



**Thinking sustainably.
Acting responsibly.**

ERGO



Monday morning at 8 am. Yvonne Adam’s daughter is almost two years old and she is just taking her to the E-KIDS nursery. The little girl joins 17 other children at the nursery where she is looked after all day. Playing, eating and sleeping are the activities for the children that are cared for at this nursery until they are old enough to join kindergarten. This means that Yvonne Adam is able to pursue her career at ERGO within a flexible framework and concentrate entirely on her work. Even if she should once in a while have to carry on working until 6 pm in the evening. In 2008 ERGO launched the first children’s day care nursery in cooperation with E.ON. Since 2011 there have been two of these groups on our premises at the ERGO Head Office in Düsseldorf. This is one of the examples showing how we promote getting the work-life balance right.

More information in the section on Employees.

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About this report

We published our first report on our corporate responsibility last year. This second report is intended to inform our stakeholders about the progress we have made and to highlight areas where we need to improve. Our main stakeholders are members of staff, customers and investors, as well as our sales partners, politicians and academics, non-governmental organisations, journalists and informed members of the general public with an interest in our activities. We pursue an open and constructive dialogue with all of them and this forms the platform for agreement on key issues and measures.

Orientation on international guidelines

Reporting is based on the guidelines of the Global Reporting Initiative (GRI, initiative for developing guidelines on sustainability reporting) in the G3 Version and the Financial Services Sector Supplement. The GRI has audited and confirmed compliance at Level B. Another important guideline is provided by the ten principles of the United Nations Global Compact. ERGO is part of Munich Re, which signed up to these principles in 2006. The relevant Communication on Progress is posted in the CR portal of Munich Re and updated every year (www.munichre.com/corporate-responsibility).

Reporting period and limits

The reporting period covers the year 2012 (1 January to 31 December 2012). All the statements relate to the entire ERGO Insurance Group and its companies. We make it clear if only parts of the Group are being described and the coverage rate for key figures and indicators is specified. Significant events from the first half of 2013 have been included in the report to reflect current developments. The editorial deadline was 30 June 2013.

This report is published every year in German and English. We provide continuous and newsworthy information on our sustainability management in our portal on corporate responsibility at www.ergo.com/responsibility.

Interview

Customer queries

Dr. Thomas Schiedek, Member of the ERGO Customer Advisory Board, asked Chairman of the Board of Management Dr. Torsten Oletzky to elucidate how the ERGO Insurance Group implements its sustainability strategy in concrete terms.

Schiedek: The promise made by ERGO “To insure is to understand” – how does this relate to the principle of sustainability?

Oletzky: We place people at the centre of our endeavours. First and foremost this is about our customers but it also relates to those people who are involved in the everyday business of our Company – employees, sales partners, shareholders. If we are to achieve this, it is important to understand their needs and to establish a balance between the diverse aspirations of these stakeholder groups. This is why we have defined concrete promises for specific target groups. Every day we work hard to meet these aspirations.

Schiedek: Can you give us some examples?

Oletzky: Needs-oriented and comprehensible insurance products for our customers, more opportunities for our employees to get the work-life balance right, or the target of making ERGO carbon neutral by the end of 2015. I believe that a Company which gives its point of view priority over those of its stakeholder groups – most importantly the customers – cannot enjoy sustainable success over the long term.

Schiedek: How do you reconcile your investments with the principles of sustainability?

Oletzky: The same principles apply to our investment strategy as those we use in our insurance business. The strategy must be geared towards bearing up over the long term without having to make economic, environmental or social compromises leading to any damage in these areas.

Schiedek: What does this entail in concrete terms?

Oletzky: Firstly, we need to meet the obligations to our customers over the long term. So far we have always succeeded in achieving this aspiration and I expect that this will also be the case in the future. At the same time, our customers also have certain expectations in terms of returns and sustainability. We reconcile these by adopting a forward-looking approach to risks and investing in a wide range of different areas. Our focus here is on sustainable criteria. This is because we are convinced that ethical investments which are socially, environmentally and economically sustainable entail fewer risks and are likely to be more successful over the long term.

Schiedek: As an insurer, do you see an opportunity to create incentives for your customers to engage in sustainable behaviour?

Oletzky: We can't persuade customers to purchase a more environmentally friendly automobile by offering a cheaper premium for example. But we can support customers who want to drive this kind of car. Even if a company introduces measures to reduce the risk of environmental impacts occurring, this is ultimately the decision of the company management. However, we are in a position to promote this kind of impact-reducing behaviour if our risk engineers provide useful information and by offering cheaper insurance premiums. This also benefits us because we incur fewer expenses for claims. This approach enables us to create incentives for sustainable behaviour in many different areas.

“A company which gives its point of view priority over those of its stakeholder groups – most importantly the customers – cannot enjoy sustainable success over the long term.”

Dr. Torsten Oletzky



Dr. Torsten Oletzky, Chairman of the Board of Management at ERGO Insurance Group



Dr. Thomas Schiedek, Member of the ERGO Customer Advisory Board, Member of the Academic Council at Darmstadt University



Schiedek: How is ERGO facing the challenge of an ageing society? Are you already experiencing a shortage of specialist staff?

Oletzky: Yes, the competition for specialist employees is already tangible. We started making preparations to meet this challenge at an early stage and we have already achieved a great deal. A key issue on this front is enabling our employees to get their work-life balance right. Alongside the established solutions focused on parental leave, we have created a lot of additional tools on a voluntary basis. For example, our employees are able to take sabbatical leave if they have relatives needing care. We have set up child day care facilities at many of our locations in Germany and we offer very flexible working time models.

Schiedek: Is this the key factor in the competition for talented staff?

Oletzky: Undoubtedly, it is very important in order to have an attractive profile as an employer and to establish long-term Company loyalty among our employees. We also believe it is crucial to have a broadly based career training programme so that staff can develop appropriate skills and expertise. Moreover, we offer them selective packages for healthcare promotion. This bundle of activities is intended to position our Company as a first-class employer over the long term.

Schiedek: By 2015 ERGO intends to achieve carbon-neutral operations across the Group. How do you intend to accomplish this?

Oletzky: We are well on the way to achieving this goal. In Germany, we reached this state in 2012. The international locations are now following step by step. Our priority is to reduce the consumption of resources and find substitutes for fossil fuels. We offset unavoidable emissions by purchasing CO₂ certificates. These promote energy supply projects with a positive social and environmental footprint. As for other types of company, reducing consumption of energy and raw materials is the most effective lever available to an insurance company. The field staff orientation of our organisation means that this lever can also be applied in the area of environmentally friendly mobility.

Schiedek: How do you actually ensure that employees and sales partners make the values of ERGO a reality, in other words act sustainably and with environmental awareness?

Oletzky: Almost 50,000 people work for ERGO in 30 countries, distributed over very different organisational units. We therefore need to specifically communicate our values to staff in every part of our organisation. Our internal media ERGO Magazine and ERGO Intranet are effective tools for achieving this. However, the key factor is that managers at all levels engage in dialogue with our employees. Our function is to communicate our corporate goals. And this also includes our sustainability goals. Our employees must understand the concepts that lie behind them and then they can also develop their own commitment and contribute to achieving these targets. We need to take this communicative task very seriously in management.

Schiedek: Customers and the general public are demanding increased transparency from companies. How are you dealing with this requirement?

Oletzky: Transparency is particularly important for a company – particularly in the insurance industry. We know that many customers have the sense that as individuals they have no power against the big insurers. This makes it all the more important for us to make our products, our performance and our actions transparent. And we need to communicate this in a language which the customer understands.

Portrait

To insure is to understand

This aspiration guides the mindset and actions of the almost 50,000 people who shape the profile of the ERGO Insurance Group. We offer our customers a comprehensive portfolio of insurance, provision and services over a wide range of sales channels across the world. In 2012 ERGO generated premium income of more than 18 billion euros and provided insurance benefits amounting to over 17 billion euros.

Long tradition in the service of customers

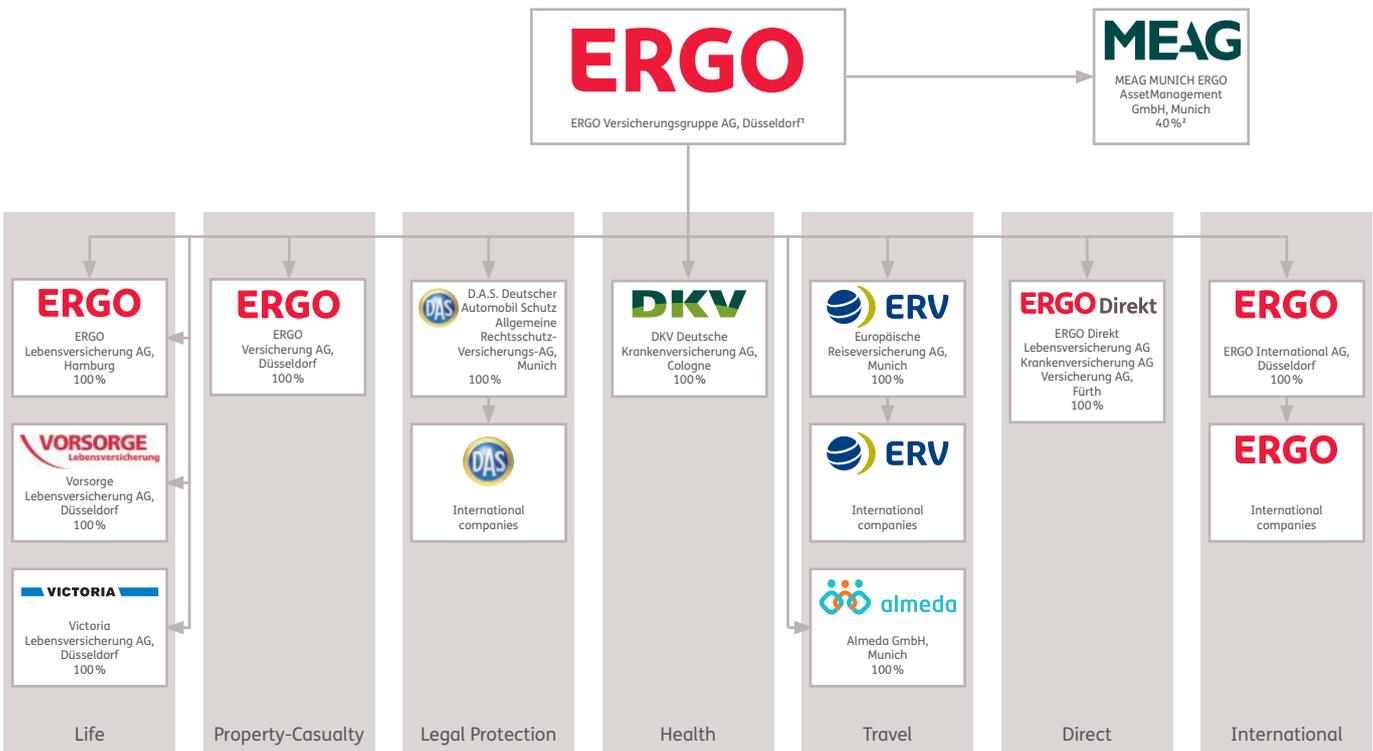
Our roots go back a long way. ERGO has a long track record of experience in the German and international insurance business that reaches a long way back into the 19th century. The travel insurer ERV has enjoyed the trust of travellers for around a century. Our specialists in legal protection and health insurance, D.A.S. and DKV, have been providing services for their customers for over 80 years. Our business builds on this heritage. Looking ahead in terms of our sus-

tainable approach, we aim to meet the needs of our customers over the long term while taking account of the economic, environmental and social aspects of our actions.

