

SUSTAINABILITY REPORT







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‘We want to reconcile economic, ecological and social concerns and see this as the basis for the long-term success of our company in every respect.’

Rolf Zielke, Chairman of the Management Board



FOREWORD

Dear Readers,

First of all, I would like to thank you: After all, if you read these lines, you are interested in msg life ag in general and in our efforts to achieve sustainable business practices in particular. This foreword is the prelude to the first sustainability report that our company is writing. It is a sign that we want to make our business activities transparent for a fair society and climate-friendly business. But we've been assuming social and ecological responsibility for much longer: our Group has a long tradition of adopting a sustainable approach.

msg life ag was founded more than 40 years ago and is closely integrated into the msg group. The core of our corporate strategy is to operate sustainably and successfully while also having a positive impact on our society. In doing so, we do not pursue any short-term goals that diminish our future prospects. We want to reconcile economic, ecological and social concerns and see this as the basis for the long-term success of our company in every respect.

msg life has long been perceived as a premium brand. We are aware that such a brand promise is associated with a strong sense of social and ecological responsibility. As we continue to drive the quality of our products, we will also expand the sustainability-focused side of our brand's essence. This sustainability report, amongst other things, stands for this.

Yours sincerely,



Rolf Zielke

AT A GLANCE

About msg life

Since it was founded in 1980, msg life ag has seen itself as a pioneer in discovering and tapping opportunities for its customers in the insurance industry. Right from the start, we have set standards in improving and digitising insurance processes. Today, msg life is an internationally active company with more than 1,200 employees at 16 locations in Europe and the USA. Within the group of the parent company msg, it is the competence centre for life insurers and pension funds.

In cooperation with other members of the group, msg life can also meet the requirements of universal insurers and put together a corresponding product portfolio. msg life and msg nexinsure are pooling their

strengths and unique expertise under the co-brand msg insur:it and together offer the most comprehensive range of solutions for insurers from a single source.

We maintain established and trusting relationships with more than 100 active clients, including various top companies in the insurance industry. Our software helps insurers adapt their businesses and models to changing markets.

Our IT expertise is based on the expertise of more than 300 IT developers, 300 mathematicians, actuaries and 300 specialist consultants. In 2021, we generated turnover of 193.8 million euros.

Responsibilities

Responsibility within the company for all sustainability activities lies with Rolf Zielke (Chairman of the Management Board) and Milenko Radic (Member of the Executive Board). The Corporate Sustainability Board and the Corporate Sustainability Officer are responsible for the operational implementation of sustainability measures.

The Board is composed of representatives from different departments to cover all relevant aspects. It is made up of representatives from Marketing, Human Resources, Risk Management, Facility Management and Legal, the data protection coordinator, a representative of the Works Council and a representative of the business units. The Corporate Sustainability Officer is Frank Fahrner.

The Corporate Sustainability Officer reports regularly to the Management Board and the Supervisory Board on the company's sustainability measures. Investors are informed via annual reports and the Annual General Meeting.





EMPLOYEES

Our employees are always particularly important to us. Promoting their prospects over the long term and treating them with respect is an extremely high priority for us. We promote good working and living conditions for our employees, train them and continuously promote them. We ensure the greatest possible degree of flexibility in the day-to-day organisation of work, and provide attractive social benefits and remuneration in line with the market.

A Code of Conduct obliges all employees to treat each other responsibly as well as with regard to the general public and managing directors. Managers are expected to be particularly aware of their responsibility towards all employees.

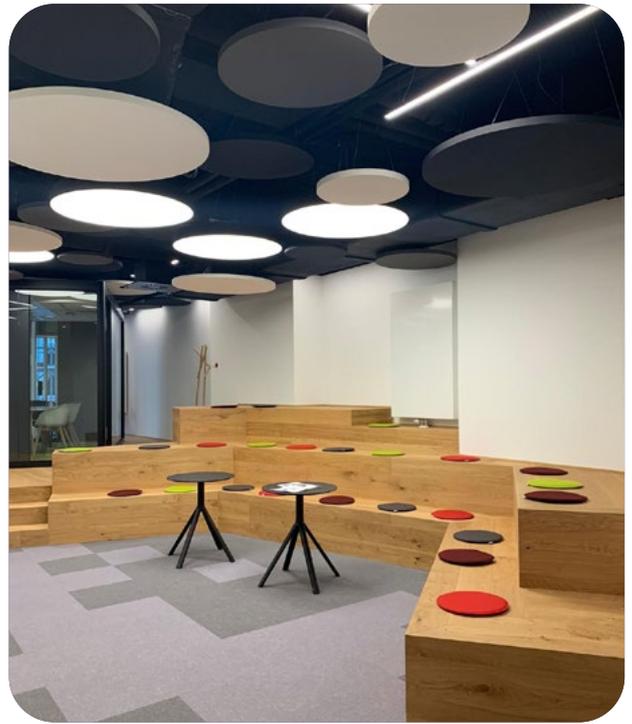
Employment at msg life

On 31 December 2021, a total of 1,204 employees worked at the locations of msg life ag. A year earlier, the number was 1,172. At the German locations, 777 (previous year: 752) employees were employed.

The key figures on our employees show that we also hired numerous new colleagues during the coronavirus pandemic and increased the number of student trainees. We are also pleased to have been able to further increase our share of women throughout the company and also amongst managers. We will continue to work on this on an ongoing basis.

Co-determination – Shaping – Participation

At msg life, employees can play an active role through the employee representatives. At each of the four German locations of msg life there is an elected Works Council, the size of which depends on the number of employees represented at each location. There is also a central Works Council that can deal with cross-site issues. Each Works Council with at least five members sends two representatives to the general Works Council.



Works council meetings are held regularly at the locations to report on the current work of the Works Council. The central Works Council meets several times a year, so there is also a lively exchange of views here.

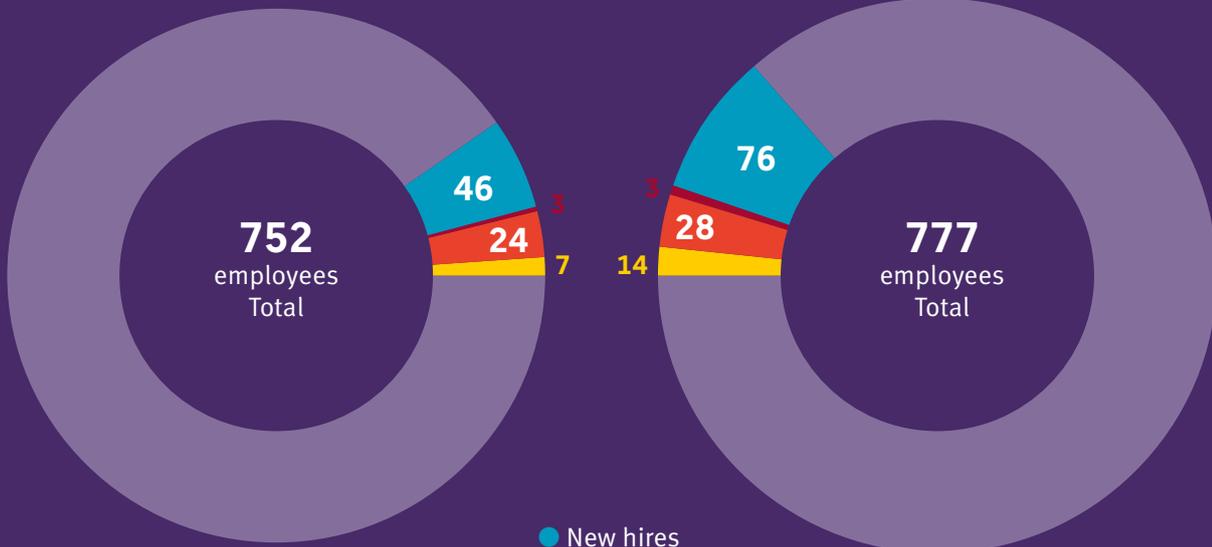
However, the involvement of employees is not limited to the work of the Works Councils. At msg life, everyone's opinion is appreciated and taken seriously. When dealing with important questions, managers seek out feedback from their employees regularly. The annual staff appraisals also serve to promote mutual exchange.



