

**CIG PANNÓNIA**  
INSURANCE

# 2024

## SUSTAINABILITY REPORT

2024 Sustainability Report of CIG Pannónia Életbiztosító Nyrt.  
and CIG Pannónia Első Magyar Általános Biztosító Zrt.



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## THE CEO'S WELCOME MESSAGE

GRI 2-22

Dear Reader,

The CIG Pannónia Group is an outstanding Hungarian success story whose development was contributed to by our founders, owners, and all our employees

Being aware of our responsibility, we strive to provide unique and value-creating services in the domestic insurance market that represent real value to our clients - whether it is individual or institutional well-being, security or long-term vision.

The past year has been a period of change and dynamic growth for the Insurer, which has also required significant internal resources. Hereby as well, I would like to thank all our staff for their dedicated professional work and positive attitude.

Our core business is closely linked to sustainability, as we ensure predictability and stability to our customers through our insurance services. In addition to our existing risk management practices, we are increasingly focusing on measuring and integrating climate risks into our strategy and operations, and on reflecting the principles of environmental and social sustainability in our products

CIG Pannónia Életbiztosító Nyrt. [CIG Pannónia Life Insurance Company] (Company) and CIG Pannónia Első Magyar Általános Biztosító [CIG Pannónia First Hungarian General Insurance Company], its consolidated subsidiary, publish their Sustainability Report for the third time, for the second time in accordance with the policy of the international Global Reporting Initiative (GRI) Standards. Over the past year, we have made significant progress in developing, structuring and integrating our ESG strategy, which is presented in this publication. We identified important themes from the sustainability aspect, that will shape our operations in the long term.

As a leader, I understand that the effectiveness of sustainability efforts is ensured by appropriate measurement systems, KPIs and continuous monitoring. This is why, in 2024, we have taken further steps to develop our internal organisation in line with the ESG criteria, have identified performance indicators that we regularly assess and along which we monitor our sustainability activities at the top management level as well.

Ensuring ESG compliance and continuous improvement became an integral part of our daily operations in 2024. In recent years, a number of EU and national regulations have entered into force to promote sustainability in the insurance sector. As we have done so far, our Company aims to comply with these standards - not only out of obligation but also considering this as an opportunity to integrate the ESG-approach more deeply into our business model and demonstrate our sustainability ambitions.

Our commitment to the ESG principles is reflected not only in our corporate governance, but also in our active contribution to the professional development of the insurance and intermediary sector, in cooperation with several Hungarian universities. Our goal is to achieve real and lasting sustainability results in Hungary.

I wish you good reading. Yours faithfully,



Dr. Fedák István,  
Chief Executive Officer

CIG Pannónia Életbiztosító Nyrt., Board Member  
CIG Pannónia Első Magyar Általános Biztosító Zrt., Chairman of the Board



## ABOUT OUR COMPANY'S<sup>1</sup> ESG REPORT<sup>2</sup>

GRI 2-2, GRI 2-3, GRI 2-5

This report presents of the operation of CIG Pannónia Életbiztosító Nyrt.<sup>3</sup> (hereinafter referred to as “**CIG Life Insurance Company**” or “CIG Life Insurer”) and of CIG Pannónia Első Magyar Általános Biztosító Zrt.<sup>4</sup> (hereinafter referred to as “**CIG EMABIT**”), one of its subsidiaries, from the perspective of environmental, social and corporate governance (hereinafter referred to as “**ESG**”) in 2023. CIG Life Insurance Company is the sole owner of CIG EMABIT. The two companies are completely intertwined in terms of day-to-day operations, decision-making and product offering, and therefore this report assesses sustainability of CIG Life Insurance Company and CIG EMABIT together (CIG Life Insurance Company and CIG EMABIT are hereinafter collectively referred to as “**CIG Pannónia Group**” or “**Companies**”).

In 2023 we created CIG Pannónia Group's sustainability vision and strategy, which we broke down into specific actions, assigned responsible persons to them and defined their implementation deadlines. We have further deepened this work in 2024, aligned our sustainability goals with our corporate principles and added additional ESG objectives to our business strategy and product offering. In addition, we have not only set targets but also developed and implemented a comprehensive measurement and reporting system to ensure the monitoring and evaluation of our sustainability performance.

While in our 2023 Sustainability Report<sup>5</sup> we placed a stronger focus on our metrics and their monitoring, in the 2024 report, we have further refined the methodology, broadened the range of indicators covered and placed a larger emphasis on the evaluation of data. Alignment with GRI standards has become an integral part of our reporting process, as it is an indispensable tool for communicating our sustainability goals in a credible and comparable way

The report, similar to the previous years, presents in detail our sustainability results, the important themes by pillar and focus areas. The sustainability principles and commitments of CIG Life Insurer and CIG EMABIT remain unchanged, but in 2024 we have taken a more structured approach and more focused actions to implement our ESG strategy. Our ESG vision for 2030 remains the foundation of our long-term goals, and the results presented in this year's report demonstrate that we are increasingly conscious and measurable in our sustainability ambitions:

“The CIG Pannónia Group is committed to the green transition. Our goal is to provide solutions to the new needs of our customers arising from the changed environmental and economic conditions and to support them in the green transition. Our employees are our main asset, and thus we have created systems and an atmosphere that helps us develop and retain them, and as part of our community involvement, we also support those who need help.

The fulfilment of our ESG commitments is guided by business rationality. We have a stable and secure ownership structure, and we want to pay special attention to the creation of an ESG Strategy. As an insurer and at the same time a Hungarian listed company, we want to focus not only on our customers but also on our investors by showing in our reports how our ESG affairs can affect the Company's financial performance. We believe that we can tap into new opportunities

<sup>1</sup> The terms “our Company”, “our Companies”, “Companies”, “Insurance Companies”, “our Insurance Company”, “our Insurance Companies” shall mean collectively the CIG Pannónia Group, i.e. CIG Pannónia Életbiztosító Nyrt. and CIG Pannónia Első Magyar Általános Biztosító Zrt. If a specific piece of information or reference in this report applies only to one or the other company, it will be specifically mentioned and attention will be drawn to it.

<sup>2</sup> Our ESG report was, similarly to the ESG report of 2023, not certified by an external partner

<sup>3</sup> The registered office of CIG Pannónia Életbiztosító Nyrt. is 1097 Budapest, Könyves Kálmán körút 11. Building B.

<sup>4</sup> The registered office of CIG Pannónia Első Magyar Általános Biztosító Zrt. is also 1097 Budapest, Könyves Kálmán körút 11. Building B.

<sup>5</sup> The 2023 ESG Report is available at <https://www.cigpannonia.hu/befektetok/beszamolok>



and resources in this way, thereby further increasing the value of the Company for our customers and shareholders.

Our 2030 objective is to reduce the carbon footprint of our own operations by 55%."

Similarly to as it was stated in our first report, it remains important to us to contribute to the global sustainability goals as well in addition to sustainability at the corporate level. In line with our strategy, we have continued to focus on the Sustainable Development Goals<sup>6</sup> in 2024, building on the key themes reviewed in 2023, to ensure that our sustainability efforts are even more aligned with global policies and corporate objectives. By incorporating and raising awareness of these goals, we make it transparent how our sustainability efforts are linked to long-term global development. The direct and indirect impacts of the Insurance Company's activities, as well as the decisions made and the actions implemented, are presented by significant topics in the chapters of the Report.

Our report, which is for the second time prepared in accordance with the GRI International Standards, represents another step in the evolution of our sustainability reporting. Although our report has not been certified by an external party, the credibility and accuracy of the presented data is assured by a multi-stage internal control process.

For more information on our sustainability report, please contact: [esg@cig.eu](mailto:esg@cig.eu).



<sup>6</sup> In 2015, under Agenda 2030 world leaders adopted the Sustainable Development Goals (SDGs) at the 70th United Nations General Assembly. These comprise 17 goals and 169 sub-goals for a more efficient economic, social and environmental development and development cooperation.



## OPERATION OF THE INSURANCE COMPANY IN 2024

GRI 2-1, GRI 2-6, GRI 2-7, GRI 2-8, GRI 2-9,  
GRI 2-12, GRI 2-14, GRI 2-15, GRI 2-30

### STRUCTURE AND FUNCTIONING

CIG Life Insurance Company was founded on 26 October 2007. Since 2010, it has been carrying out its principal activity under the name CIG Pannónia Életbiztosító Nyrt. The principal activity of CIG Life Insurance did not change in 2024 either: we continue to provide life and personal insurance services to our customers.

The subsidiaries of CIG Life Insurance Company are CIG EMABIT and Pannónia PI-ETA Kegyeleti Szolgáltató Kft. (hereinafter referred to as "PI-ETA"). These businesses are solely owned by CIG Life Insurance Company. While CIG EMABIT and CIG Life Insurance Company are strongly intertwined, while PI-ETA's activities and operations are very different from those of the two aforementioned companies. In the Sustainability Report of the CIG Pannónia Group, the impacts and sustainability of CIG Life Insurance Company and CIG EMABIT are presented in a consolidated manner.

CIG Life Insurer's 94,428,260 shares are overwhelmingly owned by Hungarian businesses and private individuals. Based on the indirect and direct shareholding, Hungarikum Biztosítási Alkusz Zrt. has a 58.73%<sup>7</sup> shareholding. In addition, there are approx. 5,500 other shareholders. CIG Life Insurer considers it of special importance and its responsibility towards its shareholders to comply with the recommendations on responsible corporate governance<sup>8</sup> to the utmost, through which it ensures balanced information for its shareholders.

CIG EMABIT is a subsidiary wholly owned by CIG Life Insurer, whose principal activity in 2024 remained the development and sales of non-life insurance products on the Hungarian market. In the daily operations of the CIG Pannónia Group, the two insurance companies operate as a group along a unified strategy, taking advantage of the synergies of joint operations, which strengthen each other. The vision on sustainability is also inseparable, as the two companies set their ESG goals jointly and work together on achieving them jointly, both in the short and long terms<sup>9</sup>.

CIG EMABIT offers liability insurance, property insurance and fleet CASCO (Casualty and Collision) insurance products to business sector players, large corporations and SMEs. CIG Life Insurer offers several types of personal insurance products (life, accident and health insurance) to both retail and corporate partners.

CIG Pannónia Group currently has three main sales channels. The Independent sales channel incorporates more than 200 independent brokers and multiple agents. The Alternative sales channel serves a smaller number of significant large corporate customers; we currently have such relationships with a few prominent large companies. Since 2023, CIG Pannónia Group's strategic partner, MBH Bank Plc. constitutes the bancassurance channel, which channel was further strengthened in 2024: we signed a strategic agreement with

<sup>7</sup> Our related communication at the website of the Budapest Stock Exchange (BÉT): [https://www.bet.hu/site/newkib/hu/2023.08./EGYEB\\_TAJEKOZTATAS\\_a\\_szavazati\\_jogot\\_biztosito\\_reszvenyek\\_bejelentes\\_szerinti\\_hatararteket\\_el\\_nem\\_ero\\_valtozasarol\\_128941574](https://www.bet.hu/site/newkib/hu/2023.08./EGYEB_TAJEKOZTATAS_a_szavazati_jogot_biztosito_reszvenyek_bejelentes_szerinti_hatararteket_el_nem_ero_valtozasarol_128941574)

<sup>8</sup> The Annual Responsible Corporate Governance Reports available at <https://www.cigpannonia.hu/befektetok/tarsasagiranyitas>

<sup>9</sup> We have summarised our ESG goals in a separate chapter.

MBH Duna Bank cPlc, a subsidiary of MBH Bank, as a result of which CIG Pannónia Group products are sold by nearly 2,200 advisors in 397 bank branches.

The CIG Pannónia Group is dedicated to ensuring that its partners provide customers with services of the highest possible quality. Our goal is to bring our services to as many satisfied customers as possible through our sales partners.

In 2024, similarly to the previous year, in order to maintain the maximum financial stability, CIG Pannónia Group worked together exclusively with professional reinsurance partners, who have at least an “A” Standard & Poor’s or AM Best rating, or, where the rating is not available, have a capital adequacy ratio of at least 150%. These partners not only provide the coverage, but also contribute to our transparent and successful operations through professional support and innovative solutions.

It is a priority for our companies that our customers can easily reach us through various channels. In addition to personal customer service, we operate an e-mail customer service as well. Our sales partner network is supported by a dedicated telephone sales support team, through which our sales partners can reach our colleagues by e-mail. We further support our partners' work with automated emails and partner portals and web services with non-stop availability.

Our Insurance Companies are among the most dynamically developing companies on the insurance market, and we want to continue this momentum in 2025 as well. In order to finance the operations of CIG EMABIT, to maintain a safe level of reserves for the so-called Italian cases<sup>10</sup>, to ensure a satisfactory settlement of these inherited exposures and to maintain the essential, required and safe solvency capital adequacy, it was necessary to increase the share capital of CIG EMABIT in 2024. In accordance with the decision of the Board of Directors, the share capital increased by HUF 15 million in nominal value and by HUF 3 billion in issue value.

The objective of our growth strategy remains to increase our insurance portfolio, reaching a size that strengthens the profitability of our products. Despite the market challenges we successfully achieved our goals set for 2024 – namely to provide composite insurance services, strengthen our market presence, and broaden our product portfolio. However, to continue developing, we need to consider the changed market environment and develop solutions which meet the new challenges. To this end, we have continued to update our growth strategy in 2024, taking into account all sustainability aspects that apply to us. Our goal is to build digital competences and improve operational efficiency, in addition to organic growth.

The steps we took in 2022 and then in 2023 and 2024, which can be followed up on, show that we have put the CIG Pannónia Group on a growth path. For the latest information on our progress, you can consult our recently published consolidated stock market flash report for Q4 2024<sup>11</sup>.

In one year, our consolidated after-tax profit increased by HUF 2.684 billion (66 percent) compared to last year’s profit under IFRS 17, hitting a record high HUF 6,742 million (excluding one-off tax effects and the increase in reserves due to the Italian surety products!). Our premiums earned increased by 34 percent, i.e. by more than HUF 14.5 billion (CIG Life Insurer’s premium revenues increased by 35 percent, while CIG EMABIT’s premiums earned increased by 31 percent in one year compared to 2023, reaching HUF 57 billion). We are convinced that, as an insurance company operating on the regulated Hungarian market, our growth is on a steady and successful trajectory.

<sup>10</sup> Italian cases: a collective name for the risks and their management that EMABIT has and is facing in its Italian claims cases, covering primarily the management of these cases and the strategy for the management of pending litigation, the status and review of existing claims reserves and regress reserves.

<sup>11</sup> [https://www.bet.hu/site/newkib/hu/2025.02./A\\_CIG\\_Pannonia\\_Eletbiztosito\\_Nyrt\\_negyedebes\\_jelen\\_tese\\_-\\_2024\\_negyedek\\_negyedev\\_129205570](https://www.bet.hu/site/newkib/hu/2025.02./A_CIG_Pannonia_Eletbiztosito_Nyrt_negyedebes_jelen_tese_-_2024_negyedek_negyedev_129205570)



The drivers of the dynamic growth of our premiums earned in 2024 continued to be credit protection insurance, corporate property insurance, and group life insurance services, and unit-linked – typically single-premium – life insurance policies. Behind the outstanding increase in premiums earned is the continuous increase in sales, the rate of which was higher than the average growth typical of the insurance sector.

The following events were of great importance to the operations of the CIG Pannónia Group in 2024:

- in 2024 CIG Pannónia Group has reorganised its sales organisation and processes, shifting the focus of sales activities to the banking and independent broker network while maintaining the alternative channel;
- CIG Life Insurer was the successful bidder in the open EU public procurement procedure commissioned by the Ministry for Economic Development for the provision of accident insurance for children and youth for a one-year period;
- the CIG Pannónia Group has concluded a strategic framework agreement with MBH Duna Bank cPlc. (Duna Bank), a subsidiary of MBH Bank Plc., which will last until 30.06.2042, on the basis of which Duna Bank - with respect to products belonging to the life and non-life insurance sectors - will distribute and sell exclusively CIG Pannónia Group products in its sales channels;
- CIG Life Insurer reinforced and further expanded its corporate governance competencies;
- CIG Life Insurer was the successful bidder in the open EU public procurement procedure commissioned by Univerzál Beszerző Ltd. for the one-year group life and accident insurance services (I KGFB-CASCO-CSÉB insurance procurement 2025-2026) and for the two-year group life and accident insurance services (II KGFB-CASCO-CSÉB insurance procurement 2025-2026).

In 2024, we have also witnessed, that global changes increasingly require flexibility. There are growing expectations also from employees for workplaces to adapt to the constantly changing environment. For CIG Pannónia Group, the demand to manage rapid inflation also received greater focus: expectations for career development opportunities and a secure future have risen, alongside salary raise, flexible working hours and opportunities to work from home. This dual need defined our year 2024, which the Insurers managed in alignment with their business strategy and available resources. We present detailed developments and actions in the chapters of “People-Centred Workplace Culture pillar”.

CIG Life Insurance Company (and thus also CIG EMABIT which is an undertaking included in its consolidation) reports quarterly to shareholders and the public in accordance with the relevant legislation on the capital market and the rules of the Budapest Stock Exchange (hereinafter referred to as “BÉT”)<sup>12</sup>. Every year, we fulfil our reporting obligation both on a consolidated and company level by means of financial statements audited by an auditor and approved by the General Meeting, in accordance with the relevant IFRS 17 standard and using the format required by the National Bank of Hungary (hereinafter referred to as “MNB”).

<sup>12</sup> A quarterly consolidated flash report is available at <https://www.cigpannonia.hu/befektetok/beszamolok>



## CORPORATE GOVERNANCE

The supreme governing body of CIG Life Insurance Company is the General Meeting, which is a gathering of all shareholders. In the 2024 business year, the Annual General Meeting continued to be convened by the Board of Directors<sup>13</sup>, in compliance with all provisions of the relevant legislation and the Articles of Association, by sending a General Meeting Invitation, publishing it in the places of mandatory publication. The Board of Directors also notified the representatives of the BÉT and the MNB separately about the venue, time and proposals intended to be submitted to the Annual General Meeting. In 2023, CIG Life Insurance Company held its Annual General Meeting<sup>14</sup> on 18 April starting at 2 p.m. and the (consolidated) annual financial statements of CIG Life Insurance Company were accepted at that meeting. The management of CIG EMABIT is decided by its founder, CIG Life Insurance Company. In 2021, 2022, 2023 and 2024, none of the Insurance Companies convened an Extraordinary General Meeting.

The Board of Directors is the executive body of the Company, whose task is to establish and manage the organisation of the Company. The powers of the Board of Directors are determined by the applicable legislation, the Company's Articles of Association ("Alapszabály") and CIG EMABIT's Deed of Incorporation ("Alapító okirat"), the resolutions of the Company's General Meeting and for CIG EMABIT, the Founder's resolutions, and the rules of procedure of the Board of Directors. The Board of Directors adopts its own rules of procedure by a simple majority of the Board members casting an affirmative vote. The rules of procedure contain, among other things, matters concerning the functioning of the Board of Directors, the exact duties and powers of members, the structure of the Board of Directors, the mandatory content of each meeting and of the minutes to be drawn up.

### Board members<sup>15</sup> as at 31.12.2024

NAME	POSITION HELD	START DATE OF THE POSITION HELD	OTHER SIGNIFICANT POSITIONS AND RESPONSIBILITIES HELD BY MEMBERS
Dr. István FEDÁK	Board Member of CIG Life Insurance Company Chairman of the Board of Directors of CIG EMABIT	19.04.2022	CEO
Dr. Péter BOGDÁNFFY	Chairman of the Board of Directors of CIG Life Insurance Company Board Member of CIG EMABIT	16.01.2023	-
Dr. Gábor Miklós DAKÓ	Board Member in both Insurance Companies	19.04.2022	Deputy CEO

<sup>13</sup> In accordance with the rules set out in Section 3:272(1) of the Hungarian Civil Code, CIG Life Insurance Company published the invitation to the General Meeting at least thirty (30) days before the start date of the General Meeting in the official places of publication (Budapest Stock Exchange, National Bank of Hungary, website)

<sup>14</sup> In accordance with Section 3:272(3) of the Civil Code, prior to the General Meeting CIG Life Insurance Company disclosed the relevant data of the draft consolidated financial statements and the reports of the Board of Directors and the Supervisory Board, the summaries of the number of shares and voting rights existing at the time of convening the meeting, as well as a summary of the proposals related to the matters on the agenda and the draft resolutions on its website, on the website operated by the MNB and on the website of Budapest Stock Exchange Private Limited Company.

<sup>15</sup> The Company shall have a Board of Directors consisting of minimum three and maximum seven members, whose are elected or recalled by the General Meeting. The provisions of Act LXXXVIII of 2014 on the Business of Insurance (hereafter referred to as "Insurance Act") on senior officers shall apply to themembers of the Board of Directors.

<https://www.mnb.hu/letoltes/3-1-5-1-1-vezeto-allasu-szemely-foglalkoztatasanak-engedelyezese.pdf>

The Deputy CEO for Corporate Governance and Prudential Compliance is the Board member dedicated to tasks related to ESG compliance, who supervises the enforcement of the ESG criteria and the definition of related tasks within the Insurance Companies. The ESG Competence Centre, which he coordinates and his Board membership together ensure that the Board is kept to the utmost up to date on sustainability issues of the CIG Pannónia Group. This priority is reflected in the inclusion and discussion of ESG-related agendas in the Board's Meeting and Work Plan.

The decisions falling within the competence of the Board of Directors mainly concern strategic issues (including ESG compliance), their referral, and ongoing operational tasks in the field of risk management, as well as tasks that require control and significant resources. At the level of day-to-day operations, the management of the Insurance Companies adopts operative decision independently, in the manner and within the scope of competence set out in the internal regulations.

The work and performance of the Board of Directors are presented annually and at the time of their election as part of the submission to the General Meeting (or in the case of CIG EMABIT, submission to the Founder). In order to be elected or re-elected, members are required to have numerous competencies, to be assessed by the Remuneration and Nomination Committee. The members' performance assessment is carried out at two levels with the coordination of the Corporate Governance department: self-assessment and assessment by a body, which are carried out in writing. CIG Pannónia Group presents the documentation of the assessment as part of the comprehensive assessment to the MNB. Members of the Board and persons holding positions defined under the Insurance Act<sup>16</sup> may hold such positions with the authorisation of MNB.

The consistency of our corporate strategy and business conduct is ensured by the harmony of our internal regulations. The Board of Directors is responsible for creating and continuously maintaining this harmony, as well as for verifying its implementation in a dynamic way, based on the annual meeting and its work plan, but with sufficient flexibility

The Supervisory Boards of the two Companies<sup>17</sup> manage the Internal Audit function and formulate recommendations and suggestions based on the findings of the investigations by the Internal Audit.

In 2024, the primary goal of the Supervisory Boards<sup>18</sup> was to ensure that a comprehensive and effective system of controls is in place at our Companies in the performance of the tasks laid down in the legislation. The Supervisory Boards<sup>19</sup> met seven times in 2024<sup>20</sup>. At their meetings, Supervisory Board members discussed the reports prepared by the management on the financial situation and business policy of the Companies as well as their financial statements and the relevant audit opinions. Moreover, as part of the tasks related to the management of the Internal Audit, they made ESG recommendations for education of employees and ESG awareness for the CIG Pannónia Group.

<sup>16</sup> Act LXXXVIII of 2014 on Insurance Activities

<sup>17</sup> In accordance with the Articles of Association of CIG Life Insurance Company and the Deed of Incorporation of CIG EMABIT, the Insurance Companies shall have a Supervisory Board consisting of minimum three and maximum ten members and the Chairman and members of the Supervisory Board shall be elected for a period of five years or recalled by the General Meeting of CIG Life Insurance Company (and for CIG EMABIT, the founder, i.e. CIG Life Insurance Company). The Supervisory Board adopts its own rules of procedure, which are to be approved by the General Meeting of CIG Life Insurance Company (and for CIG EMABIT, by the founder, i.e. CIG Life Insurance Company).

<sup>18</sup> The Supervisory Board operates in accordance with the provisions of Section 85(4) of the Insurance Act.

<sup>19</sup> On its website, the CIG Pannónia Group also published the rules of procedure of the Supervisory Board and the CVs of the members also including their competencies and describing independence: <https://www.cigpannonia.hu/befektetok/tarsasagiranynitas> illetve <https://www.cigpannonia.hu/rolunk/vezetoseg/eletbiztosito>

<sup>20</sup> The Supervisory Board meets at least five times a year, or as often as the business interests of the Insurance Companies so require.



