



Sustainability Report 2019

ERGO

A Munich Re company

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ERGO profile

> GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-9, 102-10

The Düsseldorf-based ERGO Group is one of the leading insurance groups in Germany and Europe. The Group is represented in around 30 countries worldwide, focusing mainly on Europe and Asia. **ERGO** offers a comprehensive range of insurances, pensions, investments and services, and caters for both private and business customers.

About 38,000 salaried employees and sales agents around the world work for the Group. In 2019, ERGO received total premiums of 19 billion euros and paid its customers policy benefits worth 17 billion euros.

The insurance group is a joint stock corporation under German law (AG) and is a wholly owned subsidiary of Munich Re, one of the world's leading reinsurance and risk carriers. MEAG, Munich Re's asset manager and fund provider, also manages ERGO investments.

In Germany, the insurance group operates under the name ERGO, as well as under the brands of its specialist insurers, DKV health insurance and nexible, a purely online insurer offering motor insurance.

ERGO is among the leading insurance providers in Germany across all lines of business. We want to design insurance solutions for our customers that are as simple, quick and convenient as possible. We therefore combine our competent advice with mobile and online services.

Since ERGO is primarily a service provider, its supply chain is straightforward. We mainly procure goods, works and services from the following sectors: information technology, travel management, external resources (e.g. consulting), marketing services, administration and management of property and investment, fleet management, office supplies, and courier and logistics services.

In the year under review, a new company, ERGO Technology & Services Management AG, was established to manage the Group's global IT operations. The brands ERGO Direkt, ERV (travel insurance) and D.A.S. Germany (legal protection) were transferred to the ERGO brand during the year under review. The sale of ERGO companies in Ireland, Romania, Slovakia, Turkey, the Czech Republic, Hungary and Belarus has completed the optimisation of our international portfolio.

CEO Statement

> GRI 102-11, 102-14, 102-16

Dear readers,

Insurance is a long-term business. We insure people and companies for the future. For us, looking forward and acting sustainably is an integral part of our activities. We take our responsibilities to our customers and employees, the environment and society very seriously, and this is illustrated by the wide variety of activities on which we report. We believe that bringing economic, environmental and social interests into harmony will create added value for our company and for society in general.

Our Group-wide corporate responsibility strategy is guided by the Sustainable Development Goals (SDGs) that were adopted by all member states of the United Nations in 2015. Climate change represents a key challenge for our society. As insurers, we are already seeing today an accumulation of windstorms, intense precipitation events and floods, with serious consequences for our business.

For that reason, the main focus of our social commitment is on promoting adaptation to climate change and mitigating its consequences. Together with Munich Re, we promote international afforestation projects and support start-ups with innovative business ideas on climate protection. At our company sites, we become involved as a helpful neighbour in various social projects – offering financial assistance, with volunteer work by our employees, or in the form of our digital expertise.

We integrate sustainability into our core business and stand by the voluntary commitments we have made with our parent company, Munich Re. These include the UN Global Compact, the Principles for Responsible Investment (PRI), and the Principles for Sustainable Insurance (PSI).

To keep our company on course for long-term success, we consistently exploit opportunities from digitalisation and constantly refine our products and services. In our own business operations and in our commitment to sustainability, we rely on the forward-looking management of risks.

In our core business, our experts test newly developed products for economic, environmental and social criteria, or take these into account when underwriting risks. We invest capital in a sustainable and environmentally friendly way and, as a major investor, we want to help limit global warming in the long-term in line with the Paris Climate Agreement.

Sustainable management and climate protection are also guiding principles within our own company. For many years, we have been conserving natural resources, and in 2015 we achieved our target of making all of the Group's operations climate-neutral. We offset unavoidable emissions by purchasing carbon certificates. We will continue to apply our environmental management consistently and constantly strive to improve our ecological footprint.



Dr Markus Rieß,
Chief Executive Officer,
Chairman of the Board
of Management of ERGO
Group AG

For our employees, we create a work environment that promotes performance and increases motivation – for example with flexible working hours, personal development opportunities, and targeted health management. Together, we lay the foundations for the corporate success that enables our commitment to sustainability.

On the following pages, you can read about how we put into practice our corporate and social responsibilities. Our sustainability programme highlights the next steps we intend to take on this road.

We would be pleased if you could find time to read them and welcome any feedback, critical comments or suggestions!

Best regards,


Markus Rieß





Governance

- Responsible corporate governance
- Digital transformation
- Data protection
- Human rights



At the core of all we do: responsible corporate governance

Changing customer needs, the digitalisation of every aspect of life and work and the emergence of new risks – these are all complex challenges that are rapidly changing our business. At the same time, technological advances are opening up new and interesting opportunities to reach customers and offer them customised insurance. Driving forward the digital transformation of our Group is therefore a key focus of our corporate strategy. In everything that we do, we act on the basis of common values, respecting the rights of others and handling the data entrusted to us with care and attention.

Responsible corporate governance

> GRI 102-12, 102-16, 102-18, 103-1, 103-2, 103-3, 205-1, 205-2

ERGO believes that good governance is an essential prerequisite for sustainable value creation. Our key principles and convictions apply for all our employees and form the framework for our sustainable actions.

Our five core principles

- Our core business is the management of insurable risks – we strive for excellence in risk management, underwriting and active risk diversification.
- We base our actions on our clients' and sales partners' needs, and offer them the best possible solutions – through our knowledge, our innovative power, and close cooperation.
- We manage our Group in a disciplined and value-oriented way – matching our investments to our liabilities and applying consistent capital management.
- We use the management potential and knowledge within the Group by promoting diversity, flexibility and a unifying leadership culture.
- Our responsible conduct creates sustainable value – for our clients, staff members, shareholders and society.



Having clear rules of conduct for employees and sales partners strengthens the level of trust in ERGO and protects staff and customers against breaches and their consequences. For this reason, we have supplemented the applicable laws and external regulations with in-house Codes of Conduct for employees and sales staff. These set out binding rules for what we believe constitutes ethical business conduct. External service providers are required to sign an anti-corruption agreement and observe the principles of the UN Global Compact.

We also observe the voluntary commitments we have made with our parent company, Munich Re. These include the UN Global Compact, the Principles for Responsible Investment (PRI) and the Principles for Sustainable Insurance (PSI).



Signatory of:



These sets of rules supplement specific guidelines on various topics, such as dealing with corruption and other economic crimes. The ERGO Anti-fraud Management Guideline includes principles and rules on preventing, uncovering and investigating economic crimes. As is the case with all our guidelines, the anti-fraud regulations are reviewed at regular intervals and updated as required.

ERGO sets minimum standards for implementation of the guidelines in the international Group companies. In the year under review for example, we published a minimum standard for our international subsidiaries on the subject of combating money laundering.

Central business unit monitors compliance with regulations

The Group Compliance Unit monitors compliance with Compliance guidelines and the various sets of rules, and is the point of contact for reporting breaches of the law and other serious breaches of regulations within the Group. As Chief Compliance Officer, the head of the unit reports directly to the responsible member of the ERGO Group's Board of Management. In the different international companies, local Compliance Officers work in accordance with local regulations and Group requirements. They report to local management and inform the Group Compliance Unit once every quarter, or on an ad hoc basis when necessary.

The Reputation and Integrity Committee (RIC) is an assessment and escalation panel. It is responsible for coordinating the standardised investigation and sanctioning of material breaches of external and internal regulations within the ERGO Group, including its subsidiaries. The aim is the standardised assessment of (business) situations in the ERGO Group and its subsidiaries that could potentially involve or constitute reputational risks. The members of the RIC – who are the heads of different corporate units, such as Compliance, Risk Management and Communication – meet once a month, or more frequently as and when required.

Systematic and comprehensive risk analysis forms the basis for our Compliance Management System. The Group Compliance Unit assesses the relevant risks in the German business divisions using a standardised method, and involves the experts responsible within the Group. The results of the assessment are incorporated into the regular reports to the committees. The same is true for the local compliance functions at the international subsidiaries.

Various ways to report breaches

Compliance breaches are recorded in different ways. Firstly, in addition to the reports from the international Compliance Officers, the Group Compliance Unit conducts a regular survey of in-house and sales staff in Germany. Employees in Germany and abroad are also able to confidentially contact either a staff member in the Compliance Unit, or in the (local) compliance unit responsible, or approach an independent external ombudsman. They can also report breaches to their direct superior or to other independent units within the Group.

Employees and external third parties – such as customers and suppliers – can additionally report suspected breaches on the **ERGO whistle-blowing portal**. The whistle-blowing platform can be accessed on the intranet, or publicly through our website, and can also be used by our international companies since 2019. Each report is investigated by the Group and, if necessary, penalties are imposed. The Group Compliance Unit looks at how guidelines and processes within the Group can be improved.

Regular training

All employees and managers in the German sales and in-house staff undergo regular training with the aim of preventing compliance breaches. In mandatory online compliance training on the Code of Conduct, employees learn about the five core principles for our activities. Training seminars on the Code of Conduct are also held at the international subsidiaries.

Digital transformation

We are counting on the opportunities presented by digitalisation to meet the expectations of our customers and ensure the Group remains successful over the long term. Our customers want to be insured according to their individual needs, and expect excellent support. We meet these wishes by providing customised, flexible products and services that are easily available on various channels, both offline and online.

To this end, we make use of artificial intelligence, machine learning and data analysis to optimise our processes and develop new and innovative products. We support digital transformation through the introduction of new working methods in the Group, which steadily improve the speed of implementation and make a positive change to the corporate culture.

Special business segment drives transformation

Digital transformation is managed by ERGO Digital Ventures, led by our Chief Digital Officer. Digital Ventures bundles together various units, whose scope of responsibilities extends from brainstorming ideas and implementation to the sale and marketing of digital solutions.

In the business area of advanced analytics, our experts develop special algorithms that we use to improve Group processes for our customers. The Robotics Competence Centre combines expertise and resources on the subject of intelligent automation at ERGO. The software robots they develop (known as bots) act as digital assistants supporting ERGO employees. A separate organisational unit called Voice & Conversation is developing language assistants that have been well received by customers. Our Alexa-Skill, for example, which customers can use to take out medical travel insurance, won the German Excellence Award in the year under review.

ERGO Digital Lab investigates trends in the field of new technologies for use in the insurance sector (insurance technology, insurtech for short) for their relevance and business potential for ERGO. In the Digital Factory, project teams of experts from different disciplines work with agile methods on the digital refinement of insurance business, for example for digital claims settlement.

More than
50 active bots
process over
50,000 transactions
per month



Three questions for Fabian Stolz,

Head of the Robotics Competence Centre,
ERGO Digital Ventures

What exactly are bots?

Bots are software robots that work as digital assistants, helping our staff. They handle simple routine tasks and automate our processes. This means our staff have more time to deal with complex customer concerns, and our customers are more satisfied as a result.

How do bots assist staff with claims processing?

Let's take hail damage as an example, which affects a large number of customers at the same time. Our hail bot automatically collects all the claim notifications, checks the loss and contract data, and commissions an automotive expert or a partner workshop. This allows claims to be processed faster.

What are the latest developments in the Robotics Competence Centre?

We are currently working on improving cooperation between bots and artificial intelligence. This has already allowed us to improve checks for hospital daily benefits.

The pioneering products on the **innosure.me** platform and the digital motor insurer nexible are extending our product range with innovative digital insurance solutions. For example, nexible is becoming more firmly established as ERGO's entirely digital insurance provider. At **innosure.me**, we bring product innovations to market quickly and easily to test whether there is a demand for them.

With its partners, ERGO Mobility Solutions is helping to shape the mobility of the future. Among other things, it paved the way for a participation by the Group in Ridecell, a platform provider of mobility services. Car manufacturers, mobility providers and fleet operators can launch their own ride- and car-sharing services on the platform and optimise the utilisation of their vehicles.

Using opportunities responsibly

Artificial intelligence (AI) offers great potential to improve products and services. At the same time, we are aware of the fact that the growing range of applications may also harbour risks. We are committed to using data responsibly. Accordingly, we have defined in-house **guiding principles** specifying how we use artificial intelligence and the data underlying it. In developing AI applications, we are guided by the principles in our Code of Conduct, while also making allowance for social factors. At the same time, we are committed to exercising the utmost care and to applying strict data protection standards when handling data.

Our aim: to get staff enthusiastic about digital innovation

ERGO is convinced that digital transformation can only succeed in the long term if there are changes in our way of working and corporate culture. We therefore systematically promote agile working methods within our broad range of training opportunities. We want to generate enthusiasm for digital innovation among our employees with different offerings, such as with the training format digital.compact on various digitalisation topics, or through events like digital.morning. In the latter event, every month our Chief Digital Officer discusses a digital and transformation topic at ERGO with internal and external experts, and the discussion is live-streamed. In the year under review, we also launched the programme transformation@ergo, which informs employees about the digital working environment. The co-determination bodies are supporting the change process.

