

Report on non-financial matters

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About this report

This report was prepared in accordance with “Section six, Transparency on non-financial matters”, of the Swiss Code of Obligations (OR). It contains the disclosures required by Art. 964b OR and the Swiss Ordinance on Climate Disclosures (KlimaVO) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which are referenced in the Ordinance. In terms of structure and contents, the report is largely aligned with the European Sustainability Reporting Standards (ESRS) and incorporates many of the ESRS requirements. This report fulfils the requirements of the Corporate Sustainability Reporting Directive (CSRD), albeit not yet in full.

This report follows the structure of the ESRS and contains general information (ESRS 2), environmental information (ESRS E1), social information (ESRS S1 and ESRS S4) and governance information (ESRS G1). The references to the disclosures required by Art. 964b OR, Art. 3 KlimaVO and the recommendations of the TCFD are presented in the appendix to this report and are also shown in the sub-headings within the main report.

Foreword

Dear shareholders, dear readers,

Insurance companies typically have long-term business models that create sustainable value for all stakeholders. We have been shouldering responsibility on behalf of our customers, employees and investors for 160 years. We do this for the benefit of current and future generations. Sustainability is firmly anchored in Baloise's corporate culture. The success of our business allows us to make an enduring contribution to the protection of people and the environment.

The products and services we provide at Baloise help to make society safer and more resilient. Baloise makes an important contribution to a stable society and encourages growth and innovation by assuming risks. When it comes to meeting environmental and social challenges now and in future, Baloise aims to be part of the solution. Baloise wants to create value for investors, customers, employees, the wider public and the environment by integrating sustainability criteria more keenly in its decision making.

At the heart of Baloise's focus on sustainability are the needs of our customers and employees and the challenges posed by climate change. Under our new sustainability strategy that was created in 2024, we have defined actions and targets to take Baloise forward in the key strategic action areas relating to sustainability. These strategic actions are supplemented by integrated sustainability governance.

In this report, we explain how we take responsibility for the environment, society and corporate governance. The report meets the requirements for transparency on non-financial matters set forth in Art. 964a–964c of the Swiss Code of Obligations (OR) and is aligned with European Sustainability Reporting Standards (ESRS).

Basel, March 2025



Dr Thomas von Planta
Chairman of the
Board of Directors



Michael Müller
Group CEO

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General information

ESRS 2 – General disclosures

Basis for preparation

BP-1 – General basis for preparation of the sustainability statement

Baloise Holding Ltd's sustainability statement has been prepared on a consolidated basis.

The non-financial scope of consolidation is the same as the financial scope of consolidation.

The sustainability statement covers the Company's upstream and downstream value chain in the scope defined in accordance with ESRS SBM-1 Strategy, business model and value chain.

Baloise Holding Ltd has not taken up the option to omit information relating to intellectual property, know-how or the results of innovation.

BP-2 – Disclosures in relation to specific circumstances

(Art. 3 KlimaVO)

Time horizons

In ESRS, the short-term, medium-term and long-term time horizons are defined as one year, up to five years and more than five years, respectively. These time horizons are the same as those used as the basis for assessing risks in the context of the Own Risk and Solvency Assessment (ORSA).

In the climate scenarios, which – in accordance with the EIOPA Opinion on the supervision of the use of climate change scenarios in ORSA – are also examined in ORSA, the time horizons were adapted and the impact in the periods up to 2030 (short term), 2050 (medium term) and 2080 (long term) were analysed.

Value chain estimation

The sustainability statement of Baloise Holding Ltd does not incorporate any estimates of data on the upstream and/or downstream value chain.

Sources of estimation and outcome uncertainty

The following quantitative metrics and monetary amounts are subject to a high level of measurement uncertainty:

- In the emissions data, (see ESRS E1-6), the Scope 3 emissions in the “purchased goods and services” and “capital goods” categories have been estimated on the basis of the Group's purchasing data. Furthermore,

the emissions of smaller sites and units for which no activity data is available have been extrapolated on the basis of the Group-wide emissions and the number of employees.

- As the actual number of working hours per year is not known for Baloise Luxembourg and Euromex NV, assumptions were made about this number in order to calculate the rate of recordable work-related accidents (see ESRS S1-14 Health and safety metrics).
- The number of days lost to work-related injuries and fatalities from work-related accidents (see ESRS S1-14 Health and safety metrics) and the proportion of employees who took family leave (see ESRS S1-15 Work-life balance metrics) had to be calculated on the basis of data relating to only part of the workforce.

Furthermore, it should be noted that forecasts and forward-looking information are subject to a certain degree of uncertainty.

Changes in preparation or presentation of sustainability information

In terms of structure and contents, this report was prepared in accordance with the rules of ESRS for the first time. Consequently, there are no changes to the preparation or presentation of the sustainability information.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

We refer to the information provided under “About this report” on page 110.

Incorporation by reference

In ESRS 2 SBM-1 – Strategy, business model and value chain, reference is made to the segment reporting in the financial report for details of the significant product groups and markets.

Governance

GOV-1 – The role of the administrative, management and supervisory bodies

Art. 964b (2) 1 OR, Art. 3 KlimaVO)

Governance in general

At Baloise, it is not individuals but the following governing bodies who are responsible for the sustainable and long-term development of the corporate strategy and its implementation.

The division of authorities, functions and responsibilities between the Board of Directors and the Corporate Executive Committee is governed by law, the Articles of Association and the Organisational Regulations. The Organisational Regulations are reviewed on an ongoing basis and updated as changing circumstances require.

We are pursuing the following objectives with the rules on sustainability that we have put in place:

- Embedding sustainability in the business strategy, including control mechanisms
- Implementing and regularly reviewing structures and processes to ensure the achievement of objectives
- Ensuring good corporate governance in accordance with the requirements of *economiesuisse* (umbrella organisation representing Swiss business)
- Promoting transparency and trust

Baloise's system of governance includes an extensive range of processes and controls for monitoring and managing sustainability-related impacts, risks and opportunities.

Board of Directors

As at the reporting date of 31 December 2024, the Board of Directors consisted of the following nine independent and non-executive members: Thomas von Planta (Chairman of the Board of Directors), Christoph Mäder (Vice Chairman), Maya Bundt, Guido Fürer, Christoph B. Gloor, Karin Lenzlinger Diedenhofen, Markus R. Neuhaus, Hans-Jörg Schmidt-Trenz and Marie-Noëlle Venturi-Zen-Ruffin. In Switzerland, it is neither legally required nor typical for a member of the Board of Directors to represent employees and other workers. No member of the Board of Directors is simultaneously a member of the Executive Committee, and this is prohibited by the regulatory requirements for insurance companies.

The Board of Directors comprises three female and six male members. The average ratio of women to men is thus 3:6, which equates to 50 per cent (calculated in accordance with ESRS). Women make up 33 per cent of the total number of board members. The proportion

of independent members of the Board of Directors is 100 per cent. For this purpose, Baloise uses the definition of independence in the Swiss Code of Best Practice for Corporate Governance.

The Baloise Board of Directors exercises ultimate supervisory authority over the operational management of the Company and the Group. It monitors both compliance with the relevant laws and risk management. The Board of Directors defines the long-term targets and strategies, including the Group's sustainability strategy, and is ultimately responsible for their implementation in operational management. The Board of Directors approves the report on non-financial matters for subsequent approval by the Annual General Meeting and defines the structure of remuneration.

The Board of Directors has four committees, each of which is responsible for certain aspects of sustainability:

- The Strategy and Governance Committee (SGC) – providing advice to the Board of Directors – monitors the development and implementation of the sustainability strategy in the field of sustainable corporate governance. The Organisational Regulations stipulate that the Chairman of the Board of Directors is a member of the SGC.
- The Audit Committee (AC) monitors progress with sustainability reporting. It decides whether the non-financial report can be recommended for presentation to the Annual General Meeting and for approval.
- The Investment and Risk Committee (IRC) is responsible for defining the principles of sustainable investment at a strategic level. It also monitors progress with sustainability in asset management and sustainability-related risks in Baloise's risk environment.
- The Remuneration Committee (RC) submits proposals to the Board of Directors on the structure of remuneration and ensures that sustainability criteria are embedded in Baloise's remuneration system.

The members of the Board of Directors represent a diverse range of industry knowledge, training and education, experience and nationalities, as can be seen from the skills matrix and from their individual *résumés* published in the "Corporate governance" chapter of the Annual Report.

Corporate Executive Committee

As at the reporting date of 31 December 2024, the Corporate Executive Committee consisted of the following five members: Michael Müller (Group CEO), Alexander Bockelmann (Head Corporate Division Group IT), Matthias Henny (Head Corporate Division Asset Management), Clemens Markstein (Head Corporate Division Switzerland) and Carsten Stolz (Head Corporate Division Finance).

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The Corporate Executive Committee comprises five male and no female members (average ratio of women to men: 0 per cent). The Board of Directors is endeavouring to establish equal representation of both genders in the most senior operational management body before this becomes mandatory under the Swiss Code of Obligations at the start of 2031. The Swiss Code of Obligations will require companies whose Executive Committee does not represent each gender to at least 20 per cent to state the reasons for this in the remuneration report.

The Corporate Executive Committee is in charge of the operational management of the Baloise Group. Together with the Group CEO, it is responsible for the implementation of the long-term targets and strategies, including the Group's sustainability strategy. It defines the sustainability strategy more precisely on an operational level and determines the action to be taken to achieve the sustainability targets, which the local Executive Committees then integrate into their action plans. When and where relevant for the Belgium, Germany and Luxembourg strategic business units (SBUs), the heads of these SBUs are involved in strategy discussions (Group Strategy Board).

The knowledge and experience of the individual members of the Corporate Executive Committee are set out in the "Corporate governance" chapter of the Annual Report.

The Corporate Executive Committee has the requisite knowledge regarding the insurance and financial sectors, the products in these sectors and the regions in which the Group entities are located.

Sustainability network

At the heart of the organisation working on sustainability at Baloise is the Group-wide sustainability network, which was created in 2019. It brings together representatives from all national subsidiaries and Group functions, such as Compliance, Group Human Resources and Asset Management. Its interdisciplinary structure means the network has the expertise it needs to perform its role effectively. The network's tasks include developing and steering Baloise's sustainability strategy and defining clear guidelines for its implementation.

Representatives of the sustainability network undertake their tasks in the **Group governing bodies** as follows:

- The sustainability network is in regular dialogue with the Corporate Executive Committee (the composition of which is described above). Sustainability representatives from the national subsidiaries in Switzerland, Germany, Belgium and Luxembourg are part of the Group-wide sustainability network. The Corporate Executive Committee has overall responsibility for operational implementation and sets out the requirements of the sustainability strategy in more detail.

It deals with requests from the sustainability network and signs off on them for approval by the Board of Directors. Representing the sustainability network, the Head of Sustainability & Regulatory Affairs regularly reports directly to the SGC on the development and refinement of the sustainability strategy and its implementation.

- The Head of Sustainability & Regulatory Affairs reports to the Audit Committee on regulatory developments relating to sustainability and on mandatory reporting.
- The Head of Group HR regularly informs the SGC about succession planning at the upper management levels, the advancement of talented individuals, the promotion of diversity within the Group and other selected aspects of the HR strategy pertaining to sustainability.
- The Head of Total Rewards reports to the RC on the policies developed, especially on the measurable sustainability indicators in Baloise's remuneration system that are relevant to the strategy.
- The Head of Responsible Investment in Asset Management reports to the IRC on the responsible investment strategy and prepares the principles for responsible investment for approval by the IRC. The Chief Risk Officer reports on the risks that could arise if sustainability rules are not properly implemented, which actions can mitigate sustainability risk and which controls are used to monitor risk.

Representatives of the sustainability network undertake their tasks in the governing bodies in the national subsidiaries and corporate divisions as follows:

The sustainability representatives of the national subsidiaries are the link to the local sustainability networks, the local Executive Committees and the local Boards of Directors. The local networks focus on ensuring sustainability is implemented in all areas. However, implementation is not the exclusive responsibility of the local networks. Together with the local departments, they coordinate which actions are implemented, as well as when and how they are implemented.

Close consultation between the networks is essential for uniform Group-wide implementation and is ensured by the sustainability coordinators of the national subsidiaries and at Group level.

Depending on the internal regulations, the Boards of Directors and/or the Executive Committees of the national subsidiaries and corporate divisions are responsible for implementation of the local sustainability strategies within the overall Group strategy.

Adjustments to the organisational and management structure from 1 January 2025**Adjustments to the organisational structure**

Baloise introduced significant organisational changes in 2024 by merging the Sustainability function and the Regulatory Affairs function to form a new Group function called “Sustainability & Regulatory Affairs” within the Corporate Division Finance. The new organisation is intended to exploit the synergies between strategy development and reporting in the area of sustainability.

In merging these two functions, Baloise aims to ensure it can satisfy all sustainability-related statutory and regulatory requirements in a focused and efficient manner. The new Sustainability & Regulatory Affairs Group function will support the more targeted development and implementation of the sustainability strategy by bringing together the expertise in these two areas, thereby ensuring Baloise can take a coherent and integrated approach.

This organisational change underpins Baloise’s commitment to sustainability and will make sure that it can live up to the growing requirements and expectations of its stakeholders. At the same time, it can lay sustainable foundations for its future business success.

Adjustments to the governance structure and the operating model

As part of the process of continual improvement, Baloise makes adjustments to its governance structure and operating model in order to tackle new challenges and seize opportunities that arise with due consideration for sustainability. In doing so, it makes efficient use of existing structures while integrating management elements.

A material element of these changes is the establishment of a Sustainability Council, led by the Head of Sustainability & Regulatory Affairs. This new body, which generally consists of members of the Executive Committee, acts as a review and advisory body reporting to the Corporate Executive Committee / Group Strategy Board.

The Sustainability Circle comprises all Sustainability Leads from the national subsidiaries, the Banking segment and Baloise Asset Management, plus people with relevant responsibilities. It is coordinated by the Sustainability Lead Group and reports directly to the Sustainability Council. The Sustainability Circle is responsible for drawing up proposals for the Baloise Group’s sustainability strategy, including individual actions. It also provides support on implementation in order to deliver on the sustainability targets. Through the Sustainability Circle and the heightened involvement of the departments, Baloise is improving its ability to integrate sustainability matters into its core business and ensuring that its sustainability targets are pursued and achieved at all levels of the Company. The Sustainability Circle builds on the Baloise Group’s existing sustainability network, with the addition of local people from the responsible departments.

Specific knowledge, continuing professional development

The members of the Corporate Executive Committee and Board of Directors have the requisite sustainability-related knowledge and experience. Know-how is built up on an ongoing basis internally through the Group-wide sustainability network.

The members of the Board of Directors offer a broad range of sustainability-related experience that they have amassed in their other roles. Some members have specific knowledge of particular areas of sustainability. The Sustainability & Regulatory Affairs Group function reports on regulatory developments in sustainability at regular intervals and, together with the Responsible Investment centre of excellence, plays a key role in supporting the governing bodies at Baloise by ensuring that they receive relevant specialist information. Comprehensive and regular reporting strengthens the required knowledge of sustainability within the organisation.

The aim is to supply the governing bodies with up-to-date, relevant information so they can make well-founded decisions and implement the sustainability strategy effectively based on the Company’s material impacts, risks and opportunities. This includes providing documents on regulatory requirements, market trends and best practices in the field of sustainability.

Report on non-financial matters

GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

(Art. 964b (2) 1 OR, Art. 3 KlimaVO)

In 2024, sustainable corporate governance was addressed at the level of the Board of Directors as follows:

- Three times by the Board of Directors: corporate strategy and sustainability strategy, double materiality assessment (DMA), sustainability governance and roadmap
- Nine times by the committees:
 - SGC (in preparation for approval by the Board of Directors)
 - AC (including the report on non-financial matters, DMA, external presentation, training on ESG frameworks)
 - RC (including sustainability KPIs, regulatory developments relating to reporting and remuneration)
 - IRC (including responsible investing, external presentations on risk topics and sustainability)

In 2024, sustainable corporate governance was addressed at the level of the Corporate Executive Committee (Group Strategy Board) on five occasions, one of which was a workshop. The focus was on the new corporate strategy, the refinement of the sustainability strategy based on this strategy, the DMA, sustainability governance and the roadmap.

