

Sustainability 2022 Report



BEST ADVICE. BETTER TECHNOLOGY.

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Foreword by the Executive Board

STRATEGY AND VISION

What moves us

Digitalization, demographic change, and regulation are the defining megatrends in the finance and insurance industry. However, no market participant, be it a product provider, intermediary or customer, can avoid the obvious facts that will determine social coexistence more than any other trend in the future: The earth is getting warmer, and resources are becoming scarcer. This will have drastic consequences for our environment, society, and the future development of companies, communities, and economies. The starting point is clear: the world's population is growing at a record rate, and with it the economic opportunities, but also the consumption of energy and resources on our planet. The rethinking, which replaces the limitless use of resources with sustainable management and the awareness that our environment and nature should be handed over to future generations as intact as possible, has begun in most people's minds and is now capable of winning a majority in Germany and Europe.

However, the successes achieved so far in the direction of a sustainable economy are still just as low as the speed of change. Previous efforts are simply not (yet) enough¹⁾. There is a need for a rethinking of the economy, further education of citizens, and a policy that includes the goal of a globally sustainable economy. Because if the temperature rise continues indefinitely worldwide, this will inevitably lead to food shortages in many regions, forced migration, distribution struggles, war, and displacement. In short, if global warming continues so rapidly, prosperity in Europe and other industrialized nations could soon come to an end. From our point of view, the dispute over the extent to which global warming is alone, predominantly, only to a lesser extent, or not at all man-made, i.e., due to increased concentrations of carbon dioxide (CO₂) in the atmosphere or other emissions, is not decisive. Rather, everything reasonably feasible must be done to slow down or stop the rise in temperature. It is a matter of common sense to use existing resources as efficiently as possible.

Sustainable management is therefore a natural part of our entrepreneurial activities and our corporate culture. As a digitization service provider, asset manager, and broker of investment capital, we want to make our contribution to resource-saving management, the avoidance of fuel and paper consumption, and the avoidance of waste. In addition, we want to be CO₂-neutral in our business.

¹⁾Cf. Ernst Ulrich von Weizsäcker, "So reicht das nicht", 2022

It is important to us that we not only live this sustainability internally but also contribute to the development of the industry. We want to achieve this, both, as a pacesetter within the market as well as through direct investments in a more sustainable future.

However, we do not want to limit ourselves to economics. In parallel with the European Union's ESG goals for sustainable business and the UN Sustainable Development Goals, we also want to include all important social factors and the aspects of value-based corporate governance. For example, equal opportunities in our company, gender, origin, and religious diversity, fair treatment of our employees, intermediaries, and other stakeholders, and compliance with all important rules for sustainable corporate governance are equally important to us as entrepreneurs. Integrity, transparency, and a firm canon of values are the indispensable basis of our actions.

Our sustainability strategy – rethinking business and responsibility

As JDC, we can proudly say that we already make a significant contribution towards changing our industry in the direction of a more sustainable economy through digitization and the expansion of our technology. This is evident in all areas of our daily work.

Most of the correspondence at JDC, both received and sent, is no longer organized in analogue form, but via digital media. This includes interfaces directly to the insurance companies (via BiPro, GDV), where we ensure good data quality. Furthermore, a large part of the communication takes place via e-mail, always in compliance with data protection and security regulations. Thanks to self-programmed systems, the processing of various documents is also carried out automatically directly in the background with the help of artificial intelligence (AI). By working with our partners and expanding our customer and data management system iCRM, we are contributing to a significant reduction in paper usage, directly and indirectly for insurers and intermediaries, thus conserving important resources such as wood and fuels for transport. Communication with partners and customers is mostly done digitally and is supported by digital tools to further reduce paper consumption. In this way, we accelerate communication and, through digital and automated processes, conserve resource consumption on the one hand and energy consumption through efficient processing on the other hand. In addition, we indirectly contribute to biodiversity by reducing resource requirements.

The world has changed following the Corona pandemic which also has an impact on our organization. For example, we have taken employee concerns into account and established mobile working in our corporate culture. In this way, we promote our attractiveness as an employer in the region and reduce CO₂ emissions by reducing employees' commutes to work.

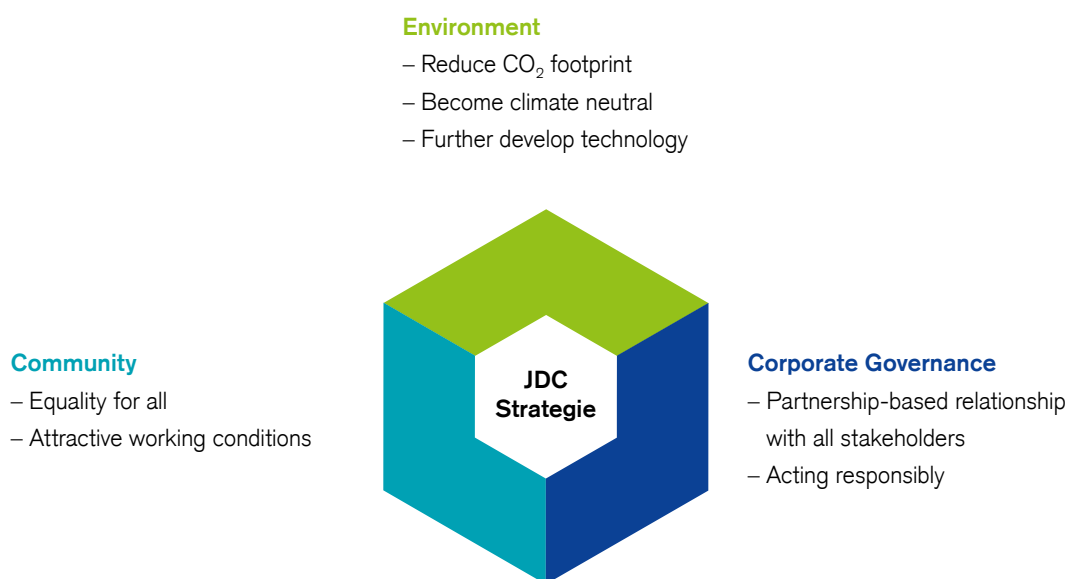
This shows that sustainability is a key item on the agenda of the entire management level. We are far from finished with these efforts. We work every day to improve our possibilities and discover new potential.

Optimism and outlook on sustainability

Sustainability is not a one-time step, but an ongoing process. At JDC, we therefore see sustainability as an ongoing effort to address and positively influence the most pressing issues based on scientific evidence. This includes climate change as a global challenge. Social and structural changes, especially the aging of society and social justice, are also driving issues in our environment. These issues require a great deal of attention to secure a good livelihood in the future. To exert influence here, a community effort is necessary. We therefore want to contribute and implement ambitious measures.

In particular, the UN's Sustainable Development Goals (SDG) as well as the growing interest in sustainability in the financial sector based on ESG criteria will be a constant factor in the orientation of the organization. This report will show and openly explain material topics and how they are handled in our organization. To transparently list the most important and driving topics, we have based this report on the declaration of the German Sustainability Code, the framework of the CSR Directive (Act to Strengthen Non-Financial Reporting) and the standards of the Global Reporting Initiative (GRI). In this way, we also consider various criteria of sustainability beyond the purely economic aspect.

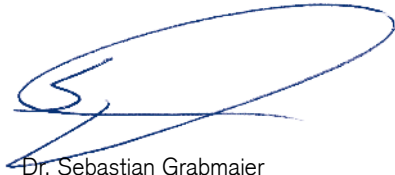
In doing so, we have aligned our strategy with certain core topics that serve to meet these criteria and goals. In doing so, we rely on our core competencies to drive innovation. We focus on the following points:



We see the harmony of sustainable topics with our corporate strategy as an opportunity to create a lasting impact and thus develop further. Progress can only be generated through the implementation and further development of measures. Therefore, these issues are not to be regarded as individual points but are all interconnected and must be considered collectively.

Another key factor is transparency. In this report, we therefore want to clearly set out all the successes, measures, and objectives. It is important to us that we set up and explain our goals in all aspects and communicate the measures and the status of implementation. In the process, from the formulation of goals to implementation, we involve our relevant stakeholders and always remain in direct dialogue. In this way, we ensure that the purpose of the organization and measures to achieve the objectives are always in line with the legitimate interest and that we are committed to striving for appropriate and sustainable development.

You can find out what this means in concrete terms and how it is implemented on the following pages. I wish you a stimulating read, your



Dr. Sebastian Grabmaier

1 General

1.1 GENERAL INFORMATION

The JDC Group is a diversified financial services company with two operating segments: Advisortech and Advisory as well as a Holding segment.

The headquarters of the organization is in Wiesbaden. Since our incorporation in 2004, we have been a steadily growing part of social society.

Advisortech

The JDC Group develops its own technology-based tools for sales support and is also active in the market as a strategic investor in fintech and advisortech companies. Under the brands Jung, DMS & Cie., allesmeins and Geld.de, the JDC Group offers a digital platform for insurance, investment funds and all other financial products and services. In this way, we help consultants to serve their customers even better digitally and to generate more sales as a result. Due to the increasing number of connected major customers, we can use platform synergies and jointly increase efficiencies for all our partners.

In addition, the digital finance manager **allesmeins** provides the consumer with a quick overview of all their insurance contracts with corresponding contract documentation. Further the allesmeins app provides comparison calculators for property insurance in the lines of household contents, residential buildings, private liability, pets, accidents, and legal protection, which also enable performance comparisons and contracts to be taken out from the comfort of your own home.

MORGEN & MORGEN GmbH is a 100 % subsidiary of Jung, DMS & Cie. AG, which, as an independent quality provider, offers tariff and condition comparisons for the entire insurance market.

Jung, DMS & Cie. Pool GmbH looks after individual brokers and employee brokers (Albatros, Böhringer Ingelheim, Bavaria Business Agency, etc.), while Jung, DMS & Cie. Pro GmbH looks after agents, such as Volkswagen Financial Services.

In addition, the Advisortech business segment includes the online comparison platform **Geld.de**, an excellent brand for the direct brokerage of financial products to customers.

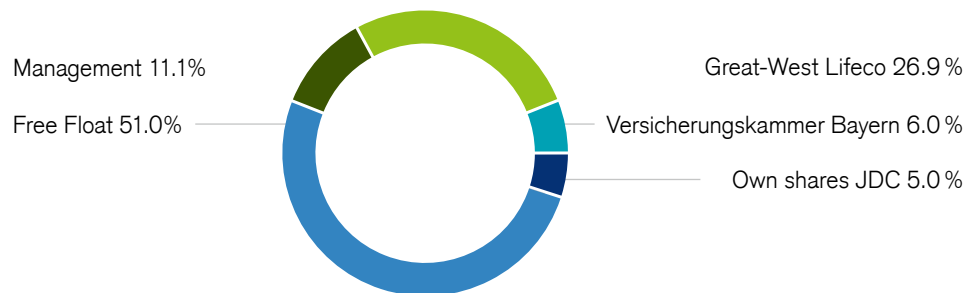
Advisory

Each client's needs, desires and goals are different. To do justice to this individuality, the Advisory business unit was created with a clear idea: We want to work freely and entirely in the interest of our customers. For this reason, the consulting and brokerage of financial products to end customers in this segment is also vendor and product neutral.

In the classic Advisory segment, the JDC Group brokers provide services to private customers. Under the **FINUM** brand, the platform offering for discerning and upscale private clients is supplemented with around 300 well-trained consultants.

JDC Group AG's **business model** is based on providing financial advisors and insurance brokers with a comprehensive range of products, technology-enabled solutions, and sales support to help them provide the best possible advice and support to their clients. By working with independent consultants and using modern technologies, JDC Group AG strives to increase efficiency and productivity in the financial advisory industry. We also want to facilitate access to and use the technology and expand it within the framework of the sustainable approach, so that our intermediaries but also end customers always include a sustainable aspect.

A stable **shareholder structure** continues to form the basis for long-term and continuous growth at JDC Group AG. With a 26.9 percent stake, Great-West Lifeco continues to be the anchor shareholder of JDC Group AG. In the 2021 financial year, Versicherungskammer Bayern was added with a strategic stake of 6.0 percent. Executive Board members Dr. Sebastian Grabmaier (Grace Beteiligungs GmbH) and Ralph Konrad (Aragon Holding GmbH) hold a stake of around 11.1 percent in JDC Group AG. In addition, JDC Group AG holds 5 percent of the issued 13,668,461 shares, the remaining 51 percent are in free float.



We also want to spread knowledge locally and regionally by expanding additional locations. JDC Group AG, with its subsidiary **Jung, DMS & Cie. AG (JDC)**, operates as a platform provider in a market-leading position in the broker pool market. With locations in Munich, Wiesbaden, Troisdorf and Vienna/Austria, JDC is one of the largest broker pools in the German-speaking world with the highest turnover. The **FiNUM Group** – consisting of FiNUM.Private Finance AG, Berlin (FPF D), FiNUM.Private Finance AG, Vienna/Austria (FPF A), and FiNUM.Finanzhaus AG (FFH) – serves discerning private clients, freelancers, and business clients in the areas of capital accumulation and investment, pension provision and risk hedging as well as financing and capital procurement. We are therefore active in many sectors in Germany and Austria.

The strength of JDC Group AG is its reliability and support in all financial and insurance matters and its many years of expertise. Its customers include individual brokers, brokerage groups, distributors, agents, banks, FinTechs and major customers spread throughout the country.

JDC Group AG's business model is based on providing financial advisors and insurance brokers with a comprehensive range of products, technology-enabled solutions, and sales support to help them provide the best possible advice and support to their clients. By working with independent consultants and using modern technologies, JDC Group AG strives to increase efficiency and productivity in the financial advisory industry.

We also want to facilitate access to and use the technology and expand it within the framework of the sustainable approach, so that our intermediaries but also end customers always include a sustainable aspect.

Our Sustainability Report 2022 is valid for JDC Group and its subsidiaries. This report is being issued for the first time and on a voluntary basis with the aim of complying with our reporting obligation as a listed company in accordance with CSRD / ESRS from the reporting year 2024. For the year 2022, we report comprehensively on sustainability topics of the JDC Group and are guided by the declaration of the German Sustainability Code (DNK) and the framework of the CSR guideline. In this form, we report on the basis of the qualitative criteria of the Code and in addition to performance indicators of the Global Reporting Initiative (GRI).

Sustainability and transparency are essential components of our company. As a non-reportable company, we have nevertheless decided to prepare and approve our sustainability report internally. The report is approved exclusively by the Executive Board and serves as a comprehensive compilation of our sustainability goals, performance, and measures. To further increase the credibility and reliability of our reporting, we also plan to introduce an external audit in the future. With this independent review of our sustainability performance, we want to ensure that our reporting is transparent, objective and meets the highest standards of sustainability practice. This step is an important part of our efforts to promote responsible action and strengthen our stakeholders' confidence in our sustainability goals and performance.

The Board of Directors approved the Sustainability Report for the year 2022 for publication on 24 July 2023.

For reasons of readability and fluency, only the masculine or feminine form may be used in this report. However, it goes without saying that all genders are always meant equally.

1.2 JDC IN NUMBERS

JDC in numbers		Changes compared to previous year in %	
	31/12/2022	31/12/2021	
Company figures (in kEUR)			
Turnover	156,080	146,808	6.3
Earnings before taxes (EBITDA)	8,966	8,308	7.9
Equity	36,971	38,817	-4.8
Stakeholders			
Employees (full-time equivalent on an annual average)	408	335	21.8
Institutional customers	18	15	20
New collaborations*	1,284	622	
Achievement			
Number of insurance contracts (in thousands)	1,579	1,390	13.6

* "Net" new cooperation. These are new collaborations minus the excretions

1.3 MILESTONES OF JDC GROUP AG

JDC Group AG as a brand was founded in 2004. However, our roots as a financial services provider go back to 1958. With more than 60 years of experience in the investment and pool business, we see ourselves as a pioneer in the industry.