Data protection

> GRI 103-1, 103-2, 103-3

When we insure them, many of our customers entrust us with their personal data. Protecting this data is a high priority at ERGO. We collect data in a transparent way and only to the extent that it is required for the particular purpose. In-house guidelines and voluntary commitments by the industry supplement the implementation of legal requirements.

The Data Protection Guideline regulates the handling of all personal data processed by ERGO. A number of other guidelines on the subject of data protection supplement and expand on these regulations. This helps us ensure a high and standardised level of data protection across the different organisational units. We set out measures in this context in our data protection and information security concept.

Questions or complaints from customers on the subject of data protection in Germany are processed by the organisational units responsible. The ERGO Data Protection Officer and the data protection team assist employees in this area and advise them on data protection issues. The relevant local data protection regulations in each case apply for the international Group companies, with the General Data Protection Regulation also applying within Europe. The respective company's management is always responsible for compliance with data protection regulations.

Ongoing training for all employees

Employees receive regular training to ensure consistent compliance with data protection requirements. Measures to sensitise staff to the importance of data protection include mandatory online training on the safe handling of information and the safe use of technology. Posters, flyers and other publications further advise employees on how to handle data responsibly.

ERGO also provides regular training on IT security and employs a range of descriptive information formats to heighten awareness of the importance of data protection and data security. For example, ERGO organises live hacking sessions, in which IT security experts demonstrate how internet criminals illegally access data. The range of media and activities is being constantly added to, for example with tips, puzzles and videos that are provided to all employees.

Human rights

> GRI 103-1, 103-2, 103-3, 412-3, 414-1

Protecting human rights is an integral part of our value-based corporate governance. This commitment is expressed in the Munich Re Policy Statement on Human Rights, which also applies for ERGO. We are committed to the safeguarding of human rights, as set out in the UN Principles on Business and Human Rights, the International Human Rights Charter, the UN Global Compact, and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work.

We have also committed ourselves to the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI).

Upholding human rights within the Group

ERGO pursues targeted measures to protect human rights and reduce the risk of injury. This applies for our insurance business and investments, and equally so for procurement and with respect to employees.

In keeping with our commitment to the Principles for Sustainable Insurance (PSI), we have enshrined the observance of environmental, social and governance (ESG) criteria as a standard element of our development process for new products. Similarly, the underwriting of risks and investment decisions incorporates a systematic assessment of ESG criteria, including human rights and labour rights.

The Principles for Responsible Investment (PRI) and the Group-wide Responsible Investment Guideline form the framework for our sustainable investment approach in conformity with human rights standards.

↳ Sustainability in business

ERGO expects external service providers to share these values. Accordingly, before any commissioning, each service provider must complete a self-disclosure form, undertake to comply with the Global Compact Principles, and sign our anti-corruption agreement.

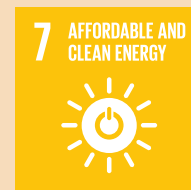
Suspected or verified violations of human rights constitute violations of our Code of Conduct. They can be notified by those affected internally or externally using the different reporting channels, such as the **ERGO whistle-blowing portal** on the internet.

↳ Responsible corporate governance



Sustainability in business

- Customer focus and customer satisfaction
- Sustainable products
- Sustainable investment



Long-term perspectives: sustainability in business

We support our customers in every phase of life. In doing so, our role is to estimate and assess present and potential future risks, and most importantly, to protect against them. We maintain a consistent focus on the needs of our customers and make allowance for environmental and social factors in our business operations.

Customer focus and customer satisfaction

> GRI 102-12, 103-1, 103-2, 103-3, 417-1

The foundation for our business operations is a close customer relationship. This is because customers who are satisfied with our services remain with ERGO and recommend us to others. The better we know the needs of our customers – whether they be personal or business needs – the more tailored the products we can offer them for their personal security and to provide for the future. For this reason, we engage in constant exchange with them and place great importance on ensuring the high quality of advice provided by our sales agents.

We are constantly expanding our digital range to allow our customers to access our products and services as conveniently as possible, and make every effort to ensure they can do so intuitively and efficiently, either online or offline. Our goal is to provide them with a seamlessly integrated customer experience. At the same time, we emphasise clear communication, high-quality advice, transparent and easily accessible products, and a range of feedback options.

Feedback ensures improvement

Customers can help shape the Group with their suggestions or criticisms as participants in our online community, the ERGO Customer Workshop, or in the ERGO Customer Advisory Board, as well as through direct exchanges on our many social media platforms. We also make use of a user experience lab to obtain direct feedback on new products or on our online presence. Our Market Management Unit conducts

systematic customer surveys at various contact points. In addition, individual customer complaints are recorded and evaluated. All the different forms of feedback create the basis for making improvements in the various areas.

We value comprehensibility and clarity to ensure our customers know exactly what services and benefits they obtain from us. To this end, with the help of external experts, we have developed our own standards for comprehensibility, and have revised our letters, contract documents and product information accordingly. Furthermore, by using in-house software that incorporates the comprehensibility requirements, our employees are able to check wordings and expressions for comprehensibility and obtain suggestions for improvements.

9,623

interviews and 29 surveys conducted in the ERGO Customer Workshop

High quality standard of advice

Our sales company, ERGO Beratung und Vertrieb AG, manages our sales activities in Germany. More than 7,500 full-time self-employed sales agents offer insurance, retirement products and related services, advising customers according to their individual needs. We provide our sales agents with the technical tools they need to provide our customers with the best possible insurance solutions. In Germany, they advise customers using a standardised advisory approach (“ERGO Kompass”), which records individual needs and preferences, thereby ensuring a high quality of advice is provided across the board.

Professional training of our sales forces, too, is of prime importance at ERGO. Our sales agents can take advantage of a wide range of training courses to improve their service expertise and advisory competence. ERGO has adopted the Code of Conduct for selling insurance products of the German Insurance Association and also participates in the association’s initiative for advanced training for insurance agents in Germany.

Our in-house sales staff and self-employed agents spent

31,206

days on advanced training.

our customers on products, sales and services. Customers are interviewed after signing their insurance contract, and the independent service provider then reviews and posts the assessments. In 2019, we received over 650,000 customer reviews.

Sustainable products

> GRI 103-1, 103-2, 103-3, 203-1

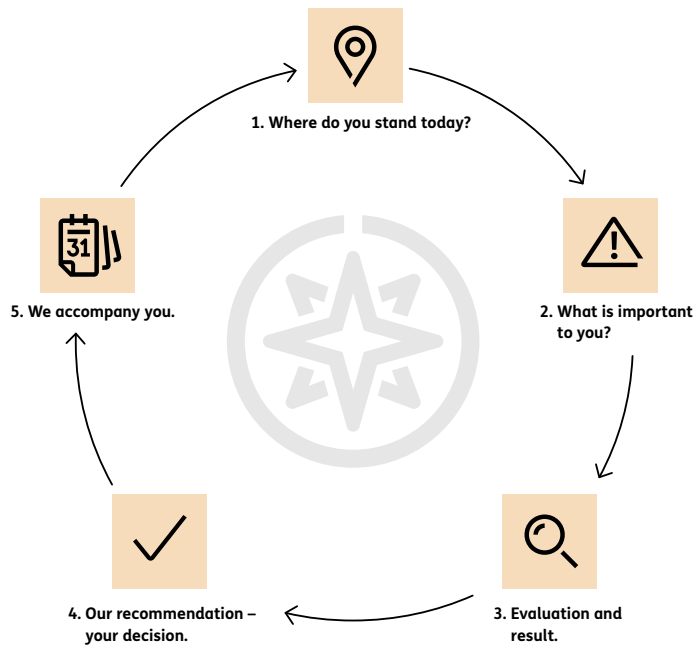
Our range of insurance solutions addresses the needs of our customers and offers responses to changes and developments in society. As an insurer, we are directly affected by the challenges posed by climate change and the damage from climate-related natural disasters. At the same time, both renewable energy and technological developments are offering new business opportunities that we are seizing.

We factor in sustainability aspects when designing our products as well as when underwriting risks. We offer insurance protection that meets social criteria and we support consumers in the pursuit of a sustainable lifestyle.

Systematic integration of sustainable aspects

We are committed to the Principles for Sustainable Insurance (PSI) and our Code of Conduct sets out the requirement for all employees to observe the ESG criteria for sustainable management. Consideration of these requirements is a fixed component for the development of products in our tariff business. They include environmental protection,

ERGO’s standardised advisory approach



In 2019, ERGO products and services in Germany received 85 good to very good assessments from independent journals and rating agencies.

ERGO regularly hires test customers to check the quality of our advice. A separate Code of Conduct for our self-employed sales agents sets out all the values we believe should form the basis for a trusting customer relationship and successful cooperation between the Group and the sales agents.

External ratings and assessments underline the quality of our products. In cooperation with an external service provider, on our website we openly publish feedback from

the upholding of social standards, and responsible corporate governance. At locations with certified environmental management, the organisational unit responsible additionally assesses the impact of our products and services on the environment.

What are ESG criteria?

ESG stands for environmental, social and governance criteria. These describe sustainable targets and encompass, for example:



- Environment: lowering carbon emissions, reducing resource consumption and preventing environmental damage.



- Social sector: the upholding of human rights and labour rights, equality, health protection.



- Governance: responsible corporate governance, dialogue with interest groups, transparent reporting.

ERGO also takes into account ESG criteria in its risk assessment and risk evaluation in individual underwriting processes. Our underwriters for the different business lines are guided by various position papers as well as

underwriting guidelines for particularly sensitive topics, such as fracking or mining. The position papers and guidelines are reviewed at regular intervals, and new issues are added when necessary.

We expressly do not insure certain sectors. For example, a Group-wide guideline ensures that ERGO will not insure any companies that manufacture, trade in, or transport banned weapons (cluster munition or land mines). In addition, we have decided as a Group that, with a small number of exceptions, we will no longer insure the construction or operation of new coal power plants or coal mines. In 2019, a Group-wide exclusion was implemented for the extraction of oil sands and infrastructure related to this activity.

The Reputation and Integrity Committee (RIC) at ERGO deals with the evaluation of reputation-related risks from our business including risks arising from ESG criteria. At the request of the Board of Management or of individual business units, the RIC carries out an objective and standardised assessment of a particular issue and recommends appropriate and standardised measures to those responsible to deal with the particular case.

Environmental protection, green energy and more

With our products and services, we support customers who wish to live sustainably. For example, ERGO offers the Electro Plus module in motor insurance for the growing market of electric and hybrid vehicles. Customers in Austria benefit from special bicycle insurance that is valid throughout Europe.

Under our third-party liability insurance, we insure companies against environmental damage, and also offer them advice on ways to prevent damage. Our insurance for residential buildings covers environmentally friendly renovations. Customers who want to make their house and home storm-proof before bad weather arrives can make use of our SMS storm warning service. Consumers can find all sorts of tips on environmentally friendly living on our website.



ERGO labels products with sustainable elements with a special icon. In this way, customers can identify sustainable solutions at a glance.

ERGO supports the shift to renewable energies with its insurance covers for photovoltaic and solar installations. These also cover lower returns in periods with less sunlight. We also insure damage to wind energy, hydroelectric power and biogas systems.

For us, sustainable management also means developing expedient solutions for new risks. ERGO cyber insurance, for example, offers business customers protection against the financial consequences of viruses, loss of data and other online risks. Our **DAS cyber bullying insurance** in Spain helps young internet users and their parents deal with virtual harassment, bullying and identity theft.



At our Spanish health insurer, DKV Seguros, families can obtain basic healthcare cover for up to eight members of a family against payment of an attractively priced monthly premium.

Sustainable investment

> GRI 103-1, 103-2, 103-3

We are convinced that sustainable investment reduces risks in the long term. Our aim is to be in a position where we can meet our obligations to our customers at any time. Accordingly, all decisions are subject to strict security requirements, with consideration also given to ESG criteria when selecting investments throughout the Group. We contribute to protecting the climate through our investments in future technologies, renewable energies and sustainable infrastructure.

Systematic integration of sustainable criteria

The Chief Investment Officer is responsible for investment management at Munich Re – and therefore also at ERGO. The bulk of the Group's investments – in both primary insurance and reinsurance – is managed by our joint asset manager, MEAG.

