

2023

# SUSTAINABILITY REPORT

SPEED • FLEXIBILITY • RELIABILITY • EFFICIENCY

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# About ELEMENT Insurance

As ELEMENT is celebrating its 6<sup>th</sup> birthday this year, we are entering the transition from being a Start-up to becoming a Scale-up company. We have grown in size with locations in Berlin and Nuremberg in Germany. Our focus is now shifting from building to scaling, and as such we recognize that this can only be achieved in a sustainable approach.

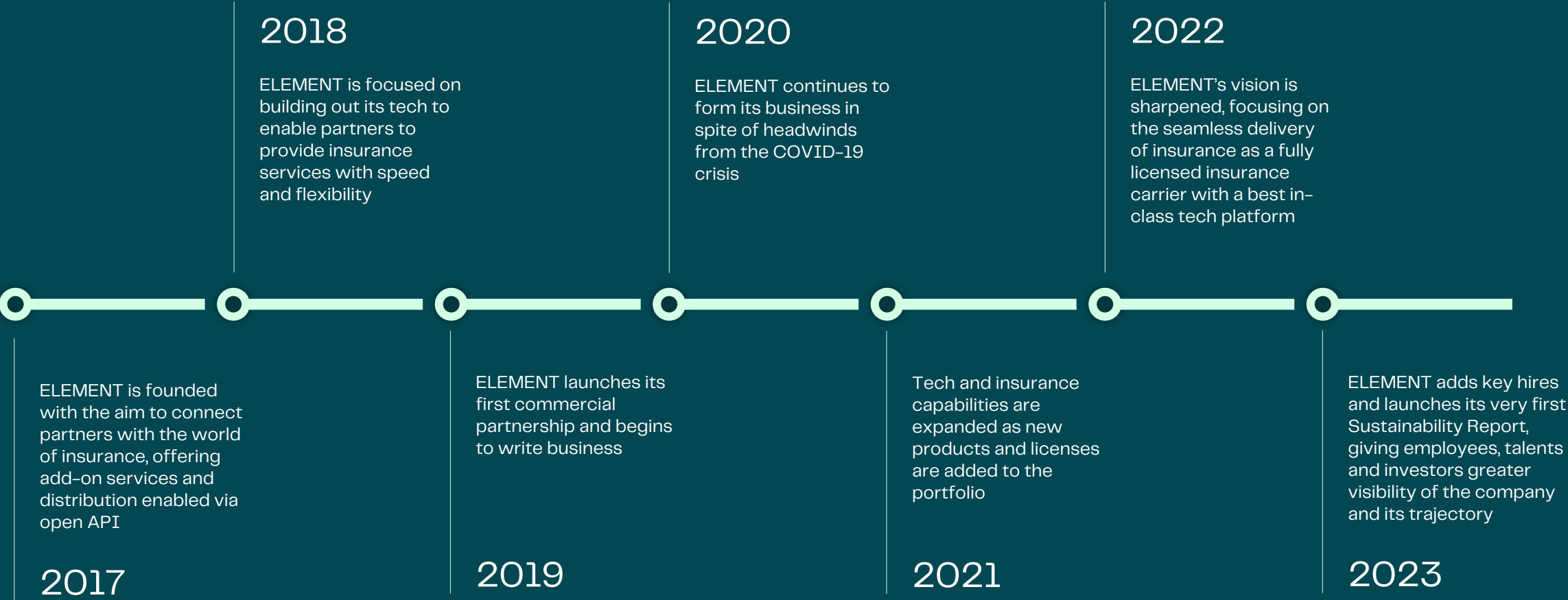
Reflecting on the current state of the insurance industry, ELEMENT's vision is to become the leader in seamlessly delivering solutions across Europe for intermediaries, insurers and enterprises. To achieve our vision, we strive towards providing the fastest, highly flexible, always reliable, efficient insurance solutions.

Over the last years, we have built the leading B2B2X insurance platform in Europe and are now convinced that our unique combination of insurance expertise and technology remains unmatched in the industry. We look into the future with enthusiasm as we continuing our journey to add value to our employees, partners and the insurance industry as a whole.

You can find further information about ELEMENT Insurance by visiting our website and blog.



# OUR STORY





# Dr. Astrid Stange

## Chief Executive Officer (Chair)

So far, 2023 has been a significant year for ELEMENT from a performance and growth perspective. We truly see the fruits of our hard work and I am grateful to continue the journey we are currently on. With that, we believed it was the right time to launch ELEMENT's very first, comprehensive view on sustainability, to create greater visibility for the company and our success story.

ELEMENT stands for the future – for the driver of change, especially when it comes to the seamless delivery of insurance. Being forward-looking is part of the company's DNA and as such, since its inception, ESG has always been a topic of importance.

In order to implement our ambitions in the industry, sustainability will become increasingly relevant for us as we are moving from a start-up to a scale-up. With growth come new responsibilities to our shareholders, partners, regulators and employees regarding reporting and long-term sustainability of the business.

The release of this report this year is voluntary. We are not legally required to do so, but because it is our core value to drive change, we saw it as an opportunity to showcase the great things we are already doing at the company, and set the foundation to further build upon as we move into the coming years.