Key employment figures¹

2020

2021



- New hires
- Dual-study students (DHBW²)
- Student trainees
- Student interns

24%

Part-time employees

25%

77%

Employees with a university degree

76%

32%

Employees

20%

Managers

Proportion of women in ...

34%

Employees

23%

Managers

6.6%

Employee turnover rate

6.4%

¹ for the German msg life locations ² Baden-Württemberg Cooperative State University

Communication and Events

Our employees are kept up to date on all topics relating to business development via the intranet. In addition, msg life publishes a company-wide newsletter every two months and the 'Corporate Information Package' once a quarter, which reports on the current status of our projects and news from the divisions. In this way, we ensure that our employees always receive all important information in a timely manner and have the same level of knowledge as possible.

In recent years, collaboration tools such as Microsoft Teams, SharePoint and Office 365 have been introduced successively to improve communication and promote collaboration.

Regular, location-specific events such as summer parties, Christmas parties and ski trips take place to ensure good communication amongst employees and strengthen the corporate culture. Unfortunately, many of these events were unable to take place during the pandemic. Numerous online events were offered in the form of sofa concerts, virtual museum or city tours and lectures.

Surveys

msg life conducts regular employee surveys. The aim is to determine general satisfaction within the company and to obtain feedback on current events within the company and to identify areas for improvement on this basis. Anonymity and data protection are always guaranteed in our surveys.

In autumn 2020, for example, a survey was carried out in the context of the coronavirus pandemic to find out how our workforce is coping with the situation when working from home and what we can do to support them even more effectively.

As part of our leadership guidelines, an annual survey is now conducted in which employees can evaluate their managers, sub-project managers and project managers. With the help of this survey, good aspects of leadership are highlighted and actively valued, and potential areas for improvement are identified at an early stage.

We also conduct surveys as part of our application process and onboarding programme. After an active rejection, applicants can then state why they have cancelled – or, after a positive response, explain how msg life has impressed them. There are also several surveys during the onboarding of new employees. The insights gained from the surveys are continuously used to drive improvements within the company.

As msg life, we are also represented on various employer evaluation platforms in order to be evaluated by applicants as well as current and former employees. We are delighted that we are achieving a consistently positive result here.

Working hours – Compensation – Benefits

The reconciliation of family and work is of great importance to our company. We are therefore dispensing with an explicit core working time in favour of flexible, trust-based working hours. In order to improve the work-life balance, we also offer further rules for modern work organisation. Flexitime allows employees to build up positive or negative hours on their own responsibility. In addition, our employees have the option of working from home in consultation with their managers. Access to all relevant IT systems and programs – taking into account information security and data protection – is just as possible when working from home and on the go as in any office.

At msg life, travel time is also working time – a particularly important rule for employees who often travel to customer meetings on site.

All employees have 30 days of holiday leave per year. In addition, 24 and 31 December are free from work. As a further half day off, a 'local customary day' is granted, which is defined separately for each location in consultation with the local Works Council according to regional conditions.

At msg life, fair and market-based compensation for our employees is important to us. The compensation model used by the company is continuously developed in a targeted fashion. It focuses on the roles and performance of fairness and employees, ensures that compensation continues to meet the market standards and serves as a key benchmark for structured, individual salary changes. A variable component ensures that the company's success is reflected in employees' salaries.

Transparency is the hallmark of our salary model, which provides for regular reviews and annual interviews with employees. The central objective of the staff review is a fair assessment and the continuous development of our employees. In doing so, we focus on encouraging and demanding personal responsi-

bility and initiative. Employees should receive well-founded and comprehensible feedback on their work during the interview. At the same time, joint tasks and objectives are agreed and areas of development defined for the goal-oriented further development of employees.

In addition to our transparent salary model and variable remuneration, there are special payments, such as a one-time bonus for a company anniversary or for special projects. Through our programme for recruiting new employees, there is a bonus when employees recruit new employees.

In addition, our employees can opt for a company car as part of their salary deferral with electric cars increasingly in demand. We also offer a subsidised company ticket for public transport at most locations. What this means: They receive a discount on the annual public transportation ticket and, in some cases, a voluntary employer subsidy. Another sustainable alternative is company bike leasing as an additional employer offer. Employees can lease a company bicycle configured according to their wishes for business and private use.

We also offer our employees further benefits with our modern workplace environment, good technical equipment including company mobile phones, accident insurance, company pension plans, assistance with reintegration after prolonged illness and free tea, coffee and drinking water at our locations. Some locations have a canteen with discounted meals.

With regard to retirement provision, msg life supports its employees as part of a direct insurance policy with deferred compensation based on their gross salary, which is therefore tax-free and mostly tax-free and social insurance-free.

EMPLOYEES



Additional benefits include regionally organised sports courses. Online sports courses have been offered since the pandemic. Participation in company runs is also sponsored.

We are also a partner with a provider of employee offers, which means that our employees receive discounts in numerous online shops.

Recruitment – Qualification – Further Development

As a software company operating in the insurance industry, we employ highly qualified staff. Their further training and support are very important to us. In our field of business, we have to keep an eye on the dynamic development of the technologies that are relevant to us as well as on improvements in the area of work organisation. We therefore continuously train our employees and broaden and deepen their skills, including in terms of the necessary methodological skills. As part of our internationalisation strategy, we promote the development of language skills.

Our aim is to support each and every employee individually. Our managers are required to devote themselves intensively to the development of all employees in order to identify and support special skills and motivations and to point out prospects. We always give our employees opportunities to prove themselves and grow. To do so, they are given the necessary freedom but also the corresponding responsibilities.

msg life also supports employees as part of its in-house talent programme. As part of the annual performance review, employees are named as talented if they develop very quickly and well and have the potential to assume a strategic and leading role in the company in the future. In addition to the individual development and advancement of employees, the main objectives of the programme, which starts each year, are the good networking and long-term retention of talented employees in the company.

We offer an institutionalised further training programme via our 'Qualification Suite' training platform. Amongst other things, our employees can improve their linguistic and technical skills as well as further

develop their soft skills. With our Qualification Suite, the company now has a modern and powerful learning management system which bundles all training and qualification topics and the associated processes into a single platform.

msg life actively promotes further education in the form of studies or advanced training. We offer a dual course of study with a degree in business informatics in cooperation with the DHBW Stuttgart and a degree in mathematics in cooperation with the Stuttgart University of Applied Sciences. We also supported part-time study. For example, we cover tuition fees within the framework of individual agreements or provide the company's own infrastructure for the degree program. In addition, we support the training to become an actuary, for example by covering the costs.

In order to find new employees, the company offers recruitment opportunities in various job profiles and at various career levels. In recent years, the application and onboarding processes have increasingly been converted to digital formats. This continued to be professionalised in 2021. The switch to digital formats also represents a new standard for the post-pandemic period, which is well received by applicants and, at the same time, is significantly more sustainable due to the elimination of travel.

msg life uses the networks and expertise of employees within the sector to select new employees; a recommendation programme has been established and is being expanded further.

msg life has been offering welcome and introductory events for all new employees for years. In the course of these onboarding sessions, the strategic orientation of the company is presented, as well as its targets in each field of business. The aim is also to

give the new colleagues a broad network within the entire company as quickly as possible. In 2021, the onboarding of new employees was almost exclusively done remotely and digitally.