## Members of the Supervisory Board of both Companies as at 31.12.2024

NAME	AS AT 31 DECEMBER 2023	START DATE OF THE POSITION HELD
Erika VADA	Member of the Supervisory Board in both Insurance Companies	14.08.2020 /re-elected 19.04.2023/
János TIMA	Chairman of the Supervisory Board in both Insurance Companies	19.04.2022
Ildikó GINZER	Member of the Supervisory Board in both Insurance Companies	19.04.2022

The Audit Committee of CIG Life Insurer (which also performs the functions of the Audit Committee of the subsidiary CIG EMABIT) is a body supporting the work of the Insurance Companies' Supervisory Boards. It comments on the financial statements prepared according to the Accounting Act, monitors the audit, and assists the work of the Board of Directors and the Supervisory Board in order to properly control the financial reporting system. To this end, the chairman of the Audit Committee personally liaises with the companies and their relevant departments as the designated person. The members of the Audit Committee are elected by the General Meeting from among the independent members of the Supervisory Board.

## Members of the Audit Committee of CIG Pannónia Life Insurer<sup>21</sup> as at 31.12.2024

NAME	AS AT 31 DECEMBER 2023	START DATE OF THE POSITION HELD
Erika VADA	Chairman of the Committee in both Insurance Companies	14.08.2020 /re-elected 19.04.2023/
János TIMA	Committee Member in both Insurance Companies	19.04.2022
Ildikó GINZER	Committee Member in both Insurance Companies	19.04.2022

The Board of Directors of the Insurance Companies established for each Company, but under joint coordination the Remuneration and Nomination Committee (RNC), to prepare remuneration proposals, assess board members and prepare the election of officers. The RNC makes proposals on the new officers, the determination of the honorariums, and comments on the system of interests of the management and of the Company's employees. The annual assessments also carried out in 2023<sup>24</sup> contribute to the activity of Board members and, through this, to the effectiveness of the Insurance Companies.

The RNC meets as necessary, but at least three times a year, with its members elected by the Boards of Directors based on the proposals from the Supervisory Boards. Acting in its own capacity, the Committee may elect non-voting member(s) in order to enable it to carry out its functions to the fullest extent possible by the advice of the persons elected this way.

The management of CIG Pannónia Group's ESG impacts is linked to remuneration, as defined in the rules of procedure of the Remuneration and Nomination Committee. Some elements and levels of remuneration<sup>22</sup> were created with the involvement of an external consultant<sup>23</sup>, which was preceded by preliminary market and internal surveys.

<sup>21</sup> The CIG Pannónia Group shall have a Board of Directors consisting of minimum three and maximum seven members, whose are elected or recalled by the General Meeting. The provisions of Act LXXXVIII of 014 on the Business of Insurance (hereafter referred to as "Insurance Act") on senior officers shall apply to the members of the Board of Directors of CIG Pannónia Group.

<sup>22</sup> For more information about the Insurance Company's remuneration system, see the section explaining the sustainability pillar named "People-Centered Workplace".

<sup>23</sup> Remuneration Consultants are independent from our Company's supreme governing body and senior managers.

The remuneration rules are subject to the provisions of Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement, and are also in line with the expectations as set out in the document “Board Selection Guidelines”, which is applied by the Company and published publicly. In accordance with the requirements of the Regulation on sustainability-related disclosures (Regulation (EU) 2019/2088, hereinafter referred to as “SFDR”), an assessment in accordance with the ESG criteria – by defining so-called ESG indicators – was integrated into the remuneration by our Company in 2024.

The remuneration system of the CIG Pannónia Group and the Remuneration Report submitted to the General Meeting for publication and for an opinion vote is checked by the auditor on an annual basis.

The CIG Pannónia Group did not receive any State aid in 2022, 2023 or 2024.

### State aid granted to CIG EMABIT and CIG Life Insurance Company in HUF

	2022	2023	2024
State aid	0	0	0
Financial assistance from the EU	0	0	0
R&D support	0	0	0
Tax advantage	0	0	0

The Operational Management Meeting (hereinafter referred to as “**OMM**”) is held weekly. These meetings are convened by the CEO. The OMM is responsible for operative management, ensuring the continuous flow of information, as well as preparing, scheduling and determining decisions in matters falling within the competence of the Board of Directors. The OMM is also responsible for discussing decisions in matters not falling within the competence of the Board of Directors, if they represent a major expense that increases the annual budget. Furthermore, the OMM is responsible for launching and ending projects, setting directions, as well as defining and controlling the strategic directions of the risk management system. The CEO and the Deputy CEOs – hereinafter collectively referred to as “**Management**” – are present at OMMs.

At weekly OMMs, the managers in charge also report on ESG actions related to the implementation of the ESG strategy, ensuring the channeling of relevant information in this respect.

At the Annual General Meeting held on 17 April 2024, the shareholders adopt a decision and approve the 2023 consolidated financial statements of the CIG Pannónia Group. In making the decision, the General Meeting was assisted by the proposal of CIG Life Insurance Company's Board of Directors, the opinions of the Company's Audit Committee and of the Supervisory Board, as well as the statement of the Auditor.

CIG Life Insurer has also adopted the Sustainability Report for 2024 at the same time as the proposals for the agenda items of the Annual General Meeting were defined and adopted, which will be published at the same time as the General Meeting adopts its resolutions that fall within the scope of the Annual Report and other agenda items. The Company published the report in accordance with the relevant rules and the decision timetable as described above for the year 2023 as well<sup>24</sup>.

<sup>24</sup> [https://www.bet.hu/site/newkib/en/2024.04./publication\\_of\\_the\\_Sustainability\\_Report\\_of\\_CIG\\_Pannonia\\_Group\\_for\\_the\\_year\\_2023\\_129049134](https://www.bet.hu/site/newkib/en/2024.04./publication_of_the_Sustainability_Report_of_CIG_Pannonia_Group_for_the_year_2023_129049134)

## ESG MANAGEMENT

In line with our plans for 2024, CIG Pannónia Group has taken further steps to implement the UN Sustainable Insurance Principles, both in its strategy and in its internal management system, based on the MNB Green Recommendations<sup>25</sup> (hereinafter: "MNB Green Recommendations"). As part of this, we have reviewed our policies and assessed the necessary vertical and horizontal linkages from an ESG perspective, ensuring that they are integrated into our decision-making and operational processes.

In 2024, we have further expanded the ESG areas to ensure that our Company's day-to-day decisions are guided by transparent and effective ESG governance. To this end, the three key focus areas - ESG governance, ESG reporting and ESG communication - have also been expanded, aligned with the pillar "ESG approach to decisions". Building and expanding the ESG governance ensures the transparency and effectiveness of strategic decisions in support of sustainability

### ESG governance

In 2024, significant progress was made in the ESG level operations of the CIG Pannónia Group, which was ensured by the updating of the Board agendas, internal rules (including the Organisational and Operational Rules) and policies, as well as the new organisational structure and the appropriate allocation of responsibilities. Within the Corporate Governance department, an ESG unit has been created, whose coordination and responsibilities are set out in the Organisational and Operational Rules.

In line with our 2024 plans, environmental and social aspects have been integrated into the tasks and responsibilities of most of the core functions: accordingly, the ESG-related tasks of the bodies and certain areas have been defined in the Organisational and Operational Rules, which help the CIG Pannónia Group to integrate environmental and social aspects into its day-to-day operations and ensure that these aspects are reflected in the company's governance and decision-making processes. These measures aim to ensure that the company's operations are in line with sustainability objectives and the challenges of climate change.

We have clearly defined the responsibilities of the Boards in the Board agendas, ensuring by obligatory reporting of relevant areas, that the Boards are well informed about the insurer's climate change and environmental risks and any changes to them. In reviewing the Board Selection Policy and the Fit & Proper Policy, the Board has paid particular attention to ensuring that the composition of the Boards is in line with the Green Recommendations and that members have appropriate ESG competences and are sufficiently prepared about climate change and related risks affecting the insurer.

The risk management system<sup>26</sup> has been successfully extended to cover short, medium and long-term climate change risks. In our 2024 ORSA report, we have already underpinned the consideration of ESG aspects when determining our risk tolerance level and integrated climate risk assessment and management into our risk management processes.

<sup>25</sup> Recommendation No. 12/2023. (XI.27.) of the National Bank of Hungary on climate change-related and environmental risks, and on mainstreaming environmental sustainability in the activities of insurance companies, which is available at <https://www.mnb.hu/letoltes/12-20123-biztositoi-zold-ajanlas.pdf>

<sup>26</sup> The system covers tasks of Risk Management Directorates, Compliance and Internal Audit as well.



## ESG reporting

ESG reporting means the preparation of a standardised (non-financial) sustainability report as well as the structure of the data collection required for this. The Company prepared and publishes its Sustainability Report for 2024. In accordance with the legal requirements, our Company discloses the data required by law, as well as the corporate commitments related to the SFRD, the level of compliance and the related data. CIG Pannónia Group, as a company on a regulated market, is committed to disclosing its ESG performance together with its business performance every year, thus providing a more complete picture by publishing ESG and financial data together and providing comprehensive information for investors covering all operating segments.

## ESG communication

Within ESG communication, we further strengthened the communication of our sustainability efforts to both internal and external stakeholders. By 2024, we embedded the ESG approach not only in the company's operations and strategy, but also in its corporate image. The publication of ESG results and objectives is also supported by the BSE's single issuer model.

In 2024, we embedded the ESG approach more deeply into our corporate culture through information/education, ensuring that all our employees are aware of the role of the manager and department responsible for ESG, the company's ESG strategy and the ESG-related processes.

In line with the Supervisory Board's recommendation, we have organised ESG training sessions to help employees understand their own role and responsibility in sustainability efforts. Thus the ESG principles are not only applied in strategic decision-making, but also in day-to-day operations, helping to achieve the long-term sustainability objectives.

In internal communication, we have made it a regular feature of our sustainability initiatives in HR newsletters and on the company's digital communication channels. We have also participated actively in CSR programmes, including a charity bake sale, supporting animal shelters, painting schools and organising food- and shoebox collection campaigns. These actions have further strengthened our communication of sustainability values inside and outside the company and our commitment to social responsibility.

Our further ESG actions that are closely related to the material topic of Corporate Governance, and our decisions made specifically for sustainability are detailed in the chapter explaining the material topics.

**Continuing this work, deepening the relevant knowledge and "greening" our product range as a process will define our year 2025 as well, the biggest challenge of which will be to integrate the content of our sustainability presentation into the process of closing our financial and business year, and thus to implement the uniform reporting obligation as a result of this work.**



## RISKS POSED AND OPPORTUNITIES CREATED BY CLIMATE CHANGE<sup>27</sup>

GRI 201-2

The 2015 Paris Agreement on climate change<sup>28</sup>, the UN's Sustainable Development Goals, and the 2023 Synthesis Report of the Intergovernmental Panel on Climate Change<sup>29</sup> all call for the reduction of greenhouse gas emissions and the creation of an economy with lower impact on the environment and lower pollutant emissions. The European Union has set targets to be achieved by 2030 regarding the reduction of greenhouse gas emissions, renewable energy, and energy efficiency. Years ago, the European Commission published its strategy for the realization of a climate-neutral economy by 2050. Hungary is also taking steps<sup>30</sup> to reduce the impact of climate change and to better adapt to the consequences of climate change. It is enshrined in the legislation that Hungary will achieve climate neutrality by 2050<sup>31</sup>. These goals bring systemic changes in the society and the economy. The year 2024 can be considered a watershed year for ESG, since, according to the available information, it was the first year when the Earth's average temperature exceeded the +1.5°C threshold compared to pre-industrial levels, as scientists have long advocated<sup>32</sup>.

The insurance sector is of great importance in improving the resilience of Hungarian economy<sup>33</sup>, but it is also seriously affected by the potential risks and losses. In line with the relevant legal background<sup>34</sup> and the MNB's recommendation<sup>35</sup>, the Insurer took a further step in 2024 to implement organisational and process changes for sustainability. As a first step in our **ongoing review of our business strategy, we have identified ESG as a priority area**, to set the framework for our operations. In addition, a team of experts has been formed to assess how climate risks impact the CIG Pannonia Group's risk management processes and capital adequacy position.

<sup>27</sup> In response to Recommendation No. 12/2023. (XI.27.) of the National Bank of Hungary ("Recommendation on climate change-related and environmental risks, and on mainstreaming environmental sustainability in the activities of insurance companies").

<sup>28</sup> Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change, available at <https://eur-lex.europa.eu/legal-content/HU/TXT/?uri=OJ:L:2016:282:TOC>

<sup>29</sup> AR6 Synthesis Report – Climate Change 2023: <https://www.ipcc.ch/report/ar6/syr/>

<sup>30</sup> Act XLIV of 2020

<sup>31</sup> The remaining GHG emissions and removals will be balanced in Hungary by 2050.

<sup>32</sup> See e.g. [https://telex.hu/techtud/2025/01/10/eloszor-lepte-at-a-celkent-kituzott-1-5-celsius-fokos-felmelegedesi-kuszobot-az-atlaghomerseklet?utm\\_source=app&utm\\_medium=notification&utm\\_campaign=eloszor-lepte-at-a-celkent-kituzott-1-5-celsius-fokos-felmelegedesi-kuszobot-az-atlaghomerseklet](https://telex.hu/techtud/2025/01/10/eloszor-lepte-at-a-celkent-kituzott-1-5-celsius-fokos-felmelegedesi-kuszobot-az-atlaghomerseklet?utm_source=app&utm_medium=notification&utm_campaign=eloszor-lepte-at-a-celkent-kituzott-1-5-celsius-fokos-felmelegedesi-kuszobot-az-atlaghomerseklet)

<sup>33</sup> Resilience against the negative impacts of climate change

<sup>34</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting, Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

<sup>35</sup> Recommendation No. 12/2023. (XI.27.) of the National Bank of Hungary

In this work, we have followed the elements of the relevant EIOPA recommendation<sup>36</sup> and identified the main points of reference that affect the ESG's fundamental insurance processes

- **the global warming scenario** (i.e. how many degrees Celsius the Earth's average temperature will rise compared to pre-industrial times (1750 AD): the Insurer considers the +1.5 °C and +2 °C scenarios to be relevant for its own operations. The Insurer is confident that the collective efforts of humankind will lead to a maximum average temperature rise of one and a half to two degrees Celsius by 2100.
- **socio-economic scenarios (SSP's<sup>37</sup>)** (i.e. how humanity's social and economic response to global warming will take shape): Without going into a deeper understanding of the concept (as it is contained in the EIOPA Recommendation referred to), we see the alternatives SSP1 and SSP2 as feasible. SSP1 links the sustainable development alternative to our vision that humanity can collectively address the risk of global warming, while SSP2 is formulated to incorporate the risk that there will be successful actions and, with them, less successful actions.

• **time horizons of our ESG strategy:**

2024-	-2027	-2035	-2050	-2100
Business strategy time horizon	short term	mid-term	long-term	
Global warming horizon	short term		mid-term	long-term

• **with respect to climate change:**

- **physical risks:** the insurer is mainly affected by storms, heavy rainfall, floods, and in the long term by drought
- **transition risks:** we consider the risks from regulatory, reputational and consumer behaviour changes to be significant
- we see late adaptation as the most feasible of the **economic and social transition parameters** - given the current challenges we all face in relation to sustainability.

It is apparent that, taking a strategic time horizon, our fundamental insurance processes will undergo significant changes. These changes will not only guarantee regulatory compliance but will also guarantee customer service and the change and renewal of the product range and insurance services. These may include the development of new products. The Company's efforts in this regard are discussed in a separate chapter.

<sup>36</sup> [https://www.eiopa.europa.eu/system/files/2022-08/application\\_guidance\\_on\\_running\\_climate\\_change\\_materiality\\_assessment\\_and\\_using\\_climate\\_change\\_scenarios\\_in\\_the\\_orsa\\_0.pdf](https://www.eiopa.europa.eu/system/files/2022-08/application_guidance_on_running_climate_change_materiality_assessment_and_using_climate_change_scenarios_in_the_orsa_0.pdf)

<sup>37</sup> Shared Socioeconomic Pathways



## ESG STRATEGY

### STEPS TAKEN BEFORE COMPILING THE REPORT

This Sustainability Report – in addition to ensuring the transparency expected by the public due to our presence on a regulated market – is primarily addressed to the investors, customers and partners of our Companies. In our report, the umbrella term “**stakeholders**” is used to indicate this group of interested parties. This group is made up of the entities that directly or indirectly influence our operations, or whose operations are influenced by us. As the first step for preparing our sustainability report, these stakeholders were identified, and it was considered how our stakeholder groups changed during the reporting period.

In recent years, we have taken steps to deepen our understanding of how to manage the risks of global warming, and we have reported this to our stakeholders in a transparent way:

- Our ESG Report 2022 was the first to report on our company's operations from an Environmental-Social-Corporate Governance perspective.
- At the beginning of 2023, our Company considered the new expectations that it needs to meet in terms of sustainability as an insurance company. From 2023, our Company will promote sustainability and related corporate actions at the corporate level. In 2023, we amended our strategy with sustainability goals - we call the set of goals the ESG strategy. Our 2023 report was already lead by defining this ESG strategy, the actions to be taken and compliance with a global ESG reporting standard - the GRI, to which our current report is also prepared. Indicators, metrics and responsible persons were assigned to individual tasks in order to implement them in a controlled manner.
- 2024 was an active year in several respects, as we focused on the implementation of the actions defined in the previous year - which we will report on in detail in the following pages - and on the revision of the business strategy as mentioned above, in which "ESG" as a comprehensive set of aspects will be incorporated as a new strategic element in all segments relevant to the CIG Pannónia Group. As part of our ESG goals, we have set out to reduce our carbon footprint, and with the help of consultants and experts, we have developed a methodology for calculating our carbon footprint - which we report on in a separate section of this report. We have also prepared the reporting tasks related to the so-called Taxonomy Regulation<sup>38</sup> under the CSRD<sup>39</sup> - which is also reported in a separate chapter

From the point of view of corporate governance, transparent pillars and topics provide a framework for specific ESG actions and bring together the environmental, social and corporate governance impacts of our operations.

### PILLARS OF SUSTAINABILITY

Our general corporate ESG approach brings together the sustainability focus areas defined in the previous year and aligns them with the pillars of our sustainability strategy:

<sup>38</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

<sup>39</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

- a. Prudence and transparent corporate governance
- b. Green products and customer-oriented service
- c. People-centred workplace culture
- d. Sustainable operation of offices

## THE STRUCTURE OF OUR COMPANY'S ESG STRATEGY



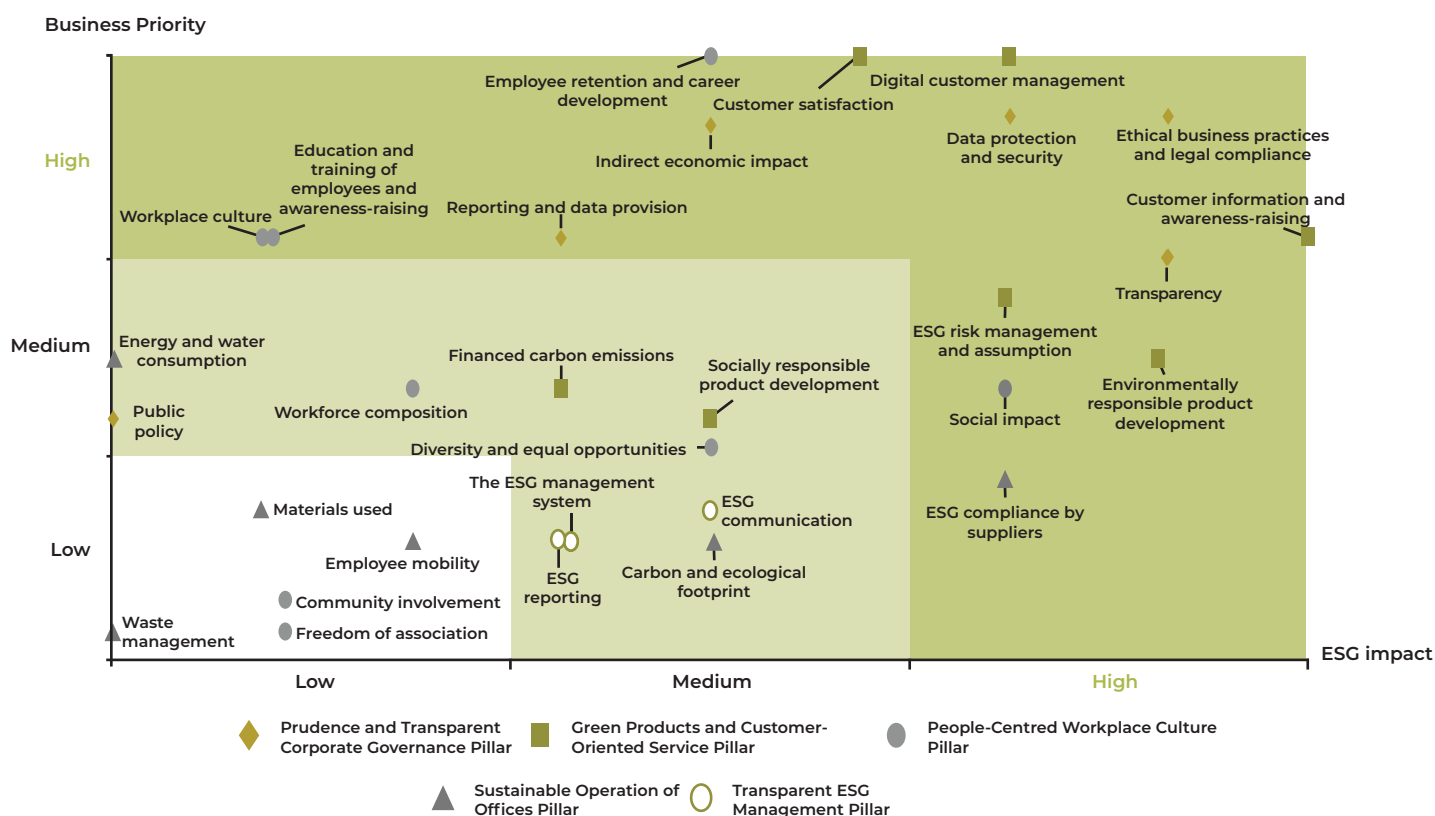
The review of our previous Sustainability reports as well as feedback from the CIG Pannónia Group's stakeholders determined the ranking of our material topics.

## MATERIALITY

GRI 3-1, GRI 3-2

During the annual review of the Insurance Companies' sustainability and in preparing for the report, each sustainability pillar was associated with material impacts. During consideration by the management and the assessment of the ESG and business impacts of sustainability topics, a matrix of impacts was created in 2023 which shows the priority of each material topic in terms of our business and ESG. This matrix has not been changed for the year 2024 due to its timeliness and relevance during the year.

### Materiality matrix



After these decisions were made and we asked for feedback from internal and external stakeholders last year - as their contribution is an important element in the preparation and structure of the report -, so we can finalise the list of material topics.

The defined 15 material topics are related to the Insurance Companies' sustainability pillars, each marked with a letter as follows:

a. *Prudence and transparent corporate governance*

1. *Data protection and security*
2. *Reporting and data provision*
3. *Transparency*
4. *Ethical business practices and legal compliance*

- 5. Indirect economic impact*
- 6. Social impact*
- b. Green products and customer-oriented service*
  - 7. Product development*
  - 8. Customer Information and Awareness-Raising*
  - 9. Customer satisfaction*
  - 10. Digital customer management*
  - 11. ESG risk management and commitment*
- c. People-centred workplace culture*
  - 12. Employee retention and career development*
  - 13. Education of Employees and Awareness-Raising*
  - 14. Workplace culture*
- d. Sustainable operation of offices*
  - 15. ESG compliance by suppliers*







## INVOLVEMENT OF EXTERNAL STAKEHOLDERS

GRI 2-29

The relevant groups and organisational units gave feedback on the material topics defined by senior managers by filling out a questionnaire. Among the stakeholders, we have selected organisations and people with an insight into our work and operations. We received valuable feedback from our employees, suppliers, sales partners, customers, and NGOs. Based on the stakeholders' responses, we reached the following conclusions:

- the respondents validated the most key material topics and impacts determined by the Management of the CIG Pannónia Group;
- no topic was listed that was not included in the list of material topics during the Insurance Companies' preliminary analysis;
- the topics of "Employee retention and career development" and "Indirect economic impact", as well as customer-related topics and "Data Protection and Security" are considered to be material topics with the greatest impact. The social impact of our Companies, product development that takes environmental aspects into account and supplier ESG compliance were classified as less material.

The opinions we received prove that it is important to further strengthen our communications related to sustainability and our social responsibility. We believe that transparency is decisive also in this context.





## ESG STRATEGY, ESG ACTIONS

GRI 2-25

Based on the previously explained corporate ESG approach, the ESG Strategy of our Companies rests on four pillars related to our operations. Within these pillars, a number of ESG goals were assigned to several focus areas as well as a path towards such goals and target dates. In doing so, we kept in mind smooth compliance with the MNB's Green Recommendation, BÉT's guidance and in general, the high expectations of regulators and the steps of the introduce its implementation.