”

Transparency is what we strive for: Transparency towards our partners, our investors and regulators, and most importantly, towards our employees. After analysing our current efforts and looking ahead to the next 18 months, we recognize that reporting and compliance will become increasingly important as the company continues to grow. We will deploy a dedicated ESG committee, consisting of selected leaders within the company, to actively work and tailor our decision making towards the requirements of the 2050 Green Deal ambitions. By doing so we are not only aiming to improve our business resilience but especially create long-term value to ELEMENT's employees and all our stakeholders.

This report only marks the first step of building a company that will continue to have a positive impact on all stakeholders and our future. This conviction is part of our decision-making, employee satisfaction and strategic mindset of moving towards a sustainable and improved way of doing business.

I would like to take this opportunity to thank all our employees, partners, investors and suppliers for the collaboration and efforts in driving our sustainability agenda. Together, we can make a difference and contribute to a better future.



# OUR APPROACH TO ESG



While compiling the data points for this report and rolling it out internally, we noticed that ELEMENT is already doing things that are either on par and in instances above industry standards. By creating transparency about our offerings, business as usual, investment practices and overall strategy, we lay the groundwork for ELEMENT's reporting and create a baseline. It allows us to be proud on what this young company has already achieved and measure ourselves against our objectives for the future.

This is a sustainability concept specifically designed to our vision. As a leader in the seamless delivery of insurance products, we know what it means to bring innovation to an industry that will benefit from an increased focus on meeting today's consumer wants and needs.

Our approach to ESG is built upon our current status quo and areas in which we aim to expand on. To showcase how our current ways of doing business are related to ESG, we used the United Nations Sustainability Development Goals (UN SDGs) as a framework, which we highlight at the end of this report. Linking our action points to the UN SDGs allows us to review what areas we are already strong at, and which deserve further attention in the future.

Looking ahead, Sustainability becomes increasingly important on a European Union level, its legislator and regulators. As such we plan to play our part in the continuous improvement of doing business and be in full compliance with all regulations that are taking affect and will become applicable to us as we continue to grow.

For this year, our approach to ESG for this year is therefore simple – create engagement and transparency while providing an understanding of the current status quo. Given our long-term ambitions, we ultimately believe that transparency is the first step towards sustainability, as without it, there would be no accountability.

As we move into 2024, we are dedicating an ESG committee of selected Leadership Team and Executive Board members to work towards, and be in full compliance with ESG and Sustainability related reporting requirements. By doing so, we will continuously contrast our operative and strategic decision making and current practices against the regulations and requirements (i.e. CSRD) set forth for achieving the 2050 European Union Green Deal objectives. This way we will actively contribute to the the EU goals as well as improving ELEMENT's long-term business practices.



**ENVIRONMENTAL**



**SOCIAL**



**GOVERNANCE**

Transparency  
Sustainability

# OUR FRAMEWORK



## ENVIRONMENTAL

Engaging in business activities means engaging with people and the environment. It therefore becomes a duty to put our focus on creating a positive impact not only on the former but also the latter. We do so by adopting sustainable business approaches and strive towards minimizing our impact on the environment.



## SOCIAL

Our company's most precious asset is our team. Recognizing its significance, we support personal and professional goals of our employees. In addition, we are committed to social causes and the communities we live in. We therefore strive to create an environment that embraces diversity, equality and inclusivity in the workplace.



## GOVERNANCE

Being a licensed insurance carrier we not only hold obligations and duties towards our shareholders but also our regulator. By upholding sound governance, we enhance our partnerships and provide our customers with valuable and reliable insurance offerings, embracing a sustainable business model.

### OUR UNDERSTANDING

Our current understanding of Environment, Social and Governance (ESG) is the first step necessary to understand what activities are currently practiced at ELEMENT.

### ACTIVITIES

Activities help us further break down our understanding of ESG and allows to review our current efforts. It helps shape an understanding, in reference to future reporting requirements, where further work is needed and reporting to be implemented. The following pages elaborate examples for each activity and its corresponding category.

### CO2 FRIENDLY FOOTPRINT

### SUPPORTING SOCIAL CAUSES

### GROWING OUR EMPLOYEES

### SAFEGUARDING OUR EMPLOYEES

### PROVIDING AN EQUITABLE AND INCLUSIVE WORKPLACE

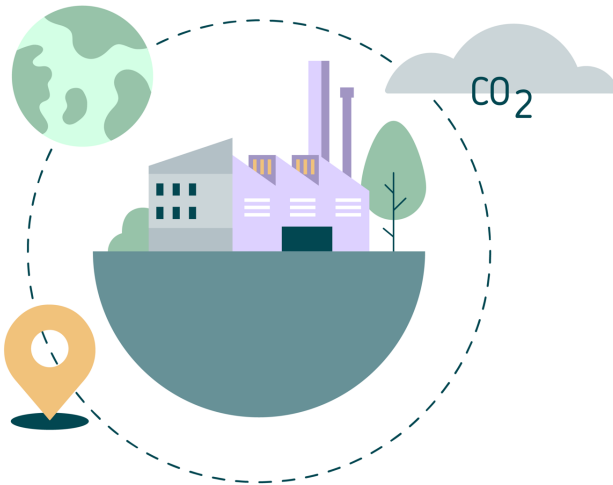
### PRACTICING SUSTAINABLE BUSINESS & INVESTMENT

### EXERCISING STRONG GOVERNANCE & STEERING

# ENSURING AN ENVIRONMENTALLY FRIENDLY FOOTPRINT

## ENVIRONMENTAL

At ELEMENT we have a small CO2 Footprint, not only given the way we do business but also **how we travel and work**. We are conscious of subsidizing emission-friendly modes of commuting to our employees and provide them with a work environment that encourages sustainability.