Workers' rights – Occupational safety – Health protection

We adhere to the core labour standards of the International Labour Organization (ILO). The ILO is responsible for developing and implementing international labour and social standards. The central vision of the ILO is to create decent work for all.

The great importance we attach to occupational health and safety is reflected in the mandatory annual training of our employees on safety issues. At the same time, there are instructions on first aid and a described procedure in the event of workplace and commuting accidents. First responders are appointed for first aid.

We actively promote the health of our employees. We offer a range of fitness opportunities at various locations, such as back and fascia classes. In some locations, there is also an in-house gym. Other campaigns and offers, such as healthy eating, are regularly offered in cooperation with a health insurer. In addition, a short lunchtime sports programme – active breaks – was introduced at some locations in 2019. Most of the courses were switched to online formats during the pandemic. The Works Council has launched a number of online workouts on the coronavirus information pages on the msg life intranet.

At most locations, a fruit day was introduced, where a full fruit basket was offered every two weeks in the coffee kitchens. This was temporarily suspended due to the pandemic. In addition, there were regular stair days at individual locations, on which employees were told by many signs to use the stairs – if possible – in the interests of sustainability and health.

In order to increase the range of courses and advice, msg life has been offering a partnership with an external partner since the end of 2021. It offers digital workshops and events on family topics, preventive care guidelines, coaching, crisis advice, back exercises, yoga classes and much more. The virtual childcare services for children and a wide range of learning support and tutoring services for all age groups are intended to relieve the burden on parents.

As a further health-related component, we have company doctors at our German locations. For example, they offer occupational health check-ups, assess screen workstations, test vision or hearing or measure blood pressure.

Equal opportunities – Diversity – Human rights

Our company expressly opposes all forms of discrimination based on sex, age, religion, appearance, origin, sexual orientation or belief. Most of our facilities are already barrier-free and are being improved gradually.

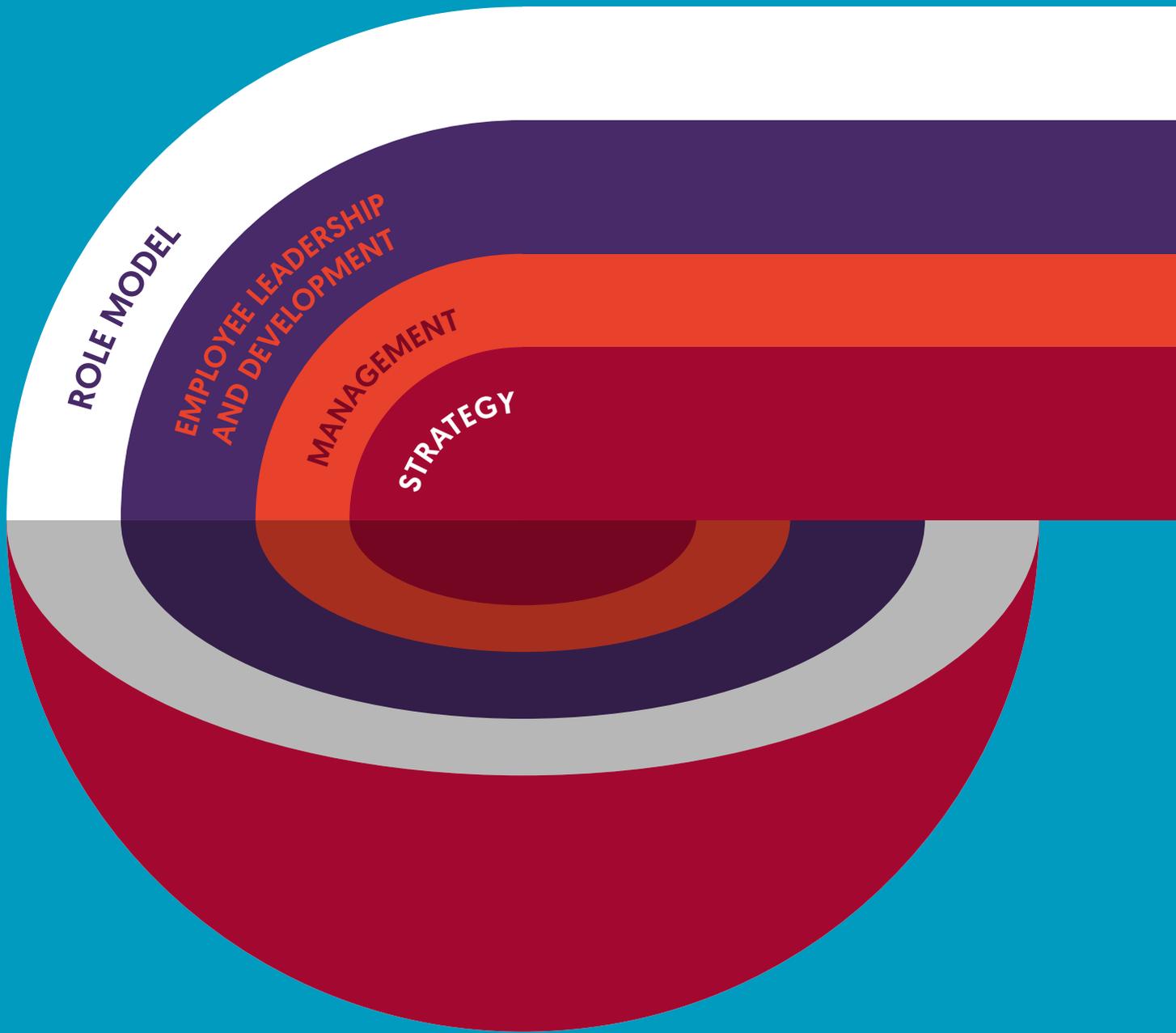
Our job advertisements are gender-neutral and openly formulated. We reduce the knowledge required for each position to a minimum in order to offer each and every applicant a fair chance. Over the course of the year, a company-wide guideline on gender-neutral spelling is to be developed and anchored in the company. Our aim is for a steady number of women to apply for our job advertisements despite

the declining number of female graduates in STEM subjects. In recent years, we have been able to significantly increase the proportion of women in the workforce and in management positions. We want to continue to promote this development.

All of our locations are in Europe or the United States – and therefore in countries with high standards of respect for human rights, which we ensure to the fullest extent. We are committed to respect for human rights. We reject any business practices that are ethically and legally incorrect. Within our sphere of influence, we ensure that non-transparent or corrupt practices do not arise.



Leadership guidelines



Attitude and values for motivation and fairness

We maintain an exemplary management culture, constantly question ourselves and set great store by acting responsibly towards society.

Collaboration for success

We support our employees.

Proactive actions for implementation

We review the corporate strategy on an annual basis and, if necessary, adapt it to the changing framework conditions.

Clarity for the future

We base our decisions on long-term success.

Management culture

msg life relies on an exemplary management culture as the basis for its business success and its social responsibility. For this reason, clearly formulated management guidelines have been established to strengthen management skills in the company. These are divided into the four levels of strategy, management, employee leadership and development, and role model function. They are available to all employees on the intranet. Webinars are also offered.

One of the tasks of our managers is to develop their employees on the basis of our 'skill development model', which was introduced in close consultation with the Works Council. In this way, employees should be able to take the next steps, both professionally and in terms of salary.

Management meetings are held on a regular basis to exchange ideas with each other. Target agreements and executive compensation are largely based on economic indicators.

