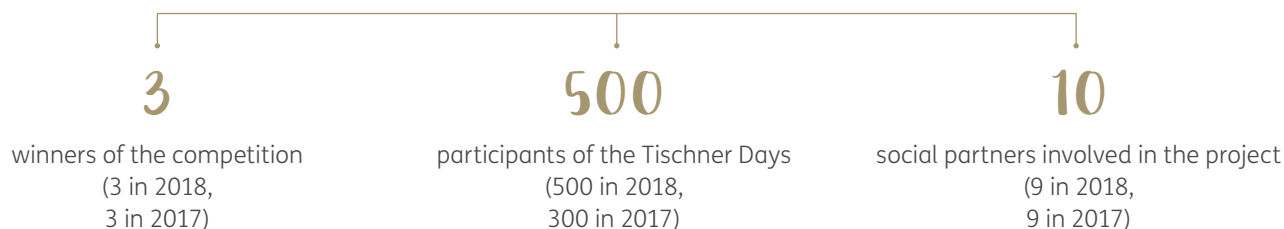
More information available at: <https://tiny.pl/75dxdp>

Znak and Hestia Rev. Józef Tischner Award

Znak and Hestia Rev. Józef Tischner Award honors people who continue the philosophical thought of the Reverend Professor with their work and actions. It is awarded to outstanding intellectuals, publicists and social activists.

It was established in 2001 on the joint initiative of Piotr M. Śliwicki, President of the ERGO Hestia Group, and Henryk Woźniakowski, President of the "Znak" Publishing House.

Impact of the project in 2019



More information available at: www.nagrodatischnera.pl

Culture and sport

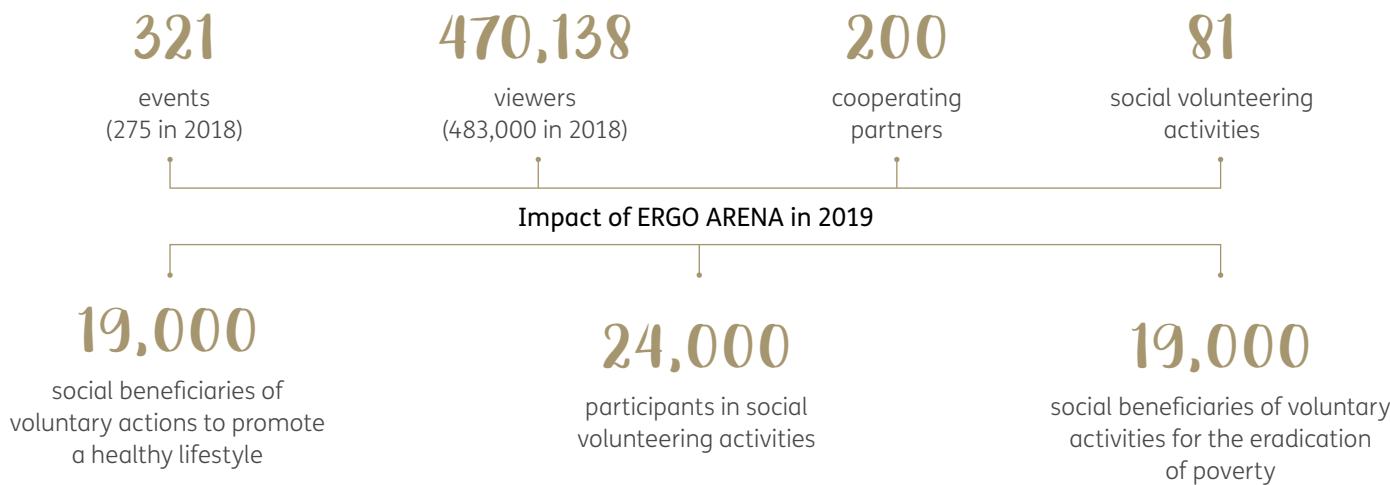
For ERGO Hestia, the promotion of humanistic values involves active participation in the cultural life of the country. Sports remain another pinnacle of our social commitment.



ERGO ARENA

Sports emotions, musical impressions and industry meetings attract thousands of people here. The ERGO ARENA Sports and Entertainment Hall, opened in 2010, has already become part of

the Tri-City landscape as an important element shaping cultural and social life and allowing to promote physical activity and healthy lifestyle.



More information available at: www.ergoarena.pl

ERGO Hestia Sopot Sailing Club (SKŻ)

Since 2000, ERGO Hestia has been the titular sponsor of the club which has brought up many titled players: Olympic athletes, medallists of the Polish, European and World Sailing Championships. Thanks to our support, the ERGO Hestia Sopot Sailing Club organizes numerous events and sports events.

Its modern headquarters, located just off the Sopot beach, together with hangars for about 400 boards and sails, changing rooms, showers, gym, hotel, restaurant, conference rooms and office and technical facilities, serve the local community and tourists.