## OFFICE FACILITIES

Our Kitchen Facility in our Berlin Office includes Energy Star appliances, automatic sleep modes and after-hour timers. We make use of natural light, CF bulbs and occupancy sensors to ensure efficient use of electricity. We separate our waste and use washable and reusable kitchen wear.

In addition, the energy used in our Berlin office is provided by a green utility provider (LichtBlick SE) who sources 100% from hydro, water and solar.



## TRAVEL

Being headquartered in Berlin we incentivise our employees to take public transportation by subsidizing it. Our employees are able to receive full reimbursement for their monthly Berliner Verkehrsbetriebe (BVG) Ticket. Our office also provides plenty of bike-parking-space in case employees prefer to travel by bicycle.

In addition, for those jobs that require travel within Germany, we provide Deutsche Bahn (German National Train) Tickets in order to minimizing our CO2 Footprint.



## CAREER AND PERSONAL DEVELOPMENT

### GROWING OUR EMPLOYEES

ELEMENT invests in the learning, development and growth of our employees to ensure that they feel valued while future-proofing our business and their careers. We want to make sure that ELEMENT has the subject matter expertise it needs now and in the future.



### INTERNSHIP/WORKING STUDENT PROGRAM

Our internship and working student program provides motivated students with opportunities to gain valuable work and learning experiences. Opportunities can be applied to through our "Initiative Application" on our career site, giving young talent the opportunity to get experience in a growing Insurtech.



### LEADERSHIP DEVELOPMENT

We want to ensure that our leaders continue to develop their leadership skills and mindsets to empower their teams. As such we organize frequent leadership offsites to facilitate greater collaboration, exchange and growth.



### LEARNING CULTURE

ELEMENT offers a training budget for our employees to develop their professional and interpersonal skills. We foster learning opportunities through mentoring, internal training, learning-by-doing and knowledge exchanges.



### BUDDY PROGRAM

ELEMENT's buddy program helps improve onboarding, guiding new joiners in their first months at ELEMENT. The program is meant to ensure that new hires feel welcome, have a familiar face around the office, and know what to expect as they become more and more involved in the organization.



### CONTINUOUS FEEDBACK

We give every employee the opportunity to regularly receive feedback from their supervisors regarding their performance and skills. Discussion on mutual expectations and goal setting are part of our semi-annual feedback discussions. Our aim is to provide an environment for our employees to take charge of their own development and career.



# COMPREHENSIVE FAMILY SUPPORT AND TIME OFF

## SAFEGUARDING OUR EMPLOYEES

People at ELEMENT are offered an extensive Time Off and Parental Leave policy. We provide flexible work arrangements and child-care subsidies that allow our employees to combine and achieve both their professional and personal goals.



30

### Days Paid Time Off

Our employees receive 30 days off yearly, which is 10 days more than the legal requirement in Germany.

20

### Days work from anywhere\*

Our employees can work 20 days from anywhere in the world that is (\*)approved by our legal department. This perk can also be combined with paid time off and offers a great way to balance work and life.

14

### Weeks of Fully Paid Maternity Leave

At ELEMENT every mother has the right to 14 weeks of paid leave paid by the company. We firmly believe in equal opportunity and provide parents taking parental leave with support on combining personal and work life. In addition, many parents are entitled to a parental allowance from the state for 12 or more months, divided between the parents.

5

### Days of Child Care Days Off

We offer 5 extra fully-paid annual child sick days. In addition, we offer monthly child care subsidies.



SOCIAL



# COMPETITIVE BENEFITS

## SAFEGUARDING OUR EMPLOYEES

We see our employees as long-term ELEMENTees and want to ensure they are covered. This is why we offer a comprehensive benefit package that helps safeguard our employees' professional growth, career, personal life and financial future.

COMPETITIVE COMPENSATION		ACCIDENT COVERAGE
	COMPANY PENSION SCHEME	
FLEXIBLE WORKING		SUPPLEMENTARY BENEFITS

### COMPETITIVE COMPENSATION

We offer competitive compensation packages, with salaries above the average wages in the area.

### COMPANY PENSION SCHEME

On top of the state-provided pension, we offer an employer-funded company pension scheme, where participants can make additional financial contribution.

### SUPPLEMENTARY BENEFITS

- Public transportation – A yearly subscription with the BVG with employer contribution as a monthly discount.
- German-language classes
- Corporate benefits, such as discounts and vouchers for various sustainable providers of goods
- Insurance benefit – Liability & Accident Insurance with a 20% discount

### ACCIDENT COVERAGE

All our employees are insured against accidents at work and occupational disease.

### FLEXIBLE WORKING

Our employees can work flexibly from the office or remote. All employee also have the right to work from abroad up to 4 weeks (20 work-days) each calendar year.