2 Sustainability concept

2.1 STRATEGIC ANALYSIS AND MEASURES

The insurance and finance industry plays an important role in meeting sustainable goals. As a key market participant and driver of this industry, we see ourselves as having a strong responsibility to act sustainably, to implement the Paris climate targets and those of the “Green Deal” and to transform our company sustainably.

We are convinced that sustainable development can only be achieved through the simultaneous and equal implementation of environmental, economic, and social goals. For us, this means: thinking it through to the end.

For us, thinking through to the end does not only mean looking at the aspects of sustainable management in isolation from the business management of the company and including all topics. We want to successfully implement all sustainability topics in our corporate strategy and continuously expand them. This also means that we consider and weigh up risks and opportunities to derive measures for our actions.

JDC Group's corporate responsibility influences a wide range of business activities and involves an equally wide range of resources and relationships: from shareholders and investors to employees and customers to partners, society, and the environment.

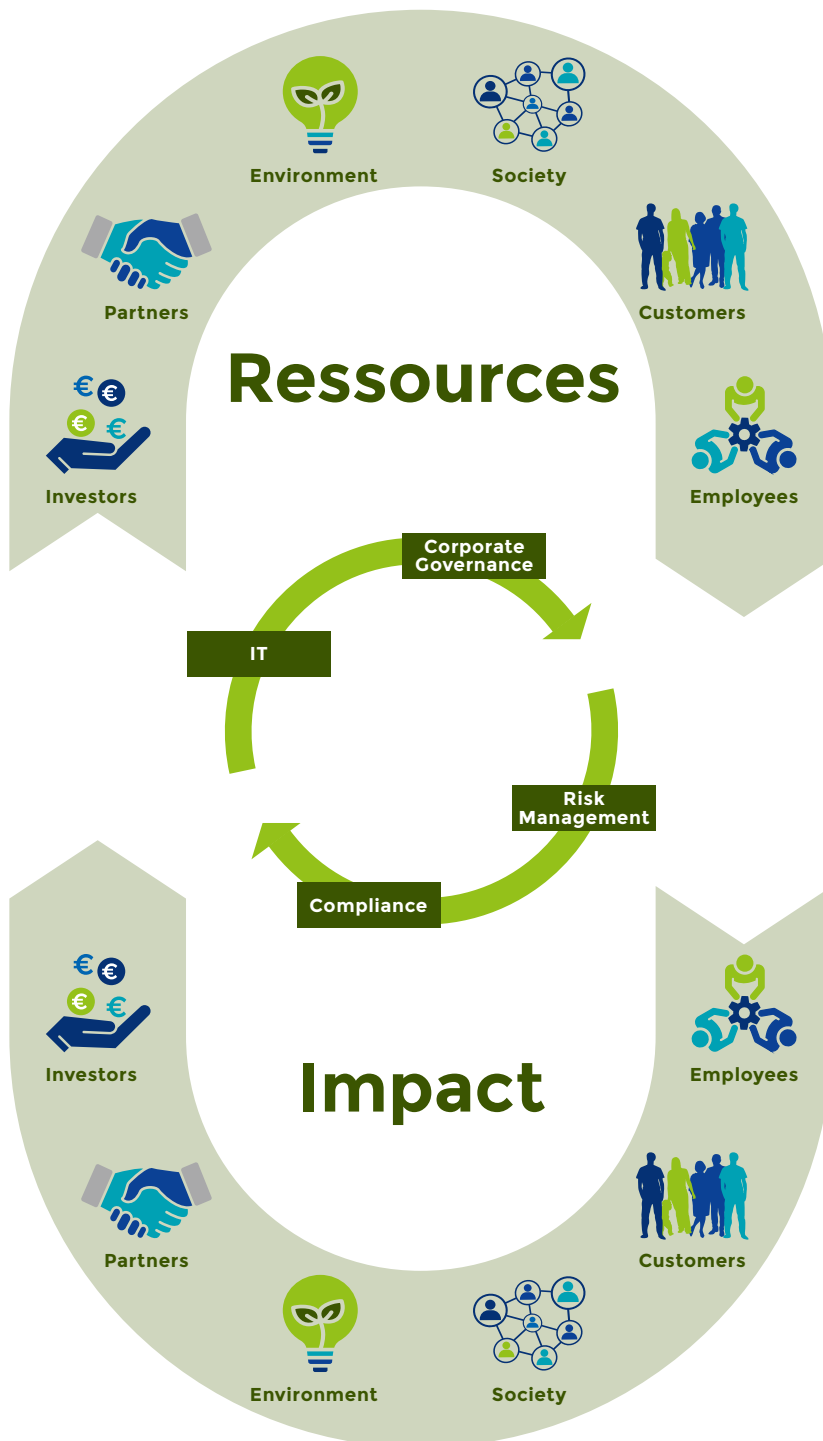
The organization's demand “Best Advice. “Better Technology” is also the core of our value creation model and thus also our strategic principle, which influences our sustainability strategy.

Through the important framework conditions of corporate governance, compliance, information security and risk management, the JDC Group can create sustainable value for employees, customers, society, the environment, partners, and investors.

We actively promote transparent and honest behavior among our employees and sales partners, focusing on prevention and early detection of compliance risks. Responsible handling in connection with the collection, storage, and use of sensitive, confidential, and protected data from customers and users is part of our self-image and is promoted by comprehensive management systems.

We recognize the urgency and importance of sustainable action, but we are also aware that the implementation of comprehensive sustainability goals and measures takes time. We are therefore committed to prioritizing and adapting goals and measures to enable sustainable development. We are committed to driving change and continuously improving our efforts as we address the challenges and opportunities of sustainability.

The value creation model of JDC Group AG



Investors

Institutional and private investors and shareholders investing in JDC Group AG

Service partners

Product providers, consultants

Environment

Resource management at all JDC Group sites

Society

Communities of the locations in which we operate

Customers

Consultants and end clients

Employees

Employees of JDC Group AG at all locations

Employees

Increased employability

Customers

Enabling development to achieve personal and professional goals

Society

Enabling modern and better education and social development

Environment

Climate protection

Partners

Success through synergies

Investors

Attractive, sustainable and responsible investment

Strategic analysis

The CSR orientation of JDC Group AG is based on the concepts of participation, dialogue, and transparency, which we consider to be CSR-central in accordance with our corporate value of fairness. In accordance with our CSR strategy, we define CSR in such a way that the environmental and social value of a measure or project is at least equal to or as significant as its economic value. The aim of the JDC CSR strategy is to anchor sustainability step by step in the company's thinking, communication, and actions in line with the company's goals in all areas and along the value chain. Through CSR, it is important to achieve a differentiated approach to sustainability that conserves resources, has a positive impact on society and at the same time contributes to the success of JDC Group AG.

To ensure the implementation of the CSR strategy in the company and to initiate and accompany CSR measures, a sustainability officer will be appointed in 2023 who will work closely with members from all areas of the company to implement CSR requirements throughout the company.

The Sustainability Officer will have the following main tasks:

- Analysis of existing CSR activities
- Identification of new activities in the context of CSR
- Consideration of current social and market conditions regarding CSR opportunities and risks
- Formulation of new CSR targets for the respective reporting period
- Interpretation of the CSR target achievement in the financial year
- Further development of the CSR strategy of JDC Group AG

Furthermore, the Sustainability Officer is responsible for ensuring dialogue with all employees of JDC Group AG regarding CSR issues, among others. This also includes ongoing communication during the year on CSR topics such as news in energy management or resource consumption. The Sustainability Officer will report directly to the responsible Executive Board, which is responsible for the strategic positioning regarding CSR.

Opportunities of the CSR strategy

The CSR strategy of JDC Group AG includes social, entrepreneurial, and ecological opportunities. The entrepreneurial and social opportunities are shaped by the immateriality of the products of the insurance industry and the associated low ecological impact.

We see the following opportunities in the continuation of the CSR strategy:

- Sensitization of employees, customers, and product providers to the assumption of ecological and social responsibility
- Implementation of a non-financial perspective
- Image improvement through CSR communication
- Resource conservation through ecologically sustainable action
- Increasing employee and customer satisfaction
- Promotion of regional institutions with a sustainable focus on activities
- Promoting diversity within the company
- Strengthening dialogue within the company and with external stakeholders
- Product and service innovations

As part of our materiality analysis, we have identified six key fields of action in which we assume our CSR responsibility:

- Employer responsibility
- Customer-centricity
- Regional involvement
- Compliance
- Digitization
- Environmental responsibility

Key components of the strategy

Our corporate strategy aims to drive digital transformation in the financial services industry and further expand our position as a leading provider of digital solutions and services.

Our CSR strategy enables us to operate sustainably and at the same time live up to our corporate responsibility. The following components of our CSR strategy are crucial for this:

- CSR communication via website, brochures, and news for employees,
- CSR reporting based on the Code,
- Sustainable Development Goals (SDG),
- ESG exclusion lists for investments,
- IT data security,
- Stakeholder dialogue and participation to raise awareness of CSR among our stakeholders,
- close exchange between the Executive Board, departments, and sustainability officers on sustainability issues,
- Management, planning and control of CSR measures.

These strategic components lead to the goals, concepts, and measures of our corporate responsibility.

Furthermore, CSR topics will be considered and presented in the risk management system of JDC Group AG in the future. Important CSR risks such as a shortage of skilled workers, data security, etc. are reported continuously.

In our CSR reporting, we are guided by the criteria of the German Sustainability Code. We are keeping an eye on other sustainability standards, such as the UN Global Compact on Human Rights, and we have also integrated the United Nations SDG into our objectives.

Outlook and impact of the strategy

- Preparation of a regular sustainability report
- Direct influence (at JDC and B2B)
 - Regularly review investment strategy for sustainability aspects
 - Implement employee surveys and gather feedback.
 - Carry out sustainable responsibility measures, directly as JDC and as employee participation.
 - Auditing societies regarding sustainability efforts and highlighting positive influences.

- Indirect influence (B2B2C)
 - Influence in the insurance sector:
 - Expansion of the platform's functions to control and facilitate the broker to take ESG criteria into account in the advisory process.
 - Influence in the investment sector:
 - ESG query and preference determination on the topic of sustainability integrated into the consulting process to query the sustainability aspects when selecting the product range.
 - Influence in the advisortech sector:
 - Gradual conversion to a more sustainable electricity mix and energy-efficient hardware

2.2 MATERIALITY

A structured and focused approach to sustainability is important to the JDC Group. For this reason, we started a detailed materiality analysis for the relevant topics of sustainability for the first time in 2022. This analysis is based on frameworks and standards, such as the DNK, the Global Reporting Initiative, or the Sustainable Development Goals of the United Nations. Legislative requirements for sustainability reporting have also been included in the list of topics, such as the Act to Strengthen Non-Financial Reporting (CSR Directive) or Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector (Transparency Regulation), where applicable. Other indicators shed light on social, environmental, and economic risks arising from our business activities.

2.2.1 Materiality Analysis

Identification of material issues and internal assessment:

JDC Group combines external and internal sources to comprehensively identify material topics. First, essential topics were compiled from the following sources and condensed afterwards:

- 1) Industry analysis to include relevant industry-specific topics.
- 2) Analysis of external expectations and specifications of the competitive environment, relevant regulations, and the financial and insurance market. Inclusion of, for example, ESG ratings and standards such as the Code of Conduct, CSR(D), GRI and ESRS.
- 3) Combination with internal subject-specific material topics identified by the JDC Group's sustainability network.
- 4) The consolidation of the above-mentioned assessments, which were carried out by the departments and reviewed by the Executive Board.

It is therefore in our self-image to integrate ecological and social aspects into long-term economic development. An important step is the preparation of a materiality analysis in which the material topics for sustainability management are defined.

Procedure & Topic Selection

The consideration of the material topics is based on the dimensions and peculiarities in the environment in which we operate. First, a status quo analysis was carried out along JDC's value chain to analyze strengths and challenges. Subsequently, topics that play a prominent role in the current discourse of the market and its relevant trends were included. The exchange with employees and stakeholders was crucial for this process. The identified topics were then explained in more detail in terms of their impact and prioritized to identify material topics for the report.

The topics were consolidated into the following list of topics and classified in the fields of action already described from the strategic analysis:

Sustainable in the company: What we are convinced of

- Value-oriented corporate management: Principle of reciprocity and "power of community" as the basis of daily activities; strong and reliable partner; responsible interaction with (sales) partners and employees.
- Conduct in accordance with the law and guidelines: Promotion of conduct in accordance with the law through the application of industry codes, codes of conduct and internal guidelines as well as the implementation of anti-corruption measures.
- Building resilient structures and dealing with crisis situations: Systematic identification of financial and non-financial risks to avoid negative impacts on people and the environment, as well as business success.
- Responsible handling of digitization and data: Responsible use of digital technologies (e.g., in data acquisition and earmarked data exploitation); make insurance products digitally accessible; IT security and data protection.

Sustainability within company: How we work

- Education and training: A wide range of qualification and development opportunities, regular (digital) training, feedback, and development opportunities.
- Diversity and equal opportunities: Fostering a diverse workforce; consistently avoiding inequalities.
- Health promotion: Occupational health management; Health days, sports activities, visual aids and ergonomics at work, balanced nutrition.
- Work culture: Promoting a culture of dialogue within the workforce to strengthen collaboration and learning from each other; Life-phase-oriented work and work-life balance (e.g., through flexible working time models and home office); Protection and promotion of workers' rights.
- Emission reduction and resource conservation in the company's own operations: Climate neutrality in the company through annual balancing of the CO₂ footprint and climate-friendly mobility offers (e.g., bike leasing, hybrid and electric vehicles, promotion of the use of local public transport), business trips by rail; Operational resource conservation, use of recycled paper, digitization.
- Social and ecological criteria in the purchase of goods and services: Ensuring responsible procurement (e.g., recyclability of office supplies and advertising materials or the demand for labor standards when commissioning service companies).
- Involvement of employees and sales partners in the implementation of sustainability aspects: Active involvement and consultation of employees and stakeholders, training on the topic of preference query of ESG criteria to promote the understanding of sustainability.

Sustainability aspects in the core business

Quality in consulting – “Best Advice”

Through targeted education and training measures, we align our agents with the future. We empower affiliated intermediaries not only in the use of computers and tools, but also in the handling and consideration of sustainability aspects in consulting. In this way, we not only increase the quality of consultants and customer satisfaction, but also promote integration and understanding of sustainability.

To facilitate access to sustainable products, we ensure that these products can be easily identified and understood by presenting the information and features in a clear and accessible way.

By combining world-class advice, an extensive range of sustainable products and our dedicated support in advancing sustainability, we strive to exceed our clients' expectations and guide them on their journey to a sustainable future.

Digital support in consulting – “Better Technology”

Digitization enables us to integrate sustainability better and make it more accessible to intermediaries as well as end customers. We are expanding our technology to automatically take sustainability aspects into account and present them in a transparent and recognizable way for all stakeholders.

Through the use of technology, we support intermediaries in promoting sustainable practices while saving paper and time. Our digital solutions enable intermediaries to easily identify sustainable products and options and include them in their advice. The technology automates the process of capturing sustainability characteristics and presenting them in a clear and understandable way, making it easy for intermediaries and customers to see whether sustainability criteria have been taken into account.

The quality and feedback on the technology and our customer management system iCRM was also awarded the „Broker Champion 2022“ award by Versicherungsmagazin. Here, a broker survey was carried out on the performance criteria such as: Compatibility with own processes, added value for sales success and time savings.

Digital support in JDC's core business – “Better Technology”

By incorporating technology into our approach to sustainability, we can also implement more efficient processes that conserve paper resources, increase time efficiency while reducing the environmental footprint. Digitization allows us to process transactions and documents electronically, resulting in a better customer experience. All employees will be equipped with energy-efficient laptops and monitors.

We are convinced that the combination of sustainability and technology is crucial to meet the challenges of our time. By using our award-winning in-house programmed technology, we can more effectively achieve our sustainability goals and give our customers and intermediaries the opportunity to actively contribute to environmental protection. We will continue to invest in innovative technology solutions to drive sustainability in our business and in the financial industry.