Our ESG Strategy is in line with our Business Strategy. The ESG Strategy supports the realisation of the Business Strategy and the set goal of market growth. Our ESG Vision for 2030 is a longer-term, more general and permanent objective, in which we formulate our longer-term ambitions, and which covers several strategic periods. The target date of our ESG Strategy, which is necessary for the realisation of this vision, is 2026, allowing us to make significant progress within a foreseeable time frame.

FOCUS AREA	TARGET STATE (2026)
<b>Strategic goals of the corporate ESG approach</b>	
The ESG management system	All employees of the Companies know the manager in charge of ESG and are aware of the Company's ESG processes and activities, as well as their own responsibilities in relation to the ESG criteria.
ESG Reporting	The Companies annually publish their ESG performance together with their business performance in an integrated report.
ESG Communication	ESG is reflected in the corporate identity of the CIG Pannónia Group, in the communications directed at customers, investors and employees alike, demonstrating that sustainability is an important value for the CIG Pannónia Group.
<b>Strategic goals related to material topics</b>	
Data protection and security	Data security that is compliant with the regulatory requirements (DORA, GDPR). The Companies have an effective procedure for handling security incidents.
Reporting and data provision	Continually ensuring maximum and timely compliance with data provision and reporting requirements (data, indicators, related definitions, and methodology). Operating an efficient and reliable data provision and communication system that enables the above.
Transparency	Continuously ensuring the comprehensibility and availability of data.
Ethical business practices and legal compliance	Maintaining full legal compliance and operation in accordance with internal regulations. In addition, the Insurance Companies also expect and monitor business partners' compliance with the standards of ethical business practices.
Community involvement	The CIG Pannónia Group has a conscious CSR strategy, where it designates the social and environmental issues that are important to it. Employees are also involved in the implementation.
Product development	The Insurance Companies' product range specifically includes products that support the green transition (e.g. UL SFDR 9) and in all business lines, they will apply a set of discounts that contributes to the green transition.
Customer information and Awareness Raising	The CIG Pannónia Group fully complies with the information requirements of the IDD (Insurance Distribution Directive) and PRIIPs (Packaged retail investment and insurance-based products) Regulation (it has clear insurance product information documents (IPIDs) and key information documents (KIDs)). Customers receive detailed information on ESG-related matters, so that they can make a well-considered decision about the products. During the sales process, they receive professional support in relation to ESG.
Customer satisfaction	Regular customer satisfaction surveys are conducted in both the residential and corporate segments. This also encompasses the quality of the entire range of products and services (sales, claim settlement, customer service).
Digital customer management	Internal operations, document handling and dispatches are completely paperless. 75 percent of customer contracts and administration are done without printing.





FOCUS AREA	TARGET STATE (2026)
ESG risk management and risk bearing	In addition to the insurance risk, the Insurers also identify and record climate risks based on the customer's activities. Such risks are taken into account in the premiums in the form of an activity-based discount system independent of the insurance risk and integrated into their risk strategy.
Employee retention and career development	The employees are satisfied with their current situation and are aware of their possibilities for the future. The CIG Pannónia Group takes care of the employees' health, mental and social well-being.
Education of Employees and Awareness-Raising	The CIG Pannónia Group ensures that its employees have competitive knowledge through awareness-raising and training that go beyond the mandatory minimum. Employees have the opportunity to participate in organised training sessions/courses annually.
Workplace culture	A single corporate culture based on common values, which is reinforced by corporate events and a unified management approach from the moment one enters the Company. Managers are developed in line with the company values.
ESG compliance by suppliers	Centralised procurement and supplier evaluation process, in which decisions on suppliers are made taking into account the ESG aspects included in the Procurement Policy (selection of new ones and vetting of current ones).
<b>Strategic goals independent of the material topic</b>	
Waste management	The CIG Pannónia Group has implemented separate waste collection in its offices: there are bins for paper, plastic, municipal and hazardous waste (batteries). In addition, it aims to reduce municipal waste by 40 percent.
Energy and water consumption	The CIG Pannónia Group regularly measures and monitors energy and water consumption and is constantly looking for ways to reduce it (e.g. economical lighting, conscious use of air conditioning).
Employee Mobility	Reduction of emissions from traffic and commuting by 30-35 percent. 80 percent of employees commutes to work using sustainable means of transport, which is supported by the Company.
Carbon and ecological footprint	Accurate measurement and reduction of carbon and ecological footprints (Scope 1, 2, and 3) by 20 percent. (In line with Hungary's commitment our carbon footprint is found under Chapter 17).



## PILLARS OF SUSTAINABILITY AND MATERIAL TOPICS

In the previous year's ESG Report, the products and operations of the CIG Pannónia Group, as well as the impacts of its operations in terms of environmental, social and corporate governance were analysed. The report also provided an overview of our office operations and product portfolio. Our 2023 Sustainability Report was divided into sections according to the 15 material topics, which structure we followed in 2024 as well. We report on each topic by examining its impact on sustainability. For each topic, we list the relevant rules, as well as the internal operating frameworks, people in charge, and responsible departments that ensure regulation. Bearing measurability in mind, we assigned metrics in line with the GRI Standards and our own company indicators to the goals set and the results achieved. We also indicate how each topic is linked to the Sustainable Development Goals<sup>40</sup>, and its alignment with the Company's strategy and vision.



<sup>40</sup> <https://ksh.hu/s/kiadvanyok/fenntarthato-fejlodes-indikatorai-2022/>

## A. PRUDENCE AND TRANSPARENT CORPORATE GOVERNANCE

In accordance with the relevant legislation on the capital market and the rules of the Budapest Stock Exchange, the CIG Pannónia Group reports to shareholders and the public on a quarterly basis, in a consolidated manner<sup>41</sup>. Annually, the Group fulfils its reporting obligation on a consolidated and company level by publishing its financial statements audited by an auditor and approved by the General Meeting, in accordance with the relevant IFRS 17 standard and using the format required by the National Bank of Hungary. The supervisory and management bodies of the CIG Pannónia Group<sup>42</sup> carry out their duties in a coordinated manner, in accordance with their publicly available rules in force of procedure and time schedule, with a sufficient degree of flexibility, such as the possibility of written decision-making, adding new agenda items. In addition to the internal regulatory framework, operations are based on the preparation and adoption of annual plans for the meetings of corporate bodies and work plans to be adopted before the business year, as well as ensuring operations according to those plans and coordinated at the level of the appropriate body.

The following material topics are classified under the Prudent and Transparent Corporate Governance pillar: data protection and security, reporting and data provision, transparency, ethical business practices, indirect economic and social impacts.

The Organisational and Operational Regulations of CIG Life Insurance Company and of CIG EMABIT are the keystones within the Companies for ensuring transparent functioning; these regulations uniformly designate the Deputy CEO for Corporate Governance and Prudential Compliance and thus indirectly the Corporate Governance Department managed by the latter as functions under the direct control of the CEO.

The overall responsibilities of this organisational unit are closely related to all material topics of the sustainability pillar “Prudence and Transparent Corporate Governance”. This department prepares the regulations directly assigned to it and any amendments thereof and coordinates the Insurance Companies’ regulatory framework. This department contributes to the preparation of our Company’s financial statements, especially to the preparation of textual materials necessary due to presence on a regulated market; the creation of prudence in corporate governance, the underlying framework, and adaptation of the same to the operative processes; administration related to decision-making by supervisory and management bodies; coordination of the execution of task; and ensuring the performance and compliance of duties and obligations imposed by authorities. This department is specifically responsible for the management of the Capital Market, Corporate Governance, Compliance, and Anti-Money Laundering and Fraud Prevention areas, facilitating training courses at these departments, active participation in the mainstreaming of ESG, as well as liaising.

As a body, the Corporate Governance department is responsible for coordination, expressing an opinion on matters and ensuring compliance, especially in the establishment of internal lines of defence (ILD).

In order to ensure the flow of information between the responsible functions, the CIG Pannónia Group holds monthly meetings for the areas involved in operating the internal lines of defence at the operational level<sup>43</sup>. The purpose of these meetings is to ensure their reliable and efficient operation in accordance with the legislation and internal regulations,

<sup>41</sup> Quarterly consolidated flash reports: [Beszámoló | CIG Pannónia Biztosító](#)

<sup>42</sup> Audit Committee, Supervisory Board and Board of Directors

<sup>43</sup> ILD has moved to weekly meetings from 2025



including those preventing conflicts of interest. These scheduled meetings are intended to contribute to ensuring prudence, in order to maintain smooth and effective operation and trust in the institution. The goal is to identify and deal with any problems and deficiencies that may arise during operation at the earliest possible stage. Meetings are convened and coordinated by the Deputy CEO for Corporate Governance and Prudential Compliance.

Permanent and invited members include, in addition to members of the Management, the employees performing supervisory and control functions (e.g. Senior Internal Auditor, Senior Risk Manager, Head of Compliance).

The responsibilities of ILD have been extended in 2024, as set out in the Organisational and Operational Rules. ILD's role will now include supporting the company's operations in taking environmental factors into account, facilitating an even more complete transition to sustainable operations and preparing the CIG Group to deal with legislative changes. In addition, it has been given a prominent role in the context of effectively addressing both ESG risks and the challenges of climate change and environmental risks

The system of internal controls<sup>44</sup> is one of the cornerstones of transparent insurance processes. At our Company, this system continued to operate in accordance with the relevant legislation<sup>45</sup> in 2023.



<sup>44</sup> Recommendation No. 12/2022. (VIII.11.) of the National Bank of Hungary on the establishment and operation of internal lines of defence and on the management and control functions of financial organisations.

<sup>45</sup> The relevant recommendations that need to be taken into account are: 1. Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II); Commission Delegated Regulation (EU) 2015/35 (supplement to Solvency II) and 2. Recommendation No. 27/2018. (XII.10.) the National Bank of Hungary on the establishment and operation of internal lines of defence and on the management and control functions of financial organisations as well as Recommendation No. 17/2019. (IX.20.) on the management system or insurance and re-insurance undertakings.



## 1. DATA PROTECTION AND SECURITY

GRI 3-3

By “data protection”, the CIG Pannónia Group means that we give top priority to the protection of personal data and sensitive information in our operations, including the collection, storage and sharing of data, as well as the regulation of these processes. By “data security” we mean securing the safety of digital systems and data, i.e. our goal is to prevent any unauthorised access and data phishing. It is extremely important in this area that our employees exercise caution: ESG related topics and individual decisions may have a much stronger impact in terms of corporate governance (reputation, liability) and society (advocacy groups of customers, partners).

In addition, in accordance with the legislation and case-law, we have created separate Privacy Notices for each data subject category, several of which were updated in line with the relevant legislative environment in 2024. These documents are continuously available to data subjects on our website and at the Insurance Companies’ Customer Service points. Requirements and steps aimed at ensuring the protection of the personal data of natural persons are also set out in the contracts concluded with our partners.

GRI 2-26, GRI 418-1, CIG-ADAT1, CIG-ADAT-2

At the CIG Pannónia Group, data protection is coordinated by a common Data Protection Officer appointed for both Insurance Companies. Their task is to monitor and check data protection processes in place and incidents occurring at the Insurance Companies, and to provide assistance, if necessary.

In addition to the referenced Privacy Policy and documents, the most important guarantee of data protection and security in the operation of our Company is the regular annual training of employees, as well as the occasional continuing training of employees and partners, where necessary. The fact that the Data Protection Officer is constantly available to the employees and that the data subjects can contact them contributes to prudence. It is the responsibility of the data owners to involve in their activities the most suitable experts for each process and area.

In addition to the Data Protection Officer, the IT Security Officer and data owners, data protection and data security are also influenced by the departments under the management of the Deputy CEO for Legal and Business Support and the IT Directorate. By conveying the needs of the customers, data owners, the Compliance Department, and the Internal Audit Department continuously contribute to ensuring data security and data protection.

The work of the Data Classification Committee is closely related to this material topic. This ad hoc committee consists of the Investor Relations Officer, the General Counsel, the CEO and the Deputy CEO for Corporate Governance and Prudential Compliance. The Data Classification Committee is responsible for determining whether a given piece of information/data, given its content, should be classified as regulated information and within this, as insider information. Depending on the nature of the given piece of information or data, the Data Classification Committee shall classify it without delay, but within the shortest possible time (paying special attention to and observing the time limits and frameworks for publication determined by the relevant sectorial legislation), and shall immediately inform those concerned of the results of the classification, and initiate the publication of that information, where required by law.

In 2023, the data protection awareness of the Company's employees increased, and the exact steps of data protection processes were developed. No personal data breach<sup>46</sup> occurred at the Company in 2024 that should have been reported to the Hungarian National Authority for Data Protection and Freedom of Information (NAIH).

Personal data breaches are recorded. These records allow data to be filtered, thereby the root causes of typical incidents can be identified, and thus existing processes can be modified, or new ones can be put in place to prevent such incidents. In these records, the departments most involved in data protection as well as any necessary training and the frequency thereof can be monitored and flagged. Our goal is to keep the number of incidents at the current level despite a growing customer base.

### Number of data protection and security incidents

	2022	2023	2024
Personal data breaches notified to the authority	1	0	0
Resolved security incidents	5	0	0

The Data Protection Officer is involved in the resolution and management of personal data breaches; employees report any suspected personal data breaches to them, and they are entitled to decide whether or not a personal data breach has occurred. In the event of a personal data breach, the Data Protection Officer shall assess the risks, decide on the notification thereof to the data protection supervisory authority, as well as on information to be provided to the data subjects. In order to terminate a personal data breach and mitigate its consequences, this officer shall call on the data owners and employees to take appropriate measures and to inform the data subjects.

### Number of non-compliances with internal and external data protection and security rules (regulatory non-compliances)<sup>47</sup>

	2022	2023	2024
Total regulatory non-compliances	75	72	68
Non-compliance with regulatory requirements on data protection	23	29	12
Non-compliance with regulatory requirements on safety	52	43	56

In all cases, data transfers to and between suppliers, partners and Insurance Companies are recorded and regulated in detail in the contracts between the suppliers/partners and the Insurance Companies so that personal data as well as insurance and business secrets are treated in accordance with the law and our internal regulations. These safeguards also contribute to avoiding incidents. In order to ensure appropriate expertise, the Data Protection Officer and the IT Security Officer shall also participate in the formulation and review of data protection and data security provisions, which shall be an inseparable part of contracts.

<sup>46</sup> "Personal data breach" means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed.

<sup>47</sup> Internal or external supervisory regulatory non-compliance, broken down by type (data protection or data security related).

No supplier was involved in data protection processes in 2024 either. An IT security annex is part of the contracts to be concluded with the service providers engaged by the Insurance Companies. The set of requirements laid down in this annex is intended to ensure compliance with our data security requirements. Data flow and communication takes place through a secure VPN connection<sup>48</sup>, in a data room, or on an SFTP server. Providing an encrypted channel is a mandatory requirement for both parties – the insurer and its contracted partners.

The CIG Pannónia Group strives to communicate with both customers and contracted partners through secure channels. A significant part of communications with customers who are natural persons is carried out through the customer portal<sup>49</sup>. When corresponding with customers electronically, our employees send personal data, insurance and business secrets through encrypted channels. Customers can access the e-mails through these encrypted channels by entering a password of an appropriate security level, which consists of their own data and prevents unauthorised access. Communication with contracted partners about their tasks is done through a ticketing system. They cannot access customer data in the production environment; thus, data breaches are prevented.

However, any system storing data can be affected by a data breach.

### Cases of data breach and data theft

	2022	2023	2024
Number of customer data breaches	2	2	0
Theft of customer data	0	0	0
Loss of customer data	0	0	0

In order to prevent data breaches, our employees regularly participate in data protection and IT security training. Completion of this training is also mandatory for all new hires. After the training, colleagues shall demonstrate their knowledge in an online test. This element of the data security process was kept in 2023 as well.

If any employee or sales partner becomes aware of any data breach, they shall immediately notify the IT Security Officer, and if personal data are involved, also the Data Protection Officer. It is important that the whistleblower provides all known circumstances of the data breach.

Although our data protection and data security processes largely depend on the implementation of IT security measures and the security of IT systems, employee awareness is also essential in this field. Raising awareness plays a prominent role in our corporate culture.

An important achievement showing the high quality of our data security is that we have received zero complaints from external parties that have been found to be substantiated by the organisation and zero complaints from regulatory bodies over the years.

<sup>48</sup> Via encrypted private line

<sup>49</sup> A portal allowing unique identification of the customers, which is only accessible to customers.

In 2025, our data protection goal is to maintain and further increase the data protection awareness of employees, salespeople, and service partners, and to review and, if necessary, make more efficient the data protection processes of the Insurance Companies. We plan to enhance the automation of internal records and to speed up measures related to data protection.

Our goal was to implement and operate securely the data security processes required by the DORA Regulation (EU 2022/2554), and we achieved this by the beginning of 2025, in line with regulatory requirements.

Keywords	<ul style="list-style-type: none"> <li>- Data protection and IT security training</li> <li>- Updated Privacy Policy and data protection processes</li> </ul>
Planned for 2024	Completed: <ul style="list-style-type: none"> <li>✓ Raising data protection awareness</li> <li>✓ Enhanced automation of internal records</li> <li>✓ Speeding up measures related to data protection</li> <li>✓ Preparation for compliance with DORA</li> </ul>
Commitments for 2025	<ul style="list-style-type: none"> <li>• Raising data protection awareness</li> <li>• Further enhanced automation of internal records</li> </ul>



One element of CIG Pannónia Group's ESG approach is that its sustainability focus areas should contribute to achieving the UN Sustainable Development Goals<sup>50</sup>. We have also assigned an impact measurement to the topic of Data Protection and Security, thereby increasing broader financial and technological awareness. This step indirectly strengthens the joint action against climate change and its effects, as it follows up and measures the results of our decisions at the organisational level (SDG 17). With our data security efforts, we set a good example for the full implementation of fair institutional and financial procedures (SDG 16).

<sup>50</sup> Source: <https://www.un.org/sustainabledevelopment/news/communications-material/>





## 2. REPORTING AND DATA PROVISION

GRI 3-3

The material topic of Reporting and Data Provision includes the strict reporting mandatory for listed companies and for the sector, as well as other required information/data provision to external and internal stakeholders. This shall also include the responsible departments and the relevant processes through which we can ensure regularity and accuracy in our operations.

CIG Life Insurance Company publishes any legally required information concerning investors (regular/extraordinary information) in all official publication places with the content and in a timely manner in accordance with the applicable legislation. This also applies to ESG topics, where the level of information justifies or allows this according to the legislation in force.

CIG-BESZAM-1, CIG-BESZAM-2

The Compliance Manager shall perform the monitoring tasks necessary to comply with legal requirements and to adopt good practices and recommendations of the MNB. The relevant department will then be informed of the associated changes, new or modified responsibilities. In case of more complex changes affecting several areas and/or the Organisational and Operational Regulations, the Deputy CEO for Corporate Governance and Prudential Compliance shall perform the coordination tasks necessary for implementation of the changes.

### Number of disclosures, mandatory reports and data transmissions to the supervisory authorities

	2022	2023	2024
All mandatory reports	542	449	447
Mandatory reports by deadline	542	449	437
All disclosures	61	43	38
Cases of incompleteness/inaccuracy in connection with the published data	0	0	0

In order for the CIG Pannónia Group to comply with its data provision and reporting obligations (data, indicators, related definitions and methodology), the key is to operate an efficient and reliable data provision and communication system.

Starting from 2023, CIG Pannónia Group publishes documents produced in connection with the disclosure of company-level policies, the pre-contractual disclosure of currently sold products in accordance with the SFDR (Sustainable Finance Disclosure Regulation), and the disclosure for tied insurance intermediaries<sup>51</sup> in accordance with the SFDR on a page specially created on its website for communicating the transparent steps taken in the field of ESG.

<sup>51</sup> 42 An intermediary is a natural or legal person who performs insurance intermediary activities for remuneration. They can be (1) a tied intermediary (an agent who intermediates the insurance products of one insurance company or the non-competing insurance products of several insurance companies or a multiple agent who simultaneously intermediates the competing insurance products of several insurance companies) and (2) an independent insurance intermediary who acts on behalf of the client.

Our company manages uniformly, at a project level, the steps taken to make progress in line with the Budapest Stock Exchange's ESG guidelines, in compliance with other rules applicable to insurance companies. These steps are embodied in a separate, non-standardised annual Sustainability Report for the 2023 business year – having the same date and covering the same period as the financial statements – and the setting of long-term objectives. Thus, on 17 April 2024, a Sustainability Report is published in coordination and simultaneously with the annual General Meeting and its decisions.

In 2024, our Company continued preparing for the new disclosure requirements, collecting the criteria and obligations. The Sustainable Finance Disclosure Regulation (SFDR), the Corporate Sustainability Reporting Directive (CSRD) and the Taxonomy Regulation largely define our reporting-related objectives for the coming years. Our medium-term commitment is to give an account of the way risks are integrated, the exposures according to the industry classification of the insured activities, and their sustainability from an environmental point of view. Taking into account the MNB's Green Recommendation, an assessment of the materiality of environmental risks related to climate change has been incorporated into our disclosure policy. We report on short, medium, and long-term climate-related risks and opportunities, as well as their impacts on our activities and strategy. We also meet the requirements by disclosing, in the medium term, the way asset classes more exposed to natural disasters are managed and how they are incorporated into the investment framework, as well as how climate-related risks are considered in investment portfolio decisions.

In addition, the CIG Pannónia Group – as an insurer and as a listed Company – is committed to preparing a Sustainability Report at least on an annual basis, and from 2024, to publish climate change related environmental risks relevant to operations in an easily understandable form, based on reliable data.

Keywords	<ul style="list-style-type: none"> <li>- Mandatory reports and reports published on time on the website</li> <li>- Transparency of several mandatory reports</li> </ul>
Planned for 2024	Completed: <ul style="list-style-type: none"> <li>✓ Compliance with the requirements of the Non-Financial Reporting Directive (NFRD) Corporate Sustainability Reporting Directive (CSRD), Sustainable Finance Disclosure Regulation (SFDR) and Taxonomy Regulation, preparation for disclosures</li> <li>✓ Publication of a sustainability report</li> </ul>
Commitments for 2025	<ul style="list-style-type: none"> <li>• Publication of an integrated sustainability report (within the annual financial report)</li> </ul>



Our aim is to improve sustainability awareness by linking impact measurement to reporting and data. Indirectly, we are strengthening the toolbox for collective action against climate change and its impacts, tracking and measuring the results of our decisions at the organisational level (SDG 16, SDG 17, SDG 13). Through the data provision efforts of our activities, we are leading by example in the full implementation of fair institutional and financial procedures to reduce inequalities (SDG 10<sup>52</sup>).

<sup>52</sup> Source of the pictograms:

<https://www.un.org/sustainabledevelopment/news/communications-material/>



### 3. TRANSPARENCY

GRI 3-3

The clarity of data and processes, the availability of disclosures and documents, as well as the tasks necessary for their continuity and security are classified under the material topic of Transparency. This includes the departments responsible for the transparency of reporting obligations and other information required to be provided to stakeholders as well as the relevant processes. In the course of our work, we aim to ensure accuracy and compliance with the rules in such a way that our reports and statements remain understandable, transparent and easy to find. The department overseeing the transparency of our reports and disclosures differs depending on which stakeholder group they are addressed to. As a result of our legal form, we publish all information defined in the legislation for the notification and information of shareholders and partners, as well as employees and customers.

GRI 2-23, GRI 2-26, CIG-ÁTLÁT-1

**Regarding the issue of transparency, it is important to highlight that it falls within the competence of the Board of Directors of CIG Life Insurance Company to approve strategic commitments.** These commitments are required to be published in official places of publication<sup>53</sup>. Both our quarterly and yearly reports and statements promote clarity and transparency, among several other things, by referring back to the same period of the previous year and are uploaded to our web pages accessible to external parties. Our goal is to provide information in a structure that is easily searchable and understandable, to which end in 2025 we further improve the publication of ESG-relevant content on the website and the structuring of this information.

On the one hand, we inform our shareholders, regulators, service partners, and intermediaries in line with the principle of full disclosure. On the other hand, we also present the most important events in the internal weekly HR Newsletter for employees, which contains information regarding strategic steps, decisions, and major changes.

In the HR Newsletter, our Company publishes on a weekly basis all issues concerning all employees or specific groups of employees, together with the relevant responses. The newsletter also serves general educational purposes on ESG topics, as general information reaches in this way and form all employees. In addition, all Deputy CEOs and other managers in accordance with the Insurance Act<sup>54</sup> are regularly provided with possibilities to present the key projects in their fields. These projects may affect some groups of employees or all of them. We consider it necessary to monitor the relevant rules, their changes, and any new rules and practices. These management meetings give our employees an opportunity to ask questions regardless of the topics discussed. In these fora, employees were informed about the definition of our ESG strategy, as well as the related ESG actions.