# HEALTH AND WELL-BEING OFFERINGS

## SAFEGUARDING OUR EMPLOYEES

ELEMENT wants to support the Health & Wellbeing of our employees. Our health-related offerings are easily accessible through our partnerships with John Reed, nilo.health and EMPLU.



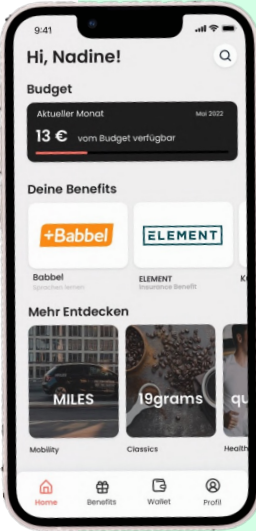
## GYM MEMBERSHIP

Our employees have access to John Reed Fitness through company paid memberships.

## FRUITS & SNACKS

Our weekly fruit basket, cereal, musli & nuts offer healthy snack options in our office.

## BENEFITS VIA EMPLU



EMPLU is our Benefits partner offering employees at ELEMENT to spend a monthly allowance for benefits that are highly individualized and tailored to their needs. Transportation, Food, Insurance, Language Classes are only a few of the many benefits offered.

## MENTAL HEALTH

Our employees have 24/7 access to mental wellness programs and practical exercises that teach them helpful strategies and skills.



# EMPLOYEE ENGAGEMENT

## PROVIDING AN EQUITABLE AND INCLUSIVE WORKPLACE

To ensure that we are doing everything we can to secure employee satisfaction, ELEMENT runs frequent **Employee Engagement survey**, and uses the results to identify improvement areas. We aim to consistently engage with our employees and communicate internally to encourage an open dialogue and find ways to improve. The eNPS data is shared anonymously with the Executive and Leadership Team as well as other relevant stakeholders leading to greater accountability and visibility.

Our highest performing areas are Working Conditions & Team, Engagement and Company Alignment & Leadership.

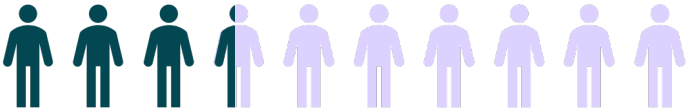


# DIVERSITY AND INCLUSION

## PROVIDING AN EQUITABLE AND INCLUSIVE WORKPLACE

Diversity, equality and inclusion form an integral part of our company culture. At ELEMENT, we strive to provide a work environment where people can embrace who they are and have equal footing to help the company succeed. This foundation is built on the respect of the individual and the acceptance of differences. To underline this, we signed the Diversity Charter (Charta der Vielfalt) embracing a work environment free of prejudice and marginalisation.

We provide an inclusive work culture for people around the world and as such working at ELEMENT does not require speaking German (except for specific roles). In addition, we provide German classes for those employees who would like to learn the language. We encourage qualified applicants from all over the world to apply for our open positions and work in an insurance company of the future.



32%  
Women in our Leadership Team\*

With our Diversity initiatives, we want to embolden these principles to ensure for everyone to have a seat at the table.

Looking for the right candidate for our open positions we aim to remove any gender bias and successively increase our representation of women in the company and leadership roles.

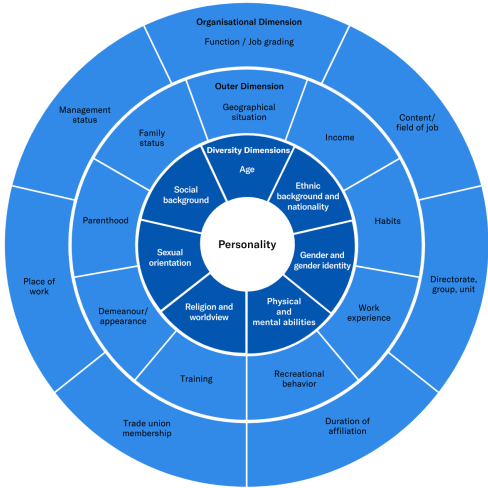


30  
Nationalities working at ELEMENT

We provide visa and relocation support to our employees to create an inclusive and diverse work environment. We foster this by company-wide activities such as our monthly International-Lunches by which our employees bring food from their home country or culture to share with everyone at the office. We also host a monthly “Bier@Vier” format where an ELEMENTee presents their home-country or -town, or a place they have spent significant time of their life in and would like to give insights on.

“

We are committed to a diverse workforce. We already have more women in leadership than the average Insurance and Tech Companies in Germany and are proud to be led by a female CEO in a male dominated industry.



 **charta der vielfalt**  
Für Diversity in der Arbeitswelt





# COMMUNITY OUTREACH AND SUPPORT

## SUPPORTING SOCIAL CAUSES

ELEMENT supports the community with financial or in-kind donations (*excluding political causes*), advocating for adoption of improved social or environmental policies or performance.

### Berliner Obdachlosenhilfe | Berlin Homeless Aid

As a part of our initiative to support the **Berliner Obdachlosenhilfe**, we mobilized donations in the form of clothing at our office in Berlin. We placed boxes in the event space for all ELEMENTees who wished to donate and drop off their donations.