Diversity from a single source

The ERGO Insurance Group is a broadly based and highly performing organisation, focused on insurance cover in all life phases. We operate in the market under our own name and

At a glance – Organisation

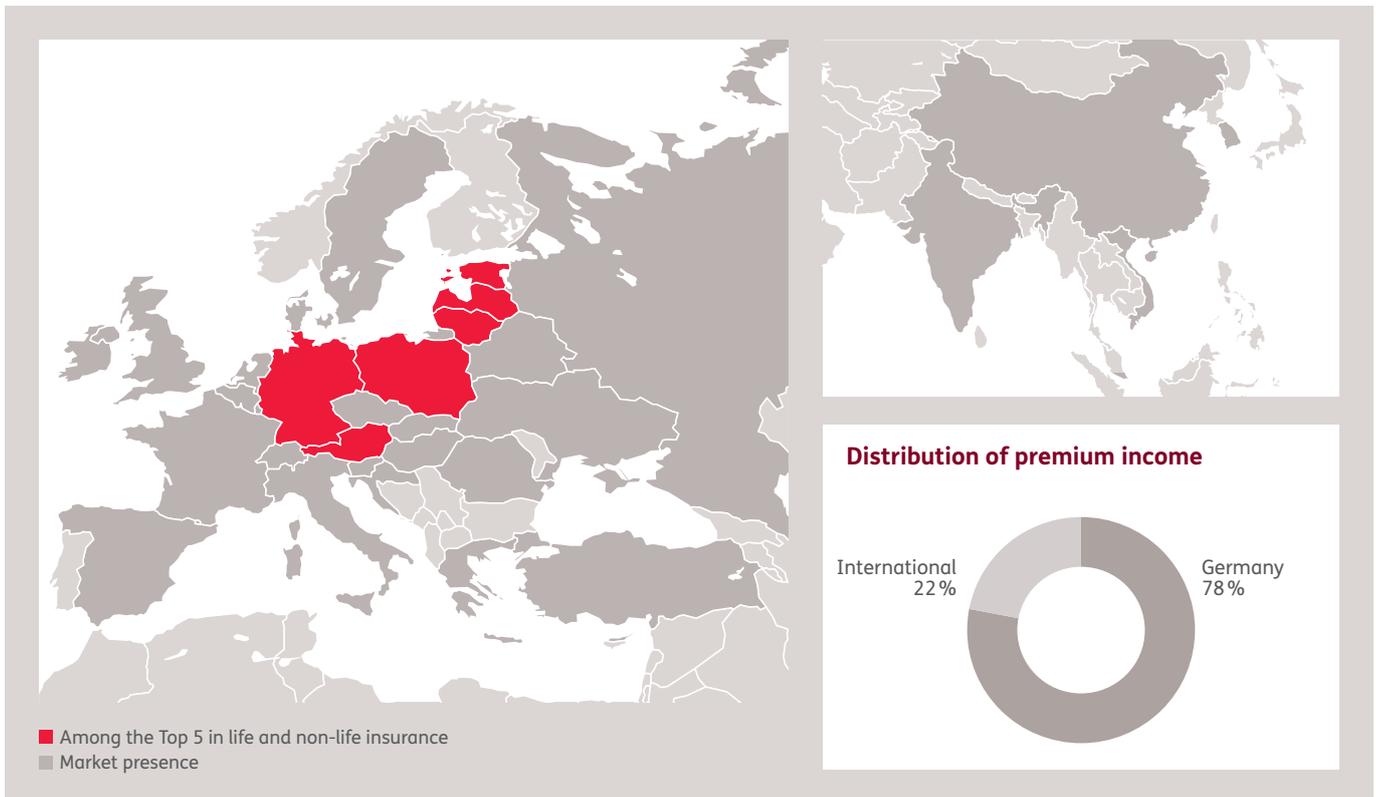


The organisation chart provides a general overview over ERGO Group companies in the different business segments, and makes no claim to completeness.

1 Our parent company Munich Re holds all shares in ERGO Insurance Group.

2 Munich Re holds 60% of MEAG shares.

At a glance – ERGO International



with our specialist subsidiary companies. Under the ERGO brand, we primarily offer life, property-casualty and accident insurance. This product range is supplemented by our specialists for health (DKV), legal protection (D.A.S.) and travel cover (ERV). ERGO Direkt is our standard bearer for the Group's expertise in direct insurance, sales on the internet and by telephone. MEAG – asset and fund manager at ERGO – offers funds for wealth building and old-age provision. ERGO Versicherungsgruppe AG manages the different companies and divisions. ERGO is part of Munich Re, one of the world's leading reinsurers and risk carriers. The DAX company holds 100 percent of the shares in the ERGO Insurance Group.

Many paths lead to ERGO

ERGO operates in more than 30 countries concentrated in Europe and Asia. Our customers can use many different channels to contact us. Around 18,000 full-time, self-employed insurance agents are available for personal contact. Brokers and cooperation partners, such as the

UniCredit Group and other banks, are also ready to answer customers' enquiries. Our customers in Germany can contact us 24/7 on our hotline free of charge and through our online communication channels.

Individual and comprehensible

Each customer of ERGO – both private and corporate – has individual requirements and our insurance products, provision and services are intended to match these diverse needs. We want to understand the needs of our customers so that we can provide solutions to implement their requirements as effectively as possible. This also means making our products and services as comprehensible as possible for them. We therefore use various channels to ask our customers to give us their opinion. Our aim is then to develop our offers further to meet their demands and to explain them in clear and understandable terms. This is how we make our claim "To insure is to understand" a reality.

Strategy

Our promise

To approach others, to listen, to understand, to speak plainly, to make a difference and to work for mutual benefit. These principles are firmly established in the Guiding Principles of ERGO. They describe the promise we make to our stakeholders with the objective of putting people at the centre of our actions. At the same time, they form the platform for our sustainable corporate endeavours.

Stakeholders and areas of action

Customers, sales partners, employees, shareholders and community groups are the stakeholders of the ERGO Insurance Group. Their needs are different and they may in part also be contradictory. That's why we have expressed the action principles of our Guiding Principles in terms of clear, concrete promises directed towards our target groups. Our aim is to harmonise economic, environmental and social perspectives. The stakeholder promises have been derived from the guidelines of the Global Reporting Initiative and are assigned to four areas of action relating to sustainability: business, employees, environment and society (chart on p. 7).

Establishing sustainability

We want to use the project "Corporate Responsibility in Business" to establish these areas of action in our core business and introduce effective control instruments. In 2011 we launched the programme together with our parent company Munich Re. The UN Principles for Sustainable Insurance (PSI) provide the framework of the United Nations' environmental programme to take account of sustainability criteria in insur-

ance business. We used these principles as a platform for initially defining a concrete project plan. We also established a network of all those involved and worked out a detailed questionnaire to record the status quo. At the beginning of 2012 an analysis phase was launched with interviews of selected managers from all the business units and central departments. The results were used as a basis for concrete recommendations for action and plans on how the PSI may be integrated throughout the entire value chain. In June 2012 Munich Re signed the PSI Declaration for the entire Group including ERGO. Munich Re played a major role in shaping the declaration.

Issues in focus

In April 2012 the Board of Management of the ERGO Group adopted the following focus issues to establish sustainability criteria in the core business:

- Sales: Introduction of additional instruments and measures for a structured and holistic advisory process
- Compliance: Further expansion of the Compliance Management System of the ERGO Group



ERGO Award

We give the ERGO Award to honour employees who have made a very special contribution to ERGO in their everyday work. The aim is to continue strengthening awareness of the Guiding Principles and our stakeholder promises, and to firmly root these principles within our Company. All employees of the Group in Germany and abroad – individuals or teams – can be put forward for the ERGO Award. The ERGO Board of Management selects the annual winner each year from ten nominations.

- Marketing: Strategic market research among sustainably oriented insurance customers and products, and development of a mode of communication to address this target group
- Insurance contracts/segments: Integration of sustainability criteria (business, environmental and social) in the underwriting guidelines

Organisational implementation

The organisational unit “Corporate Responsibility” (CR) established in 2011 was assigned to the Group Development division with effect from 1 July 2013 which highlighted the strategic relevance of sustainability for ERGO. The five-strong CR team coordinates all projects, measures and communication within the framework of the sustainability strategy of the

ERGO Group, including the ERGO Sustainability Committee. Its members from many different business segments and specialist departments meet on a regular basis.

Information for stakeholders

The key tools of communication with different stakeholders have been the Sustainability Report published annually since 2011, the web pages of the ERGO Group dealing with the issue of “Responsibility” and the Annual Reports and Customer Reports. Since 2012 the subject of Corporate Responsibility has been given a fixed section in the staff magazine. We also communicate directly with employees at their workplace through CR Information Days. The first event was held at the ERGO Head Office in Düsseldorf in October 2012. In June 2013, we organised additional information days at our sites in Hamburg, Berlin, Cologne, Mannheim and Munich.

Areas of action for our sustainability strategy



Environment

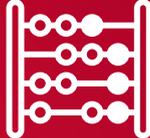
Environmental protection and group-wide carbon neutrality through

- Reduction of the consumption of resources
- Efficiency enhancement
- Certified environmental management system

Business

Safeguard success by

- Customer orientation
- Product innovations
- Sustainable investment
- Responsible corporate governance





Employees

Foster diversity through

- Basic and advanced training
- Getting the work-life balance right
- Promotion of health



Society

Engagement for

- Educational advancement
- Social projects for people in need

The intensive dialogue is intended to focus on the needs of our stakeholders with the intention of creating a profile that is distinct from the competition. It also offers the opportunity of identifying challenges and risks more quickly, and proactively controlling relations with our stakeholders. The stakeholder dialogue makes an important contribution to securing the business success of the ERGO Group.

Measuring success

The progress we have made in the implementation of sustainability criteria at ERGO is documented internally. This enables us to identify weak points and derive further improvements from these findings. Since 2011 we have

also undergone the external audit “Robeco SAM Rating”, the most important global assessment for Corporate Sustainability, which is used as the basis for drawing up the Dow Jones Sustainability Index. In 2012 we succeeded in improving our result compared with the previous year and we are positioned above the industry average in all three evaluation dimensions – business, environment, society. A particularly positive outcome was provided by the evaluation of the improvements in communication and commitment to society, micro-insurance, HR development and customer orientation. There is room for improvement on the issues of employee and environmental communication, taking account of the entire value chain, and acquisition and loyalty of employees.

Responsible corporate governance

Corporate Governance is a key foundation of our strategic management and entails responsible management and control of the Company geared towards long-term wealth creation. This also implies compliance with statutory regulations, internal benchmarks and high ethical standards.

Comprehensive reference standard

Alongside strict compliance with statutory regulations, ERGO is also committed to a large number of voluntary codes and the Group’s internal framework of regulations (see also box on p. 9). All together they form the framework for corporate governance within the Group. Our high ethical standards are reflected in the ERGO Code of Conduct. It applies to all the salaried employees, executive employees and members of the executive managements in ERGO Versicherungsgruppe AG and all the Group companies. ERGO has worked together with the representative associations of field staff to formulate dedicated principles for the self-employed insurance agents. These principles represent a clear commitment to focus on advice, the quality of business and mutual respect in the cooperation between ERGO and its sales partners.

The ERGO directive “Anti-Fraud Management” defines rules and principles which are intended to safeguard reasonable and effective prevention, identification and response to criminal business activities within the companies of the ERGO Group. The “Incentive Guideline” represents a clearly defined standard and orientation tool for tendering and structuring incentives. In order to assist in identifying business crimes and comparable legal infringements, we have also appointed an external ombudsman and whistleblowers can report any breaches using this channel.



Codes, guidelines and regulations relevant to Corporate Governance

Area	Code/Guiding Principle or Guideline
Sustainability strategy	UN Global Compact UN Principles for Sustainable Insurance (PSI)
Investments	UN Principles for Responsible Investment (PRI)
Compliance	ERGO Codes of Conduct for employees, executive employees, Members of the Board of Management and for the self-employed insurance agents ERGO Incentive Guideline
HR	German Diversity Charter Munich Re Diversity Policy
Criminal business activity	ERGO Framework Guideline for Anti-fraud Management
Environmental and climate protection	United Nations Environment Programme Finance Initiative (UNEP FI) ERGO environmental guidelines
Purchasing and procurement	ERGO Purchasing Guidelines with concrete sustainability elements

Monitoring and provision of assistance

The Compliance Management System at the ERGO Group was expanded in 2012 by creating a dedicated Compliance Department reporting directly to the Chairman of the Board of Management. The team provides the point of contact for

the entire organisation. It is available for advice to any employee – irrespective of hierarchical level or department – where the issue is about preventing damage to individuals or to the Company. Top priority is given to the task of providing information to create a clear understanding of what is in conformity with the rules and what constitutes a breach.

Transparency initiative

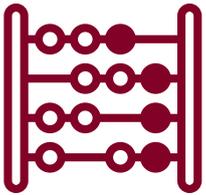
After serious cases of misconduct during an incentive trip to Budapest in 2007 were revealed in 2011 and allegations about the insurance business were made public, ERGO launched a number of audits and published their results. Nevertheless, an allegation was made in 2012 that ERGO had not provided an adequate account of the misconduct of sales agents. We launched a transparency

initiative in October 2012 in order to further enhance our claim to transparency, publishing on our homepage all the cases of misconduct to date and any other irregularities on incentive trips, as well as specifying our response in terms of consequences. ERGO will continue to investigate any signs of misconduct during incentive trips and make transparent any instance of misconduct.

www.ergo.com/transparency

Sustainable business practices

Placing customers at the centre

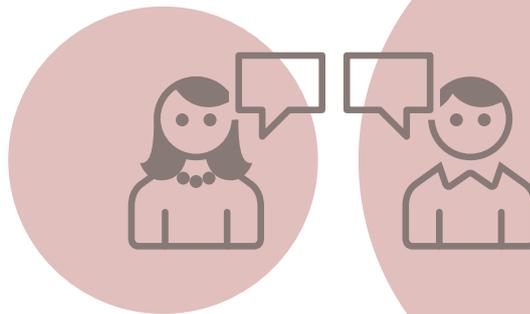


We safeguard the sustainability of our business development through consistent customer orientation – in everything we do. This includes the development of innovative, tailor-made insurance solutions and a value-based investment strategy.

Increasing customer satisfaction

29%

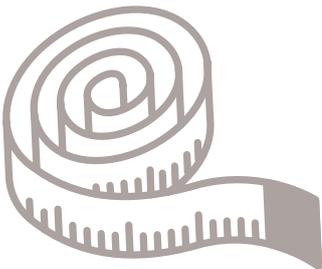
of our customers in Germany would be prepared to recommend ERGO without any reservations. We are working on increasing this value.



89%

of our customers in Germany assess our performance as excellent, very good or good. This means we have retained the level of 2011 (88%).

Insuring innovatively



Tailor-made

The accident cover developed by ERGO in cooperation with our customers is just one example of an innovative insurance product from ERGO.

How does ERGO develop new products?