We are committed to the Principles for Responsible Investment (PRI). This initiative aims to improve the understanding of the impact of investment on ESG criteria, and to support the signatories in integrating sustainable aspects into their investment decisions.

Facilitating access to insurance cover

In India, the German-Indian joint venture HDFC ERGO markets microinsurance policies in rural areas that include health, personal accident and fire microinsurance covers. The products are tailored to the financial situation and living

conditions of local people. In 2010, at the request of the Indian government, HDFC ERGO became the first private insurance company to launch a weather insurance policy for crop failures, aimed primarily at small farmers. Since 2018, the company has also been offering an attractively priced daily hospital benefit insurance for low earners.



Three questions for Anke Schaks,

Head of ERGO's Investment Products
division and Managing Director of MEAG

Why does ERGO offer sustainable investment products?

We want to allow our customers to use the benefits of our sustainable investment strategy for their personal wealth creation as well. For example with the MEAG Sustainability equity fund or the MEAG FairReturn mixed fund, both of which invest in securities and shares from companies that act responsibly.

Which customers would be interested in these products?

All customers who would like to invest with a clear conscience, but do not want to give up on good return opportunities. Investment based on sustainable criteria can reduce risks in the long term.

If customers make a sustainable investment, do they have to make a sacrifice in terms of yield?

Our experience and the findings from many independent studies show a positive correlation between sustainable investment strategies and positive yields. You can achieve attractive capital growth with funds that take social and environmental criteria into account when investing capital.

The Group's Responsible Investment Guideline provides the framework for our sustainable investment strategy. A comprehensive control system ensures that we can meet our obligations towards our customers at any time and over the long term.

Management of our investments is based on three pillars:

1. Systematic integration of ESG criteria
2. Renewable energy technologies
3. Defined exclusion criteria

To ensure investments are selected systematically based on ESG criteria, we rely on data from MSCI, a leading provider of sustainability analyses and ratings. Our goal is to invest capital across all investment categories as sustainably as possible. In 2019, this was achieved for more than 80 percent of the entire Munich Re portfolio.

MEAG asset managers receive special training on ESG requirements. They work continually to improve the integration of ESG criteria across all forms of investment, in order to further increase the total share of sustainable investments. In addition, we support the shift to renewable energies through targeted investments, and are increasingly investing capital in international infrastructure projects, such as solar power systems and wind parks.

Through MEAG's professionally managed funds, we also enable our customers to invest directly in companies that pursue long-term and responsible management policies, such as the MEAG Sustainability, MEAG FairReturn and MEAG EM Rent Sustainability funds.

Clear exclusion criteria

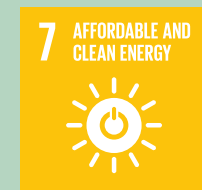
The guideline also sets out what topic areas cannot be considered by us for investment. For example, the Group has decided to no longer invest in companies that manufacture, sell or transport banned weapons. Also excluded are investments in raw materials that serve as food. Similarly, we do not invest in companies that generate more than 30 percent of their revenue from the extraction of coal, or from its use for electricity generation, or in companies that generate more than 10 percent of their revenue from the extraction of oil sands. Specific position papers and checklists apply for a range of other sensitive topic areas, such as fracking or the purchase of land used for agriculture.

With Munich Re joining the "Net-Zero Asset Owner Alliance" in January 2020, we have committed ourselves to reducing carbon emissions from our investment portfolio to net-zero by 2050. By doing so, we want to do our part to limit global warming to 1.5 °C.



Environmental and climate protection

- Climate-neutral business operations
- Raising environmental awareness



Environmental and climate protection: our ecological footprint

For ERGO, sustainable protection of our environment and climate represents an investment in the future. In particular, the challenges posed by climate change and rising claims directly affect our business. For this reason, as a company we want to contribute to environmental and climate protection, the conservation of resources and the maintenance of ecosystems. We also implement these targets in our operations through Group-wide environmental management.

Climate-neutral business operations

> GRI 103-1, 103-2, 103-3, 303-1

As a financial services provider, our direct impact on the environment is limited, since our business model is not energy- or resource-intensive. We become involved in areas where we can have a tangible and beneficial influence, and make every effort to keep carbon emissions as well as energy and resource consumption as low as possible. We offset unavoidable CO₂ emissions by purchasing carbon certificates. Since 2015, the entire Group's operations have been climate-neutral, thereby making an active contribution to climate protection.

ERGO has already exceeded the Group-wide target of reducing its 2009 level of carbon emissions by 35 percent by 2020.

Carbon emissions per employee were reduced by

48.3

percent since 2009.

Group-wide environmental management

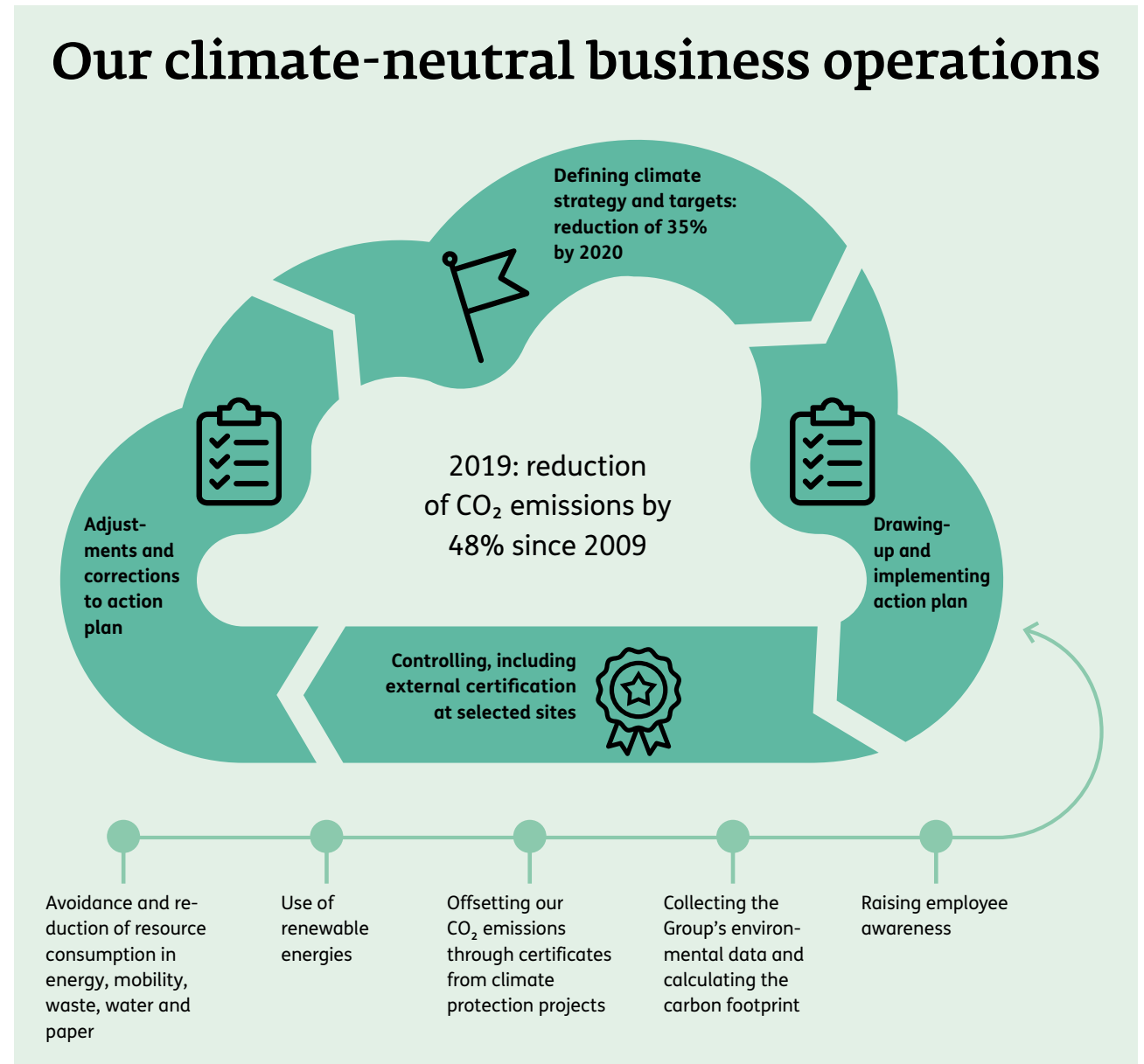
Since 2010, we have had our own Environmental Guidelines, in which we acknowledge our responsibility for protecting the environment and climate, and commit to actively promoting environmental awareness among our workforce of about 27,000 employees.

Since 2012, ERGO has been monitoring, recording and assessing the Group-wide environmental and climate protection strategy using a binding, standardised management system. In addition, our major locations in Germany and Spain have ISO 14001 certification from an independent environmental auditor. 45.8 percent of our employees work at locations that meet the strict standards for ISO 14001 environmental certification.

We calculate our carbon emissions from energy, paper and water consumption, business trips and waste generation on an annual basis. In this way, we determine our ecological footprint in accordance with internationally recognised methods and conversion factors, such as the GHG protocol. We are also developing measures to reduce the consumption of resources even further.

At our ISO 14001 certified locations, we draw up comprehensive environmental programmes in the form of targets and measures catalogues. These incorporate key environmental aspects of products and services, and the environmental impact of business operations.

The General Services division is responsible for the Group-wide environmental strategy and the environmental management system. Environmental managers in the division prepare the environmental strategy, under which the responsible units independently develop and implement measures. The environmental managers provide them with advice and monitor the measures as part of environmental management. Depending on the size of the international companies, local environmental managers are responsible for achieving the goals and realising the associated measures.



Offsetting our carbon emissions with certificates from climate protection projects

The operations of the ERGO Group have been made climate-neutral since the end of 2015. After deducting green electricity, we offset unavoidable CO₂ emissions by purchasing carbon certificates. In 2019, we purchased certificates for 58,205 tonnes of carbon dioxide. When selecting certificates, we place importance on ensuring that, as well as avoiding greenhouse gas emissions, there are also positive effects for the local population and infrastructure. In the year under review, we have supported the following projects in this way:

Promoting the use of energy-efficient stoves for the Kampala region, Uganda

Up to 50 percent less fuel is required through the use of energy-efficient stoves instead of traditional open fires.

The stoves also reduce indoor smoke pollution, helping to keep people healthier. Users save money, and both the rate of deforestation and the volume of harmful emissions are reduced.

Wind power plant for the Shandong province, China

The 33 wind turbines in Shandong province provide up to 100,000 megawatt hours of clean electricity per year, enough to power 76,500 households. The wind farm not only creates new jobs, but also helps reduce greenhouse gas emissions and air pollution.



Energy-efficient technology and conservation of resources

In the year under review, we managed to further increase the proportion of green electricity at our international locations and expand data collection. Group-wide, we procured 70.7 percent of our electricity needs during the year from renewable energy sources (2018: 67.4 percent). We want to increase this share as much as possible.

Over the last few years, we have specifically invested in energy-efficient building technologies, such as LED lighting and more efficient rinsing technology, to reduce the consumption of electricity and water. At our Düsseldorf and

Cologne locations, electricity, heating and cooling is provided by energy-efficient thermal power stations and fed into the office buildings over a short distance.

We reduce IT energy consumption by replacing devices at regular intervals. Paper consumption is being reduced by increasing digital communications. Likewise, with the purchase of office supplies, we count on environmentally friendly products. These are specially highlighted in the office supplies catalogue. In 2019, eco-friendly products made up 60.6 percent of order value from the catalogue.

Business trips are avoided where possible and replaced with telephone or video conferences. We are gradually

converting our vehicle fleet to fuel-efficient models. All drivers of our company cars in Germany have to take an eco-driving course to learn ways to save fuel. We promote electromobility through the gradual expansion of a charging infrastructure for electric cars at several locations. Some facilities can also be used by the general public.

We promote climate-neutral cycling to work by providing the appropriate infrastructure, such as covered and lockable parking areas for bicycles, repair sets, solar pump, showers and changing rooms, and we encourage drivers to form car pools. We also offer employees in Germany attractive conditions to lease bicycles.



Three questions for Martina Ermecke,

Head of ERGO Mobility Management
Germany

What climate benefits come from measures taken by ERGO in the area of mobility?

Each driver of a company car takes our eco-driving and driving safety course. The economical driving techniques they learn have led to 20 percent less carbon emissions than before. We are gradually converting our vehicle fleet to alternative and fuel-efficient models.

What role does electromobility play at ERGO?

Its role is becoming more and more important. In Germany, we currently use 21 fully or partially electric company cars, and we are in the process of ordering more. By the end of the year, we will have equipped all our locations in Germany with the necessary charging infrastructure.