More information available at: www.skz.sopot.pl

ERGO Hestia for the environment

313 tons

CO₂ less in the
atmosphere*

600,000

bees in the
company's apiary*

2.3 tons

of reduced
plastic*

48,000

bike commuter
transports to work*

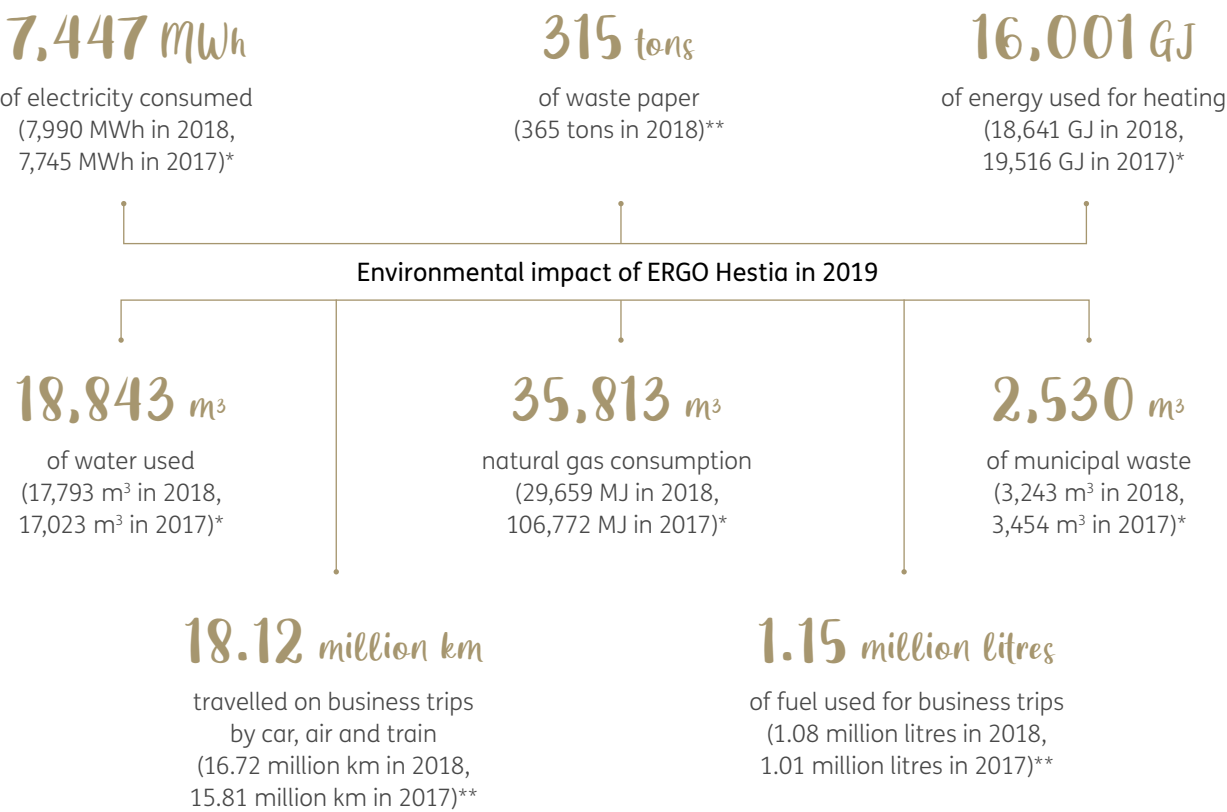
* Data for 2019



In ERGO Hestia, we understand that man is part of nature and forms an inseparable community with it. So we take a variety of initiatives to mitigate the negative impact on the reality around us.

We reduce electricity, water and paper consumption. We replace company cars with hybrid vehicles. And we always remember that great changes begin with small steps, and every positive action multiplied across an organization makes deep sense on a global scale.

[GRI: 301-1, 302-1, 302-4, 303-1, 305-2, 305-5]



* The data refer to the ERGO Hestia Group Headquarters (Sopot and Gdańsk), about 70% of the employees
 ** The data refer to the entire ERGO Hestia Group

In 2019, ERGO Hestia used 543 MWh less electricity, 2,640 GJ less energy for heating, 6,154 m³ more gas, 1,050 m³ more water and produced 713 m³ less municipal waste than in the previous year.

The decrease in energy consumption was caused by optimisation of the operation of air conditioners in the server room (Headquarters), optimisation of the system and hours of operation of the air conditioner (Headquarters) and computers. Also worth mentioning is the ongoing information campaign among employees on measures to reduce energy, water, paper and waste consumption, optimise the paper ordering process and significantly reduce the volume of municipal waste by introducing a waste crushing press.

In 2019, fuel consumption and the number of trips increased as a result of business development and the expansion of cooperation with the ERGO Group companies in Lithuania, Latvia and Estonia.

The increase in water consumption in the Headquarters buildings was caused by the introduction of a culture of drinking tap water among employees while the increase in natural gas consumption was a result of higher consumption of lunches in the company canteen by employees.

Data on the consumption of individual media and raw materials come from invoices for their actual consumption (water, gas, energy) and ordered quantities (paper). All raw materials and media are supplied by external suppliers. We chose 2018 as the base year for monitoring the consumption of raw materials because we have been monitoring annual declines for many years.

Greenhouse gas (GHG) emissions

Measuring the CO₂ footprint of our operations is a key indicator for assessing environmental performance.

We calculate CO₂ emissions every year on the basis of energy, paper and water consumption, business trips made and waste generated, in accordance with the GHG (Greenhouse Gas Protocol). In this calculation, electricity is not counted as energy from renewable sources. ERGO Hestia does not emit biogenic greenhouse gases.

Total CO₂ emissions in 2018-2019
(Range 1 and 2 + elements in range 3)

8,877 tons
of CO₂ in 2019

9,190 tons
of CO₂ in 2018

Climate protection and climate neutrality

In 2016, ERGO Hestia joined the Munich Re/ERGO Group's global CO₂ reduction program.

The plan is to reduce it by 35% per employee by 2020 (compared to 2012). To this end, we are conducting a number of initiatives and activities, including

- we promote energy efficiency and minimise energy consumption among employees
- we promote commuting by bike or public transport
- the buildings of the Headquarters in Sopot and Gdańsk use 100% ecological energy from renewable sources (energy supplier certificate)
- almost 200 insurance experts use company hybrid cars
- we promote and implement eco-initiatives aimed at the employee community

In addition to the implementation of the CO₂ reduction plan, the entire Munich Re/ERGO Group has been achieving climate neutrality ("carbon neutrality") in its business activities every year for five years. The Group compensates for unavoidable carbon dioxide emissions by purchasing certificates (carbon offset).