GOV-3 – Integration of sustainability-related performance in incentive schemes

(Art. 964b (2) 2 OR, Art. 3 KlimaVO)

As described in the remuneration report in the Annual Report, the remuneration of the members of the Corporate Executive Committee is divided into a fixed variable, a short-term variable and a long-term variable component that is tied to the achievement of strategic targets.

The remuneration principles are competitiveness, the consideration of individual performance and the Company’s success, fairness and transparency, sustainability in leadership and the Company’s ability to retain high performers.

The amount of short-term variable remuneration paid depends on various factors that include an employee target measuring employee satisfaction (“S”) and a sustainability target measuring Baloise’s performance based on three ESG ratings.

A total of 30 per cent of the short-term variable remuneration and all of the long-term variable remuneration is paid in the form of shares that are restricted for a minimum of three years for prospective

entitlements in order to encourage a sustainable approach.

The Remuneration Committee of the Board of Directors arranges for the regular review and improvement of the remuneration system by Group HR, focusing on creating the right incentives for employees and, in particular, senior management to ensure they remain dedicated to the Company and to doing business sustainably. The responsibilities with regard to amending the remuneration system are clearly defined.

Members of the Board of Directors receive fixed remuneration that is not linked to the achievement of targets. A quarter of this remuneration – a third for the Chairman of the Board of Directors – is paid in the form of shares that are restricted for three years in order to encourage a sustainable approach.

GOV-4 – Statement on due diligence

(Art. 964b (2) 2 OR, Art. 3 KlimaVO)

The following table shows the sections of this sustainability report in which the core elements of due diligence are explained.

Overview of compliance with due diligence obligations

Core elements of due diligence	Standard	Disclosure	Page number
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	115
	ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	118
	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	118
	ESRS 2 GOV-5	Risk management and internal controls over sustainability reporting	120
	ESRS 2 SBM-1	Strategy, business model and value chain	122
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	129
Engaging with affected stakeholders	ESRS 2 GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	118
	ESRS 2 SBM-2	Interests and views of stakeholders	127
	ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	148
	ESRS 2 MDR-P	Policies adopted to manage material sustainability matters	155
	ESRS S1-2	Processes for engaging with own workers and workers' representatives about impacts	181
	ESRS S4-2	Processes for engaging with consumers and end-users about impacts	195
Identifying and assessing negative impacts on people and the environment	ESRS 2 IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	148
	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	129
Taking action to address negative impacts on people and the environment	ESRS 2 MDR-A	Actions and resources in relation to material sustainability matters	155
	ESRS E1-3	Actions and resources in relation to climate change policies	165
	ESRS S1-4	Taking action on material impacts on the Company's own workforce, and approaches to managing material risks and pursuing material opportunities related to the Company's own workforce, and effectiveness of those actions and approaches	182
	ESRS S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions and approaches	196
Tracking the effectiveness of these efforts	ESRS 2 MDR-M	Metrics in relation to material sustainability matters	155
	ESRS 2 MDR-T	Tracking effectiveness of policies and actions through targets	155

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GOV-5 – Risk management and internal controls over sustainability reporting

(Art. 964b (2) 4 OR, Art. 3 KlimaVO)

In 2024, Baloise developed a sustainability reporting process in accordance with the Group-wide risk management system and internal control system. Developing this process involved identifying its risk environment, assessing the risks and determining the key controls.

The main risks identified and the related controls

The key controls in the sustainability reporting process are the initial review of the regulatory requirements regarding the report and, in particular, the preparation of the report's content and a review by a second person to ensure the accuracy and completeness of the qualitative and quantitative content and compliance with internal and external rules. The report is also reviewed and signed off by the appropriate governing bodies. In light of foreseeable changes to sustainability reporting in terms of structure and content, the control setup is due to be reviewed again for the next reporting year.

Internal control system

In the context of integrated risk management, the internal control system (ICS) forms a core component of Company-wide risk management. The main principles for the design and implementation of the internal controls are effectiveness, transparency and efficiency of the actions taken, plus a focus on the material risks.

The purpose of Baloise's ICS is to ensure compliance with laws and regulations, guarantee the reliability of the financial reporting and contribute to the effectiveness of business processes in order to support the Company in achieving its goals. In implementing the ICS, Baloise is pursuing a strategy of increasing risk awareness at all levels of the Company and focusing on the identification and management of material risks faced by the Company that could pose a threat to the proper functioning of business operations and thus to the success of the Company. As part of the ICS, Baloise applies entity-level controls (ELCs), IT general controls (ITGCs) and process controls, depending on the types of risk to be covered. The ICS actions are integrated into operating procedures and used at all levels of the Company. The ICS's effectiveness is assessed regularly. In the event of deficiencies, suitable actions are initiated and their implementation monitored. The Board of Directors is responsible for ensuring an effective ICS is in place and, based on the Audit Committee's recommendation, defines the strategy, targets and scope for the ICS. In addition, it is responsible for ensuring adequate monitoring of the ICS's effectiveness by the Executive Committee. Each year, it reviews and formally accepts the results of the analysis of the ICS's scope. It also receives regular reports on the ICS.

The risk management system

Risk management at Baloise is a standardised strategic and operational system that is applied throughout the Group and covers the following areas:

- **Risk governance and risk culture**
Standards that apply across the Group form the backbone of Baloise's risk strategy and define – in the form of a risk map – the fundamental risk issues, such as actuarial risk and market risk, as well as the operational risk arising from business activities. Risk awareness is encouraged and embedded throughout the organisation. One way in which Baloise achieves this is by involving employees from different departments and operating segments in the risk management system, e.g. in the assessment of risks and in the allocation of responsibility for risks.
- **Risk measurement**
At Baloise, risk is identified and quantified in all business and financial processes according to common internal standards. This enables appropriate priorities to be set for senior management in respect of the risks taken on.
- **Risk processes**
Leadership, reporting and evaluation processes are supported by risk processes to ensure that the risk perspective is factored into all important business decisions.
- **Risk reporting**
Risk reporting ensures that the current risk situation is presented transparently in internal and external communications.
- **Risk management**
Risks are managed and mitigated carefully in keeping with the defined risk tolerance. Upside potential is optimised with due consideration of the risks, resulting in sustainable value creation for Baloise's investors.

Risk management is a key element of sustainability-focused corporate governance and, as such, plays an important role at Baloise in adding value for all stakeholders. It helps to ensure a strong balance sheet, a high level of operational profitability, a well-developed risk culture, consistent risk processes and a sustainable investment policy. The main tasks of risk management are to satisfy the statutory and regulatory requirements applicable to Baloise and to optimise the risk/return ratio. It thus involves managing risk and value and is based on innovative standards, so that Baloise can always keep its promise to its customers and maintain and increase value for its stakeholders in the long term.

Further details of targets and activities relating to risk management and of the impact of risk management can

be found in the “Risk management” chapter of the Annual Report.

Sustainability risks

Sustainability risks – including climate risks – are identified on the risk map and integrated into the existing risk management processes and frameworks. This ensures that the results of the regular analyses and assessments are incorporated into Baloise’s strategic risk management approach. Inclusion in existing processes also ensures that the steps carried out are covered by the internal control system.

At Baloise, sustainability risks are classified as pertaining to the environmental, social or corporate governance (ESG) dimensions:

- Environmental risks are all risks relating to the environment as a resource and to climate change, natural disasters, pollution or resource scarcity.
- Social risks can arise from poor working conditions, human rights violations, discrimination or inadequate health and safety.
- Corporate governance risks comprise all matters relating to corporate governance, corruption, a lack of transparency or unethical conduct.

Based on the commonly used typology, climate risks, which are a subcategory of environmental risks, are further subdivided into:

- **Physical risks**
Physical climate risks are now arising in the form of natural disasters. Climate change will lead to further risks, particularly in the medium and long term, as a result of the increasing prevalence of natural phenomena such as hurricanes, floods, hailstorms and fires. Chronic threats with long-term effects – such as rising sea levels – represent potential emerging risks, especially as they are expected to have an adverse impact on investments and insured business.
- **Transition risks**
In the short term, changing expectations with regard to sustainability – and the resulting shift in demand for financial and insurance products – will create competition risks if Baloise does not respond appropriately to these changes. Moreover, an unexpectedly strong fall in demand in respect of certain companies or sectors in which Baloise has invested could lead to market risks (stranded assets). There is a risk in the medium term that these circumstances are not adequately factored into strategic decisions and that suitable adjustments are not made to Baloise’s product range. With regard to transition risks, it is also important to consider technological developments in connection with the transition to a lower-carbon economy. Risks could also arise for

Baloise in the longer term if companies are increasingly held liable for the environmental damage they cause, for example due to pollution, endangering biodiversity or breaching of environmental standards.

The increasing prevalence of unpredictable weather events as a result of climate change poses a growing challenge for property insurance, as these events have a direct impact on the extent and frequency of claims. Risk models are used to analyse climate-related and weather-related risks. The modelling results influence the pricing of insurance products. Rating scales are regularly reviewed and adjusted to reflect changing conditions.

Existing and foreseeable regulatory requirements and other developments in the financial sector are taken into account in the identification and integration of climate risks. Developments in the EU play a particularly material role owing to Baloise’s area of business. Regulatory developments in the wider sustainability sphere are also proactively monitored by the Sustainability & Regulatory Affairs department, and actions to implement them promptly are drawn up.

Integration and assessment of sustainability risks into risk management processes

As the identification, documentation and assessment of sustainability risks and climate risks in the risk management framework progress, Baloise’s risk profile is becoming more nuanced. Over the long term, the inclusion of sustainability matters in risk-related strategic considerations will improve the creation of value for customers and investors and will reduce the Company’s environmental impact.

Risk assessment

Within the Own Risk and Solvency Assessment, risks are assessed on a qualitative and quantitative basis over a short-term (around one year), a medium-term (around one to five years) and a long-term (more than five years) time horizon on the risk map. Climate risks and sustainability constitute a driver within the established risk categories used by insurance companies, banks and asset management companies, such as actuarial risk or credit risk and market risk. Additional aspects of sustainability that are relevant to the risk strategy are also examined as a separate risk in the context of the business strategy. Liability risks are considered in the risk inventory check. As well as the relevance of sustainability as a driver of existing risks, individual risks in the risk framework are assessed in terms of their probability of occurrence and claim volume.

The assessments are factored into the overall risk situation with equal priority, highlighting the relative importance of climate-related risks compared with traditional risks. As is the case in the general risk management system, these risks are assigned risk owners who take action to mitigate them as required.

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For example, climate trends are factored into the reinsurance strategy by performing regular natural disaster analyses in conjunction with the reinsurance brokers. At a strategic level, sustainability risks are countered by integrating them into Baloise's investment and underwriting policy.

Sustainability risk management in Asset Management and Banking

The Group-wide approach to identifying risks and the applicable risk inventory, which forms the basis for identifying risks, apply to all subsidiaries and thus to Asset Management and the Banking segment. This means sustainability-related risks are also identified for Asset Management and Baloise Bank. Baloise Bank intends to refine its risk processes in light of future requirements that arise, for example in connection with the circular from the Swiss Financial Market Supervisory Authority (FINMA) on nature-related financial risks.

Risk governance

The Baloise Board of Directors exercises ultimate supervisory authority over the operational management of the Company and the Group and is thus responsible for ensuring compliance with the relevant laws and managing risk.

It appoints the Strategy and Governance Committee to exercise this function, alongside the Audit Committee and the Investment and Risk Committee. The duties of the Strategy and Governance Committee include acting as a preliminary advisory committee for sustainability matters (see ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies).

The Corporate Executive Committee has overall responsibility for developing a detailed risk management concept, which is implemented by the central risk management function of the Baloise Group and by the local risk management teams at the level of the strategic business units. At Group level and locally, the risk management teams are supported by risk committees, which meet regularly.

Strategy

SBM-1 – Strategy, business model and value chain

(Art. 964b (2) 1-3 OR, Art. 3 KlimaVO)

Significant product groups and markets

The most significant groups of products and services offered can be divided into four areas: non-life insurance, life insurance, asset management and banking. In its non-life business, Baloise offers accident and health insurance as well as products relating to liability, motor, property and marine insurance. These products are tailored to the specific needs of Baloise's customers – primarily private clients – and are offered by the relevant Baloise Group companies.

In its life business, Baloise provides individuals and companies with a wide range of endowment policies, term insurance, investment-linked products and private placement life insurance. In asset management, Baloise offers investment solutions in the areas of equities, bonds, alternative investments, real estate and multi assets.

In its banking business in Switzerland, Baloise offers a comprehensive range of support and help with finding the right solutions relating to pensions, wealth management and financing.

Baloise is headquartered in Switzerland, where it provides services in all of the aforementioned segments. The Baloise Group also operates in the insurance segment in Germany, Belgium, Luxembourg and Liechtenstein. The number of employees is disclosed under ESRS S1-6 Characteristics of the Company's employees.

Detailed information on the markets, a review of business performance and the breakdown of total revenue by operating segment (Non-life, Life, Asset Management & Banking and Other activities) can be found in the IFRS segment in the Annual Report (see also the summary provided in the management report section of the Annual Report on pages 8 and 9).

A breakdown of total revenue by relevant ESRS sector is not currently possible, as the European Commission has not yet published a definition of the ESRS sectors.

Business strategy

In recent years, Baloise has concentrated on the markets and areas of business that are particularly important to the Company and in which Baloise plays a material role.

Between 2016 and 2024, Baloise pursued its Simply Safe strategy, under which it initiated a phase of growth and diversification. The Simply Safe: Season 2 strategic phase, which ran from 2022, saw Baloise build on the goals and successes of the previous strategic phase while continuing to focus on its core stakeholders (customers, employees and shareholders). Four strategy areas formed the basis for this strategic phase: focus on the core insurance business; improve the customer experience; diversify into

new business areas; and harness the corporate culture and sustainability as key drivers of the transformation.

Back in autumn 2023, Baloise took initial action aimed at operational excellence in order to adapt to the rapidly changing conditions. The pandemic, conflicts in Europe and the Middle East, more volatility in terms of adverse weather events, inflation (requiring adjustments to its premiums) and interest-rate movements all had an influence on Baloise's strategy. Baloise therefore reviewed its strategic direction and halted new investment in its ecosystems during the first half of 2024. In addition, Baloise conducted an extensive strategic analysis, adjusted its targets and took action to boost its profitability. It ended the Simply Safe: Season 2 strategic phase in 2024 and is now launching its refocusing strategy. The focus is now on technical profitability, cost efficiency, growth in the target segments and the productivity of capital employed. Baloise believes that it has substantial potential for growth, earnings and cost savings in its existing markets. The refocusing of the strategy is aimed not only at maintaining its financial success but also at ensuring Baloise remains a source of reliability and stability for its customers, employees and investors. Under its refocusing strategy, Baloise will create lasting value for all stakeholders and lay the foundations for further growth.

Sustainability strategy

Under its sustainability strategy, Baloise is aiming to create long-term added value while having a positive impact on people and the environment. By integrating environmental and social matters into its business model, it is striving for long-term success and aims to contribute to efforts to tackle global challenges. The most important topics that have the biggest influence on the business model and on stakeholders were identified on the basis of the 2024 double materiality assessment. These topics were then used to define the following sustainability-related strategic action areas:

- **Baloise's contribution to a safe, secure and resilient society**
Baloise aims to contribute to a safe, secure and resilient society. Sustainability means not only protecting the environment but also ensuring people's safety, security and wellbeing. Baloise therefore strives to minimise risks and find solutions that contribute to protecting and strengthening society.
- **Improvement of the impact on CO₂ emissions and management of the impact on business activities**
Baloise endeavours to improve its influence on the environment and society. It introduces sustainable practices and deploys innovative technologies with the aim of continually shrinking its environmental footprint and using resources more efficiently. In addition,

Baloise believes that it has a responsibility to shape the influence of business and ensure that it is aligned with sustainability targets. It has set itself the target of reducing CO₂ emissions to net zero by 2050. To achieve this target, it will set interim decarbonisation targets for its own business operations and for financed and insured emissions.

- **Sustainability is embedded in Baloise's corporate culture**

Baloise attaches a great deal of importance to sustainability and to ensuring that it is firmly anchored in its corporate culture and day-to-day activities. The Company promotes a shared understanding of a sustainable future that is taken into account in all operating segments and processes. From product development through to risk management and workforce management, sustainability is a guiding principle that informs the Company's decisions and has a bearing on its identity. In 2024, Baloise started to draw up specific actions and targets to support the implementation of these strategic action areas. In particular, various policies relating to climate change mitigation were defined. In 2025, Baloise plans to consolidate these in a Group-wide transition plan and to embed them in a comprehensive sustainability strategy.