What are ERGO Mobility Management's plans for the future?

In the future, we want to integrate more new mobility services and technologies. Among other things, ERGO plans to expand car-sharing to business trips, with a primary focus on electromobility.

Raising environmental awareness

> GRI 103-1, 103-2, 103-3, 303-1

Each individual employee is asked to help reduce the consumption of resources within the company – by saving energy, paper and water, and avoiding waste and business travel wherever possible. At events and on the internet, we inform employees about environmentally friendly behaviour, and we organise action days on selected topics. In November 2019, we staged a Group Data Delete Challenge to delete data that was no longer required, with the aim of sensitising employees to the fact that data storage uses electricity and generates carbon emissions.

At our locations in Austria, mobility and plastics were the focus topics at the 2019 ERGO Environment Day, at which employees were able to try out e-bikes and e-scooters.

In the staff catering facilities, disposable dishes have been replaced with reusable crockery. In addition, as part of the European Mobility Week campaign, employees made their journey to work carbon neutral as often as possible. In 2019, many of our employees again participated in the similar City Cycling campaign in Germany.

In the company canteens in Germany, ERGO offers climate-friendly menus each week, featuring regional products. External parties can order meals at low cost using a food-sharing app, thereby helping to reduce food waste.

We also sensitise our customers, and consumers in general, in various ways to environmentally friendly behaviour, for example in the advice columns on our website and on the ERGO social media channels. Since 2019, a special ERGO environmental expert has been giving consumers regular tips on environmentally friendly and climate-friendly behaviour.



In a Group-wide challenge in 2019, employees in ten countries deleted digital files that were no longer needed in order to save energy and reduce CO₂ emissions.



Employees

- Staff promotion
- Diversity and equal opportunities
- Work-life balance
- Health and occupational safety



Our employees: driving our success

Highly qualified, motivated staff and managers are the foundation of our corporate success. ERGO continuously invests in further training and talent development in order to make the best possible use of their expertise, motivation and willingness to innovate. At the same time, we promote diversity and equal opportunities, while also safeguarding health and occupational safety.

In this way, we create attractive conditions for some 38,000 employees and self-employed sales agents worldwide, offer personalised development options, support the reconciliation of work and family, and promote independent working. ERGO places particular importance on respectful interaction.

Staff promotion

> GRI 103-1, 103-2, 103-3, 404-2

Because demographic trends are exacerbating the shortage of specialist staff, and as demands in the work environment grow ever more complex, it becomes increasingly important for companies to secure and retain qualified staff. At the same time, as a pioneering Group, ERGO wants to promote digital change in the industry while steadily developing

its staff's digital competence. To secure the innovative and competitive ability of our Group over the long term, we systematically promote staff as required, and attach great importance to developing management potential.

Safeguarding the future with training and education

We offer career prospects for young people in the form of qualified commercial training in various areas, ranging from insurance and finance to e-commerce, along with various options for dual studies.

ERGO held its first digital training fair in the year under review with the aim of attracting interested applicants to the Group. The Group again took part in the national Girls' and Boys' Day, which gives

schoolchildren an insight into the different career paths at ERGO. In addition, the Group takes part in the "Fair Company" initiative, which promotes paid internships and good starting conditions for university graduates.



Our employees and sales agents in Germany can keep up to date with the latest trends thanks to a comprehensive training programme on a wide range of topics. What is known as a blended learning approach is supplemented with digital forms of education; our e-campus is a popular learning platform with a range of e-learning modules.

876
trainees underwent
professional training
at ERGO in Germany
in 2019.



Three questions for Jeroen van der Sman,

Head of the Agile Transformation department

What does agile working mean?

The term “agile” applies to a bold new mindset at ERGO, one that is characterised by customer focus, flat hierarchies and an open corporate culture.

How does ERGO convey the concept of agile working to staff?

During the transition to the “new way of working”, ERGO for instance uses cross-functional teams in the Digital Factory that operate independently. The role of the line manager is increasingly becoming that of a coach and motivator.

How do customers benefit from agile work processes?

Thanks to leaner decision-making processes, we can develop and offer new products and services more quickly. And we directly incorporate different perspectives and can tailor our product range more closely to our customers’ needs.

In Germany, in cooperation with employee representatives, ERGO launched the programme “transformation@ergo – Fit for the new work environment”. This trains staff for the digital transformation according to their individual needs. The broad range of services includes self-assessment using the “digi-check”, tool boxes for agile working, and training courses on digital leadership.

The organisational unit Global HR sets the Group-wide framework for in-house training and education, while the measures are independently implemented by the various ERGO national subsidiaries. In Germany, the Training and Education department develops appropriate courses for staff, while independent sales agents receive ongoing training through the Group’s own virtual academy, with the focus areas being service and advisory competence, alongside business training for insurance agencies.

The talent of tomorrow

Finding and developing top managers for both sales and in-house staff represents a key investment in the future. As part of our talent management programme, suitable junior managers are selected by a development assessment centre and prepared for future management responsibilities with a range of qualification tasks. From 2020, with the new “Grow” programme for in-house staff, the talent management programme will be extended beyond disciplinary management functions. Since 2019, the ERGO Board of Management has been selecting highly qualified candidates to participate in the ERGO Leadership Programme for especially challenging tasks in top management. It promotes the programme in cooperation with the London Business School.

All business fields at Munich Re collaborate on the EXPLORE trainee programme to systematically attract international talent to the Group. The programme offers a broad range of interesting insights into a Group with global operations. Through the ERGO Centre of Excellence in Insurance, which operates in cooperation with the Technical University of Munich, ERGO promotes practical training for actuaries. The ERGO mentoring programme was specially developed to foster the development of women in management positions.

Diversity and equal opportunities

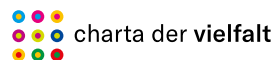
> GRI 102-12, 103-1, 103-2, 103-3

Our Group benefits from the wide range of experience, different mindsets and varied qualifications of our staff. And we encourage this diversity. We promote the individual strengths of our staff, are increasing the proportion of women in management positions, and integrate people with disabilities on equal terms.

In this context, we focus on the various life phases of our employees, and in particular on three different objectives: “creating freedom”, “promoting development”, and “staying healthy”. This allows us to shape a corporate culture of diversity, which underpins our reputation as a fair and attractive employer.

Principles for respectful interaction

ERGO is committed to the ten principles of the **United Nations Global Compact**, and to respect for international human rights and labour rights. Furthermore, as a signatory of the German **“Charta der Vielfalt”** (Diversity Charter), ERGO is committed to creating a work environment that is free from prejudice and exclusion. Our employees should be respected equally, regardless of gender, nationality, religion, disability, age, sexual orientation or identity.



Our Code of Conduct sets out the standards of behaviour expected from all employees at Munich Re, and therefore this applies for ERGO as well. Interactions between employees at all levels within the Group should be characterised by mutual respect, with no toleration of discrimination, harassment or insults. Employees who feel they have been discriminated against can contact an external independent ombudsman. Violations are not tolerated, but are properly investigated and penalised. In addition, a diversity policy sets out general principles for dealing with the individual diversity of employees.

Promotion of equal opportunities and diversity

ERGO plans to increase further the number of women in management positions. In the year under review, this was at 38.3 percent across the Group, while the figure in Germany was 28.4 percent. Female in-house staff employees in Germany with management potential are systematically promoted through the ERGO Mentoring Programme, which was held for the ninth time in 2019. As part of the programme, a special project group networks “women in sales” to support their career advancement within the sales forces. In the year under review, ERGO was again awarded the “top4women” seal of approval. This award recognises that women in the Group are supported and assisted in terms of their professional development. An Equal Opportunities Officer sensitises HR Officers at all locations in Germany to the subject of equal opportunities.



ERGO is committed to integrating people with disabilities on equal terms into everyday working life in the Group, and a special Group Works Agreement records how their concerns are addressed in Germany. ERGO’s Representative Body for Disabled Persons implements systematic integration measures to ensure that the colleagues in this category receive the support they need.

On the international front, the two “Integralia” company foundations at DKV Seguros in Spain and ERGO Hestia in Poland help people with disabilities to enter the labour market, and provide workplaces that are specially adapted for disabled employees. Both companies also actively focus on recruiting employees with disabilities, with the aim of promoting their long-term integration into the labour market.

There are various employee networks bringing together people who share a common interest, allowing them to establish contacts, exchange information, and initiate changes together. For example, the year under review saw the establishment of pride@ergo, a network of employees who are lesbian, homosexual, bisexual, or transgender. All networks are independently organised by employees and are supported and coordinated by the Diversity Team.

During the year, ERGO also organised an International Diversity Day for employees to increase awareness of the value of diversity among people in the Group. In a series of videos that were presented in connection with a Digital Diversity Map, along with a wealth of additional information, colleagues from 17 ERGO countries talked about their work and gave some insights into international diversity within the Group.

Work-life balance

Balancing private and professional responsibilities has traditionally been an integral part of ERGO's corporate culture. We use a range of tools to support our employees with family management, in each of the different phases of life. We aim to make their everyday working life easier and to gain their long-term loyalty to our Group. Satisfied and motivated employees are the foundation for our corporate success, which is why we are steadily adding to our family-friendly HR policy.

The respective measures fall within the responsibility of our Group companies and are locally managed and implemented as required. In Germany, for example, under the Group Works Agreement on better compatibility of work and family, we offer various work and leisure time models. They include temporary part-time work, working from home, sabbaticals, and the option of converting collectively agreed and company bonuses to leisure time. Special reintegration measures assist people returning to work after illness-related absences.

Family management support

In Germany, ERGO has a range of support services for employees with children or other relatives requiring care. For example, we offer childcare facilities in day care centres close to the company, provide parent-child offices on the company premises, and organise holiday care. We also collaborate with service providers who find child minders, au pairs and nurses and provide expert advice to our employees on family matters.

Employees in Germany are also entitled to company parental leave of up to three years if they wish to extend the statutory length of parental leave. They can also be relieved of their work duties at short notice for up to twelve months in order to care for family members. The family phase is followed by a work phase of the same length and employees receive one half of their full salary for the entire period.

Independent audit of measures

All measures in Germany are coordinated by the Management Development Change/Diversity Unit. An independent external review ensures they are constantly refined and improved: since 2002, ERGO regularly undergoes the "work and family" audit. As part of the certification process from the non-profit Hertie Foundation, the services for harmonising work and family and the objectives of the family-friendly personnel policy are also reviewed at regular intervals.



Feedback welcome

ERGO regularly conducts surveys to measure the satisfaction of its employees in 17 different countries. The evaluation is then incorporated into strategic personnel policy planning.

Health and occupational safety

For ERGO, a comprehensive HR policy includes protecting and promoting the health and well-being of employees. Accordingly, programmes on company health promotion and health management are being gradually expanded. ERGO already promotes the health of employees above and beyond statutory regulations, with programmes on topics such as exercise, nutrition, stress management and addiction prevention. ERGO also offers psychological advice on problems in the workplace and personal issues. A wide range of sports and leisure services ensures employees can maintain a healthy balance to their everyday working lives.

Expert advice on health protection in the workplace

The subject of health and occupational safety is regulated in Germany by various Group Works Agreements. Employees in Germany can also consult the ERGO company physicians, who provide support with reintegration measures and help implement the company reintegration management. This has allowed a large number of employees to become permanently integrated in professional life once again. Like our company physicians, the ERGO social workers are bound by a duty of confidentiality. They advise employees throughout Germany with work difficulties or personal concerns.

Our specialists on occupational safety provide tips and advice on topics such as ergonomics in the workplace, escape routes and lighting, physical and psychological stress, occupational accidents, safety in facilities and when handling work equipment. On an international level, the ERGO Group companies are individually responsible for the topic of occupational safety and health protection, based on the specific legal requirements in each country.

Wide-ranging company health management

In 2018, under the slogan “Working together for your health”, ERGO launched a model project for a corporate health management system at two German locations. A detailed analysis phase first evaluated the needs of employees and the current work situation. Based on these findings, the implementation of concrete measures began in the year under review. These included short presentations, muscle strength measurements, and participation in stress-level studies with the aim of strengthening personal health competence. The interactive online platform, Stress-Ex, also provides employees with more in-depth information and various exercises.

As part of its training of sales agents, ERGO offers the programme “Fit for Life” in collaboration with the company health insurance fund, BIG direkt gesund. The programme is specially tailored to Generation Z and the transition from school to working life. Our sales trainees can make use of a virtual health platform on the topics of nutrition and exercise or stress and addiction, and also participate in workshops and challenges.