1. Consultation phase

Establishing the needs of customers. We analyse customers in their everyday life and we speak with them. We also talk to the members of our Customer Advisory Board. Enhancing analysis and listening to our customers more closely means that improved products will be developed further down the line.

2. Ideas phase

Collecting and sorting. We first create scope for ideas and then we develop solutions. Customers are also involved here in a spirit of co-creation. We continually ask ourselves whether the idea actually meets the real need. And we integrate the ERGO Customer Workshop.

3. Concept phase

Describing, designing, calculating. We work closely together with customers and ask: Is the product still comprehensible? We hold discussions with our sales partners. Rates are calculated and drawn up. We test customer promise and comprehensibility with our customers.

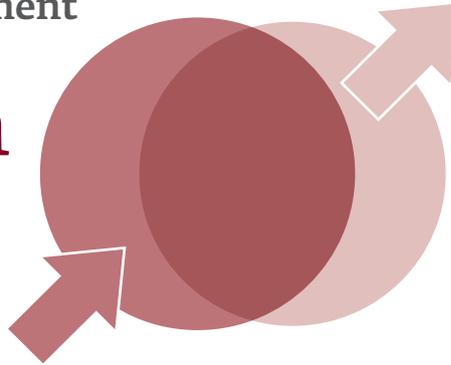
4. Introduction phase

Communicating, establishing, marketing. Forms and information sheets are formulated and designed, legally audited and tested with customers. Work guidelines are prepared for customer service, promotional advertising is produced. The campaign is launched. Sales take over responsibility.

Stable business development

18.6 billion

euros of premium income were generated by the ERGO Group in 2012.



17.6 billion

euros of insurance benefits were paid out to our customers by ERGO in 2012.

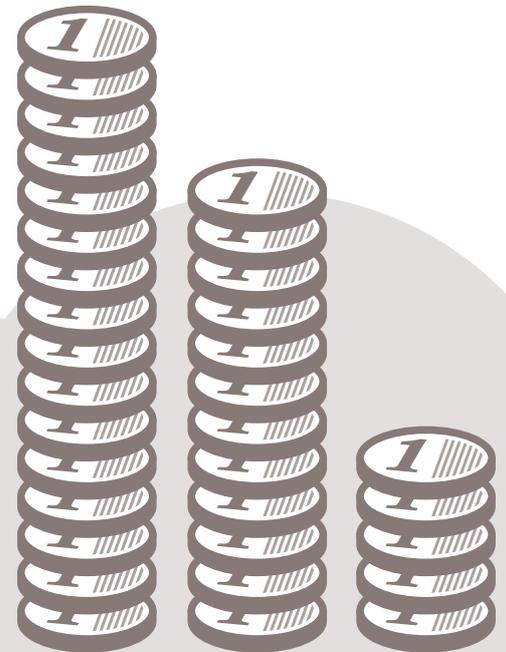
Making investments responsibly

As of 31 Dec. 2012

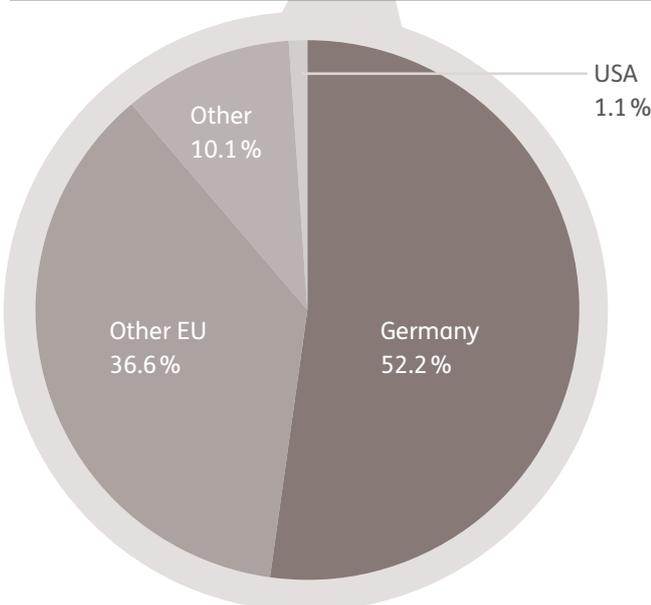
EUR **125 billion** investments

90 % of the investments are fixed-interest securities.

40 % of the interest-bearing investments are government bonds.



Government bonds, classified by countries, regions and current value¹



Proportion of interest-bearing investments rated A (strong) and higher is 83.7%²

¹ Fixed-interest securities
² Including own mortgage loans 88.3 %

Identifying, understanding and implementing customer needs

The ERGO Group interprets doing business sustainably first and foremost in terms of identifying the needs of its customers, understanding them and then taking action – for example by designing innovative insurance and service packages. Lots of tools ensure direct dialogue with our customers.

Discussion with our customers

The ERGO Customer Advisory Board which meets twice a year is a key tool for direct communication. 25 typical customers of the German companies in our Group make up this Board and bring together their perspectives, as well as contributing new ideas for processes, products and services. The Board was set up in 2011, with ERGO being the first big insurance company in Germany to establish such a Customer Advisory Board. Regular participation of more than 90 percent demonstrates the high level of motivation among the members. Concrete improvements bear testimony to its effectiveness, such as optimised communication with existing customers and the demand to implement customer satisfaction as a controlling parameter to provide a benchmark for everybody. This requirement is being implemented within the framework of even more consistent controlling directed towards customer needs which ERGO adopted and introduced in 2013.

Open platform for innovations

The ERGO Customer Workshop is an open Internet platform where we present our work and subject it to appraisal. Registration is free of charge and we now have approximately 4,000 participants. They are able to shape the updating and developing of new printed materials, products or services at ERGO by taking part in anonymous surveys. A concrete improvement generated by the Customer Workshop was an Internet portal about long-term care insurance.

Plain speaking creates clarity

A lot of consumers frequently find the contractual information in their insurance policies difficult to understand. The ERGO Clear Language Initiative is our answer to this problem. Customers should be able to follow what we say and write more easily. For example, we have reduced our insurance

terms and conditions to the minimum and presented them in clear and comprehensible language. The result is that by the end of 2012, around 29 million copies of newly formulated letters and of more than 850,000 revised contractual terms and conditions had been sent to our customers. Feedback from our customers is also important to us when it comes to comprehensibility. In 2012 we received several hundred ideas in customer feedback. Last year we received more than 60 feasible proposals and awarded each of their originators 50 euros.

Good rating

In 2012 ERGO was the first insurance group in Germany to put its customer communication to the test in the comprehensibility inspection by the TÜV Saarland inspection agency. At the beginning of 2013, the Group was awarded the quality seal with a “good” rating. The TÜV spent almost one year analysing a number of areas including selected terms and conditions of insurance, product information and letters to customers. The inspectors were also present as observers at consultations with customers. The appraisal, therefore, covered the entire process of customer communication. The objective is to continuously improve the comprehensibility of our documents and processes.



Customer Report: With customers for customers

In 2012 we published the first ERGO Customer Report and this will now be published every year. The second report will follow in May 2013. This report is intended to highlight how we are implementing our promise “To insure is to understand”. In the course of interviews, customers pose concrete questions to individual responsible managers at ERGO. The responses make clear where we stand, what we are working on and how we approach mistakes. We defined the topics for the Customer Report together with the members of our Customer Advisory Board. The focus of the 2013 edition was the issue of advice: how well customers feel they are being looked after by their sales partner and everything that ERGO does to create good insurance and provision solutions.

Taking complaints seriously

If customers at ERGO feel that they have been unjustly treated by a decision and think they need help, there is a direct contact office within ERGO. This is where customers' concerns are addressed when they feel that their problem has not

been satisfactorily solved after staff in ERGO's internal Quality and Complaints Management Department has dealt with their request. Since 2011 Ralf Königs and his team have been the contacts for these customers in Germany. He acts as intermediary and speaks out for the customer's case within the Company, clarifies misunderstandings and looks for solutions. In 2012 there were 320 cases. A decision in favour of the customer was reached in around two thirds of the cases.

Also safely insured online

Many of our customers continue to value personal support. However, the Internet is also becoming an increasingly important channel for contact. ERGO is adapting to this customer need and is systematically expanding its online offers. Information on the Internet is available 24/7 for 365 days of the year and can be accessed using a computer or smartphone. Customers can also access all the information relating to their policies in the comfort of their own surroundings. A “Calculator App” from DKV allows the policyholder to conveniently submit bills from the doctor or dentist from private medical accounting centres by smartphone – original documents no longer have to be submitted.

Shaping the future, creating incentives

Sustainability at ERGO is also reflected in special new insurance solutions. These solutions represent our response to new trends while they also create incentives – for example for environmentally friendly behaviour.

Safeguarding the future of renewable energies

The significance of renewable energies and their technologies has grown not simply from the perspective of consumers but also for companies in recent years. ERGO in Germany offers comprehensive cover with a combined property and business interruption insurance. The policies are tailored to photovoltaics, wind energy, hydropower, biogas as well as fuel cells and their specifics.

ERGO is one of the few insurers to offer an innovative extension of cover with its reduced yield insurance for operators of photovoltaic plants. This guarantees cover if the expected annual energy yield from the plant is not achieved due to less global solar radiation or defective components.

Since 2012 the area of renewable energies has also been explicitly included in liability cover to provide protection against claims from third parties. The tariff includes a specific section with information, clear underwriting guidelines and special coverage content which are necessary for the insurance of these specific liability risks.

Insuring ecological systems

European environmental legislation is increasingly adopting the polluter-pays principle with respect to those responsible for damage to plants, wildlife, inland waters and the soil. Any incidents of environmental damage can pose a dangerous threat to customers' businesses because of the enormous cost of clean-up operations. ERGO takes account of this requirement with its environmental liability insurance. Since 2009 environmental liability insurance has been an integral part of our business liability insurance. Meanwhile, some 100,000 customers have concluded this specific insurance cover.

Incentives for saving

If a claim is made under the latest product generation of our home contents insurance policies in Germany, we pay the additional costs for environmentally friendly household appliances if new appliances have to be purchased.

ERGO also offers environmentally friendly insurance solutions in Germany for automobiles. At the moment, we guarantee a reduction in motor liability insurance and in fully comprehensive insurance for around 50 selected vehicle types with particularly low CO₂ emissions in six different vehicle classes.

New markets

ERGO uses special solutions to contribute to building up insurance markets in developing countries and emerging economies with the focus on long-term growth perspectives. One example of such a market is India, where the overwhelming majority of the population has no access to traditional insurance products. Our German-Indian joint-venture company HDFC ERGO develops microinsurance policies in close cooperation with non-governmental organisations and microfinance institutes. The key factor for the products is that they must have a transparent structure, need to be marketed at an affordable rate, and can be sold through innovative sales channels.

In the province of Uttar Pradesh, for example, sales outlets have been set up in some 50 rural supermarkets. The policies range from health insurance, through accident and property cover, to protection against the loss of working animals, and failed harvests. Moreover, HDFC ERGO has joined forces with the Biocon Foundation to offer a health insurance which provides cover for hospital stays, medical treatment and operations in return for a very low premium. A registration system based on the use of mobile phones permits the simple and paperless conclusion of insurance contracts.

Also, weather insurance policies depending on a weather event are offered. If weather damage occurs, the customer is paid a flat-rate amount independently of the loss or damage sustained. This cuts out the often complex and expensive loss assessment.



Unique accident cover

Once an accident has taken place, financial security is important. However, the provision of practical support is often equally highly valued. Substantial allowance has been made for this customer need in developing the new ERGO accident insurance. It is tailored specifically to the needs of different target groups. The additional assistance services are particularly attractive. They are geared to the specific living situation, for example a personal advisory service or practical assistance for everyday living (household organisation, driving services, childcare, etc.). If customers sustain a permanent impairment, they can also take advantage of special rehabilitation measures for reintegration in their job or, if the consequences of the accident are particularly severe, they have access to individual aftercare services, such as a sports prosthesis. This is our way of helping such customers to play a maximally active part in life again. This insurance has only been marketed since mid-2012 and by the close of the year more than 138,000 contracts had already been concluded.

Sustainability for investments

The principles of sustainability also apply to investments made for the ERGO Insurance Group. We take account of this responsibility by prudent and far-sighted investment management supported by a sophisticated controlling system.

Maximum security for customers

An orientation framework for our sustainable investment strategy across the Group is provided by the General Investment Guidelines drawn up by our parent company Munich Re and the United Nations' Principles for Responsible Investments (PRI) which we signed up to in 2006. The primary objective of our investment management is to be in a position to meet our commitments to customers at all times. The following objective applies to all lines of business: maximum security for the investors. The investment strategies are based on the differing insurance benefits. For example, in a traditional life insurance the guaranteed benefits must be generated alongside the bonus, whereas health insurance demands the ability to pay ongoing costs and making provision to pay for any higher health benefits as customers get older. We therefore need to ensure in all lines that the maturities for our investments match the terms for our commitments. At the same time, we support customers who want to invest their money sustainably. If they take out a unit-linked annuity insurance, for example, they are able to select a sustainable fund for their provision.

Managing commitments strategically

MEAG, the joint asset manager of ERGO and Munich Re, manages the investments of ERGO amounting to some 125 billion euros. The company is one of the major investors in the European finance sector. A comprehensive, joint controlling system operated by ERGO and MEAG ensures that we meet the commitments to our customers over the long term. A dedicated early-warning system at the ERGO Group monitors compliance with the mandate specifications to MEAG every day. This also takes account of investment categories, quality and limits.