The total remuneration of the Management Board and Supervisory Board is published annually in the consolidated financial statements. Our Management Board salaries are proportionate to employee salaries.



SUSTAINABILITY STRATEGY

Sustainability has always played an important role at msg life in the company's more than 40-year history. In recent years, we have focused even more on this issue. For example, we have now created a Sustainability Board, our Corporate Sustainability Officer, and a mission statement for the topic of sustainability. In the next step, we will define targeted sustainability measures and thus arrive at a sustainability strategy. This will then be communicated to our employees via our intranet.

Sustainability mission statement

As a market-leading provider of standard software for life insurers and pension providers, our operations are guided by high ethical and social standards. Lawful and responsible conduct in economic, environmental and social aspects forms the basis for our commercial success and is also an essential part of our corporate culture. Within this, we put great emphasis on maintaining a trusting and fair relationship with our stakeholders. This includes our customers and partners, our employees, our shareholders and society in general, particularly in places where our sites mean that we are an integral part of the regional economy. We regard it as particularly important that we treat all of these stakeholders with

respect and fairness. To fulfil our corporate responsibility towards society, we donate a percentage of our annual net income to social institutions.

We generate significant added value with our products, both for our customers and for society as a whole. Our products and services enable us to support the national economy by ensuring that life insurers and pension providers can operate with maximum efficiency thanks to sophisticated IT solutions. Life insurers and pension providers are a key pillar of retirement and risk provision and are fundamental to responsible financial and life planning.



To ensure that we can continue to maintain our position as a sustainable leader in technology and partner to the insurance industry, we invest a significant part of our income in making further improvements to our products. Our aim is to develop sustainable software solutions with state-of-the-art technology and so contribute to attractive insurance products that meet customer requirements. We do not want to do this in a way that will damage our future to only achieve short-term goals.

At msg life, it is a top priority as part of our own corporate development for us to raise our employees' prospects in the long term and to show them our appreciation. Consequently, we make every effort to ensure good working and living conditions for our employees and we want them to take on responsibility and to make courageous decisions on their own initiative. In this regard, a Code of Conduct requires all employees to behave responsibly in relation to business partners and the public – and also in relation to each other. Our Human Resources department focuses closely on systems that enable us to offer fair pay for our employees' work. Vocational training is also extremely important so that employees can pursue continuous professional development in the dynamic software industry.

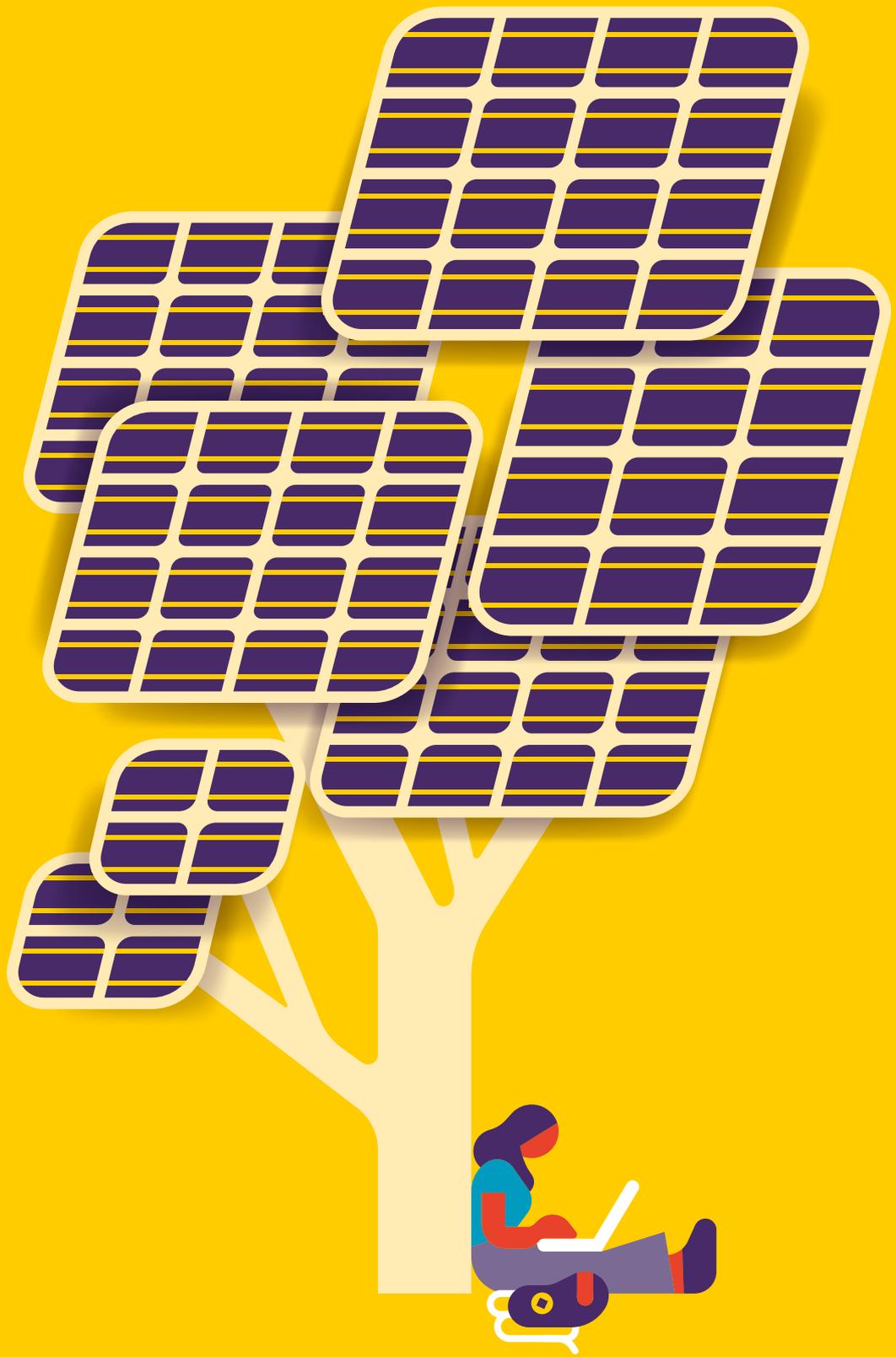
We are aware that as a software company with technology-minded employees, we can set an example by putting in place climate-conscious processes in our day-to-day work. We therefore opt for video



conferences instead of travel, if possible and practical, and are introducing largely paperless processes. We encourage our colleagues to choose sustainable transport options and are mindful of energy-efficient management of the properties we use.

We also place great emphasis on supporting the areas of compliance and IT security with our solutions. In this regard we also benefit from being able to provide product innovations and developments as part of a continuous delivery process. This means that we can implement legal and market-driven changes more quickly and increase compliance and satisfaction among our customers.

We believe that our ongoing commitment to the three cornerstones of economic, environmental and social sustainability will form the foundations of our future commercial success.



ECOLOGY

As a software company, we only have a low environmental impact. We use few natural resources. We require electricity and heat as well as typical office materials to operate our offices. As an IT company, we have the opportunity to be a role model for climate-friendly workflow organisation in our day-to-day work. We want to focus even more strongly on this role in the future. We will increasingly position ourselves as a provider of cloud solutions.

Energy efficiency and resource management in msg life buildings

We ensure that the properties we use are managed in an energy-efficient manner. However, as a non-manufacturing company, we only have limited opportunities to significantly reduce energy consumption. In addition, all of the buildings we use are leased, which means that we are unable to carry out any measures on our own. At all German locations, we are in contact with property management in order to achieve optimisations, such as reducing electricity consumption and heating costs. When planning new premises, we pay attention to sustainability; for example, new lease agreements often contain a passage that sets out clear rules on sustainability and energy efficiency.