More information available at: www.ergohestia.pl/zrownowazony-rozwoj/ (tab "Initiatives and commitments" / "Climate protection and climate neutrality")

Plastic reduction

In 2019, ERGO Hestia resigned from ordering bottled and gallon water in favour of drinking tap water in buildings located in Gdańsk and Sopot.

The aim was to reduce the production of disposable plastic waste on the company premises. In order for employees to be able to drink tap water, a test of the state of the water in the faucets was commissioned in advance and each employee was provided with a reusable bottle.

by 2.3 tons

the amount of plastic
was reduced in 2019



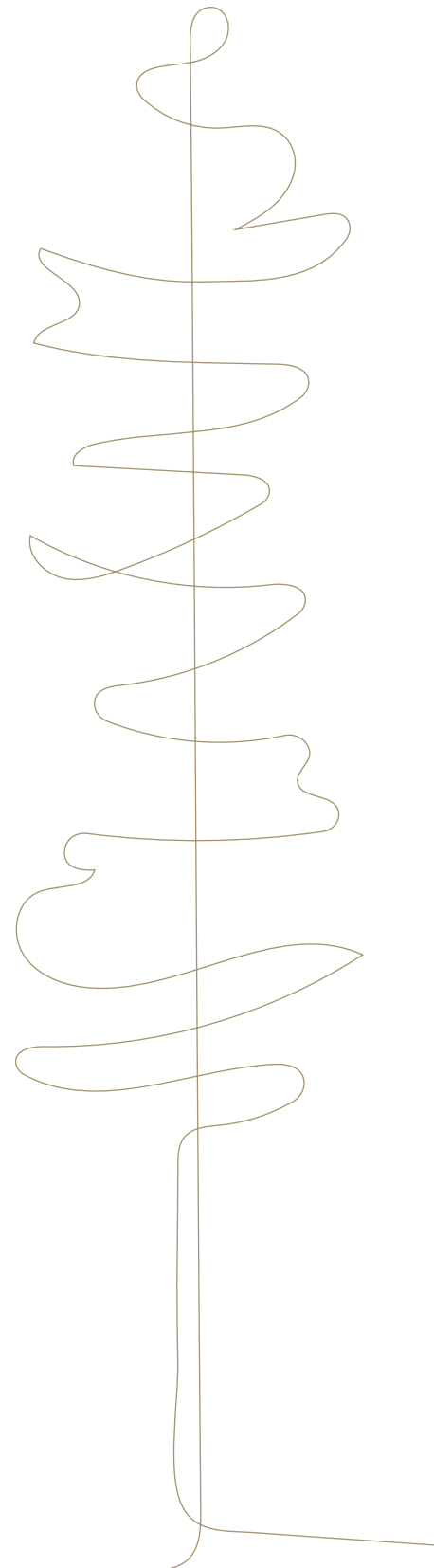
Environment policy

The environmental policy of the ERGO Hestia Group is an expression of our concern for the condition of the natural environment and its sustainable development – for the benefit of future generations.

Each of our employees and co-workers is responsible for the implementation of the respective provisions – only acting as a community, we have a real chance to implement positive changes.

ERGO Hestia Group Environmental Policy

- Compliance with the law
- Waste management
- Promotion of sustainable transport
- Dialogue and the search for solutions
- Environmental impact monitoring
- Stakeholder education and engagement
- Car fleet
- Communication of environmental impact
- Reduction of raw material consumption
- Implementation of innovative solutions
- Caring for natural biodiversity
- Purchasing Practices and Sustainable Supply Chain



More information available at: www.ergohestia.pl/zrownowazony-rozwoj/ (tab "For the Environment")

Environmental objectives

One of the important strategic objectives of ERGO Hestia is to radically reduce the impact of our activities on the natural environment and to disseminate knowledge on environmental protection and promote pro-ecological attitudes.

Environmental goals for 2020

The main objective is to reduce CO₂ emissions by at least 5% compared to 2019 and to introduce another long-term climate policy.

CO₂ emissions

Reducing electricity consumption

by 5%

in relation to 2019

Reducing paper consumption (office and print)

by 5%

(in mass) in relation to 2019

Reduction of average fuel consumption (in litres per 100 km)

by 5%

in relation to 2019

Maintaining the level of at least

40,000

bike commuter transports by employees

Environmental education

Increase

by 300%

of the number of orders under the
"Bike forever" program
in relation to 2019

Increasing the number
of participants in the
tree planting action

by 10%

in relation to 2019

Other environmental practices

Implementation of environmental guidelines for sales outlets operated under the ERGO Hestia brand by agents (external contractors) as "Standard Points".

Environmental products and services

Increasing the number of clients for the product
"EKO Hestia Environmental Liability Insurance"

by 40%

in relation to 2019

Increase the number of video views with
the "Online Help" application

by 30%

in relation to 2019

No financial or non-financial penalties were imposed on the ERGO Hestia Group in 2018 for non-compliance with environmental regulations.

Our environmental projects

ERGO Hestia is actively working for the planet, people and their well-being. It supports the Sustainable Development Goals by systematically implementing projects in several key areas.



Sustainable transport and mobility



Carpooling



Program
for cyclists



Extension
of bus and trolley
bus lines



EcoCar
hybrid taxi



EKO Fleet



Bike forever

Environmental protection



EKO Hestia
product



EKO HESTIA SPA
competition

Biodiversity



Hestia Park



Bees

Sustainable transport and mobility



The business activities of the ERGO Hestia Group require frequent business trips. Our Headquarters in Tri-City employ almost 2,000 people who have to reach the workplace every day.