Security demands that the focus of investments made by ERGO is on fixed-interest securities, such as government bonds, covered bonds or loans. Investments are also distributed among a range of different debtors, such as governments, banks and industrial companies. In addition, we invest in real estate and also shares in companies, primarily enterprises based in Europe.

Holger Kerzel

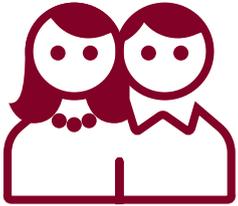
MEAG Managing Director | Portfolio management for shares and other equity investments

“Our sustainable investment strategy enables us to ensure that ERGO is able to meet its commitments to its customers today, tomorrow and in the future. This strategy also allows us to achieve appropriate returns. In order to attain this objective, we take a very refined and forward-looking approach to risks. And because sustainable investments entail fewer risks over the long term than other types of investment, we factor in environmental and social standards, compliance with rules of conduct in corporate governance, and avoidance of environmental pollution. We believe that investing sustainably pays off for customers of ERGO over the long term.”



Employees

Empowering diversity



Active support for our employees, creating scope for getting the work-life balance right and protecting their health enables us to empower diversity within our Company. This potential forms a valuable platform for our success.

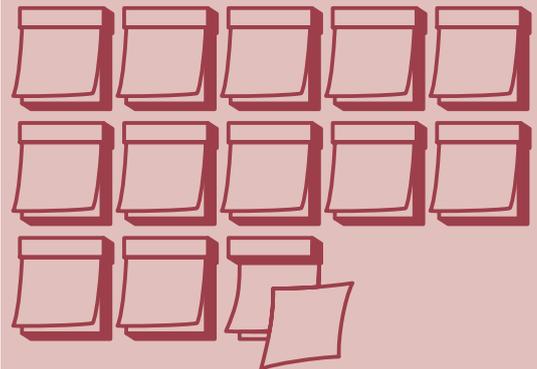
Responsible employer



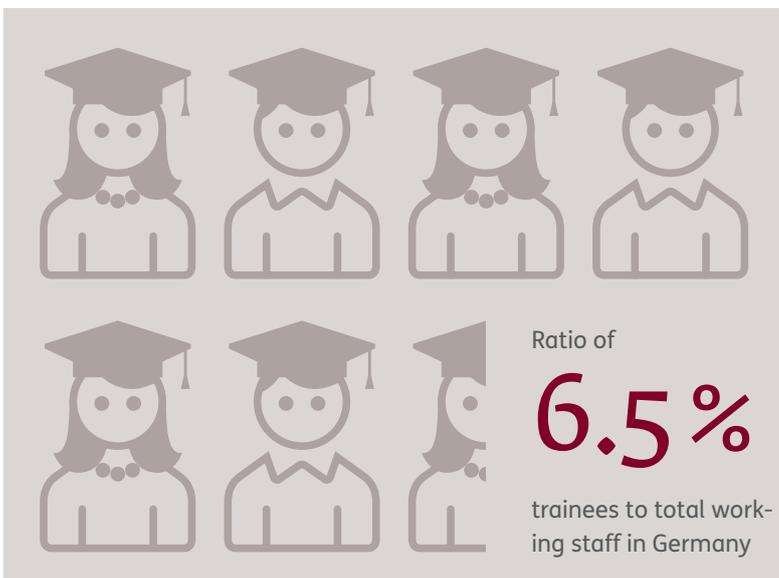
¹ In-house staff and salaried field staff in Germany and abroad

Our employees work for ERGO as in-house staff and as salaried field staff for an average of

12.2 years



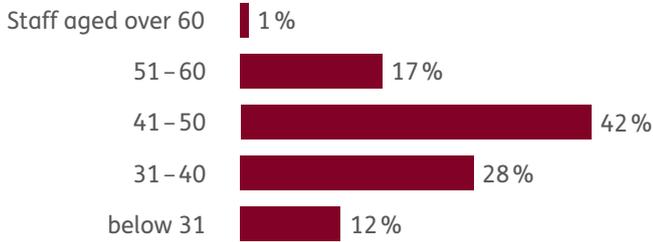
Qualifying and supporting employees



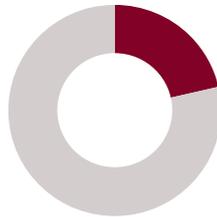
3.3 training days for each employee working in-house in Germany



Respecting and establishing diversity in the Company

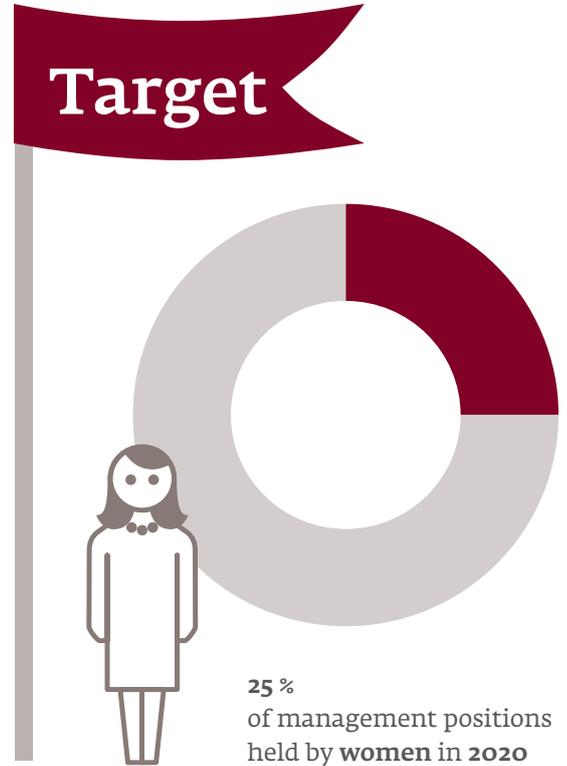


We make use of the potential created by employees in different age groups working together.

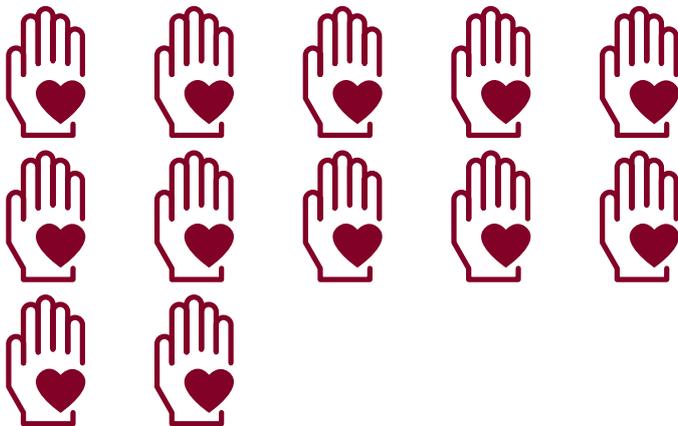


21.4%

of management positions were held by women in 2012.



Getting the work-life balance right



12 months

of leave granted to employees for caring for elderly relatives

Promoting health

More than 50 different types of sport and interest groups at seven sites are offered by ERGO to its employees.



Exploiting potential

An ageing society is resulting in an increasing shortage of available talent in the employment pool. Employees are also experiencing a growing need to improve the work-life balance. These are key challenges that the future-oriented human resources policy being pursued by ERGO is tackling.

Preferred employer

We have high aspirations with respect to our employees, a key resource and area of action. We want to become a preferred employer in the insurance industry. Our approach to achieving this goal is to create tools which support the performance and commitment of almost 30,000 in-house and field staff – across all life phases. At the same time, we have to ensure that these measures also meet the requirements of the Company.

June 2012. Focuses of the survey were satisfaction with working conditions, an assessment of the direct line management, and learning and development options. For the first time, we have also been taking account of aspects relating to health and workload. As in the 2010 survey, job security was one of the top priorities in the assessment of overarching issues. Positive developments emerged for cooperation with managers and colleagues. However, the most important results are those which reveal potential for improvement. For example, 52 percent was a relatively low level of participation in the survey – here ERGO has set itself the goal of increasing the proportion of people participating.

Understanding employees

Understanding – this aspiration also applies to our employees. Our staff survey is an important tool to identify what motivates them. We held the survey in Germany for the second time in

Creating options

Changes in personal circumstances, different life phases or sudden upheavals in the family always exert an impact on an individual's working life. As far as ERGO is concerned, diversity is therefore also about creating options for relieving the pressure in this field of tension.

Getting the work-life balance right

Packages which meet the needs of the specific life phases of employees have been shown to enhance the appeal of an employer. In particular, these include flexitime models which improve the work-life balance between professional and family life, such as part-time posts, parental leave or care periods for looking after relatives. Our employees vary enormously and our approaches to developing the solutions we offer them should be equally flexible. In 2012 we placed particular emphasis on giving flexitime models a higher profile at ERGO. A brochure on diversity at ERGO, published in June 2013, provides concrete information about this to employees in Germany.

The independent German Career and Family Audit “berufundfamilie”® once again confirmed the status of a family-friendly HR policy. The work-life company berufundfamilie gGmbH, a subsidiary of the German non-profit Hertie Foundation, highlights companies which make a sustained commitment to improving the work-life balance. In 2002 ERGO took part in this audit for the first time. In 2012 all the major administrative locations of ERGO in Germany were granted the award.

Elena de Graat

Auditor | berufundfamilie gGmbH

“ERGO has created excellent models and instruments in its personnel strategy, in order to establish the issue of getting the work-life balance right in the company. This company is undoubtedly operating in the premier league on this front. The big challenge will be to ensure that these instruments are accepted and implemented over the long term – by managers and by employees. This requires time and lots of small steps to reach each unit, each individual and therefore make the best use of the opportunities.

Ultimately, this is about a change in corporate culture which can make a verifiable contribution to increasing motivation as well as the business success of the Company.”



Promotion of women

The proportion of women in management positions at ERGO is still comparatively low. Our objective is to increase this proportion across the Group to at least 25 percent by the end of 2020. In 2012 21.4 percent of employees in management were women.

Making diversity tangible

The team at the ERGO “Diversity” project reports directly to the Labour Director. This team coordinates all our initiatives to establish diversity within the Company. Its functions

include raising the awareness of supervisors and giving them appropriate training, as well as supporting initiatives in specific divisions. The profile of diversity within the Company is raised by presenting individual initiatives and concrete examples in all regular communication and dialogue formats used by ERGO.

At the first German Diversity Day held in June 2013, our employees at the ERGO Head Office in Düsseldorf were able to test the benefits of our packages geared to different life phases in a game context. The occasion was voted one of the ten best promotional events in Germany by the “Charter of Diversity” initiative.

Promoting development

ERGO is making a big commitment to diversity. We underpin the respect for different life experiences and talents in our workforce and the associated potential through strategic support to our employees.

Free from prejudice and exclusion

In 2011, when our parent company Munich Re introduced the “Diversity Policy” applicable throughout the Group, the Company created the foundation for activating the potential available within the diversity of our workforce by applying

strategic instruments and measures. ERGO is also a signatory to the “Charter of Diversity”, an initiative developed by German companies. This has committed us to establishing a working environment which is free from prejudices and exclusion. Employees need to experience respect – irrespective of their gender, nationality, religion, disability, age, and sexual orien-

tation or identity. An Equal Opportunities Officer was appointed in 2002 with the brief to ensure equal opportunities. The Officer looks after the needs of employees in Germany and focuses especially on the promotion of women.

Lifetime learning

ERGO has a comprehensive career training programme directed towards continually updating the knowledge and skills base of our employees and sales partners across all hierarchical levels. Online packages, such as our e-Campus, are playing an increasingly important role. This particular initiative is a learning platform used in Germany with a wide range of e-learning modules. We also offer comprehensive training sessions focused on service and consultancy expertise for our self-employed sales partners. In 2012 our employees participated in trainings on more than 28,000 days. Self-employed sales partners participated in approximately a further 30,000 training days.

Perspectives in training

A declared goal of our human resources policy is to secure the next generation of the workforce through basic training leading to worthwhile qualifications. We want to offer young people future-proof perspectives in the Company. This is based on training them for specific needs, i.e. in areas with a future. At the same time, our customers expect to receive insurance policies at acceptable prices, just as they expect outstanding service and support. This also changes the requirements for HR planning. While we streamline processes for in-house staff, eliminate parallel structures and thereby also reduce the number of employees, we are consistently strengthening our field staff. This trend is reflected in our training programme. As a result of the lower number of jobs for in-house staff and the low level of staff turnover at ERGO, we will no longer be able to guarantee that we can give an in-house job to trainees who started their training in 2013. This may be the case even if they have achieved excellent results. In contrast, we are expanding training for field staff. The ratio of trainees to total working staff at ERGO will hardly change in 2013 as compared to the previous year (6.5 %). At the end of 2012 we employed a total of 1,485 trainees in-house and as part of our salaried field staff in Germany.



Qualification and awareness

The German Insurance Association for Vocational Education and Training awards the Inno-Ward training prize each year. In 2012 we received the first prize in the category “Initial Vocational Training” for the seminar entitled “Embracing Diversity”. The Jury were very impressed by the three seminar modules Group social expertise, awareness of differences, and practical project work on the issue of diversity. In 2013 the seminar was incorporated as standard component in the ERGO vocational training programme.