ERGO sports, one of the largest corporate sports associations in Germany, caters for some 40 different types of sports and special interest groups and provides a sporting balance to work activities. National football and beach volleyball



Sport brings people together across locations, national boundaries and hierarchies: at the finals of the 13th ERGO Cup in Cologne on 14 September 2019, 12 teams from our German and international locations competed for the various trophies on offer. With blue skies and sunshine, the teams all gave their best in two different sports – football and beach volleyball. But despite the determination to win on the part of the 250 participants, the main focus of the tournament was on team spirit and fair play.

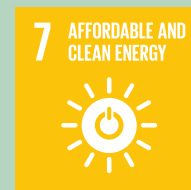
tournaments, alongside international events like the ERGO Cup and the ERGO Sail Challenge, bring together colleagues from different locations and operational units. Employees

with musical or artistic interests can join one of the ERGO bands, the ERGO choir, or become involved in the theatre working group.



Commitment

- Global challenges
- Foundations and local projects
- Employee involvement



Our social commitment: locally and globally

ERGO is committed to promoting community well-being and social cohesion. Our corporate responsibility strategy forms the basis for our actions. With the help of partners, we want to change things for the better to allow us to meet significant global challenges. Through our involvement, we support the United Nations Sustainable Development Goals (SDGs).

Global challenges

> GRI 103-1, 103-2, 103-3

As part of its strategy, ERGO focuses on three global challenges that are closely associated with our core business: mitigating the effects of climate change, improving access to healthcare, and enhancing risk awareness. We promote various social and cultural projects at our different locations, for example through the work of our foundations. Our employees also assist local charities through corporate volunteering work, and we lend a hand in emergencies, for example after natural disasters or during the present coronavirus pandemic.

Standardised Group-wide regulations

We support projects in the three fields of climate change, healthcare and risk awareness on a global scale, and collaborate with recognised partners to develop solutions to social challenges. The organisational unit Corporate Responsibility, which reports to the Chairman of the Board of Management, has Group-wide responsibility for managing and coordinating our social commitment activities. Our local subsidiaries implement their social commitment projects independently. However, our Corporate Responsibility Guideline on Social Commitment applies for the entire Group and sets the framework for such activities.

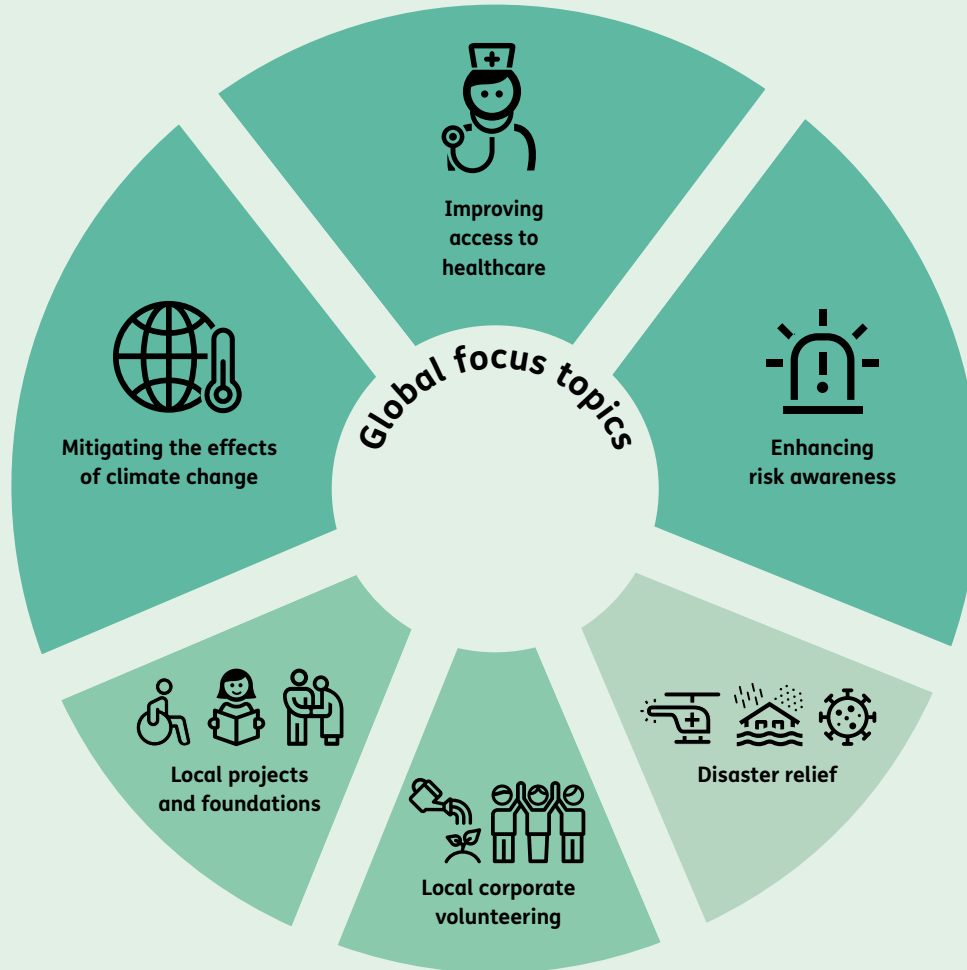
Group-wide reporting on activities and expenditure ensures transparency and lays the foundations for our reporting. In the year under review, our expenditure on social commitment was 2.2 million euros (2018: 2.17 million euros).

**Number of
organisations sup-
ported worldwide:**

270

Our social commitment

ERGO supports global and local social causes with donations of money, materials and time.



Focus on climate change

We place a special focus on the challenges posed by climate change for our international social commitment activities. Through our joint initiative with Munich Re, “Tackling climate change together”, we want to contribute to managing the challenges posed by climate change.

As part of the accelerator programme of the European Union’s large public-private climate initiative – EIT Climate-KIC (Knowledge & Innovation Community) – we had already supported 16 start-ups with climate-friendly business ideas by the end of 2019. In the year under review, for example, ERGO assisted the Munich-based start-up foldAI, which is developing sensors that monitor the health of forests. All founder teams are helped with special coaching and given financial support to refine their solutions. They also benefit from the expertise of experienced mentors at ERGO and Munich Re.



Three questions for Dr. Friedrich Förstner,
founder of the start-up foldAI

What do the tree sensors that foldAI develops measure?

Our tree sensors monitor the health of forests. They measure various values that provide information on how well trees are performing their role in the ecosystem.

How do the owners of forests benefit from this data?

Forest managers can use the data to check the current condition of their forest at any time. Threats can be identified at an early stage and even predicted. So the data helps with decision-making by systematically identifying problems and finding holistic solutions for them. This provides better and more sustainable protection for the forest.

What contribution do your tree sensors make to climate protection?

Our data-driven solutions make forest management more efficient. And healthy forests can absorb more carbon, thereby slowing down the greenhouse effect.



Munich Re and ERGO supported EIT Climate-KIC's climateathons in Munich, Vilnius, Tallinn and Sydney. Over a 24-hour period, participants were invited to develop climate protection ideas to meet the challenges facing their cities.

In 2019, ERGO Austria provided financial support for another competition on sustainable business ideas organised by EIT Climate-KIC, as well as for two conservation and climate protection associations ("Umweltdachverband" and "Regenwald der Österreicher").

Promoting health and preventing disease

Our Spanish subsidiary DKV Seguros presents the DKV Medicine and Solidarity Award to recognise and promote volunteer work in the fields of medicine and healthcare. The award acknowledges people and organisations in the health sector who involve themselves in charitable projects in addition to their professional activities.

In collaboration with parents, children, schools and other institutions, the Spanish health insurer also supports various projects aimed at preventing or reducing obesity among children and assists initiatives promoting general health.

ERGO China again continued the ERGO Healthy Days in the year under review. As part of this initiative launched by the company in 2015, recreation rooms were provided for local senior citizens in the province of Shandong. There are now 38 facilities of this kind where senior citizens can keep themselves physically and mentally fit – thus helping to prevent disease.

Maintaining risk awareness

In 2019, as a contribution towards risk prevention, ERGO Estonia donated carbon monoxide detectors to the volunteer national emergency service to be passed on to private households. The company cooperates regularly with the emergency services.

In Germany, the **ERGO Risk Report** as a representative series of studies, makes a recurring contribution to recording the German population's risk competence and sense of personal responsibility. In the year under review, our study produced findings on Germans' concerns and worries in relation to digitalisation.

Foundations and local involvement

The ERGO foundations are independent organisations whose objectives and activities are set out and pursued in accordance with the statutes of each particular foundation. The ERGO foundation "Jugend & Zukunft" (Youth & Future) in Germany helps disadvantaged children and young people and, as part of its "Job Locomotive" project, advises young adults about entry into working life. The year under review also saw the launch of a funding competition for initiatives and projects whose work increases digital media skills among children and young adults. As well as prize money, the four winners received coaching sessions and workshops on digital topics worth 40,000 euros.

The Integralia foundation established by DKV Seguros promotes the social and professional integration of people with physical disabilities. In line with its vision, the foundation has upgraded call centre workplaces in Spain so that people with physical disabilities can work there. The foundation also runs various awareness-raising projects for the integration of people with physical disabilities.

The Integralia foundation run by ERGO Hestia in Poland facilitates entry into professional life for people with disabilities. The services the foundation provides include coaching, job placements and career advice.

Many ERGO companies become involved at their different locations in initiatives with a range of objectives. For example, during the year under review, ERGO Austria supported a charity organisation for the blind and visually impaired and also the SwimRun charity competition organised by the Austrian muscle research organisation. In Germany, in cooperation with the Kunstpalast art museum in Düsseldorf, ERGO experts used the Group's digital expertise for a good cause by developing a special website inviting kids to visit the museum.

Disaster relief with a minimum of red tape

ERGO also lends a hand to those in need after emergencies or natural disasters. In the year under review for example, 90,560 euros were donated to the child welfare organisation Save the Children. This non-governmental organisation was able to use the money to help children and families in Syria affected by the civil war. The amount donated was the result of a week-long Group-wide challenge, during

which ERGO employees deleted data that was no longer required. Luxembourg-based ERGO Life was the winner of the internal competition for ERGO companies.



Involvement during the coronavirus pandemic

During the coronavirus lockdown in the spring of 2020, ERGO remained socially involved at its German and international locations.

In Germany, in cooperation with our employee association "ergo: wir helfen" (ergo: we help), we donated 7,500 euros to soup kitchens in seven major cities. This allowed ongoing care to be provided for socially deprived people. We also provided our digital expertise to the city of Düsseldorf to enable a rapid response to the many calls on its coronavirus hotline.

At our international locations, ERGO Hestia in Poland donated one million zloty (almost 200,000 euros) for medical personal protective equipment for the emergency services and also helped distribute the equipment. DKV Seguros in Spain provided the medical online advice service Digital Doctor for the entire population free of charge as a means of reducing the burden on the healthcare system and containing the spread of COVID-19.

Employee involvement

In Germany, ERGO organises volunteer work by employees and supports the employee association “ergo: wir helfen” (ergo: we help). This joint involvement increases the impact of our activities and extends their range. Last but not least, the Group benefits from the experience and skills that our employees gain in the course of their social, cultural and environmental activities.

Corporate volunteering and staff association

In Germany, ERGO gives its employees the opportunity to become involved for one day each year in various projects. In 2019, our volunteers had a choice of 13 different projects. In Berlin, ERGO volunteers baked waffles for visitors to a soup kitchen, while their counterparts in Düsseldorf conducted a climate rally with children from an inclusive day care centre. In Hamburg, an ERGO team repainted a facility for the disabled.

DAS UK introduced a volunteer day during the year under review. Every employee was able to use one working day to volunteer at a charity organisation, or to get involved in a local activity. DAS UK also offered employees two donation initiatives, Monthly Pot and Quarterly Charity, in which employees could regularly nominate charity organisations for smaller donations. At ERGO Hestia in Poland, the Hestia Volunteer Centre empowers employees who become involved in foundations or associations.

Our social commitment competition gives our employees in Germany the opportunity to showcase their personal volunteer work for environmental and climate protection,



ERGO volunteers are baking waffles in soup kitchens in Berlin for guests.

or for people with disabilities, and at the same time raise money for “their” charitable cause. Following an online employee vote, the projects submitted were awarded prizes of between 1,000 and 5,000 euros.

Helping others has a long tradition at ERGO. As early as 1990, ERGO employees in Germany were helping people in need through their non-profit staff association “ergo: wir helfen” (ergo: we help). Each month, its members donate the cent amounts in their salary and commission payments. ERGO supports the work of the association and adds 50 percent to the total donation amount.