Transport generates a large part of our emissions, so we take measures to improve the comfort of our employees during their daily commute to work and we are constantly improving our car fleet.

In 2019, ERGO Hestia carried out a survey on sustainable transport and mobility among its staff. The conclusions of the study will be used to develop available solutions for sustainable transport and mobility.

Carpooling

For several years, we have run a carpooling program to reduce the car parking load and air pollution. Car parking spots are guaranteed for the program participants – provided that they commute with another employee.

Program for cyclists

ERGO Hestia employees can reduce CO₂ emissions in many ways. For this purpose – and to stay fit – many of them commute by bike. Especially for them we have created over 300 parking spaces and provided cloakrooms and showers in the buildings. Two bike repair stations have also been set up near the company and each cyclist receives a free lunch at the company bistro. This proposal has been in force for many years – not only in summer, but throughout the year.

In 2019, stations of unmanned municipal bicycle rentals were installed near our buildings in Sopot and Gdańsk.

The program for cyclists was extended in 2019 to employees of Corporate Representative Offices (Gdańsk, Warsaw, Szczecin, Toruń, Gliwice, Wrocław, Poznań and Kraków).

Impact of the project in 2019

about 45

parking spaces, available to participants of the program, it allows to save

about 135

other places

Impact of the project in 2019

over 300

parking spaces in the Headquarters

114 tons

of CO₂ less in the atmosphere thanks to the "Bike to Work" program

48,000

bike commuters transports
(38,000 in 2018)

Extension of the public transport line

Bus line 117

Thanks to the arrangements with the City Hall in Sopot and ZTM Gdańsk, the route of bus line 117 has been extended to the roundabout at ul. Hestii. This makes it easier for ERGO Hestia employees commuting from Gdańsk to the office.

Trolleybus line 31

Employees who commute from Gdynia can get to work on additional trolleybuses of line 31 – up to the depot at ERGO ARENA.

Bike forever

This innovative program for customers and victims is a joint venture of ERGO Hestia and KROSS S.A. It allows to choose between a replacement car for the time of vehicle repair and a KROSS or Le Grand bike which will forever remain the property of the client/victim.

The program is a natural consequence of activities that are part of the sustainable development strategy implemented by ERGO Hestia. As an environmentally friendly insurance company, we support various bicycle initiatives.

The program was distinguished as a good practice in the FOB 2018 Report, and in the ranking of the Policy's CSR List 2019 it was indicated as a project that can inspire others to act.

EcoCar hybrid taxi

In 2019, in cooperation with EcoCar, we launched a program under which the holder of the motor third party insurance receives funds to his/her account in the EcoCar application or to the indicated telephone number instead of a replacement vehicle. Funds for EcoCar hybrid taxi rides are available at any time in Warsaw, Wrocław and Tricity.

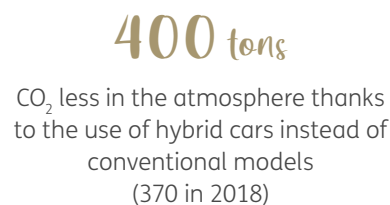
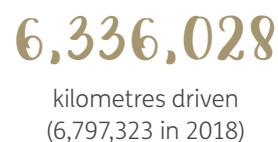
EKO Fleet

ERGO Hestia has equipped all mobile appraisers with hybrid cars to further reduce emissions to the atmosphere. In 2019, the fleet was renewed under the program – Toyota Auris Hybrid was replaced by Toyota Corolla Hybrid.

Impact of the project in 2019



Impact of the project in 2019





Beach, Sopot

Environmental protection



Inspired by its coastal location, ERGO Hestia also promotes attitudes of responsibility towards the environment in other regions of the country.

EKO Hestia product

We are one of three insurers on the Polish market offering specialist environmental protection insurance – EKO Hestia.

As part of the insurance, we cover the costs of restoring the natural environment to its state before damage (ecological disaster).

The scope of protection covered by this insurance includes the costs of removing hazardous substances from the ground or water and restoring the habitats of protected animal species.

More information available at: <https://tiny.pl/trtl8>

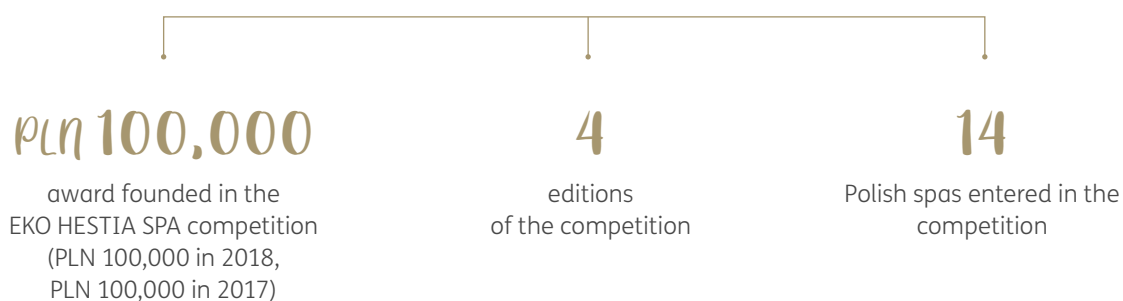
EKO HESTIA SPA competition

Sopot, seat of ERGO Hestia, is a famous health resort. The word "health resort" is a capital, but also a commitment to protection and care. The EKO HESTIA SPA competition is a joint initiative of ERGO Hestia and the Association of Polish Health Resort Municipalities. The main prize is PLN 100,000 for further pro-ecological activities carried out in the commune. This is the only competition in the country dedicated exclusively to Polish spas. The award is funded by ERGO Hestia.