### ELEMENT Supports causes that are important to our employees

When Turkey and Syria were hit by devastating earthquakes in early 2023 the people in the regions were in desperate need of aid.

Our ELEMENTees started a fundraising initiative that the company matched Euro for Euro. With the amazing support of our employees, we were able to raise a total of **EUR 5,000** that were donated to Unicef, ahbap and the Turkish Education Association.



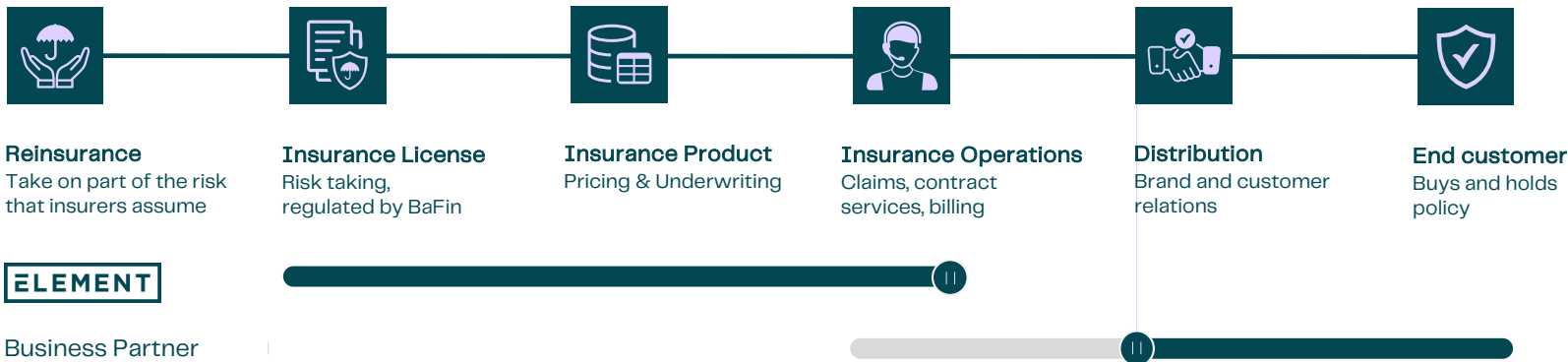
# VISION SUPPORTED BY BUSINESS- AND RISK-STRATEGY

## GOVERNANCE AND STEERING

ELEMENT is a fully fledged, BaFin (German Financial Regulator) regulated, Property and Casualty Insurance Carrier. We are licensed to sell, handle and carry the risk of insurance products in Germany and other EU countries. Being granted insurance licenses requires strict capital reserving and governance which ultimately allows us to cover the entire insurance value chain.

Following a B2B2X business model, we become particularly interesting for partners such as intermediaries, insurers and enterprises that do not own an insurance license themselves and wish to expand their product or capacity offerings to their end customers.

Utilizing our proprietary technology and insurance platform, ELEMENT eases the delivery of insurance products along the entire value chain while **leaning into our partner's strengths**, maximizing the ease of how the customer receives their policy. Doing so, ELEMENT never engages in the distribution of the insurance policy itself, leaving the partner in full control of the relationship to their end customer.



Our vision is to become the go-to B2B2X partner in seamlessly delivering insurance solutions across Europe for intermediaries, insurers and enterprises; we stand for speed, flexibility, reliability and efficiency. Our governance is focused on supporting this vision, which guides our business strategy.

The Risk Strategy which is derived from the business strategy, dictates the risk appetite and scope of governance, and has direct influence on how the company is managed and steered.

ELEMENT's governance structure therefore supports the regulatory requirements of a P&C Insurance Carrier, that requires tight collaboration among key functions and effective resource allocation.

Strong governance ultimately ensures reliability and the ability to independently manage certain components of the value chain which our partners benefit from. Complemented by our proprietary insurance platform ELEMENT offers a unique combination which allows for unmatched flexibility in delivering insurance products based on each partner's unique needs.



**Our vision is to become the go-to B2B2X partner in seamlessly delivering insurance solutions across Europe for intermediaries, insurers and enterprises; we stand for speed, flexibility, reliability and efficiency, which is achieved through:**

**01** Our strong governance, deep product and underwriting expertise and lean insurance processes, supported by our key functions.

**02** Our proprietary technology platform, high degree of automation as well as the ease of embedding our products at record speed make us highly accessible to all our partners with record time-to-market implementations.



# FOUNDATION OF STRONG BUSINESS MODEL

## GOVERNANCE AND STEERING

Governance is at the core of every insurance company. It is the foundation of an ethically sound corporate management and risk culture, and underpins values such as fairness and social responsibility towards our employees, customers and shareholders.

Governance is not only enforced through internal processes, but a key requirement by the regulators to act as an active risk carrier, meaning selling policies, or putting up capital reserves to handle and pay future claims.

In order to manage and steer a company effectively, guidelines and policies need to align with the overall business strategy. The risk-profile and -strategy is therefore derived from the long-term objectives of ELEMENT becoming the go-to B2B2X partner in seamlessly delivering insurance solutions across Europe for intermediaries, insurers and enterprises.

This risk profile is ultimately managed through a transparent and clearly structured division of duties and responsibilities.