Classification and prioritization

In the future, the integration of sustainability risks into existing risk processes will ensure that the analyses and assessments carried out on a regular basis are incorporated into strategic risk management. In addition, the involvement of employees from different departments and business units increases risk awareness.

Impact Materiality

Here we look at the positive and negative effects of business activities on material sustainability aspects.

Positive effects

- Access to financial services
By providing insurance and financial services, we help to facilitate access to financial products for a broad section of the population. This can help promote financial inclusion and help people achieve their financial goals.
- Sustainable investment opportunities
We can offer sustainable investment opportunities and thus encourage clients to invest in projects and companies that have a positive environmental and social impact. In this way, the company supports sustainable investing and the transition to a low-carbon economy.
- Digital transformation
We rely on digital technologies to make processes more efficient and reduce paper consumption on all sides. This contributes to resource efficiency and reduces the ecological footprint.
- Energy and energy efficiency
We are focusing on expanding the purchase of electricity from sustainable sources to reduce GHG emissions in our business operations. The use and further expansion of energy-efficient appliances also contributes to this.

Negative effects

- Greenhouse gas emissions
Starting business through travel and the operation of office buildings can contribute to greenhouse gas emissions that have a negative impact on the environment.
- Data protection and cybersecurity
Since we process sensitive customer data, the protection of privacy and ensuring cybersecurity are of great importance.
- Resource management
Doing business requires the use of resources such as fleet and business travel, energy, and paper.

Financial materiality

Here we look at the positive and negative effects of the material sustainability aspects on the company's business activities, business results and position.

Positive effects

- Financial education and advice
Through our business activities, we contribute to financial education and advice by providing our clients with information and resources. Furthermore, we enable the end customer to make better financial decisions and achieve long-term financial goals.
- Sustainable insurance and investment products
We create opportunities to offer and clearly demonstrate sustainable insurance and investment products based on environmental and social criteria. By promoting such products, positive environmental impacts can be promoted and companies that are committed to sustainable practices can be supported.
- Transparency and accountability
We want to disclose our business practices and services and thus take responsibility towards customers, employees, and stakeholders. Through open communication and clear sustainability guidelines, we create trust and further establish ourselves as a responsible financial services provider.

Negative effects

- Impact of investments on the environment
Investments that are supported or brokered can have a negative impact on the environment. For example, investing in companies or projects with high CO₂ emissions can contribute to global warming or pollution. Some products must be available for reasons of independence and regulatory principles. We need to ensure that our investments are in line with sustainability goals.
- Inequality and access to financial services
Doing business can have an impact on social and economic inequality, especially when certain populations have poorer access to financial services. The company must ensure that its services are inclusive and that all customers have the same opportunities and possibilities.
- Economic stability and financial crises
We are part of the financial sector, which can be vulnerable to economic fluctuations and financial crises. The outbreak of financial crises can lead to uncertainty and loss of confidence, which can have a negative impact on the business environment and the financial performance of the company. Risk management and the control of financial risks are therefore of great importance.

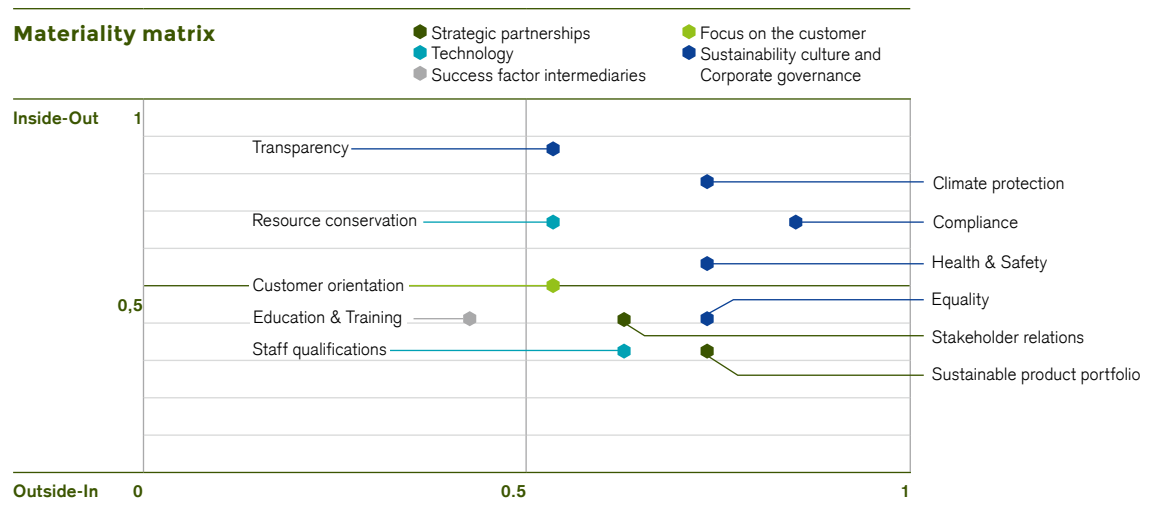
2.2.2 Key topics

Results of materiality analysis

As previously described, the potentially material topics were evaluated from three perspectives:

1. Business Relevance: Quantitative Assessment of JDC Group's Management
2. Relevance for stakeholders: Quantitative assessment of internal and external stakeholders analogous to the JDC Group value creation model
3. Impact on sustainable development: Quantitative assessment by experts analogous to the JDC value creation model

The first materiality analysis of the JDC Group



The materiality analysis process is repeated at regular intervals to ensure that the JDC Group addresses the most important issues in its sustainability management, captures current opportunities and risks, and meets internal and external requirements.

Sustainable opportunities and risks

The preparation of the report and the integration of corporate measures to manage sustainability risks were launched in 2022. In this context, we have based our reporting on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to shed light on the climate-related risks of our business and to view and assess them holistically.

TCFD recommendations for JDC

Core elements	Orientation
	Governance
	Disclose the company's organizational structure regarding climate-related risks and opportunities.
a. Board of Management's responsibility for climate-related risks and opportunities	The responsibility for the measures and the creation of the strategy in line with sustainability aspects lies with the Executive Board. This serves to comply with the guidelines and laws in the company.
b. The role of management in assessing and managing climate-related risks and opportunities	<p>A sustainability officer is appointed to deal with measures and process implementation within the organization. This begins with the determination of the status quo, the preparation of measures and reports to the Executive Board, the implementation of the measures and the monitoring of the achievement of objectives.</p> <p>The measures do not relate exclusively to reporting, but to the efficiency gain in all processes and in data collection.</p> <p>As part of risk management, risks are to be evaluated and monitored, and identified risks are to be forwarded to the Board of Management.</p>
	Strategy
	Disclose current and potential impacts of climate-related risks and opportunities on business, strategy, and financial planning.
a. Description of climate-related opportunities and risks	To ensure long-term business success, the reduction of greenhouse gases and climate protection is an essential component. Therefore, this is a fundamental building block within the corporate strategy.
b. Impact of climate-related risks on the company's business activities and strategic and financial planning	Here, studies are used that present scenarios with potential effects from climate change. Among other things, we use scenarios from the Intergovernmental Panel on Climate Change (IPCC).
c. Resilience of the strategy in the organization	<p>The resilience of the strategy to the possible risks of climate change can be divided into two categories.</p> <ol style="list-style-type: none"> 1) Transition risks: Risks associated with the transition to a low-carbon society and economy 2) Physical risks: Real consequences of climate change (e.g., Stronger thunderstorms) <p>Key Transition Risks and Management</p> <ul style="list-style-type: none"> — Increase in the price of CO₂ <ul style="list-style-type: none"> – By reducing CO₂ emissions in all areas and moving towards climate neutrality in the short to medium term, we expect this to help negate any long-term risks. — Sustainability in value creation <ul style="list-style-type: none"> – We support sustainability among our intermediaries by providing the system via MORGEN & MORGEN and integrating sustainability into the advisory process in the investment sector. – Providers can also open to the sustainability criteria here. We continuously check our existing and potential partners about sustainable products through analyses and certificates and the fulfillment of ESG criteria. <p>Significant physical risks</p> <ul style="list-style-type: none"> — Frequency and intensity of weather events <ul style="list-style-type: none"> – In the insurance market, we attach great importance to a complete and large selection of insurers to prevent financial consequences of catastrophes for all parties involved. This ensures security in protection, so that this risk is reduced at the core of our business.

Core elements	Guidance
	<p>Risk management</p> <p>Processes for identifying, assessing, and managing climate-related risks</p> <p>a. The company's processes for identifying and assessing climate-related risks</p> <p>JDC Group AG, as the holding company, is responsible for setting the objectives and allocating them. A sustainability officer draws up measures for valuation and control. The results are to be communicated to the Executive Board.</p> <p>b. The company's processes for managing climate-related risks</p> <p>There are a large number of management and control systems, the risk management system, to point out deviations from the defined corporate strategy at an early stage. By integrating sustainable goals, the risk management system is also related to sustainability.</p> <p>c. Integration of processes for identifying, assessing, and managing climate-related risks into the company's overall risk management</p> <p>The cross-divisional risk management system has already been audited and found to be effective. This risk management system encompasses the processes of planning, implementation, controlling and reporting and, in this sense, considers the risks and the handling of entrepreneurial risks, in which the topic of sustainability is to be given greater importance. This applies to all organizational goals and thus also includes the goals of the sustainability strategy.</p> <p>Determination</p> <ul style="list-style-type: none"> Here, processes are implemented so that a regular recording is supplemented by the necessary parameters to control the corresponding sustainability aspects (e.g., Route recording for travel expenses, ...) <p>Assessment</p> <ul style="list-style-type: none"> Here, too, the risk management system checks whether the measures lead to the achievement of objectives to make a correction at an early stage. The measures will be implemented here based on key figures and regular queries. <p>Management</p> <ul style="list-style-type: none"> We do not see the management of climate-related tasks as a finite process, but as an ongoing obligation. Here, we want to reconcile actual and potential risks and take measures to counteract the given risks.
	<p>Key figures and targets</p> <p>We want to disclose key figures and targets that are used to assess and manage relevant climate-related risks and opportunities.</p> <p>a. Metrics that the organization uses to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>Through the planned introduction and expansion of the risk management system and the appointment of the sustainability officer, transparent data and key figures will be recorded and delivered. In this way, fact-based decisions can be made. The strategy here also opens the way for discussion on the further expansion of sustainability with all our partners.</p> <p>b. Disclosure of Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions</p> <p>Greenhouse gas emissions were recorded in accordance with the GHG Protocol and compiled in a corresponding CO₂ balance.</p> <p>c. Targets according to which the company manages climate-related opportunities and risks</p> <p>With our strategy and the reduction of greenhouse gas emissions, we reduce possible long-term risks. For example, we have set ourselves the goal of reducing CO₂ emissions through energy efficiency, but also of converting the procurement of energy to completely sustainable sources. To conserve other resources, we want to switch to recycled and CO₂-neutral products. In addition, we enable affiliated intermediaries in their value creation to sell sustainable products to reduce risks by selling low-CO₂ products to end customers.</p>

Dealing with the sustainability issues described above offers us both opportunities and risks. The following are some of them:

Odds

- Increasing demand for sustainable financial services
The increasing demand for sustainable investments and insurance offers us the opportunity to expand our range of products and services accordingly and to open new customer segments.
- Strengthening the brand image
Through sustainable business practices, we can strengthen the brand image as a responsible financial services provider. This can lead to a competitive advantage and increase the trust of customers and investors.
- Innovation and diversification
Sustainability topics offer space for innovation and the development of new products and services. We can diversify our offering and offer innovative solutions to changing customer needs.

Risks

- Reputational risks
If sustainability issues are dealt with inadequately, there is a risk of a loss of reputation. Negative impacts on the environment or violations of social standards can damage the image of JDC Group AG and affect the trust of customers.
- Regulatory risks
Compliance with sustainability standards and guidelines is increasingly required by regulators. Failure to comply may result in legal penalties and negatively affect the bottom line.
- Operational risks
Dealing with sustainability issues may require changes in business processes and practices. Shifting to sustainable solutions can come with operational challenges and costs.
- Cyber security
By committing to sustainable development, digital technologies are increasingly being used to increase efficiency, improve transparency, and promote innovation. At the same time, however, they are exposed to an increased risk of cyber-attacks. Raising awareness of the security aspects of sustainable processes and implementing robust security measures are therefore crucial.

From these opportunities and risks, the following conclusions for sustainability management can be derived:

- Define clear sustainability goals
We will continue to define clear and measurable sustainability goals that maximize value for the company and its stakeholders. We want to further define these with an implementation horizon and continue to expand them.
- Integrating sustainability into business strategy
Sustainability is to be integrated into the core strategy of JDC Group AG to ensure that sustainability aspects are considered in decision-making processes.

- Strengthening risk management
The risk management system is to be expanded regarding sustainability and sustainable aspects in other areas of the company to identify, evaluate and minimize possible sustainability risks .
- Stakeholder involvement
We will work with customers, investors, employees, and other relevant stakeholders to understand and meet their expectations and needs regarding sustainability.
- Continuous improvement and reporting
The company will prepare a voluntary sustainability report for the first time in 2022 and will develop continuous improvements annually until the first mandatory report for 2024.

This materiality analysis and topic classification based on the risk analysis of sustainable topics form the basis for the first steps in sustainability management and enable us to define a timetable and framework (see chapter Goals & Measures). The selection of topics is made considering the following points:

- Involve relevant stakeholders
- Core business of JDC Group AG
- Important aspects of the finance and insurance industry
- Generating a positive impact on society, the environment, distributors, and JDC
- Feasibility of the measure to achieve the goal
- Materiality analysis
- Opportunities and risks

2.3 OBJECTIVES AND MEASURES

As part of our materiality analysis, we have set ourselves short-, medium - and long-term goals to continuously improve our sustainability performance and make a positive contribution to society and the environment. Our main objectives include:

1. Sustainable and transparent range of products and services
2. Sustainable investments
3. Support for the selection of insurance products from sustainable insurers
4. Dealing responsibly with stakeholders
5. Climate neutrality and resource conservation in our own operations

Various measures have been derived from the goals we have set and are an integral part of our sustainability strategy. We can build on this to focus on the goals and ensure implementation.

The following table outlines our goals and the measures to achieve them, the planned date of achievement and the current status quo. This applies to all locations.