The winner of the last edition of the competition was Inowrocław, appreciated for its comprehensive, long-term ecological activities in the area of investment and education. It is the first and, at the same time, the only city in Poland where 100% ecological public transport functions.

More information available at: <https://tiny.pl/75r92>

Impact of the EKO HESTIA SPA Competition in 2019



Biodiversity

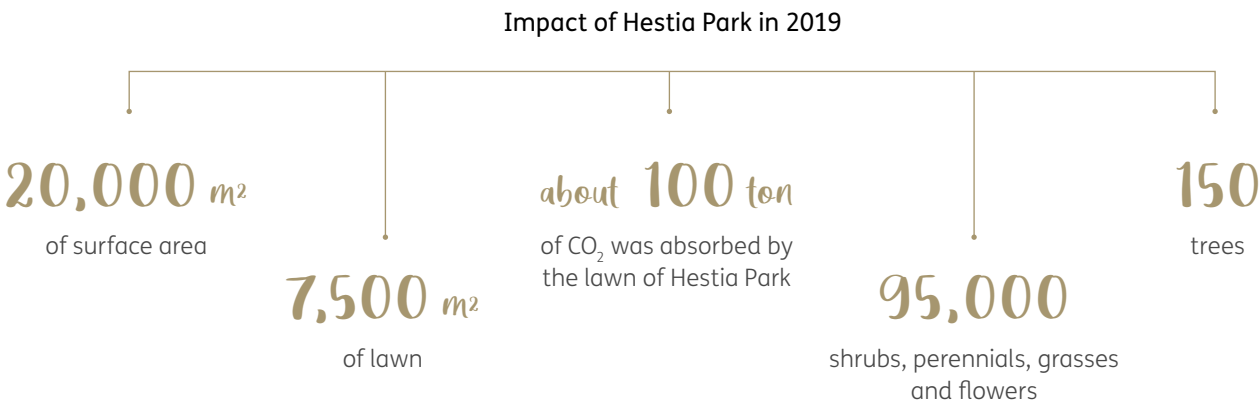


A return to nature in the city is not only possible, but necessary today. It is worth planting trees, erecting beehives, developing the immediate surroundings in order to favour people and biodiversity of nature.

Hestia Park

Hestia Park has tens of thousands of fascinating plants and thousands of square meters of lawn. It's also a spring feast of colours and smells and thousands of smiles every day – residents, tourists, guests coming to Sopot. Hestia Park connects the company Headquarters with ERGO ARENA.

It not only has a recreational role. It is also home to the surrounding fauna, provides food for Hestia bees and hosts true art – the works of the winners of the Hestia Artistic Journey competition.



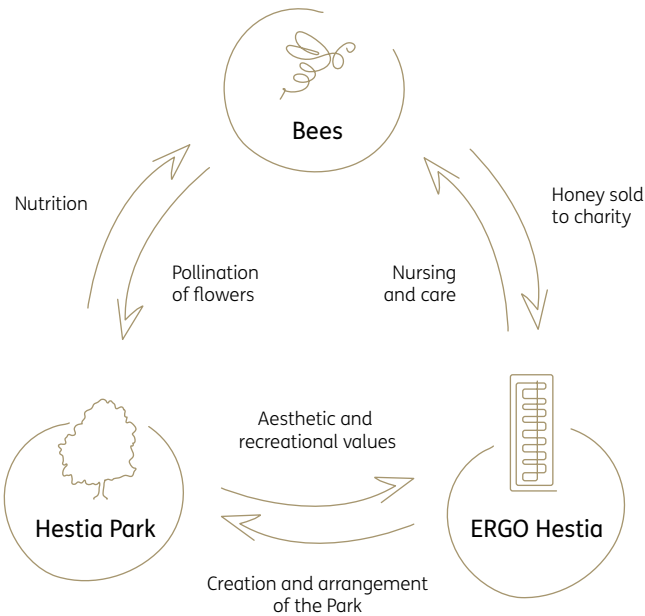
The lawn covers almost 40% of our park's area so it can:

- consume daily
approx. 270 kg of CO₂
(almost 100 tons per year!) that's as much as it is exhaled during the day by
300
ERGO Hestia Employees
- release volatile substances, such as phytoncides, which purify the air of pathogenic bacteria and fungi into the environment
- suppress noise emitted by nearby cars and stop dust
- maintain higher relative air humidity than the concrete surface, due to its transpiration abilities; 7,500 m² of lawn in Hestia Park is able to give away to the surroundings
about 1 ton
of water
(1 m² gives off 150 g of water)
- lower the ambient temperature in hot and dry summers which prevents the formation of urban heat islands
- clean the air from suspended dusts thanks to the presence of wrinkled rose and lime tree

Bees on the roof

ERGO Hestia decided to help the bees which have been disappearing en masse in recent years: we put a company apiary on the roof of one of the office buildings. There are 8 beehives, with about 600,000 bees living there. They produce honey and pollinate plants in the nearby park. ERGO Hestia creates with the park and the bees a community that is only dependent on each other and exists in perfect balance.

	2019	2018	2017
Number of bees	600,000	600,000	300,000
Number of hives	8	8	7



About the "Care" report

6

stakeholder dialogue
sessions*

over 100

own indicators presented
in the report*

16

relevant aspects and
priorities identified*

8

stakeholder groups
making up the report*

* Data for 2019



Working on the report

The creation of the ERGO Hestia Group Report "Care" for 2018-2019 is the result of a dialogue with key stakeholder groups with the greatest interaction with each other.