The **Three-Lines-of-Defense Model** is a framework that aids the effective organisational setup, where the business departments and key functions act together and provide risk controls on all levels.

The various lines perform different duties of checking, monitoring and auditing internal procedures, risks and measures. Coupled with flat hierarchies and an effective communication, the framework builds the foundation of a well-functioning insurance company.

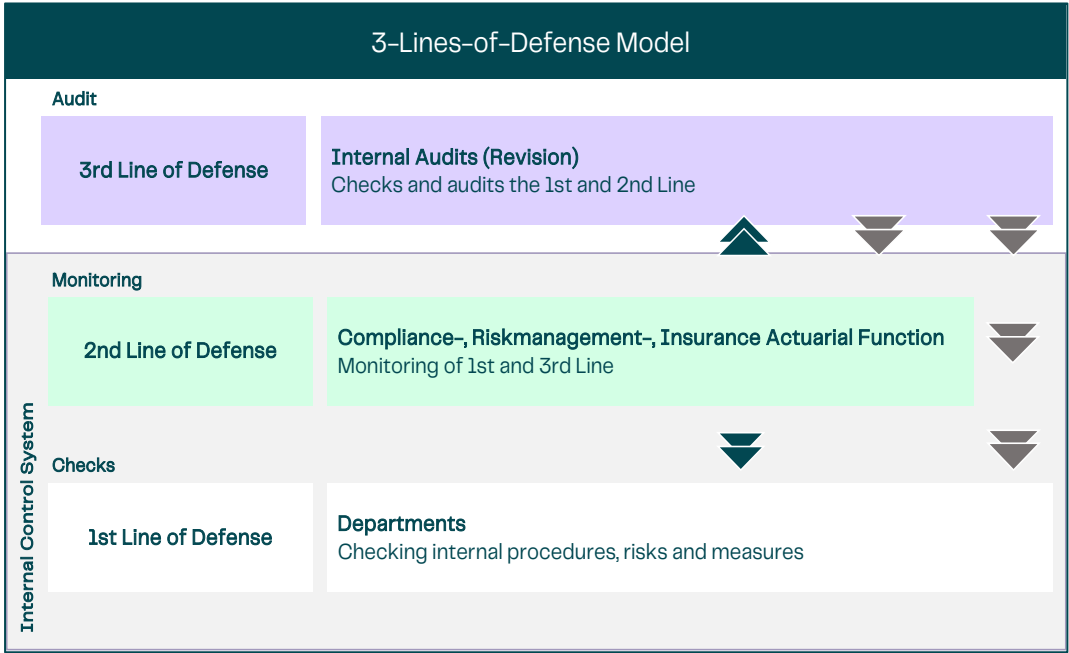
The **First-Line-of-Defense** at ELEMENT are the business departments and managers that are usually closest to the risks. They are responsible for ensuring and checking internal procedures, implementing control activities in the business processes as well as reporting risks and risk-reducing measures. Our departments therefore serve as the backbone of the company and have direct communication to the Leadership Team and Executive Board at ELEMENT.

The flat hierarchies create an open and effective communication throughout the organization, allow for tight steering, and effective risk controls.

The three key functions (compliance-, risk management- and insurance actuarial function) represent the **Second-Line-of-Defense**. They are the essential elements of a functioning governance system and are in place to ensure appropriate and independent controls within the company. Our key functions report directly to Executive Board, have cross-functional visibility and are providing input for strategic and operational decisions.

The **Third-Line-of-Defense** consists of the internal audit key function and conducts ongoing audits throughout the company. It acts on a screening level and flags the findings to the Executive Board. Accordingly, action plans help to revise findings and continuously improve the resilience and governance of the company.

Governance therefore goes far beyond the common notion of compliance but is the bed rock for a sustainable business, which is especially true in the highly regulated insurance industry. By adhering to and employing a tight control over relevant processes and the organisation as a whole, ELEMENT creates the foundation to an efficient, fast, reliable and flexible business model.



# KEY PILLARS OF SOUND GOVERNANCE

## GOVERNANCE AND STEERING

In addition to the 3-Lines-of-Defense Model we can sum up our Governance and Steering through four key elements: **Oversight**, **Accountability**, **Transparency** and **Reliability**. We believe the tone from the top to be essential for a risk conscious and ethical work culture which is further promoted by our flat hierarchies and constant exchange of our Executive Board with their teams and the company as a whole.

Further, our organisational set-up and structure is aided through the governance within our operational processes. These include, but are not limited to, claims handling, partner onboarding and other essential business processes.

To ensure good governance along the entire value chain we expect the same degree of care and set-up from our partners; we decide on partnerships and opportunities in a lengthy selection and vetting processes in which degrees of risk, level of effort and long-term success of the partnership are being assessed.

### Oversight

We recognize the need for and importance of integrating sustainable business practices to yield long-term success for the company. Given the flat hierarchies of our organization and tight steering through weekly Executive Board meetings, ELEMENT benefits from a high degree of cross functional collaboration, paired with the input of key functions into operational and strategic decision making. Our Executive Board provides frequent updates to our regulators and the supervisory board.