Goals and measures

- Environment
- Social
- Governance

Goal	Measures	Start	Planned Target achievement
Reduction of the ecological footprint	Reduction of paper consumption through	2030	Ongoing
	— Expansion of digital communication channels with providers		
	— Promote digital closing routes with customers		
	Paper and hygiene paper made entirely from sustainable raw materials	Already met	Ongoing
	Reduce CO ₂ emissions from business travel by	2020	Ongoing
	— Increased virtual meetings		
Sustainable range of products and services	— Increased use of public transport instead of flights and cars		
	— Renting energy-efficient vehicles (if available)		
	Promotion and further inclusion of sustainable providers and sustainable product portfolio through	2035	2024
	— Check sustainability ranking of providers		
	— Analyze existing providers		
	— Expansion of cooperations with well-rated providers		
CO ₂ -neutral in business activities	Expand technical applications in the consulting process in order to query sustainable preferences in the investment and insurance sector and implement them in consulting. Furthermore, we want to enable the intermediaries to know the background and application through training by adapting consulting processes in order to observe sustainable criteria	2030	Ongoing
	Purchased energy completely sustainable through	2035	2024
	— successive contract conversions to sustainable energy sources (green electricity, green heat)		
	— request and support of the landlord in switching to sustainable tariffs		
	Compensation of CO ₂ emissions	Ongoing	Ongoing
	Consolidate the range of training courses, in particular on the topics of data protection and IT security, as well as standardise product training and process training through	2026	Ongoing
Corporate Social Responsibility	— Verification of the completion of compulsory training courses		
	— Online provision of training content		
	Promotion in the case of individual. Continuing education opportunities and requirements	Ongoing	Ongoing
	Protect customer data by	Ongoing	Ongoing
	— Regular training		
	— Ongoing review of security systems and mechanisms		
Employee satisfaction, talent acquisition and retention	Introduce a sustainability score of insurance/investments by incorporating the systems and	2035	2025
	— Scoring of providers and products in terms of sustainability		
	— Analysis of the customer's offers/products		
	— Showing a "sustainability score" (via the app, if applicable)		
	Regular training on the following topics	Ongoing	Ongoing
	— Data protection incl. provision in an online portal		
	— Money laundering		
	— IT security training		






















Goal	Measures	Start	Planned Target achievement
	Promotion of alternative means of transport to reduce CO ₂ emissions through	Ongoing	Ongoing
	— Bike leasing		
	— Employee benefits such as e.g. discounts on bicycles, tickets and other items		
	Remuneration optimisation through various measures via ValueNet	Ongoing	Ongoing
	Promotion of health measures and health days at the locations included	Ongoing	Ongoing
	— Discounts on memberships in sports studios		
	— Online course offerings		
	— Health days at the locations (analysis of body values and measures)		
	— Expand cooperation with providers of health campaigns		
	Home office arrangement in accordance with individual needs, among other things through	Already fulfilled	Ongoing
	— General regulation and authorization		
	— Individual agreements		
	Fair and gender-neutral remuneration through	Ongoing	Ongoing
	— salary adjustments		
	— specializations of employees to increase qualifications and remuneration		
	— incentive measures with regard to performance and fulfillment of sustainability goals		
Stakeholder engagement	Promote inclusion and diversity by	Ongoing	Ongoing
	— Encourage transparent communication		
	— Individual measures to promote and support		
	— General accessibility of spaces		
	Surveys of employees and end customers with a focus on	Ongoing	Ongoing
	— on sustainability and well-being		
	— on the current scope of services and desired requirements		
	— Dialogue with investors and providers		
	Check new and existing cooperations for sustainability and only display providers that are marked as "sustainable" by	2035	2025
	— Analysis of all existing providers in the insurance sector		
	— Implementation of an upstream query on sustainability preferences of the end customer including corresponding results		
	— Filter functions to favor or exclude corresponding sustainable criteria		
	Regular publication of the achievement of sustainability goals through	Ongoing	2022
	— Annual sustainability report		
	— Communicate individual innovations in terms of sustainability in a newsletter		
	Implement an independent sustainability officer. Support by	2023	Ongoing
Sustainable corporate governance	— Qualification of employees		
	— Support in the processes of the sustainability expert		
	Analyze internal processes and make them more sustainable	Ongoing	2023
	— Definition of guidelines and standards for sustainability		
	— Integration into the corporate culture		
	— Integration into risk management and risk reporting		
	— Review of providers for sustainability standards		

Cross-divisional strategic and operational goals, measures and KPIs were developed for these topics. The indicators that are already being collected are described within this report. As part of the annual reporting, the achievement of the sustainability goals is reviewed. The Executive Board is responsible for the overall oversight for this process. The achievement of the specific goals is the responsibility of the respective departments in whose operational responsibility they lie.

All seventeen United Nations Development Goals (SDG) are considered in the development of the goals and measures, considering possible trade-offs. We at JDC see these goals as a basic prerequisite for a good future. That is why we support the implementation of these through our organizational actions.

As early as 2022, sustainability goals were developed in the key departments, which will be incorporated into the Sustainability Strategy 2023.

Commitments and contribution to the SDG

	Commitments	SDG
	1. Employees: Increased well-being We offer our employees an inspiring and collaborative working environment that they find motivating and that promotes their productivity and continuous development.	  
	2. Customers: Higher customer satisfaction We make our customers' lives safer and easier. In this way, we will increase customer satisfaction and support our customers in their private and professional development.	 
	3. Society: Esteemed member of the Society As a member of society, we are committed to social responsibility as a good corporate citizen. We offer protection, security and contributions (e.g. taxes, sponsorships, donations and community involvement) in normal and crisis times and strive to increase the number of employees who volunteer.	   
	4. Environment: Climate change mitigation It is important to us for the environment to further reduce our CO ₂ emissions. We will start converting our electrical energy from 2024 in order to obtain 100 percent renewable energies from all locations in the future. In addition, we will broaden and deepen our responsible investment approach to our investments.	 
	5. Partners: Responsible and successful cooperation It is important to us to be the preferred partner for brokers, agents, suppliers and business partners who share our values and with whom we can transform synergies into mutual, measurable success.	 
	6. Investors: Attractive, reliable and responsible investment The JDC Group is an attractive, reliable and responsible investment. We want to further increase our operating cash generation and pursue a transparent, balanced and value-adding use of funds.	 

2.4 DEPTH OF THE VALUE CHAIN

Sustainability plays a role in the entire value chain of the JDC Group. Through our organizational activities, we pursue the goal of making a positive contribution to society. Accordingly, we do not regard our organizational duty as a linear path of profit increase, but also want to give this positive contribution back to the economy. We therefore see it as our responsibility not only to analyze the value chain, but also to rethink this process from the ground up and create a positive economic cycle. This means that the value chains are changing into real cycles. We therefore take a holistic approach to ensure that sustainability aspects are considered in all relevant business areas.



The sustainability criteria are reviewed within the whole value creation process. This means that the focus is not only on the company's direct business activities, but also on the activities of suppliers, partners, and service providers. Ecological as well as social and economic aspects are considered.

Essential criteria in the consideration of value creation are provider management, product responsibility, resource efficiency, employee engagement and transparency. By adhering to these criteria, we promote sustainability and meet the expectations of stakeholders.

We are committed to ensuring that partners adhere to sustainable practices and standards. This includes reviewing environmental impacts, compliance with human rights, working conditions and fair business practices, and implementing and maintaining IT protection measures. The integration of sustainability criteria into the entire value chain is intended to minimize risks, increase the performance of the company, and promote long-term value creation.

Furthermore, by expanding the consulting process and technologies, we promote the observance of sustainability criteria throughout the entire consulting process. In this way, we want to ensure that sustainability flows into every consulting process and customer contact.

We are aware that the integration of sustainability criteria alongside the value chain requires continuous efforts. We are committed to continuous improvement and work closely with partners and other relevant stakeholders to ensure compliance with sustainability standards and achieve a positive impact on the environment, society, and the economy.

Risk management identifies, assesses, and actively manages risks. Through sustainable insurance products, we can also promote the sustainable behavior of our customers. In the future, product development processes will examine which ecological and social externalities are triggered by our products.

The supported processes of the value chain also include human resources, legal affairs and controlling, and operations and procurement.

The basis of value creation is the technical and personnel prerequisite for achieving income. The technical infrastructure enables all participants to do their work. Here, too, we are constantly working on the further development and improvement of processes.

Here, we promote sustainability through the expansion of efficiencies and transparency as well as through the change towards sustainable energy procurement. We also want to establish clear values for sustainable development in our corporate culture. This includes integrating sustainability aspects into the company's strategy and vision to ensure that social and environmental concerns are considered in decision-making processes.

The processes of the JDC Group, which contribute to the production of an economic return through the essential areas, Advisory and Advisortech, will be further examined. This applies to the following areas:

- Customer management and generation
- Consulting, support in mediation and analysis
- Streamline and adopt closing processes and further digitize them
- Support key topics and market trends.

By constantly streamlining our processes, we increase efficiency and make a significant contribution to economic development.

The aspect to be considered in terms of sustainability is the design of these areas and the access to sustainability, both for the intermediary and for the end customer.

The direct allocation of the generated income to make a benefit and positive contribution is also further defined in this context. Here we consider:

- Expansion and further development of the platform
- Process streamlining for product providers and service providers
- Direct investment
- Analysing ESG criteria among providers
- Consideration of ESG criteria in the advisory process
- Demonstrating the sustainability of existing contracts
- IT security

With JDC's all-encompassing offering, we create value for our stakeholders and society. For all connected partners, we also create a streamlining of processes and an increase in expertise through our technical support, thus improving the insurance market.

Value utilization refers to the development and provision of sustainable financial products and services. We ensure that these products meet the needs of customers while considering social and environmental impacts. This can include the promotion of green investments, ethical investment strategies and socially responsible financial solutions, while ensuring data protection and IT security.

When allocating value, we look at the distribution of the value generated across the economy and how we influence this.

Reasonable salaries and benefits are offered to ensure that employees are fairly compensated and can achieve a proper work-life balance. By paying taxes and duties, we contribute to the financing of the community and thus also support the public infrastructure.

The following overview of the value allocation shows that a significant part of the turnover generated flows back into the economy:

Value allocation				
	2022 kEUR	2022 in %	2021 in kEUR	2021 in %
Key figure				
Turnover	156,080		146,808	
Other income	3,077		1,949	
Sum	159,157		147,490	
Depreciation	-6,052		-5,397	
Other expenses	-11,910		-11,095	
Value allocation				
(Total sales/earnings – expenses)	141,195	100	132,265	100
Spent on				
Commission	-111,317	78.84	-106,996	78.84
Personell	-27,235	19.29	-22,287	19.29
Shareholders	-	0.00	-	0.00
Public sector	-	0.00	-	0.00
Interest expenses	-1,541	1.09	-1,576	1.09
Remainder within the company	1,102	0.78	1,406	0.78

We have already started to classify investment and some product providers in terms of meeting ESG criteria. We want to expand this and, in the future, classify our share of sales revenues, which are ecologically sustainable, in accordance with the EU Taxonomy Regulation.

Commissions for intermediaries as well as wages and salaries to employees are the largest part of the value allocation at 98.13% (2021: 97.75%). Furthermore, a positive development in value creation and allocation has been created compared to the previous year and yet the yield has increased.

The value allocation remaining in the company is available for investment in future growth and contributes to value creation. In doing so, we also want to take sustainable approaches into account when investing in the capital market to adequately diversify these investments and observe sustainability criteria.

In this way, we want to have a direct influence on overall economic performance and positively influence all parties involved. In the future, we will strive to make further positive contributions, for example by investing in charitable projects or supporting social initiatives. We take care to distribute the value generated fairly and transparently.

By fulfilling and further expanding the above-mentioned points, the entire economy will be promoted, and the aspect of sustainability will be brought further into focus.

By continuously improving the platform and the supporting services, both professionally and technically, we increase the efficiency of the intermediaries. We also improve the environment for the consultant through further automation and acceptance of administrative activities.

We can positively influence the promotion and empowerment of intermediaries for sustainable insurance and financial products, so that this effect also reaches the end customer and has an influence on behavior to devote more attention to sustainability.

It is important that we offer professional and technical solutions that enable the intermediary to provide advice in compliance with sustainability criteria. It is precisely through the integration of Morgen & Morgen Office that processes, data and information are made available that make it possible to select insurers based on sustainability criteria.

Furthermore, we want to encourage our suppliers to also focus on sustainability and make contributions to the environment. Accordingly, processes are being implemented so that insurance partners can communicate their contribution to sustainability, and, at the same time, we bring the topic of sustainability more to the fore among our partners.

Sustainable investments

In the analysis and evaluation of investment decisions, negative aspects were considered in the form of exclusion lists. This exclusion list is designed to exclude specific industries, companies, or practices that are associated with ethical, social, or environmental concerns.

When considering exclusion criteria, we have considered norm- and value-based factors that are based on international norms, conventions, and principles, as well as ethical factors and questionable actions such as corruption, child labor, environmental pollution, human rights violations, arms trafficking, or unfair business practices.

ESG exclusion criteria for investments

In 2022, we made minor investments in the capital market for the first time. The investment decision was made based on an exclusion list. This exclusion list is designed to exclude specific industries, companies, or practices that are associated with ethical, social, or environmental concerns. When considering exclusion criteria, we have considered standards- and value-based factors as well as simple exclusion criteria.

For us, the simple exclusion criteria include:

Manufacture and trade of

- Armor
- Weapons
- Cluster munitions
- Alcohol
- Tobacco
- Gambling
- Pornography

For us, the standards- and value-based exclusion criteria include:

- Violations of international standards, e.g.:
 - Violations of human rights conventions and ILO labour standards,
 - Violations of the principles of the UN Global Compact
- Individually mentioned business activities and industries such as:
 - Genetic engineering in agriculture
 - Chlorine Chemistry and Agrochemistry
 - Pornography
 - Production and trade of weapons and arms
 - Nuclear energy
 - Tobacco production/trade
- Ethically questionable actions, e.g.:
 - Child labour
 - Forced labour
 - Corruption
 - Discrimination against women and minorities
 - Prevention of trade union activity
 - Endangerment of human health
 - Inadequate social protection for employees
 - Business relations with countries where human rights are violated
 - Obstruction of sustainable management
 - Overexploitation of natural resources
 - (avoidable) Animal testing
 - Environmentally harmful activities and products
 - Unwillingness to communicate key health and environmental metrics
 - Proven (serious) manipulation of transactions as well as equity participation in companies affected by negative criteria.

Taking such exclusion criteria into account ensures that investments are not only based on financial returns, but also on a responsible and sustainable approach that considers the impact on people and the environment. The amount of our investment amounts to only 0.07% of our total assets.

We will continue these investments in the following years and during this we will also examine sustainable aspects of the investment strategy and expand them if necessary. In addition, we actively engage with companies to drive positive change and exercise our voting rights as a shareholder.

Risk management

As an important component of sustainable corporate management, JDC Group AG's risk management makes a significant contribution to value creation for stakeholders. This contribution is achieved, among other things, through a strong balance sheet, high operating profitability, a distinctive risk culture, end-to-end risk processes and a sustainably oriented investment policy.

The main task of the risk management is to manage the opportunities, considering all risks, thus creating long-term value for JDC's stakeholders.

Risk management system

Our risk management is also value management and is based on innovative standards so that JDC can always deliver on its promise to all stakeholders. The risk management system is a strategic and at the same time operational system with the following sub-areas:

- Risk governance and risk culture
Group-wide standards as well as guidelines and guidelines applicable to Germany form the backbone of the risk considerations and define the fundamental key topics, such as underwriting risks, market risks and operational risks of business operations. Risk awareness as well as the handling and perception of risks are promoted and anchored throughout the organization to consciously manage accepted risks within the framework of risk appetite and to minimize unwanted risks for JDC and its stakeholders.
- Risk Measurement
Risk identification and quantification is carried out in all business and financial processes according to harmonized standards and leads to an appropriate prioritization of the risks taken for management.
- Risk processes
The reporting and evaluation processes are flanked by risk processes with the aim of taking the risk perspective into account in all important business decisions.
- Risk management
The task of risk management is to preventively detect events that run counter to the objectives of JDC by the risk management system and to assess the extent of a respective risk in qualitative and, if necessary, financial terms to be able to initiate any countermeasures. In this way, long-term value can be created for JDC's investors.
- Risk reporting
Risk reporting ensures a transparent presentation of the current risk situation within the framework of internal and external communication.

Progressive integration of sustainability and climate risks

To enable an efficient view from different perspectives, sustainability-related risks will be integrated into JDC's existing risk processes in the future. Sustainability risks are subdivided into the dimensions Environmental, Social and Governance and identified, recorded, and evaluated within the risk categories.

In the future, risk-strategic aspects of sustainability will also be addressed as a separate risk type around business strategy.

By progressively integrating sustainability and climate risks into risk management, the environment can be conserved as a resource in the long term, thereby contributing to a livable and secure future for society.

Where appropriate, sustainability risks are recorded and evaluated as part of the individual risks.

Various groupings of sustainability risks are examined and potential or actual risks for the different business areas are derived. In a next step, the main identified risks are evaluated and managed by means of suitable measures. Furthermore, as part of the analysis of emerging risks, long-term trends related to sustainability are also considered and analyzed.

Following the common typology, the following types of sustainability risks were identified:

- Physical risks
Environmental risks arising from clusters of natural events such as storms, floods, hail, or fire events.
- Transition risks
Effects of a change in stakeholders' demands for sustainability, such as the shift in demand for sustainable components in financial and insurance products.
- Liability
Liability of companies for damage to the environment for which they are responsible (e.g., pollution, endangerment).