During the work on the publishing house, the conclusions of dialogue sessions conducted with stakeholders: clients, employees, insurance agents and brokers and journalists were analysed. Moreover, consultations with managers of foundations, social and environmental projects and initiatives implemented in the ERGO Hestia Group, as well as with local authorities, environmental institutions, scientists and organizations cooperating with us in the field of Sustainable Development were taken into account.

Reference was also made to the concept and directions of the business strategy The Power of Community and The Power of Information. As a result, a list of the most important topics, i.e. important aspects of reporting, was prepared. They affect the activities of ERGO Hestia as well as its surroundings. Detailed issues relevant to the individual stakeholder groups are presented in the relevant chapters.

[GRI 102-47, GRI 102-45]

The most important aspects and priorities of business and CSR raised during the dialogue sessions

These aspects were identified as relevant from the perspective of the impact of the ERGO Hestia Group among all the issues raised by stakeholders during the stakeholder dialogue sessions that were held between 2018 and 2019, taking as a model the AA1000SES Stakeholder Dialogue Standard Guidelines and GRI Standards recommendations.

External stakeholders were also involved in the reporting process through an online survey. We reviewed and updated the aspects of reporting included in the "Care" report for 2017. Between 2018 and 2019, several changes were identified in relation to previous reporting periods, in terms of stakeholder expectations, including those relating to the environment, climate protection, diversity and supplier assessment.

- Efficient communication on service standards and relations with intermediaries
- Organizational culture: bridging the differences in the workplace related to the division line between the Headquarters and the Representative Offices
- Definition of responsible sales, mis-selling and agents' ethics
- Hotline: waiting time for answers and questions
- Expansion of the offer with socially responsible products and services
- Diversity in the ERGO Hestia Group
- CSR report: scope, quality, relevance

- Improvement and expansion of communication about CSR activities within the organization and externally
- Quality of customer and business partner service
- Innovation and new activities
- Effects of social and environmental projects
- Reducing carbon emissions and reducing the negative environmental impact of operations
- Ageing society
- Professional work and care roles of women and men
- CSR assessment of suppliers

[GRI: 101, 102-10, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56]

Report profile

ERGO Hestia Group published the last three non-financial reports on an annual basis. This report is the first one issued for the last two years and the fourth CSR and Sustainability Report of the ERGO Hestia Group in which we present our Group's impact on the environment and the economic and social environment.

The report was prepared based on the international reporting standard Global Reporting Initiative (GRI standards) in the Core version and includes our own indicators. The method of calculation of some of our own indicators has been changed so that comparable data for the previous period are not presented. The data contained in this report cover the period from 1 January 2018 to 31 December 2019. The report was not verified by any third-party entity. The report includes data of companies and foundations belonging to the ERGO Hestia Group: Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA, Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia SA, Centrum Pomocy Osobom Poszkodowanym Sp. z o.o., Hestia Loss Control Sp. z o.o., Sopockie Towarzystwo Doradcze Sp. z o.o.

It also supports the activities of the ERGO Hestia Group's Integralia Foundation for the professional integration of people with disabilities, and the Hestia Artistic Journey Foundation.

Due to the specific nature of the companies' and foundations' activities: Centrum Pomocy Osobom Poszkodowanym Sp. z o.o., Hestia Loss Control Sp. z o.o., Sopockie Towarzystwo Doradcze Sp. z o.o., ERGO Hestia Group Integralia Foundation for Professional Integration of Disabled Persons and Hestia Artistic Journey Foundation presented in the report financial data presented in the report do not include the indicated entities.

The previous report (for 2017), published on 10 September 2018, was prepared on the basis of the Global Reporting Initiative's (GRI G4) international reporting standard and did not include any adjustments or significant changes (regarding the scope and coverage of the report) compared to the previous report.

There were no changes in the Group's structure, form of ownership or value chain between 2018 and 2019.

GRI Standards content index

GRI Standard indicator number	Indicator title	Page numbers	Chapter in the report
Assumptions and reporting basis			
GRI 101	Assumptions and reporting basis	7, 126	Letter from the President of the Management Board, About the "Care" Report
Organization profile			
GRI 102-1	Name of the organization	22	About ERGO Hestia
GRI 102-2	Description of the organization's activities, main brands, products and/or services	22-23, 67, 38-39	About ERGO Hestia, Our Clients
GRI 102-3	Location of the organization's headquarters	22	About ERGO Hestia
GRI 102-4	Location of operations	22, 24-25	About ERGO Hestia
GRI 102-5	Form of ownership and legal structure of the organization	22, 24-25	About ERGO Hestia
GRI 102-6	Markets served	22, 34	About ERGO Hestia
GRI 102-7	Operating scale	22, 32-34	About ERGO Hestia, ERGO Hestia in numbers
GRI 102-8	Data on employees and other persons working for the organization	90-92	Our Employees
GRI 102-9	Description of the supply chain	86-87	Our Partners
GRI 102-10	Significant changes over the reporting period in size, structure, form of ownership or value chain	126	About the "Care" Report
GRI 102-11	Explanation of whether and how an organization applies the precautionary principle	42-48	Reliable ERGO Hestia
GRI 102-12	External economic, environmental and social declarations, principles and other initiatives adopted or supported by the organization	28, 47, 49, 58-59, 116-119	About ERGO Hestia, Sustainable Development Areas, Reliable ERGO Hestia
GRI 102-13	Membership in associations and organizations	28, 49, 58-59	About ERGO Hestia, Sustainable Development Areas
Strategy			
GRI 102-14	Declaration of top management	7	Letter from the President of the Management Board
GRI 102-15	Description of key impacts, opportunities and risks	29, 34, 42-43, 56-61	About ERGO Hestia, ERGO Hestia in figures, Reliable ERGO Hestia, Sustainable Development Areas
Ethics and integrity			
GRI 102-16	Values of the organization, Code of Ethics, principles and standards of behaviour	29, 47, 49, 82, 87, 93	Reliable ERGO Hestia, Our employees, our Partners
GRI 102-17	Internal and external mechanisms to obtain advice on ethical and legal behaviour and organizational integrity issues	47	Reliable ERGO Hestia
Governance in the organization			
GRI 102-18	Supervisory structure of the organization, including committees under the highest supervisory body	25-26	About ERGO Hestia
Stakeholder involvement			
GRI 102-40	List of stakeholder groups engaged by the reporting organization	62-63	Sustainable Development Areas
GRI 102-41	Employees covered by collective agreements (percentage of employees covered by collective agreements)	91	Our Employees