<sup>53</sup> The website of the Budapest Stock Exchange, the official publication site of the Hungarian National Bank and the website of CIG Pannónia Life Insurer Plc.

<sup>54</sup> According to the Insurance Act (Act LXXXVIII of 2014 on the Business of Insurance): Chief Actuary, General Counsel, Chief Accounting Officer, Internal Audit Manager, Chief Risk Management Officer and Compliance Officer.

In all cases, employees' questions and requests will be answered – if several employees have the same or similar questions, collectively – in one of the above fora, promoting the transparency of the rules and corporate changes for our employees and the management.

The smooth operation of the communication channels with sales partners (portals, newsletters, etc.) is extremely important in order to ensure that the quality guidelines are complied with, and the goals set in the business plan continue to be met, even with an increased number of partners. It is very important for us that the materials and portals available to our partners continue to be clear and specific, and that the responsible department reacts quickly when improvement needs arise.

An important indicator of the quality of transparency at our Company is that there have been no complaints regarding the disclosed data during the last years (not including customer complaints received by our Companies).

Management of the interfaces between processes and areas and of the transparency of the same is an ongoing task, during the completion of which we strive for completeness.

It is essential for our stakeholders that the Company's operations and activities are open. This includes the availability and easy accessibility of information, including financial data, corporate strategy, operational processes and governance structure. Due to our presence on the stock exchange, the Company shall remain completely transparent, and information (communication of the operating results, strategy, organisational changes) is also extremely important from the point of view of shareholders.

Our transition to IFRS 17 (the data provision standard applicable to insurance companies) has been completed. The introduction of IFRS was preceded by several years of preparatory and development work. Depending on the characteristics of the product, several valuation methodologies are used. We use these valuation methodologies for products offered both in the life insurance and the non-life insurance segments.

Contrary to IFRS 4, according to IFRS 17, our expectations for the future and their changes play a much greater role in determining our results. We are required to have forecasts, broken down by groups of insurance contracts (GICs), regarding service levels and the resulting cash flows. Another change is that since there is always uncertainty in assumptions, it is necessary to present and manage that risk. In other words, a measure showing the risk associated with non-financial assumptions is a new element. A separate valuation methodology is used for unit-linked and traditional savings insurances, and thus our results only show the financial information, income, and expenses of the Insurance Company associated with insurance services; the portions of premiums related to non-insurance services are not shown in the case of these insurances.

2024 did not bring any change with regard to transparency as set out in Solvency II either. The difference in the basic objectives of the accounting standard (IFRS 17) and the prudential regime (Solvency II) results in significant differences in terms of calculation, presentation, disclosure, and processes. While the main purpose of the accounting standard is to measure performance and inform investors appropriately, the purpose of the prudential regime is to protect policyholders at an appropriate level and provide them with transparent information.



Keywords	- First quarterly reports according to IFRS 17
Planned for 2024	Completed: ✓ Increasing the transparency of interfaces between the various areas of CIG Pannónia Group ✓ Fine-tuning and development of financial statements in accordance with IFRS 17 reports
Commitments for 2025	• Increasing the transparency of IFRS 17 reports • Publishing an integrated sustainability, IFRS 17 financial report



Our efficient and transparent services help us align with the rules and processes that require public access to information, the protection of fundamental freedoms, and the full implementation of fair financial procedures, in accordance with the legislation and international conventions. Thus, we also contribute to the reduction of inequalities (SDG 10). We offer a predictable business model, a strong institutional example, accountability, balanced business relationships, and information that is easily accessible and transparent for various stakeholder groups (SDG 16, SDG 17<sup>55</sup>).



<sup>55</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>





## 4. ETHICAL BUSINESS PRACTICES AND LEGAL COMPLIANCE

“Ethical business practices and legal compliance” means full legal compliance and operations in accordance with the internal regulations. The Insurance Companies’ employees are required to participate in Compliance, Consumer Protection, Data Protection and Anti-Money Laundering e-learning courses every year, at the end of which they take an online exam.

They receive additional educational materials in the following documents, which also touch on information on ethical rules and procedures:

- Part of our Onboarding training for new employees is the introduction of our company values;
- Our Insurance Basics training touches on ethical issues (the ethical insurance concept valid from 2017);
- The training material related to unit-linked insurances contains a description of the evolution of the transparency of these products (customer service and sales support staff participate in this training);
- An important part of the training on credit protection insurance organised for the bancassurance staff is the content of mandatory customer information.

During the sale of insurance products, the needs and requirements of our customers are assessed in accordance with the requirements of the Act on Insurance Activities. In the case of life insurance products, we also clarify the potential customers’ exact needs with regard to life insurance. In relation to insurance-based investment products, the Insurance Company carries out an Appropriateness and Suitability Test, on the basis of which it determines the risk profile of customers and issues a statement on the outcome.

We always sell our insurance-based investment products through face-to-face selling. If, based on the needs assessment and the Appropriateness and Suitability Test, there is no product that is suitable for the customer, CIG Life Insurance Company will not sell any product to the customer concerned. As regards insurance-based investment products, CIG Life Insurance Company designed its sales process in such a way that the information documents (insurance quote) are provided to customers at least 24 hours prior to the conclusion of the insurance contract, thereby ensuring the time necessary to understand and familiarise themselves with such documents.

At the CIG Pannónia Group, in the course of product development, the target market of the product concerned, and a relevant sales strategy are determined. These strategies are reviewed at least annually, and were justified, modified based on received customer feedback, sales agents’ reactions, and other information.

Operating in a regulated market involves compliance with strict regulations. In addition to compliance with those regulations, we are committed to engaging in ethical business practices throughout our value chain. One of the relevant metrics – the number of corruption cases due to which the Insurance Company dismissed an employee or terminated its contract with a supplier – is zero.

We consider it important that our employees also familiarise themselves with CIG Pannónia Group’s Anti-Corruption Strategy. The Compliance Policy is an important tool in the fight against corruption and bribery, and it defines rules for all organisational units.



## Data related to the anti-corruption strategy

ANTI-CORRUPTION STRATEGY	2022	2023	2024
Those who have participated in anti-corruption training	199	188	207 <sup>56</sup>
Board of Directors and Supervisory Board (*)	5	5	6
Senior managers	5	6	6
Middle managers	46	38	13
Employees	148	144	188
Those who are familiar with the Anti-Corruption Strategy	205	193	207 <sup>57</sup>
Board of Directors and Supervisory Board (*)	8	7	7
Senior managers	5	6	6
Middle managers	46	38	13
Employees	148	144	188

(\*): The Boards of Directors and the Supervisory Boards have both external and internal members

**In 2021, 2022 and 2023, there was no case of corruption resulting in the dismissal of an employees of the Insurance Companies.** There have been no cases of corruption involving CIG Pannónia Group and/or any its employees. No supplier's contract has been terminated or not renewed due to corruption in recent years.

Our employees are aware of our anti-corruption strategy since all our employees were informed about it as part of the compliance training. Fines imposed for mistakes during our operation are paid by their due dates. If it is necessary to improve our processes due to an error, the colleagues working in the competent department shall work out a solution. The number of non-compliances is also an important metric, an indicator of a culture of compliance. The success of our Company's efforts is demonstrated by the fact that the amount of fines imposed is very low compared to the size of the Insurance Companies, and that the number of violations in several categories has been zero for years.

## Number of fines and non-compliances

FINES, NON-COMPLIANCES	2022	2023	2024
Amount of fines imposed by the MNB or other bodies (in thousand HUF)	6 520	200	48 500
Number of cases of non-compliance and violations	3	1	9
of which: cases resulted in fines	3	1	7
other cases concluded with the imposition of a sanction	0	0	2
Fines paid (in thousand HUF)	6 520	200	48 500 <sup>58</sup>
Fines for cases occurred in the previous reporting period	0	0	0
Fines for cases of non-compliance (in thousand HUF)	7 150	200	48 500
Number of cases of non-compliance with the Code of Ethics	0	0	0
Number of legal non-compliances	0	0	28
Number of violations of tax rules	0	0	0

<sup>56</sup> év végi képzésben részt vevők összlétszáma

<sup>57</sup> év végi képzésben részt vevők összlétszáma

<sup>58</sup> a befizetett bírság összegének változása az előző évekhez viszonyítottn az MNB ciklikus, három évenkénti átfogó vizsgálatának lezárásával magyarázható és megjegyzendő, hogy szektorálisan a kiszabott bírság nem számottevő, nem kimagasló a biztosítótársaságok összehasonlítását tekintve



FINES, NON-COMPLIANCES	2022	2023	2024
Number of pending legal proceedings related to violations of competition, antitrust and anti-monopoly provisions	0	0	0
Outcome of pending legal proceedings related to violations of competition, antitrust and anti-monopoly provisions	0	0	0
Number of non-compliances with marketing communication rules	2	1	0

The Central Bank of Hungary, as the supervisory body of CIG Pannónia Group, concluded its ex officio three-year comprehensive investigation against the CIG EMABIT and issued its decision - no. H-JÉ-II-B-19/2024 - dated 12 February 2024 and received by EMABIT on the same day. The MNB closed the comprehensive investigation launched on January 18, 2023 by imposing a supervisory fine of HUF 10,500,000, i.e. ten million five hundred thousand HUF, and a consumer protection fine of HUF 500,000, i.e. five hundred thousand HUF. At the same time of closing the comprehensive investigation launched on 18 January 2023, MNB imposed against CIG EMABIT a supervisory fine of HUF 10,500,000, i.e. ten million five hundred thousand Forints, and a consumer protection fine of HUF 500,000, i.e. five hundred thousand Forints. MNB concluded likewise a three-year ex officio comprehensive investigation against CIG Life Insurer and issued its decision - no. H-JÉ-II-B-21/2024 - dated 22 February 2024 received by the Insurer on the same day, which imposed a supervisory fine of HUF 12,500,000 and a consumer protection fine of HUF 1,500,000. The CIG Pannónia Group has taken verified and complete actions towards MNB to remedy the deficiencies for both companies.

MNB concluded its targeted investigation of CIG Life Insurer launched on 30 October 2023 with its decision H-FHII-B-2/2024 dated 26 April 2024 and received by the Company on the same date, which decision imposed a consumer protection fine of HUF 22,500,000, i.e. twenty-two million five hundred thousand Forints on the Company. In connection with the above, the Company would like to state that it has promptly started to comply with the obligations imposed by the MNB and to remedy the deficiencies.

On the basis of the consumer protection procedure conducted on the basis of a request, the MNB called on the Insurer to comply at all times with the legal provision on the prohibition of unfair commercial practices and imposed a consumer protection fine of HUF 400 000, i.e. four hundred thousand Forints, on the Insurer for violation of the legal provision on the prohibition of unfair commercial practices.

Our goal is to fully comply with the legal requirements and internal regulations. In addition, the Insurance Companies expect ethical business practices from their business partners and will monitor them. The CIG Pannónia Group will regularly display its values regarding ethical business practices, for example during communications with business partners<sup>59</sup>.

<sup>59</sup> For example: at meetings with partners/brokers, and in the work of broker administrators and bank administrators

Keywords	- Compliance, Consumer Protection, Data Protection and Anti-Money Laundering training is mandatory for all employees of our Company
Planned for 2024	Completed: ✓ Number of corruption cases: 0 ✓ The number of non-compliances with consumer protection rules decreased; the fine imposed amounted only to HUF 400,000.
Commitments for 2025	• Preparation of the audit of ethical business practices expected also from the Insurance Companies' business partners • Communication of ethical business practices



Several indicators have been assigned to the topic of Ethical Business Practices too, thereby greatly contributing to its measurability and raising awareness of the topic. Our meaningful policies help us conduct ethical practices and reduce the possibility of inequalities and conflicts of interest in any field (SDG 10<sup>60</sup>). We are reinforcing the toolkit for joint action for responsible consumption, adding our own organisational and business model. (SDG 12).



<sup>60</sup> Source of the pictograms:

<https://www.un.org/sustainabledevelopment/news/communications-material/>

## 5. INDIRECT ECONOMIC IMPACT

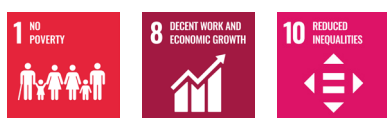
GRI 3-3, GRI 415-1, GRI 207-1, GRI 207-2, GRI 207-3, GRI 207-4

The indirect impacts of our operations affect many people. According to the UN guidelines<sup>61</sup>, it is important how an insurance company integrates global challenges, such as climate protection and ESG risks, into its decisions during its operation<sup>62</sup>. However, our operations also have an indirect influence through the types of companies whose shares we invest in, what we do to maintain tax compliance, and what we do to reduce the environmental footprint of our operations.

Through the contracts concluded with the Insurance Companies, we help protect the financial stability of our customers, and the sustainability of their lifestyles or businesses. Our products provide a secure background for those who, in case of an adverse event, would otherwise lose their livelihoods, property, productive or earning capacity, or lives and thus the ability to provide for their loved ones materially. As an employer and a financial service provider, we have an impact on our stakeholders, in the broad sense of the term. We touch on these topics in the following chapters.

As regard taxation, the CIG Pannónia Group conducts its insurance activities in Hungary and is resident for tax purposes in Hungary. We did not violate any tax rules in 2024, similarly to the previous three years. By settling our tax liabilities, we promote the achievement of the broader objectives of society. We publish our annual financial statements<sup>63</sup> every year in accordance with the rules, including our taxation conduct. Within the CIG Pannónia Group, the Financial Directorate is the organisational unit responsible for operating taxation processes.

Keywords	- Office programs and environmentally conscious choices
Planned for 2024	Completed: ✓ Tax-related violations: 0
Commitments for 2025	- Continuous tax compliance



The products we provide contribute to economic stability (SDG 8). We do this indirectly by being committed to preventing money laundering and fraud and promoting sustainable economic growth. (SDG 8). Through our donations to foundations and associations, we indirectly support socially important causes. (SDG 1, SDG 10<sup>64</sup>).

<sup>61</sup> [https://www.unepfi.org/insurance/insurance/?fbclid=IwAR3BJSsK2C6sK10TwZ23ICCKGyfZ87Zb-3yjEYNET-dpA04RaKT\\_2bfFnX0](https://www.unepfi.org/insurance/insurance/?fbclid=IwAR3BJSsK2C6sK10TwZ23ICCKGyfZ87Zb-3yjEYNET-dpA04RaKT_2bfFnX0)

<sup>62</sup> For more information, see the chapter "ESG Risk Management and Assumption"

<sup>63</sup> <https://www.cigpannonia.hu/befektetok/tarsasagiranyitas>

<sup>64</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>



## 6. SOCIAL IMPACTS

GRI 3-3

In the context of the material topic of Social Impact, by “social impacts” the CIG Pannónia Group means the social impacts of its operation as a sustainable company and of its responsible corporate attitude and actions. For the Insurance Companies, this means a business approach and commitment: our Companies and partners commit to care not only for their direct stakeholders, but also for the broader society around them, as well as the social impacts of their own corporate decisions.

GRI 2-28

In general, insurance has a significant social impact by providing a safety net and tangible assistance in the event of a crisis. **The CIG Pannónia Group also offers insurance products for situations in which, in the absence of savings, the lives of many Hungarians would collapse.** Long-term unemployment arising, a severe health problem, or the death of the breadwinner are all situations where those concerned may feel that the world falls apart around them. Unfortunately, life insurance is still not a priority for many people in Hungary. According to an industry survey, only 15 percent of the working-age population has a risk life insurance. This lack of safety net and of financial awareness necessary to recognise uncertainties and risks underpins the social impact of the CIG Pannónia Group and embodies its social responsibility, which is directly reflected in its products. Our commitment to increasing financial awareness and, in general, to promoting conscious decisions by our customers is explained in more detail in the chapter “Customer Information and Awareness-Raising”.

In 2024 – following up on the work launched in 2023 - we contributed greatly to raising the standard of the training system of the insurance profession in the coming years. In September 2023, the Széchenyi István University in Győr was the first higher education institution to launch this programme, and in 2024, the University of Miskolc and the University of Dunaújváros joined this innovative initiative, on which universities courses will launch in September 2025<sup>66</sup>.

The University of Dunaújváros, the Széchenyi István University of Győr and the University of Miskolc, as well as CIG Pannónia Group and Hungarikum Biztosítási Alkusz Zrt. ceremonially signed a cooperation agreement on 29 August 2023 in Budapest. In order to improve the quality of the insurance profession in Hungary, ensure specialised training and teach the next generation insurance and financial knowledge in an academic setting, we are participating in the introduction of high-quality professional education at these three universities. All this will give our Company serious tasks in the coming years as well. In the academic year 2023/2024, our employees contributed greatly to completion of the education materials and to ensure education at a high level. Launched in 2023 at the University of Győr, students can take a two-semester correspondence course in Insurance and Financial Consulting, which is offered online. The prerequisite for application is at least a BSc, BA or equivalent college or university degree in any field of study.

In 2024, employees of the Insurance Companies spent teaching classes at the university for a total of 40 hours<sup>67</sup>. The second semester started in March 2024; with the participation of more than 40 students.

<sup>65</sup> Data: MABISZ (Association of Hungarian Insurance Companies)

<sup>66</sup> This educational cooperation was initiated by Hungarikum Biztosítási Alkusz Zrt.: <https://www.cigpannonia.hu/rolunk/hirek/2023/08/29/hi%C3%A1lnyp%C3%B3rl%C3%B3-egyetemi-k%C3%A9pz%C3%A9s-in-dul-el-%C5%91szt%C5%91l-a-hungarikum-biztos%C3%ADt%C3%A1si-alkusz-zrt.-kezdem%C3%A9nyez%C3%A9se-%C3%A1ltal>

<sup>67</sup> ✓



We also have a social impact through the charitable donations by the Insurance Companies, the annual charity programs and with an one-off or regular volunteer programs<sup>68</sup>. The latter is organised to raise funds and support a social or charitable cause chosen by the employees. Informing customers about the possibilities to donate to charities through our products is also an example of corporate social responsibility and is closely linked to the communication of our products.

While in 2022 we supported the Hungarian Interchurch Aid by donating children's furniture and equipment, in 2023, we helped several foundations with cash donations. We supported the work of the Food Bank with non-perishable food packages as part of the "Tündérpakk" (Fairy Package) program, and we also helped underprivileged children by collecting and delivering donations in shoe boxes. The employees of the CIG Pannónia Group donated the amount collected during our 2nd Charity Bake Sale to the Szent Márton Gyermekmentő Szolgálat (Saint Martin Children's Rescue Service).

In addition, the Insurance Companies donated the amount intended to buy gifts for partners at the end of the year (HUF 500,000) to the Bethesda Foundation, the charity entity of Bethesda Children's Hospital. Sponsorship is also an important part of our corporate social responsibility. In 2023, we increased the amount dedicated to this purpose by almost HUF 1 million compared to the previous year. In 2023, we supplemented our contributions in the field of health and social care with a donation to a cultural organisation: we supported a series of dance performances by the Recirquel Company.

In 2024, we also supported the work of the Food Bank with durable food packages, school supplies and clothing collections, the Baptist Relief Service with donations collected in shoe boxes, and the Reformers' Association with cakes for food distribution. In addition, in 2024, CIG Pannónia Group employees participated in school painting, volunteering at animal shelter, and the proceeds from the annual bake sale were donated to the St. Martin's Children's Rescue Service (Szent Márton Gyermekmentő Szolgálat). As a permanent activity, CIG Pannónia employees collect returnable cans and bottles, which' proceeds are used case by case to support children's health care, associations supporting people in need or animal shelters.

## Donations, sponsorships

IN MILLION HUF	2022		2023		2024	
	DONATION	SPONSORSHIP	DONATION	SPONSORSHIP	DONATION	SPONSORSHIP
Healthcare and social	1	16	15	17	0	0
Sports	0	0	0	0	0	0
Culture	0	0	3	0	0	0
Sustainable development	0	0	0	0	0	0
Charitable organisations	0	0	0	0	0	0
Education and training	0	0	0	0	0	0
Other	0	0	4	0	0	3627
Total	1	16	22	17	0	3627

<sup>68</sup> Also in 2023, the Company organised a charity bake sale and a community run event.

Our more distant goal regarding social responsibility is for the CIG Pannónia Group to have a conscious CSR strategy where we designate the social and environmental topics that are important to us. According to our plans, we also involve our employees in the preparation of the CSR strategy, similar to the degree program in insurance. A good example of corporate-level and long-term responsibility is our many years of involvement in the Association of Hungarian Insurance Companies (MABISZ) and our participation in professional advocacy.

CIG EMABIT will distribute the support among the contracted foundations in proportion to the declarations of the contracting parties. Aware of our social impact on our employees, we considered that our people-centred, balanced attitude as an employer was such a crucial element of the CIG Pannónia Group that we would dedicate a separate sustainability pillar to this topic. For more information, see the chapters Employees and Career Development; Education of Employees and Awareness-Raising; and Workplace Culture.

Keywords	<ul style="list-style-type: none"> <li>- Transparency of donations to foundations and sponsorships</li> <li>- Cooperation with universities</li> </ul>
Planned for 2024	Completed: <ul style="list-style-type: none"> <li>✓ Increasing financial awareness through university education</li> <li>✓ Granting the opportunity to donate part of the premiums of the PadTárs student insurance product</li> </ul> Planned for 2024: <ul style="list-style-type: none"> <li>✓ Extensive educational cooperation and related tasks</li> <li>✓ Active assistance in the compilation of educational materials for the September 2023 training</li> <li>✓ Ongoing development of educational material</li> <li>✓ Charity Bake Sale</li> </ul>
Commitments for 2025	<ul style="list-style-type: none"> <li>• Cooperation with universities to develop educational opportunities</li> <li>• Charity actions with colleagues</li> </ul>



A beneficial effect of our insurance products is that they make vulnerable people resilient and adaptable. Our educational cooperation helps reduce inequalities (SDG 1, SDG 11<sup>69</sup>). Indirectly, we strengthen the toolkit and models of organisations that have very different images, but are capable of acting together, and we levy our own organisational and business models to address socially important issues (SDG 8, SDG 17).

<sup>69</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>

## B. GREEN PRODUCTS AND CUSTOMER-ORIENTED SERVICE

**Our corporate identity is determined most significantly by our insurance products and our sales partners who deliver them to customers.** In this latter focus area, the three key sales channels of the CIG Pannónia Group are decisive: independent sales channel (brokers and multiple agents), alternative sales channel (partners with few but large own clientele), and the bancassurance channel, which is based on our strategic partnership with MBH Bank. The sales support tasks of our bancassurance network are grouped based on whether the customers to be reached are residential or large corporations or small and medium-sized enterprises. We differentiate our customer segments similarly: retail customers (within this, individual and group insurance products) and corporate customers.

The CIG Pannónia Group strives to ensure that its partners carry out their activities in proper quality, to which end all intermediaries are provided with the necessary training in full. Intermediaries are classified into different categories based on portfolio size and quality indicators and are supported and incentivised according to their classification. This does not only mean financial incentives, but also various extra training opportunities, or even more intense, dedicated forms of support, to ensure that we can provide our clients with the highest possible professional standards. We evaluate the performance of our partners, the quality and risks of the portfolio sold on a monthly basis and report back to our major partners.

The departments under the direction of the Deputy CEO for Sales – especially the department supporting sales – are responsible for the performance assessment of intermediaries, with effective support from the back-office areas, including the actuarial, controlling, reporting, risk management and compliance departments. Performance, quality and risk monitoring is continuous and is a determining factor in the activities of Key Account Managers working in the sales channels and in the intensity and direction of contacts in their everyday work.

The sales force is supported by a telephone support team, as well as automated e-mails, a partner portal and other online services. We continuously register and update data on the members of our sales network in the Supervisory Register System. In 2024, we did not observe any discrepancies between the data uploaded to the Register of Agents and our records.

Depending on the sales channel and the sales activity of the intermediary partners, educational materials are made available to our partners, and they are also provided with personal training upon request. In the bancassurance channel, the Key Account Managers who provide local support focus on providing primarily practical training to banking consultants in the branches: product, sales and customer service knowledge to the bank clerks.

Our bancassurance cooperation with MBH Bank has already overcome its initial difficulties. The sales support system has been developed, and in parallel, a system of quality and risk feedback adapted to the characteristics of Bank sales has also been developed and will soon be introduced. **In 2024, MBH Duna Bank, a member of the MBH Group, was included in the bancassurance in the framework of a strategic cooperation.** In the bancassurance channel, the sale of insurance coverage for banking products and life insurance for investment purposes plays an important role.