To support the sustainability targets, these action plans will be continually refined in close cooperation with all relevant departments. This includes setting priorities, defining time frames and allocating resources to ensure successful implementation. These actions are to be reviewed regularly and their progress will be measured.

Responsible investment strategy

As part of the Baloise sustainability strategy, Asset Management drew up Baloise's responsible investment policies, which comprise a general and an expanded responsible investment strategy. The general responsible investment strategy consists of exclusions, active ownership elements and the integration of environmental, social and corporate governance (ESG) criteria into the investment process. The general responsible investment strategy applies to some private assets and bonds that were added to the insurance portfolio prior to 1 January 2023 (grandfathering) and also applies to Luxembourg investment funds managed by Baloise that fall under Art. 6 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosure Regulation, SFDR).

The expanded responsible investment strategy has been in place since 1 January 2023. It applies to the majority of insurance investments, to Luxembourg investment funds that are managed by Baloise and promote environmental and/or social characteristics in accordance with Art. 8 SFDR, and to collective investments

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that satisfy the Swiss criteria for sustainable investments as defined by the Asset Management Association Switzerland (AMAS) and FINMA.

The expanded responsible investment strategy is supplemented by the active ownership strategy and the climate strategy for liquid assets and is based on four approaches:

1. Exclusion

The expanded responsible investment strategy contains general exclusions and wider exclusions based on data from MSCI ESG Research LLC. The exclusions are applied using thresholds. Companies involved in controversial weapons or tobacco production and those operating in polluting sectors, such as coal, unconventional oil and gas, or oil and gas production, are excluded if certain revenue thresholds are exceeded. Companies that are in severe violation of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises are excluded too.

2. Best in class

This approach excludes securities that perform worse than peers in terms of sustainability matters. The worst 20 per cent of issuers within their sectors or peer groups are excluded, based on the MSCI ESG universe. The best-in-class approach is used both for companies and for government bonds (see the disclosures under ESRS E1-2 – Policies related to climate change mitigation and adaptation).

3. ESG integration

The investment teams incorporate sustainability risks into the investment analysis to reduce the potential negative financial impact or reputational damage from sustainability risks. The portfolio management team is provided with dedicated ESG data. All investment teams have access to the ESG database of MSCI ESG Research LLC.

4. Active ownership

The active ownership strategy consists of the following four pillars:

a. Proxy voting

Baloise exercises the voting rights of listed Swiss equities in the actively managed insurance portfolio in accordance with the principles of good and ethical corporate governance. Additional sustainability criteria are also an integral element of the proxy voting instruction, which was extended in 2023 to include them.

b. Direct engagement

Direct engagement involves entering into constructive dialogue with companies in which Baloise is invested in order to address specific sustainability-related matters. Under the expanded responsible investment strategy, direct engagement is considered in the following cases:

- Deterioration of the MSCI ESG rating (final industry-adjusted company score) of a company after inclusion in the portfolio, meaning that the investment no longer meets the requirements of the best-in-class approach.
- A severe breach of minimum standards of conduct in areas such as human rights, employment, the environment and anti-corruption, defined as “red flags” by MSCI ESG Research LLC.

The primary aim of direct engagement is to help to rectify the cause of the deterioration in the MSCI ESG rating or the failure to respect the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.

c. Collaborative engagement

As well as engaging directly with companies, Baloise also joins groups of like-minded shareholders who are concerned with the same sustainability issues, in a process known as collaborative engagement. This collaborative engagement can be conducted through participation in initiatives such as Climate Action 100+ or the PRI cooperation platform.

d. Public policy engagement

Baloise takes an active role in designing and enhancing regulatory frameworks related to sustainability, including those with a focus on corporate sustainability, climate risks and responsible investment. This takes place through involvement in various associations and initiatives, such as the Principles for Responsible Investment (PRI), the Swiss Insurance Association (SIA), the Asset Management Association Switzerland (AMAS) and Swiss Sustainable Finance (SSF).

Under the active ownership strategy, Baloise Asset Management defines focus topics. The responsible investment team reviews these annually to check that they are still relevant. They guide Baloise Asset Management in the selection of potential corporate partners for collaborative dialogues.

Baloise Asset Management focused on the following in 2024 as part of its active ownership strategy: decarbonisation of the economy, reduction of CO₂ emissions, biodiversity, improvement of working

conditions, human rights, workforce (including diversity), the composition, remuneration and independence of the Executive Committee, promotion of transparency regarding sustainability, and standardisation of non-financial disclosures.

The climate strategy for liquid assets is an integral element of the responsible investment strategies. Under the climate strategy for liquid assets, Baloise endeavours to contribute to combating climate change by reducing the negative impact on the environment and society, while the risks arising in connection with climate change are managed prudently in the portfolio. For this purpose, Baloise Asset Management uses data from MSCI ESG Research LLC.

Sustainability risks and key negative impacts from investments

Baloise is aware of the significance of integrating sustainability matters and climate matters into investment decisions and risk management. Baloise's responsible investment policies, its climate strategy for liquid assets and the active ownership strategy define the general parameters for responsible investment and for the management of sustainability risks in asset management.

The different versions of the responsible investment strategy each addresses the most important principal adverse impacts (PAIs) of investment decisions on sustainability factors.

Responsible real estate management

Baloise is one of the biggest property managers in Switzerland and takes account of sustainability criteria in this area too. Baloise's responsible investment policy for real estate, which came into force on 1 January 2023, defines the actions for implementing a forward-looking environmental and energy policy for the properties held directly by the Swiss insurance units. In 2024, work was completed on the integration of an energy management system (EMS) aimed at recording and reporting real energy consumption data.

Finally, the Baloise Swiss Property Fund (BSPF) is pursuing a sustainable investment strategy from 7 January 2025 that consists of three approaches: a focus on the climate (net zero by 2050), ESG integration and exclusion. As a result, the BSPF is classified as a sustainable investment fund in Switzerland.

For indirect investments in Swiss real estate, a new selection process has been in place since 1 January 2025 that systematically integrates sustainability criteria into the selection and assessment of target real estate investments.

Outlook for responsible investment

Baloise intends to continue refining the expanded Baloise responsible investment strategy in line with applicable Swiss and European regulatory frameworks in 2025. Another focus will be on updating the climate strategy for liquid assets and preparing a transition plan for all insurance assets with a view to net zero by 2050, including interim targets for the portfolios and for engagement. The active ownership strategy will play an important role in this regard. The updated strategy for responsible investment will be published in 2025. The collection and evaluation of climate-related data for financial assets will continue to provide an important basis for the aforementioned initiatives.

Respect for human rights

Respect for human rights and labour rights is extremely important to Baloise. With insurance operations across Switzerland and the EU/European Economic Area, Baloise expressly acknowledges the global values and laws pertaining to human rights. Baloise's fundamental stance, approach and responsibilities regarding the observance of human rights are set out in the Group Policy on Human Rights.

Baloise is committed to respecting human rights in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs) and to upholding them in its business activities and along the value chain. This commitment encompasses all internationally accepted human rights, including:

- the International Bill of Human Rights, comprising the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR).
- the Convention on the Rights of the Child (CRC).
- the fundamental conventions of the International Labour Organization (ILO)

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Description of the value chain

Upstream value chain

The upstream value chain of an insurance group that also has Banking and Asset Management segments consists of various parts and players:

- **Data & information flow**
In this part of the value chain, data and information are collected and managed that are relevant to the business activities of the insurance companies and the Banking and Asset Management segments. The data and information comprise financial market information, economic data, details of market and industry trends, and insurance data (e.g. mortality tables and other necessary statistical data). The insurance companies need this information to be able to assess risks, calculate premiums and develop investment strategies.
- **Human capital**
Employees play a key role in the value chain. They perform a range of tasks in the areas of insurance, banking and asset management. Employees ensure that business processes run smoothly. They also provide high-quality customer service.
- **Capital**
Capital is a material element of the value chain. The insurance companies and the Banking and Asset Management segments require capital to fund their business activities. The capital may be obtained from various players, such as shareholders who invest in the Company, or the Company may raise it in the capital markets.
- **Suppliers & service providers**
Various suppliers and service providers support the insurance companies and the Banking and Asset Management segments in their day-to-day activities. They include suppliers of computer software and hardware for the technological infrastructure, property service providers, marketing service providers, consultants, asset managers/investment managers and rating agencies. The insurance companies also work closely with partner networks and partner service providers in the areas of claims settlement and with sales partners. Collaborating with these suppliers and service providers helps the insurance companies to establish an efficient and effective value chain and to optimise their business processes.

Core business

In **insurance**, the core business focuses on ensuring that customers are offered effective services:

- **Product development & pricing**
developing and designing insurance products that meet customers' needs
- **Assessment and acceptance of risks**
assessing the risks associated with insuring people and items and deciding whether to take on these risks
- **Sales and marketing**
marketing insurance products and selling them through various channels, such as brokers and agents, or selling them to customers directly
- **Underwriting**
setting the premiums and defining the terms and conditions for insurance policies based on the risk assessment
- **Claims management**
processing claims, including assessing and settling claims
- **Policy administration & customer service**
providing customers with support and information throughout the term of the insurance policy
- **Risk management & reinsurance**
protecting against significant losses by entering into reinsurance contracts with other insurers

These tasks are crucial in ensuring that an insurance company operates efficiently and offers optimum cover for its customers.

In **banking business**, the core business focuses on identifying market expertise, data and information that it can use to develop products and services. This includes analysing market trends, customer needs and the competitive environment in order to offer innovative banking solutions. The Banking segment aims to generate sales and create long-term customer loyalty by offering effective brand management, customer relationships and 360° financial solutions. This can be achieved with targeted marketing, customer communications and a comprehensive service that meets customers' different financial needs.

Downstream value chain

In the **insurance business**, the downstream value chain focuses on providing insurance solutions in both the life and the non-life segments. Life insurance offers financial protection in the event of death, disability or retirement, whereas non-life insurance offers cover for liability, accidents or loss or damage to property.

Investments are categorised as part of the downstream value chain. A distinction is made between insurance assets and third-party assets. Baloise invests in liquid assets and private assets as well as in real estate in which it invests directly or indirectly.

In the **banking business**, the downstream value chain focuses on providing banking solutions, which includes providing services such as pensions, investments and finance solutions. As part of their pension services, the insurance companies offer solutions for old-age pensions and a financial provision for retirement. In its investment business, the Banking segment offers various investment products such as investment funds and individual investment accounts. The finance solutions offered by the Banking segment include loans, mortgages and other types of finance for private clients and businesses. It also offers other banking services, for example payments processing and account management.

SBM-2 – Interests and views of stakeholders

(Art. 964b (2) 1 OR)

Baloise considers the interests and views of its stakeholders as important, which is why it takes extensive account of them in its strategy and business model. Based on the stakeholders identified as part of the materiality assessment, the Company’s employees, customers and partners and, on a broader level, society and the environment are classified as affected stakeholders.

- **Employees**
The employee engagement survey (EES) is used to ask employees about their satisfaction and the factors that influence it. The survey’s core purpose is to identify the main drivers of employee satisfaction, document Baloise’s strengths and weaknesses in a benchmark comparison and track the findings in order to identify any areas of improvement or deterioration at an early stage.
- **Customers**
To measure its Net Promoter Score (NPS) and customer satisfaction, Baloise actively asks end customers (private clients and businesses) across the Group about their experience with Baloise. Feedback is requested automatically and immediately every time a customer

has been in contact as well as at regular intervals, helping Baloise to gain a better understanding of the customer perspective. The strategic business planning approach uses internal key performance indicators for ongoing monitoring and improvement purposes. This strengthens Baloise’s customer-oriented culture.

- **Investors**
Baloise talks directly to investors in the context of stakeholder dialogue. Transparent communication with all capital market participants is aimed at ensuring a solid factual foundation is available to enable investors to make informed investment decisions.
- **Society**
Baloise incorporates the interests and views of society into its strategy development process by taking a systematic and comprehensive approach. It holds regular discussions with representatives of the different groups within society in order to maintain an ongoing dialogue. To encourage social responsibility, Baloise teams up with non-governmental organisations (NGOs), local communities and public-sector institutions. Partnerships and alliances also help with the development and implementation of joint initiatives. Regularly publishing sustainability reports and transparently communicating targets, actions and results relating to strategy development are key to strengthening the trust of society and stakeholders. Thanks to this comprehensive approach, Baloise can ensure that it not only is financially successful but also has a positive impact on sustainable development and the good of society. This strengthens stakeholders’ trust in Baloise, improves its reputation and contributes to the Company’s long-term stability and resilience.
- **Environment**
To take account of environmental interests, Baloise maintains dialogue and collaborates with relevant stakeholders. The first step is to identify the relevant environmental stakeholders, which include environmental organisations, regulatory authorities, local communities and customers. Analysis of the interests and concerns of these groups gives the Company an in-depth understanding of the environmental challenges and opportunities of relevance to its business activities. Transparent reporting and communication on the Company’s environmental targets, actions and progress represent a further important aspect. Regular sustainability reports are a chance to show Baloise’s environmental performance and strengthen stakeholders’ trust.

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- **Partners**

Baloise regularly measures its Net Promoter Score (NPS) and brokers' satisfaction with Baloise. It maintains a dialogue with suppliers on the subject of sustainability, including the imposition of the Vendor Code of Conduct. Its links with different partners, such as innovation partners, start-ups, outsourcing partners, suppliers and agents, form a network that unlocks synergies, promotes knowledge transfer and creates added value for everyone involved by increasing collective success. This pooling of expertise enables Baloise to offer its customers new, innovative products that are tailored to their needs.

Involvement of the Corporate Executive Committee and the Board of Directors

The Corporate Executive Committee and the Board of Directors are informed about the views and interests of affected stakeholders with regard to the Company's sustainability-related impacts as set out below.

Corporate Executive Committee

During the revision of the sustainability strategy, the fundamental principles and the procedures of the double materiality assessment were explained in detail at various Corporate Executive Committee meetings, at which the key pillars of the related sustainability strategy were also presented. Particular attention was paid to the defined level of ambition. The members of the Corporate Executive Committee worked with the project team to draw up three strategic ambitions for the sustainability strategy. This collaborative approach ensured that all relevant perspectives were taken into account and a shared understanding of the strategic targets was achieved. It also ensured that Baloise's overarching business strategy and sustainability strategy are aligned. Following an in-depth discussion and check, the results of the double materiality assessment were signed off by the Corporate Executive Committee. This multi-stage and participative process ensures that the views and interests of affected stakeholders are appropriately taken into account in Baloise's sustainability-related strategy.

Board of Directors

The Board of Directors received extensive information about the views and interests of affected stakeholders with regard to the Company's sustainability-related impacts as part of a structured, multi-stage process that extended over several meetings. In the first stage, the Board of Directors was given an introduction to the Baloise-specific procedures for the double materiality assessment. The sustainability strategy's level of ambition and the strategic statements drawn up were

then presented to the Board of Directors for approval. Following an in-depth discussion and check, the results of the double materiality assessment were signed off by the Board of Directors, representing a major step in developing the sustainability strategy. In the last step, the roadmap for the overall sustainability strategy was approved. This roadmap is used to define the specific steps and actions required to implement the strategy and ensure that all relevant targets and ambitions are clearly defined and scheduled. Using this multi-stage information process made sure that the Board of Directors was kept informed about the relevant views and interests of the affected stakeholders and that it was able to make decisions about the Company's sustainability-related focus.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

(Art. 964b (2) 1 and 4 OR, Art. 3 KlimaVO)

Material impacts, risks and opportunities

When it carried out a double materiality assessment in accordance with CSRD, Baloise identified the following material sustainability topics based on its impacts, risks and opportunities:

- Environmental topics: climate change (ESRS E1)
- Social topics: the Company's own workforce (ESRS S1) and consumers and end-users (ESRS S4)
- Governance topics: business conduct (ESRS G1)

The impacts, risks and opportunities assigned to the topic of climate change primarily relate to climate change mitigation and environmental action in business operations and investments.

With regard to the Company's own workforce, the main material impacts and opportunities identified were those that relate to labour rights and business ethics, employee engagement and collaboration with employees.

In terms of consumers and end-users, risks were identified in relation to underwriting management and product management for climate change mitigation, interaction with customers and customer protection, communication and dialogue with stakeholders, and cyber-resilience and data security.