Identifying and promoting talented people

Our goal is to expand the current Talent Management system implemented at management level throughout Germany to all hierarchical levels and to put it on an international footing. Since the beginning of July 2012 our major international companies can also access the internal job portal of ERGO and Munich Re. The ERGO Mentoring Programme allows our female trainee managers to be mentored by experienced colleagues – across companies and industries. The programme was run for the second time in 2012 and will be continued in 2013.

Performance-related remuneration

Performance-related pay is an important module for cementing the loyalty of employees to the Company. The remuneration structure at ERGO is organised within a transparent framework, and pay in Germany includes a range of supplements and special payments on top of the basic salary. We also offer employees an attractive company pension scheme. The salary for pay scale employees in Germany is based on the German collective agreement for the insurance industry. At ERGO, the remuneration strategy for the management

level is based on a specific incentive system designed to support the commitment of Board members and executive managers to creating added value. The share of remuneration based on the sustainability of business success rises with the hierarchical level of members of the executive management.

Generation Workshop

The issue of intergenerational working will become increasingly important over the next few years. This also highlights the age structure of our staff: 60 percent of our employees are above the age of 41. The “Generation Workshop” was set up in 2012, and employees in all age groups took part. This workshop tried to identify answers to the question as to

whether employees from different age groups really do adopt a different approach to their work. And if the answer to this question is yes, we further asked what the consequences are for intergenerational cooperation. The first findings demonstrated that there are only a few differences in how different generations do their work. Furthermore, the cooperation between old and young employees is highly valued. The issue of making work more flexible is also becoming increasingly important irrespective of the specific generation. The good response to the first “Generation Workshop” persuaded us to go into the next round in October 2013. Positive stimuli flowed into projects on making working hours and work location more flexible. They were also channelled into a model for supporting executive employees in a smooth transition to retirement.

Promoting health

Work and health belong together. A holistic HR concept therefore entails promoting the well-being of members of staff and responding to their varied health needs in all phases of life and career.

Specialists advise and assist

The majority of our employees work in our domestic German market, and five company doctors and a social worker have specialised in providing assistance in acute cases and giving support to employees on all issues relating to health. They carry out preventive examinations, give vaccinations and lend assistance in first aid. They also provide counselling if people have professional or private difficulties, and give advice on how to deal with addictiveness and stress.

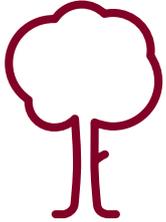
A pilot project for early detection of cancer is an example of one of our health-promotion measures. It was launched at our Düsseldorf office in March 2012 and was expanded a year later to all sites in Germany and to permanent salaried field staff. The screening is carried out using an immunological stool test and this enables the early stages of colon cancer to be identified.

Come and join in

A comprehensive package of company health promotion is available at all German locations, for example relating to the issues of nutrition, physical exercise and relaxation. ERGO sports is one of Germany’s biggest company sporting associations. Sport is organised centrally under one roof and offers more than 50 different sporting disciplines and other activities at seven sites. All year round, colleagues from all our sites and divisions come together in running, football and beach volley ball tournaments, and international events like the ERGO Cup and the Sail Challenge. Apart from finding joy in physical exercise, all these activities help to promote health awareness and team-building skills. Musical and cultural interests are also part of the scene and they include the ERGO Bands, the ERGO Cantamus choir, and a theatre group which enables employees to tread the boards.

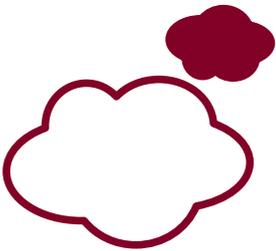
Environment

Using resources responsibly



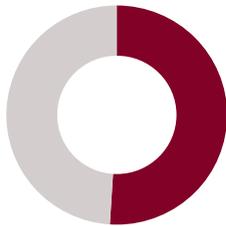
Group-wide carbon neutrality is our goal. Our top priority in this area is bringing about a steady reduction in the consumption of resources and finding substitutes for fossil energy sources.

Consuming less



17%

of CO₂ emissions per employee were saved across the Group in 2012 by comparison with the previous year.



51%

of the printer and copy paper used in the ERGO Group is recycled.

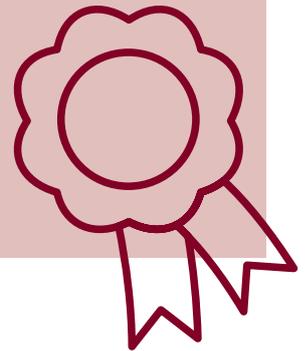


5.5%

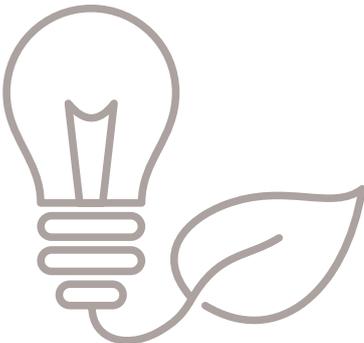
less water was consumed on average by each employee in the ERGO Group in 2012 by comparison with the previous year.

Managing environmental protection

12 sites have received certification in conformity with ISO 14001 – including virtually all the major locations in Germany and five DAS sites in the United Kingdom.



Replacing fossil energy sources



We use

green electricity

at all the major German locations.

Offset for CO₂ emissions



We offset unavoidable CO₂ emissions by purchasing emission certificates.

ERGO supports certified climate projects in conformity with the "Social Carbon Standard".

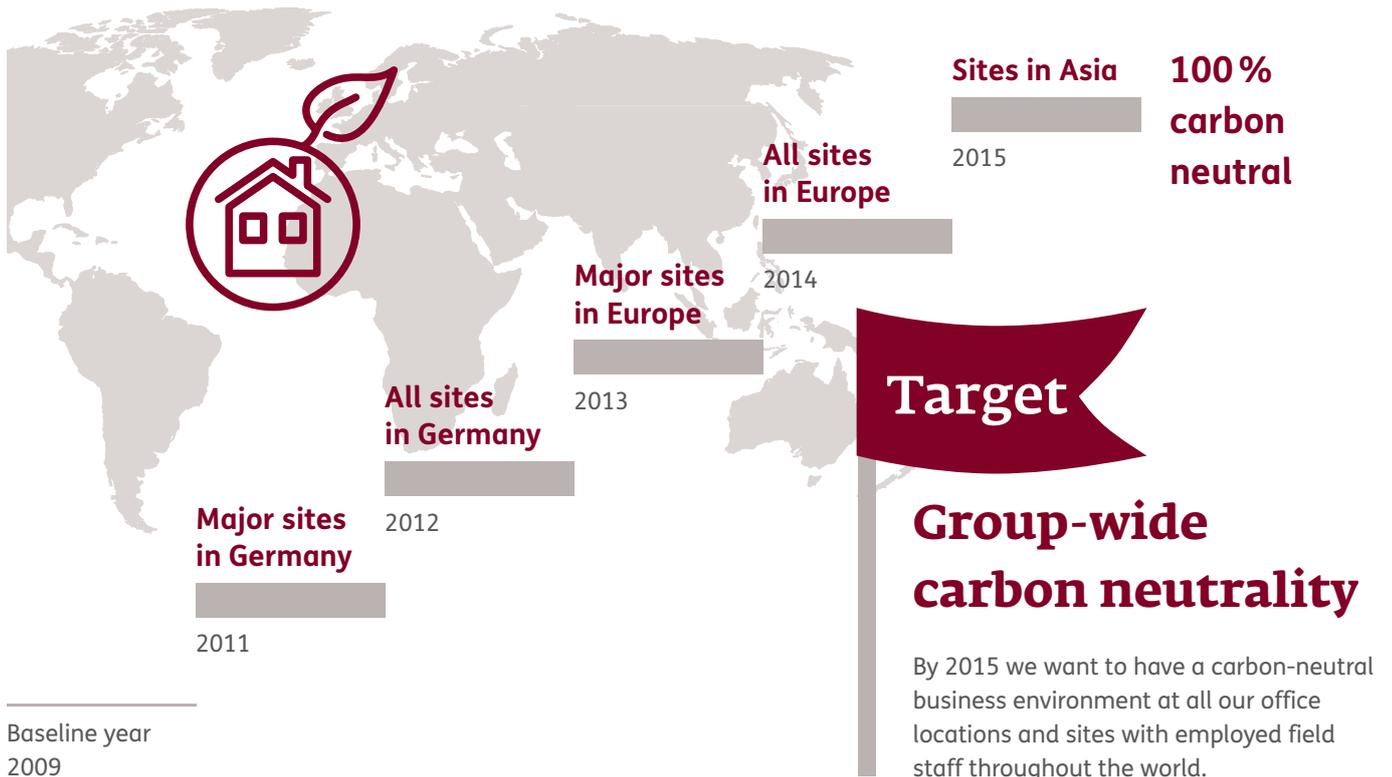
Carbon-neutral insurance business operations

Since 2012 business at all German office locations of the ERGO Insurance Group has been

CO₂ neutral



Five-stage plan



Reduction, substitution, compensation

ERGO is pursuing the goal of being carbon neutral across the Group by 2015. A five-stage plan describes the stages of how we intend to achieve this aim. The priority is reducing the consumption of energy and resources. We offset unavoidable emissions by purchasing CO₂ certificates.

Progress on carbon neutrality

In 2012 we were able to achieve carbon neutrality at all our German office locations and sites with employed field staff in relation to energy, water, printer/copy paper, waste and business travel. We have achieved a significant reduction in energy consumption through the modernisation of heating and climate technology, and technical infrastructure like network computers. The purchase of electricity from renewable energy sources and in-house production of some electricity and heat in energy-efficient thermal power stations further reduced the CO₂ emissions during the reporting period compared with 2011 by a further 20 percent.

ERGO compensates for unavoidable emissions by purchasing CO₂ emission certificates, supporting projects with ecological and social value added which receive certification in conformity with the international "Social Carbon Standard" from the Ecologica Institute. In 2012 this facilitated the construction of small hydropower plants in China and wind farms in India, as well as sponsoring the upgrade of a geothermal plant in Indonesia.

Further progress was also made outside Germany in reducing the consumption of resources. For example, D.A.S. Austria received an award for the renovation and improvement of energy efficiency at the Head Office in Vienna from the Austrian Sustainable Building Council.

Pro Recycling

ERGO has joined forces with other major German companies to participate in the national initiative "Pro Recycling Paper". The objective is to promote sustainable business and further increase the level of acceptance for recycled paper. In 2012 our proportion of recycled printer and copy paper in Germany was 67.9 percent compared with a share of 79.1 percent in 2011. We are working on further increasing the proportion of recycled paper.

It goes without saying that we return re-usable materials to the business cycle. That's why we have an appropriate separation infrastructure and we sell recyclable materials to specialist recycling companies. Our employees are provided with specific information on the issue of rubbish disposal.



Standardised environmental management

Our environmental guidelines applicable throughout the Group provide the platform for group-wide standardisation in conformity with the ISO 14001 international environmental management standard. All major German sites of the Group should have received certification by 2013. The sites in Berlin, Leipzig, Düsseldorf and Mannheim have long been certified while Cologne received certification in 2011 and Munich in 2012. Hamburg will follow suit in 2013. Outside Germany, all the major sites in the United Kingdom and Ireland have received certification. In relation to the number of employees, certification in conformity with ISO 14001 already covers 53.8 percent of ERGO employees in Germany and 36.4 percent throughout the Group.

Enhancing environmental awareness

Environmentally aware behaviour of employees is a major lever for reducing the consumption of resources in a financial services provider. At ERGO, we pursue this goal with group-wide and site-specific initiatives. For example, through the campaigns “Smart disposal of mobiles” in Munich, provision of electricity meters and e-bikes in Cologne and “Saving and Environmental Conservation” in Mannheim, which focused on the consumption of toilet paper and the disposal of electrical waste. The CO₂ Calculator developed in 2012 will give our employees in Germany the opportunity to calculate their private and business CO₂ footprint in 2013. And they will also receive concrete optimisation proposals at the same time.

Less data, less energy

In 2012 1,000 PCs were replaced with less resource-intensive network computers, reducing our energy output by approximately 135,000 kilowatt hours each year and CO₂ consumption by around 55 tons. Moreover, “ERGO Data Delete Days” were held in October 2012 based on the principle of selectively deleting data that is no longer required or that is redundantly saved in order to free up IT storage capacity. In just twelve days, employees across Germany deleted data volume amounting to more than 2,100 gigabytes, which has led to a reduction in emissions of almost six tons of CO₂ each year.

Sustainable mobility

Business journeys in Germany measured using the number of kilometres travelled by each employee were reduced by 2.2 percent compared with 2011, for example by enhanced usage of video conferences. However, closeness to the customer remains a fundamental principle at ERGO and continues to be based on the presence on the ground. CO₂-neutral rail journeys, our very own car sharing agency within the Company, and specific training initiatives nevertheless contribute effectively to the reduction of environmental pollution within Germany. This is also achieved by the car-fleet regulations updated in 2012, which define fuel-efficient vehicle classes with maximum CO₂ emissions for all levels within the Company including the Board of Management. This system also commits all users of company cars to undergoing a training course in ecodriving. Measurements after the training reveal average fuel consumption that is ten percent lower. We brought down our overall fuel consumption in Germany by almost 14 percent compared with the previous year, and in conjunction with this the Company reduced the emissions generated by the company-car fleet by almost 16 percent. Outside Germany, DAS in the United Kingdom achieved further progress in implementing an environmentally based business travel concept. Our subsidiary company was granted the highest distinction in the “West of England Travel Awards” for its achievement in 2012 for the fourth time.