In addition to increasing the number of partners in the independent network, it remains an important goal to increase joint sales with each partner. In the past years, the CIG Pannónia Group has achieved a significant growth in the field of corporate property insurance and corporate personal insurance, thanks in large part to the independent sales channel. In the case of the latter products, coverage is still low, and thus we see a great potential for growth here.

Alternative sales channels (online and partner sales) are playing an increasingly important role in the life of the Insurer, where our key partners offer their clientele insurance coverages that complement and are closely related to their services.

Our Training and Education Department works closely together with the educational specialists of MBH Bank. Our colleagues hold a two-day basic insurance training for consultants newly hired by the Bank. Bancassurance training is an integral part of the banking-related training calendar. The materials compiled by the trainers focus specifically on bancassurance, and techniques and expectations of bank branch sales. In addition to conveying theoretical knowledge, we also provide practical guidance and tips to bank advisors during the training.

In addition to the standard training, all areas engaged in sales support or education & training also compile further, sales support training as needed. This option is also available for the network of independent intermediaries. The colleagues supporting independent insurance intermediaries are in continuously in contact with partners and assist them in their work, hold refresher courses and support them during campaigns. In 2024, the Insurance Company's goal is for its partners to have easier access to educational and sales support materials and training. In support of this, from 2025, the supervision of the Education area will be under the responsibility of the Deputy Chief Sales Officer.

At MBH Bank, key account managers provide daily support to the branch sales staff, training them on the necessary product and insurance sales skills. In addition, group training sessions on the Insurer and its products are held regularly for the sales staff.

In accordance with the law, our customer service welcomes customer complaints in person, by mail or online as well. To increase the capacity of these areas, we also involve external partners, where necessary. The customer portal functions as a sort of personal electronic account, "NetBiztosítás" [Online Insurance] for our personal insurance products. An important goal of our Innovation project, launched in 2024, is to create this function for other (non-life insurance) products as well.

Below we describe material topics closely related to our services.







## 7. PRODUCT DEVELOPMENT

GRI 3-3

In the context of this topic, product development is understood as an activity aimed at the development of new insurance products and services, or the updating and modification of existing products and services and the integration of the ESG dimension into the product services.

CIG-PROD-1

**Our product range is reviewed, updated and continuously expanded every year** to adapt and align it to changing customer needs. Our products under sale are reviewed at least annually in accordance with our policies. In 2024, we introduced several changes to our product portfolio, launched a new risk life insurance product and discontinued the sale of a life insurance product.

In retail property insurance we launched 4 new products, including group insurance products launched through the alternative distribution channels in collaboration with our partners to better serve their customers. In the corporate property business, there were no new product launches last year.

### Key indicators relating to our products

	2022	2023	2024
All products (pcs)	270	297	204
Gross closing premiums written (total in thousand HUF)	30 196 873	42 994 767	45 794 661
<b>Life insurance</b>			
Number of products (pcs)	81	99	101
Annual premiums from new contracts (total in thousand HUF)	5 747 991	4 386 674	7 392 707
Number of new contracts (pcs)	13 064	22 299	22 849
Closing portfolio (annual premiums) (total in thousand HUF)	24 229 999	25 548 797	31 685 035
Closing portfolio (pcs)	77 712	89 645	103 516
Gross premiums earned (total in thousand HUF)	25 945 807	31 464 881	43 270 989
<b>Non-life insurance</b>			
Number of products (pcs)	189	198	103
Annual premiums from new contracts (total in thousand HUF)	6 459 535	7 930 944	6 850 693
Number of new contracts (pcs)	20 434	22 899	19 038
Closing portfolio (annual premiums written – total in thousand HUF)	7 998 084	10 931 311	15 632 362
Closing portfolio (pcs)	20 746	22 823	27 885
Gross premiums earned (total in thousand HUF)	4 251 066	11 529 886	15 085 657

No ESG-specific service was introduced in relation to insurance products in 2024. However, in the case of insurance-based investment products, CIG Life Insurance Company assesses the sustainability preferences of customers in accordance with the relevant legal requirements when they complete the Appropriateness and Suitability Test during the sales

procedure. As the Insurer did not yet have a green fund in 2024, we were not able to offer customers who considered environmental objectives important a suitable fund for their needs in this respect after completing the questionnaire.

**The Insurer is committed to enforce aspects of sustainable development and is open to take steps which help promote sustainable investment objectives.** The Insurer shall take into account the EU criteria for environmentally sustainable economic activities and the adverse impact of these investment decisions on sustainability factors when selecting the underlying investment instruments of each asset fund available in its unit-linked life insurance products.

Accordingly, the Insurer has introduced two asset funds (one in HUF and one in EUR) in 2025 which are in accordance with Article 8 of the SFDR Regulation. For these asset funds, the main adverse impacts of investment decisions on sustainability factors are taken into account, based on the PAI (Principle Adverse Impacts) indicators. These asset funds promote environmental and social features. They do not have a sustainable investment objective, but at least 20% of their investments are in sustainable investments.

In the case of several of our products (corporate property and liability insurance), environmental compliance is required, which we make dependent on the scope of our clients' activities.

We check environmental compliance by means of questionnaire and, for cases that we inspect for risk purposes, we can check permits and environmental compliance during the inspection. This we have embedded into our risk assessment review, thus we are running this on an ongoing basis.

Steps have been taken to integrate ESG-related discounts and incentives into corporate property and liability insurance products, but in 2024 such aspects were not yet taken into account in our product pricing. We prepared a questionnaire to be attached to the outgoing offers. Their results will enable us to give ESG discounts to customers based on the extent to which they have taken into account and adapted sustainability aspects in their operations.

In the corporate customer segment – vehicle, group personal, corporate property and liability insurance products – it is a practice already in place that we offer the possibility of joint sustainability actions with the insured partners.

In the area of product development, we will continue our intensive product development policy in 2025, partly by expanding existing partnerships through the alternative sales channel (launch of new services, insurances), partly by introducing new partners and in so doing partly by launching new products. In the corporate business, we are planning to launch two new products, one of which is already in the final design phase. In the retail property business, four products are currently under design, while in life insurance we are currently reviewing the products. In 2025, a new Ethical 2 regulation will come into force for unit-linked insurances. The outcome of the review will determine whether our existing products need to be modified or replaced.

Product ideas or needs for renewal are incorporated into the products to be developed based on indications from our sales channels, product development staff and surveyed client needs. Feedback from customers and partners is an integral part of development, and it is also an essential requirement to monitor legislative, regulatory changes.

At the end of 2024, the Insurer launched a new innovation project, with the result of which we will be able to renew and expand our products offered in the retail property business. Its impact is expected to appear in the Insurer's sales activities in 2026.

In 2024, we transformed our product development processes, so that from last year on we have established and operated more regulated, transparent and risk-aware processes. Controls and milestones built into the product development process ensure that all relevant aspects and risks, including ESG aspects, are properly taken into account during product development.

Part of the approval process is a feasibility plan and return calculation for the given product, and CIG Pannónia Group carries out back-testing using the available tools. In addition to calculations, the CIG Pannónia Group also assigns quantitative and qualitative indicators measuring the performance of each insurance product. The Insurance Companies review the products' terms and conditions and relevant calculations annually and, where necessary, initiate their modification. An important goal is to apply product life cycle management from 2024 onwards more consciously thereby enabling a quicker response to market changes. One of the first results of this was the withdrawal of a product that had reached the end of its life cycle from the market last year, giving way to the Insurer's more modern products.

**In the coming years we will take continuous steps to meet the product and service-related requirements of the MNB Green Recommendation.** Compliance with ESG aspects and the Green Recommendation must be assessed when introducing any new product.

Of course, it is also necessary to check that the product in question meets customer expectations, the competitive environment in the market and the profit expectations of the Insurer. These expectations are often contradictory and have opposing effects, thus the Insurer needs to prioritise between certain aspects based on market opportunities and expectations.

In the summer of 2024, the Authority assessed the compliance of the individual Insurers with the Green Recommendation. In accordance with the Recommendation, the Management prepared a gap analysis in workshops with the involvement of middle managers, on the basis of which it formulated the way to go forward and drew up an action plan, which it is trying to implement step by step. CIG Life Insurer is continuously renewing and amending its entire unit-linked life insurance products in order to be able to offer products aimed at green compliance and to comply with the ethical product norms set by the Supervising Authority.

Our goal is that CIG Pannónia Group's product offering should include products that specifically support the green transition and recognise the decisions made by our customers for sustainability. In addition, we are planning to apply a set of discounts in all business lines that contributes to the green transition. These discounts were determined by asset group as follows:

- The UL asset fund range will be extended starting March 2025 with two green, forint and euro asset funds (compliant with SFDR Article 8). The Insurer is currently not planning on launching an SFDR 9 asset fund but is continuously assessing the possibility of doing so.
- In the field of risk life insurance and personal insurance, our goal is to increase the awareness of and educate customers, which can contribute to their improved knowledge about an environmentally and health-conscious lifestyle being reflected in their product choices. As a concrete step, we are planning to build a database related to the environmentally and health-conscious lifestyle of our customers. In our communication we place great emphasis on educating our customers.

- For our corporate property and liability insurance products, we have introduced a standardised ESG questionnaire that we ask policyholders to fill in for each request for proposal. In the case of a site inspection, the inspector checks the ESG-related elements and permits. We are considering environmental aspects in case of companies and industries engaged in activities that pollute and damage the environment. These segments are currently subject to extra obligations (e.g. presentation of permits). We plan to build ESG-related discounts and incentives into product pricing in 2025, for corporate products considering the activities of the policyholder and ESG compliance, details are still being finalised and introduced.

It is important to note here that the inclusion of climate change impacts in some property insurance products may significantly increase the insurance risk and therefore the premiums, and therefore the uptake of these product variants and add-ons is expected only in the medium to longer term

Keywords	<ul style="list-style-type: none"> <li>- Feasibility of green products</li> <li>- Dynamic changes, expanding product offering</li> </ul>
Planned for 2023	Completed: <ul style="list-style-type: none"> <li>• Launch of products according to SFDR 8</li> <li>• Incorporation of ESG-related discounts and incentives into corporate property and liability insurance products and group personal insurance</li> </ul>
Commitments for 2024	<ul style="list-style-type: none"> <li>✓ Launch of products according to SFDR 8 and the renewal of the products along the Ethical 2 regulation</li> <li>✓ Expanding client education activities</li> <li>✓ All new products should be designed with the possibility of enforcing ESG aspects</li> </ul>



Also in the context of product development, our Insurers contribute to the UN Sustainable Development Goals through their decisions made with the MNB's Green Recommendation in mind<sup>70</sup>. Steps towards green products support decisions made to promote health and well-being, and by supporting the green transition, also promote action against climate change, in addition to maintaining economic security. (SDG 3, SDG 8, SDG 13).

<sup>70</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>



## 8. CUSTOMER INFORMATION AND AWARENESS-RAISING

GRI 3-3

The CIG Pannónia Group classifies under the material topic of “Customer Information and Awareness-Raising” all activities in which the company communicates with customers in a targeted manner, draws their attention to the importance of the green transition, and directs their attention to the ESG values of its products. Clarity is important. It is also essential that customers get information related to sustainability and are able to make well-thought-out decisions about the products of CIG Pannónia Group.

GRI 417-2, GRI 417-3, CIG-INF-1

Sectoral legislation imposes a number of information obligations on the Insurance Companies. The required form and timing of these information obligations varies: pre-contractual information, ad hoc information or regular during the term of the contract, information related to termination of the contract, and other disclosure obligations. The form and content of information provision depends on the type of product and the sales channel, as well as the customers’ preferences. Pursuant to the regulations governing the process and form of customer information, customer information shall primarily be provided on paper and may only be provided in electronic form if the customer has specifically chosen this means of information, and this is a suitable means of information and communication for them. The law on insurance activities sets out additional requirements regarding the provision of information via a website. Therefore, in general, the Insurance Companies are bound by legal provisions also regarding the form of information, and such provisions not necessarily facilitate digitalisation and online communication.

As electronic communication has a lower environmental impact, Insurers of the CIG Group are encouraging more customers to choose electronic communication for both ways of communication, thereby helping to reduce paper usage.

Since the introduction of the “green” regulation, CIG Life Insurance Company has supplemented its pre-contractual information related to insurance-based investment products as well as its Investment Policy with the minimum information required by law and has fulfilled its disclosure obligation related to its products. Furthermore, in 2023, CIG Life Insurance Company supplemented the Appropriateness and Suitability Test used in the sale of its insurance-based investment products with questions about customers’ sustainability preferences. Considering that the current life insurance products of CIG Life Insurer do not take sustainability aspects into account, the educational materials for salespeople have not been updated either. However, CIG Life Insurer is investigating the possibility of complementing its products with ESG specifics.

The activities of the Insurers can be divided into life and non-life insurance activities. Depending on the type of insurance product and sales channel, the information documents for each product also vary. Requirements regarding pre-contractual information are directly defined in the Act on Insurance Activities, the Act on Distance Selling, and SFDR. We publish on our website, among other things, the insurance terms and conditions, customer information, information on insurance products, taxation information, the terms of use of the customer portal, documents containing key information, as well as our

investment policies. For life insurance products, we have also made available on our website under the name “Mindentudó” (Omniscient) simplified product summaries and total cost indicators (as part of the terms and conditions).

Moreover, we especially try to facilitate the reporting of complaints, whistleblowing, and the provision of information to people with disabilities<sup>71</sup>, for example through the documents entitled “Information on the require content and format of powers of attorney” and “Information on the whistleblowing system”<sup>72</sup>. Our website also contains information for beneficiaries and heirs, as well as a glossary. These documents and the content of the “Frequently Asked Questions and Answers” tab<sup>73</sup> on the Insurance Companies’ website are updated upon changes in products and current laws. The document search function available on the Insurers’ website makes it easier to find specific information and documents.

CIG Life Insurance Company launched the online sales of “Pannónia Bajtárs” Personal Accident Insurance from the beginning of 2024. CIG EMABIT’s home and travel insurance products was available for purchase online already before 2024. PadTárs, a student insurance that can exclusively be purchased online, was rolled out at the beginning of 2024.

In the coming years, when developing our retail property products we will put a particular emphasis on making all new products available online. **In our so-called Innovation project - which aims to develop modern, 21st century customer service - special emphasis is put on online, digital service provision and the enhancement of related capabilities.**

The CIG Pannónia Group is committed to educating insurance intermediaries and customers, and increasing financial awareness. Our goal is to increase the prestige of the insurance profession. To this end, we published several social media posts during the year, which were also aimed to increasing consumer awareness and helping them choose the right insurance. The CIG Pannónia Group will continue on this path in 2025. In addition to home and travel insurance, bancassurance products (e.g. credit protection insurance) as well as accident and risk life insurances will also be included in the awareness campaign.

In 2025, we are planning to launch an online section dealing with damage prevention techniques that will help customers mitigate environmental risks and increase resilience. Our long-term plan is to develop a comprehensive ESG communication strategy that defines ESG-related communication opportunities throughout the entire customer journey. This strategy will also affect feature-benefit selling, customer service and customer communication work, as well as damage prevention and loss adjustment processes.

## Number of publications/appearances concerning ESG

	2022	2023	2024
Customer education programs, setting up a stand at outdoor events, materials published online, offline customer information materials, etc.	13	18	32

The listed customer information materials, including mandatory information materials provided in accordance with regulatory requirements, are being amended and supplemented with a view to sustainability. According to our plans, we will use the opportunities for personal contact with customers provided by MBH Bank Plc.’s branch network to

<sup>71</sup> [https://www.cigpannonia.hu/ugyfeleinknek/fogyatekkal\\_elok](https://www.cigpannonia.hu/ugyfeleinknek/fogyatekkal_elok)

<sup>72</sup> The Head of Compliance, as an impartial and independent person, was appointed to operate the internal whistleblowing system. A whistleblower (either an external or internal stakeholder) can make a whistleblowing report in writing or orally. Written reports may be sent to the e-mail address [bejelentem@cig.eu](mailto:bejelentem@cig.eu). Oral reports can be made by phone or in person.

<sup>73</sup> <https://www.cigpannonia.hu/hasznos/gyik>.

implement actions designed to promote sustainability and social responsibility. We will examine the possibility of operating early warning systems. They would notify customers of threats to the insured assets. We also consider the latter important because this could directly increase the financial awareness of customers.

Keywords	- Our customer information materials meet the regulatory requirements
Planned for 2024	Completed: ✓ Social media presence for awareness-raising ✓ Supporting the use of damage prevention techniques among customers
Commitments for 2025	✓ Supporting the use of damage prevention techniques among customers. ✓ Developing an early warning system for damage prevention



The material topic of Customer Information and Awareness-Raising indirectly contributes to action against the effects of climate change and the revitalisation of the Global Partnership from among the UN's Sustainable Development Goals<sup>74</sup> (SDG 13, SDG 17). Within this topic, easy to understand and transparent customer information materials and our corporate commitment to increase financial awareness could have the most direct impacts, since this way, we also help to ensure responsible consumption (SDG 12).



<sup>74</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>

## 9. CUSTOMER SATISFACTION

GRI 3-3, GRI 2-16, CIG-ÜGYFÉL-1

The CIG Pannónia Group classifies under the material topic of “Customer Satisfaction” the collection of customer feedback, which allows us to get an idea of the consumers’ perception of the products and services of the Insurance Companies. Customer satisfaction is measured during incoming phone calls. The CIG Pannónia Group has developed a special process for providing feedback on any customer complaints so that the affected areas can modify their operations based on positive or negative feedback from customers in order to better meet their expectations. The Insurers continuously incorporate the operational risks and deficiencies identified from the feedback and complaints received into their risk management system.

The CIG Pannónia Group is committed to taking further steps to measure the satisfaction of our customers. In 2024, not all our customers were available for satisfaction measurement, only those visiting to our customer service points and those acquired through our partnership with the electricity provider MVM<sup>75</sup>. Their feedback concerns administration and the customer portal, and therefore the feedback about our products is not comprehensive. We are also planning to introduce Net Promoter Score<sup>76</sup>, which measures customer loyalty, as a metric for customer satisfaction for the entire customer journey, on an ongoing basis over the coming years.

A general satisfaction measurement covering all our customer groups has not yet been carried out. Our long-term goal is to implement regular satisfaction measurements periodically, covering both the retail and corporate segments. These measurements will cover the products and the entire spectrum of service use. We plan to develop this for customer service in 2025 and we plan to extend it on an ongoing basis to the whole customer lifecycle and our products.

### Number of registered complaint cases

	2022	2023	2024
Number of complaints	1 891	2 924	2 399

The rise in the number of complaints in the past years can be attributed to the expanded sales channel and the increased number of contracts and customers. The number of our customers and policyholders increased dramatically from 2021 to 2025. While this growth continued last year, the number of registered complaints has fallen significantly.

In 2024, 21 complaints were brought before the Financial Mediation Board (15 life insurer; 6 EMABIT), most of which were settled with an agreement. Only 4 complaints were received by the life insurer through the MNB's consumer protection department. Between 40-50% of registered complaints were legitimate for the life insurer and typically less, than 40% in the case of EMABIT, although in some months the ratio of legitimate complaints exceeded 50%, for which the reasons we are continuously investigating. Complaints received are treated as a priority by the Insurers and are answered within an average of 12-17 days, significantly shorter than the legal deadline. In 2024, there were a total of 9 cases in which the response from the Insurer was received after the deadline.

<sup>75</sup> Customers having a group life or accident insurance contracts concluded through our partnership with the MVM Group

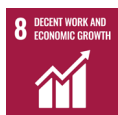
<sup>76</sup> A customer loyalty and satisfaction measurement is usually consisting in asking customers how likely they are to recommend the product or service of the given company to others on a scale of 0-10.



An ESG-related action set for 2024 is the expansion of customer satisfaction surveys conducted during customer service inquiries. When contacting customers by telephone, we plan to set as default a question that is to be asked before the end of the call, which would give an opportunity to measure customer satisfaction for each operator. In the case of personal customer relations, our goal is to be able to measure customer feedback with a digital tool. The method of measurement can be, for example, the subsequent automatic sending of e-mails. Our further goal is that on digital channels, a question measuring satisfaction should be displayed automatically after transactions.

**CIG Life Insurance Company has so far not detected an increased market demand for green products** (products according to Articles 8 and 9 of the SFDR), nor that other insurers would suffer from a competitive disadvantage due to the lack of specifically green products. No sustainability-related feedback or complaints were received from our customers. At the same time, the Insurer is continuously exploring the possibility of incorporating ESG aspects into its products, complemented by customer education.

Keywords	- Partial data regarding the satisfaction and expectations of CIG customers
Planned for 2024	<p>We have only partially succeeded in meeting the 2024 commitments, as far as the mapping and planning of the set measurement points has started:</p> <ul style="list-style-type: none"> <li>✓ Questions about satisfaction after talking to a telephone operator</li> <li>✓ Possibilities for digital measurement in the case of personal relations with customers</li> <li>✓ Requesting feedback on satisfaction via digital channels</li> </ul>
Commitments for 2025	<ul style="list-style-type: none"> <li>• Questions about satisfaction after talking to a telephone operator</li> <li>• Possibilities for digital measurement in the case of personal relations with customers</li> <li>• Requesting feedback on satisfaction via digital channels</li> </ul>



Measuring our customers' satisfaction and receiving feedback from them directly helps to ensure that access to financial services becomes more balanced, thereby encouraging innovation and contributing to the goal of fair economic growth (SDG 5<sup>77</sup>).

<sup>77</sup> Source of the pictogram:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>



## 10. DIGITAL CUSTOMER MANAGEMENT

GRI 3-3

By the material topic of “Digital Customer Management”, CIG Pannónia Group means a principle guiding the internal operation of the Insurance Companies and the management of customer processes as well as the decisions made along that principle, which aims to minimise the number of printed documents during data storage, sharing and processing.

CIG-DIGI-1, CIG-DIGI-2, CIG-DIGI-3

We have designated as an ESG action the development, in the medium term, of identical processes for paper management in the retail and corporate customer segments. For the corporate customer segment, unified management is in place and operational. For the retail segment, its implemented is planned for 2025.

As a longer-term goal, we plan to set up and use a customer portal for all customer segments (this option is not yet available for corporate customers) and for all product ranges. As part of the Insurer's innovation project, we have launched the development of a customer portal for non-life insurance as well, which we plan to implement by 2026, together with the introduction of the retail property product's register. The innovation project was launched in the second half of 2024, with its first phase aiming at setting up a retail property insurance registry with connected portals and innovative customer service solutions.

We have started the process of moving to electronic signatures, whereby all insurance signatures are now electronic and all insurance policies are already created electronically. The introduction of electronic identification and authentication in all customer segments will be an important step in achieving a high degree of digitisation of customer management processes. As a first step, starting July 2025, the Insurer will enable customer identification with DAP (Digital Citizenship Programme).

The use of paper and the number of printed contracts were affected by the increased number of customers. The extent to which customers use the digital customer portal is an important indication of their digital propensity and availability. In 2024, although there was a significant increase in the number of customers, the number of those using the customer portal fell. In the corporate segment, the share of users in the last three months of the year decreased from 31.1% in 2023 to 7.2% in 2024, while the share of residential customers decreased from 31.5% to 23.8%.

### Digital contract conclusion and administration

	2022	2023	2024
Sheets of paper used for printing (pcs)	291 872	283 142	331 779
At the registered office of CIG Pannónia Group	147 635	106 323	115 059
In the printing house	89 433	85 315	87 881
By partners	54 804	91 504	128 839
Number of printed contracts (pcs)	54 756	91 504	128 839
Number of contracts not printed <sup>78</sup> (pcs)	48	0	0
Share of residential customers using a digital customer portal	-	31,5%	23,8%
Share of corporate customers using a digital customer portal	-	31,1%	7,2%

<sup>78</sup> The number contracts concluded using of SelfID has decreased. In 2023, there was no possibility to conclude a contract online.



The CIG Pannónia Group continued in 2024 automated of its internal operating processes, which helped to increase operational efficiency. Owing to this, partners and customers could obtain information more quickly or access the information they needed and receive help more easily. Automated processes have also appeared in communication with partners, complaint handling and underwriting. In 2025, we will continue to automate selected business processes. We have started to assess the potential of software robots and to map the processes where we can effectively exploit their benefits. We plan to launch our first robotised processes in 2025.

**Customers with life insurance policies like to choose the digital administration through the customer portal.** Currently, no customer portal is unavailable for customers with non-life insurance products. Upon concluding a contract, only the most necessary quote document and statement to be signed by the customer are printed, all other pages are uploaded online. In the case of our corporate property insurance products, we typically communicate with customers electronically, and most of the contracts are received in a scanned format, which we typically send electronically to the customers, with an electronic signature.