Material impacts and risks identified in respect of business conduct relate to business ethics and compliance, environmental action in collaboration with partners and responsible partnerships.

Influence of material impacts, risks and opportunities

The material sustainability-related impacts, risks and opportunities arising in connection with Baloise's business activities and value chain are generally factored into the management of the Company. They provide invaluable insights and input for the refinement of the sustainability strategy and for the targets and actions based on this strategy.

Financial effects of the material risks and opportunities

There are currently no risks that entailed a material adjustment to the carrying amounts of the assets and liabilities reported in the annual financial statements.

There were no changes compared with the prior reporting period.

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Overview of impacts, risks and opportunities ESRS E1 – Climate change

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
IMPACTS				
Emission of GHGs through use of energy and fuels	Negative	Actual	Only needed for potential impacts	Environmental action in business operations; collaboration with partners
Promotion of sustainable customer behaviour	Positive	Actual		Underwriting management and product management for climate change mitigation
Emission of particulate matter, heavy metals and other emissions through use of fossil energy	Negative	Actual		Environmental action in business operations; collaboration with partners
Heightened environmental awareness among employees	Positive	Actual		Employee engagement
Reduction of GHG emissions (investment)	Positive	Actual		Climate change mitigation through responsible investment
Emission of GHGs (investment)	Negative	Actual		Climate change mitigation through responsible investment
OPPORTUNITIES				
Offering new/innovative products and services, e.g. insurance solutions in the areas of renewable energy, digital insurance and expansion of ecosystems			Medium to long term	Climate change mitigation
Unlocking potential for growth in non-life insurance resulting from increased risk caused by climate change			Medium to long term	Climate change adaptation
Providing sustainable, fair products and services (e.g. support for the reuse of products through portals for donations in kind, insurance for electric vehicles and solar panels)			Medium to long term	Climate change adaptation
Catering to the increased importance to society of environmentally responsible investments			Medium to long term	Climate change adaptation

Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
IMPACTS		
Own operations and business relationships	Global warming and climate change, which lead to extreme weather events, rising sea levels and negative impacts on health and ecosystems	Emission of GHGs through use of energy and fuels
Own operations	Direct and indirect positive impact on health and ecosystems as a result of improvements in customers' energy efficiency with the help of specific products	Promotion of sustainable customer behaviour
Own operations and business relationships	Negative impacts on health and ecosystems	Emission of particulate matter, heavy metals and other emissions through use of fossil energy
Own operations	Direct and indirect positive impact on health and ecosystems as a result of raising awareness of sustainability topics among employees; promotion of sustainability-related ideas and innovation; general change in habits, e.g. through the use of more sustainable forms of travel	Heightened environmental awareness among employees
Own operations	Direct and indirect positive impact on health and ecosystems, e.g. as a result of replacing heating systems in properties	Reduction of GHG emissions (investment)
Own operations	Direct and indirect negative impacts on health and ecosystems	Emission of GHGs (investment)
OPPORTUNITIES		
Own operations	Only needed for impacts	Offering new/innovative products and services, e.g. insurance solutions in the areas of renewable energy, digital insurance and expansion of ecosystems
Own operations	Only needed for impacts	Unlocking potential for growth in non-life insurance resulting from increased risk caused by climate change
Own operations	Only needed for impacts	Providing sustainable, fair products and services (e.g. support for the reuse of products through portals for donations in kind, insurance for electric vehicles and solar panels)
Own operations	Only needed for impacts	Catering to the increased importance to society of environmentally responsible investments

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Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
RISKS				
Investment risk: Investments perform poorly owing to climate-related incidents and issuers' unsustainable business practices. This can affect equity price risk, interest risk, interest-rate risk, spread risk and general financial crisis situations.			Medium term	Climate change adaptation
Catastrophe risk: Baloise's exposure to a catastrophic extreme weather event with an impact on the claims rate may increase as a result of climate change.			Medium term	Underwriting management and product management for climate change mitigation
Natural disaster risk: In-force business (property, marine, comprehensive motor vehicle insurance) is affected by a natural disaster. Natural disasters that affect Germany are storms, hail, flooding and earthquakes.			Short term	Underwriting management and product management for climate change mitigation
Accumulation risk: This is the risk that multiple separate risks are affected by one single event.			Short to medium term	Underwriting management and product management for climate change mitigation
Premium and reserve risk: This is the risk that the insurance premiums calculated are based on incorrect assumptions, which may mean that premiums are insufficient to cover the resulting low risks or that rate scales are implemented too slowly. Climate change also has the potential to impact on the claims triangle and to increase reserve risk. Trends towards larger or more frequent claims, e.g. as a result of climate change, may make it harder to estimate the metrics for large claims, thereby causing greater uncertainty.			Medium to long term	Underwriting management and product management for climate change mitigation
Business continuity management (BCM) risk: There is a risk that, in an extraordinary situation (e.g. caused by a terrorist attack, earthquake or major fire), the continuity of business operations cannot be assured, which may have an operational or financial impact or consequences under criminal law for the Company and thereby harm its reputation. Business continuity is at risk if time-critical and mission-critical processes are not identified, no plans are in place for restoring them and/or these plans are untested, and affected employees are not trained on executing the plans.			Medium to long term	Environmental action in business operations; collaboration with partners
Strategic sustainability risk: This is the risk that Baloise does not take adequate account of sustainability in business decisions and when defining its business strategy and risk strategy.			Medium term	Risk analysis and mitigation

Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
RISKS		
Own operations	Only needed for impacts	Investment risk: Investments perform poorly owing to climate-related incidents and issuers' unsustainable business practices. This can affect equity price risk, interest risk, interest-rate risk, spread risk and general financial crisis situations.
Own operations	Only needed for impacts	Catastrophe risk: Baloise's exposure to a catastrophic extreme weather event with an impact on the claims rate may increase as a result of climate change.
Own operations	Only needed for impacts	Natural disaster risk: In-force business (property, marine, comprehensive motor vehicle insurance) is affected by a natural disaster. Natural disasters that affect Germany are storms, hail, flooding and earthquakes.
Own operations	Only needed for impacts	Accumulation risk: This is the risk that multiple separate risks are affected by one single event.
Own operations	Only needed for impacts	Premium and reserve risk: This is the risk that the insurance premiums calculated are based on incorrect assumptions, which may mean that premiums are insufficient to cover the resulting low risks or that rate scales are implemented too slowly. Climate change also has the potential to impact on the claims triangle and to increase reserve risk. Trends towards larger or more frequent claims, e.g. as a result of climate change, may make it harder to estimate the metrics for large claims, thereby causing greater uncertainty.
Own operations	Only needed for impacts	Business continuity management (BCM) risk: There is a risk that, in an extraordinary situation (e.g. caused by a terrorist attack, earthquake or major fire), the continuity of business operations cannot be assured, which may have an operational or financial impact or consequences under criminal law for the Company and thereby harm its reputation. Business continuity is at risk if time-critical and mission-critical processes are not identified, no plans are in place for restoring them and/or these plans are untested, and affected employees are not trained on executing the plans.
Own operations	Only needed for impacts	Strategic sustainability risk: This is the risk that Baloise does not take adequate account of sustainability in business decisions and when defining its business strategy and risk strategy.

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Overview of impacts, risks and opportunities ESRS S1 – Own workforce

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
IMPACTS				
Deterioration in employees' physical and/or mental health as a result of discrimination against employees	Negative	Potential	Short term	Human rights and labour rights
Deterioration in employees' physical and/or mental health as a result of high workloads	Negative	Actual	Only needed for potential impacts	Employee engagement
Support for employees' health	Positive	Actual	Only needed for potential impacts	Employee engagement
Physical problems for employees, e.g. as a result of a non-ergonomic workstation	Negative	Actual	Only needed for potential impacts	Employee engagement
Social protection for employees	Positive	Actual	Only needed for potential impacts	Contribution to society
Stress/frustration resulting from a difficult financial situation that is attributable to unfair/low pay	Negative	Actual	Only needed for potential impacts	Employee engagement
Support for the equal treatment of women when it comes to pay	Positive	Actual	Only needed for potential impacts	Employee collaboration
Pay gap (highest wage vs. lowest wage)	Negative	Actual	Only needed for potential impacts	Employee collaboration
Unequal opportunities for promotion	Negative	Actual	Only needed for potential impacts	Business ethics and compliance
Violation of human rights	Negative	Actual	Only needed for potential impacts	Business ethics and compliance
Support for employees' continuing professional development and training	Positive	Actual	Only needed for potential impacts	People development
Poor balance between family/ personal life and work	Negative	Actual	Only needed for potential impacts	Employee engagement
Very good balance between family/ personal life and work	Positive	Actual	Only needed for potential impacts	Employee engagement

Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
		IMPACTS
	Deterioration in mental and physical health and exacerbation of social inequality	Deterioration in employees' physical and/or mental health as a result of discrimination against employees
Own operations	Deterioration in employees' mental and physical health as a result of stress and exhaustion, for example	Deterioration in employees' physical and/or mental health as a result of high workloads
Own operations	Improvement in mental and physical health, performance and motivation to work	Support for employees' health
Own operations	Deterioration in employees' physical health as a result of musculoskeletal disorders, for example	Physical problems for employees, e.g. as a result of a non-ergonomic workstation
Own operations	Improvement in financial stability and general sense of wellbeing	Social protection for employees
Own operations	Deterioration in financial stability, mental and physical health, and motivation to work	Stress/frustration resulting from a difficult financial situation that is attributable to unfair/low pay
Own operations	Improvement in financial stability and social protection, greater motivation to work, independence and opportunities for promotion	Support for the equal treatment of women when it comes to pay
Own operations	Deterioration in financial stability, social protection and motivation to work	Pay gap (highest wage vs. lowest wage)
Own operations	Deterioration in financial stability as a result of pay gaps and limited development opportunities	Unequal opportunities for promotion
Own operations	Deterioration in mental and physical health and financial stability	Violation of human rights
Own operations	Increase in motivation to work and performance and improvement in opportunities for promotion	Support for employees' continuing professional development and training
Own operations	Deterioration in mental and physical health, performance and motivation to work	Poor balance between family/ personal life and work
Own operations	Improvement in mental and physical health, performance and motivation to work	Very good balance between family/ personal life and work

Report on non-financial matters

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
OPPORTUNITIES				
Offering attractive and forward-looking working models, e.g. increased remote working options			Medium to long term	Employee engagement
Supporting current and future employees' lifelong learning and offering attractive development opportunities			Medium to long term	People development
Using digitalisation to ease employees' workloads			Medium to long term	Innovation and digitalisation
RISKS				
Knowledge transfer: Insufficient availability of knowledge, expertise and skills owing to insufficient training and development can result in people in important positions/roles not having the knowledge that they require at the right time.			Short to medium term	People development; working conditions
Capacity shortages in project work: The unique nature of the Company's projects, tight deadlines or the impact of the project outcome may necessitate the availability of specific expertise.			Short term	Working conditions
It is conceivable that positions cannot be filled with sufficient and/or suitably qualified skilled workers because they are not available in the labour market or because they do not want to be recruited on the terms offered. Moreover, the shortage of skilled workers can cause staff turnover to rise and qualified employees may potentially leave the Company. These risks relate both to newly formed organisational units and to vacancies. They may impair the planned operation of processes, may disrupt Baloise's ongoing development and thus may weaken its potential for growth.			Short to medium term	People development

Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
OPPORTUNITIES		
Own operations	Only needed for impacts	Offering attractive and forward-looking working models, e.g. increased remote working options
Own operations	Only needed for impacts	Supporting current and future employees' lifelong learning and offering attractive development opportunities
Own operations	Only needed for impacts	Using digitalisation to ease employees' workloads
RISKS		
Own operations	Only needed for impacts	Knowledge transfer: Insufficient availability of knowledge, expertise and skills owing to insufficient training and development can result in people in important positions/roles not having the knowledge that they require at the right time.
Own operations	Only needed for impacts	Capacity shortages in project work: The unique nature of the Company's projects, tight deadlines or the impact of the project outcome may necessitate the availability of specific expertise.
Own operations	Only needed for impacts	It is conceivable that positions cannot be filled with sufficient and/or suitably qualified skilled workers because they are not available in the labour market or because they do not want to be recruited on the terms offered. Moreover, the shortage of skilled workers can cause staff turnover to rise and qualified employees may potentially leave the Company. These risks relate both to newly formed organisational units and to vacancies. They may impair the planned operation of processes, may disrupt Baloise's ongoing development and thus may weaken its potential for growth.

Report on non-financial matters

Overview of impacts, risks and opportunities ESRS S4 – Consumers and end-users

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
IMPACTS				
Harm to customers as a result of the loss or theft of data	Negative	Actual	Only needed for potential impacts	Cyber-resilience and data security
Consumer deception	Negative	Actual	Only needed for potential impacts	Interaction with customers and customer protection
Strengthening of information asymmetries as a result of advice or the contract formation process not being accessible	Negative	Actual	Only needed for potential impacts	Interaction with customers and customer protection
Insufficient financial protection for customers owing to poor advice	Negative	Potential	Medium to long term	Interaction with customers and customer protection
Insufficient financial protection for customers owing to unjustified refusal/delay of payment of the sum insured	Negative	Potential	Medium to long term	Contribution to society
OPPORTUNITIES				
Digitalising the customer journey and designing it from the customer perspective (tailored omnichannel communication)			Medium to long term	Interaction with customers and customer protection
Catering to the increased importance to society of socially responsible investment			Medium to long term	Responsible investment
Supporting the transition to a sustainable business model			Medium to long term	Interaction with customers and customer protection

Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
IMPACTS		
Own operations and business relationships	Financial losses, violation of the right to privacy, and loss of trust	Harm to customers as a result of the loss or theft of data
Own operations and business relationships	Financial losses and loss of trust	Consumer deception
Own operations and business relationships	Financial losses and loss of trust	Strengthening of information asymmetries as a result of advice or the contract formation process not being accessible
Own operations and business relationships	Financial losses and loss of trust	Insufficient financial protection for customers owing to poor advice
Own operations and business relationships	Financial losses and loss of trust	Insufficient financial protection for customers owing to unjustified refusal/delay of payment of the sum insured
OPPORTUNITIES		
Own operations	Only needed for impacts	Digitalising the customer journey and designing it from the customer perspective (tailored omnichannel communication)
Own operations	Only needed for impacts	Catering to the increased importance to society of socially responsible investment
Own operations	Only needed for impacts	Supporting the transition to a sustainable business model

Report on non-financial matters

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
RISKS				
Advisory risks in the investment process: There is a risk that customers will receive incorrect advice in the investment advice process. If they are not given sufficient information, this constitutes a breach of customer advisers' duty to explain and clarify.			Short term	Interaction with customers and customer protection
External reporting: Inaccurate, delayed and incomplete external reporting may give shareholders, customers, competitors and authorities an incorrect picture of the Company's situation. This has the potential to have an overall negative impact on the Company, e.g. by way of reputational damage.			Short term	Communication and dialogue with stakeholders
Counterparty risk: There is a risk of financial loss if a counterparty or issuer is unable to fulfil its contractual obligations. All types of customer are included in this.			Short term	Responsible partnerships
Collection management: There is a risk that day-to-day collection and disbursement processes can no longer be operated adequately and accurately owing to the IT system no longer being appropriate, a lack of knowledge, ineffective organisational structures and incorrectly assigned responsibilities. If this leads to wrong payments, inaccurate postings, incorrect settlement and thus customer complaints, the Company may suffer reputational damage.			Short term	Environmental action in business operations; collaboration with partners
Premium risk: There is a danger that the insurance premiums calculated are based on incorrect assumptions and the premiums will therefore be insufficient to cover the financial obligations arising from the insured risks. In particular, trends such as an increase in larger or more frequent claims, e.g. as a result of climate change, may make it harder to estimate the metrics for large claims. These uncertainties increase the risk of premiums being insufficient.			Medium to long term	Underwriting management and product management for climate change mitigation
Data security risk: Data may end up in the wrong hands as a consequence of cyberattacks or the improper handling of information.			Short to long term	Cyber-resilience and data security
IT BCM risk: There is a danger that IT applications and systems go down for a short or extended period and are not available to customers as a result of natural disasters, incorrect programming or external attacks.			Short to long term	Cyber-resilience and data security

Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
RISKS		
Own operations	Only needed for impacts	Advisory risks in the investment process: There is a risk that customers will receive incorrect advice in the investment advice process. If they are not given sufficient information, this constitutes a breach of customer advisers' duty to explain and clarify.
Own operations	Only needed for impacts	External reporting: Inaccurate, delayed and incomplete external reporting may give shareholders, customers, competitors and authorities an incorrect picture of the Company's situation. This has the potential to have an overall negative impact on the Company, e.g. by way of reputational damage.
Own operations	Only needed for impacts	Counterparty risk: There is a risk of financial loss if a counterparty or issuer is unable to fulfil its contractual obligations. All types of customer are included in this.
Own operations	Only needed for impacts	Collection management: There is a risk that day-to-day collection and disbursement processes can no longer be operated adequately and accurately owing to the IT system no longer being appropriate, a lack of knowledge, ineffective organisational structures and incorrectly assigned responsibilities. If this leads to wrong payments, inaccurate postings, incorrect settlement and thus customer complaints, the Company may suffer reputational damage.
Own operations	Only needed for impacts	Premium risk: There is a danger that the insurance premiums calculated are based on incorrect assumptions and the premiums will therefore be insufficient to cover the financial obligations arising from the insured risks. In particular, trends such as an increase in larger or more frequent claims, e.g. as a result of climate change, may make it harder to estimate the metrics for large claims. These uncertainties increase the risk of premiums being insufficient.
Own operations	Only needed for impacts	Data security risk: Data may end up in the wrong hands as a consequence of cyberattacks or the improper handling of information.
Own operations	Only needed for impacts	IT BCM risk: There is a danger that IT applications and systems go down for a short or extended period and are not available to customers as a result of natural disasters, incorrect programming or external attacks.