Dr. Ralf Utermöhlen

Managing Director of Agimus GmbH | Environmental Auditor of the ERGO Group

“Genuine carbon neutrality is only achieved if as many emissions as possible are avoided. Only the really unavoidable emissions should be offset by the purchase of climate certificates. For a financial services provider, smart construction, Green IT and environmental travel awareness of employees are major levers for reducing emissions. ERGO is well on track with all these issues. The IT upgrades carried out in 2012 and the new company-car fleet regulations are exemplary. I perceive a challenge in the inclusion of the international companies in the carbon neutrality strategy. The principle that diligence takes precedence over speed should be applied here.”



Society

Participating actively



We are opening up perspectives for a good future with our commitment to the community. This is why we are investing in education and also helping people who are in a crisis situation. These issues are the focus of our CR engagement.

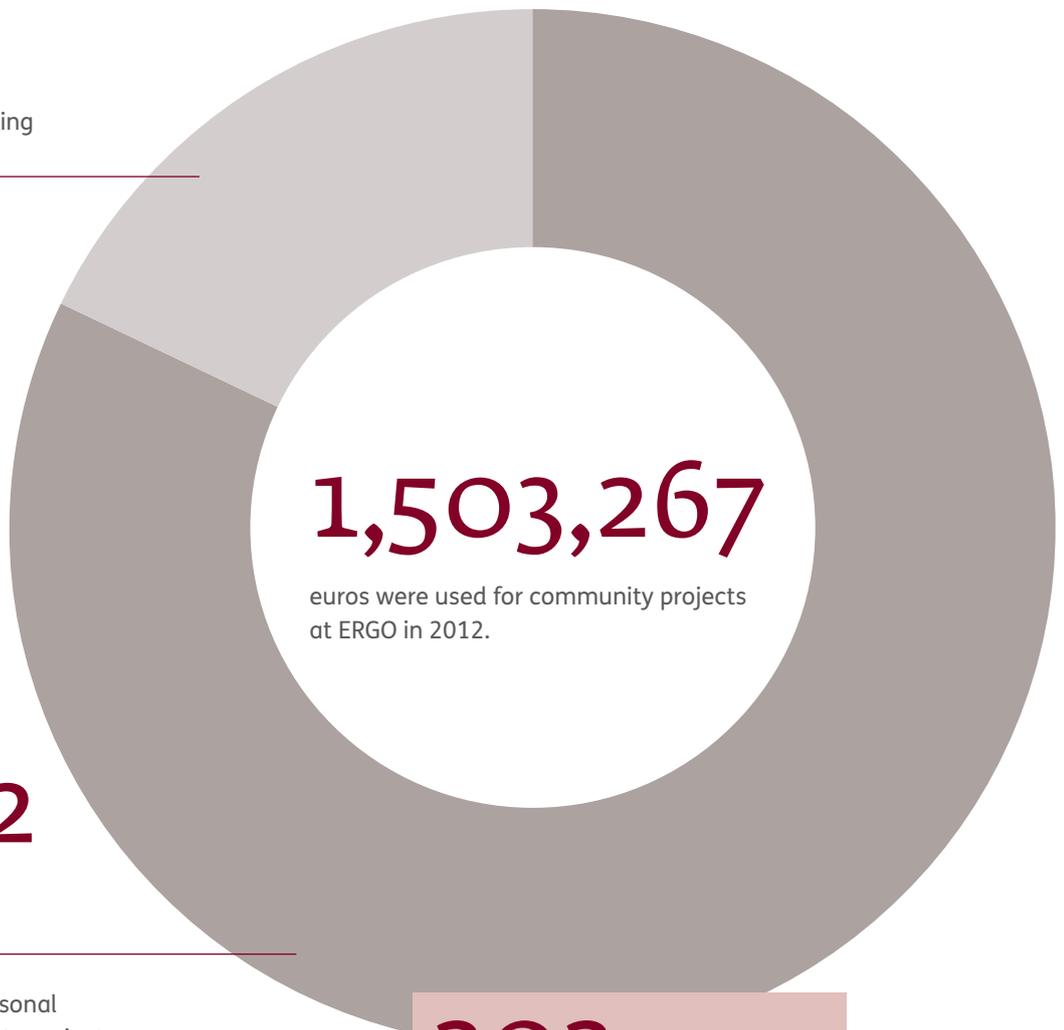
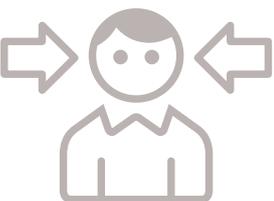
268,715

euros were invested by us for supporting
social projects
in 2012.



1,234,552

euros were invested in
education
at ERGO in 2012. We also support personal development through music and sports projects.



Promoting education



In **2012**

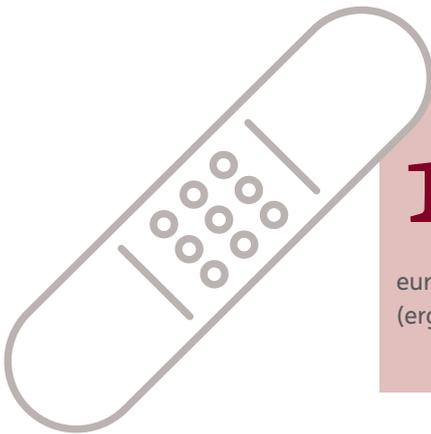
ERGO set up the “Education Sponsor” project in cooperation with the GENISIS Institute. The online platform bundles education innovations with partners willing to provide support.



13,000

schoolchildren have so far taken part in voice training in the “SingPause” (Singing Break) project sponsored by ERGO in Düsseldorf.

Helping where help is needed

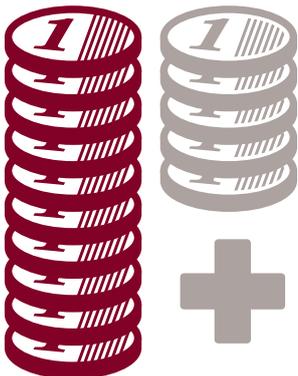


133,000

euros were provided by the staff organisation “ergo: wir helfen e.V.” (ergo: we help) for sponsoring social projects in 2012.

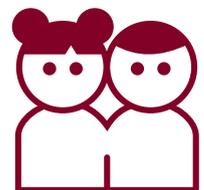
50 %

on top of the total amount collected by ERGO employees for the initiative “ergo: wir helfen e. V.” (ergo: we help) is donated by ERGO as a good-will gesture.



For the past 14 years

our company foundation “Jugend & Zukunft” (Youth & Future) has been helping young people from socially disadvantaged backgrounds by providing help for self-help.



Education is a factor for the future

Education is the best possible insurance. It opens up perspectives and opportunities for the future. Based on this interpretation, ERGO is focusing its community commitment on this area.

Promoting independent responsibility

The aim of our community commitment – large or small, national or international – is to enable people to take control of their own lives and play an active role in society. Education is an important prerequisite for achieving this objective. We believe that education also comprises musical development and health promotion. And because the main foundations are laid at a young age, children and young people are our primary target groups. We are convinced that a new generation of well-trained employees, and continuous development in science and research are absolutely essential for the future success of a modern society – and for our Company.

Education sponsors for a new learning culture

ERGO joined forces with the GENISIS Institute for Social Innovation and Impact Strategies to launch the “Bildungsstifter” (Education Sponsors) initiative in 2012. This online platform brings particularly effective education innovations together with sponsor partners willing to provide support. A body of distinguished experts from the field of German education selects the projects on the basis of clearly defined criteria. These include, for example, promoting the development of potential, the innovative force of the concept or the effectiveness of the initiative. Any interested sponsors or helpers can

use an education atlas to look for projects selectively – based either on regional criteria or the form of engagement. ERGO has provided personnel and financial support for this currently unique initiative in the start-up phase alongside long-term support as the main sponsor. We want our contribution to play an active role in creating a more level playing field for education equality and developing a new culture of learning in Germany.

ERGO Foundation provides help for self-help

Our Company foundation “Jugend & Zukunft” (Youth & Future) was set up in 1999 and plays a particularly important role in the educational initiatives launched by ERGO. The foundation provides support for non-profit and public providers of projects, such as associations, charity organisations and foundations. The focus is on helping children and young people from socially disadvantaged backgrounds by providing help for self-help. The foundation endowment amounted to 7.5 million euros in 2012. 45,000 euros were invested in work with children and teenagers in 2012. The ERGO foundation “Jugend & Zukunft” (Youth & Future) has defined its objective as giving young people the confidence to discover their potential and shape their own future. The foundation’s engagement is intended to improve the education perspectives for children and young people in Germany over the long term. In 2012



Reading, learning, expanding horizons

A project sponsored by ERGO in China has been carrying out educational work in rural areas during the first half of 2013. In the province of Shandong, three “Reading Corners” were set up with furniture and more than 1,000 books at easily accessible public venues. Mainly women and children from socially marginalised groups are introduced to reading there with the aim of expanding their horizons and improving their perspectives.

Promotion of education 2012 (examples)

Project name	Homepage/Description	Country
3-2-1-Ignition concert series	www.junge-tonhalle.de	Germany
“Bildungsstifter” (Education Sponsors)	www.bildungsstifter.de	Germany
Contemporary Education Foundation	Project “The Great Talent”, music sponsorship	Turkey
“Deutschlandstipendium” (Germany Scholarship)	www.deutschland-stipendium.de	Germany
“Schule macht Zukunft” (Schools for the future) FOCUS magazine high school competition	www.focus.de/schule/	Germany
Forum V	www.forum-v.de	Germany
“Klasse in Sport” (Great in Sport)	www.klasse-in-sport.de	Germany
“Mathematik.de” (Mathematics website) (until end of 2012)	www.mathematik.de	Germany
“Musik in den Häusern der Stadt” (Music in the homes of the city)	www.kunstsalon.de	Germany
Reading Corner	See information box on p. 28	China
Rock Your Life!	www.rockyourlife.de	Germany
Schumann Festival Düsseldorf	www.schumannfest-duesseldorf.de	Germany
“Singpause” (Singing Break)	www.singpause.de	Germany
“Wiener Lerntafel” (Vienna learning support)	www.lerntafel.at	Austria
“Wir machen Dich stark!” (We will make you strong!)	https://ergodirekt.de/de/unternehmen/engagement/wir_machen_dich_stark.html#	Germany

the ERGO Foundation supported two projects in Hamburg. The initiative for a Voluntary Social Year of Culture allows young people to make a voluntary commitment in a range of cultural institutions for twelve months. The foundation’s dedicated “Job Locomotive” project has now been running for a number of years and it offers assistance to teenagers

from socially disadvantaged backgrounds in developing career perspectives. It also helps them to make the transition from training to a job. Starting in 2013, the foundation will hold an annual competition for a training prize worth up to 100,000 euros. The objectives of this award are closely linked with the Education Sponsors initiative.

Peter Spiegel

Institute Director and Managing Director of the GENISIS Institute for Social Innovation and Impact Strategies gGmbH
Co-initiator of “Bildungsstifter” (Education Sponsors)

“We have some massive challenges in the education sector. The Internet is making access to knowledge increasingly easy. Today, young people need to learn some important lessons in our schools: How can they engage in life-long learning, alone and in teams, in order to gain relevant, new and essential knowledge easily, precisely and permanently? They also need to learn how to apply their knowledge as creatively as possible, with maximum social impact and with successful practical outcomes. The requirements for worthwhile qualifications in the world of work and in society have changed radically in precisely this direction. That’s why we need a broadly based education movement – similar to the environmental movement in the 1980s – which drives forward this change. Companies like ERGO can make a contribution to this process by promoting projects.”





In perfect harmony

Making music together can bring people together and create a sense of togetherness. Music is particularly helpful in bringing on the development of children and helping them to get more out of themselves – in all areas of life. ERGO promotes musical skills among children and young people in particular through a series of projects – inde-

pendently of origin and parental background. One of the projects we support is entitled “SingPause” (Singing Break). It now involves almost 13,000 children at 54 elementary schools in Düsseldorf, representing approximately two thirds of all pupils at this level in the city. Professional singing teachers come to the participating schools twice a week to teach basic musical skills, practice voice exercises and work through a fixed range of songs with the children. In October 2012 30 pupils at the Düsseldorf elementary school in Rolandstraße created some completely new sounds in the foyer of the ERGO Head Office. The successful performance gave our members of staff a visible and audible demonstration of the community impact being made by ERGO.

Help for people in need

An insurance company provides assistance when people have an emergency. This is part of our business and the second focus of our social engagement. We would like to help people who need support owing to their living circumstances and who need an opportunity to be able to participate in society again.

Getting an opportunity

Shops offering children help on their way to school, campaigns to collect donations for children suffering from cancer, support for orphans in Slovakia – these are just some examples of our ongoing support for social projects. We also provide support in acute cases for our companies on the ground. After an earthquake in the Chinese region of Wechuan, in the Sichuan province, ERGO provided support for the “China Youth Foundation” to support young people by reconstructing schools. In 2012 ERGO Austria signed a cooperation agreement with the organisation “Hilfe im eigenen Land – Katastrophenhilfe österreichischer Frauen” (Help in your own country – Disaster Help for Austrian women).