**In 2024 we took some key steps necessary for launching our online sales interfaces by making the entire insurance underwriting process available to customers electronically.** The online claims settlement platform for Insurers is not yet finished, its implementation is carried out within a project.

The IT Directorate is performing tests and simulations so that the Insurance Companies can respond in a prepared manner to potential loss events, claims, and to addressing these situations. The tests were successful, thus the Insurers are prepared for potential emergencies. No real emergency occurred in 2024, for which emergency scenarios would have been needed.

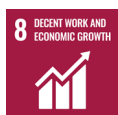
Thanks to the developments of recent years, we have communications are almost 100 percent electronic in the retail personal insurance segment. The customers of the CIG Pannónia Group receive notifications about their contracts through a portal or by e-mail. The goal that all individual retail and corporate products of the Insurers should have a dedicated interface by 2025-26. Our goal is to make the entire customer management process paperless, starting from the contract conclusion to all steps that arise during the life of the policy.

The internal operations and dispatches are not yet completely paperless, documents are printed during contract conclusions with customers and the administration process, largely in order to comply with the legal regulations. Our goal is that 75 percent of customer contracts and administration are done without printing. These steps are all linked to the Insurers' above-mentioned innovation project.

Besides these goals, we plan to use artificial intelligence and unify the portal system. On the one hand, this will enable us to satisfy partner and customer needs even better, and on the other hand, it will create an opportunity for CIG Pannónia Group to reduce the number of systems used in the medium and long terms and make its operations even more efficient.



Keywords	<ul style="list-style-type: none"> <li>- The customer portal is available to all customers</li> <li>- A large proportion of customer processes are supported electronically</li> <li>- Innovative solutions in the digitisation</li> </ul>
Planned for 2024	Completed: <ul style="list-style-type: none"> <li>✓ Renewed internal processes</li> <li>✓ Launch of the innovation project</li> </ul>
Commitments for 2025	<ul style="list-style-type: none"> <li>• Full preparation/implementation of the online claims settlement platform's roll-out</li> <li>• Development of a new registry for retail property products</li> <li>• Partner portal development</li> </ul>



We promote equal access to financial services with our digitisation efforts and encourage easier monitoring, availability, and conscious financial decisions (SDG 8, SDG 10<sup>79</sup>).



<sup>79</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>



## 11. ESG RISK MANAGEMENT AND ASSUMPTION

GRI 3-3

The material topic of “ESG Risk Management and Assumption” means that ESG risks are identified, assessed and, if necessary, taken into account in the Risk Management and Risk Assumption Policy. Such risks include, for example, the threats caused by climate change, which may affect the well-being of people, companies, communities, infrastructures and the environment. The Chief Risk Management Officer is responsible for operating the risk management system, supporting other persons performing key functions<sup>80</sup> in the field of risk management, advising the Supervisory Board, for example, on strategic matters, and cooperating with the persons performing actuarial tasks. It is important for the Board of Directors to determine the “risk appetite”. Performance of this task is monitored by the Risk Management Committee<sup>81</sup>.

GRI 201-2

“ESG risks”<sup>82</sup> shall mean the risk of losses resulting from the current or expected impacts of environmental, social and governance factors on the entity’s partners or invested assets and from the negative financial impact on the entity.

In its Green Recommendation, the MNB suggests that insurance companies apply the UN Principles for Sustainable Insurance and integrate ESG risks both into the strategy and the internal management systems. The proposed measures affect the decision-making of insurance companies, the appropriate information of clients and partners, the cooperation with governments and supervisory bodies on ESG-related matters, as well as transparency of the progress made towards the implementation of the principles.

The CIG Pannónia Group currently manages ESG risks in its risk management strategy to the extent that they are covered by the reinsurance terms and conditions, and it manages physical risks related to the physical impacts of climate change. In 2024, we explored the points to be supplemented in the Risk Assessment Report; our goal for 2025 is to take this further and integrate it into our risk management practices. Prior to concluding a policy, CIG EMABIT requests any documents that it considers necessary and takes into account for risk assessment in connection with activities that require an environmental permit or have an environmental impact.

In 2024, the CIG Pannónia Group had several sub-tasks to complete: identifying and defining the importance of short, medium and long-term risks and opportunities arising from climate change (e.g. in relation to segments, areas, products), as well as their incorporation into the Company’s business model and strategy. To do so, the risk appetite and measures for managing risks were determined.

It is also necessary to take into account the important competitive advantages resulting from climate change as well as environmental risks and opportunities, together with vulnerabilities. We plan to assess the physical and transition risks related to the environment, their financial implications and impact on operations, and to inform the Board of Directors about them.

<sup>80</sup> Particularly important duties or activities as defined in the Outsourcing Regulations

<sup>81</sup> The Chairman of the Committee is the Chief Risk Management Officer and its permanent members are the following people: Chief Corporate Governance and Prudential Compliance Officer, Deputy CEO for Finance, Internal Audit Manager, General Counsel, Chief Compliance Officer and Chief Actuary. Depending on the agenda, ad hoc members may include the IT Director, the IT Security Officer, or any employee representing a department specified in the Organisational and Operational Regulations that should be invited to discuss specific agenda items.

<sup>82</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0664>

The Risk Management System and Risk Assessment Report (ORSA) was supplemented with ESG aspects in 2024. Exposure to environmental risks linked to climate change, monitoring of the impacts on life insurance in the case of physical risks, as well as the steps of vetting products, business partners, and investments will be integrated into the ORSA Report.

For the year 2024, we set the objective to draw a risk heat map based on the methodology EIOPA proposes. We know that these are only the first steps and quantifying the impact on solvency is our longer-term task, which we will continue to assess and develop in the future. The novelty of the topic and the partial lack of available data, as well as the scarcity of data - due to the lack of standardisation of methods - have not yet allowed the quantification of risks on a reliable professional basis in the past year.

In 2024, we examined what proportion of CIG Pannonia General Insurance's premiums fall under the so-called aligned activities, non-aligned activities and activities which cannot be aligned under the relevant EU regulations<sup>83</sup> - hereafter the **Taxonomy Regulation**<sup>84</sup> (according to the regulation this analysis can only be carried out for non-life insurance activities / it is relevant for these activities). As shown in the table below, we are currently unable to separate amounts from CIG EMABIT's premium income on the coverage of insurance on strictly climate-related perils. This does not mean that as an insurer we do not manage global warming risks, but these coverages include other services as well and are part of a complex service, thus we cannot present them - or the premiums from these services - as adjusted activities. The process of climate risk management, the breakdown of these complex services, the development of targeted coverages will be implemented in the following periods, taking into account clients' needs.

<sup>83</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

<sup>84</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

## Non-life insurers' KPIs for insurance risk as at 31 December 2024

	Significant contribution to climate change adaptation			Avoiding significant damage					Minimum social safeguards (MSS)
	Absolute amount of insurance premiums within the year	Ratio of insurance premiums within the year	Ratio of insurance premiums within the previous year	Climate change mitigation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystem	Minimum safeguards
Economic activities	(million HUF)	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
Taxonomy-aligned economic activities (environmentally sustainable)	0	0%	0%		N/A	N/A	N/A	N/A	N/A
of these: reinsured	0	0%	0%		N/A	N/A	N/A	N/A	N/A
of these: stemming from reinsured activities	0	0%	0%		N/A	N/A	N/A	N/A	N/A
of these: reinsured (refundable)	0	0%	0%		N/A	N/A	N/A	N/A	N/A
Not taxonomy-aligned activities (environmentally unsustainable)	0	0%	0%						
Activities which cannot be aligned to taxonomy	15 086	100%	100%						
Total	15 086	100%	100%						

This EU regulation also focuses on the financing activities of financial institutions, how they support the green transition and the management of risks due to warming. In this respect we also present what proportion of CIG Life Insurance and CIG EMABIT's investments<sup>85</sup> are dedicated to the financing of aligned activities under the Taxonomy Regulation, i.e. the value and weighted average of investments related to these activities on 31 December 2024.

CIG Life Insurer:

	Percentage ratio	Value (million HUF)
Premium-based	0 %	0
CAPEX-based	0 %	0

CIG EMABIT:

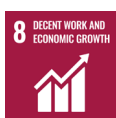
	Percentage ratio	Value (million HUF)
Premium-based	0 %	0
CAPEX-based	0 %	0

<sup>85</sup> Taking into account the own investments of insurers - mathematical reserves and investments behind equity - excluding unit-linked life insurances (UL insurances)

Investments include government bonds and corporate bonds. In general, ESG-related disclosures of issuers are currently not considered to be general, and it is very rare that up-to-date information compliant with the Taxonomy Regulation is available. This is the reason why we are showing data for 2023 year-end and, as visible, we were not able to provide funding for aligned activities with respect to 2024 year-end.

In accordance with our legal obligations, internal guidelines will be created that regulate the integration of environmental risks into the insurance process (e.g. geographical areas and sectors with greater exposure), the operational risk management system will be extended to cover environmental risks, a scenario analysis will be performed and risk mitigation solutions will be developed. An assessment of climate risks will be included in the financial planning process, and we are also planning to appoint a dedicated person who will be responsible for the management and control of climate change risks.

Keywords	- Integration of, and preparation for, the risk of losses resulting from the negative financial impacts of environmental, social and governance factors on the institution
Planned for 2024	Completed: ✓ Focusing on ESG risks ✓ Supplementing the Risk Assessment Report with ESG risks
Commitments for 2025	• Assessment of ESG risks occurring during our operations • Integration of environmental risks into the insurance underwriting process



By means of its decisions on ESG risk management, CIG Pannónia Group indirectly promotes processes that support decent job creation, entrepreneurship, and innovation. We make micro, small and medium-sized enterprises more sustainable and their development more balanced. We also directly promote the building of a robust infrastructure (SDG 8, SDG 9)<sup>86</sup>.

<sup>86</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>



## C. PEOPLE-CENTRED WORKPLACE CULTURE

Since 2021, remuneration has been regulated by a three-pillar remuneration framework at the CIG Pannónia Group. Thanks to this, we meet a number of regulatory requirements, and ensure the link and connection between the individual regulatory regimes. The remuneration system of the CIG Pannónia Group: the three pillars of the Single Remuneration System<sup>87</sup> are the Remuneration Regulations<sup>88</sup> (Pillar 1), the Employee Share Ownership Program (hereinafter referred to as “**ESOP**”) (Pillar 2), and the Remuneration Policy (Pillar 3).

The shareholders of CIG Life Insurance Company actually have a say in the Remuneration Policy of the CIG Pannónia Group; they can vote on it in a consultative manner. The CIG Pannónia Group presents a Remuneration Report to the General Meeting of CIG Life Insurance Company on an annual basis. Through public transparency, the Report contributes to implementation of the Insurance Companies’ business strategy, long-term business interests and sustainability.

The CIG Pannónia Group operates an incentive system to supplement the remuneration system. The purposes of this system is to ensure that stakeholders strive to achieve annual business and personal goals that support the Group’s long-term strategy. The criteria for the bonus are set out in the Regulations on the Performance Appraisal System.

Our benefit package is uniform across the entire organisation:

- the total monthly remuneration consists of a basic salary and - for those organisational units where it may be based on a regular performance measurement - a performance-related pay, supplemented by a cafeteria plan;
- the annual goals are supported by the Performance Appraisal System; all our employees undergo regular performance appraisal and career development assessments;
- high-ranking manager participate in an Employee Share Ownership Program according to the regulation.

**The CIG Pannónia Group also enshrines the provision of equal opportunities in its rules and regulations and has created separate regulations on equal treatment and the promotion of equal opportunities.** In that document, it is explained in detail that the requirement of equal treatment needs to be enforced in connection with the provision of services, employment, and social security alike. We do not tolerate discrimination, and we have formulated a plan to strengthen equal opportunities. Our measures are checked and monitored to identify those measures that are harmful to the proportional participation of women and acts of discrimination, and the necessary measures are taken to eliminate them. In business relations, we promote the equal opportunities of consumers with disabilities by providing them with distinct information. As regards employment, we pay particular attention to compliance with equal opportunity provisions when determining employment, advancement and remuneration conditions. Our expectations in this regard are recorded separately in our guidelines on the selection of members of corporate bodies.

The ratio of women to men in the Boards of Directors and Supervisory Boards were as follows: (i) one of the four members of the Boards of Directors was a woman until 2 February 2024, following which there was no woman among the three members, (ii) two of the three members of the Supervisory Boards were women.

<sup>87</sup> It is publicly available on our website and is fully compliant with the relevant Solvency II rules and the requirements of the MNB.

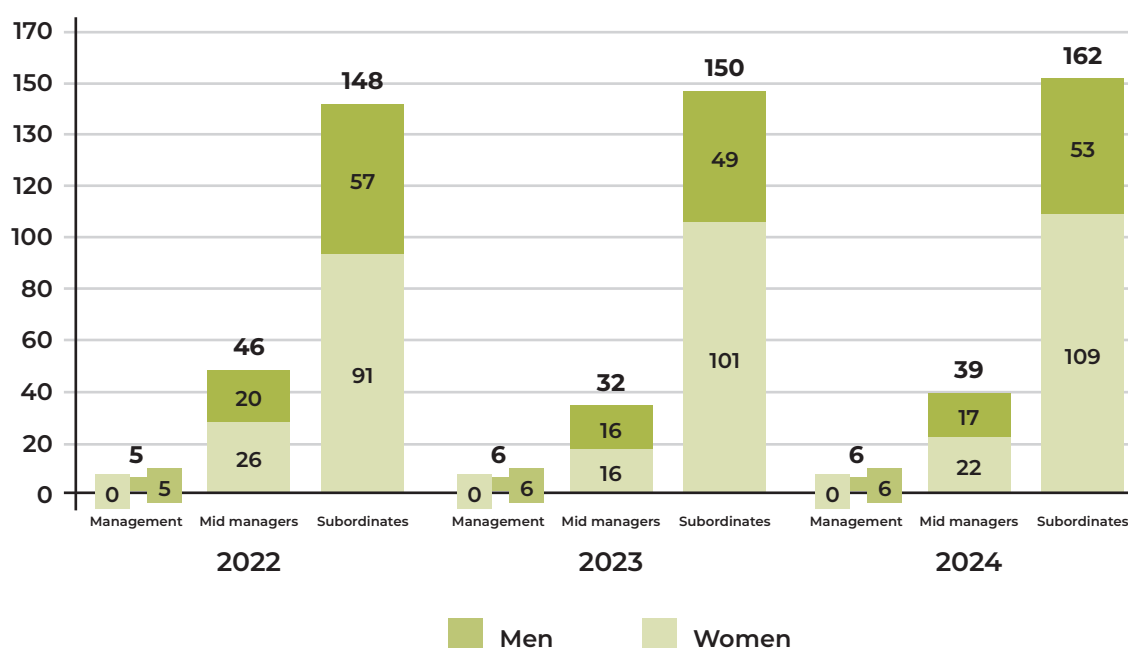
<sup>88</sup> Subject to the provision establishing the delayed entry into force in Section 29(3) of Hungarian Act LXVII of 2019 on encouraging long-term shareholder engagement and amending certain laws for legal harmonisation purposes (hereinafter referred to as the “SRD Act”).



The Board of Directors expects an appropriate balance to be achieved and has set this as a target for the middle managers. The Boards of Directors of the Companies set a 40% target for the ratio of women in non-executive jobs. This ratio has been met in recent years, and the proportion of women in these positions has even increased, from 42% in 2023 to 49% in 2024.

Senior managers (the CEO and their deputies, i.e. the management) and middle managers (directors and heads of department) are considered jointly as the non-executive level. The ratio of women to men in the organisation has evolved as follows in the last three years.

**Total number of men and women in the CIG Pannónia Group, broken down by employment category**



**Parental leave (number of people)**

	2022		2023		2024	
	Men	Women	Men	Women	Men	Women
Employees entitled to permanent leave (parental leave)	0	12	0	15	0	14
Employees taking permanent leave (parental leave)	0	12	0	15	0	14
Number of employees returning to work after parental leave	0	1	0	4	0	6
Number of employees who did not return to the company after parental leave	0	2	0	1	0	1
Number of returning employees	-	33%	-	80%	-	86%
Number of employees returning to work after parental leave who were still employed 12 months after their return	0	13	0	3	0	5
Retention rate	-	1300%	-	75%	-	83%



The measures of the HR Department ensure, as confirmed by the indicators, that there is no difference in the quality of benefits packages between the employees of the CIG Pannónia Group based on their employment status (full-time or part-time)<sup>89</sup>. Full-time employees receive the same kind of benefits as those in temporary or part-time employment: health insurance, health protection and sickness coverage, as well as life insurance. Only high-ranking managers are entitled to participate in the Employee Share Ownership Program, and so far, no part-time employee has held such a position.

### Employees and types of contract

	2022	2023	2024
Number of hours worked by all employees during the year	335 664	351 141	354 570
Total number of persons employed	-	188	207
Other types of contract <sup>90</sup> (people)			
Interim staff	3	2	-
Those working under an independent contractor agreement	-	138	-
Of which: insurance agents and brokers	-	120	-
Student work	3	2	1
Pensioners' Association	-	-	-
Number of mandatory internship students (total people during the year)	-	-	1

The requirement of equal opportunities is reflected in the expectations established for managers, in the performance appraisal process, and in forming attitudes and behaviour.

<sup>89</sup> Parental leave and retirement benefits are provided on the basis of the law, so they are equal for all employees of the Insurance Company.

<sup>90</sup> None of our employees or intermediary partners work are covered by a collective bargaining agreement.



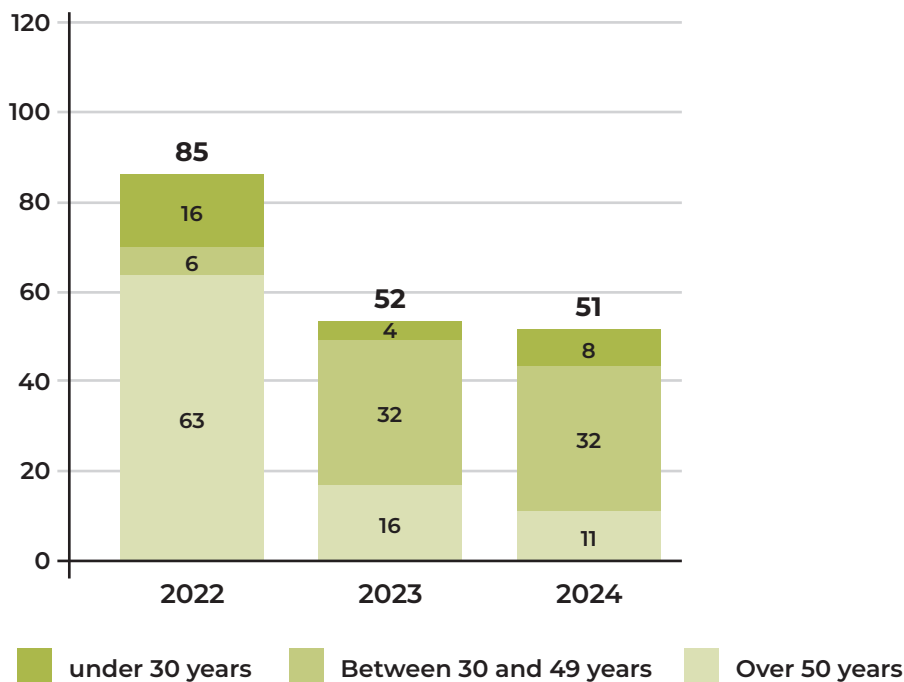
## 12. EMPLOYEE RETENTION AND CAREER DEVELOPMENT

GRI 3-3

For the CIG Pannónia Group, the material topic of “Employee Retention and Career Development” means that it considers employees as the key to growth and the most important assets of the organisation. The aim of the Company is for the employees to be satisfied with their current situation and to be aware of their possibilities for the future. The CIG Pannónia Group a direct impact by taking care of the employees’ health, mental and social well-being. An indirect effect of our operation is that we set a good example for employees, competitors and other Hungarian companies as a secure, inclusive and resilient workplace. Managers play a pivotal role in employee retention and career development.

### Age distribution of new hires

GRI 401-3, GRI 404-3, CIG-KARRIER-1, CIG-KARRIER-2

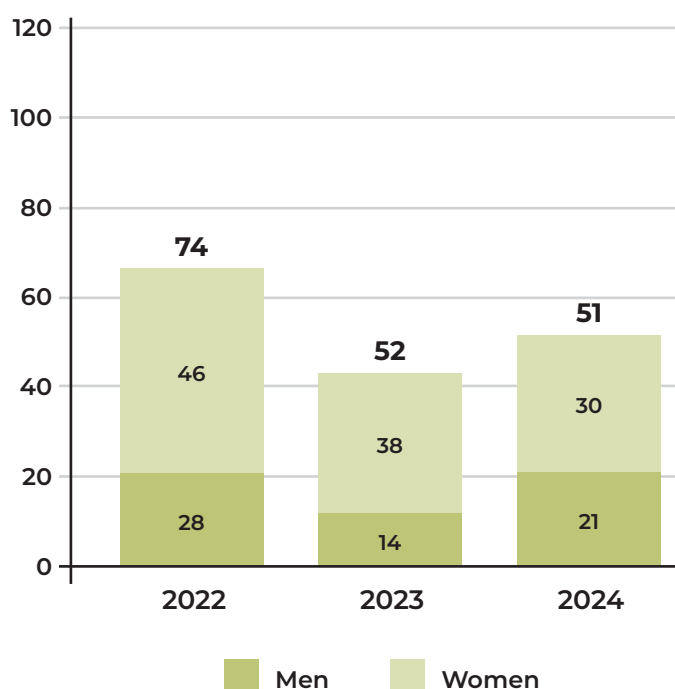


In 2024, we had essentially the same number of entrants as in 2023<sup>91</sup>, while our fluctuation rate improved significantly. The largest share of new entrants were aged between 30 and 49, similar to 2023. In terms of age distribution, there was a slight increase in the ratio of older entrants in 2024. The intention behind this change is to further strengthen professional experience. The majority of entrants – 60% – are still female. The reverse is true for the number of people exiting: 40% of those leaving are female.

<sup>91</sup> 5%, 15%, and 4% by age group compared to the closing headcount of all employees at the end of the year.



### Gender breakdown of new hires



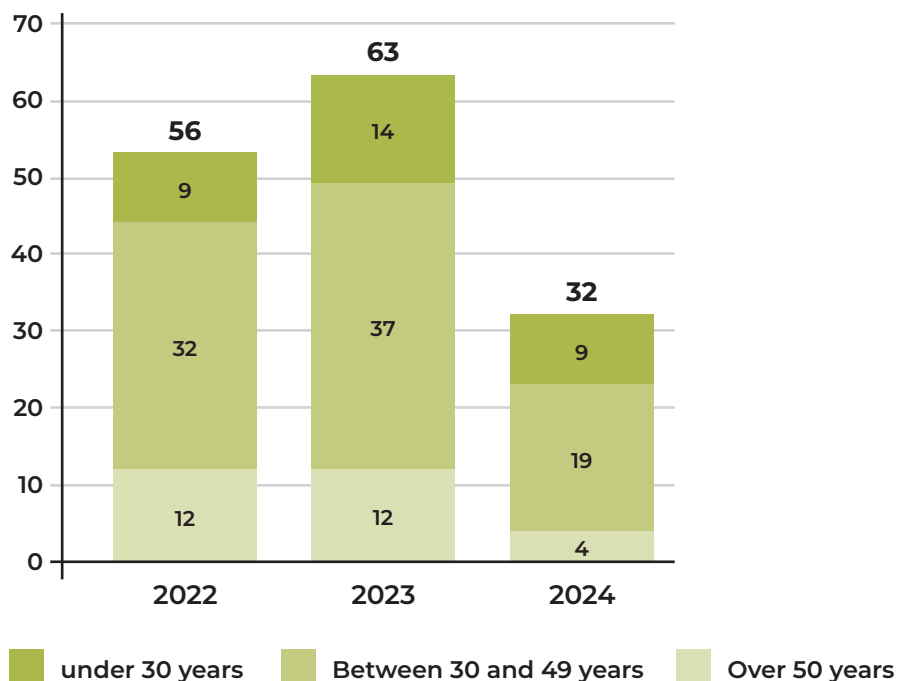
In our experience, there was some change in 2024 in terms of workplace retention as a comprehensive programme for our colleagues. Flexibility remains the basic expectation from the employer, and this has essentially become a "hygiene" factor - i.e. it cannot increase employee satisfaction itself, but its absence can decrease it - including both working hours and keeping wages at market levels. However, the need for a secure future, for creating career paths, for learning and for improving the professional knowledge-base has strengthened. We launched numerous programmes supporting these aims in 2024 and believe that every step and programme has helped to achieve the significant improvement in reducing fluctuation, as we have halved this indicator in 2024.