As an office business, we need electricity for the electrical appliances and lighting systems we use. At all German locations, we have been using green electricity for years. Wherever possible, we also install economical lamps or motion sensors in order to reduce consumption.

Various fuels are used to heat our premises. As tenants, we have very little influence on this, as this is the responsibility of the owners. Sustainable heating and cooling models are already being used in our newer buildings. At our larger locations, for example, we use concrete core activation for a more environmentally friendly heat supply and cooling or modern heating and cooling ceiling systems.

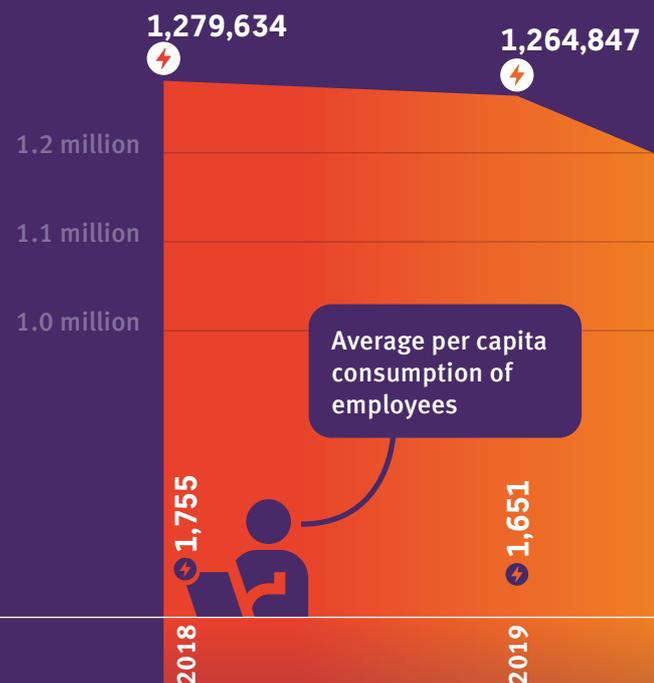
We are also trying to reduce emissions in our data centres by operating more efficiently. In recent years, for example, we have modernised our central data centre and invested in a new air conditioning system with lower emissions.

We reduce further emissions by using virtual environments, cloud solutions and using laptops instead of desktop computers. Furthermore, for years we have consistently relied on manufacturers who are committed to the energy-efficient operation of hardware.

The chart shows that we have been able to steadily reduce electricity consumption over the past four years. In the years 2018 to 2021, we have achieved savings of 20 per cent. It should be borne in mind that msg life also increased the number of employees by ten per cent at the same time. As a result, electricity consumption in kilowatt-hours per employee fell by as much as 25 per cent.

One of the reasons for this is the modernisation of our data centres. In particular, however, the coronavirus pandemic had a significant impact on electricity consumption due to the switch to more mobile working. Especially, it fell at locations with their own canteens due to the temporary closure of the canteens due to the pandemic. Otherwise, consumption fell only slightly, as the data centres and basic

Annual power consumption of the German msg life locations in kWh

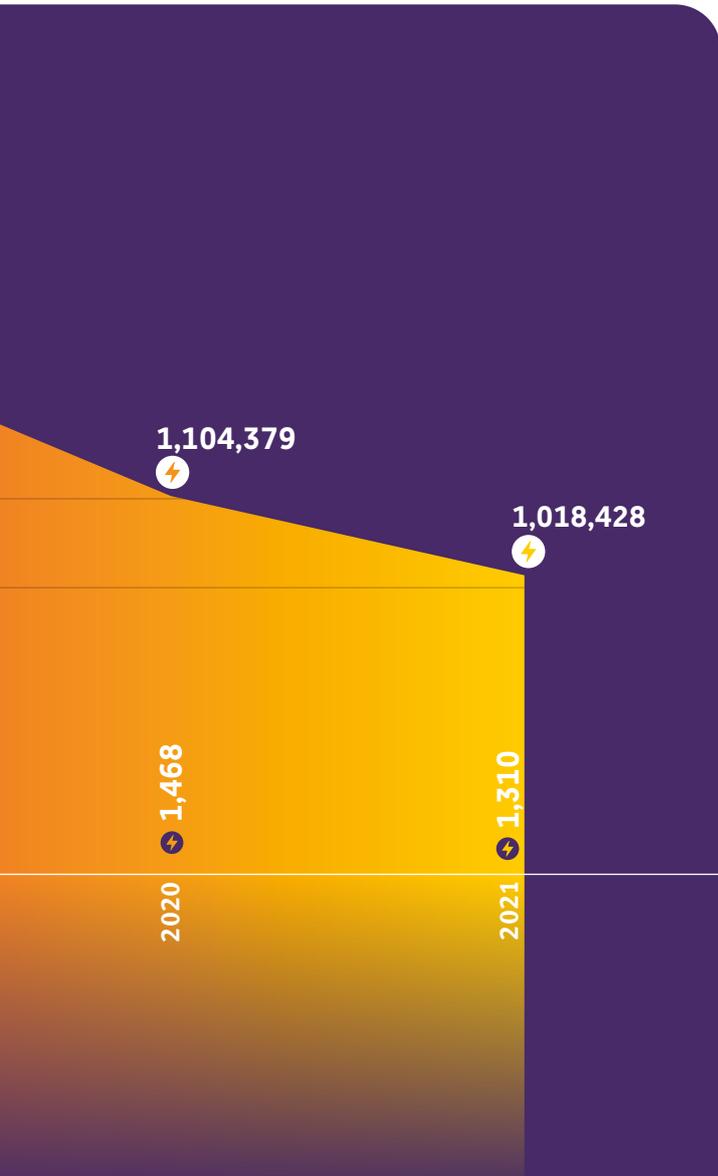


lighting continued to operate. In view of the ongoing coronavirus pandemic, it is currently not possible to make any statements about future consumption.