GRI 102-42	Basis for identifying and selecting stakeholders engaged by the organization	62, 70, 79	Sustainable Development Areas, Our Customers
GRI 102-43	Approach to stakeholder engagement, including frequency of engagement by type and group of stakeholders	62, 70, 79	Sustainable Development Areas, Our Customers
GRI 102-44	Key topics and issues raised by stakeholders and response from organizations, including through reporting	62-63	Sustainable Development Areas
Reporting practice			
GRI 102-45	Recognition in the report of business entities recognised in the consolidated financial statements	126	About the "Care" Report
GRI 102-46	The process of defining the content of the report and the limits of the individual aspects	126	About the "Care" Report
GRI 102-47	Important topics identified	126	About the "Care" Report
GRI 102-48	Explanation of the effects of any corrections to the information contained in previous reports, stating the reasons for their introduction and their impact (e.g. mergers, acquisitions, change in the base year/ period, nature of business, measurement methods)	126	About the "Care" Report
GRI 102-49	Changes in reporting	126	About the "Care" Report
GRI 102-50	Reporting period	126	About the "Care" Report
GRI 102-51	Date of publication of the last report (if published)	126	About the "Care" Report
GRI 102-52	Reporting cycle	126	About the "Care" Report
GRI 102-53	Contact details	132	About the "Care" Report
GRI 102-54	Indication whether the report has been prepared in accordance with the GRI Standard in the Core or Comprehensive option	126	About the "Care" Report
GRI 102-55	GRI Index	127-130	About the "Care" Report
GRI 102-56	Policy and current practice for the external verification of the report	126	About the "Care" Report
Approach to management			
GRI 103-1	Explanation of the topics identified as relevant with indication of limitations	47	Reliable ERGO Hestia
GRI 103-2	Management approach and its elements	42	Reliable ERGO Hestia
GRI 103-3	Evaluation of the management approach	42, 47	Reliable ERGO Hestia
Thematic indicators			
Economic topics			
Economic performance			
GRI 201-1	Direct economic value generated and distributed (including revenues, operating costs, employee compensation, subsidies and other community investments, retained earnings and payments to capital holders and government institutions)	32-34	ERGO Hestia in Numbers
GRI 203-1	Supported infrastructure investments and services	34	ERGO Hestia for the Society
Prevention of corruption			
GRI 205-2	Communication and training on organizations' anti-corruption policies and procedures	47-48, 50, 87	Reliable ERGO Hestia
GRI 205-3	Confirmed cases of corruption and action taken	47, 50-51	Reliable ERGO Hestia
Infringement of the principles of free competition			
GRI 206-1	Legal steps taken against organizations concerning infringements of free competition rules and monopolistic practices	50-51	Reliable ERGO Hestia

Environmental topics			
Materials			
GRI 301-1	Raw materials/materials used by weight and volume	114	ERGO Hestia for the Environment
Energy			
GRI 302-1	The organization's energy consumption, including the type of raw materials	114	ERGO Hestia for the Environment
GRI 302-4	Reduction of energy consumption	114	ERGO Hestia for the Environment
Water			
GRI 303-1	Total water collection by source	114	ERGO Hestia for the Environment
Emissions			
GRI 305-2	Total indirect greenhouse gas emissions by weight	114	ERGO Hestia for the Environment
GRI 305-5	Reduction of greenhouse gas emissions	114	ERGO Hestia for the Environment
Compliance with environmental regulations			
GRI 307-1	The monetary value of penalties and the total number of non-financial sanctions for non-compliance with environmental laws and/or regulations.	51, 117	Reliable ERGO Hestia, ERGO Hestia for the environment
Social themes			
Employment			
GRI 401-1	Newly recruited employees and departures	94	Our Employees
GRI 401-2	Additional benefits provided to full-time employees that are not available for temporary or part-time employees	99	Our Employees
Education and training			
GRI 404-1	Average number of training hours per year per employee	95	Our Employees
GRI 404-2	Programs for the development of managerial skills and lifelong learning that support the continuity of employees' service and facilitate the transition to retirement	96-98	Our Employees
Diversity and equal opportunities			
GRI 405-1	Composition of supervisory bodies and staff by categories of employees by gender, age and other indicators of diversity	91-92, 94	Our Employees
Anti-discrimination			
GRI 406-1	Total number of cases of discrimination and corrective actions taken in this respect	92	Our Employees
Marketing and labelling of products and services			
GRI 417-1	Internal requirements for labelling and information on products and services	50-51	Reliable ERGO Hestia
GRI 417-2	Cases of non-compliance with regulations and voluntary codes on product and service labelling and information	50-51	Reliable ERGO Hestia
GRI 417-3	Cases of non-compliance with regulations and voluntary codes for marketing communications	50-51, 67	Reliable ERGO Hestia, Our Clients

Protecting client privacy			
GRI 418-1	Legitimate complaints regarding breaches of client privacy and data loss	50-51	Reliable ERGO Hestia
Compliance with socio-economic regulations			
GRI 419-1	Non-compliance with laws and social and economic regulations	50-51	Reliable ERGO Hestia
Social engagement programs			
GRI 413-1	Business units of the organization, including social involvement, impact measurement and development programs	105-111	ERGO Hestia for the Society
G4-FS13 Proprietary indicator	Access points in sparsely populated and economically less developed areas	24, 71	About ERGO Hestia, Our Clients
G4-FS14 Proprietary indicator	Initiatives taken to improve access to financial services for disadvantaged people	105-111	ERGO Hestia for the Society

Table of compliance with the Accounting Act

Below there is a list of non-financial issues required by the Accounting Act with reference to the page number where we present the required information.