### Fluctuation

	2022	2023	2024
Total number of employees	199	188	207
The proportion of employees who left the organisation compared to the total workforce	28,1%	33,5%	15,5%

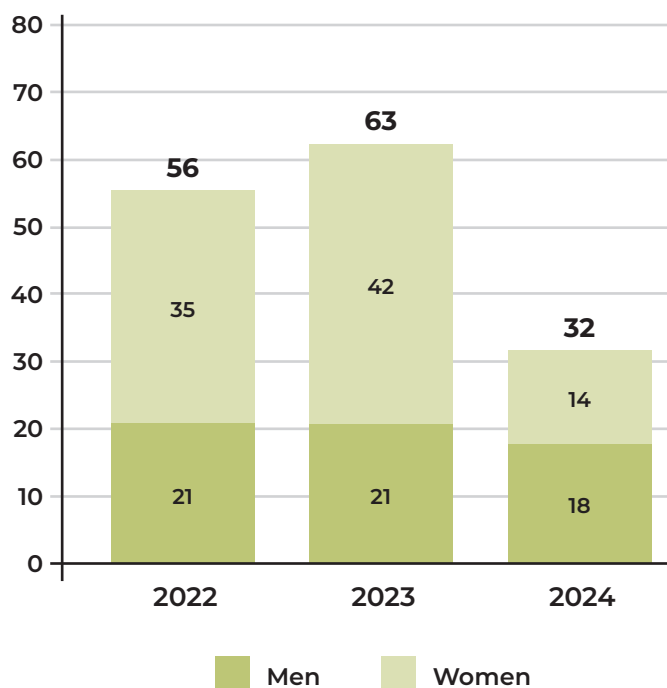
### The proportion of exiting employees by age group, compared to the closing head-count at the end of the year

Total exits due to retirement, contract expiration and a change in the employer /succession/



### Gender breakdown of exiting employees

Total exits due to retirement, contract expiration and a change in the employer /succession/



Similarly to 2023, in 2024 we also asked colleagues to share their views on CIG Pannónia Group's benefits, strategy, customer focus, leadership and the quality of internal collaboration in an employee satisfaction survey. The aim of the survey was not only to get a picture again of the current situation, but also to compare it with last year's results, to also measure ourselves against this, and to set ourselves appropriate targets for 2025 to help maintain and even increase employee satisfaction. **The satisfaction index increased from 7.2 last year to 8.0 on a scale of 1-10.** The survey has been analysed and evaluated and is currently being translated into actions. Essentially, we received more positive answers to all questions, than a year ago. The most positive responses are still related to the CIG Pannónia Group's work community and team, and we received the most remarks for improvement related to increasing internal efficiency. We have made progress in addressing the workload of our colleagues - this is clear from the survey results - but we still have a lot of work to do in this matter.

We introduced minor changes and fine-tuned our remuneration system - more specifically its performance-based payments - this year. In departments where our colleagues have direct client contact - the sales area, the operations area, the areas responsible for corporate property insurance and vehicle insurance - we have maintained a system of monthly performance-based payments. However, for the departments not mentioned - in summary: areas with less direct customer contact - we have phased out monthly performance-based payments and will focus on longer-term incentives from 2024.

**We believe it is important to train our future leaders,** therefore we have launched a multi-year leadership development programme for 11 of our colleagues. The aim of the programme is to provide tailored support to our management team. The multi-element programme - from a 360-degree questionnaire to learning the skills and practices needed to become an authentic leader - supports our colleagues over a longer period. **We plan to use modern management practices to support joint work becoming increasingly successful and raising internal efficiency.**

The project work approach established in 2023 was further developed in practice in 2024 and will be continued in 2025.

In light of their business strategy and opportunities, the Insurers implemented the following programs in 2024 to retain employees and improve their employment conditions:

- Developing and implementing professional development plans
- We applied for support from GINOP Plus<sup>92</sup> to improve the professional knowledge of our colleagues, which application was evaluated positively, and the training has already been launched in four topics
- We have launched an "idea competition program" to reward staff ideas that bring efficiency to workplace processes
- The program to support higher education activities has been introduced
- A regular staff scheme has been introduced with which we support our longer-serving colleagues
- Performance indicators have been developed for the application of short and long-term incentives, and these indicators are measured and used in performance reviews

<sup>92</sup> GINOP Plus-3.2.1-21 "Improving adaptability and productivity of workers and enterprises through workforce development" labour market program

**We consider it important to facilitate the internal flow of information.** We keep colleagues informed of current events through all staff forums and dedicated meetings for middle managers, and these forums are also a good opportunity to discuss any arising issues. Our colleagues continue to be able to ask questions anonymously from and provide feedback to management. These questions are addressed and discussed in all staff meetings or in our weekly HR newsletter.

In order to ensure good functioning, salaries for positions are annually compared to market averages. In the past three years, the median annual salary of all employees has remained below 10 percent<sup>93</sup> compared to the annual salary of the organisation's highest-paid employee, but the adjustment of salaries to market needs is ongoing, and salaries remain market-competitive.

The Konrád project has met most of its employee-related commitments - e.g. launching leadership development, measuring performance, developing performance management - and defined goals, the projects mentioned above have been a means of achieving these goals.

Keywords	<ul style="list-style-type: none"> <li>- Performance-Related Pay</li> <li>- Employee satisfaction</li> <li>- Increasing internal efficiency</li> <li>- Performance management</li> </ul>
Planned for 2024	Completed: <ul style="list-style-type: none"> <li>✓ Targeted training courses in the framework of the Leadership Development Program</li> <li>✓ Satisfaction survey</li> <li>✓ Continuation of the Konrád project</li> </ul>
Commitments for 2025	<ul style="list-style-type: none"> <li>• Continuation of programs sustaining, increasing employee satisfaction</li> <li>• Continuation of performance management actions</li> </ul>



With training courses on the topics of employee retention, turnover reduction, and career development, we are indirectly contributing to the Sustainable Development Goal of quality education (SDG 4<sup>94</sup>), and directly to the Sustainable Development Goal of gender equality and decent work. (SDG 5, SDG 8).

<sup>93</sup> with a value of 8.3%, 9.4% and then 8,8%

<sup>94</sup> Source of the pictograms:

<https://www.un.org/sustainabledevelopment/news/communications-material/>





## 13. EDUCATION OF EMPLOYEES AND AWARENESS-RAISING

GRI 3-3

“Education of Employees and Awareness-Raising” is a material topic for the CIG Pannónia Group, which means that it is essential to organise training courses within the company also to ensure the regularity of our operations and to keep employees’ specialist insurance knowledge up to date. The CIG Pannónia Group considers this to be the key to long-term, sustainable business success. Education is a relevant channel also from a business and sustainability point of view. The CIG Pannónia Group has a direct impact by having a staff with up-to-date knowledge owing to mandatory and extra training, which allows it to serve the interests of its customers.

GRI 2-16, GRI 404-2, CIG-OKT-1, CIG-OKT-2, CIG-OKT-3, CIG-OKT-4

As institutions supervised by the MNB, the Insurance Companies have detailed plans, educational materials, and a follow-up system for the training of employees, service partners, and salespeople. Employees and the staff of partner networks have different syllabuses. Generally speaking, we deepen and expand the general knowledge of employees and the specific knowledge of partners, as the two groups need different knowledge. In 2024, we launched our training program within the above-mentioned GINOP project, aimed at increasing professional knowledge, of course in addition to the mandatory training courses maintaining and expanding the knowledge of the insurance market.

We launched in 2024 our training program aimed at expanding professional knowledge within the framework of the above-mentioned GINOP project, in addition to the mandatory training courses that maintain and expand knowledge of the insurance market.

We strive to take advantage of online learning. Classroom and personal training courses are held if we consider them more effective.

Educational responsibility is linked to the compliance obligations of the CIG Pannónia Group. Continuing training is mandatory for the members of certain bodies or a group of particular persons<sup>95</sup>, or for employees working in specific fields (data protection, anti-money laundering, IT awareness, etc.). In order to coordinate training in other areas, the Companies have a separate organisational unit that coordinates the training of employees with regard to both onboarding<sup>96</sup> and specialised training.

### Number of participants in training and education

	2022	2023	2024
Number of employees participating in any training	199	188	207
male participants	82	71	76
female participants	117	117	131
Participants working under an independent contractor agreement (sales representatives)	523	219	248
Training hours	2 584	3 162	5 571

<sup>95</sup> For the groups of people specified in the Insurance Act (Bit.) and the Anti-Money Laundering Act (Pmt.).

<sup>96</sup> Being hired by and starting to work for our Company

In addition to the optional and mandatory educational/training opportunities provided to managers and employees, workplace atmosphere and culture in general are greatly influenced by the working environment and the Company's flexibility regarding the place of work.

In 2024, we started laying the professional foundations for introducing a methodology for the insurance management of global warming risks. The challenge we have faced was that the quality and detail of the data used so far for insurance risk analyses are very different from the current quality and availability of data on global climate risks. We see significant potential in developing these methodologies as national, professionally sound methodologies. We feel that this could lay the foundations not only for the coming year, but much more for the professional development of the next decade.

### Participants in ESG-themed and professional training sessions Participants in ESG-themed and professional training sessions<sup>97</sup>

	2022	2023	2024
Number of employees participating in ESG-themed educational and awareness-raising programs	19	25	30
Proportion of employees participating in ESG-themed educational and awareness-raising programs	10%	13%	14%
Number of professional, managerial and soft skill training sessions	1	1	1
Number of participants in professional, managerial and soft skill training sessions	40	3	11

We consider it important to raise awareness of the feedback options at the CIG Pannónia Group. Middle managers may share their opinions about the planned trainings and employees are also granted possibilities for providing feedback. The already mentioned anonymous feedback options are available to employees regarding any topic.

Keywords	<ul style="list-style-type: none"> <li>- Compliance-related training</li> <li>- Compulsory and optional courses</li> <li>- Online access</li> </ul>
Planned for 2024	Completed: <ul style="list-style-type: none"> <li>✓ The launch of a regular educational program, instead of a thematic educational week</li> <li>✓ Leadership training</li> </ul>
Commitments for 2025	<ul style="list-style-type: none"> <li>• Continuing professional training</li> <li>• Continuing leadership training</li> </ul>



The CIG Pannónia Group contributes directly to quality education and a safe workplace environment by educating its employees and raising awareness among them, thereby contributing to work-life balance and well-being (SDG 3, SDG 4). This material topic indirectly contributes to the Sustainable Development Goal<sup>98</sup> of gender equality, as well as of decent working conditions and economic growth (SDG 5, SDG 8).

<sup>97</sup> In addition to other thematic education and training courses, registered training courses and the number of participants

<sup>98</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>



## 14. WORKPLACE CULTURE

GRI 3-3

The material topic of “Workplace Culture” is understood as CIG Pannónia Group's single corporate culture based on common values. From the on-boarding of new hires to company events, we aim to create and maintain a supportive and welcoming workplace at the Insurance Companies through a single management approach. Our decisions made within the framework of this material topic aim at achieving internal unity and realising an inclusive workplace where we like to work.

We believe that **the cornerstone of the implementation of any corporate strategy is corporate culture**, which is why we recently assessed what kind of corporate culture our staff considers ideal. The purpose of the program is to become a learning organisation that is capable of effectively integrating changes and progress by learning from them.

GRI 2-21, CIG-CSAPAT-1, CIG-CSAPAT-2

By dialogue with our employees, we mean regular information, requests for opinions and active dialogue. Our colleagues can find information on strategic steps, decisions and major changes at all staff meetings and in the weekly HR newsletter. Based on the feedback we received from our staff in 2023, our focus in the year under review was on employee appreciation, strengthening professional training, improving collaboration and strengthening the performance approach - the basis of meritocracy - as summarised in the previous chapter. We consider all of these to be elements of our shared learning, the development of our common corporate culture, and we are proud that our colleagues are actively involved in these. CIG Pannónia Group's strategy is to provide fast and customer-friendly services. To this end, a management team that provides adequate support to our staff and strengthens our business orientation and operations is essential.

As mentioned above, in 2024 we reassessed our employees' satisfaction, which showed an increase in this matter, of which we are proud, but we don't think it's time to stop in this process. We think of the employee satisfaction survey process as a success, in which our colleagues actively participated and participate. We have also made progress in talent management, both by supporting higher education studies and by supporting personalised career paths. We will continue these programmes will in the future as well. We also planned to introduce a mentoring programme, this will be implemented in the coming years.

### Number of participants in employee programmes

	2022	2023	2024
Number of team building, community programmes	2	6	5
Number of colleagues participating in team building, community programmes	199	188	151
Ratio of people using health-promoting elements offered in a benefits package	-	-	85%
Number of participants in the employee satisfaction survey	-	151	179
Employee satisfaction index (scale of 0-10)	-	7,2	8,0
Number of participants in professional development programmes	-	3	3

The CIG Pannónia Group used a hybrid working model, where 50-60 percent of work is done in the physical workplace and 50-40 percent remotely (at home). We did not change the relevant contractual terms and conditions and the contract types of our employees in 2024, and we do not plan to do so in 2025 either.

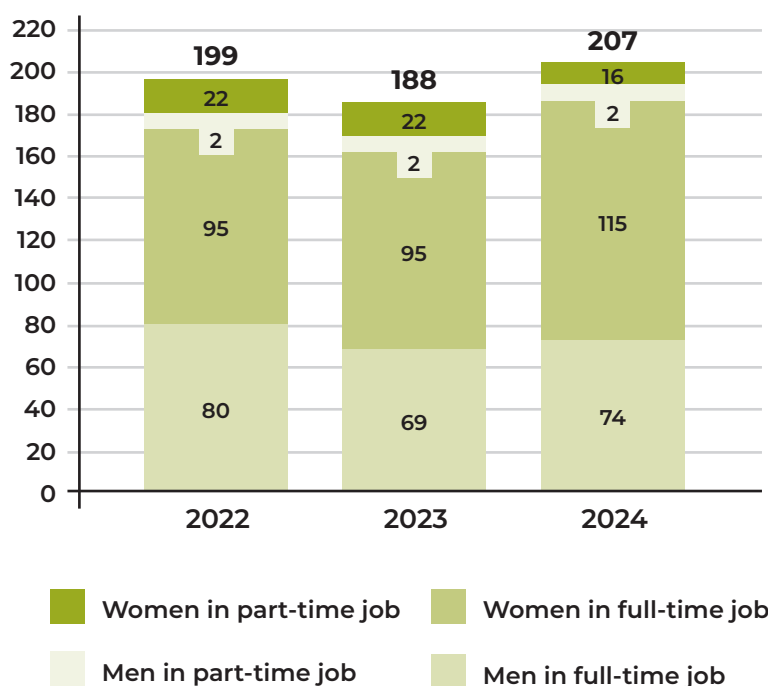
### Number of people with atypical work arrangements

	2022	2023	2024
Remote work	199	188	207
General work schedule	174	174	174
Flexible working hours	-	-	-
Irregular working hours	25	25	27

Teleworking is allowed for all our employees. Typically, only members of the senior management have flexible working hours, but CIG Pannónia Group is a flexible employer and takes into account the individual circumstances of employees when creating work schedules.

Our employees demand, appreciate and make use of flexibility. This also affects our plans to improve workplace culture, because we consider it important that fully remote and part-time workers can also participate in community programs and team-building events.

### Number of full-time and part-time employees



**For colleagues in special life situations, we support flexible working arrangements on a case-by-case basis.**

The challenges of an ever-changing business environment also mean the continuous improvement of the organisation. One element of the organizational changes is that in recent years, in line with our ESG strategy, we have assigned sustainability-related tasks to a

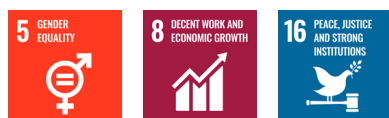
specific organisational unit. By increasingly focusing on ESG-related tasks, more and more employees of the CIG Pannónia Group (also) has responsibilities related to sustainability.

### Number of jobs including sustainability tasks and employees performing tasks

	2022	2023	2024
Number of employees with a job/responsibilities related to sustainability	4	25	30

The implementation of our corporate strategy encompasses the target area “Cultural Update” – as an update of the set of corporate values –, in addition to the previously detailed “Leadership Development” and “Performance Management” target areas. Each area brings together different actions. Tasks related to the measurement of employee satisfaction, to the culture map, and to the gap analysis were classified under the area “Cultural Update”.

Keywords	<ul style="list-style-type: none"> <li>- Possibility of hybrid work,</li> <li>- Work that can be done from home</li> <li>- Team building programs</li> </ul>
Planned for 2024	Completed: <ul style="list-style-type: none"> <li>✓ Transparency of the departments of the expanding organisation and of related tasks</li> <li>✓ Definition of a joint corporate culture map</li> </ul>
Commitments for 2025	<ul style="list-style-type: none"> <li>• Continuation of corporate joint programmes</li> <li>• Clarification of sustainability job descriptions</li> </ul>



Our Insurance Companies' workplace culture and raising awareness of our values among our employees indirectly promote the Sustainability Development Goals of gender equality and decent work, as well as economic growth<sup>99</sup>. Our culture confirms to our employees that we can all contribute to the creation of just social development and the building strong institutions (SDG 5, SDG 8, SDG 16).

<sup>99</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>



## D. SUSTAINABLE OPERATION OF OFFICES

Several very different goals and activities have been assigned to the focus area “Sustainable operation of offices”. As part of our ESG strategy, we have classified several sustainability topics that are a guarantee of our compliance with the MNB’s Green Recommendation. Of these topics, however, we only singled out supplier ESG compliance as a material topic, which is explained separately below. We will briefly report on the additional topics that belong here and related actions.

It is extremely important to appoint a person responsible for sustainable office operations, who is tasked supervising waste management, energy and water consumption, continuously looks for reduction and improvement opportunities, and keeps contacts with the facility manager of the office building. Moreover, they are responsible for informing employees and regularly drawing their attention to responsible office use practices.

To reduce our carbon and ecological footprints, the first step is to measure the direct and indirect emissions resulting from the activities of the CIG Pannónia Group. We reduce the environmental impact of our operations by optimising the functioning of our offices, which is why our digitisation efforts are critical. Our offices are located in an environmentally friendly office building with modern, sustainable solutions and BREEAM certification. As an environmentally conscious company also aiming to comply with the regulations, we are committed to being able to accurately calculate the environmental footprint of our operations. In our ESG strategy, a 20 percent reduction<sup>100</sup> was set as the target to be achieved by 2026, and almost triple that by 2030. In order to be able to measure this accurately, we need to know our direct emissions resulting from our activities (Scope 1), the indirect emissions related to the purchased energy (Scope 2), as well as emissions from other indirect emitters, which does not include the emissions of insured customers (Scope 3). This is discussed later in a separate chapter - Our carbon footprint from our operations. In addition to ensuring the conditions for measurement, the ESG action also includes the formulation of plans for the reduction of the ecological and carbon footprints and for the compensation of emissions that cannot be reduced any further in the following years.

We planned to identify energy-efficient solutions to reduce our energy and water consumption, of which the implementation of water-saving solutions - smart taps throughout the office building - was completed in early 2025.

We have formulated a task concerning the footprint of our employees related to mobility and commuting to the workplace. We plan to reduce emissions from transport and commuting by 30-35 percent. Our goal is to achieve that 80 percent of employees commutes to work using sustainable means of transport, which is supported by the Company.

**It is important for the CIG Pannónia Group that sustainability is also manifested in small everyday actions,** such as separate waste collection.

<sup>100</sup> Compared to the value calculated for 2024



In August 2024, we introduced selective waste collection in our office, placing out waste collection islands in several locations where our staff can collect waste in paper, plastic and metal, and mixed waste bins. We kept our colleagues informed of the changes before and during the roll-out. Within the framework of our CSR activities, we have set up collection points for the collection of products falling within the mandatory return scheme, where our employees can voluntarily return their packaging, and the money collected thereby is donated to charities. Our broader aim is to reduce the proportion of municipal waste by 40 percent.

In addition to the ESG actions listed, supplier ESG compliance is a material topic.







## 15. ESG COMPLIANCE BY SUPPLIERS

GRI 3-3, GRI 414-1, GRI 414-2

The CIG Pannónia Group considers ESG compliance by supplier to be a material topic in terms of its operations.

It is understood as a process of supplier evaluation and the sustainability of cooperation. When selecting our suppliers, in addition to economic aspects, we expect ethical business conduct, reliability, precision, and high professional standards to be ensured in order to ensure that the operation of our Insurance Companies is efficient and that our customers are provided with high-quality services. By signing the contracts, which were concluded on the basis of the supplier contract template, suppliers undertake not to enter into contracts with companies or any other persons or entities whose activities are morally and ethically incompatible with CIG's business activities. Furthermore, if an ethical conflict or a conflict of interest arises, the contracted service provider shall consult with the CIG Pannónia Group in advance. According to the addendum used in the contract template<sup>101</sup>, the CIG Pannónia Group expects its partners to share with it, upon request, the steps they have taken for business sustainability, the environmental, employment and social aspects of their decisions, their commitment to human rights, and the steps against corruption and bribery.

Daily communication with our suppliers is done via e-mail (not containing any personal data). If one of our suppliers (typically IT partners) gets access to any of our internal systems, the contract provides adequate safeguards. In the case of access to personal data, we apply strict outsourcing and data processing provisions. The provisions containing IT and IT security requirements are an inseparable part of the contracts. If a supplier partner does not meet these requirements, no legal or business relationship can be established with that supplier.

In general, we request our suppliers to provide their basic company information<sup>102</sup> which is verified by conducting a search in the Company Registry. (The company's financial stability is also checked). Each department shall be responsible for vetting its own suppliers. The manager of the relevant department or an employee designated by them shall keep contacts with suppliers. This is the best way for suppliers to satisfy the requirements and meet the needs of the departments. Active contacts facilitate professional communication and, where appropriate, the handling of problems. **During 2024, we have added an ESG due diligence questionnaire to our procurement process**, which we use to monitor whether the supplier assesses the social impacts of its business and whether any actual or likely significant adverse impacts have been identified at the supplier. The result of the ESG questionnaire is taken into account when awarding a contract to a supplier. Another change affecting suppliers is that, in order to meet the data security requirements of the DORA, a process involving security and vulnerability testing has been introduced. Our suppliers are Hungarian companies. We only engage foreign service providers to provide complex and custom IT services.

<sup>101</sup> The addendum also states that "Service Provider commits that during the entire duration of the Agreement, it will not engage in any activity that is in conflict with or contrary to the activities covered by this Agreement, or any legal provisions in force, especially the provision of the Insurance Act and CIG's Business Policy and guidelines [in particular its ESG (sustainability) and anti-fraud guidelines]."

<sup>102</sup> Company name, registered office, taxpayer ID number, company registration number, details of representatives, details of contact persons.

If a supplier does not comply with the professional standards and the quality requirements set out in the contract, sanctions will be imposed, and as a last resort, our legal relationship will be terminated. Each department assesses the given supplier and then informs a member of the Management about the outcome of the assessment. The Management decides whether or not maintaining relationship with the given supplier, taking into account the specialist department's opinion.

Priority outsourcings shall be inspected quarterly and non-priority outsourcings annually, based on criteria determined by the Insurance Company. The people in charge of this inspection shall draw up a report of its results. Based on that report, suppliers performing outsourced activities that are an integral part of the insurance procedure are evaluated.

### Supplier evaluation<sup>103</sup>

	2022	2023	2024
Total number of suppliers performing outsourced activities	20	19	32
Of which: the number of suppliers performing a newly outsourced activity	4	4	6

No damage or negative experience occurred during the year 2024. We do not know about suppliers that evaluate their social impact, we do not have information about suppliers with an adverse impact, and we do not have any relevant statement. However, our contracted service providers show a strong commitment to CIG Pannónia Group's ESG responsibility and sustainable operations.

Our plan is to carry out our current suppliers' due diligence processes considering the ESG criteria as set out in 2024 in the Procurement Regulations<sup>104</sup>.

The dedicated procurement officer's task is the centralised management of the procurement process and within that, the enforcement of ESG factors. An important step towards the achievement of these goals was the 2024 amendment to the regulations, which added an ESG questionnaire to the supplier screening criteria.

Keywords	- Exclusion criteria have been embedded into supplier contracts
Planned for 2024	Completed: ✓ Development of the evaluation of suppliers based on ESG criteria ✓ Appointing the Supplier Relations Officer and defining their tasks
Commitments for 2025	- Evaluation of the current suppliers based on ESG criteria



We have launched the measurements necessary for the future indicators assigned to the topic of supplier ESG compliance and the processes that make enable such measurements. We indirectly contribute to fair, sustainable economic growth and balanced partnerships (SDG 13, SDG 8<sup>105</sup>).

<sup>103</sup> We do not have information about how many suppliers evaluate their social impact, and which suppliers are likely to have a significant adverse impact.