In the year under review, 69 social and charity projects received a total of 135,400 euros. In Austria, the employee initiative “D.A.S. hilft helfen” (DAS helps to help) supports charity campaigns that focus on equal opportunities.



Annex

- Our stakeholders
- Sustainability programme
- Key figures
- GRI content index
- About this report, Imprint

Our stakeholders

> GRI 102-13, 102-40, 102-42, 102-43, 102-44

ERGO values an open and ongoing dialogue with its stakeholders. This allows us to identify at an early stage topics and emerging challenges that are of material relevance to ERGO, both now and in the future, from the perspective of our stakeholders. Our stakeholder groups are shown below.

Stakeholders	Stakeholder engagement	Communication channels/platforms
Customers	We demonstrate our customer focus through clear communication, high-quality advice, and transparent, easily accessible products as well as through numerous feedback options. Customers can play an active role in influencing the Group with their suggestions and feedback.	Sales partners, customer service and customer managers at the companies, ERGO Customer Advisory Board, ERGO Customer Workshop, online and social media channels
Sales partners	Our sales partners support our customers in every life phase and advise them according to their individual requirements. Standardised consulting standards ensure consistently high quality of advice and support. We engage in continuous dialogue with them.	Dialogue formats, sales agent surveys, online platforms, sales agent representatives
Employees	We want to promote the diversity and varied potential of our workforce. Their expertise and innovative strength makes them the key drivers for the success of our business. For that reason, we engage in dialogue with them worldwide and on every level.	Dialogue formats, employee surveys, HR departments, employee representatives, ombudsman (external)
Investors/shareholders	ERGO belongs to Munich Re. Munich Re engages in intensive and ongoing dialogue with private and institutional investors, analysts and rating agencies. You can find out more on the Munich Re website.	Financial reporting, Annual General Meeting
The community at large	<p>Through the responsible departments, we are in constant contact with a large number of national and international industry and business associations, interest groups, societies, networks and scientific institutions. Here is a selection of our memberships of associations and interest groups:</p> <ul style="list-style-type: none"> • Arbeitsgemeinschaft für betriebliche Altersversorgung e.V. (working community for company pension schemes) • Bundesverband Deutscher Startups e.V. (German Start-ups Association) • Bundesverband Finanzdienstleistungen e.V. (Federal Association of Independent Financial Services Providers) • Deutsche Aktuarvereinigung e.V. (German Association of Actuaries) • Deutscher Verein für Versicherungswissenschaft e.V. (German Association for Actuarial Science) • Global Compact • Institut der Deutschen Wirtschaft (German Economic Institute) • UPJ e.V. (CR network) • Deutsches Aktieninstitut e.V. (German Equities Institute) • Deutsches Institut für Compliance e.V. (German Institute for Compliance) • Gesamtverband der Deutschen Versicherungswirtschaft e.V. (German Insurance Association) • RKW Rationalisierungs- und Innovationszentrum der Deutschen Wirtschaft e.V. (Rationalisation and Innovation Competence Centre of the German Industry) • Verband Unabhängiger Finanzdienstleistungs-Unternehmen in Europa e.V. (Association of Independent Financial Services Providers in Europe) 	Dialogue formats, memberships, online and social media channels

Sustainability programme

> GRI 205-2, 414-1

Our targets and measures

We are convinced that we can only achieve long-term business success by harmonising economic, environmental and social factors. We have focused our sustainability management on specific targets in order to meet this aspiration and are pursuing it by implementing concrete measures.

The programme encompasses our key sustainability issues, which we have identified as part of a systematic materiality analysis and which we describe in this report. Information is given on the status of target achievement for each issue in the year under review. We also specify the United Nations Sustainable Development Goals (SDGs) that the measures help to achieve.

The sustainability programme is primarily implemented at our German locations. Targets and measures that are valid for the entire Group are labelled accordingly.

Responsible corporate governance

Our actions are governed by strict social and ethical standards, and we attach importance to maintaining fair and trusting relations with our stakeholders.



Targets	Period	Measures and progress in 2019
Ensuring conduct in conformance to rules	2019	<ul style="list-style-type: none"> The Munich Re Code of Conduct was rolled out Group-wide at ERGO: <ul style="list-style-type: none"> Introduction of a new online compliance training programme, which covers all aspects of the new Code of Conduct and is binding for all employees in Germany Mandatory face-to-face seminar for all members of the Board of Management and managers in Germany Compliance training courses in the international units
	2020	<ul style="list-style-type: none"> In 2019, as a supplement to national legal requirements, a minimum standard to combat money laundering was published for the international subsidiaries. Roll-out of the electronic whistle-blowing platform for compliance violations at the international Group companies The anti-fraud management regulations against white-collar crime were revised, approval of a framework guideline and manual (Group-wide roll-out in 2020)
	Ongoing	<ul style="list-style-type: none"> Code of Conduct for self-employed sales agents (since 2011)
Standards for our business partners	Ongoing	<ul style="list-style-type: none"> In Germany: observance of the principles of the UN Global Compact and signing of the ERGO anti-corruption agreement as a condition for consideration as a potential supplier/service partner

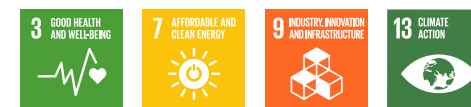
Customer focus and customer satisfaction

At regular intervals, we ask our customers their opinions to allow us to align our products, benefits, services and advice to their needs in the best possible way. We place great emphasis on transparency and comprehensibility, so that customers know what they can expect from us in the event of claims or benefit payments. We are also using the opportunities that are being opened up by digitalisation to ensure easy access to our products and services.

Targets	Period	Measures and progress in 2019
Ensuring comprehensible and transparent communication with customers	Ongoing	<ul style="list-style-type: none"> ERGO Customer Advisory Board: regular and open exchange with 25 active customers of all ERGO companies in Germany (wound up at the end of 2019, dialogue will continue through the Customer Workshop); D.A.S. Austria: Customer Advisory Board with 20 customers (since April 2018); transfer of relevant results and analyses to the organisation (products, processes, services, sales) Customer Workshop: ERGO online community in Germany with around 4,900 registered members (as at 31 December 2019). Regular surveys and online discussions on products, processes and services. Continuous customer surveys at all customer contact points in Germany/in various international companies; systematic feedback process

Sustainability in core business

For ERGO, sustainability is also reflected in our own insurance solutions. We make allowance for environmental protection and technological developments, as well as changes in customer needs, which are then incorporated into product development.



Targets	Period	Measures and progress in 2019
Systematic integration of ESG criteria ¹ into our core business	Ongoing	<ul style="list-style-type: none"> New products and product modifications are checked for ESG (environmental, social, governance criteria) conformity. Assessment of the ESG criteria is based on a specific checklist and forms an integral part of the product development process. Internal position papers and guidelines govern the treatment of particular, sensitive business topics. These are updated as and when required, and further position papers can be added on new topics.
Promotion of environmentally friendly technologies and adaptation to the consequences of climate change	Ongoing	<ul style="list-style-type: none"> Continuous monitoring and analysis of insurance offers in the field of renewable energies and of future-oriented technology and services in the mobility sector Promotion of clean-tech start-ups in the accelerator programme of our partner EIT Climate-KIC as part of our social involvement
Appeal to insurance customers with a focus on sustainability	Ongoing	<ul style="list-style-type: none"> Use of ERGO sustainability icon to identify products with environmentally friendly elements

¹ Ecological, social and governance related criteria.

Sustainable investment

The sustainability principles also apply to ERGO investments. We meet this responsibility by adopting a prudent and forward-looking approach to asset management and through the use of a sophisticated control system.



Targets	Period	Measures and progress in 2019
Responsible asset management	January 2020	<ul style="list-style-type: none"> • Munich Re joins the Net-Zero Asset Owner Alliance, with the pledge to decarbonise our investment portfolio to net-zero emissions by 2050 • Responsible Investment Guideline of Munich Re and the UN Principles for Responsible Investment (PRI) as an orientation framework (since 2006) • Advancement of the systematic integration of ESG criteria into asset management
	Ongoing	<ul style="list-style-type: none"> • Advancement of the investment process for shares and bonds: consistent ESG integration, i.e. evaluation of the ESG performance in addition to the financial analysis • Integration of MSCI ESG research into the investment process for liquid assets

Environmental and climate protection

We are actively helping to protect the climate through our carbon-neutral business operations.

To ensure the necessary level of transparency, the ERGO environmental management system is based on the international standard ISO 14001.



Targets	Period	Measures and progress in 2019
35% reduction in carbon emissions Group-wide (base year 2009)	2020	<ul style="list-style-type: none"> • Reduction in carbon emissions of 48.3 percent compared to 2009 through a further reduction in the consumption of resources
Group-wide carbon neutrality	Ongoing	<ul style="list-style-type: none"> • Offsetting the carbon footprint from business operations through the purchase of carbon emission credits: 58,205 tonnes in 2019 • Implementation of additional energy efficiency measures at the various ERGO locations (e.g. LED lighting, change of technology) and the optimisation of processes • Identification of key measures to improve energy efficiency and reduce carbon emissions/annual preparation of a Group-wide carbon-reduction plan • Improvement in data transparency at the international locations • Further increase in the share of green electricity (where possible). At the end of 2019, ERGO was obtaining 70.7 percent of its electricity from renewable sources (2018: 67.4 percent).
Consistent implementation of our Group-wide environmental management	Ongoing	<ul style="list-style-type: none"> • The survey of environmental key data covers 81 percent of the Group-wide company locations. • 45.8 percent of employees across the Group work at ISO 14001-certified locations. In Germany: recertification of six locations (May 2019).
Promotion of environmentally friendly mobility	Ongoing	<ul style="list-style-type: none"> • Determination of requirements and analysis of driving profiles for the needs-based use of company cars • Eco-driving training for drivers of company cars (approx. 100 drivers) • Electromobility: expansion of charging infrastructure for electric cars and e-bikes at our major locations in Germany • Expansion of the car-sharing service for business trips • Promoting cycling to work (by providing infrastructure, such as covered and lockable parking areas for bicycles, repair sets, solar pump, showers and changing rooms); bike leasing offer with employee-friendly conditions • Encouraging employees to cooperate in car-sharing pools when commuting (Germany: online platform for car-sharing pools; Poland: reservation of a parking space quota for car-sharing pools)
Promoting environmentally friendly purchasing	Ongoing	<ul style="list-style-type: none"> • In Germany: alternative sustainable products are proposed for all orders from the online office supplies catalogue before the order is shipped. • In 2019, eco-friendly products made up 60.6 percent of orders from the catalogue.

Staff promotion

Active development of our employees, providing scope to balance work and family life, and health protection have all made a valuable contribution to our success.



Targets	Period	Measures and progress in 2019
Promotion of professional and personal development for employees and managers	Ongoing	<ul style="list-style-type: none"> Comprehensive further training programme, both digital and face-to-face training (blended learning approach) for employees and managers in Germany, which is updated on an annual basis Outside the training catalogue, customised offers are also designed for units with special requirements. New programme, “transformation@ergo”, designed for the digital work environment, promotes the willingness to change in Germany against the background of the digital transformation, using digital formats such as learning nuggets, a digital readiness check and face-to-face training.
	March 2019	<ul style="list-style-type: none"> Start of the ERGO Leadership Programme for executives operating internationally (target: at least 40 percent women employees)
Supporting junior management	Ongoing	<ul style="list-style-type: none"> International Group trainee programme EXPLORE from Munich Re (Group) with periods spent at ERGO and in the other business fields Continuation of the best-of-year programme to promote former trainees
	2020	<ul style="list-style-type: none"> In Germany: new process “ERGO grow” for talent management. The aim is to identify and develop in-house management talent more effectively. “ERGO grow” is based on a broad understanding of talent, one that goes beyond standard line management and in future will also encompass project leaders and the younger generation.
Promoting diversity	2019	<ul style="list-style-type: none"> Group-wide Diversity Day for employees to raise awareness of the benefits of having different types of people in the Group
Equal participation of men and women in management positions ²	2019	<ul style="list-style-type: none"> Proportion of women in management positions in Germany: 28.4 percent; Group-wide, the proportion of women in management positions is 38.3 percent. Mentoring programme for female junior managers in Germany held for the ninth time In 2019, ERGO was awarded the “top4women” badge. This award recognises that women in the Group are supported and assisted in terms of their professional development.
Better reconciliation of family and work	Ongoing	<ul style="list-style-type: none"> The Group was again awarded the work and family certificate after a renewed audit in 2019. Continuation of the offer “Managing while working part-time” (reduction in working hours for managers) Continuation of the advice and service offering in Germany to help employees with acute family childcare or nursing needs

² ERGO defines management positions as all management levels.