Report on non-financial matters

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
RISKS				
Non-compliance with solvency capital or liquidity requirements: There is a danger that the Company's capital levels fall or the solvency capital requirements are tightened. This may mean that the Company no longer has adequate solvency ratios. There is also a danger that the short-term liquidity and stable funding levels in banking activities no longer meet the regulatory requirements, and the minimum requirements can only be satisfied at significant additional cost.			Medium to long term	Responsible investment; business ethics and compliance
Premium and reserve risk: There is a danger that the insurance premiums calculated are based on incorrect assumptions and the premiums will therefore be insufficient to cover the risks that, as a result, have been underestimated. This may also lead to rate scales being implemented too slowly.			Medium to long term	Underwriting management and product management for climate change mitigation
Investment risk: There is a risk that investments will fall in value because climate-related events occur or because issuers do not follow sustainable business practices. This may lead to losses on equities, spread movements and general financial crisis situations.			Medium term	Climate change adaptation

Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
RISKS		
Own operations	Only needed for impacts	<p>Non-compliance with solvency capital or liquidity requirements: There is a danger that the Company's capital levels fall or the solvency capital requirements are tightened. This may mean that the Company no longer has adequate solvency ratios. There is also a danger that the short-term liquidity and stable funding levels in banking activities no longer meet the regulatory requirements, and the minimum requirements can only be satisfied at significant additional cost.</p>
Own operations	Only needed for impacts	<p>Premium and reserve risk: There is a danger that the insurance premiums calculated are based on incorrect assumptions and the premiums will therefore be insufficient to cover the risks that, as a result, have been underestimated. This may also lead to rate scales being implemented too slowly.</p>
Own operations	Only needed for impacts	<p>Investment risk: There is a risk that investments will fall in value because climate-related events occur or because issuers do not follow sustainable business practices. This may lead to losses on equities, spread movements and general financial crisis situations.</p>

Report on non-financial matters

Overview of impacts, risks and opportunities ESRS G1 – Business conduct

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
IMPACTS				
Reduction in stakeholders' willingness to report/disclose irregularities owing to a lack of protection for whistleblowers	Negative	Potential	Medium to long term	Business ethics and compliance
Positive influence on policy decisions	Positive	Actual	Only needed for potential impacts	Business ethics and compliance
Negative influence on policy decisions	Negative	Actual	Only needed for potential impacts	Business ethics and compliance
Loss of trust in the industry as a result of incidents of corruption and bribery	Negative	Potential	Medium to long term	Business ethics and compliance
Positive influence on sustainability at companies in which Baloise has invested	Positive	Actual	Only needed for potential impacts	Responsible investment
OPPORTUNITIES				
n/a				

Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
IMPACTS		
Own operations and business relationships	Deterioration in mental and physical health and ecosystems	Reduction in stakeholders' willingness to report/disclose irregularities owing to a lack of protection for whistleblowers
Own operations	Positive impacts on health and ecosystems	Positive influence on policy decisions
Own operations	Negative impacts on health and ecosystems	Negative influence on policy decisions
Own operations and business relationships	Financial losses and loss of trust	Loss of trust in the industry as a result of incidents of corruption and bribery
Own operations	Reduction in direct and indirect negative impacts on health and ecosystems	Positive influence on sustainability at companies in which Baloise has invested
OPPORTUNITIES		
n/a		

Report on non-financial matters

Description	Impact	Actual/ potential	Time horizon	Connection to strategy and business model
RISKS				
Non-compliance with sustainability requirements: Relevant regulatory requirements are inadequately implemented in the sustainability strategy and inadequately applied.			Short to long term	Environmental action in business operations; collaboration with partners; development of products and services; business ethics and compliance
Inaccurate risk analysis and reporting: There is a danger that risks are not properly identified, are insufficiently analysed or are incorrectly assessed.			Short to medium term	Risk analysis and mitigation
Outsourcing risk: There is a danger that the Company becomes dependent on external service providers or that these service providers do not perform their tasks satisfactorily. This can lead to problems if tasks inherent to the insurance business have been outsourced to these service providers.			Short to long term	Responsible partnerships; business ethics and compliance
Reputational risk: It is conceivable that external communications are not aligned with the strategy and corporate values, that reputational problems are not handled correctly and that wrong/inappropriate information is communicated.			Short to medium term	Responsible investment; communication and dialogue with stakeholders; responsible partnerships
Legal risk: There is a danger that legal and regulatory requirements are not satisfied, resulting in financial losses, reputational damage, consequences under criminal law, regulatory sanctions or organisational problems.			Medium term	Business ethics and compliance; environmental action in business operations; collaboration with partners, business ethics and compliance
Process risk: There is a risk that business processes are deficient or inadequate, are not organised professionally and appropriately or are not fully aligned with the Company's targets, policies and instructions, e.g. in relation to efficiency, growth and customer loyalty, quality and service level.			Short to long term	Environmental action in business operations; collaboration with partners; communication and dialogue with stakeholders
Competition risks: There are risks resulting from changes in the market environment, e.g. as a result of the emergence of new competitors or changes in the behaviour of existing competitors or of sales partners.			Short to medium term	Development of products and services; responsible partnerships
Wrong decisions: It is conceivable that, driven by perverse incentives, senior management makes decisions that have a negative impact on the Company.			Short to long term	Employee engagement; employee collaboration
Possible external effects on business: External influences, such as geopolitical tensions or inflation, may lead to targets for growth or profitability not being achieved.			Medium term	Climate change mitigation through responsible investment; environmental action in business operations; collaboration with partners

Impact resulting from own operations or business relationships	Impacts on people and the environment	Description
RISKS		
Own operations	Only needed for impacts	Non-compliance with sustainability requirements: Relevant regulatory requirements are inadequately implemented in the sustainability strategy and inadequately applied.
Own operations	Only needed for impacts	Inaccurate risk analysis and reporting: There is a danger that risks are not properly identified, are insufficiently analysed or are incorrectly assessed.
Own operations	Only needed for impacts	Outsourcing risk: There is a danger that the Company becomes dependent on external service providers or that these service providers do not perform their tasks satisfactorily. This can lead to problems if tasks inherent to the insurance business have been outsourced to these service providers.
Own operations	Only needed for impacts	Reputational risk: It is conceivable that external communications are not aligned with the strategy and corporate values, that reputational problems are not handled correctly and that wrong/inappropriate information is communicated.
Own operations	Only needed for impacts	Legal risk: There is a danger that legal and regulatory requirements are not satisfied, resulting in financial losses, reputational damage, consequences under criminal law, regulatory sanctions or organisational problems.
Own operations	Only needed for impacts	Process risk: There is a risk that business processes are deficient or inadequate, are not organised professionally and appropriately or are not fully aligned with the Company's targets, policies and instructions, e.g. in relation to efficiency, growth and customer loyalty, quality and service level.
Own operations	Only needed for impacts	Competition risks: There are risks resulting from changes in the market environment, e.g. as a result of the emergence of new competitors or changes in the behaviour of existing competitors or of sales partners.
Own operations	Only needed for impacts	Wrong decisions: It is conceivable that, driven by perverse incentives, senior management makes decisions that have a negative impact on the Company.
Own operations	Only needed for impacts	Possible external effects on business: External influences, such as geopolitical tensions or inflation, may lead to targets for growth or profitability not being achieved.

Impact, risk and opportunity management

Disclosures on the materiality assessment process

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

(Art. 964b (2) 2 and 4 OR, Art. 3 KlimaVO)

The double materiality assessment underlying this sustainability statement is based on the Integrated Reporting Framework, the sector-specific requirements of the Sustainability Accounting Standards Board (SASB) and dialogue with stakeholders. The requirements of the CSRD were also taken into account when performing the double materiality assessment, which is reviewed regularly and repeated every four years.

Identification of material issues

Baloise uses external and internal sources to identify material sustainability topics. This involves combining sector analyses, external expectations, regulations, ESG ratings and standards with internal department-specific topics. Experts from various departments analyse these topics to ascertain their relevance to Baloise.

To this end, the experts first assess whether the identified topics have an influence on Baloise and its business activities. In the next phase, an assessment is carried out using the Future-Fit Business Benchmark to establish the impact of the identified topics and thus of Baloise's business activities on society as a whole.

The low-impact and low-risk topics are filtered out and the content of the topics that are deemed relevant is developed (detailed description and adjustment of the names). This is then used to draw up a list of potentially material non-financial topics. These topics are subdivided based on their relevance within the Company, and each one is assigned to one of the three sustainability dimensions E (environmental), S (social) and G (corporate governance).

On the basis of the potentially material topics identified, possible non-financial impacts (in accordance with relevant sustainability standards), risks (from the Baloise risk inventory) and opportunities along Baloise's value chain are identified.

The identified impacts, risks and opportunities are also subdivided into operational aspects, investment-related aspects and insurance-related aspects, and each one is assigned to one of the three sustainability dimensions E (environmental), S (social) and G (corporate governance).

Identification of relevant stakeholders

Based on the Baloise stakeholder overview and taking account of the stakeholder categories pursuant to GRI and ESRS 1, stakeholders are then identified that are relevant from a segment-specific perspective and from a cross-segment perspective. This distinction allows for a nuanced assessment of the relevance of the stakeholders in the segments and in the Group.

In addition to the stakeholders, six interview partners were identified who have expertise in the topics along Baloise's value chain. Together with business partners, investors, environmental experts, employees and the public/society, the selected experts represent Baloise's relevant stakeholder groups.

Comprehensive assessment of the material topics

The identified topics and the related impacts, risks and opportunities are assessed from a qualitative perspective according to the principles of double materiality. To this end, the following steps are carried out:

- First, an online questionnaire is used to ask all stakeholders except senior management about potentially relevant topics. The people questioned are asked to assess the topics according to their relevance and to rank them accordingly. An average ranking is then determined for each topic.
- To assess the impacts of the topics, a qualitative assessment is carried out in the form of interviews with external experts. The experts judge the significance of Baloise's impacts on the social, environmental and economic spheres and assess their relative significance in qualitative terms.
- A questionnaire is used to ask senior management about the topics' relevance to business in terms of risks and opportunities. Senior management assesses which topics are the most important for Baloise's sustainable performance in the financial, environmental and social spheres in the short term, medium term and long term. In assessing the topics, senior management takes into account that dependencies on natural, personnel and social resources can give rise to financial risks and opportunities for the Company's own business and for the reliability of supply chains in the context of value creation.
- In the case of actual negative or positive impacts, the materiality of these impacts was determined on the basis of their scale, scope and irremediable character using a ranking of one (low) to five (high). To determine the overall relevance of this impact, the mean of these three rankings was calculated. In the case of potential negative or positive impacts, the time horizon (short, medium or long term) and the probability of occurrence

were also assessed. An impact is deemed material if it reaches or exceeds a threshold of three. With regard to the disclosure requirement for the process used to identify and assess climate impacts, Baloise cannot currently make any specific statements on its activities and plans for assessing actual and potential future greenhouse gas emissions and the drivers of other climate-related impacts because the requisite emissions data is not yet available in sufficient quantity or adequate quality.

- To determine financial materiality, the probability of occurrence is classified as low (once in 20 years), medium (once in five years), high (once in two years) or very high (more than once in two years). In addition, the potential financial magnitude of the impacts is categorised as low, medium or high. By combining the probability of occurrence and the potential financial magnitude of the impacts, the risk or opportunity is assigned a heatmap value of between one and 16. The risk or opportunity is deemed material if it reaches or exceeds a threshold of five on the heat map.
- Finally, all impacts, risks and opportunities identified as material are aggregated per topic and assigned to the appropriate ESRs.

Outlook for the 2024 double materiality assessment

In 2024, Baloise carried out another double materiality assessment in accordance with the requirements of the CSRD. It is valid from 1 January 2025. This confirmed that the following topics are material to Baloise:

- Environmental topics: climate change (ESRS E1)
- Social topics: the Company's own workforce (ESRS S1) and consumers and end-users (ESRS S4)
- Governance topics: business conduct (ESRS G1)

IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The disclosure requirements that were applied in the preparation of the sustainability statement on the basis of the results of the materiality assessment comprise ESRS 2 and the topical ESRSs E1, S1, S4 and G1, including all sub-topics. The exact page numbers for the relevant disclosures are listed in the table of contents in this sustainability statement.

The following table illustrates the datapoints in ESRS 2 and in the topical ESRSs that are derived from other EU legislation, including those datapoints that were deemed not material.

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Datapoints from other EU legislation

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		115
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		115
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				118
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		122
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		122
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12; Delegated Regulation (EU) 2020/1816, Annex II		122
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12; Delegated Regulation (EU) 2020/1816, Annex II		122
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2	158
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12 letters d to g and Article 12		158
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		166

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				166
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				166
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				166
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	Indicator numbers 1 and 2 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5, 6 and 8		167
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8		167
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2	171
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II; Delegated Regulation (EU) 2020/1816, Annex II		172
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47 Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk			172
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral			172

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Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		172
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	Indicator number 8 Table #1 of Annex 1, Indicator number 2 Table #2 of Annex 1, Indicator number 1 Table #2 of Annex 1 and Indicator number 3 Table #2 of Annex 1				n.a.
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				n.a.
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				n.a.
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				n.a.
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				n.a.
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				n.a.
ESRS 2 – SBM-3 – E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				n.a.
ESRS 2 – SBM-3 – E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				n.a.
ESRS 2 – SBM-3 – E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				n.a.
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				n.a.
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				n.a.
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				n.a.
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				n.a.

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I				n.a.
ESRS 2 SBM-3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				176
ESRS 2 SBM-3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				176
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				177
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 paragraph 21			Delegated Regulation (EU) 2020/1816, Annex I		177
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				177
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				177
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				182
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		187
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				187
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		188
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				188
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				189

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Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818 Article 12		189
ESRS 2 SBM-3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicator numbers 12 and 13 Table #3 of Annex I				n.a.
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				n.a.
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator numbers 11 and 4 Table #3 of Annex 1				n.a.
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818 Article 12		n.a.
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8 paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		n.a.
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				n.a.
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				n.a.
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818 Article 12		n.a.
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				n.a.

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Page
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				191
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818 Article 12		191
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				196
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				206
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				206
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		215
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				215

Minimum disclosure requirements regarding policies, actions, metrics and targets (MDR-P, MDR-A, MDR-M, MDR-T)

Details of the policies relating to material sustainability matters can be found in the description in the topic-specific standards.

The metrics reported in relation to material sustainability matters currently comprise only those metrics that are defined in the topic-specific standards. The measurability of actions using targets will be taken into account when drawing up future strategies and actions.

Policies for managing material sustainability matters are currently being drawn up.

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Environmental information

ESRS E1 – Climate change

(Art. 964b (1) OR, Art. 3 KlimaVO)

Governance

Disclosure requirement related to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes

(Art. 3 KlimaVO)

For the disclosures as to whether and how climate-related considerations are factored into the remuneration of members of the administrative, management and supervisory bodies, reference is made to ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes. Sustainability-related performance is factored into variable remuneration but is not yet linked to specific emission reduction targets.