In the future, the integration of sustainability risks into existing risk processes will ensure that the analyses and assessments carried out on a regular basis are incorporated into strategic risk management. In addition, the involvement of employees from different departments and business units increases risk awareness.

Governance and compliance

The companies of the JDC Group are reliable, honest, and fair partners. The trust of our customers and business partners is the essential basis for our business success. Violations of legal regulations can result in significant financial damage as well as official intervention in business operations as well as serious reputational damage.

The Group's governance system includes the following key elements, which are consistently implemented at the JDC Group:

- Risk management system including risk management process
- Internal control system
- Key functions (independent risk controlling function, compliance function, internal audit function)
- Rules for outsourcing
- Information security management system including IT governance, contingency planning, and technical-organizational measures
- Product Governance
- Whistleblower system
- Reporting

The management promotes and reinforces a company-wide "compliance culture". To the extent required by regulatory law, separate compliance functions at the individual company level monitor in a risk-oriented manner that the laws and regulations, supervisory requirements, and internal guidelines to be observed by the respective company are being adhered to. Monitoring actions are carried out considering the controls of the respective departments as well as the audit procedures of other control functions (e. g., risk management function, internal auditing, controlling). The monitoring covers at least those areas of law that are associated with significant compliance risks for the respective Group company. In addition, there are company representatives at the individual company level for the areas of risk management, data protection, information security, money laundering and occupational safety. Internal auditing, to the extent required by regulatory law, is carried out by independent, external third parties.

Insofar as no separate compliance function is required by regulatory law at the individual company level, this function is embedded in the risk management function. Potential compliance risks for the Group and/or at the individual company level are analyzed, monitored, and managed in all relevant areas of the company by the risk management function in close coordination with the specialist departments. Based on this risk analysis, it is assessed whether the existing measures already lead to risk avoidance or minimization to the required extent or whether further measures are necessary. The Group's risk management system is continuously being further developed.

During the reporting period, the internal guidelines in the departments concerned were reviewed and, where necessary, supplemented and updated. In addition, employees were trained in particularly sensitive subject areas. For example, web-based training courses were designed for the topics of information security, data protection and money laundering, in which all employees were required to participate.

The risk management function also monitors whether compliance with external requirements is ensured by appropriate and effective internal procedures to be established by the operational departments. Internal procedures are primarily understood to mean process-integrated controls within the framework of an internal control system ("ICS"). This is continuously being further developed.

Corruption

As part of the compliance risk analysis, the corruption risks within the Group are also considered. Considering the measures taken to minimize risk, no significant corruption risks could be identified in the reporting period.

Information

In times of constantly increasing cyber risks and at the same time stricter data protection regulations, the JDC Group attaches great importance to information security and IT compliance. JDC sees information security as a key enabler of digital transformation and an essential part of creating value for all stakeholders and becoming the trusted choice for all stakeholders and employees who simply want to feel safe.

Specifically, this includes the promotion of security experts within the JDC Group and the continuous raising of awareness among employees and brokers through training. The focus is not only on internal company information, but above all on the information and data of our customers.

The establishment of an Information Security Governance Framework within the JDC Group ensures that the group-wide approach to information security supports corporate governance standards. In addition, the implementation of an information security assurance program helps to ensure a structured, business- and risk-oriented, continuously improved approach to information security management across the Group.

In doing so, the JDC Group is guided by the following principles of its information security strategy throughout the Group:

- Risk-based approach
The information protection measures are based on a reality-based, continuously analyzed risk assessment by the JDC Group and ensure that the risk is in line with the risk assessment defined by the organization. Information security risks and IT risks are systematically identified, and vulnerabilities are closed.
- Integrative security
For us to be able to offer secure services and products, information security must be considered as early as the planning, design and creation of new business products, services, IT platforms and software solutions.
- Safety Frame
To comprehensively manage information security throughout the Group, the JDC Group is refining and expanding its "Information Security Management System (ISMS)". With the help of the ISMS and its standardized information security controls and processes, the three pillars of information security consisting of people, processes and technology can be efficiently orchestrated.
- IT Compliance
Legal and regulatory requirements are understood by the JDC Group and all employees and are proactively and efficiently complied with.
- Culture
The JDC Group cultivates a safety culture in which safety is understood as everyone's responsibility and perceived by employees as part of their work. Awareness of security risks is regularly promoted among all employees through annual training courses. Building on this, safety thinking will be further sharpened with recurring adaptive situational training.

In addition, in 2022 we had an external audit of the information security management system carried out by DEKRA for the first time. In the future, this will be carried out every two years. We also carry out an internal ISMS audit between the audit years, which will be carried out in 2023.

Cybercrime is often the result of outdated technology, mishandling of confidential information or virus-related security gaps. DEKRA's audit and successful ISO 27002 certification show that we handle the personal data of our stakeholders and end customers securely and take the necessary measures to prevent and combat cybercrime.

Jung, DMS & Cie. AG is integrated into the JDC Group as an intermediate holding company. The main activity of the subordinate organization is the provision of distribution agreements for financial investment and insurance products and services for insurance intermediaries acting as brokers or as insurance agents. For these service companies (JDC Pool (broker) and JDC Pro (representative)), essential business processes are provided by way of order processing, which in turn offer them as a service for the pool partners.

In May 2022, JDC's ISMS was audited and successfully certified by an external auditor from DEKRA Assurance Services GmbH in accordance with the international standard "ILfD Information Security Standard – Code of Practice in Practice 1.0" (CoPiP V1.0).

3 Corporate governance and process management

3.1 RESPONSIBILITY

JDC Group AG takes its responsibility for sustainability issues seriously and has defined clear responsibilities at operational and management level, with the central responsibility resting with the Executive Board. In the future, the integration and control of sustainability aspects will be ensured by the independent Supervisory Board.

At the operational level, a sustainability officer for sustainability issues will be established within JDC Group AG. This officer is responsible for the development, implementation and monitoring of the sustainability strategy and reports directly to the Executive Board. It is intended to carry out regular analyses and evaluations of the company's sustainability performance to identify weaknesses and initiate improvement measures. In addition, it is also responsible for ensuring the implementation and execution of the sustainability reporting standards in cooperation with the specialist departments and the Executive Board. Currently, this is being implemented by a cross-divisional and cross-departmental project management team with the support of an independent sustainability expert.

At management level, the Executive Board of JDC Group AG bears overall responsibility for sustainability issues. The Executive Board defines the company's long-term sustainability strategy and determines measures and resources to achieve these goals. It monitors the implementation of the sustainability strategy and ensures that sustainability aspects are appropriately integrated into business processes.

Various criteria are considered when appointing the highest supervisory bodies. Compliance with CSR guidelines and GRI standards as well as CSRD and ESRS standards are to be considered in the selection and staffing process in the future.

Supervisory board

Composition

The Supervisory Board consists of six members who are elected by the Annual General Meeting. Following the Annual General Meeting at which the members of the Supervisory Board have been elected, the Supervisory Board elects a chairman and one or more deputies from among its members at a meeting held without special convocation.

All members meet the necessary professional and personal requirements and have sufficient time to perform their mandate.

Competencies

The Supervisory Board comprehensively supervises the Executive Board with all its duties and rights and can view, inspect, and examine all books and documents at any time. This also applies to the tasks of the board of directors and writings in relation to sustainability.

Independence

The Supervisory Board consists exclusively of independent members. There are no personal and business relationships that could give rise to conflicts of interest.

The Supervisory Board of JDC Group AG acts independently of the Management Board and monitors the company's business activities regarding compliance and adherence to sustainability aspects.

ESG competencies

In future elections, we want to consider competencies in terms of sustainability and thus ensure that key competencies are also represented in this area.

Board

Composition

The Supervisory Board shall determine the members, appoint, and dismiss them, as well as conclude, amend, and terminate employment contracts with members of the Management Board. The Supervisory Board may appoint a member of the Management Board as Chairman or Spokesman of the Management Board and another member of the Management Board as Deputy Chairman or Spokesman of the Management Board. The Supervisory Board has appointed Dr. Sebastian Grabmaier as Chairman.

Management

The members of the Management Board manage the Company in accordance with the law, the Articles of Association, the Rules of Procedure for the Management Board, the schedule of responsibilities and the resolutions passed by the Annual General Meeting or the Supervisory Board within the scope of their respective powers.

ESG competencies

In the future, management measures will continue to focus on the attention of sustainability issues.
Transparency

A successful partnership and leadership must always be open and honest. That is why we attach great importance to the issue of transparency. This transparency applies directly to the shareholders to openly communicate the measures to achieve the goals. This applies to the day-to-day dialogue as well as to this report. That is why we are publishing a sustainability report, as we want to create an openness here to make a sustainable positive contribution to the economy. In this way, we ensure that we can constantly adapt to social change processes.

In doing so, it is important for us to consider the increasing relevance of sustainability issues among our shareholders. Attention to the topic of sustainability, which is already an essential part of our organization, is becoming more and more the focus of investors and investors. The reason for this is the conviction that sustainably oriented organizations are successful in the long term and thus have a better risk-reward profile. We therefore see compliance with ESG criteria and disclosure as a major cornerstone of our corporate orientation.

In this context, it should be noted that we have already implemented many measures to reduce CO₂ emissions and reduce our carbon footprint. Furthermore, we communicate our goals and want to further develop the strategy for the future.

Adherence to compliance regulations is an important point, which we also disclose transparently. We live an equal opportunity culture through equality and equal opportunities and have a zero-tolerance policy for incidents of discrimination of any kind. Therefore, we are pleased to report that we have not recorded any compliance violations in the current and previous year. This lays an important foundation for the common orientation towards sustainability.

3.2 RULES AND PROCESSES

3.2.1 Implementation

We develop clear rules, processes, and standards to be able to anchor the sustainability strategy in our operating business. These internal instruments are intended to serve as guidelines for the actions of employees and support the implementation of the sustainability goals.

Internally, specific guidelines are developed that are based on the sustainability strategy. These guidelines include, for example, measures to promote energy efficiency, environmental protection, social responsibility, and ethical business practices. They are regularly reviewed and updated to ensure that they comply with current sustainability requirements and best practices. These guidelines are implemented across all areas of risk management so that compliance is ensured and reporting to the responsible control body is adequate.

Further, sustainability-relevant processes are integrated into operational processes. This includes, for example, the identification and evaluation of sustainability-relevant risks and opportunities, the consideration of sustainability aspects in mediation processes, and the regular recording and reporting of sustainability indicators.

In addition, we rely on compliance with recognized standards and certifications in the field of sustainability, such as CSR-RUG and other international sustainability standards. The integration of these standards ensures that it is based on a solid framework and in line with best practices.

The sustainability strategy is thus implemented through clear internal rules, processes and standards that ensure that sustainability aspects are integrated into day-to-day business and continuously improved. This anchoring systematically drives the implementation of the sustainability strategy and strengthens the company's sustainability performance in the long term.

To successfully implement and continue sustainability management, the foundations must be created.

For this reason, the first step is to empower employees to implement all aspects of the sustainability strategy in their daily work. Therefore, we conduct workshops and adapt the processes to act sustainably. In this way, we not only want to reduce the existing CO₂ footprint but also take preventive action against new emissions.

To assess the performance of the measures and the effectiveness, it is important to establish uniform codes and standards and to implement a dedicated management system. It is important that responsibilities are clarified.

We are continuously incorporating uniform and defined standards into all processes (with and without customer contacts). These are in line with our corporate purpose and strategy. These standards apply to all employees in all locations. These standards are set out in our „Work Instructions and Guidelines“.

3.2.2 Control

The company discloses how, and which sustainability performance indicators are used in regular internal planning and control. It explains how suitable processes ensure reliability, comparability, and consistency of data for internal control and external communication.

We used a variety of performance indicators to discuss sustainability goals, steer actions, and monitor outcomes. These indicators serve as metrics to evaluate progress in the implementation of the sustainability strategy and to identify possible fields of action.

The selection and evaluation by the performance indicators are continuously expanding to improve the depth and scope of control.

Key performance indicators include energy consumption, CO₂ emissions, resource efficiency and emission reduction. By regularly recording and monitoring these indicators, we can measure and evaluate the environmental footprint of our business activities. These are determined based on consumption values. In the further course, we want to have these values verified to be able to evaluate our results in this respect.

In addition, social and socio-economic performance indicators such as employee satisfaction, employee development and qualification, compliance with labor and human rights standards, and cooperation with partners are also taken into account. We achieve this through regular surveys and surveys as well as through the monitoring of certifications to our product providers.

The key figures collected are used for both internal management and external communication. We attach great importance to transparent and comprehensive reporting on sustainability performance. The data is included in the Sustainability Report to give stakeholders insight into the company's progress and achievements in sustainability.

Through the systematic collection and use of performance indicators, we ensure the monitoring and management of sustainability goals. This enables a targeted further development of the sustainability strategy to drive positive change and achieve a sustainable impact.

To ensure the reliability, comparability, and consistency of the data, we use appropriate processes. This includes, but is not limited to, the following measures:

- Clear definition of data sources
Uniform and standardized methods for collecting and measuring data are established. This ensures consistent data collection and processing across different business units.
- Internal control mechanisms
We implement internal controls to ensure data quality. This includes regular checks, validations, and plausibility checks of the collected data.
- Use of reporting guidelines and guidelines
Clear guidelines and guidelines are developed to help employees capture and document data correctly. This ensures uniform and consistent reporting.
- Training and awareness-raising of employees
We invest in training and education to raise awareness of the importance of sustainability data and correct data collection. These contribute to improving data quality and compliance with sustainability goals.
- External validation
We strive to have our results and data collection verified and certified by external bodies to confirm the reliability of the results and sustainability data.

Through these measures, JDC Group AG ensures that the sustainability data is reliable, comparable, and consistent. This enables sound internal management, transparent external communication, and continuous improvement of the company's sustainability performance.

3.2.3 Data management and data protection

Managing and protecting data and complying with data protection is of great importance to us, since. This deepens the importance of data protection as we manage sensitive customer data. We take data protection seriously and take measures to ensure the confidentiality, integrity, availability, and security of the data.

Our employees are continuously sensitized and trained to create awareness of data protection and to ensure compliance with the relevant data protection regulations. In doing so, they are informed about the importance of data protection, receive information on how to handle sensitive data and are informed about current data protection guidelines and procedures. All these trainings are conducted several times a year. All related materials are always available to employees and are up to date.

In addition, we use technical and organizational measures to ensure the security of the data. This includes access controls, encryption technologies, regular audits of IT systems and constant updating of security measures in accordance with applicable data protection standards.

With our commitment to data protection, we not only ensure regulatory compliance, but also the trust of our customers, partners, and other stakeholders.

We handle our stakeholders' data carefully and respectfully and do everything we can to protect their privacy and rights. We are committed to continuously monitoring our privacy practices and meeting changing requirements.

Jung, DMS & Cie. AG processes personal data of employees and business partners for its own business purposes. Within the scope of business activities, third-party data is also carried out within the framework of order data processing. There is no processing of personal data outside the applications.

Special categories of personal data within the meaning of the GDPR and the BDSG are processed in accordance with legal requirements in the personnel area, as well as in the administration of insurance contracts.

All companies of JDC Group AG are subject to the data protection regulations that have been checked by Jung, DMS & Cie. AG. All locations are subject to the same technical and organizational measures.

In 2021, we had an external data protection audit carried out by DEKRA for the first time. This is carried out every two years. We also conduct an internal data protection audit between audit years, which was carried out in 2022.

In the above-mentioned audit, Jung, DMS & Cie. successfully achieved the audit results

Bestätigung



Datenschutz nach DS-GVO und dem BDSG

DEKRA Assurance Services GmbH bescheinigt hiermit, dass das Unternehmen
Jung, DMS & Cie. AG

Geprüfter Bereich:
Datenschutz-Compliance

Geprüfte Geschäftsabwicklung:
Versicherungen als Auftragsverarbeitung

zum Zeitpunkt der Überprüfung, die datenschutzrechtlichen Anforderungen aus der DS-GVO und dem BDSG erfüllt. Der Nachweis wurde mit dem Auditbericht-Nr. A120289010-2021-1 vom 08.03.2021 erbracht.