Social commitment

As a responsible company, we wish to make specific contributions to solving social problems. As a particular focus: we wish to address the challenges presented by climate change, which is already having a noticeable impact on our business today.



Targets	Period	Measures and progress in 2019
Strategic refinement of sustainability management	Ongoing	<ul style="list-style-type: none"> Implementation of the CR strategy of the Munich Re Group in the international ERGO units, focus on shared-value approach on three central topics: <ul style="list-style-type: none"> Mitigating the effects of climate change Improving access to healthcare Raising risk awareness Review and refinement of the environmental programme for our locations, lines of business and units in the certified environmental management system Group-wide reporting of CR activities and expenditure as a basis for the reporting and advancement of our social commitment
Group-wide social commitment on focus topics	Ongoing	<ul style="list-style-type: none"> Continuation of the Group-wide initiative by Munich Re and ERGO “Tackling climate change together” Publication of the ERGO Risk Report on socially relevant topics in the field of risk awareness
	2020	<ul style="list-style-type: none"> Start of new partner projects as part of the “Tackling climate change together” initiative
Local involvement, foundation work and disaster relief	Ongoing	<ul style="list-style-type: none"> Support for social projects at the different locations Pursuing foundation objectives (inclusion, children’s aid and youth welfare) Ad hoc disaster relief
	2019	<ul style="list-style-type: none"> In Germany: funding competition of the ERGO foundation “Jugend & Zukunft” (Youth & Future) for initiatives and projects whose work enhances digital media competence among children and young adults
	2020	<ul style="list-style-type: none"> Supporting charities with emergency assistance during the coronavirus pandemic
Promoting employee involvement	Ongoing	<ul style="list-style-type: none"> Corporate volunteering programmes held at our locations in Austria, Germany, Poland, Spain and the UK Employee involvement competition in Germany: employees are given awards for their private commitment in the fields of environment, healthcare/social work

Communication on sustainability topics

In our Environmental Guidelines, we acknowledge our responsibility for protecting the environment and climate, and commit to actively promoting environmental awareness among our staff. We sensitise our customers to environmentally friendly behaviour using consumer advice and legal tips.



Targets	Period	Measures and progress in 2019
Sensitising employees to the topic of responsibility and sustainability	Ongoing	<ul style="list-style-type: none"> • Promoting social activities by employees in Germany and at international locations (see also the section “Social commitment”) • Group-wide Data Delete Challenge, with the aim of sensitising employees to the fact that data storage uses electricity and creates carbon emissions • Sensitisation to environmentally friendly mobility through employee campaigns on the subject of cycling at the company locations in Austria, Germany and Poland • In Germany: “Marketplaces for sustainability” for employees (2019: Hamburg and Cologne) • Participation in the worldwide Earth Hour event • Articles and tips in employee media and topic-specific events
Sensitising customers to the topic of responsibility and sustainability	Ongoing	<ul style="list-style-type: none"> • Consumer advice and legal tips on environmentally friendly and energy-conscious behaviour
Sensitising business partners to the topic of responsibility and sustainability	Ongoing	<ul style="list-style-type: none"> • Sensitising agency partners to the topic of natural hazards (e.g. by preparing specific information)

Environmental figures

> GRI 302-1, 302-2, 302-4, 303-3, 305-1, 305-2, 305-3, 305-5, 306-2

Carbon emissions	Unit	2019	2018	2017	2009 (base year)
Total CO₂ emissions¹	t	58,205	62,510	68,495	131,216
Direct CO ₂ emissions from primary energy consumption – Scope 1 ²	t	36,186	37,946	40,090	55,648
Indirect CO ₂ emissions from procured energy – Scope 2 ^{1,3}	t	14,557	16,803	19,852	62,869
Other indirect CO ₂ emissions – Scope 3 ⁴	t	7,462	7,761	8,553	12,699
CO₂ emissions per employee¹	t	2.178	2.196	2.305	4.213

¹ Electricity from regenerative sources is calculated since 2016 with zero emissions.

² Direct emissions from primary energy consumption (natural gas, heating oil, emergency diesel power, fuel for company cars).

³ Indirect emissions from procured energy (electricity, district heating and district cooling).

⁴ Other indirect emissions (business trips, consumption of paper, water and waste).

Energy	Unit	2019	2018	2017	2009 (base year)
Total direct energy consumption (natural gas, natural gas for thermal power plants, fuel for emergency generators)	MWh	152,369	159,853	166,419	188,935
Natural gas	MWh	50,955	56,236	60,242	146,993
Natural gas for thermal power plants	MWh	100,940	103,095	105,495	41,471
Fuel for emergency generators	MWh	474	523	682	471
Total indirect energy consumption (procured electricity, district heating, district cooling)	MWh	113,472	123,228	145,855	204,325
Purchased electricity	MWh	18,964	22,658	27,946	123,398
Procured green electricity	MWh	45,787	46,863	51,798	12,620
District cooling	MWh	4,343	4,958	6,433	5,136
District heating	MWh	44,379	48,749	59,678	63,171
Percentage of total electricity consumption from green electricity	%	70.71	67.41	64.96	9.28
Total CO₂ emissions from energy¹	MWh	45,446	49,210	53,599	101,257
CO₂ emissions from energy per employee¹	t	1.700	1.725	1.803	3.251

¹ Electricity from regenerative sources is calculated since 2016 with zero emissions.

Paper consumption ¹	Unit	2019	2018	2017	2009 (base year)
Total paper consumption	t	590	728²	918	1,165
Paper consumption per employee	t	0.022	0.026	0.031	0.037
Share of recycled paper	%	53.9	49.4	48.5	53.9
Total CO₂ emissions from paper	t	697	859	1,083	1,397
CO₂ emissions from paper per employee	t	0.026	0.030	0.036	0.045

¹ Printer and copy paper.

² Reduction of paper consumption, e.g. through digitalisation of processes.

Water ¹	Unit	2019	2018	2017	2009 (base year)
Total water consumption	m³	437,457	415,652	440,479	470,273
Water consumption per employee	m³	16.37	14.57	14.82	15.10
Total CO₂ emissions from water consumption	t	308	292	310	348
CO₂ emissions from water consumption per employee	t	0.012	0.010	0.010	0.011

¹ Our locations withdraw their water from the local (municipal) networks. Our waste water is discharged sanitary water.

Waste	Unit	2019	2018	2017	2009 (base year)
Total waste	t	5,314	6,320	7,517	10,558
Waste by type and disposal method¹					
Recycled materials	t	2,793	3,570	4,100	6,951
Incinerated waste	t	933	1,371	1,850	1,741
Landfill waste	t	274	278 ²	499	572
Specialist waste disposal for reuse/recovery	t	4	1	2	146
Organic waste	t	888	655	744	946
Other waste	t	422	445 ³	322	202
Waste per employee	t	0.199	0.222	0.253	0.339
Total CO₂ emissions from waste	t	1,680	1,957	2,035	1,853
CO₂ emissions from waste per employee	t	0.063	0.069	0.068	0.059

¹ The type of waste disposal depends to a considerable degree on the respective infrastructure for waste disposal and local regulations. Wherever possible, waste and recyclable materials are separated, recycled and disposed of through regional service suppliers.

² Due to changes in waste disposal at individual ERGO companies – partly due to changes in local regulations – the 2018 figure is not directly comparable with the 2017 figure.

³ Increase in other waste resulting from renovation and refurbishment measures at our German sites.

Business trips	Unit	2019	2018	2017	2009 (base year)
Business trips	km	102,969,152	102,452,202	112,307,255	153,116,204
Air travel	km	40,094,092	39,209,702	42,253,166	45,577,642
Road travel (company vehicles/hired vehicles)	km	48,167,780	49,706,634	55,714,250	90,194,858
Rail travel ¹	km	14,707,280	13,535,866	14,339,838	17,343,704
Business trips per employee	km	3,853	3,592	3,779	4,916
Total CO₂ emissions for business travel	t	10,074	10,191	11,468	26,360
CO₂ emissions for business trips per employee	t	0.377	0.357	0.386	0.846

¹ In Germany, long-distance rail travel with Deutsche Bahn has been climate-neutral since 1 July 2011 due to use of green electricity.

Notes on the environmental figures:

In the financial year 2019, the ERGO Group had 26,728 employees (↘ see also **Employee figures**). The consumption of resources per employee refers to in-house staff and salaried field staff. Self-employed sales agents are not included in the environmental figures.

To calculate the Group-wide carbon savings targets from 2009 to 2015 (target: –10 percent kg of CO₂ per employee), we used the conversion factors of the Greenhouse Gas Protocol (GHG Protocol) and the Association for Environmental Management and Sustainability in Financial Institutions (VfU) – from 2011 in each case. Green electricity was not included in the accounting, thereby ensuring that the quantitative values remain comparable over the target period. In 2015, a new environmental and climate protection strategy was approved by the Board of Management and the carbon savings target was expanded. From 2009 to 2020, our goal is to achieve Group-wide carbon savings (kg of CO₂ per employee) of 35 percent.

As of 2016, the Group's carbon emissions will be calculated on the basis of the latest conversion factors of the GHG Protocol and the VfU. The GHG Protocol will be used for the conversion of Scope 1 emissions (direct energy), for electricity falling under Scope 2 emissions (indirect energy), and for the “short- and long-haul flights” components of the “business trips” element of Scope 3 emissions.

As of the end of 2019, ERGO obtained 70.7 percent of its electricity from renewable sources (2018: 67.4 percent). This is calculated as an emission of zero. The VfU conversion factors are taken as the basis for calculating the Scope 2 emissions “district heating” and the Scope 3 emissions for paper, water and waste, as well as the “company vehicles, taxis, hire cars, train journeys” components of the “business trips” element.

As from the year 2017, environmental reporting includes the figures of the Munich Health companies. The international health insurance companies managed by Munich Health were transferred to ERGO International in 2017.

Carbon emission sources:

- Scope 1: direct emissions from primary energy consumption (natural gas, heating oil, emergency diesel generators, fuel for company cars)
- Scope 2: indirect emissions from procured energy (purchase of electricity, district heating and district cooling)
- Scope 3: other indirect emissions (business trips, consumption of paper and water, waste)

Employee figures

> GRI 102-8, 102-41, 401-1, 404-1, 405-1

ERGO Group employees	Unit	2019	2018 ³	2017
Total employees¹		26,728²	28,522	27,405
Employees by region				
Germany	%	53.6	51.2	56.1
Total Germany		14,321	14,605	15,389
Rest of Europe	%	46.1	48.4	43.3
Other regions	%	0.3	0.4	0.6
Total international		12,407	13,917	12,016
Employees by function				
In-house staff		22,599	23,692	23,238
Salaried field staff		3,182	4,830	4,167
Self-employed field staff		11,442	11,620 ⁴	12,457
Other (e.g. clinical staff)		947 ⁵	-	-
Employees by type of employment¹				
Full-time employees	%	77.1	75.1	72.6
Female	%	49.4	49.4	48.1
Male	%	50.6	50.6	51.9
Part-time employees	%	20.3	21.4	22.1
Female	%	85.7	84.7	85.7
Male	%	14.3	15.3	14.3
Dormant employment contracts	%	2.7	3.4	5.3
Female	%	89.9	91.0	80.9
Male	%	10.1	9.0	19.1

ERGO Group employees	Unit	2019	2018 ³	2017
Limited contracts¹		1,514	1,695	1,556
Employees covered by collective bargaining agreements⁶	%	95	90⁷	91⁷
Average absence ratio due to sick leave	%	6.3	6.5	5.6
Fluctuation rate	%	12.4	12.1	16.3
Average period of employment in years (Ø)	Years	14.8	13.9	14.1
Share of women in management	%	38.3	38.8	35.3

¹ In-house staff and salaried field staff.

² In 2019, individual ERGO companies abroad were sold. This has reduced the total number of employees.

³ Since 2018, the figures of Munich Health companies are included. The international companies in primary health business (previously managed by Munich Health) were transferred to ERGO International in the financial year 2017.

⁴ The decrease in self-employed sales agents can be attributed to structural changes in Germany and at specific international companies, and data corrections.

⁵ Other employees (e.g. clinical staff) have been reported separately since 2019.

⁶ The figure includes in-house and salaried field staff at the operational ERGO companies in Germany.

⁷ The figure was subsequently corrected to reflect changes in the recording categories.