<sup>104</sup> We are planning to roll out two indicators to monitor the ESG compliance of our suppliers (CIG-PARTNER-1, CIG-PARTNER-2)

<sup>105</sup> Source of the pictograms:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>



## 16. OUR CARBON FOOTPRINT FROM OUR OPERATIONS

GRI 305-7

**Our ESG targets include reducing the carbon footprint from our own operations by 55% by 2030.** In 2024, we understood the methodology for calculating the carbon footprint for insurers and collected the relevant data for 2023 and 2024.

In this area as well, international standards are available; in our methodology we applied the standardised approaches and principles of the GHG Protocol international initiative.

According to this standard, two main areas of greenhouse gas emissions – hereafter GHGs – need to be considered in the carbon footprint calculation: (i) direct GHG emission (its international designation: scope 1) and (ii) indirect GHG emission (its international designation: scope 2). For both, it is true that the company has an impact on these emission values. In scope 1 emissions, our Company includes our share of our head office building's total gas consumption (piped, natural gas), the annual leakage values of gases used for refrigeration and air conditioning, and the fuel consumption of our company car fleet. Scope 2 emission values include the calculated GHG emission value per unit of electricity purchased. **These two areas are collectively referred to as emissions from own operation.**

The GHG Protocol also has a so-called scope 3 area, which deals with alternative emissions outside the control of the company. In the case of our Companies, this includes two areas: (i) GHG emissions from our colleagues travelling to and from work (ii) financed emissions.

In order to quantify the carbon footprint of our colleagues' commuting, we have taken a questionnaire to identify and quantify the travel habits.

To define financed emissions, we use the standardised approaches and principles of the international initiative Partnership for Carbon Accounting Financials (PCAF). In this standard, we consider our own investments - the mathematical reserves and investments behind equity - but not the reserves of unit-linked life insurances (UL insurances). The investments included here are government bonds and corporate bonds and shares. As the most important data for government bond issuance values is the GDP of the given country, the 2024 value of which was not available at the time of concluding our report, we calculated the financed emission value for 2024 using the CO<sub>2</sub> equivalent of the government bonds in 2023 - i.e. any unit change in the government debt GHG emission coefficient from 2023 to 2024 is not included in our data series.

<sup>106</sup> See: <https://ghgprotocol.org>

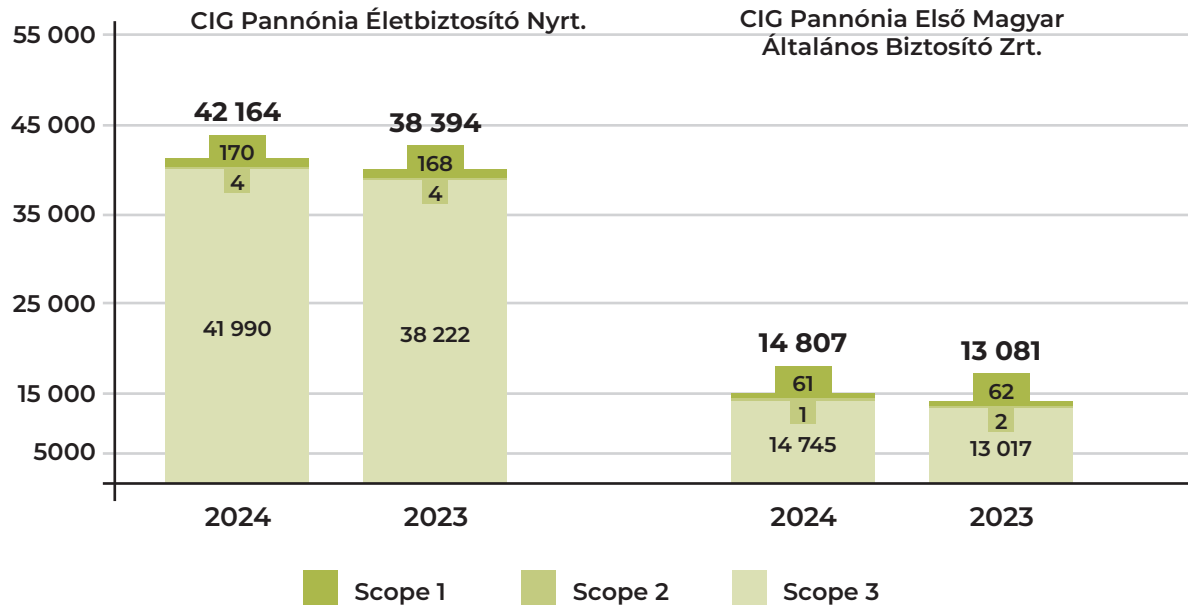
<sup>107</sup> See: <https://carbonaccountingfinancials.com>



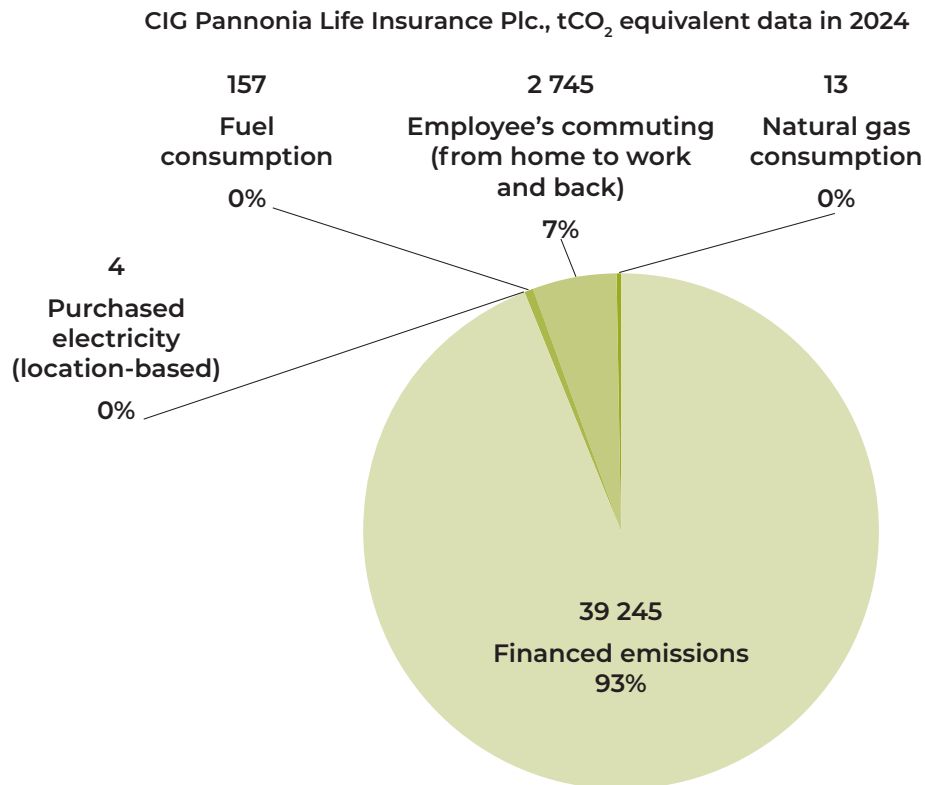


Our carbon footprint for 2023 and 2024 showed the following values:

Greenhouse gas emissions by company, by emission category, 2023-2024, expressed in tCO<sub>2</sub> equivalent

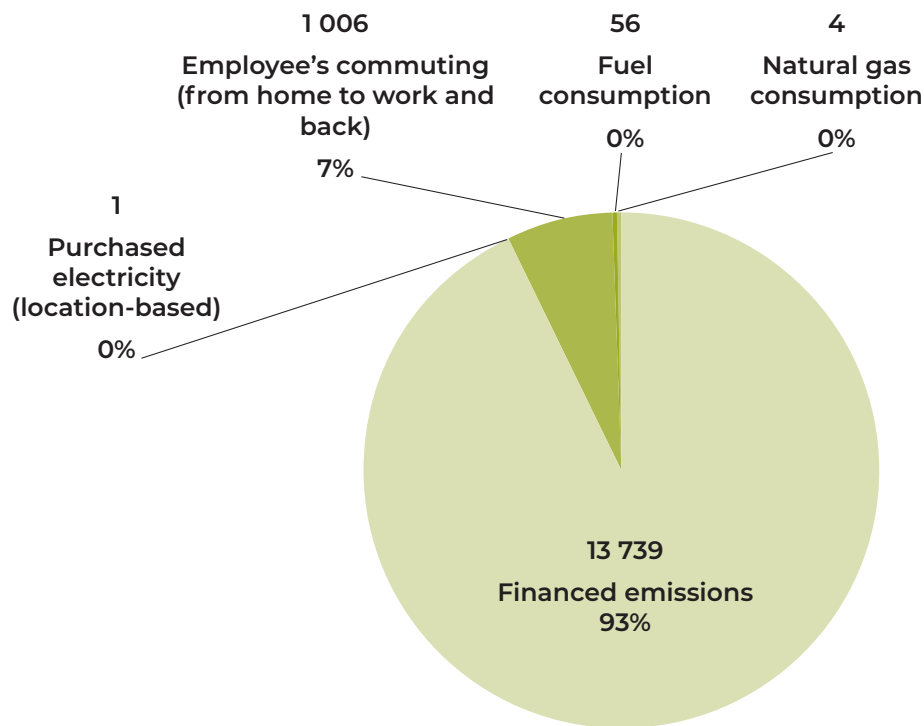


The composition of carbon footprint values by company in 2024 is as follows:





CIG Pannónia First Hungarian General Insurance Ltd., tCO<sub>2</sub> equivalent data in 2024



As it is visible from the above graphs, the vast majority of our carbon footprint is outside of our control, stemming from financed emissions.

The emissions from our own operations (scope 1 and scope 2) are essentially a consequence of the fuel usage of our car fleet. In the coming years, we will have to formulate action plans to meet the targets set out in the introduction.

Keywords	- Carbon footprint from own operations - Financed emission
Planned for 2024	Completed: ✓ Development of a methodology for calculating carbon footprint
Commitments for 2025	· Formulate action plans to reduce the carbon footprint of own operations



Through our carbon footprint calculation, we contribute indirectly to the target actions against climate change (SDG 13<sup>107</sup>).

<sup>108</sup> Source of the pictogram:  
<https://www.un.org/sustainabledevelopment/news/communications-material/>



## REGULATION OF MATERIAL TOPICS, RESPONSIBLE PERSONS

GRI 3-3

REGULATIONS	DATA PROTECTION AND SECURITY	REPORTING AND DATA PROVISION	TRANSPARENCY	PRUDENCE AND TRANSPARENT CORPORATE GOVERNANCE ETHICAL BUSINESS PRACTICES AND LEGAL COMPLIANCE	INDIRECT ECONOMIC IMPACT	SOCIAL IMPACT	PRODUCT DEVELOPMENT	CUSTOMER INFORMATION AND AWARENESS-RAISING	CUSTOMER SATISFACTION	DIGITAL CUSTOMER MANAGEMENT	ESG RISK MANAGEMENT AND RISK BEARING	EMPLOYEE RETENTION, CAREER DEVELOPMENT	EDUCATION OF EMPLOYEES AND AWARENESS RAISING	WORKPLACE CULTURE	SUSTAINABLE OFFICE OPERATIONS SUPPLIER ESG COMPLIANCE
Privacy Policy	✓			✓						✓					
Internal Audit Manual	✓		✓												
Internal Audit Policy	✓		✓												
Procurement Policy			✓			✓									✓
On-boarding regulations for insurance intermediaries										✓					
Conflicts of Interest Policy for Intermediaries	✓			✓		✓									
CIG Life Insurance Company Articles of Association	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
CIG EMABIT's Deed of Incorporation ("Alapító okirat")	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Equal Opportunities Policy			✓			✓						✓	✓	✓	
Asset Fund Launch and Operating Procedure	✓						✓	✓	✓	✓	✓				
SRD-compliant Remuneration Policy					✓							✓	✓	✓	
Remuneration Policy					✓							✓	✓	✓	
Rules of procedure of the Risk Management Committee		✓	✓								✓				
Risk Management Policy	✓	✓			✓						✓				
Compliance Policy	✓			✓	✓	✓						✓	✓	✓	
Employee Share Ownership Program, Remuneration Policy											✓			✓	



REGULATIONS	PRUDENCE AND TRANSPARENT CORPORATE GOVERNANCE						GREEN PRODUCTS AND CUSTOMER- ORIENTED SERVICE					PEOPLE- CENTRED WORKPLACE CULTURE			SUSTAINABLE OFFICE OPERATIONS
	DATA PROTECTION AND SECURITY	REPORTING AND DATA PROVISION	TRANSPARENCY	ETHICAL BUSINESS PRACTICES AND LEGAL COMPLIANCE	INDIRECT ECONOMIC IMPACT	SOCIAL IMPACT	PRODUCT DEVELOPMENT	CUSTOMER INFORMATION AND AWARENESS-RAISING	CUSTOMER SATISFACTION	DIGITAL CUSTOMER MANAGEMENT	ESG RISK MANAGEMENT AND RISK BEARING	EMPLOYEE RETENTION, CAREER DEVELOPMENT	EDUCATION OF EMPLOYEES AND AWARENESS RAISING	WORKPLACE CULTURE	SUPPLIER ESG COMPLIANCE
Rules of Procedure for Labour Affairs and Hu- man Resources Man- agement						✓						✓	✓	✓	
Disclosure Policy			✓				✓	✓	✓	✓					
Conflict of Interest Policy	✓			✓	✓	✓									✓
Complaint Handling			✓		✓	✓		✓	✓	✓	✓				
Procedure	✓	✓	✓	✓	✓								✓		✓
Anti-Money Laundering Policy			✓	✓	✓	✓									✓
Internal Regulations for the Prevention of Market Abuse	✓		✓	✓	✓		✓						✓		
Regulations on an- ti-fraud activities	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Employee incentive sys- tem: Regulations on the Performance Appraisal System (TÉR)				✓								✓	✓	✓	
Performance-Related Salary Policy				✓								✓	✓	✓	
Rules of Procedure for Product Development and Product Review		✓	✓			✓	✓	✓	✓	✓	✓				
Product Development, Product Approval and Product Review Regu- lations		✓	✓			✓	✓	✓	✓	✓	✓				
Board Selection Guidel- ines	✓														
Customer Service Policy			✓			✓		✓	✓	✓	✓				
Regulation of Risk Assumption, Risk As- sessment and Product Development Activities related to Corporate Insurance			✓	✓			✓	✓	✓	✓	✓				

## GRI INDEX<sup>108</sup>

### GRI 2-3 USE OF GRI STANDARDS

<b>Statement on use</b>	The CIG Group reports for the period between 01.01.2024 and 12.31.2024 in accordance with the GRI Standards
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	-

GRI / OWN CODE	NAME OF INDICATOR	AVAILABILITY (CHAPTER TITLE)	PAGE	NOTE(S)
<b>GRI 2: General Disclosures 2021</b>				
2-1	Organisational data	Structure and functioning	6-8	
2-2	Entities included in the entity's Sustainability Report	About our Company's ESG Report	4	
2-3	Reporting period, frequency and contact person	About our Company's ESG Report	4-5	
2-4	Revision of data	GRI content index	84	No corrections or revisions were necessary.
2-5	External verification	About our Company's ESG Report	5	
2-6	Activities, value chain and other business relationships	Structure and functioning	6-8	
2-7	Employees	Structure and functioning	8	
2-8	Workers who are not employees	Structure and functioning	8	
2-9	Mandatory disclosures	Structure and functioning	8	
2-10	Appointment and selection of the supreme governing body	Corporate governance	9-12	
2-11	Chairman of the supreme governing body	Corporate governance	9-12	
2-12	The role of the supreme governing body in overseeing the management of impacts	Structure and functioning	7-8	
2-13	Delegation of responsibility for the management of impacts	Corporate governance	10-12	
2-14	The role of the supreme governing body in the Sustainability Report	Structure and functioning	6	
2-15	Conflicts of interest	Structure and functioning Prudence and Transparent Corporate Governance	6, 25-26	

<sup>108</sup> The GRI table of contents contains technical information on the application of the GRI Standards and lists the indicators included in the ESG Report.





GRI / OWN CODE	NAME OF INDICATOR	AVAILABILITY (CHAPTER TITLE)	PAGE	NOTE(S)
2-16	Communication of critical concerns	Customer satisfaction, Education of employees and awareness-raising	53-54, 70	
2-17	Collective knowledge of the supreme governing body	Corporate governance	9-12	
2-18	Evaluation of the performance of the supreme governing body	Corporate governance	9-12	
2-19	Remuneration policies	Corporate governance	10-12	
2-20	The process of determining remuneration	Corporate governance	10-12	
2-21	Annual total remuneration ratio	Workplace culture	72-74	
2-22	Declaration on the Sustainable Development Strategy	The CEO's Welcome Message	3	
2-23	Policy commitments	Transparency Ethical business practices and legal compliance	33-38	
2-24	Development and integration of business behaviour	Ethical business practices and legal compliance	36-37	
2-25	Processes aimed at remedying negative impacts	ESG strategy ESG actions	22-23	
2-26	Mechanisms for providing advice and raising concerns	Data protection and security	27-30, 33-34	
2-27	Compliance with laws and regulations	Ethical business practices and legal compliance	37-38	
2-28	Member organisations	Social impact	41-42	
2-29	Stakeholder involvement approach	Involvement of external stakeholders	21	
2-30	Collective bargaining agreements	Structure and functioning	6	
<b>GRI 2: Material topics 2021</b>				
3-1	General publication on material topics	Materiality	19-20	
3-2	General publication on material topics	Materiality	19-20	
<b>Pillar "A" Prudence and Transparent Corporate Governance</b>				
<b>1 Data protection and security</b>				
3-3	Management of essential topics	Data protection and security		
418-1	The number of justified complaints regarding the improper use of customers' personal data and the loss of data	Data protection and security	27-30	



GRI / OWN CODE	NAME OF INDICATOR	AVAILABILITY (CHAPTER TITLE)	PAGE	NOTE(S)
CIG-ADAT-1	Compliance with data protection and data security requirements	Data protection and security	28	
CIG-ADAT-2	Number of personal data breaches and data security incidents	Data protection and security	27	
<b>2 Reporting and data provision</b>				
3-3	Management of essential topics	Data protection and security	31	
CIG-ADAT-1	Proportion of reports prepared by the deadline out of all mandatory reports	Reporting and data provision	31	
CIG-ADAT-2	Number of deficiencies occurring during data provision and reporting	Reporting and data provision	31	
<b>3 Transparency</b>				
3-3	Handling of material topics	Transparency	33	
201-1	Direct economic value generated and distributed	Figures detailed in the financial statements		The financial statements are available on the website of CIG Life Insurance and on the issuers' page of the Budapest Stock Exchange (BÉT) after approval by the General Meeting  The financial statements are available on the website of CIG Life Insurance and on the issuers' page of the Budapest Stock Exchange (BÉT) after approval by the General
201-4	Significant financial assistance received from the State	Corporate governance	12	
CIG-ÁTLÁT-1	Transparency Index	Transparency	35	
<b>4 Ethical business practices and legal compliance</b>				
3-3	Handling of material topics	Ethical business practices and legal compliance	36	
205-1	Operations evaluated in terms of corruption risks	Ethical business practices and legal compliance	37	
205-2	Information and training related to the anti-corruption policy and procedures	Ethical business practices and legal compliance	37	We have no information about our suppliers' knowledge of this kind
205-3	Confirmed cases of corruption and actions taken	Ethical business practices and legal compliance	37	
206-1	Number and outcome of legal proceedings related to anti-competitive behaviour and/or violation of anti-trust and anti-monopoly provisions	Ethical business practices and legal compliance	38	



GRI / OWN CODE	NAME OF INDICATOR	AVAILABILITY (CHAPTER TITLE)	PAGE	NOTE(S)
CIG-ETIKUS-1	Amount of fines imposed on us	Ethical business practices and legal compliance	37	
CIG-ETIKUS-2	Number of criminal proceedings	Ethical business practices and legal compliance	38	
<b>5 Indirect economic impact</b>				
3-3	Handling of material topics	Indirect economic impact	40	
207-1	Approach to tax payment	Indirect economic impact	40	
207-2	Management and control of tax payment, risk management	Indirect economic impact	40	
207-3	Involvement of stakeholders, management of concerns related to tax payment	Indirect economic impact	40	
207-4	Country report	Indirect economic impact	40	
203-2	Significant indirect economic effects	Indirect economic impact	40	
<b>6 Social impact</b>				
3-3	Handling of material topics	Social impact	41	
415-1	Contributions, political contributions	Social impact	40	
<b>Pillar "B"</b> <b>Green products and customer-oriented service</b>				
<b>7 Product development</b>				
3-3	Handling of material topics	Product development	46	
CIG-PROD-1	Key indicators of our products	Product development	46	
<b>8 Customer Information and Awareness-Raising</b>				
3-3	Handling of material topics	Customer Information and Awareness- Raising	50	
417-2	Non-conformities in the provision of information about products and services and marking	Customer Information and Awareness- Raising	50	
417-3	Non-conformities related to marketing communications	Customer Information and Awareness- Raising	50	
CIG-INF-1	Number of ESG related customer education and damage prevention information materials, programs/actions (e.g. on-site presence at outdoor events)	Customer Information and Awareness- Raising	51	



GRI / OWN CODE	NAME OF INDICATOR	AVAILABILITY (CHAPTER TITLE)	PAGE	NOTE(S)
<b>9 Customer satisfaction</b>				
3-3	Handling of material topics	Customer satisfaction	53	
CIG-ÜGYFÉL-1	Number of complaints	Customer satisfaction	53	
<b>10 Digital customer management</b>				
3-3	Handling of material topics	Digital customer management	55	
CIG-DIGI-1	Amount of paper used for contract conclusion and customer administration	Digital customer management	55	
CIG- DIGI-2	Number of contracts concluded without printing	Digital customer management	55	
CIG- DIGI-3	Percentage of customers using the customer portal, broken down by residential and customer segments	Digital customer management	55	
<b>11 ESG risk management and commitment</b>				
3-3	Handling of material topics	ESG risk management and commitment	58	
201-2	Financial consequences, other risks and opportunities of climate change	ESG risk management and commitment Risks posed and opportunities created by climate change	15-16, 58-59	
CIG-KOCK-1	Share of industries with high ESG risk in the portfolio	Indicator under preparation		
<b>Pillar “C” People-centred workplace</b>				
<b>12 Employee retention and career development</b>				
3-3	Handling of material topics	Employee retention and career development	65	
401-1	Newly hired and exited employees	Employee retention and career development	65-67	
401-2	Benefits for full-time employees that are not available to temporary or part-time employees	People-centred workplace culture	62	
401-3	Parental leave	Employee retention and career development	64	
404-3	Percentage of employees participating in regular performance appraisals and career development discussions	Employee retention and career development	62	
CIG-KARRIER-1	Percentage of employees participating in a mentoring program	Indicator under preparation	72	
CIG-KARRIER-2	Employee Satisfaction Index	People-centred workplace culture	67-68	



GRI / OWN CODE	NAME OF INDICATOR	AVAILABILITY (CHAPTER TITLE)	PAGE	NOTE(S)
<b>13 Education of Employees and Awareness-Raising</b>				
3-3	Handling of material topics	Education of Employees and Awareness-Raising	70	
404-2	Programs aimed at skills development and lifelong learning, which help employees to remain in continuous employment and to end their careers.	Education of Employees and Awareness-Raising	70	
CIG-OKT-1	Number of employees participating in ESG-themed educational and awareness-raising programs	Education of Employees and Awareness-Raising	71	
CIG-OKT-2	Proportion of employees participating in ESG-themed educational and awareness-raising programs	Education of Employees and Awareness-Raising	71	
CIG-OKT-3	Number of professional, managerial and soft skill training sessions	Education of Employees and Awareness-Raising	71	
CIG-OKT-4	Number of employees participating in professional, managerial and soft skill training sessions	Education of Employees and Awareness-Raising	71	
CIG-OKT-5	Number of employees with a job / responsibilities related to sustainability	Education of Employees and Awareness-Raising	71	
<b>14 Workplace culture</b>				
3-3	Handling of material topics	Workplace culture	72	
CIG-CSAPAT-1	Number of team-building and community activities	Workplace culture	72	
CIG-CSAPAT-2	Number of colleagues participating in team-building and community activities	Workplace culture	72	
<b>Pillar "D" Sustainable operation of offices</b>				
<b>15 ESG compliance by suppliers</b>				
3-3	Handling of material topics	ESG compliance by suppliers	77	
414-1	Suppliers that apply social compliance and criteria	ESG compliance by suppliers	77-79	We have no information about our suppliers' knowledge of this kind
414-2	Negative social impacts and steps taken in the supply chain	ESG compliance by suppliers	77-79	We have no information about our suppliers' knowledge of this kind
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Our carbon footprint from our operations	79	