Belonging

We smooth the path for people with disabilities so that they are able to take control of their future. Employees with disabilities at ERGO are quite naturally part of the organisation. A dedicated integration team ensures that their needs are looked after over the long term. This might be by providing appropriate equipment in their workplace or offering the opportunity to work for a trial period. An outstanding example of successful integration at ERGO is our subsidiary company ERGO Hestia based in Poland. Sponsored by the company’s own foundation, employees with physical disabilities provide telephone support for customers. Since 2010 D.A.S. has been cooperating with the Munich integration company “ICP Verwaltungs- und Service GmbH” (ICP Administration and Services Company). Assistance is provided to help employees with serious disabilities to achieve experience in qualified activities and then gain a foothold in the main-

Social projects in 2012 (examples)

Project name	Homepage/Description	Country
“AfB Arbeit für Menschen mit Behinderung” (Work for people with disabilities)	www.afb-group.eu	Germany
China Youth Foundation	Reconstruction of schools	China
“ergo: wir helfen e. V.” (ergo: we help)	www.ergo.com/responsibility	Germany
“Helfende Hand e.V.” (Helping Hand)	www.helfendehand.net	Germany
“Hilfe im eigenen Land” (Help in your own country)	www.koef.at	Austria
Joint venture with the integration company ICP	www.icpmuenchen.de	Germany
“Laufen-Spenden-Helfen” (Run – Donate – Help)	www.phoenikks.de	Germany
“Madeleine Schickedanz-KinderKrebs-Stiftung” (Madeleine Schickedanz Children’s Cancer Foundation)	www.kinderkrebsstiftung-schickedanz.de	Germany
SOS Children’s Villages	Sponsorship and active support on the ground by D.A.S. Greece	Greece
Bratislava Orphanage	Sponsorship and active support on the ground by ERGO employees	Slovakia
Estonian Cancer Union	Deployment of mammography buses (until the end of 2012)	Estonia

stream job market. And ERGO Direkt has been working with “AfB Arbeit für Menschen mit Behinderungen” (Work for People with Disabilities) since 2007, Germany’s first charitable systems house. People with disabilities repair used IT hardware, which is then re-sold or donated.

Committed ERGO employees

The charitable staff organisation “ergo: wir helfen” (ergo: we help) focuses on providing help for children who need loving care and support with the slogan “Just a little from a lot of

people can help a lot of others”. More than 4,600 members – current and former employees from ERGO and sales partners – donate the cents that come after the last whole euro in their salaries or commissions each month or donate a maximum of 1.50 euros on a monthly basis. ERGO provides support for this charitable work by doubling these cent amounts and bearing the expense for administrative work. In 2012 some 68 social projects were supported with donations amounting to a total of 133,000 euros. For example, injured children from crisis regions were treated in German hospitals and sponsorships for school children were set up in Peru and India.



GOLD – You can do more than you think!

“GOLD” – that’s what the three athletes are burning to achieve in the cinema film of the same name as they prepare for the London Paralympics in 2012. “You can do more than you think!” – the subtitle focuses on their competitive spirit. The documentary movie shows how they deal with their disability and rise above it. ERGO joined with other companies to support this very special project with the aim of using the power and endurance of the athletes as a role model for people with and without disability.

Facts and figures

Benchmark for sustainability

We make use of detailed indicators to make our achievements and advances in the area of sustainability transparent and quantifiable. These key figures form the platform for systematic development of our corporate responsibility.

Our key financial figures

In 2012 the difficult framework conditions again defined the development of business. Disposals and organic effects reduced premium income compared with the previous year. By contrast, the operating result recorded a significant increase. Overall, we generated premiums amounting to 18.6 billion euros in 2012 and paid out insurance benefits of 17.6 billion euros to our customers.

		2012	2011	Change compared with previous year (%)
Total premium income	€ million	18,562	20,270	-8.4
Gross premiums written	€ million	17,091	18,519	-7.7
Expenses for claims and benefits (gross)	€ million	17,556	17,369	1.1
Investment result	€ million	5,262	4,116	27.8
Operating result	€ million	951	806	17.9
Consolidated result	€ million	289	349	-17.2
Investments	€ million	125,390	117,309	6.9
Technical provisions (net)	€ million	120,859	113,977	6.0
Equity	€ million	4,587	3,827	19.9

Total premium income by business segment

		2012	2011	Change compared with previous year (%)
Life (Germany)	€ million	4,754	4,955	-4.1
Health	€ million	4,932	5,975	-17.4
Property-casualty (Germany)	€ million	3,138	3,087	1.6
Direct Insurance	€ million	1,212	1,422	-14.8
Travel Insurance	€ million	460	485	-5.2
International	€ million	4,066	4,346	-6.4
Total	€ million	18,562	20,270	-8.4

Our key employee figures

We want to promote the diversity and varied potential of the people in our workforce totalling some 30,000 employees. Ultimately, their expertise and their innovative powers make them key drivers for the success of our business. We succeeded in slightly increasing the proportion of women in management positions in 2012. The average age of the people in our workforce increased to 41.3 years. The ratio of trainees to total working staff amounted to 6.5 percent and we managed to keep this constant compared to the previous year.

		2012	2011	2010
Total employees ¹		29,768	31,311	32,997
Employees by region in % ²	Germany	64.50	63.00	61.00
	Rest of Europe	35.30	34.00	37.00
	Other non-Germany	0.30	3.00	2.00
Employees by function ³	In-house staff	24,166	25,352	26,748
	Salaried field staff	5,602	5,959	6,349
	Self-employed field staff	17,862	19,087	22,460
Proportion of women and men in % ¹	Total women	56.90	56.40	56.70
	Total men	43.10	43.60	43.30
Length of service in years ¹		12.20	11.40	11.50
Average age in years ¹		41.30	40.60	40.70

Key employee figures for the ERGO Group in Germany

		2012	2011	2010
Proportion of men and women in management positions in % ⁴	Women	21.40	21.00	20.60
	Men	78.60	79.00	79.40
Age structure in % ⁵	Employees under 30	12.10	13.20	12.50
	Employees between 30 and 50	67.20	69.10	68.50
	Employees over 50	18.80	17.70	18.90
Number of trainees	Incl. trainees in agencies	1,485	1,551	1,583
	Excl. trainees in agencies	1,212	1,252	1,287
Ratio of trainees to total working staff in %		6.50	6.50	6.70
Employees with serious disabilities (incl. those classified as equivalent to employees with serious disabilities)		688	618	639
Employees by type of employment in % ⁵	Full-time employees	75.00	77.00	78.00
	Part-time employees	19.80	19.40	18.00
	Dormant contracts of employment	3.90	3.90	4.00
Sickness leave rates in % ⁵		6.50	5.70	5.40
Fluctuation rate in % ⁵		4.10	7.50	8.00
Cost of further training per employee, in €		682	791	833
Days of further training per employee		3.30	3.70	3.50

Notes

1 In-house and salaried field staff in Germany and abroad

2 In-house and salaried field staff

3 In Germany and abroad

4 In-house and salaried field staff, in Germany

5 In-house staff

Expenditure for donations and social sponsoring activities

We record our expenditure for donations, memberships in social and non-profit organisations, and social sponsoring on the basis of the focuses for our sponsoring work in the four categories of Science/Education, Charity Projects, Health/Sport and Music/Culture. In 2012 we significantly expanded our commitment to the promotion of education.

Expenditure for donations, memberships and sponsoring

		2012	2011
Science/Education	€	816,901	576,707
Charity projects	€	268,715	478,493
Health/Sport	€	304,770	276,065
Music/Culture	€	112,881	121,946
Total	€	1,503,267	1,453,211

In 2012 donations totalling 75,000 euros were made to German political parties with equal shares going to the CDU (Christian Democratic Union), CSU (Christian Social Union, Bavaria), SPD (Social Democratic Party), Grüne (Green Party) and FDP (Free Democratic Party). Membership dues paid to organisations linked to political parties amounted to 18,000 euros.

Our key environmental figures

We have introduced a systematic environmental management system with the aim of consistently reducing our consumption of resources and CO₂ emissions. This is based on steady capture of our environmental data. We have been able to continually increase the degree of coverage of our environmental indicators over recent years. Our environmental management system certified in conformity with ISO 14001 now includes 10,864 employees. It therefore covers 36.5 percent of our workforce – almost twice as much as in 2010.

Data coverage in % of employees

	2012	2011	2010
Paper	79.68	75.95	78.10
Direct energy consumption	65.35	61.48	59.52
Electricity	66.84	62.88	61.01
Indirect energy consumption	62.87	57.70	55.63
On-site heat generation	64.38	60.58	58.47
Water	64.38	60.58	58.47
Waste	62.22	58.46	56.34
Transport	74.97	71.40	71.78

Direct energy consumption for each employee, i.e. consumption of energy generated in-house, underwent a significant rise in 2011. This is due to the start-up of further efficient thermal power stations running on combined heat and power technology at the sites in Düsseldorf and Cologne. In 2012 direct energy consumption fell due to repair and upgrade measures and the resulting downtimes of the thermal power stations. The coverage of a large proportion of the electricity and heat requirement at the Düsseldorf and Cologne sites exerts an overall positive impact on the CO₂ footprint. The indirect energy consumption, i.e. the purchase of energy generated outside the Company, fell significantly due to in-house energy generation during the same period of time. Conversion to CO₂-free electricity from renewable energy at our Head Office and at all the major German sites improved our CO₂ footprint significantly. Energy efficiency measures in the area of building and office technology impacted further in this area. For example, we swapped 1,000 PCs for less resource-intensive network computers throughout Germany.

Key environmental figures¹

		2012	2011	2010
Total paper consumption in t		987.87	1,023.49	1,004.60
Paper consumption per employee in t ²		0.03	0.03	0.03
Proportion of total materials used that is recycled in t ³		499.53	662.23	727.93
Proportion of paper used that is recycled in %		50.59	64.71	72.46
Direct energy consumption in gigajoules (GJ)		691,118.46	947,806.04	482,581.82
Direct energy consumption by primary energy source in GJ	Natural gas	106,294.00	279,059.57	168,276.68
	Natural gas consumption for CHPs ⁴	584,365.67	667,682.47	313,304.49
	Heating oil	0.00	455.43	108.86
	Fuel for emergency generator	458.79	608.57	891.79
Direct energy consumption per employee in GJ		23.23	30.27	14.63
Indirect energy consumption in GJ		527,014.02	584,048.74	689,158.21
Indirect energy consumption by primary energy source in GJ	Electricity purchased from outside the Company	307,890.96	362,158.42	418,376.49
	Green electricity purchased	161,035.74	188,625.66	48,184.10
	District refrigeration	16,819.38	15,599.30	17,166.28
	District heating	120,934.88	112,442.42	133,474.52
Indirect energy consumption per employee in GJ		17.71	18.65	20.89
Total water withdrawal by sources in m ^{3,5}		482,448.67	537,357.18	477,982.18
Water consumption per employee		16.21	17.16	15.48
Greenhouse gas emissions in kg		97,881,911	124,107,372	109,339,922
Greenhouse gas emissions by scope in kg	Scope 1 ⁶	46,006,679	64,535,872	44,671,099
	Scope 2 ⁷	41,495,835	47,665,805	55,159,437
	Scope 3 ⁸	10,379,396	11,905,695	9,509,387
Greenhouse gas emissions per employee in kg		3,288	3,964	3,540
Waste in t		7,654.44	7,962.25	10,191.56
Waste by type and method of disposal in t	Recycled materials	4,842.96	4,347.74	6,815.61
	Incinerated waste	1,739.17	1,674.09	1,722.37
	Landfill	164.62	268.65	265.65
	Specialist waste disposal for reuse/recovery	53.18	180.12	122.91
	Compost	694.46	1,323.97	1,076.30
	Other waste	156.19	167.67	188.72
Waste per employee in t		0.26	0.25	0.33
Business travel in km		101,566,104.00	124,960,626.00	144,148,525.00
Business travel per employee in km		3,411.92	3,990.95	4,666.96

Notes

1 The expansion of data recording, especially with respect to the international sites of ERGO, has resulted in some retrospective changes in the key figures because the calculation of consumption was carried out on the basis of an expanded and improved platform.