Employee structure of in-house staff (IHS) and salaried field staff (FS) at the ERGO Group in Germany and abroad	Unit	2019		2018		2017	
		IHS	FS	IHS	FS	IHS	FS
Proportion of women and men							
Women	%	58.6	48.7	58.6	55.4	59.0	51.2
Men	%	41.4	51.3	41.4	44.6	41.0	48.8
Average age	Age	43.9	46.7	43.2	43.9	43.2	44.9
Age structure							
Employees under 30	%	10.9	10.5	11.6	11.5	11.8	10.5
Employees between 30 and 50	%	58.8	46.3	61.3	56.7	61.4	53.4
Employees over 50	%	30.2	43.2	27.1	31.8	26.8	36.2

Basic and advanced training at the ERGO Group in Germany	Unit	2019	2018	2017
Number of trainees (including agency trainees)		876	842 ¹	949
Ratio of trainees to working staff	%	4.9	4.7	5.1
Cost of advanced training per employee	€	857	843	811
Advanced training days per employee		5.4	4.8	5.2
Total advanced training days ²		77,143	70,540	80,051
Advanced training days for sales partners ³		31,206 ⁴	25,036	38,923 ⁵

¹ The number of trainees in Germany decreased following a temporary reduction in new recruitment as part of the ERGO strategy programme.

² Training days in total include in-house and salaried field staff.

³ Advanced training days for salaried and self-employed field staff. The figures include central advanced training programmes organised by ERGO as well as local training measures within the scope of the EU Insurance Distribution Directive and the "Good Advice" initiative of the German Insurance Association and its Code of Conduct for sales of insurance.

⁴ In 2019, the number of training days increased, in part due to new training courses on digitalisation in sales.

⁵ The high number of training days in 2017 is mainly due to mandatory training for consulting on securities.

Social commitment figures

> GRI 201-1

Social commitment expenditure	Unit	2019	2018	2017
Total expenditure	€	2,195,241	2,168,919	2,567,669
Donations	€	597,691	607,513	736,864
Social sponsoring	€	746,822	838,018	962,897
CR memberships	€	61,761	105,526	86,664
In-kind giving	€	5,638	15,801	4,268
Political donations ¹	€	95,500	95,500	93,000
ERGO foundations	€	687,829	506,562	683,977

Expenditure on social commitment according to challenges addressed

Projects contributing to the three global challenges ²	€	1,008,613	1,130,918	1,324,447
1. Mitigating effects of climate change				
2. Improving access to healthcare				
3. Enhancing risk awareness				
Disaster relief	€	106,867	9,250	7,440
Local projects and organisations	€	290,795	410,888	454,537

¹ ERGO supports the political democratic process, and to this end it donates to the following German parties: Bündnis90/Die Grünen, CDU, CSU, FDP and SPD. They each receive the same donation amount, an annual total of 75,000 euros. All donations are transferred to the parties' federal headquarters. In addition, membership fees are paid to organisations closely affiliated with the parties. These may not exceed 25,000 euros per business year for ERGO.

² Expenditure according to challenges addressed includes donations, social sponsoring and CR memberships (without in-kind giving).

GRI content index

> GRI 102-55

In the GRI content index, we list all the GRI Standards used, with references to the pages in the report where the relevant content can be found.

GRI Standard	Reference	Comments/omissions
GRI 102 General disclosures 2016		
102-1 Name of the organisation	ERGO profile, p. 2	
102-2 Activities, brands, products and services	ERGO profile, p. 2	
102-3 Location of headquarters	ERGO profile, p. 2	
102-4 Location of operations	ERGO profile, p. 2	
102-5 Ownership and legal form	ERGO profile, p. 2	
102-6 Markets served	ERGO profile, p. 2	
102-7 Scale of the organisation	ERGO profile, p. 2	
102-8 Information on employees and other workers	Employee figures, pp. 44–45	
102-9 Supply chain	ERGO profile, p. 2	
102-10 Significant changes to the organisation and its supply chain	ERGO profile, p. 2	
102-11 Precautionary principle or approach	CEO Statement, p. 3	
102-12 External initiatives	Responsible corporate governance, pp. 6–8; Customer focus and satisfaction, pp. 12 f.; Diversity and equal opportunities, pp. 24 f.	
102-13 Membership of associations	Our stakeholders, p. 35	
102-14 Statement from senior decision-maker	CEO Statement, p. 3	

GRI Standard	Reference	Comments/omissions
GRI 102 General disclosures 2016		
102-16 Values, principles, standards and norms of behaviour	CEO Statement, p. 3; Responsible corporate governance, pp. 6–8	
102-18 Governance structure	Responsible corporate governance, pp. 6–8	ERGO Articles of Association Management
102-40 List of stakeholder groups	Our stakeholders, p. 35	
102-41 Collective bargaining agreements	Employee figures, pp. 44–45	
102-42 Identifying and selecting stakeholders	Our stakeholders, p. 35; About this report, p. 52	
102-43 Approach to stakeholder engagement	Our stakeholders, p. 35; About this report, p. 52	
102-44 Key topics and concerns raised	Our stakeholders, p. 35; About this report, p. 52	
102-45 Entities included in the consolidated financial statements		See list of shareholdings in the Munich Re Annual Report .
102-46 Defining report content and topic boundaries	About this report, p. 52	
102-47 List of material topics	About this report, p. 52	
102-48 Restatements of information	About this report, p. 52	
102-49 Changes in reporting	About this report, p. 52	
102-50 Reporting period	About this report, p. 52	
102-51 Date of most recent report	About this report, p. 52	
102-52 Reporting cycle	About this report, p. 52	
102-53 Contact for questions regarding the report	Imprint, p. 52	
102-54 Claims of reporting in accordance with the GRI Standards	About this report, p. 52	
102-55 Content index	GRI Content Index, pp. 46–51	
102-56 External assurance	About this report, p. 52	The report has not been verified by an external auditor. Selected quantitative environmental figures are verified Group-wide by an external auditing company (see Munich Re CR Report 2019, pages 85/86).

GRI Standard	Reference	Comments/omissions
GRI 201 Economic performance 2016		
103-1/-2/-3 Management approach	Responsible corporate governance, pp. 6-8; Global challenges, p. 29-32	
201-1 Direct economic value generated and distributed	Social commitment figures, p. 45	Our key financial figures, Munich Re Group Annual Report 2019
GRI 203 Indirect economic impact 2016		
103-1/-2/-3 Management approach	Sustainable products, pp. 13-15	
203-1 Infrastructure investment and services supported	Sustainable products, pp. 13-15	
GRI 205 Anti-corruption 2016		
103-1/-2/-3 Management approach	Responsible corporate governance, pp. 6-8	
205-1 Operations assessed for risks related to corruption	Responsible corporate governance, pp. 6-8	
205-2 Communication and training about anti-corruption policies and procedures	Responsible corporate governance, pp. 6-8; Sustainability programme, pp. 36-41	
205-3 Confirmed incidents of corruption and action taken		We are not aware of any incidents of corruption at ERGO in the year under review.
GRI 302 Energy 2016		
103-1/-2/-3 Management approach	Climate-neutral business operations, pp. 18-20	
302-1 Energy consumption within the organisation	Environmental figures, pp. 42 f.	
302-2 Energy consumption outside of the organisation	Environmental figures, pp. 42 f.	
302-4 Reduction of energy consumption	Environmental figures, pp. 42 f.	

GRI Standard	Reference	Comments/omissions
GRI 303 Water and effluents 2018		
303-1 Water as a shared resource	Climate-neutral business operations, pp. 18–20; Raising environmental awareness, p. 21	
303-2 Management of water discharge-related impact		Our waste water is discharged sanitary water. The amount corresponds almost exactly to the volume of water withdrawn (↘ see Environmental figures). We discharge it into the local sewage system.
303-3 Water withdrawal	Environmental figures, pp. 42 f.	
GRI 305 Emissions 2016		
103-1/-2/-3 Management approach	Climate-neutral business operations, pp. 18–20; Raising environmental awareness, p. 21	
305-1 Direct (Scope 1) GHG emissions	Environmental figures, pp. 42 f.	
305-2 Energy indirect (Scope 2) GHG emissions	Environmental figures, pp. 42 f.	
305-3 Other indirect (Scope 3) GHG emissions	Environmental figures, pp. 42 f.	
305-5 Reduction of GHG emissions	Environmental figures, pp. 42 f.	
GRI 306 Effluents and waste 2016		
306-2 Waste by type and disposal method	Environmental figures, pp. 42 f.	
GRI 307 Environmental compliance 2016		
103-1/-2/-3 Management approach	Corporate governance, pp. 6–8; Climate-neutral business operations, pp. 18–20	
307-1 Non-compliance with environmental laws and regulations		We are not aware of any breaches of environmental laws or regulations at ERGO during the year under review.
GRI 401 Employment 2016		
103-1/-2/-3 Management approach	Staff promotion, pp. 23 f.	
401-1 New employee hires and employee turnover	Employee figures, pp. 44 f.	In the year under review, a total of 2,782 employees were recruited Group-wide (446 in Germany and 2,336 abroad).

GRI Standard	Reference	Comments/omissions
GRI 404 Training and education 2016		
103-1/-2/-3 Management approach	Staff promotion, pp. 23 f.	
404-1 Average hours of training per year per employee	Employee figures, pp. 44 f.	Our offers and investments in advanced trainings apply in principle to all employees. A breakdown by gender and employee category is not relevant for our management and is therefore not collected.
404-2 Programmes for upgrading employee skills	Staff promotion, pp. 23 f.	
404-3 Percentage of employees receiving regular performance and career development reviews		Annual appraisal interviews on personal development form a key element of our HR policy. Since participation is voluntary, we do not record participation rates.
GRI 405 Diversity and equal opportunity 2016		
103-1/-2/-3 Management approach	Diversity and equal opportunities, pp. 24 f.	
405-1 Diversity of governance bodies and employees	Employee figures, pp. 44 f.	
GRI 406 Non-discrimination 2016		
103-1/-2/-3 Management approach	Diversity and equal opportunities, pp. 24 f.	
406-1 Incidents of discrimination and corrective actions taken		In the 2019 financial year, three alleged cases of discrimination were investigated at ERGO in Germany, but were not confirmed. The indicator is not recorded internationally.
GRI 412 Human rights assessment 2016		
103-1/-2/-3 Management approach	Human rights, p. 10; Sustainable investment, pp. 15 f.	
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human rights, p. 10	
GRI 414 Supplier social assessment 2016		
103-1/-2/-3 Management approach	Human rights, p. 10	
414-1 New suppliers that were screened using social criteria	Human rights, p. 10; Sustainability programme, pp. 36–41	

GRI Standard	Reference	Comments/omissions
GRI 417 Marketing and labelling 2016		
103-1/-2/-3 Management approach	Customer focus and satisfaction, pp. 12 f.	
417-1 Requirements for product and service information and labelling	Customer focus and satisfaction, pp. 12 f.	
GRI 418 Customer privacy 2016		
103-1/-2/-3 Management approach	Data protection, pp. 9 f.	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		We are not aware of any systematic data protection breaches during the year under review. No fines were imposed on Group companies by data protection authorities. This indicator was not recorded for the international companies.
GRI 419 Socio-economic compliance 2016		
103-1/-2/-3 Management approach	Responsible corporate governance, pp. 6–8	
GRI 419-1 Non-compliance with laws and regulations in the social and economic area		We are not aware of any such cases during the year under review.

About this report

> GRI 102-42, 102-43, 102-44, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56

This Sustainability Report was prepared in accordance with the GRI Standards (Core Option). We wish to address other target groups as well as the expert audience. For that reason, the previous GRI balance sheet has been expanded into a comprehensive sustainability report.

At the start of 2019, we reviewed and re-assessed sustainability topics in terms of their relevance for ERGO and our stakeholder groups. The sustainability topics were identified on the basis of our 2016 materiality analysis, voluntary commitments by the Munich Re Group, findings from the stakeholder dialogue, external standards such as SDGs, GRI and PSI, and industry trends, and then bundled into areas of activity according to priority. In spring 2019, we surveyed some 730 participants in the ERGO Customer Workshop online on these topics and asked them to weight the subjects in terms of their relevance. We then supplemented this categorisation of the topics from a stakeholder perspective with an assessment by internal sustainability experts of the social relevance of the various topics for ERGO.

This produced the following material topics for this report: responsible corporate governance, customer focus and customer satisfaction, sustainability in insurance business, sustainable investment, climate and environmental protection in business operations, promotion of employees, and social commitment.

ERGO reports annually on its sustainability activities. The previous report appeared in January 2020. The current reporting period is from 1.1.2019 to 31.12.2019. Important topics up to June 2020 have, in some cases, already been incorporated and marked accordingly. The report has not been verified by an external auditor.

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