Stuttgart, den 23.03.2021

Simona Gläser

DEKRA Assurance Services GmbH
Simona Gläser - Geschäftsführerin



3.3 INCENTIVE SYSTEM

The achievement of the goals agreed with the employees and the management will be discussed and monitored in a joint dialogue and will be further expanded into the area of sustainability. The Supervisory Board and the Management Board play an important role in this. In the future, these supervisory bodies will regularly evaluate the progress made in implementing the sustainability goals and assess their impact on the company's long-term value creation.

The aim is to analyze and evaluate the progress made in implementing these goals and the ratio of total annual remuneration to the company's sustainability performance. In the future, this process will ensure a holistic view of the sustainability strategy and its implementation at management level.

JDC Group AG strives to continuously develop its remuneration system and adapt it to current and sustainable requirements. The standards and other relevant guidelines are used as a guide to ensure that sustainability aspects are adequately integrated into the target agreements, remuneration and evaluations.

3.4 STAKEHOLDER INVOLVEMENT

To ensure goal-oriented, sustainable development, it is essential to have an impact and direction in the direction of the stakeholders. In doing so, we need to know and weigh up the interests of all our different stakeholders.

In the beginning, it must be determined who the relevant stakeholders for JDC are. The following is an overview of the stakeholders and a justification of the relevance of JDC:

- Employees
Measures should serve employees and align goals for community well-being
- Shareholders
Shareholders have a direct stake in the company's success. The desire is to increase value through successful leadership
- Banks (as lenders)
Securing the capital to cover future liabilities and possibly enter further cooperation.
- Investors
Key investors for the company to further expand the platform.
- Provider
A key driver of product design.
- Consultant and intermediaries
Day-to-day users of the systems and services provided

We have comprehensively analyzed and identified these stakeholders through the application of various practices and methods, as these have a direct or indirect impact on the company's business activities and sustainability concerns.

Essential methods are:

- Stakeholder analysis
A systematic analysis is carried out to identify the stakeholders who have a direct or indirect impact on the company's sustainability concerns. Factors such as their interests, power and influence on the company are considered.
- Interest Group Categorization
The identified stakeholders are categorized by stakeholders based on common characteristics or concerns. This can be done, for example, according to customer groups, employees, shareholders, suppliers, regulators, or local communities.
- Stakeholder dialogues
Through direct dialogue with stakeholders, their needs, expectations, and concerns can be better understood. This can take the form of face-to-face meetings, workshops, surveys, or public consultations.
- Literature and media analysis
An analysis of the relevant literature and media can help to identify other potential stakeholders who may be relevant in relation to sustainability aspects of the company.
- Industry and peer benchmarking
By comparing them with other companies in the industry or with similar business models, further stakeholders can be identified that could also be relevant to one's company.

It is important that these methods are applied in combination to ensure a comprehensive and holistic identification of the relevant stakeholders. It should also be regularly reviewed and updated whether the relevance and importance of stakeholders change over time.

To enter a dialogue with investors, we ensure a high degree of transparency through our reporting. Individual data collections are also made available upon request to demonstrate our success clearly and openly.

With the providers, we make sure that the members are in the GDV. The reason for this is that the members of the GDV have committed themselves to the SGDs and are striving for the goal of being climate neutral by 2050 (sustainability requirement/positioning of German insurers).

Our intermediaries thus benefit indirectly from our selection of providers and directly from the increasing selection of products in compliance with ESG criteria.

We want to continue to actively integrate an immensely important part of the stakeholders, our employees, into sustainability processes but also encourage them to participate. To this end, we have launched a series of surveys to determine the current, subjective assessment and to find points that are particularly important to employees. In doing so, we want to:

- i) Determine whether our sustainable actions have already had an impact
- ii) Where potential for improvement is seen
- iii) Create a baseline against which we can always compare our performance

Furthermore, through these surveys and information, we want to support employees in looking at the topic of sustainability in all other aspects of life and provide measures for action to reduce their individual footprint. In the year under review, we still did not report any work-related injuries or illnesses.

When identifying relevant stakeholders for the sustainability report, we deliberately did not take the end customers directly into account. This is due to the fact that the end customer of JDC Group AG are primarily contacted through intermediaries and consultants. Since direct interaction with end customers usually takes place through these intermediaries, we do not have comprehensive and representative survey data or similar information to tailor activities specifically to the wishes and needs of end customers.

However, the intermediaries and consultants are an important interface between JDC Group AG and the end customers. Therefore, we attach great importance to working closely with our intermediaries to ensure that they are informed about current sustainability information and guidelines. Through training and regular exchanges, we raise awareness of sustainable financial products and services among our intermediaries so that they can adequately address the needs and concerns of end customers.

Nevertheless, JDC Group AG remains committed to better understanding the end customer's perspective on sustainability. We are currently exploring ways to collect targeted feedback and feedback from end customers in the future to continuously improve our sustainability activities and better address their needs. By working more closely with intermediaries and using appropriate customer feedback tools, we want to ensure that our sustainability efforts are also aligned with the needs and expectations of end customers.

3.5 PRODUCT & INNOVATION MANAGEMENT

The long-standing and fundamental success of the JDC Group is based on the consolidation of expertise. All services and programs offered by JDC are anchored in-house. The software that is provided was developed by JDC and is always developed internally according to the wishes of the consultants. Technical support is provided by colleagues in specially designated competence centres.

In this brand essence, we are constantly expanding our strengths. Our sustainability strategy therefore goes hand in hand with the services we offer.

Contribution to sustainability

For us, sustainability in the sense of product and service design means sustainably transforming the services we offer in the area of value creation and reconciling the agreement of management actions with the interests of relevant stakeholders.

An important part of the further development is the consolidation of the performance and the software directly in the organization. Accordingly, the area of analysis and further development lies with us. In the software and technology sector, it is very important for us to adapt to changing requirements and market conditions. In this area, we live the agile process to be able to integrate desired changes to the system quickly and leanly.

This helps us to meet current needs and to continuously develop the iCRM. The attractiveness of the system continues to be recognized by external analysis companies. In terms of sustainability, we want to make an impact in two ways. We have a lasting impact through the continuous conversion of the use of sustainable energy to reduce the CO₂ emissions caused by the operation of the systems and the continuous expansion of the system and connections so that other computers and tools can be easily accessed to include the sustainability aspect in the consulting process. Here, the fulfillment of ESG criteria, on the provider and intermediary side, is simplified and further advanced.

In our internal processes, we use various services from Microsoft and analyze whether other cloud services increase efficiency in order to incorporate further sustainability aspects here as well. In addition to functionality and efficiency gains (central storage accessible from anywhere), Microsoft is committed to sustainability "out of conviction" and is "also pursuing the ambitious goal of removing more CO₂ from the atmosphere than producing it from 2030".

(<https://news.microsoft.com/de-de/category/gesellschaftliche-verantwortung/nachhaltigkeit/>)

In a further look at ESG criteria, we also include the products offered. For example, we are establishing further measures and KPIs to expand the selection of product partners that take ESG criteria into account. In doing so, we will carry out an analysis of existing partners, as well as look for new, market-relevant partners who have committed themselves to the topic of sustainability with clear goals and measures. In addition, we want to label the products under ESG criteria and further expand our portfolio here as well.

These measures contribute to sustainability and support our corporate vision of sustainability. In this way, we create a gain in efficiency while at the same time reducing our CO₂ footprint.

We attach great importance to the continuous development of technology. The individual needs of the customers are considered, and market-driving factors are included in the innovation process. A central concern is to integrate the sustainability preferences of end customers into the consulting process and to incorporate them into the preparation of offers.

To meet the individual needs of our customers, we continuously invest in the improvement and further development of the technology. Not only internal insights and expertise are considered, but also external market trends and customer feedback are included. In this way, we ensure that we offer tailor-made solutions that meet the specific requirements and preferences of customers.

This is also illustrated by the award from the analysis house compamedia and the Institute for Entrepreneurship and Innovation at the Vienna University of Economics and Business, which named the JDC Group one of the top 100 most innovative companies in Germany in November 2021. A questionnaire on topics such as innovation-promoting top management, innovation climate, innovative processes and organization, external orientation/open innovation and innovation success was used for evaluation.

4 Environmental concerns

4.1 USE OF NATURAL RESOURCES

The core business of the JDC Group is in the service sector without resource-intensive production. Nevertheless, by acting responsibly, we can further reduce the company's negative environmental impact. In doing so, we include both the company as a whole and the behavior of individual employees.

The following part of the report covers the main locations of the JDC Group in Munich, Wiesbaden, Troisdorf, Weißenfels, Dresden, Berlin, Vienna, Hofheim am Taunus, Augsburg, Traunstein and Mühldorf. Around 408 employees were based at these locations in 2022.

We have identified the following areas as key sources of emissions in our business operations:

- Vehicle fleet
- Electric energy
- Heating
- Business trips
- Paper

4.2 CLIMATE-RELEVANT EMISSIONS AND RESOURCE MANAGEMENT

Concept, control, and measures

Optimizing resource utilization is an ongoing process at JDC Group. The relevant indicator is the CO₂ emissions for the two main energy sources "electrical energy" and "heating energy" as well as for "business travels".

The JDC Group has set itself the goal of continuously reducing climate-damaging CO₂ emissions. The constantly changing (legal) requirements for environmental protection, which can also have an economic impact, are of course pursued, and implemented. External partners support us in the analysis and identification of ecological optimization potential.

Goals

To achieve the goal of avoiding and reducing GHG emissions, we are already implementing several measures. We are working to improve energy efficiency, switch to cleaner energy sources and reduce our dependence on fossil fuels. Our fleet will also continue to be successively converted to energy-efficient vehicles.

It can be seen that the main emissions fall into the category of indirect greenhouse gas emissions. Which measures are carried out for each emission factor and tracked by management level are listed below.

The goals, measures, status, and planned target achievement are listed in the table "Sustainable measures and goals of JDC Group AG and the reference to the material topics". We refer to this table later in the chapter.

JDC Group AG and its subsidiaries are tenants at all locations. The emission sources heat (except for two locations), waste and water are provided exclusively by the landlord. Thus, we are only able to have an indirect influence at these points. Nevertheless, in this context, we will seek an exchange with the landlord in order to promote a more sustainable expansion in the future.

As part of the sustainability report, we look at our CO₂ footprint and the potential impact on the climate. Reporting on GHG emissions is based on the reporting requirements of the GHG Protocol Corporate Accounting and Reporting Standard developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). The GHG Protocol covers GHG emissions in three categories (Scope 1, Scope 2, and Scope 3). The so-called scope is a categorization of the operational boundaries at which GHG emissions occur.

- Scope 1: Direct emissions from sources owned or controlled by the organization.
- Scope 2: Indirect energy-related emissions generated during the generation of electricity, heating and cooling energy, and steam to meet the needs of the organization.
- Scope 3: Other indirect emissions, all indirect (not included in Scope 2) emissions that occur outside the organization (including upstream and downstream emissions).

We prepared the following GHG balance sheet of the JDC Group with the help of an external consultant . In the future, we plan to further expand, verify, and certify our CO₂ emissions balance.

Determination of CO₂ emissions in Scope 1–3

To create an adequate list of our emission factors as a basis, we proceeded as follows for the preparation of the CO₂ balance:

Scope 1 and 3 emissions

The factors for the individual emission sources of the fleet were determined directly with the help of the manufacturer's specifications of the vehicles as well as by values given by the DKV fuel card.

The CO₂ balance sheet for Scope 1 and Scope 3 was carried out for the first time for the year 2021 with reference to all relevant companies in the locations Wiesbaden, Munich, Troisdorf, Weißenfels, Dresden, Stuttgart, Berlin, Vienna and proportionately from May Augsburg, and from August Hofheim am Taunus.

For 2022, we included three additional locations in Munich, Traunstein and Mühldorf in addition to the above-mentioned locations. For the year 2022, all values were available in Scopes 1 and 3 and could be included directly in the calculation.

We determined the factors for the individual emission sources in Scope 1 and 3 with the help of the EcoCockpit²⁾ determination tool and used them for the calculation. The emission factors determined in this way were taken for all values of the CO₂ balance if no direct information from the supplier or manufacturer was available.

Scope 2 – Electricity and district heating

For the first time, our GHG balance sheet for 2021 was made with reference to the actual consumption of all relevant companies in Wiesbaden, Munich, Troisdorf, Weißenfels, Dresden, Stuttgart, Berlin, and Vienna. An extrapolation was made for the Vienna location of benefit consulting GmbH. This extrapolation is based on the actual consumption of another location in Vienna, from which we calculated the heat and electricity consumption per capita and extrapolated it to the other and smaller location in Vienna based on the number of employees.

For the newly acquired location of BB-Wertpapierverwaltungsgesellschaft mbH in Augsburg in May 2021, we calculated the monthly consumption from the company's respective annual electricity and heat consumption so that we could include the consumption from May to the end of December proportionately in our CO₂ balance.

For the MORGEN & MORGEN GmbH site in Hofheim am Taunus, which was newly acquired in August 2021, we calculated the monthly consumption from the company's respective annual electricity and heat consumption so that we could include the consumption from August to the end of December proportionately in our CO₂ balance.

The preparation of our GHG balance sheet for 2022 includes all relevant companies at the locations Wiesbaden, Munich, Troisdorf, Weißenfels, Dresden, Stuttgart, Berlin, Augsburg, Hofheim am Taunus and Vienna. Three further locations have been added in Munich, Traunstein and Mühldorf. An extrapolation was made for the Munich, Traunstein and Mühldorf locations of FiNUM.Private Finance AG. This extrapolation is based on the actual consumption of the Munich site, from which we calculated the heat and electricity consumption per capita and extrapolated it at the other locations listed based on the number of employees.

In the 2022 reporting year for the calculation of Scope 2 emissions, we had the billed consumption for electricity and heat for the Weißenfels site at the reporting time. For the Munich, Stuttgart and Hofheim im Taunus locations, we only had the actual consumption for electricity.

For the preparation of the CO₂ balance 2022 for Scope 2, the respective consumption quantities were thus determined based on the previous year's values and the extrapolation to the respective location was made based on these in each case, plus a 3 % safety margin.

We will take up the actual Scope 2 CO₂ emissions for 2022 in our Sustainability Report 2023 and retroactively correct and disclose them with the actual values, if any. For these reasons, it is not yet possible to make a statement about a reduction in Scope 2 emissions.

²⁾The ecocockpit is an online calculation tool for determining the CO₂ footprint of the NRW Efficiency Agency. The NRW Efficiency Agency (EFA) was founded in 1998 on the initiative of the NRW Ministry of the Environment to provide industry and trade in North Rhine-Westphalia with impetus for resource-efficient management.

JDC Group's CO₂ Footprint 2021-2022

CO₂ Emissions

	2022 in t	2021 in t	Changes compared to previous year in t	CO ₂ emissions per employee (FTE) 2022 in kg	CO ₂ emissions per employee (FTE) 2021 in kg
Scope 1					
Vehicle fleet	52.74	71.65	-18.91	129.26	213.88
thereof petrol	11.37	30.21	-18.84	27.87	90.18
of which diesel	41.37	41.44	-0.07	101.40	123.70
Scope 1 Total	52.74	71.65	-18.91	129.26	213.88
Scope 2					
Electricity Total	66.36	51.54	14.82	162.65	153.85
Heat Total	182.88	149.23	33.65	448.24	445.46
Scope 2 Total (market-based)	249.24	200.77	48.47	610.88	599.31
Scope 3					
Total paper**	1.37	0.95	0.42	3.36	2.84
Business travel	25.58	6.32	19.26	62.70	18.87
thereof by car	0.28	0.13	0.15	0.69	0.39
of which by bus/train	0.33	0.19	0.14	0.81	0.57
of which by flight	24.97	6.00	18.97	61.20	17.91
Scope 3 Total	26.95	7.27	19.68	66.05	21.70
Total	328.93	279.69	48.47	806.20	834.90
Compensation	370.4	0.00			

Energy and environmental data of the JDC Group (locations: Wiesbaden, Munich, Troisdorf, Weißenfels, Dresden, Berlin, Vienna, Triesen, Hofheim am Taunus, Augsburg, Munich (Elsenheimerstr.), Traunstein*, Mühlendorf*)

* Newly added in 2022

** Includes printer, copier and sanitary paper

In line with our commitment to sustainability and environmental protection, we are implementing individual measures at numerous locations to achieve a common goal: reducing our footprint. We recognize the importance of collective action and strongly believe that a significant positive impact can be achieved through the collaboration and joint commitment of each individual site.