Issue	Page number	Chapter in the report
Description of the business model	29	About ERGO Hestia
Key non-financial performance indicators	30-35	ERGO Hestia in Numbers
Description of management of risks identified as material	42-48, 126	Reliable ERGO Hestia, About the "Care" report
Policies, procedures, regulatory documents:	42-48	Reliable ERGO Hestia
– Prevention of corruption	42-48, 50-51, 87	Reliable ERGO Hestia, Our Partners
– Respect for human rights	48-49, 87, 93	Reliable ERGO Hestia, Our Partners, Our Employees
– Topics relevant to consumer/client relations, quality of service	64-75, 126	Our Clients, About the "Care" report
– Labour issues	88-101	Our Employees
– Environmental issues	112-123	ERGO Hestia for the Environment
– Social issues	102-111	ERGO Hestia for the Society

Glossary

- **Affinity** – insurance cover sold together with a good or service, e.g. with household appliances or a tourist trip.
- **Agent** – an entrepreneur, entered in the register of agents and carrying out agency activities on the basis of an agency agreement concluded with an insurance company.
- **Shareholder** – a holder of shares in a joint-stock company or a limited joint-stock partnership who is also its partner. An individual or a legal entity, as well as an organizational unit without legal personality, becomes a shareholder upon acquisition of the company's shares. A shareholder is entered in the share register or is a holder of bearer shares.
- **Assets** – property resources controlled by the entity with a reliably determined value, obtained as a result of past events which will cause future economic benefits to the entity. If an asset does not meet any of the above criteria, it cannot be recognised in the balance sheet.
- **Insurance broker** – an entity authorised to conduct brokerage activities. It performs activities on behalf or for the benefit of the entity seeking insurance protection.
- **CSR** – Corporate Social Responsibility.
- **CPI** – Credit Protection Insurance. It constitutes a financial security in the event of unexpected Acts of God which are covered by the agreement and the occurrence of which prevents payment of the obligation.
- **Direct** – possibility to buy insurance via Internet or telephone.
- **Hestians** – employees of the ERGO Hestia Group.
- **Solvency Capital Requirement (SCR)** – the value of eligible own funds which will enable the Company to cover losses and will guarantee that with 99.5% probability the Company will be able to meet its obligations for the next 12 months.
- **SME** – Small and medium-sized enterprises Enterprises with less than 250 employees and an annual turnover not exceeding EUR 50 million and/or a total annual balance sheet not exceeding EUR 43 million.
- **NATCAT** – (Natural Catastrophes), natural disasters, i.e. extreme events related to the action of natural forces the effects of which threaten the life or health of a large number of people, property of large sizes or the environment in large areas.
- **NPS** – (Net Promoter Score) – a tool for assessing loyalty of clients of a company. It is an alternative evaluation method to traditional customer satisfaction surveys.
- **ORSA** – (Own Risk and Solvency Assessment) risk management system tool which is used to assess the short-term and long-term risk and the amount of own funds necessary to cover it.
- **Liabilities** – the source of economic resources, i.e. such sources of financing that indicate who provided the company with the appropriate means.
- **PPI** – Payment Protection Insurance (PPI) – insurance designed to make it easier for a consumer to repay a consumer credit, mortgage or credit card if the consumer falls ill, has an accident or loses his/her job.
- **Reinsurance** – a surrender of all or part of the insured risk and an appropriate part of the premiums to another insurance undertaking (reinsurer) in exchange for a joint contribution to the payment of possible benefits.
- **SCR (Solvency Capital Requirement)** – the value of eligible own funds which will enable the Company to cover losses and will guarantee that the Company will be able to meet its obligations for the next 12 months with 99.5 percent probability.
- **Gross written premium** – these are the amounts of gross premiums payable under insurance contracts concluded in the reporting period regardless of whether these amounts were paid (source: Regulation of the Minister of Finance of 12 April 2016 on special accounting principles for insurance and reinsurance companies, Journal of Laws of 2016, item 1825 as amended). In a common sense, it is a term similar to "sales revenue" used in the profit and loss account of commercial companies.
- **Insurance companies** – Sopockie Towarzystwo Ubezpieczeń ERGO Hestia SA and Sopockie Towarzystwo Ubezpieczeń na Życie ERGO Hestia SA.
- **Underwriting** – technical risk assessment, valuation and acceptance of individual insurance or reinsurance contracts or portfolios of single contracts respectively. Act on Statutory Auditors, Audit Firms and Public Supervision – Act of 11 May 2017 on statutory auditors, audit firms and public supervision (Journal of Laws of 2017, item 1089, as amended).
- **Solvency ratio** – a ratio expressing the ratio of eligible own funds to the Solvency Capital Requirement.

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[GRI 102-53]

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Survey

We want our reports to get better and better every year and to meet the expectations of our stakeholders, therefore we encourage you to complete the survey on the "Care" report available after scanning the QR code below and under the link www.ergohestia.pl/zrownowazony-rozwoj/ankieta/



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