### Accountability

As a fully-fledged, BaFin-regulated, Property & Casualty Insurance Company, ELEMENT adheres to various regulatory requirements. Our staff and management in the company's key functions are subject to guidelines, trainings as well as reports which are periodically submitted to the German regulators. To build on our culture, we initiated the creation of an Ethics Code which is set to be released later this year. The code includes our fairness and social responsibility towards employees, business partners and customers. In addition, we have implemented a Fraud- and Whistleblowing-Tool.

### Transparency

External and Internal Audits are conducted throughout the year to ensure full compliance with BaFin regulations and the duty to our shareholders. We regularly report our financial results via our annual Solvency Financial Condition Report (SFCR). With the release of this report, we aim to further and continuously increase the visibility and transparency at ELEMENT.

### Reliability

Security and Data protection are at the core of ELEMENT. Every employee is required to complete data protection trainings and in certain functions upkeep certifications to ensure full compliance with regulatory requirements. Our Supervisory Board, Executive Board as well as our key functions are held by extremely experienced professionals with, in some cases, decades of insurance industry knowledge.





# STRONG PARTNERSHIPS ACROSS THE EU

## STEERING AND GOVERNANCE

The combination of being a fully licensed insurance company, comprehensive governance and business strategy does not only make us attract new partnerships but establishes long-term trust with our partners. Over the years, we have been able to create and maintain strong partnerships, driven by our flexible and modular technology.

This is reflected in our partner retention, as we managed to only ever lose 1 out of 60 partners that were onboarded to ELEMENT's platform. Our retention rate of 98% shows how ELEMENT's capabilities improve the partner and customer experience in delivering insurance products seamlessly.

98%

FY22A

High and stable Partner retention

1.8

FY20A

Growing number of products per partner

2.4

FY22A

### SUSTAINABLE GROWTH ENABLED THROUGH LONG-TERM PARTNERSHIPS

We were not only able to keep partnerships, but also grow them. Our average product per partner increased from 1,8 to 2,4 in 2022. It is further proof of our strong partnerships and the ease with which we can expand product offerings to our partners.

Our partnerships and regulatory set-up further allow us to add new partners, continue to supplement existing partners' product offerings and expand our business within the EU.

Being a fully-licensed B2B2X Insurance Carrier within the EU, as well as focusing on providing seamless delivery of insurance solutions, serves as the ideal business model for the expansion with further partners into other countries. Governance therefore becomes an enabler for European expansion for us and our partners.

A map of Europe with Germany highlighted in dark teal. Numerous small teal squares are placed across various European countries, representing expansion points. Dotted lines radiate from a central point in Germany to these squares, illustrating the company's reach across the continent.

## EEA REGULATORY SET UP ALLOWS TO FURTHER SERVE PARTNERS THAT WISH TO EXPAND THEIR OFFERING WITHIN THE EUROPEAN UNION

Thanks to the freedom to provide services within the European Union our business model becomes especially attractive for businesses, insurance companies and intermediaries to distribute multi-market insurance solutions throughout the EEA. Potential partners for EU expansion can be split into the following categories:

01

Existing Partners wishing to expand into new markets outside of Germany

02

Partners already live in other EU countries that wish to expand their offering on a pan-EU level

03

Non-EU players that wish to enter the EU market

At ELEMENT, we help to minimize the lengthy regulatory approval process, while key decisions across the insurance value chain, including underwriting and entity claims approval, remain in Germany where the regulated is located. **This ensures compliance with the FOS regulation and does not interfere with the intermediaries' business processes.**

To date, ELEMENT has received FOS license approval by the BaFin for all EU countries<sup>1</sup>. Leveraging our platform and pan-EU Freedom-of-Service license, insurance companies and intermediaries can **distribute insurance products across the EEA from one member state without the need of establishing multiple branches.**