2 Includes printer and copy paper

3 Relates to recycled paper for printers and photocopiers

4 Thermal power station with combined heat and power technology

5 Only tap water is used.

6 Includes direct energy and business travel by car

7 Includes indirect energy

8 Includes paper, water, waste, and business travel by air and rail

Targets and measures

Targets	Period	Measures (up to 30 June 2013)
Business		
Integration of sustainability criteria in the core business	Ongoing	<ul style="list-style-type: none"> • Signature of the United Nations' Principles for Sustainable Insurance (PSI) by Munich Re for the entire Group (June 2012) • Project "Corporate Responsibility in Business" for integration of ESG criteria (criteria impacting on the environment, social issues and corporate governance) within core business: implementation of an analysis phase with management interviews and derivation of concrete recommendations for action (2012)
Expansion of customer orientation	Ongoing	<ul style="list-style-type: none"> • Review of all ERGO communication for comprehensibility, confirmation by the quality seal provided by the TÜV Saarland inspection agency (2012) • Intensive customer dialogue and integration of customer interests in product development • Striving for more intense orientation of controlling towards customers at all the important contact points and this has been the focus of a dedicated project since 2013
Responsible investment	Ongoing	<ul style="list-style-type: none"> • General Investment Guidelines of Munich Re and the United Nations' Principles for Responsible Investments (PRI) as a framework for orientation (since 2006)
Ensuring compliance with guidelines and corresponding disclosure	Ongoing	<ul style="list-style-type: none"> • Information, consultation and monitoring by our own Compliance Department with seven employees within the Division of the Chairman of the Board of Management (since 2012) • Expansion of the homepage by the transparency section (transparency initiative) (since 2012)
Employees		
Increasing employee satisfaction	Ongoing	<ul style="list-style-type: none"> • Implementation of the second Staff Survey in Germany (2012)
Increasing diversity in the Company	Ongoing	<ul style="list-style-type: none"> • 1st German Diversity Day in Düsseldorf for providing information to members of staff. Raising the awareness of employees with a brochure on diversity (2012)
Women in 25 % of management positions in Germany	2020	<ul style="list-style-type: none"> • Proportion of women in management positions at 21.4 % (2012) • Continuation of the mentoring programme for female managers (2012)
Improving work-life balance	Ongoing	<ul style="list-style-type: none"> • The German work and family audit "berufundfamilie" is successfully implemented at all German administrative sites (2012) • Childcare "E-Kids" at the Düsseldorf site (1st group 2008, 2nd group 2010) • Pilot project "part-time management": reduction in working hours for managers (2012) • Continuation of packages to support family life designed to make working hours more flexible (e.g. conversion of special payments into annual leave or fixed-term part-time working)
Raising the awareness of employees for responsibility and sustainability	Ongoing	<ul style="list-style-type: none"> • Implementation of the first CR Information Days at the ERGO Head Office, Düsseldorf (2012) • Roll-out of CR Information Days at sites in Hamburg, Berlin, Cologne, Mannheim and Munich (June 2013) • Subject of "CR at ERGO" expanded into the induction events for new employees (2012)
Environment		
Reduction of energy and resource consumption / group-wide carbon neutrality	Ongoing	<ul style="list-style-type: none"> • Implementation of CO₂-neutral business operations at all German sites (2012) • Expansion of recording of international key environmental figures and follow-up of the five-stage plan for achieving group-wide carbon neutrality by 2015 • Modernisation of air conditioning, heating, refrigeration technology in Cologne (2012) and Hamburg (still ongoing) • Start-up of a second thermal power station at the Düsseldorf site by 30 June 2013 • "ERGO Bit-weg-Tage" (ERGO Data Delete Days) were carried out across Germany to motivate employees to relieve pressure on IT storage capacity by deleting unnecessary data (2012) • 1,000 PCs were replaced by less resource-intensive network computers (2012); exchange of a further 10,000 computers planned by 2015 • Expansion of video conference rooms and web-conferencing options (2012/2013) • New company-car fleet arrangements for converting the company cars to fuel-efficient vehicle classes (2012) • Requirement for all drivers of company cars in Germany to undergo ecodriving training (2012) • CO₂-free rail travel in Germany (since July 2011) • CO₂ certificates purchased amounting to 52,000 tons (1 January to 31 December 2012, for Germany) • Development of a CO₂ computer for employees in Germany (2012)
Environmental management in conformity with ISO 14001	Ongoing	<ul style="list-style-type: none"> • Seven German sites, including the ERGO Head Office in Düsseldorf, and five DAS sites in the United Kingdom have received certification
Society		
Promotion of education	Ongoing	<ul style="list-style-type: none"> • Education projects sponsored with a total of 1,234,552 euros (1 January to 31 December 2012) • Online platform "Bildungsstifter" (Education Sponsors) initiated and support provided for establishment (2012) • New concept for an education prize developed by the ERGO Foundation "Jugend & Zukunft" (Youth & Future) which links up with the "Bildungsstifter" criteria (2013)
Support for social projects	Ongoing	<ul style="list-style-type: none"> • Support for projects related to people in need with 268,715 euros (1 January to 31 December 2012) • Promotion of 68 social projects with a total of some 133,000 euros by charitable staff organisation "ergo: wir helfen e.V." (ergo: we help, 1 January to 31 December 2012)

GRI Index

Indicator	Status	Refer to
Strategy and analysis		
1.1 Foreword by the Chairman of the Board of Management or Chairman of the Supervisory Board	●	pp. 2/3
1.2 Key sustainability impacts, risks and opportunities	●	pp. 2/3, 6–8, 36
Profile of organisation		
2.1 Name of organisation	●	p. 4
2.2 Primary brands, products or services	●	pp. 4/5
2.3 Structure of organisation	●	pp. 4/5
2.4 Location of organisation's headquarters	●	pp. 4/5, 41
2.5 Countries with main focus of business activities	●	p. 5, www.ergo.com/international
2.6 Nature of ownership and legal form	●	p. 4, Annual Report 2012 pp. 136–146
2.7 Markets	●	p. 4/5, www.ergo.com/international
2.8 Scale of organisation	●	pp. 4/5
2.9 Significant changes in the reporting period	●	p. 32, Annual Report 2012 pp. 19–22
2.10 Awards received	●	pp. 12, 18, 20, 24, 25
Report parameters		
3.1 Reporting period	●	p. 1
3.2 Date of most recent previous report	●	p. 1
3.3 Reporting cycle	●	p. 1
3.4 Contacts	●	p. 41
3.5 Procedure for selecting content of the report	●	pp. 1, 6/7
3.6 Accounting boundaries of the report	●	p. 1
3.7 Limitations on scope of the report	●	p. 1
3.8 Joint ventures, subsidiaries, outsourced operations	●	pp. 4/5
3.9 Data measurement techniques and bases of calculations	●	pp. 32–35
3.10 Re-statements of changes in information	●	p. 35
3.11 Changes in scope, boundaries of report, methods of measurement	●	pp. 1, 32–35
3.12 GRI Content Index	●	pp. 37–39
3.13 External auditing for report	●	The report was not audited by external auditors.
Corporate governance, commitments and engagement		
4.1 Governance structure	●	pp. 4/5, Annual Report 2012 pp. 14/15, www.ergo.com/de/Unternehmen/Overview/Corporate-Governance/ERGO-Satzung (available in German only)
4.2 Independence of the Chair of the Supervisory Board	●	Annual Report 2012 pp. 14/15
4.3 Governance body for corporate governance	●	Annual Report 2012 pp. 14/15
4.4 Mechanisms for employees and shareholders to provide recommendations or direction to the highest governance body	●	Annual Report 2012 pp. 14/15
4.5 Linkage between remuneration for highest governance bodies, senior managers and executives, and the organisation's performance	●	Annual Report 2012 pp. 7, 130–132
4.6 Mechanisms for avoidance of conflicts of interest	●	pp. 8/9
4.7 Qualifications of the members of the highest governance body	●	pp. 6–9 (Nomination committee in existence.)
4.8 Guiding principles, codes of conduct and other principles	●	pp. 6–9
4.9 Monitoring of sustainability performance by the highest governance body	●	p. 7
4.10 Procedures for evaluation of sustainability performance of the highest governance body	●	p. 7
4.11 Precautionary principle	●	Annual Report 2012 pp. 31–41
4.12 Externally developed charters, principles or initiatives	●	pp. 6–9

Indicator	Status	Refer to
4.13 Memberships	●	pp. 6–9, 24, 29, 31
4.14 Stakeholder groups engaged	●	pp. 1, 6
4.15 Selection of stakeholders	●	pp. 1, 6
4.16 Approaches to stakeholder engagement	●	pp. 1, 6, 12/13, 18, 20
4.17 Stakeholders' questions and concerns	●	pp. 12/13, 18, 20
Economic performance indicators		
MA EC Management approach	●	pp. 6/7, 10–15, 32, Annual Report 2012 pp. 10–13, 19–22
EC1 Economic value generated and distributed	●	pp. 32, 34, Annual Report 2012 pp. 48–50, 150
EC2 Financial impact of climate change	●	pp. 13/14
EC3 Scope of the organisation's defined social benefits	●	p. 20, Annual Report 2012 pp. 104–107
EC8 Infrastructure investments and services provided for public benefit	●	p. 14
EC9 Type and extent of indirect economic impact	●	pp. 13/14
Environmental performance indicators		
MA EN Management approach	●	pp. 6/7, 22–25, 36
EN1 Materials used by weight or volume	●	pp. 34/35
EN2 Percentage of materials used that are recycled	●	pp. 34/35
EN3 Direct energy consumption by primary source	●	pp. 34/35
EN4 Indirect energy consumption by primary source	●	pp. 34/35
EN5 Energy saved	●	pp. 25, 34/35
EN6 Energy-efficient products and services	●	pp. 13/14 (Not possible to compile indicators here.)
EN7 Initiatives for reduction of indirect energy consumption	●	pp. 22–25
EN8 Total water withdrawal	●	pp. 34/35 (Only tap water is used.)
EN16 Direct and indirect greenhouse gas emissions	●	pp. 34/35
EN17 Other indirect greenhouse gas emissions	●	pp. 34/35
EN18 Initiatives for the reduction of greenhouse gas emissions	●	pp. 22–25, 35
EN22 Waste by type and disposal method	●	pp. 34/35
EN26 Initiatives to mitigate environmental impacts of products and services	●	pp. 13/14, 22–25
EN29 Environmental impacts of transporting products	●	pp. 22–25 (In contrast to manufacturing companies, goods transport is not relevant to an insurer.)
Social performance indicators		
1. Labour practices and decent work		
MA LA Management approach	●	pp. 6/7, 17–21, 36
LA1 Workforce by employment type, employment contract and region	◐	p. 33
LA2 Workforce fluctuation	◐	p. 33 (No further collection of data according to other criteria.)
LA5 Minimum notice periods regarding significant operational changes	●	We comply with local and national statutory disclosure periods and obligations.
LA7 Injuries, occupational diseases, lost days	◐	p. 33 (As a financial services provider, the risk of accidents at work and work-related deaths is low.)
LA8 Preventive health care, availability of advice and counselling in relation to serious diseases	●	p. 21
LA10 Average hours of training	◐	p. 33
LA11 Skills management and programmes for lifelong learning	●	pp. 20/21
LA13 Diversity of employees and governance bodies	●	pp. 19, 30/31, 33

Indicator	Status	Refer to
2. Human rights		
MA HR Management approach	●	pp. 6–9, 19
HR1 Investment agreements which include human rights clauses	●	pp. 6–9
HR6 Operations identified as having significant risk for incidents of child labour, forced or bis compulsory labour and measures taken to contribute to the elimination of such incidents	●	This is an issue of little relevance to ERGO as an insurer. Furthermore, ERGO is active in countries where such labour practices are prohibited by law. Nevertheless, by the parent company Munich Re joining the UN Global Compact, ERGO has made it clear that it will not tolerate breaches of human rights, such as child labour and forced or compulsory labour, or infringements of the rights of indigenous people.
HR7		
HR9 Incidents of violations involving the rights of indigenous people	●	
3. Society		
MA SO Management approach	●	pp. 8/9, 26–31
SO2 Business units analysed for risks relating to corruption	◐	pp. 8/9 (The guidelines are available to download on the Internet.)
SO3 Percentage of employees trained in organisation's anti-corruption policies and procedures	◐	pp. 8/9 (The guidelines apply to all employees in the Company.)
SO5 Public policy positions and participation in public policy development and lobbying	●	p. 34 (Participation in public policy development and lobbying is managed by our parent company Munich Re and the Group Legal/Governmental Affairs department. The focuses of lobbying work are on issues relating to national, European and international legislation for supervision of the insurance industry. [see also http://www.munichre.com/corporate-responsibility/en/facts-and-figures/GRI-global-compact/default.aspx])
4. Product responsibility		
MA PR Management approach	●	pp. 10–15
PR3 Principles on product labelling	●	pp. 12/13
PR5 Customer satisfaction	●	pp. 10, 12/13
PR6 Adherence to laws, standards and voluntary codes related to advertising	●	pp. 10–13
Indicators specific to the financial sector		
FS1 Policies with environmental and social components	●	pp. 6–9, www.ergo.com/corporate-governance
FS2 Procedures for assessing and screening environmental and social risks	●	pp. 6/7, Annual Report 2012 pp. 33–44, 48/49
FS3 Processes for monitoring customers' implementation of and compliance with environmental and social requirements included in agreements and transactions	●	pp. 6–9
FS4 Improving staff competency to implement environmental and social policies and procedures	●	pp. 6–9, 25
FS5 Interactions with customers/investors/business partners on environmental and social risks and opportunities	●	pp. 8–15, 36
FS6 Percentage of the portfolio for business areas	●	p. 32
FS9 Audits to assess implementation of environmental and social policies	●	pp. 8/9, 24/25
FS11 Assets subject to environmental or social screening	◐	p. 15
FS13 Access points in low-populated or economically disadvantaged areas	◐	p. 14
FS14 Initiatives to improve access to financial services for disadvantaged people	●	p. 14
FS15 Policies for the fair design and sale of financial products and services	●	p. 12

Notes:

● A complete report is provided on the GRI indicator. ◐ A partial report is provided on the GRI indicator. ○ A report is not provided on the GRI indicator.



Statement GRI Application Level Check

GRI hereby states that **ERGO Insurance Group** has presented its report “ERGO Sustainability Report 2012” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 4 November 2013

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 25 October 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

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Editorial note
Any use of the male form is for purposes of readability and includes female and male genders in designations relating to persons throughout.