Strategy

E1-1 – Transition plan for climate change mitigation

(Art. 3 KlimaVO)

Baloise has defined various policies relating to climate change mitigation and plans to consolidate these as part of a Group-wide transition plan and embed them in a comprehensive sustainability strategy in 2025. Baloise's current Simply Safe: Season 2 and Refocusing strategy papers describe the strategic direction that Baloise has taken until now and the strategic direction that it will take going forward. The direction of sustainability-related efforts will be specified in more detail from 2025 onwards in connection with the new sustainability strategy.

Baloise has set itself the target of reducing CO₂ emissions to net zero by 2050. To achieve this, it is defining decarbonisation targets for its own business operations and for financed and insured emissions.

Regarding its own business operations, Baloise plans to develop a specific plan for reducing its carbon footprint and to define in greater detail the target that has already been set. A few years ago, it began systematically collecting its CO₂ emissions data using the Greenhouse Gas Protocol standard. Based on this systematic collection of data, Baloise can identify the areas with the biggest decarbonisation levers and define actions that offer a reasonable level of effectiveness. Furthermore, Baloise intends to use energy-efficient technologies and sustainable means of transport

to minimise its fleet's CO₂ emissions and continue to maximise the use of renewable energies. Another lever for Baloise is the application of environmentally responsible building standards and the encouragement of the use of renewable energies in its facilities.

Information on financed emissions is provided under ESRS E1-2 – Policies related to climate change mitigation and adaptation.

Baloise also considers sustainability and climate change mitigation in respect of the risks that it insures. In 2024, Baloise calculated the "insurance-associated emissions" in its portfolio for the first time, following the methodology of the Partnership for Carbon Accounting Financials (PCAF). In order to be able to define a reliable transition plan and specific targets, Baloise is working hard to improve the data used to calculate insured emissions.

Transition plan for climate change mitigation

Baloise is committed to the targets of the Paris climate agreement and supports the efforts of Switzerland and the European Union (EU) to reach net zero by 2050.

It wants to reduce its operational emissions (Scopes 1 and 2) by 25 per cent by 2030 compared with 2022. This target will be defined in greater detail in the Group-wide transition plan, which is due to be fleshed out in 2025.

Managing investments and insured risks in accordance with climate criteria is another important lever in reducing the consequences of climate change. This requires large amounts of good quality data.

Baloise Asset Management has devised a climate strategy for liquid assets that is an integral element of the expanded responsible investment strategy. One of Baloise's main objectives under this strategy is to further reduce financed CO₂ emissions. This target will be reflected in the transition plan for investments, which contains interim targets for decarbonisation in line with the Baloise Group's overall commitment to reach net zero by 2050.

Investments and funding supporting the implementation of the transition plan

At present, data on investment in climate change mitigation in respect of actions taken in Baloise's own operations is not systematically collected or documented. As part of its ongoing strategic focus on sustainability, Baloise will start collecting data on these investments.

In 2024, no capital expenditure (CapEx) was invested that can be clearly assigned to the key performance indicators for taxonomy-aligned CapEx and to the CapEx

plans pursuant to Delegated Regulation (EU) 2021/2178 supplementing the Taxonomy Regulation (EU) 2020/852.

Assessment of potentially locked-in greenhouse gas emissions

The extent to which potentially locked-in greenhouse gas emissions could hinder Baloise's achievement of its targets is currently being thoroughly analysed and is taken into consideration when formulating targets as part of the transition plan.

Targets and plans for the taxonomy alignment of economic activities

The investment portfolio and product range are not actively managed in accordance with taxonomy metrics at present. Doing so will be considered as part of Baloise's ongoing strategic focus.

In 2024, Baloise's investments in the context of coal, oil and gas-related economic activities amounted to CHF 1,131,750,490.

Baloise is not excluded from the Paris-aligned EU benchmarks of Delegated Regulation (EU) 2020/1818 supplementing Benchmark Regulation (EU) 2016/1011.

Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

(Art. 3 KlimaVO)

In the following section, the most important impacts, risks and opportunities relating to climate change are considered. A detailed overview of the material impacts, risks and opportunities and their interaction with the strategy and business model are presented in ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model. That section contains a detailed description of the identified impacts on people and the environment. The processes to identify and assess the material impacts, risks and opportunities, along with related information, are explained in the disclosures under ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

The negative impacts of Baloise's operations include the emission of greenhouse gases (GHGs) produced using energy and fuels and the emission of particulate matter, heavy metals and other pollutants using fossil energy. Direct and indirect GHG emissions in connection with investments – real estate, liquid assets and illiquid assets – are another negative impact.

A potential positive impact is the further reduction of direct and indirect GHG emissions in connection with investments.

The other positive impacts include the promotion of sustainable customer behaviour. Baloise offers a

broad range of products that can influence customers' energy efficiency. The shift in employees' environmental awareness as a result of awareness-raising actions can also make employees more concerned for the environment.

The opportunities of climate change include offering new/innovative products and services, e.g. insurance solutions in the areas of renewable energy, and offering products that are more sustainable. There is also potential for growth in claims resulting from increased risk caused by climate change. Another opportunity is catering to the increased importance to society of environmentally responsible investments.

Material risks in connection with climate change include strategic sustainability risks. This means there is a risk that Baloise does not take adequate account of sustainability in business decisions and when defining its business strategy and risk strategy. Baloise is also exposed to risk in respect of investments. Investments may perform poorly owing to climate-related incidents and issuers' unsustainable business practices. There are also material risks in underwriting management and product management for climate change mitigation, such as catastrophe risk, accumulation risk and premium and reserve risk. Risks relating to environmental action in business operations and collaboration with partners are also material, including natural disaster risk.

Resilience of the strategy and business model in relation to climate change

The resilience of Baloise's strategy and business model is determined using various analyses, as described below.

Climate risk analysis

Given the structural differences between climate risk and the traditional types of risk covered by risk management, climate risk undergoes a separate annual analysis as part of the Own Risk and Solvency Assessment process (ORSA process). This analysis, which is based on time horizons that go beyond traditional planning horizons, examines climate risk from both a qualitative and a quantitative perspective. The first step is to identify material aspects in the investment portfolio and insurance portfolio. These aspects are then analysed using scenarios provided by the Network for Greening the Financial System (NGFS).

Despite negative impacts in the scenarios considered, the investment and insurance business can continue as a going concern from the current perspective.

Exposure analysis

Both on the assets side and on the equity and liabilities side of the balance sheet, this involves examining aspects that are material in terms of their exposure and significantly adversely affected either by climate change or by action taken to mitigate climate change. Depending on the data that is available, the exposure is determined

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using adequate KPIs on the assets side and the equity and liabilities side or by referring to expert assessments. The geographical location and the area of business of the investment or insurance activity are taken into consideration.

At present, exposures that are material in terms of transition risks have been identified in the life insurance business and in a number of asset classes in the investment business.

Physical risks result from extreme weather events and lead to the greater frequency and intensity of natural disaster claims. At present, exposures that are material in terms of physical risks have been identified primarily in the non-life insurance business as well as in parts of the investment business. The exposure to weather-related disasters in property insurance business is routinely monitored. Modelling and analysis is used to this end, which provides a sound basis for risk management.

Data on the impact of climate-related transition and physical risks has not yet been acquired for the Banking segment. However, this is to be done in future to reflect regulatory developments (such as the forthcoming FINMA circular on nature-related risks).

Scenario analysis based on the exposures identified

The analysis looks at a scenario with high physical risks associated with global warming of more than 2°C (physical scenario) and a transition scenario involving transition risks. The actions implemented in this context should contribute to successfully reducing global warming to below 2°C. As chronic changes to the climate and the adaptation of actions will take place in the distant future, this analysis considers time horizons that go beyond the traditional planning horizons. Specifically, the analysis considers the impacts up to 2030 (short term), 2050 (medium term) and 2080 (long term).

The scenario analysis carried out in connection with ORSA covers the largest asset classes and the insurance portfolio in the life and non-life businesses. For the non-life business, possible losses from claims relating to flooding, storms and hail are analysed. The reinsurance in place also has an influence on the degree to which financial positions are impacted. Information about Baloise's own portfolio is used, along with external data from NGFS.

Despite negative impacts in the scenarios considered, the investment and insurance business can continue as a going concern from the current perspective. This is partly because strategic actions have been carried out to counteract the negative impacts described. For example, the Responsible Investment (RI) Policy already excludes carbon-intensive assets from the investment horizon, and the ESG Underwriting Policy includes an exclusion strategy for certain sectors. In the real estate business, the base data is being improved with regard to climate risk information. This is to be used to develop and implement pathways for lowering CO₂ emissions. The consideration

of natural perils in reinsurance and the ability to use pricing to respond to emerging claim trends should also help to limit losses in the non-life business. Premium and reserve risk can be adequately managed in a similar way. Furthermore, the monitoring of mortality and lapse rates and trends ensures that the Company can respond to the developments described in the scenarios in good time. However, it must be remembered that the findings of the analysis are rough estimates and that the inputs used for the projections are subject to significant uncertainty, particularly in view of the long time horizons.

The regular analyses carried out are integrated into the usual risk assessment processes, e.g. ORSA. The resulting risk situation is discussed in detail with the Corporate Executive Committee and its committees – primarily the Risk Committee – and signed off by the Board of Directors.

The integration of sustainability risks into existing risk management processes ensures that the results of regular analyses and assessments are incorporated into Baloise's strategic risk management approach and that this approach is adequate for dealing with these risks. In addition, general risk awareness is strengthened through the involvement of employees from different departments and operating segments. This ongoing integration of sustainability risks and climate risks into the management of risk constitutes an important step in implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

A specific scenario analysis is not currently carried out for the Asset Management or Banking segment. The Group-wide risk management processes and evaluations are used in these segments.

Vulnerability analysis

A vulnerability analysis was carried out for property in Germany and Belgium as part of the taxonomy-related “do no significant harm” analysis. The aim was to analyse the physical climate-related hazards. All hazards that are considered material in view of the vulnerability of the business model and geographical location were included in the analysis on the basis of data from the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC). Location Risk Intelligence, a SaaS platform from reinsurance company Munich Re, was used to obtain a location-specific, climate-related hazard analysis in climate scenarios. The analysis was based on scenario SSP5-8.5/RCP 8.5 up to 2050. The scenario describes climate change involving a rise in temperatures in 2100 of more than 4°C above pre-industrial temperatures. This is based on increased exploitation of fossil fuels and an energy- and resource-intensive lifestyle, which leads to higher greenhouse gas emissions and an increased burden on the climate. The findings of the analysis show that the identified climate risks have no material negative impact on the business model and thus on the Company's strategic direction.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

(Art. 3 KlimaVO)

Regarding the identification and assessment of material climate-related impacts, risks and opportunities, reference is made to the disclosures under ESRS 2 GOV-5 – Risk management and internal controls over sustainability reporting and ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities, and the disclosures in connection with ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model under ESRS E1 Climate change.

E1-2 – Policies related to climate change mitigation and adaptation

(Art. 3 KlimaVO)

Baloise's policies related to climate change mitigation and adaptation are described in the table below.

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Policies relating to the transition plan for climate change mitigation (MDR-P)

Name of rule set	Main content	General objectives	Review
Baloise Responsible Investment Policy: for insurance funds held by Baloise Group companies	Definition of the responsible investment strategy, taking the following into account: <ul style="list-style-type: none"> • General and expanded responsible investment strategy • Sustainability risks and risk management • ESG data • Memberships and partnerships 	Definition of a strategy on responsible investment	At least annually
Baloise Responsible Investment Policy: for third-party assets and investment funds	Definition of the responsible investment strategy, taking the following into account: <ul style="list-style-type: none"> • General and expanded responsible investment strategy • Sustainability risks and risk management • ESG data • Memberships and partnerships 	Definition of a strategy on responsible investment	At least annually
Baloise asset management climate strategy for liquid assets	Description of the climate focus as an integral element of the Baloise responsible investment strategy	Definition of climate strategy for liquid assets	Adjustments as required
Group Risk Policy	The Group Risk Policy defines Baloise's risk management cycle and comprises the following: <ul style="list-style-type: none"> • Definition of the risk strategy based on the business strategy, taking account of risk preferences, risk-bearing capacity, risk appetite, risk tolerance, risk limits and capital management • escalation processes. • Risk governance • Monitoring and reporting • Risk appetite statement 	Definition of the risk management framework	Annually
Own Risk and Solvency Assessment Policy	<ul style="list-style-type: none"> • Definition of the Own Risk and Solvency Assessment (ORSA) governance model • Description of the elements of the ORSA process, comprising the following: <ul style="list-style-type: none"> - Identification of risks - Assessment of risks - Business planning - Risk strategy - Risk appetite - Risk reporting - Results and actions stemming from ORSA 	Definition of the ORSA process	Annually
Baloise Reinsurance Policy	In the Group Reinsurance Policy, the roles and responsibilities, the process for analysing reinsurance requirements and renewals, and the monitoring and reporting in connection with reinsurance are defined.	Definition of the policy on reinsurance	Annually
Underwriting Directive	The Underwriting Directive sets out the responsibilities, the underwriting principles to be applied, the duties of the underwriter and the placement of facultative reinsurance in respect of indemnity insurance for business clients. It also contains specific underwriting rules for the different types of insurance.	Definition of the underwriting rules	Annually

Area of application	Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Baloise Asset Management	Investment Insurance Committee (IIC)	n/a	Website	Baloise Responsible Investment Policy: for insurance funds held by Baloise Group companies
Baloise Asset Management	Executive Committee and Board of Directors Baloise Asset Management	n/a	Website	Baloise Responsible Investment Policy: for third-party assets and investment funds
Baloise Asset Management	Executive Committee Baloise Asset Management & Investment Insurance Committee (IIC)	n/a	Website	Baloise asset management climate strategy for liquid assets
Group-wide	Group Risk Management	n/a	Intranet	Group Risk Policy
Group-wide	Group Risk Management	n/a	Intranet	Own Risk and Solvency Assessment Policy
Group-wide	Group Risk Management	n/a	Intranet	Baloise Reinsurance Policy
Switzerland	Indemnity insurance for business clients	n/a	Intranet	Underwriting Directive

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Sustainability strategy

In 2024, Baloise decided on its future action areas and defined the cornerstones of its sustainability strategy on the basis of the recently performed double materiality assessment. The sustainability strategy is designed to ensure that Baloise can identify, assess, manage and remediate the material impacts, risks and opportunities relating to climate change mitigation and climate change adaptation.

Baloise is drawing up the necessary targets and actions, which will apply across the Group.

For Baloise, it is essential to ensure that the strategy is implemented effectively and sustainably. The Company has therefore made the necessary resources available. Close contact between the national subsidiaries and departments is also fundamentally important, ensuring that the strategy developed is based on best practice and standards. It should be emphasised that the development of a sustainability strategy necessitates an ongoing review process so that it can be adapted to reflect current challenges.

The national subsidiaries integrate the requirements of the overarching Group strategy into their individual sustainability strategies when they update them. On this basis, they draw up specific actions that align with the regional circumstances and requirements. These actions serve to achieve the joint targets in the Group strategy and implement them at local level. This coordinated approach ensures that the Baloise Group's sustainability targets are implemented consistently and effectively in all national subsidiaries. Thanks to the Group's shared focus on sustainability ambitions, several policies have already been drawn up by the national subsidiaries.

On a general level, this approach is designed to ensure that sustainability matters are adequately factored into business decisions and strategic considerations.

Action plans for the use of renewable energy are implemented across the Group. They are described in the disclosures under ESRS E1-3 – Actions and resources in relation to climate change policies. These action plans are incorporated into the local policies that are already in place.

Responsible investment strategy

Baloise endeavours to reduce the financed emissions in the investment business. In this business, Baloise Asset Management has drawn up a climate strategy for liquid assets that is an integral element of the expanded responsible investment strategy. The expanded responsible investment strategy specifically applies to the majority of insurance investments, to Luxembourg investment funds that are managed by Baloise and promote environmental or social characteristics in accordance with Article 8 SFDR, or a combination of these characteristics, and to collective investments that satisfy the Swiss criteria for sustainable investments

pursuant to the “Self-regulation on transparency and disclosure for sustainability-related collective assets” of the Asset Management Association Switzerland (AMAS) and the FINMA guidance on preventing and combating greenwashing.