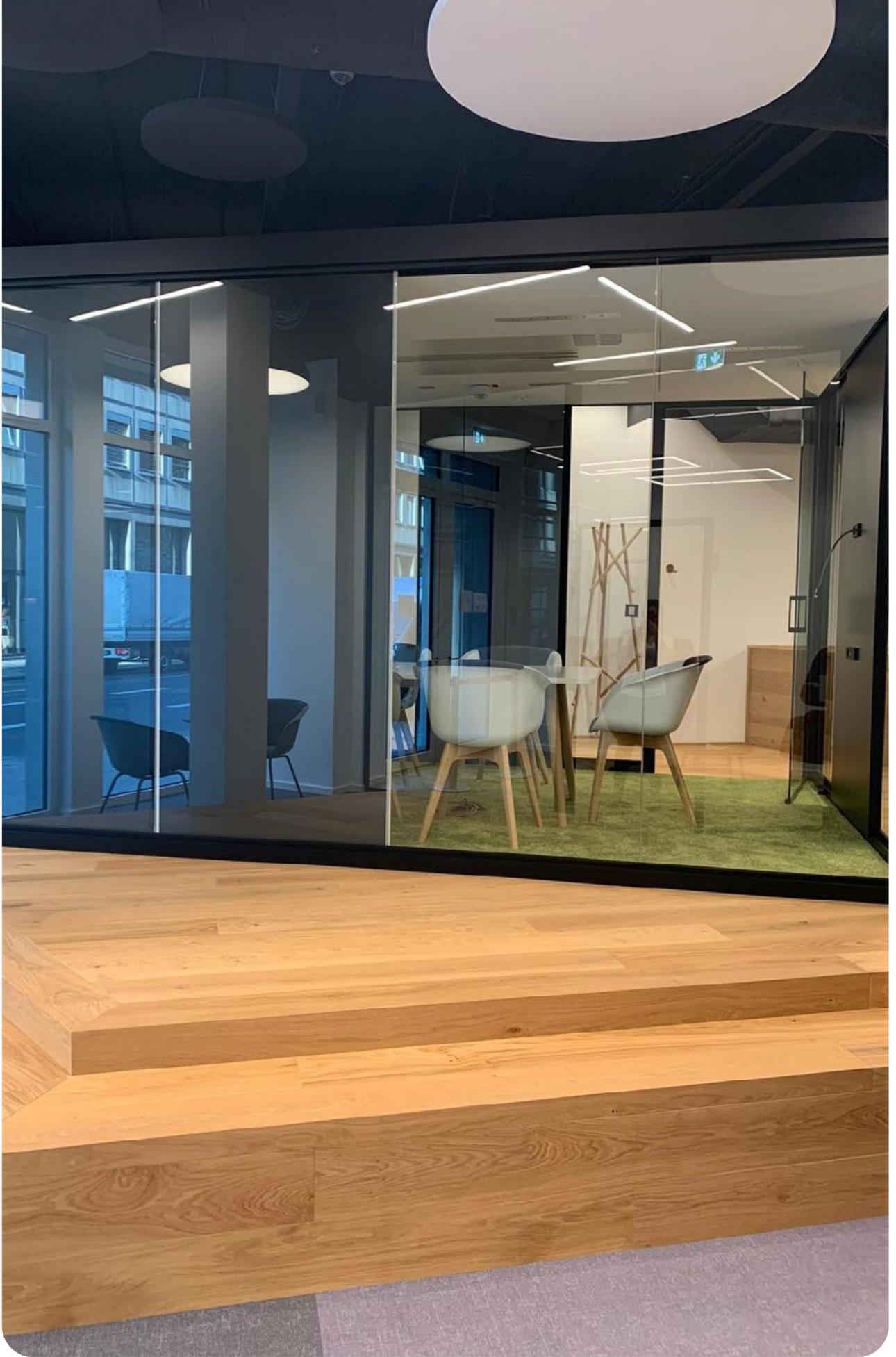
Every three years, we conduct an energy audit in accordance with the guidelines on energy consulting for non-residential buildings, plants and systems issued by the Federal Office for Economic Affairs and Export Control (BAFA). Selected buildings and the vehicle fleet are checked for electricity consumption and energy efficiency.



We reduce further emissions by using virtual environments, cloud solutions and using laptops instead of desktop computers.



Our water consumption is limited to the sanitary facilities and, in some cases, to the preparation of drinks. We have followed a special concept for a resource-saving supply of drinking water at all newly opened locations. Here, the supply of the employees is based on the treatment of tap water in order to avoid the transport of water bottles that causes emissions and to produce less waste. The concept will also be expanded to other locations in the years to come. We rely on systems that not only ensure low energy consumption and environmentally friendly drinking water treatment, but also offer a patented hygiene system without the use of chemicals.



Avoiding waste and saving resources

At most German locations, waste disposal directly separates paper waste, yellow bag waste and residual waste. There are no disposable cups in our coffee corners, just dishwasher-safe crockery. Apart from disused IT hardware, we do not produce any hazardous waste.

In order to generate as little packaging waste and transport costs as possible in IT procurement, the procurement of hardware and software as well as IT services is centralised. Our hardware is purchased and handed over to our employees at the end of the normal life cycle in exchange for a small donation. This donation is handed over by the individual loca-

tions to a selected charitable organisation. We have decommissioned hardware disposed of by certified suppliers.

We largely establish paperless processes. Printers are leased in order to always be able to use the most modern – and therefore the most economical – hardware. In addition, mainly central printers are provided at the locations. In addition, our employees are encouraged to refrain from printing as far as possible. By default, only black and white is printed at first.

We also support sustainable systems in logistics. For example, we use a climate-neutral service when shipping parcels.

Mobile working

For msg life, 2021 was once again shaped by the pandemic-related restrictions on working on site at branches and at customers' premises and the still very high percentage of employees who work from home remotely. Even in the second year of the pandemic, collaboration tools such as Microsoft Teams made it largely easy to handle distributed work.

In February 2021, a company-wide agreement was also concluded with regard to mobile working. This allows employees to spend part of their working time away from their actual place of work at a different location.

One aspect of our corporate culture is and will remain the work and togetherness in our modern offices. Nonetheless, subject to operational requirements, flexible, mobile working – including from home – is accepted and all employees are technically capable of doing so. It is another option to enable employees to achieve a balanced work-life balance. It also helps to reduce direct CO₂ emissions.

Mobility and business travel

In order to generally reduce the travel activities of our employees and thus reduce direct CO₂ emissions, we as an IT company rely on modern collaboration systems for holding virtual meetings in the long term. Business travel was severely curtailed during the coronavirus pandemic, but even after that, we want to avoid unnecessary travel in order to reduce CO₂ emissions. Wherever possible and sensible, we replace travel with video conferences. This intention was firmly anchored in a travel policy. To this end, numerous meeting rooms with video and telephone conference systems are also available at our locations for larger virtual meetings with other colleagues.

However, business trips cannot be fully replaced by virtual meetings. In customer projects, attendance is essential, especially in the run-up to a go-live. In general, however, our employees are required to check the requirements for business travel at all times. The principles of profitability and sustainability apply. In particular, we focus on using the train and provide our employees with BahnCards if necessary and sensible.

We also promote sustainable mobility for commuting to work and offer the use of company or job tickets at most locations with a discount on the annual public transport season ticket.

At German locations, our employees can use company bike leasing to make their commute to work more sustainable. In addition, we have showers at all German locations in order to actively promote the use of bicycles and exercise during lunch breaks, amongst other things.

Our fleet of company vehicles and several pool vehicles also reflects the shift to sustainable mobility. For example, the first plug-in hybrid cars have been purchased. Pool vehicles are also to be converted to plug-in hybrid technology. At present, around 28 per cent of our fleet are semi-electric plug-in hybrids and already six per cent are pure electric cars. The share of electric and semi-electric drives in the fleet is to be continuously expanded. Pool vehicles are shared vehicles that the company makes available to employees for business trips. This improves resource consumption by bringing together several employees. However, during the coronavirus pandemic, the number of pool vehicles was reduced in order to increase the use of rental vehicles if necessary.

In the future, some buildings will also have charging stations for electric bikes and cars.

Increasing climate awareness amongst the workforce

Our aim is to raise our employees' awareness of the importance of climate protection and the necessary measures. In the future, we therefore want to introduce new employees to resource-saving behaviours directly during onboarding. We want to make our existing staff aware of the topic with intranet posts.



At German locations,
our employees can use
company bike leasing to
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ECONOMY

msg life attaches importance to sustainable business models. With a continuous high level of innovation, we want to further develop our products and services in the interests of sustainability and make a positive contribution to the climate and society. Our aim is to shape a sustainable future with innovative products.

Achieving sustainable success with innovative strength

We deliver product innovations and enhancements in short cycles as part of continuous delivery. Whereas in the past there were only a few software releases per year that were taken over by the customer with greater effort, the continuous delivery process offers the opportunity to react quickly to market changes and new regulatory requirements and to provide new software releases on a regular basis.