19 <sup>1</sup>Except for Liechtenstein, Norway and Iceland

GOVERNANCE

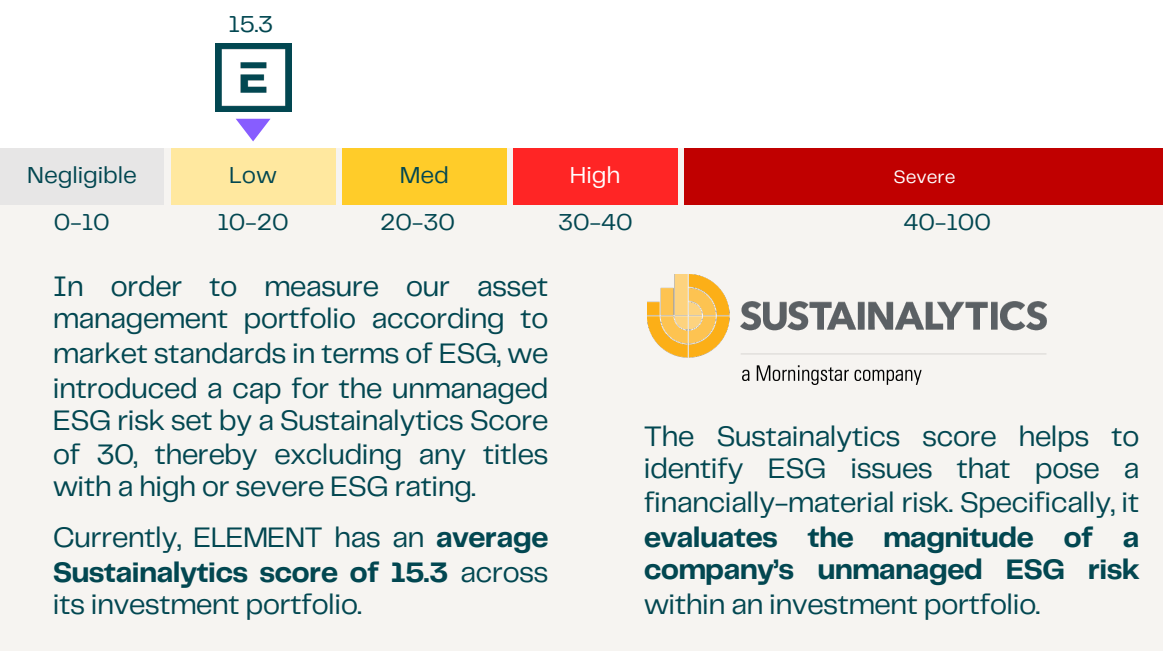
# ESG CONSCIOUS INVESTMENT STRATEGY

## ASSET MANAGEMENT

We allocate our investments through an ESG Investment Policy which aims to achieve a better than industry average ESG Risk Score rating of our portfolio. As we grow in size and assets, we strive to maintain a positive impact on the Environment and our Community through ESG conscious asset classes.

### ampega.

For the selection of our investment portfolio, we are advised by Asset Manager ampega (a Talanx subsidiary) who helps us fulfil our ESG Investment Policy.



### ESG RISK EVALUATED ON:

#### Exposure

Extent to which a company is exposed to material ESG issues. In other words it **measures the vulnerability** of the company.

#### Management

How well the risk is being managed by referring **to actions taken by a company** to manage a particular ESG issue.

Investment Philosophy	Excluded fields of business	Excluded business practices
ELEMENT excludes organizations that have a negative Environmental and/or Social Impact. We thus have identified various business fields and practices that we do not invest into.	<ul style="list-style-type: none"><li>Nuclear energy</li><li>Euthanasia</li><li>Fossil fuels</li><li>Violent video games</li><li>Gambling</li><li>Genetic engineering</li><li>Industrial livestock farming</li><li>Pesticides</li><li>Porn</li><li>Weapons</li><li>Tobacco</li><li>Animal testing</li></ul>	<ul style="list-style-type: none"><li>Labor violations</li><li>Child labor</li><li>Controversial environmental practices</li><li>Controversial business practices</li><li>Human rights violations</li></ul>



# UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

	1 POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRIAL INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
<b>1. Introduction</b>																	
1.1 About ELEMENT																	●
1.2 Our Story																●	●
1.3 Message from our CEO																●	●
1.4 Our Approach to ESG									●								
1.5 Our Framework																●	●
<b>2. Environment</b>																	
2.1 Ensuring an Environmentally Friendly Foot-Print																	
Office Facilities							●					●	●				
Travel											●		●				
<b>3. Social</b>																	
3.1 Growing our Employees																	
3.1.1 Career and Personal Development				●				●									
3.2 Safeguarding our Employees																	
3.2.1 Comprehensive Family Support and Time Off			●		●												
3.2.2 Competitive Benefits																	
Accident Coverage	●		●														
Supplementary Benefits	●		●														
Competitive Compensation	●			●				●		●							
Company Pension Scheme	●									●							
3.2.3 Health & Wellbeing Offerings			●														
3.3 Providing an Equitable and Inclusive Workplace																	
3.3.1 Employee Engagement				●				●									
3.3.2 Diversity and Inclusion					●			●		●							
3.4 Supporting Social Causes																	
3.4.1 Community Outreach and Support	●			●						●							
<b>4. Governance</b>																	
4.1 Governance and Steering																	
4.1.1 Vision supported by Business- and Risk-Strategy									●							●	
4.1.2 Foundation of strong Business Model																●	●
4.1.3 Key Pillars of sound Governance																●	●
4.1.4 Strong Partnerships across the EU									●				●			●	●
4.2 Asset Management																	
4.2.1 ESG Conscious Investment Strategy										●		●	●		●	●	●

In summary, to help us understand how ELEMENT is currently contributing to global ESG efforts, we looked at our actions through the lens of the UN SDGs. To visualize this, we show how the various sections addressed in this report relate back to the 17 Goals set out by the United Nations. It helps us to reflect which gaps we aim to fill and where to allocate our resources to continuously work on a sustainable future.

Having created the foundation for future reporting, we will align our current efforts with the long term targets and goals of the European Union. In addition, our formal ESG Committee, consistent of company leadership, will continue to shape our long term strategy and ensure compliance to all Sustainability related regulations and requirements.

# Disclaimer

*This is ELEMENT Insurance AG's first sustainability report and covers activities to-date. Numbers are rounded and may not add up precisely and may vary over time and date of capture. Certain information contained in this report constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, the predictions and actions provided herein and / or actual outcomes may differ materially from those reflected or contemplated in such forward-looking statements. For any questions about this report please reach out at [press@element.in](mailto:press@element.in)*



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