The climate strategy is aimed at ensuring the management of risks relating to climate change, increasing the long-term profitability of investments and thus contributing to the success of investments over the long term. However, it is also aimed at making a contribution to climate change mitigation. The existing climate strategy will be updated in 2025 in line with the target of net zero by 2050. This commitment will be reflected in the transition plan for investments, which contains interim targets for decarbonisation.

In both 2023 and 2024, the use of exclusions for companies and countries helped to reduce greenhouse gas emissions in the investment portfolio. The exclusion criteria in respect of greenhouse emissions apply to the following companies:

- Companies that generate at least 10 per cent of their revenue from coal.
- Companies that generate at least 5 per cent of their revenue from unconventional oil and gas.
- Companies that generate at least 30 per cent of their revenue from conventional oil and gas.

The exclusions are based on an assessment conducted by MSCI ESG Research LLC and were applied using binding threshold values. All liquid assets and a large proportion of private assets (infrastructure and private debt) are affected by these extended exclusions.

In addition, a best-in-class approach was used as part of the expanded responsible investment strategy that is aimed at consciously giving preference to investments based on their MSCI ESG rating. The MSCI ESG rating consists of multiple key performance indicators (KPIs)/scores that are based on various sector-specific material ESG criteria. Individual KPIs/scores can provide a direct indicator of an issuer's performance relative to its peer group in terms of certain important negative impacts on sustainability factors. They can also reflect this performance implicitly. The main score in relation to greenhouse gas emissions is the carbon emissions score, which includes the carbon emissions management score and the carbon emissions exposure score.

In its investment business, Baloise has a good set of base data for all liquid assets. With regard to illiquid assets, Baloise Asset Management is working with its external investment managers to build up a similarly comprehensive set of base data over time. The responsible investment team has developed a dedicated questionnaire for this purpose, enabling the necessary data to be systematically collected on a regular basis. In the Swiss real estate business, an energy management system (EMS) was implemented in 2024 so that all of the

necessary actual consumption data for the properties in Switzerland is available. This forms a solid basis for the planned revision of the climate strategy and the transition plan for investments in 2025.

Policies in the banking business for lowering greenhouse gas emissions

Baloise Bank offers its private clients in the lending business an extensive range of information on how to improve the energy efficiency of their own homes and their holiday homes. Specific sustainable products are not currently offered in the lending business.

In connection with investment advice and portfolio management, customers are given information in accordance with the self-regulation published by the SBA on ESG risks attaching to the sustainable products and financial services offered, in addition to general risks. Appropriate solutions are offered to sustainability-minded customers.

E1-3 – Actions and resources in relation to climate change policies

(Art. 3 KlimaVO)

In 2024 and previous years, Baloise carried out actions to lower greenhouse gas emissions and, at the same time, protect natural resources.

As part of its future efforts, Baloise will increase its focus on improving the base data for ensuring the transparency of its climate change mitigation actions so that it can disclose reliable figures and information. This relates not only to the achieved and expected reductions in greenhouse gas emissions but also specific information on the significant CapEx and OpEx monetary amounts.

The following climate change mitigation actions have already been implemented or were initiated in 2024:

Germany

- Optimise employees’ methods of travel
- Optimise the energy efficiency of the Company’s own buildings
- Increase the use of renewable energies in the Company’s own buildings

Switzerland

- Increase the proportion of electric vehicles in the fleet
- Optimise the energy efficiency of the Company’s own buildings
- Optimise the energy efficiency of rented buildings
- Increase the use of renewable energies in the Company’s own buildings
- Reduce air travel and business trips in general

Belgium

- Increase the proportion of electric vehicles in the fleet
- Publish a policy for carpooling and carsharing

- Optimise the energy efficiency of the Company’s own buildings
- Optimise the energy efficiency of rented buildings – sustainable rental agreements, including energy efficiency, water savings, waste reduction and air quality
- Increase the use of renewable energies in the Company’s own buildings
- Increase the use of renewable energies in rented buildings
- Reduce air travel
- Install heat pump boilers: reduction in gas consumption
- Install solar collectors
- Renovate the Royale Belge building

Luxembourg

- Increase the proportion of electric vehicles in the fleet
- Optimise the energy efficiency of the Company’s own buildings
- Optimise the energy efficiency of rented buildings
- Increase the use of renewable energies in the Company’s own buildings
- Increase the use of renewable energies in rented buildings

The Baloise Group reviews the selection of climate change mitigation projects at regular intervals and, working with external partner companies, adapts them in line with market developments.

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

(Art. 3 KlimaVO)

Climate-related targets

As described under ESRS E-2 Policies related to climate change mitigation and adaptation, the direction of sustainability-related efforts will be specified in more detail from 2025 onwards in connection with the new sustainability strategy. This includes setting targets in connection with the transition plans for the Group's own operations and for financed and insured emissions. Baloise will also reassess the existing climate-related targets (net zero by 2050 and the reduction of emissions from own operations (Scopes 1 and 2) by 25 per cent by 2030 compared with the 2022 base year) and integrate them into the transition plans to be drawn up.

No targets have been set in the existing asset management climate strategy for liquid assets. Interim targets for decarbonisation in line with the Baloise Group's general commitment to reaching net zero by 2050, for example, will be included in the planned transition plan for investments. The revised climate strategy and the transition plan for investments will be published in the next reporting cycle.

E1-5 – Energy consumption and mix

(Art. 3 KlimaVO)

E1-5: Energy consumption and energy mix

Key figure	Unit	2024	2023	2022
Total energy consumption from fossil sources	MWh	10,502	9,578	11,424
Total energy consumption from nuclear sources	MWh	0	0	0
Total energy consumption from renewable energy sources, broken down into:	MWh	13,961	14,892	16,377
Fuel consumption for renewable sources, including biomass (including industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources, etc.	MWh	1,925	1,838	2,096
Consumption from purchased and received electricity, heat, steam and cooling from renewable sources	MWh	11,910	12,961	14,236
Consumption of self-generated renewable energy other than fuels	MWh	126	94	45

Information on energy consumption at the Baloise sites is collected annually. The data basis is the same as for the calculation of operational emissions in E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions. The energy consumption of sites for which no detailed information is available is estimated on the basis of comparable sites using a conservative method of calculation. Energy consumption from fossil sources includes the consumption of all electricity without verifiable guarantees of origin and the share of fossil fuels in district heating consumption.

E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

(Art. 3 KlimaVO)

E1-6: GHG Gross emissions for Scope 1, 2 and 3 categories, and total GHG emissions

Key figure	Unit	2024	2023	2022
Scope 1 emissions				
Total Scope 1 emissions	tCO ₂ e	4,785	4,078	4,738
Share of Scope 1 GHG emissions from regulated ETS	per cent	0	0	0
Scope 2 emissions				
Total Scope 2 emissions (location-based)	tCO ₂ e	2,719	n/a	n/a
Total Scope 2 emissions (market-based)	tCO ₂ e	616	632	1,004
Significant Scope 3 emissions				
Total Scope 3 emissions	tCO ₂ e	1,578,820	83,121	85,257
1 Purchased goods and services	tCO ₂ e	79,640	76,065	79,452
2 Capital goods	tCO ₂ e	914	1,306	1,348
3 Fuel- and energy-related emissions (not included in Scope 1 or Scope 2)	tCO ₂ e	1,733	1,790	1,481
5 Operational waste	tCO ₂ e	176	174	115
6 Business travel	tCO ₂ e	908	1,416	1,145
7 Commuting	tCO ₂ e	3,323	2,369	1,718
15 Investments	tCO ₂ e	1,492,125	n/a	n/a
Total GHG emissions				
Total GHG emissions (location-based)	tCO ₂ e	1,586,323	n/a	n/a
Total GHG emissions (market-based)	tCO ₂ e	1,584,221	87,831	90,999
GHG emissions intensity				
Total GHG emissions (location-based) per million net revenue* in CHF	tCO ₂ e/million CHF	285.5	n/a	n/a
Total GHG emissions (market-based) per million net revenue* in CHF	tCO ₂ e/million CHF	285.1	16.2	17.0

* corresponds to insurance revenue.

Report on non-financial matters

Baloise's GHG footprint is prepared in accordance with the Greenhouse Gas Protocol Corporate Standard (GHG Protocol Corporate Standard). It includes the currently measured and estimated direct and indirect environmental key figures. The emissions are recorded in metric tonnes of carbon dioxide equivalents (tCO₂eq). The organisational system limits for the calculation of operational emissions were determined in accordance with the operational control principle.

For operational emissions, data is collected from the following sites as part of the annual carbon accounting processes:

- Switzerland: Basel, Lausanne, Lugano, Bern, Zurich, Solothurn
- Germany: Bad Homburg, Hamburg, Bremen
- Belgium: Antwerp, Brussels, Ghent, Hasselt
- Euromex: Antwerp
- Luxembourg: Leudelange

The emissions of smaller sites and units for which no activity data is available are extrapolated on the basis of the Group-wide emissions and the number of employees. This process ensures that all significant sources of operational emissions are included in carbon accounting.

The emission factors that Baloise uses to calculate Group-wide emissions are supplied by an external provider that is established in the market. The emission factors are based on state-of-the-art research, particularly the IPCC's Guidelines for National Greenhouse Gas Inventories.

Scope 1 emissions include the use of fuel to heat buildings, the renewable energy generated on Baloise sites, the company's own vehicle fleet (petrol and diesel) and the loss of coolant at Baloise sites.

Scope 2 emissions cover the use of purchased electricity and district heating at Baloise sites. This scope also includes the electricity consumption of electric cars used for company business.

Scope 3 emissions comprise purchased goods and services, and capital goods. They also include fuel-related and energy-related emissions, emissions from refuse generation and water consumption, and emissions from business travel and commuting by employees, including energy used by employees working from home.

Baloise makes an ongoing effort to improve the base data. These efforts enabled Baloise to disclose market-based and location-based Scope 2 emissions, Group-wide emissions from purchased goods and services and capital goods, and Group-wide financed emissions for the first time in 2024. The continual improvement in data quality and completeness leads to significant changes in the amount of emissions disclosed, especially Scope 3 emissions. Operational emissions, mainly in the "purchased goods and services" and "capital goods" categories, play a prominent role here. The emissions in these two categories were estimated for the first time for all years included in this report on the basis of Group-wide

procurement data covering around 90 per cent of Baloise's purchases. This calculation facilitates an initial estimate and should be understood as an approximation. Baloise is reviewing ways of making greater use of activity data to calculate emissions in these categories.

Financed emissions in the investment portfolio

The gross GHG emissions in Scope 3 category 15 presented below comprise the Scope 1 and Scope 2 emissions from the insurance investment portfolio of the Baloise Group, specifically the emissions for the following assets: loans to listed companies, equities and real estate. They also cover funds linked to loans to listed companies and equities. Also included are bonds classified as public or government bonds that have been issued by companies which are partly or wholly owned by a government but operate in certain sectors of industry. Government bonds are listed separately at the end of this section.

Not currently included are figures for Baloise's exposure to private assets, mortgages, derivatives, commercial paper, cash and long-term equity investments.

E1-6: GHG Gross emissions Scope 3 Category 15

Absolute GHG emissions financed by investments per asset class

Key figure	Unit	Corporate loans	Listed shares	Funds	Real estate
GHG emissions	tCO ₂ e	496,000	19,105	5,497	54,968
Coverage rate	per cent	91.2	97.3	35.0	94.1
Covered investment volume	CHF	14,679,848,428	613,581,838	92,154,633	8,628,125,469

To calculate financed emissions, Baloise aggregated the emissions of the various in-scope assets. Emissions for liquid assets were calculated using the Partnership for Carbon Accounting Financials (PCAF) method and, where available, emissions data from MSCI Ltd. for listed assets based on data as at the end of 2024.

To calculate Baloise’s financed emissions in a company, the sum of the company’s emissions are divided by the enterprise value including cash (EVIC) and then multiplied by the amount of Baloise’s investment. The sum of financed emissions from all companies in the portfolio is then used to calculate the total financed emissions of Baloise.

The average data quality score of 2.34 for business loans and 2.01 for equities was calculated on the basis of PCAF data quality scoring from MSCI Ltd. Quality level 2 dominated for equities and bonds. This means that the emissions were based either on reported emissions or on data about the primary physical activity entailing energy consumption by the company. For lower data quality scores, missing emissions data was estimated by MSCI Ltd. on the basis of the company’s production or revenue figures, or, if these were not available either, on the basis of industry averages for emissions intensity.

For real estate, Baloise used data from the end of 2023. The emissions were estimated using the PCAF method and emission factors in accordance with the Carbon Risk Real Estate Monitor (CRREM). The average PCAF data quality value is 4 for real estate.

The degree of coverage represents the sum of assets for which weighted average carbon intensity (WACI) data is available divided by the total sum of assets that are in scope of the specific category. For example, the degree of coverage for fixed-income investments is the sum of fixed-income investments for which data is available divided by the total sum of fixed-income investments that are included in the analysis. For real estate, the degree of coverage is calculated as follows: value of all properties in the real estate portfolio for which emissions can be estimated using available floor space data, divided by the total value of the real estate portfolio

Report on non-financial matters

E1-6: GHG Gross emissions Scope 3 Category 15

Liquid assets: weighted average carbon intensity by revenue

Key figure	Unit	Corporate loans	Listed shares	Funds
WACI	tCO ₂ e/CHF million income	52.0	63.4	103.5
Coverage rate	per cent	92.7	97.3	35.7
Covered investment volume	CHF	14,924,501,072	613,581,838	94,006,940

For liquid assets, we measure the weighted average carbon intensity (WACI), which covers the Scope 1 and Scope 2 emissions of the insurance investment assets and comprises, in particular, loans to listed companies, equities and funds linked to such assets.

The approach for calculating intensity based on revenue (tCO₂e/year/revenue) in accordance with PCAF is based on data from MSCI Ltd. It has a weighted average data quality score of 2.35 for business loans and 2.01 for equities, based on the PCAF data quality score, which is also from MSCI Ltd.

Quality level 2 dominated for equities and bonds. This means that the emissions were based either on reported emissions or on data about the primary physical activity entailing energy consumption by the company. For lower data quality scores, missing emissions data was estimated by MSCI Ltd. on the basis of the company's production or revenue figures, or, if these were not available either, on the basis of industry averages for emissions intensity.

The degree of coverage represents the sum of assets for which WACI data is available divided by the total sum of assets that are in scope of the specific category. For example, the degree of coverage for fixed-income investments is the sum of fixed-income investments for which data is available divided by the total sum of fixed-income investments that are included in the analysis.

The covered investment volume represents the sum of assets for which data is available, i.e. it is the numerator in the degree of coverage.

E1-6: GHG Gross emissions Scope 3 Category 15

Real estate: weighted average carbon intensity per square meter

Key figure	Unit	Real estate
Intensity per square metre	kgCO ₂ e/m ²	25.2
Coverage rate	per cent	94.1
Covered investment volume	CHF	8,628,125,469

For real estate, the intensity score for Scope 1 and Scope 2 emissions attributed to Baloise is measured in kgCO₂e/m² (financed emissions divided by the financed floor space of the real estate). The method is based on the one prescribed by PCAF. CRREM emissions factors from 2023 were used.

The overall estimate leads to a weighted average PCAF quality score of 4 for directly held real estate. It is anticipated that this score will improve in the next reporting period as Baloise will include consumption data in the measurement methods.

In addition to the above disclosures, Baloise has also estimated its financed emissions from government bonds. In accordance with the PCAF method, sub-national and supranational bonds were excluded.

The figures reflect the attributed emissions as Baloise's exposure to government bonds was multiplied by the emission factor for government bonds (in accordance with the Emissions Database for Global Atmospheric Research (EDGAR) 2023) and divided by GDP adjusted for PPP (gross domestic product based on purchasing power parity according to the World Bank, 2023). This is in line with the PCAF method. For Baloise, this figure is 916,555 tCO₂e/year from an exposure of CHF 7.27 billion in government bonds.

Insurance-associated emissions

In 2024, Baloise calculated the "insurance-associated emissions" in its portfolio for the first time, following the methodology of the PCAF. PCAF divides insurance-associated emissions into two segments for this purpose: commercial lines and personal motor lines. Baloise's first calculation highlighted the distribution of absolute emissions within the various segments and business units. The emissions intensity metric, which indicates the emissions per Swiss franc of premiums, enabled specific comparisons to be made in the overall market. Initial calculations show that in the commercial lines segment, the Swiss market has higher emissions than the other business units. By contrast, Germany has the highest emissions intensity in the personal motor lines segment. The biggest challenge was obtaining good-quality data. In the commercial lines segment in particular, barely any data on emissions or revenue is available, so some of the results are not meaningful. This deficiency will gradually be eliminated going forward, thereby providing a more reliable set of base data.