Continuous delivery has significantly increased our efficiency. Our customers receive faster updates with less effort. They work on a platform that is always modern and of high quality. This also reduces the time to market. Potential security gaps with regard to IT security are closed even more quickly. The entire process model is more sustainable, as customers do not have to try to find new software after a few years, but instead always remain state-of-the-art thanks to continuous updates.

msg life does not engage in open-ended research, but only in targeted research. Special importance is attached to close communication with the market and customers as their assessment of the products' relevance to business success is crucial. The msg life Group therefore attaches a great deal of importance to its cooperation with customers in the user and operator groups as well as with partners (IBM or the msg Group, for example) in relation to its most important products. The solutions developed as part of the research are presented, discussed and evaluated at an early stage, and if necessary also across products and in user groups in order to ensure sustainable further development.

The components from our comprehensive product platform msg.Insurance Suite are available as a software-as-a-service solution, offering customers a scalable and sustainable solution.

Our msg life project organisations use an agile approach in order to be able to adapt dynamically and flexibly to changing requirements for the technology and system solution used as well as to changing framework conditions. Through iterative, incremental software development and project organisation, tailor-made customer solutions are developed and, at the same time, risks arising from dynamic conditions can be better managed.

msg life carries out company-wide idea campaigns in order to continue to develop technologically, professionally and methodically across the entire company. Every two to three years, msg life collects and bundles the knowledge and ideas of all its employees and, in some cases, of external stakeholders in order to lead ideas to tangible innovations. The aim is to use our swarm intelligence to uncover efficiency gains (incremental innovation) and new areas of business (transformational innovation). By collecting and developing ideas on a strategic topic, in addition to the usual day-to-day business, a platform is created where everyone can participate and selected winning ideas can be developed for use in initiatives.

In addition to actively promoting innovation, msg life also offers a special knowledge database tool called Starmind. Employees can ask questions anonymously and receive answers that are visible to all. In this way, employees' knowledge is stored over the long term and is permanently available.

Focus on Artificial Intelligence

In addition to actively generating ideas, we focus on current topics such as Artificial Intelligence (AI) to promote digitisation, automation and efficient processes. The focus is on our project TRAIL.X (TRustworthy Artificial Intelligence in Life Insurance) in cooperation with the Ludwig Maximilian University of Munich (LMU) for the intelligent migration of data sets using artificial intelligence, and the AI-Ultra project in cooperation with the Fraunhofer Institute.

As part of the TRAIL.X project launched in 2021, msg life is developing neural networks (DNNs) for the actuarial computational core together with LMU Munich. These will enable life insurers to replace old system generations, map their core functions

with artificial intelligence and integrate them into a modern system. Actuarial functions will be transferable automatically with AI and connected to a modern policy administration system.

The project breaks new technological ground and will create a fundamentally new hybrid technology at the point where machine learning, software development and actuarial mathematics intersect. The work ties in closely with the work in an ongoing migration project for an msg life customer and will be subsidised for three years by the Bavarian Ministry of Economic Affairs, Regional Development and Energy (StMWi).



Since 1 October 2021, msg life has also been cooperating with the Fraunhofer Institute for Industrial Engineering IAO, Stuttgart, as a corporate laboratory for transformation and change in connection with artificial intelligence in the world of work (KI-ULTRA). msg life is one of 30 companies throughout Germany chosen to participate in scientific research on transformation processes in connection with AI.

The project aims to develop practical guidelines to ensure the successful introduction and long-term organisational incorporation of AI systems into the world of work, as well as an evaluation toolkit to measure success. The work will run until February 2023.

Sustainability along the entire value chain

As an IT and consulting firm, we focus on software development and consulting. Hardware production is not one of our core tasks. As a result, we essentially do not need any natural resources in production. Our value creation takes place predominantly in-house. Freelancers are also employed. We take a neutral, objective and non-discriminatory approach to the selection process.

We are not aware of any violations of human rights within our supply chain.

In the context of procurement, preference is given to suppliers within Germany and Europe as far as possible. Larger procurements are put out to tender in order to ensure equal opportunities for suppliers. Our departments maintain overviews of the respective department-specific suppliers.

Compliance

Acting responsibly and in accordance with the law is both the basis of our economic success and an essential part of our corporate and management culture. Our Compliance Management System (CMS) is an integral part of this corporate and leadership culture. The CMS includes the components of prevention, detection and response, with a clear focus on preventing and thus avoiding compliance violations.

The central compliance rules of the msg life group are the Code of Conduct. It contains various provisions, including those relating to law and regulations, corruption and bribery, data protection and



information security, as well as unfair competition. The Code of Conduct outlines the basic legal and ethical rules of our company and serves as a guide for all employees to be able to act in the interests of corporate responsibility and make the right decisions in their day-to-day business despite the ever-increasing number of statutory regulations. In particular, it should help our employees to behave correctly in cases of doubt by highlighting potential areas of risk and conflict and providing specific guidelines and assistance for these areas.

msg life also expects all business partners (e.g. customers, suppliers, sub-suppliers, consultants, distribution partners, agents) to comply with this Code of Conduct and reserves the right to terminate the business relationship in the event of serious or repeated breaches of compliance by the business partner.

Violations of the Code of Conduct can have serious consequences. Managers should act as role models, exemplify the Code of Conduct and communicate it regularly with their employees. Online training is

also planned for our staff. The Compliance Officer is responsible for implementing the provisions of the Code of Conduct, who documents the measures for legally compliant conduct in the company in an annual report. In addition, we appoint an ombudsman to investigate cases where there is a suspicion of a violation of the Code of Conduct or other violations of the law.

To date, no cases of corruption have come to light at msg life. Nor were there any fines or penalties due to violations of laws or regulations. We generally consider the risk of corruption to be low, as our foreign companies are based exclusively in Europe and the USA. Business in critical markets is avoided.

We also attach great importance to supporting our customers in the areas of compliance and IT security with our solutions. Here, too, we benefit from the fact that we provide product innovations and enhancements via continuous delivery processes. This means that we can implement legal and market-driven changes more quickly and increase compliance and satisfaction among our customers.

Information security and data protection

For us as an IT company and service provider in a highly regulated market, information security and data protection play a key role. Protection against unauthorised release and manipulation, as well as the availability and resilience of data, is of existential importance to us. In our Information Security and Privacy Policy, we have set out how we can ensure that information and personal data are handled appropriately. Implementation of and compliance with legal requirements is ensured by appropriate and comprehensive technical and organisational measures.

Work continued on introducing an Information Security Management System (ISMS) at msg life in 2021. The ISMS is a systematic approach to implementing information security in order to meet internal and

external requirements and achieve our business objectives. This entails requirements and measures for achieving security objectives as well as structured risk management. The ISMS focuses on the software development process and other specialist, HR and IT processes. The aim is subsequent certification in accordance with the internationally accepted ISO/IEC 27001 standard. The internationally recognised institute TÜV Rheinland is accompanying the process as certifying body. We have our own intranet page on the topic of corporate security and an information security guideline adopted by the Executive Board ('ISMS guideline'). With the Corporate Information Security (CIS) core team and the Corporate Security Management (CSM) Board, two committees have been established to manage information security.

We have been employing a Corporate Information Security Officer (CISO) since 1 January 2022. His most urgent task at the moment is to support the extremely important project of certifying our ISMS according to ISO/IEC 27001. The other tasks of the CISO include, in particular, the implementation of the security objectives and the security guidelines derived from them, as well as supporting the implementation, operation and continuous development of the information security management system in the company. The CISO is also responsible for the risk-based assessment of threats, vulnerabilities and security incidents.

In addition to our in-house data protection officer, we also employ in-house data protection coordinators. They are the first point of contact on the topic

of data protection on site and offer assistance in reviewing contracts, data protection documents and agreements. The data protection coordinators supported the departments in documenting the processing procedures and determining the respective need for protection of personal data. Their aim is to identify potential data protection risks. They shall forward this information to the msg life data protection officer. All data protection incidents and measures are documented in an annual report. The latest developments and presentations on data protection as well as the most important processes and regulations within the Data Protection Management System (DSMS) are published on the intranet page on the topic of data protection.