For us, we see the biggest lever for measures in the purchase of sustainable electricity. In 2022, we already purchased 69 % (2021: 67 %) of electricity from renewable energy sources and continue to pursue our goal of sourcing it 100 % climate-neutrally via the sites in the future.

The individual locations are always required to stand up for higher energy efficiency and the purchase of sustainable products. It is also important that delivery and manufacturing routes are taken into account and, if possible, that sustainable goods and services are sourced from local suppliers.

Not only the performance at the sites should be geared towards sustainability, but also the actions of all employees. Through targeted measures, we are also creating offers for commuters to use public transport or bicycles, through discounts on job tickets or bike leasing. When it comes to waste separation and recycling, we also encourage our employees at all locations to be conscious of waste separation by using separate waste bins, avoiding plastic bottles, shredders, and paper separation, as well as yellow bins.

The status as well as further goals and measures in the individual scopes are explained in more detail below:

Fleet

We continue to motivate our employees to generally commute without a car in the future. We have already introduced bicycle leasing to make the basis for this more attractive. To this end, we want to introduce further measures in the future to incentivize the use of bicycles. In the case of public transport, we want to analyze regional ticket offers and discuss their usefulness for the workforce.

In addition, the gradual conversion of the vehicle fleet to hybrid and electric vehicles continued. Our fleet in 2022 consists of a total of 19 vehicles (2021: 20 vehicles), of which 8 are hybrid vehicles (2021: 6 vehicles) and one electric vehicle (2021: 1 vehicle). We are discussing the conversion of all leasing contracts in order to successively switch to energy-efficient drives, as far as the contract terms and individual circumstances allow. When purchasing new company vehicles, we will continue to switch to energy-efficient drives in the future. We have succeeded in replacing our vehicle fleet with two more vehicles on hybrid drive. The proportion of hybrid and electric vehicles amounted to 47 % on 31.12.2022, compared to 35 % in the previous year. The aim is to convert the entire vehicle fleet to energy-efficient vehicles by 2030 .

Compared to the previous year, we succeeded in reducing the CO₂ emissions of the vehicle fleet by 26 % in 2022.

Electricity

We promote a targeted increase in energy efficiency at all locations by placing signs in the offices, e.g., when leaving the building, to switch off the lights and the appliances. We are also gradually converting the lighting to LED lighting at all locations. In Wiesbaden, this measure has already been successfully completed.

In the area of IT, we also rely on energy-efficient devices such as: energy-efficient laptops and screens for all employees.

We promote the purchase of green electricity by in a timely manner converting energy contracts at all locations. All subsidiaries are required to review their electricity contracts and switch to 100 % green electricity procurement as soon as possible. Current contracts consist largely of electricity mix contracts at the respective locations. As already mentioned, in 2022 we already purchased 69 % (previous year: 67 %) of electricity from renewable energy sources. We want to have 100 % energy procurement from sustainable sources by 2030.

The CO₂ emissions for electricity below Scope 2 include three new sites compared to the previous year and for the sites already considered in 2021, the above-mentioned surcharge of 3 %. This is only done for those locations for which no final invoice for the year 2022 is available at the time of reporting. It should be noted here that the emission values of the locations MORGEN & MORGEN GmbH (Hofheim am Taunus) and BB-Wertpapier-Verwaltungsgesellschaft mbH (Augsburg) compared to 2021 have been included in our CO₂ balance for 2022 with their full-year value.

Heat

We obtain district heating at all locations. Apart from the JDC locations in Munich (headquarters) and Weißenfels, the district heating purchase is only included in the rental agreements and is therefore part of the utility bill. In view of this, we cannot have a direct influence on the district heating contracts, but we want to seek discussions and solutions with the landlord in the future. Since the utility bills are usually made available to us by 31.12. of the following year at the latest, we can only use extrapolation values as a basis for this report. For 2022, these include a safety margin of 3% on the actual consumption values of 2021.

Business trips

In 2021, due to Covid-19 and the travel restrictions, we were unable to attend important international trips. Due to easing measures, these could take place again in 2022. International flights are the biggest source of emissions from our business trips. These account for 98% of CO₂ emissions for business travel in Scope 3. To compensate for this, we are reducing the number of business trips in Germany that can be done by car, with a focus on mandatory annual face-to-face appointments and the effort to attend more appointments virtually overall. These have increased in 2022, which is due to the fact that, on the one hand, our workforce has grown and, on the other hand, mandatory on-site appointments that could not be held virtually could take place again. However, the travel restrictions due to COVID-19 were also eased again and, in particular, we were able to resume our presence obligations abroad by flight.

Compared to the previous year, CO₂ emissions for business travel have increased. The reason for this is that travel restrictions have been eased due to COVID-19 and we have been able to resume our presence obligations abroad by flight. In addition, it was also possible to attend other appointments that could not take place virtually.

Nevertheless, we continue to promote the reduction of business travel by car. We want to continue to reduce business travel and always advocate covering distances by public transport, using the train, refraining from using cars or flights and attending appointments virtually, as far as possible, and justifiable.

Paper

Due to Corona, our employees were hardly on site in our properties in 2021. This changed in 2022 and more and more employees have found their way back into the office space. We also expanded our office space in 2022. As a result, our paper consumption values have also increased, through an initiative in which we tried to reach our analogue customers by means of correspondence via written channels so that they would prefer to exchange correspondence in digital form in the future.

We want to continue to reduce paper consumption by promoting an awareness of the responsible use of paper in our corporate culture. Furthermore, further work steps are provided in digital form. The communication and processing of documents as well as their storage takes place via cloud services and thus reduces the incentive of paper consumption. In this way, we promote sustainable administration in digital form, including the use of Microsoft Teams and emails, always in compliance with data protection and security.

Since it is currently not possible to completely dispense with the use of paper, we want to keep consumption emissions as low as possible. We therefore promote the purchase of sustainable paper products by using recycled paper. Suppliers of CO₂-neutral paper are also inspected at regular intervals. A successive adaptation or conversion to this is carried out with a detailed examination of the economic efficiency.

As a further contribution to paper reduction, we contribute to our business relationships. Here, we develop and establish internal processes that contribute to reducing paper use.

Here, too, the processing of various documents is done automatically in the background thanks to self-programmed artificial intelligence (AI).

Contribution to the reduction at the product provider

We are establishing digital mail reception routes so that documents do not have to be printed out at the insurer but are imported directly into our system. Here, we are constantly sharpening and developing our systems to further reduce the paper quota.

Contribution to the reduction at the intermediary

For the intermediary, we have digitized the entire process and enable the complete consultation process without paper. This starts with the connection to the possibility of digital signature.

Contribution to reduction for the customer

Furthermore, we provide customers with a way to receive all important insurance documents digitally via the "allesmeins" app and, if possible, to replace paper shipping here at the insurer.

Waste

Due to the situation as tenants at the locations, waste disposal is centrally regulated by the individual landlords. It is not possible for us to measure the volume of waste, as this item in the utility bill is only made as a total value for all building rentals by the landlord and not explicitly according to the consumption of the individual properties.

In this way, we can influence the awareness and actions of individual employees exclusively at our locations by encouraging our employees at all locations to discuss waste separation and recycling. We are therefore already separating paper and hazardous waste in order to dispose of it via a separate provider. We continue to promote recycling at the individual sites, through training and support, but also through conscious waste separation. At all locations there are separate waste bins and shredders and the yellow bin or yellow bags if necessary. We are eliminating plastic bottles and continue to install water dispensers to reduce the use and consumption of disposable and reusable bottles.

Water

Due to the situation as tenants at the locations, water consumption is also centrally regulated by the individual landlords at the respective properties. It is also not possible for us to measure water consumption here, as this item in the utility bill is only made as a total value for all building rentals by the landlord and not explicitly by company.

Here, too, we will seek dialogue with the respective landlords to find and establish a joint solution for the future.

The following table provides detailed information about the kilometers driven in the fleet, electricity, heat, and paper consumption, as well as the kilometers traveled during our business trips in 2021 and 2022. The consumption figures in question are based on estimates for the year 2022, as described in detail above.

By law, we are obliged to carry out an energy audit. This will be carried out in 2023. Subsequently, we have the opportunity to derive future measures and implement them in our processes to be able to further reduce our CO₂ emissions in a targeted manner and to sustainably increase our energy efficiency.

CO₂ compensation

Consumption

	Unit	2022	2021	Changes compared to previous year
Scope 1				
Vehicle fleet	km	393,477	360,528	-32,949
thereof petrol	km	124,527	56,365	-68,162
thereof diesel	km	268,950	304,163	35,213
Scope 2				
Electricity total	kWh	224,588	287,948	63,360
Heat total	kWh	511,858	628,805	116,947
Scope 3				
Paper **	kg	526	777	251
Business travel	km	41,074	152,198	111,124
thereof by car	km	950	1,858	908
thereof by bus/train	km	15,645	25,180	9,535
thereof by air	km	24,479	125,160	100,681

** Includes printer, copier and sanitary paper

Regarding our sustainability efforts, it should be noted that, despite all efforts, not all CO₂ emissions can be completely eliminated.

In addition, it is important to acknowledge that some of our processes and activities may continue to generate emissions with currently available technologies and resources. This means that we cannot immediately reduce all CO₂ emissions at the beginning but take a step-by-step approach to achieve our goal of a more sustainable future.

We see the effects of climate as a global challenge and want to continue to compensate for unavoidable CO₂ emissions in the future. We have already taken measures to this end and want to expand our compensation project portfolio of support.

In order to achieve our goal of climate neutrality, we offset our emissions by supporting sustainability projects.

It is important that the compensation measures are of high quality and verified. For this reason, we have adhered to the recommendations of the Federal Environment Agency (https://www.umweltbundesamt.de/sites/default/files/medien/376/publikationen/ratgeber_freiwillige_co2_kompensation_final_internet.pdf) and identified providers who comply with the Gold Standard. When selecting projects, it is important to us that they relate to the relevant SDG and list measures that are relevant to our material topics.

In this context, we offset 370 metric tons of CO₂ in the 2022 reporting year. This is done in compliance with the listed criteria. We have decided on this level of compensation because the Sustainability Report for 2022 is being prepared for the first time. An all-encompassing data discussion on this is under construction. We have taken into account a surcharge and compensated for a higher value than listed in the CO₂ balance .

URKUNDE

über CO₂-Einbindung

JDC GROUP AG

hat mit PRIMAKLIMA CO₂-Emissionen in Höhe
von 370,4 Tonnen kompensiert.

.....

Der Ausgleich erfolgt durch Aufforstungen und den Schutz von
Wäldern in unseren
nach anerkannten Standards zertifizierten Projekten.

Wir bedanken uns für das Klima-Engagement!



Dr. forest. Henriette Lachenit
Vorstandsvorsitzende

Bergisch Gladbach, 22.12.2022



5 Community and society

5.1 WORKERS' RIGHTS

Workers' rights are a central part of our approach to sustainability. At JDC, we consider ensuring fair and equitable working conditions to be a fundamental responsibility towards our employees. We strongly believe that respectful and ethical working conditions not only promote the well-being of our employees, but also ensure the long-term stability and success of our company.

Our employees are at the heart of our company and their opinions are important to us. To ensure that their interests are represented, we promote open communication and regular exchange between employees and managers. We have introduced various feedback mechanisms, such as anonymous surveys, complaint procedures and regular appraisal interviews, to create an open atmosphere for discussion and to address possible concerns or suggestions for improvement.

Transparency is another important part of our employee policy. Through clear communication and access to relevant information, we ensure that our employees are informed about their rights and can actively participate.

Our commitment to workers' rights includes a wide range of measures. We attach great importance to compliance with national and international laws and standards, including the ILO core labor standards. The occupational health and safety laws are fully applicable. These include fair wages, decent working hours, safe and healthy working conditions, and the right to freedom of association and collective bargaining. Discrimination of any kind is not tolerated in our company, and we are committed to equal opportunities and rights for all employees, regardless of gender, age, ethnic origin, sexual orientation, or disability. In 2022, no case of discrimination was reported either to the Equal Opportunities Officer or elsewhere or anonymously.

In addition, we actively promote the personal and professional development of our employees. We offer extensive training and development programs to expand their skills and knowledge and achieve their professional goals. Our employees also have access to flexible working time models and mobile working options that enable them to balance work and private life.

The working conditions should do justice to the different lifestyles and promote diversity. To make it easier to reconcile family and career, full-time and/or part-time positions are advertised.

Through targeted programs to promote diversity and equal opportunities, we create an environment in which every employee can develop their full potential. The qualifications, motivation and value-oriented personality of each and every employee are the basis for the success of the JDC Group.

Our goal is to ensure a working environment in which every employee feels valued, respected, and treated fairly. By promoting and protecting the rights of our employees, we contribute to the sustainability and long-term success of our company.

A culture of diversity is an important goal of the JDC Group. Respect and recognition for different lifestyles and identities are therefore encouraged. In addition, diversity is also a strategic field of action for the Group. The fight against discrimination and the commitment to equal opportunities is anchored in the JDC Group Code of Conduct. The JDC Group offers its employees a wide range of opportunities for their development. We provide support and space so that everyone can develop their personal strengths and use them profitably. This includes, for example, the promotion of diversity in management positions, education and training and health management. Even at internal events and in internal exchange, emphasis is placed on an unprejudiced and appreciative attitude.

5.2 EQUAL OPPORTUNITIES

Equal opportunities and diversity, occupational health and safety, co-determination, integration of migrants and people with disabilities, appropriate pay and reconciliation of family and career are important concerns to us.

At JDC, we understand equity that equal opportunities are open to everyone, regardless of race, culture, or gender. This is illustrated by our roots in over 60 countries and our employees, who belong to all major religious communities or private orientations. This social, cultural, and ethnic diversity offers us many advantages. To express the equal treatment, we live by, we have committed ourselves to internal principles of equal treatment. This creates a work environment that is built on respect and appreciation.

Dealing with diversity and diversity is also constantly considered and further expanded at management level. In this way, we create an atmosphere of trust and openness that applies to the entire company.

5.3 RECONCILING WORK AND FAMILY LIFE

The compatibility of work and family is a high priority at the JDC Group. Company agreements on flexible working hours, mobile work and working from home at all locations lay the foundation for making it easier for our employees to reconcile family and career.

Under the special circumstances of the Covid-19 pandemic, the JDC Group Board of Directors has created extremely flexible solutions. In 2022, the company continued to focus on modern working environments and the requirements for the company, customers, teams, and employees, establishing hybrid working as the future working model.

The compatibility of family and career is supported in various ways. First, this includes a very flexible arrangement of working hours and location.

JDC Group offers flexible working arrangements that support the work-life balance of employees. For example, there is an extremely flexible flexitime model that offers employees a wide range of design options.

Furthermore, the Group offers a wide range of individual part-time solutions that are precisely tailored to personal needs and operational requirements.

Employees can also work remotely from home. In fact, all employees have the opportunity to work from home and to arrange their working hours flexibly, considering core working hours. This serves to protect the health of employees, to ensure operational stability and, finally, to support employees in coping with family challenges, for example in caring for children and other relatives. A further contribution to the harmonisation of family and career is made by individually adapted agreements around childcare and the care of relatives in need of care.