Political influence

We do not make donations to governments, parties or individual politicians. Nor do we give orders for the purpose of lobbying. Donations from msg life are made exclusively for charitable purposes.

msg life ag is a member of the local chambers of industry and commerce at its sites, of the industry association Bipro e.V. (Industry Institute for Process Optimisation), of the Arbeitsgemeinschaft Zeitwert-

konten (Working Group for Time Value Accounts), of Versicherungsforen Leipzig GmbH – a network for the promotion of research and development in the insurance industry – of the GDD (Gesellschaft für Datenschutz und Datensicherheit e.V.), of the DIIR (Deutsches Institut für Internal Revision e.V.), of the German Data Science Society (GDS) e.V. and a voluntary member, not bound by collective agreements, of the employers' association of the insurance industry.





SOCIAL ASPECTS



We align all our activities with high ethical and social standards.
Acting responsibly is an essential part of our corporate culture.

Working with municipalities, associations and partners

We actively cooperate with the German Actuarial Association (DAV). Our employees work on committees, working groups and examination committees as well as on the Executive Board. At the same time, they act at the head of the department and as speakers at conferences and events of DAV groups and are also lecturers in DAV training as well as in additional qualifications and continuing education. In addition, they also work on the DAV tutor program.

msg life is also a regular sponsor of DAV annual and autumn conferences. Employees who complete the DAV training or one of the additional training courses are actively encouraged.

msg life maintains a partnership with actuvie, the first permanent international media platform for actuaries. Around the globe, insurance and financial experts can acquire knowledge, exchange new concepts and expand their expertise in a variety of formats, including tutorials, interactive webcasts and high-profile live events. As a strong actuarial software company, we are delighted to share our knowledge and expertise around the world and to analyse new trends.

We regularly take part in local government initiatives, including those on climate-friendly mobility. However, many of the activities were temporarily suspended during the coronavirus pandemic.

Commitment to sports for a good cause

Our colleagues are very committed and regularly take part in sporting activities for a good cause at the various msg life locations. Unfortunately, only a few of these activities took place due to the coronavirus pandemic.

In Stuttgart, for example, our employees regularly take part in the B2Run run. Part of the proceeds will be donated to DKMS. In Munich, employees take part in the Munich Marathon, which took place in

October 2021. Here, too, a portion of the proceeds goes to social projects every year and, since 2020, to the ‘Gemeinnützige München Marathon Stiftung’, which is committed to sporting and fair Munich as well as to local and regional projects. Otherwise, our Munich employees also take part in the ‘run for life’ for the benefit of Munich Aidshilfe.

msg life pays the registration fees for all company runs and provides T-shirts for runners.

Donations and sponsorships

It is our aim to live up to our corporate responsibility for society. That’s why we donate one per cent of our previous year’s earnings (EBITDA) to social institutions. In 2021, we donated more than 25,000 euros to the German Aid Action Alliance for those affected by the flood disaster. A further 125,000 euros went to various country-specific organisations such as the German Children’s Fund, Plamienok – ‘Flämmchen’ in Slovakia, the youth organisation ZPM in Slovenia,

the Swiss Red Cross, Voedselbank Amere in the Netherlands, the Austrian Children’s Cancer Aid, ‘Herz der Stadt’ in Porto for Portugal, and St. Jude’s and Feeding America in the USA.

We hope that our donations will help great social projects to continue and would like to thank the organisations and their many helpers for their great work for a fairer and more caring world.



In 2020, we donated the majority of our Easter gifts to “Die Arche”. At Christmas 2020, our employees had the option of donating the money instead of a Christmas present.

Cooperation with universities and schools

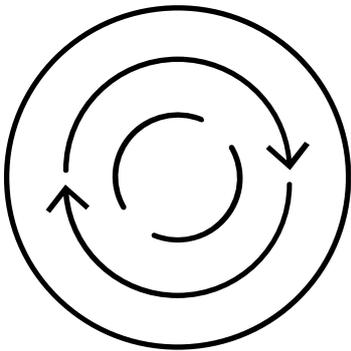
One of our main concerns is the promotion of young talent. We therefore cooperate with several universities such as the University of Ulm, the University of Rosenheim, the University of Braunschweig or the University of Applied Sciences in Stuttgart with events and occasional guest contributions. For example, we take part in company speed dating events or information days. Together with the Ruhr University of Applied Sciences (Mülheim) and the University of Ulm, we also supervised a doctoral thesis in 2021. In addition, we award the ‘msg life prize’ every year for a special master’s thesis in the field of applied mathematics at the Ruhr-Universität Bochum.

In addition, various colleagues have teaching assignments at universities, such as a teaching assignment in mathematics at the Vienna University of Technology or a teaching assignment at the Harz University of Applied Sciences for Data Science.

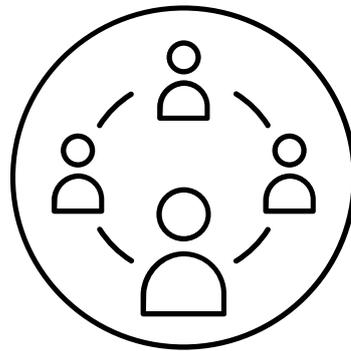
As part of the TRAIL.X (TRustworthy Artificial Intelligence in Life Insurance) project launched in 2021, msg life is actively collaborating with the Ludwig Maximilian University of Munich on the topic of neural networks for the actuarial computing core.

We also offer internships for school students and employ student trainees in almost all business areas.

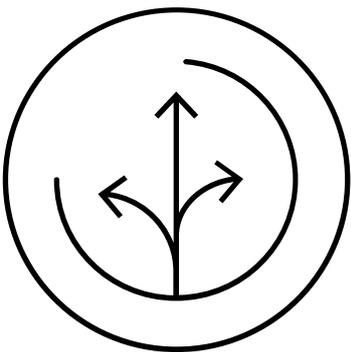
FUTURE PLANS



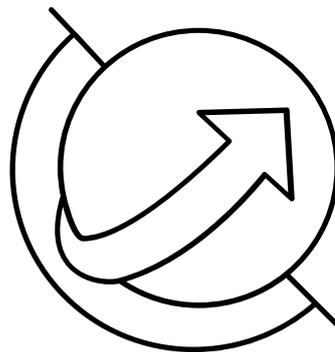
Sustainability is firmly anchored at msg life



Implement specific measures on corporate social responsibility



Create a long-term sustainability strategy



Continue social commitment

Sustainability is and will always be anchored at msg life. With this in mind, we want to implement further specific measures as part of our corporate social responsibility and draw up a long-term sustainability strategy. Targets for reducing emissions and promoting the common good will play an important role in this. We want to continue our social commitment, including by participating in sponsorships and fundraising campaigns.



Imprint

Published by

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Design

Layout and infographics: FGS

Illustrations: Miguel Montaner (p. 8, 20, 24, 32, 40)

Photographs: iStock (p. 2, 7, 17, 31, 36, 43, 45, 47),

Shutterstock (p. 1, 10, 14, 22, 23, 27, 39), Shannon

Potter / Unsplash (p. 35), Frank Woelffing (p. 4)

Please note

This msg life sustainability report explains the sustainability activities of msg life in the 2021 financial year. Our reporting is based on the German Sustainability Codex (www.deutscher-nachhaltigkeitskodex.de).

The key figures and information contained in this sustainability report apply to the group companies of the msg life group based in Germany.

For more up-to-date information about msg life, please visit www.msg-insurit.com.

As of: February 2023