5.4 OCCUPATIONAL HEALTH AND SAFETY

The overarching goal is to ensure the sustainable integration of occupational health and safety into the company organization to ensure systematic, safety-oriented action by all employees. This also includes the continuous increase in the maturity level of occupational health and safety management.

At the heart of the JDC Group's safety work is the expert assessment of working conditions in accordance with §§ 5, 6 of the Occupational Health and Safety Act (risk assessment). These include a holistic and primarily prospective view regarding:

- Identification of hazards, including psychological ones
- Risk assessment and assessment
- Risk mitigation
- Efficacy control
- Continuous improvement process

The hazard analyses are carried out with the involvement of occupational safety specialists, if necessary. The local occupational health and safety committees meet quarterly. In terms of the holistic understanding of occupational safety and health, not only the pathogenesis (protection aspect, key question: What makes you sick?), but also the salutogenesis (promotion aspect, key question: What keeps you healthy?) is pursued. Accordingly, occupational safety and health and occupational medicine are closely linked.

There were no deaths related to work-related injuries or illnesses in 2022. The company does not carry out any further analyses on this point due to data protection and works constitution reasons.

Health and safety

	2022	2021
Sickness rate	2.73%	1.61%
Industrial accidents	0	1
Deaths	0	0

5.5 HEALTH

Maintaining the health of employees is a very high priority at the JDC Group. Under the overarching objective of maintaining the ability of employees to work and perform throughout their entire working lives, the company has been promoting the health, well-being, and motivation of its employees for many years far beyond legal requirements.

The focus is on positively influencing employment relationships as well as individual behavior. The main areas of action of JDC's occupational health management (BGM) cover the topics of "Occupational Integration Management", "Ergonomics at the Workplace", "Nutrition", "Leadership", "Health Protection & Safety", "Medical Services", "Sport & Exercise", "Stress" and "Addiction". In this context, we cooperate with the Barmer health insurance company to be able to carry out health days.

These include, for example, a standardized procedure for the reintegration of long-term patients, health screenings and comprehensive health check-ups, health days with different focal points, such as: "Back training" or "relaxation", various consulting services and management training. In order to promote a healthy diet, we have already introduced fruit baskets in the largest locations.

As part of the training courses on the correct use of VDU workstations, the employer subsidizes individual workplace glasses if they are required. If an ergonomic workstation is necessary for an employee, he or she will be provided with a height-adjustable desk and chair, for example.

To be able to support employees in terms of health even in a working world dominated by home offices, the WHM offer was adapted in the wake of the Corona pandemic from 2020 onwards. For example, the prevention courses have been switched to live online and/or outdoor variants. Furthermore, the course program is to be converted to a hybrid course offer so that employees in the home office and at all locations can participate equally in the course program in the future.

All health services are evaluated on a regular basis – with consistently positive results. For example, the number of participants in the health events and prevention courses has been at a high level since their introduction in 2020. In addition, the feedback from the participants is consistently positive. For example, our employees are of the opinion that the prevention courses contribute to a better management of their everyday working life.

5.6 DIVERSITY

Another essential factor for success is the respectful treatment of different cultures. By diversity we mean respect for gender, internationality and origin, generations, and people with disabilities.

We live an inclusive culture to integrate people with disabilities into everyday working life. For example, we have doubled the number of employees with severe disabilities since the previous year, resulting in a severely disabled rate of 2.5 % (2021: 1.5 %). Here we see it as our responsibility to further promote the participation of disabled people in working life. In addition, our Equal Opportunities Officer supports our employees with disabilities through individually adapted measures.

Due to the long employee affiliation, the hiring of experienced specialists and the training system, several generations come together at JDC. We encourage these gatherings through regular onboarding and training. Under the principle of lifelong learning, it is important to us that all generations commit themselves to this and constantly improve their level of knowledge and share it with each other across generations. In this way, too, we keep an eye on succession. We also consider the individual needs of each person, regardless of generation and age, through various training and health programs.

Age structure in %

	2022	2021
Employees under 30	24.2	22.4
Employees between 30 and 50	50.8	52.8
Employees over 50	25.0	24.9

The JDC Group is committed to diversity and relies on the holistic understanding that diversity enriches the corporate culture and promotes corporate success. Therefore, we can proudly say that our women's quota is 51 %.

So far, there is no woman on the board of directors at the JDC Group. The proportion of women on the Supervisory Board is 16.7 %. At the 1st management level, the proportion of women is 36.4 % and at the 2nd management level 36.0 %. We continue to strive to promote diversity in management positions.

Women's quota in %

	Position	2022	2021
Board		0.0	0.0
Supervisory board		16.7	16.7
1. Leadership level		36.4	35.8
2. Management level		36.0	35.4

5.7 REMUNERATION

To create an equal opportunity culture, it must be ensured that an adequate remuneration structure is in place. Such an appreciation of work is an important part of the company's strategy and culture. For this reason, we have established a performance-based and appropriate remuneration system. Through various working time models and contract arrangements, such as full-time and part-time work, we support the wishes of our employees and create the basis for a healthy work-life balance for them.

In addition, we always remunerate individual performance on an ad hoc basis and add the area of performance support in terms of sustainability as a further factor. In addition to the basic salary, we also create further attractive remuneration and thus promote performance incentives. Among other things, we have introduced a "peer bonus" so that a performance can also be recognized directly (financially) by the manager level. Some components of remuneration include the development of the organization. The individual and performance-related remuneration is therefore always in line with our corporate purpose.

In addition, we offer flexible benefit programs for our employees in order to optimize the net salary in various ways.

For managers, we have also introduced an employee participation program, which enables direct participation in the company's success. We always assess all additional benefits and remuneration in addition to the base salary in the context of our corporate vision and values.

5.8 QUALIFICATION, EDUCATION AND TRAINING

Our human resources strategy focuses on promoting employee retention and development and diversity, enabling a good work-life balance, and promoting health.

Personnel recruitment

JDC Group AG is actively committed to successful personnel recruitment. We are committed to recruiting talented people who not only have professional skills, but also share our company values and goals. We are looking for employees who are enthusiastic about ethical action, social responsibility, sustainability, and professional topics.

To attract qualified and motivated personnel as a medium-sized company, it is important to reach applicants at an early stage of their training. In close cooperation with colleges and universities, we would like to draw students' attention to JDC Group AG and offer working student jobs in various disciplines. In addition, we give students their first insights into our company through internships.

To find and acquire highly qualified specialists, we rely on various options. By participating in relevant industry events, conferences, and specialist lectures, we increase our visibility and can get in direct contact with talented professionals. In addition, through targeted headhunting and personal approaches, we create the opportunity to address highly qualified specialists and recruit them for JDC Group AG.

Through sustainable personnel recruitment and development, we ensure with a dedicated team of specialists that the mission of JDC Group AG to promote sustainable action and entrepreneurial success.

Training

JDC Group AG invests in the training of young people through a wide range of training opportunities in various areas. During their training, our trainees pass through various specialist areas and thus gain a qualified insight into our operational processes. We are particularly proud of the excellent exam results of our trainees and the fact that we can offer them long-term employment contracts after their training. In 2022, for example, five trainees completed their apprenticeship and were taken on directly by us.

In 2022, we employed 16 trainees and one dual student (2021: 10) and were able to achieve an increase of 70 % as a result. Thus, the training rate increased from 2.99 % to 4.20 % in 2022.

Further education

Further training and personnel development are important fields of action within the JDC Group. Our human resources development supports employees at all levels and at every stage of their careers.

In addition to offering professional competence, the JDC Group also invests in competence development in the areas of leadership, methodological and social skills. In addition to classic seminars and workshops, we also offer web-based training.

All employees directly and significantly involved in insurance sales are obliged to undergo further training for at least 15 hours a year and to document this. In addition, there are mandatory training courses for all employees, e.g., in the areas of data protection, money laundering compliance and information security.

Staff development

Personal training is based on the 70/20/10 approach:

- 70 percent on the job
- 20 percent with others (e.g., in projects)
- 10 percent off the job

Learning "on the job" succeeds through regular, structured feedback in everyday work, a lived error culture in which employees have the courage to act beyond their comfort zone.

The company supports learning with others through regular changes of perspective, which allows employees to gain new perspectives, expand their competence and form a network within the company.

External training courses are discussed individually and financed in whole or in part. These range from one-day seminars to participation in external advanced training courses. Employees' applications for educational leave are reviewed and approved individually in accordance with the state laws and provider approvals applicable at the respective company locations.

The number of training sessions attended by the company's employees for education and training averaged 1.1 training sessions per employee in 2022.

Regarding sales activities, special training obligations arise from IDD. The offers as well as the follow-up of participation are carried out via an internal training management tool. In 2022, all employees active in sales fulfilled their training obligations.

Continuous learning and regular training are crucial for ensuring the sustainable employability of our workforce.

In addition, the JDC Group takes measures to promote internal exchange, such as after-work events and summer parties.

It is very important to us that our employees feel comfortable with us and with us and that they follow this common path with us over a long period of time.

Staff turnover

	2022	2021
Average employee affiliation in years	5.4	5.4
Number of employees who left the company	62	52
Newly hired employees	92	74

Leadership development

The JDC Group's leadership events serve our managers to prepare for the changing world of work and to support them in facing the resulting new demands on leadership. The focus is on the practical implementation of the contents of agile working, role of the manager, culture of trust. This offer is rounded off by follow-up formats such as Coaching-in-Leadership, a further training course that enables managers to go into the attitude of the coaching manager in an accompanied manner. In addition, there were opportunities for exchange and topic-specific impulses in the regular management rounds, which could also take place in person again in 2022.

5.9 SUPPORT FOR ASSOCIATIONS AND NON-PROFIT ORGANIZATIONS

The JDC Group takes its responsibility seriously not only internally, but also externally. Corporate Social Responsibility (CSR) is understood as part of the JDC Group's approach to sustainability, which is based on our value creation model, on the resources of society and the environment.

In the future, we will research and examine numerous charitable projects and initiatives in our country organizations for the benefit of society and the environment to make an important contribution here in the future.

Like all of the company's other measures, its social commitment is subject to economic scrutiny. The ICS serves as an internal review process. The materiality of risks is based on the risk profile and sustainability of the company. The current results of this risk management process should not reveal any significant negative effects on social matters. Potential negative impacts on social issues are filtered by policies from the outset and ultimately mitigated by risk mitigation and the risk management process.

5.10 HUMAN RIGHTS

Internal standards of conduct, compliance with applicable law and due diligence are intended to prevent the negative impact on human rights. Respect for human rights plays a role at our sites, in our investments, in our products and services, and through the products and services we purchase. We take respect for human rights along our value chain seriously and want to further expand the monitoring of our externalities through due diligence. External stakeholders can report justified indications of rule violations via complaint management and the future whistleblower system. As mentioned earlier, no cases of discrimination were reported in 2022.

5.11 COMMUNITY

As an employer with many locations, we also see a responsibility in having a positive impact on society.

Here we can see a positive development in the number of employees. We have an increase of 20 % compared to the previous year. This shows that despite the challenges of previous years, including the Corona pandemic, we are moving in a positive direction.

One reason for this is the involvement of employees in the decisions and developments of the organization. We integrate the wishes into the organization via surveys to the employees and process the feedback received. Furthermore, we also offer an employee participation program in the form of shares, so that selected managers can participate in the positive development of the company.

The topic of sustainability is highly relevant and is therefore anchored in the management. We also want to pass on this importance across all levels of the organization. To this end, not only managers, but all employees in the company must be informed, educated and enthusiastic about sustainability. To this end, we want to openly communicate our values of sustainability and encourage all employees to participate to enable a successful future. Therefore, we see a great leverage in incentivizing employees through economic and other aspects. We therefore want to link existing participation and funding programs to the aspects of sustainability and examine further measures. In this way, we ensure that we make the entry into sustainability attractive for all employees of the organization and contribute to society.

To this end, we have sent out surveys and questionnaires to establish a basic knowledge of sustainability issues. We want to bring everyone up to a common good level of knowledge and expand it further.

Another essential part and important stakeholder are the intermediaries of JDC. To make a positive contribution here as well, we offer a comprehensive range of services, which we want to expand based on user feedback. The attractiveness of the service concerns the amount of remuneration as well as the scope of the service. It is important to us that we pass on the security of regular commission payments to the intermediary and reduce the administrative work by supporting specialists. In this way, we want to increase the quality of consulting, supported by regular specialist and system training.

Regarding sustainability, we want to enable intermediaries to identify the essential aspects of sustainability and to integrate them into their daily advice. In the future, more space will be given to the sustainability aspect here. To this end, we are developing a training concept about sustainability. In doing so, we want to sensitize our intermediaries to the topic of sustainability and, furthermore, to sustainable topics in consulting. We already have systems in place that look at insurers and products in terms of sustainability aspects. We want to expand this and implement it in a standard process.

5.12 POLITICAL INFLUENCE

Against the background of increasingly complex legislative procedures, it is also important to us to support politicians on prominent issues relating to the regulations of our insurance, fund, and financing industry by providing information, transferring expertise, and making concrete proposals for the design of the regulatory environment. Through our membership in the industry associations VOTUM – Association of Independent Sales Companies in Germany and AfW – Employers' Association of the Financial Industry, which are important to us, we contribute to the achievement of the above-mentioned goals through our own content-related impulses as well as financially. The CEO of the JDC Group, Dr. Sebastian Grabmaier, has also been a volunteer on the board of the VOTUM Association for over five years and is personally available to politicians, in particular the financial policy spokespersons of all parliamentary groups in the Bundestag, as a contact person and source of information. In this way, the JDC Group wants to contribute to supporting the regulatory environment with the important concerns of consumer protection and efficient private and company pension schemes. Furthermore, we support the European association FECIF in critical issues in European business management procedures.

Beyond these measures to represent our interests, we are not politically involved and take a neutral stance on issues relating to them, unless direct industry interests are affected. It is important to us to convey our values to our customers, agents and employees in a way that is independent of political influences of any kind. To ensure that this attitude is maintained when our employees appear on social networks, the principle of neutrality is reflected in our social media guideline.

As central memberships of JDC Group AG also the arbitration board of the Insurance Ombudsman must be mentioned.

5.13 CONDUCT IN ACCORDANCE WITH THE LAW AND GUIDELINES

JDC Group AG considers conduct in compliance with the law and regulations to be an integral part of its sustainability strategy. We strongly believe that acting responsibly in accordance with legal requirements and regulations makes a positive contribution to the sustainable development of our business activities and society.

Our commitment to comply with applicable laws and regulations also includes environmental and social standards. We are committed to designing our business practices and processes to be environmentally and socially responsible. These include, for example, compliance with environmental laws, the reduction of emissions and waste, the responsible use of resources and the promotion of diversity, equal opportunities, and fair working conditions.

Our employees play a crucial role in the implementation of our sustainability goals. We promote their awareness of the importance of legal and guideline compliant behavior in the context of sustainability and provide them with training and resources to support their daily actions. We encourage them to actively participate in identifying and implementing measures to improve our sustainability performance.

As a company, we strive to go beyond legal requirements and continuously improve. We set ourselves ambitious goals to minimize our environmental footprint, strengthen our social responsibility and create long-term value for our stakeholders. Through our efforts to combine legally and directive-compliant behavior with sustainability, we strive for a sustainable future in which we make a positive contribution to society and the environment as a responsible company.

Contact

JDC Group AG

Rheingau-Palais
Söhnleinstraße 8
65201 Wiesbaden

Telefon: +49 611 335322-00

Telefax: +49 611 335322-09

info@jdcgroup.de

www.jdcgroup.de

DISCLAIMER

The Sustainability Report of JDC Group AG is available in German and English. The English translation of the Report has been provided for convenience. The German version is legally binding and can be viewed on the company's website: <https://jdcgroup.de/en/investor-relations-en/>

We will provide you with additional information about JDC Group AG and its subsidiaries upon request.