The actions planned include optimisation of coverage of the insurance portfolio by integrating sectoral and industry classifications, clearer assignment to the insurance sectors and an automated process for obtaining data. This will lay the foundations on which to define targets for the insurance portfolio.

Carbon-related assets of the Banking segment

The Banking segment's credit portfolio is largely focused on mortgages on owner-occupied properties, so it does not have a significant concentration of carbon-related assets.

Report on non-financial matters

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

(Art. 3 KlimaVO)

The removal or storage of greenhouse gases does not currently take place within Baloise's own operations or value chain.

When it defines specific sustainability targets and develops the related reduction pathway, Baloise will look at options for removing greenhouse gases in its value chain.

Baloise currently uses emission allowances to voluntarily offset the greenhouse gas emissions from its own operations as follows:

The Baloise Group invests centrally in emissions avoidance projects in order to offset greenhouse gas emissions. It purchased and cancelled allowances totalling 11,092 tonnes of CO₂ in 2024. This covers the amount of carbon emissions caused by operations based on the 2023 calculation. Further allowances for cancellation at a future date were not purchased.

Baloise's initiative to offset its own emissions is undertaken on a voluntary basis and is not part of its transition plans that are currently being drawn up for the Group as a whole (see the disclosures under ESRS E1-4 – Targets related to climate change mitigation and adaptation).

The projects for the allowances were selected and the allowances purchased with the assistance of an established provider in Switzerland. The modalities and methods of the projects were assessed and the projects were certified against the following standards in terms of impact on the environment and society:

- The Gold Standard, which is an independent standard of quality for high-quality climate change mitigation projects that pursue ecological objectives and contribute to sustainable development (share of the total volume: 2,213 tCO₂ (20 per cent))
- The Verified Carbon Standard (VCS), which ensures the environmental integrity and quality of climate change mitigation projects (share of the total volume: 8,326 tCO₂ (75 per cent))
- ISO 14064-2, validated by TÜV NORD, a recognised standard for accurate quantification, monitoring and reporting of greenhouse gas reductions at project level (share of the total volume: 553 tCO₂ (5 per cent))

35 per cent of the CO₂ volume was generated through projects within the EU and 5 per cent through projects in Switzerland.

The Baloise Group reviews the selection of climate change mitigation projects at regular intervals and adapts its selection in line with market developments.

E1-8 – Internal carbon pricing

(Art. 3 KlimaVO)

Baloise has not implemented any internal carbon pricing schemes as part of its management of the Company.

E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

(Art. 3 KlimaVO)

The metrics currently available regarding the environment and climate are disclosed in the chapters above. Baloise will endeavour to publish additional metrics for measuring climate-related risks and opportunities in future years.

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ESRS S1 – Own workforce

(Art. 964b (1) OR)

Strategy

Disclosure requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

(Art. 964b (2) 1 OR)

Reference is made to ESRS 2 SBM-2 – Interests and views of stakeholders, with regard to how the interests, views and rights of Baloise's own workforce, including respect for workers' human rights, inform the strategy and business model.

Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

(Art. 964b (2) 1 and 4 OR)

In the following section, the material topic-specific impacts, risks and opportunities relating to Baloise's own workforce are considered. A detailed overview can be found in ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model, which contains comprehensive disclosures on the identified impacts on people and the environment.

Baloise's workforce mainly comprises salaried employees, including full-time and part-time staff, temporary student employees and interns. There is only a small number of non-employees, such as self-employed people and people provided by third-party companies.

All workers may potentially be affected by the identified impacts.

Negative impacts affecting Baloise's own workforce include deterioration in employees' physical and/or mental health as a result of discrimination, workload or non-ergonomic workstations. Other examples are unequal opportunities for promotion, violation of human rights or a poor balance between family/personal life and work. Negative impacts may also arise in connection with remuneration, e.g. as a result of a pay gap or stress resulting from a difficult financial situation that is attributable to low pay. However, it should be noted that negative impacts such as these tend to be linked to individual circumstances and are not systemic.

Baloise attaches a high priority to employee satisfaction. This applies to all employees, irrespective

of their racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin. Baloise pays all its employees adequate and fair wages that are in line with country-specific standards. In accordance with the statutory requirements applicable to the individual national subsidiaries, all employees benefit from social protection against loss of income due to major life events (sickness, unemployment starting from when the employee works for the Company, employment injuries and acquired disability, parental leave and retirement). Flexible working models help employees to maintain a good work-life balance. As a responsible employer, Baloise protects the health of its employees and carries out suitable actions to proactively avoid risks in the workplace.

The material risks in relation to Baloise's own workforce include, for example, the risk of a shortage of skilled workers. This means that positions cannot be filled with sufficient and/or suitably qualified skilled workers because they are not available in the labour market or because they do not want to be recruited on the terms offered. There is also a risk of capacity shortages when additional project work is required, as specific expertise is often needed at short notice. Inadequate knowledge transfer due to insufficient training and development and due to information not being properly passed on also poses a risk to the success of the Company.

The material opportunities arising in relation to Baloise's own workforce include using digitalisation to ease employees' workloads, offering attractive and forward-looking working models and offering attractive development opportunities.

As Baloise has not yet implemented any transition plans for reducing negative impacts on the environment and achieving greener and climate-neutral operations, it is currently not possible to identify any material impacts on the Company's own workforce.

The positive impact on the change in employees' environmental awareness is presented in ESRS E1 Climate change.

At Baloise, there are no operations that pose a significant risk of incidents of forced labour or child labour.

As equal working conditions and structures are offered at Baloise, all employees are treated equally regardless of their position. No employee group in Baloise's workforce is disproportionately affected by negative impacts. Nevertheless, supporting actions are carried out in

individual cases where required (e.g. making an office building accessible for an employee with a disability).

The risks and opportunities identified relate to everyone in the workforce.

Impact, risk and opportunity management

S1-1 – Policies related to own workforce

(Art. 964b (2) 2-4 OR)

The material policies established by Baloise in relation to its own workforce are presented in the following table. Baloise implements these policies by taking specific action, which is reported on in full under ESRS S1 Own workforce.

Report on non-financial matters

Policies related to own workforce (MDR-P)

Name of rule set	Main content	General objectives	Review	Area of application
HR strategy	<ul style="list-style-type: none"> • Dimensions and objectives of HR management • Analysis of employees' satisfaction and experiences • Process for recruiting new employees, including onboarding 	Recruitment and retention of employees	Annually	Group-wide
Group Policy on Human Rights	<ul style="list-style-type: none"> • Definition of the Baloise Group's stance on human rights and labour rights, including the prohibition of child labour • Description of the Baloise Group's approach to the observance of human rights • Definition of responsibilities in relation to human rights and arrangements for cooperation with the various stakeholders in the Baloise Group • Description of the reporting process 	Upholding of human rights and labour rights; avoidance of child labour	Annually	Group-wide
Code of Conduct	<ul style="list-style-type: none"> • Ensuring confidentiality (confidentiality, data protection, use of electronic information and communication media) • Safeguarding integrity (money laundering prevention and embargoes, insider dealing, cartels, accounting, records management) • Dealing with customers and the public (mandates, conflicts of interest, gifts, donations, corruption, complaints, duty of care, taxes, communications and media) • Employee relations (health, equal treatment, bullying, sexual harassment) • Employees' contribution to implementation of the Code (responsibility, breaches, sanctions, performance assessment) • Link to the whistleblowing system 	Information about the ethical and legal principles and duties applicable to all employees	Annually	Group-wide

Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Group HR	n/a	Restricted, on a need-to-know basis	HR strategy
Group Compliance	<ul style="list-style-type: none"> • UN Principles for Sustainable Insurance (PSI) and Responsible Investment (PRI) • UN Sustainable Development Goals (SDGs) • OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD MNE Guidelines) 	Intranet and summary on the website	Group Policy on Human Rights
Group Compliance	n/a	Website and intranet	Code of Conduct

Report on non-financial matters

HR strategy

Baloise's HR strategy defines the central dimensions and objectives of HR management and recruitment. It also sets out the process for analysing employees' satisfaction and experiences.

Baloise's success relies on skilled and customer-focused employees working with dedication and commitment in their areas of responsibility, thereby actively contributing to the implementation of Baloise's strategy. To be and remain an employer of choice, Baloise attaches a high priority to employee satisfaction and commitment. It has therefore conducted a regular engagement survey among all employees for more than ten years in order to gauge their satisfaction and motivation and to implement targeted action aimed at improvement based on the outcome of the survey.

As part of the HR strategy, especially since the start of the Season 2 strategy period, Baloise has been taking a clearly structured approach to gauge employee satisfaction and commitment on an ongoing basis and to heighten its appeal as an employer:

- **Regular Company-wide survey**

The employee engagement survey (EES) is used to ask employees about their satisfaction and about the factors that influence it. These surveys are aimed at determining employee satisfaction and tracking employees' feedback over time to highlight positive trends and to take early appropriate action in the event of a deterioration. The results of these surveys are shared with all participating units so that suitable action aimed at improvement can be taken at all levels – from the team to the Company as a whole.

- **More in-depth analysis of the main drivers of satisfaction**

Building on the main drivers identified in the EES, Baloise carries out an ongoing survey of all employees from the employee experience perspective using an employee experience inventory (EXI). The purpose of this additional survey is to find out about employees' core experiences of what the Company offers. The data collected provides valuable quantitative insights to those responsible, which they can use to address potential areas of improvement in the relevant processes and functions.

- **Additional initiatives by the national subsidiaries**

In addition to the Group-wide actions, Baloise encourages national approaches to improving employee satisfaction further. In Switzerland, for example, Baloise has been awarded the Friendly Workspace label for many years in recognition of its firm focus on good working conditions and healthy employees. It undergoes the necessary recertification process every three years.

This comprehensive approach underlines Baloise's commitment as an employer of choice to creating positive working conditions and maintaining employee satisfaction in the long term.

To round off the Season 2 strategy period, Baloise conducted the EES pulse check in November 2024, measuring progress in this way for the final time. The new strategy period will see the tried-and-trusted approach to measuring employee commitment carried out in a comparable way, because committed employees remain a central pillar of Baloise's success (see the Refocusing Baloise strategy).

Baloise's comprehensive efforts to increase employee satisfaction under its HR strategy and ease employees' workloads through digitalisation and project management tools allow Baloise to tackle the risks arising as a result of the shortage of skilled workers, capacity shortages and staff turnover.

To minimise the risk of inadequate knowledge transfer and to build up employees' skills, Baloise holds regular training courses and personal development meetings. It draws on additional external support where required.

Enabling employees to combine work and family life through flexible working time models contributes to employee satisfaction while also reducing the risks associated with a poor work-life balance.

Group Policy on Human Rights

Upholding human rights and labour rights is enshrined in Baloise's Group Policy on Human Rights, as is the avoidance of child labour.

With regard to the disclosures relating to respect for human rights, including labour rights within Baloise's own workforce, see ESRS 2 SBM-1 – Strategy, business model and value chain. That section also addresses human trafficking, forced labour and child labour. A preventative and/or corrective approach is taken to human rights-related risks.

In the countries in which it operates, Baloise ensures compliance with statutory requirements protecting labour rights. To do so, it deploys specialists (e.g. in HR) and by having elected employee representatives.

In addition to having a works council, Baloise works closely with the representative committee for employees with severe disabilities in Germany. The aim is to ensure that the interests of the workforce as a whole and the particular needs of employees with disabilities are taken into account in all decision-making processes that may potentially have a social or environmental impact.

Baloise Code of Conduct

Baloise also has a Code of Conduct that defines the fundamental expectations and requirements in terms of employees' behaviour with regard to health and safety and with regard to elimination of discrimination, including harassment. It underlines adherence to compliance rules

and their implementation in the compliance management system, and includes information on the whistleblowing system.

Health and safety

As a responsible employer, Baloise protects the health of its employees and carries out targeted actions to proactively mitigate risks in the workplace. The obligation to both protect the health and safety of employees and maintain appropriate working conditions is enshrined in the Code of Conduct. Responsibility lies with the individual national subsidiaries, which run various initiatives in pursuit of these objectives. This ensures that the local standards of occupational health and safety are fully satisfied.

Elimination of discrimination including harassment

In its positioning as an employer, its recruitment processes and its day-to-day operations, Baloise creates a working environment for employees that is free of discrimination on the grounds of racial and ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction, social origin and other forms of discrimination.

Collaborating across borders and embracing differences are an important part of Baloise’s corporate culture. For Baloise, diversity and inclusion mean utilising employees’ different strengths and personalities while remaining mutually respectful and accepting of each other.

The national subsidiaries also undertake specific action to further enhance diversity, inclusion and equal opportunities. These include action to comply with local statutory requirements and targeted initiatives, such as those that support the advancement of women. Examples in Germany include targets for the proportion of women in management and the signing of the Diversity Charter.

S1-2 – Processes for engaging with own workers and workers’ representatives about impacts

(Art. 964b (2) 3 and 5 OR)

In all of Baloise’s national subsidiaries, there are formal employee representative bodies or works councils that represent the interests of employees vis-à-vis the Company.

In consultation with the employee representatives, Baloise uses a structured data collection method to measure employee satisfaction and as a basis for systematically defining action aimed at improvement:

Employee engagement surveys and EES pulse checks

- Through the employee engagement survey (EES) that it conducts every two years (most recently at the end of 2023, as per the schedule), Baloise asks all employees for feedback on their satisfaction and the factors that influence it (see details of the measurement approach under ESRS S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities)).
- At intervals between these full surveys, all employees are requested to complete a short EES pulse check on progress in order to identify material developments as promptly as possible.

Transparency and dialogue

- The results of the EES surveys are broken down by team and made available to all employees promptly after the survey has taken place.

Definition of action aimed at improvement

- All of the organisational units involved – from team level up to Group level – are required to analyse their results and to define suitable action aimed at improvement.
- Action areas affecting multiple units are identified at the level of the operating segments by the relevant management teams and at Company level by the Group Strategy Board. The actions to be taken by the operating segments are also shared on the Group Strategy Board so that synergies can be identified.
- The operating segments’ results are also made available to the relevant employee representative bodies, enabling necessary actions to be discussed in partnership between the management teams and the employee representatives. At the level of the Company as a whole, this takes place in the context of the annual European Forum (see ESRS S1-8).

Report on non-financial matters

Employee experience inventory (EXI)

- In addition to the EES, there is an employee experience inventory approach (EXI), which involves asking a group of employees on a monthly basis about their experiences of the material benefits that the Company offers them in the context of their work. The entire employee lifecycle is covered, from recruitment through to the end of the employment relationship.

Combination of EES and EXI

- To link the two surveys – EES and EXI – and to provide a leading indicator for the EES, the EXI also asks employees about their satisfaction.

Using the results and drawing up actions

- The EXI results are made available to the responsible people in the national subsidiaries in order to identify action areas at national or Group level. This information is then provided to the people responsible for the relevant processes and functions in order to define specific action aimed at improvement.

Group-wide responsibility for the strategic design of Baloise's employee surveys, comprehensive analysis of the results, and coordination of the Company-wide improvement process lies with the CEO unit.

All in all, Baloise considers the data collection and improvement methodology described above to be extremely effective for implementing its strategy. It allows all relevant teams and functions to be systematically involved in the ongoing process of improvement. The Group-wide participation rate for the most recent EES, which was conducted in November 2023, was 77 per cent.

The EES captures anonymised data on key characteristics, such as employees' gender, years of service and whether they are a manager, in order to facilitate related analysis. The survey does not offer more in-depth evaluations regarding possible minorities for reasons of data protection.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

(Art. 964b (2) 3 OR)

Baloise has put internal grievance mechanisms in place to avoid or remedy negative impacts on its own workforce. The mechanisms ensure that employees can voice their concerns safely and in confidence. Baloise attaches great importance to protecting the identity of the whistleblower and any persons mentioned in the reports.

The channels through which employees can make complaints about unlawful and unethical conduct are the Integrity Line reporting platform, the responsible points of contact in the Compliance function, the employees' line managers or another Company representative.

Baloise cultivates an open corporate culture and encourages its employees to give their names when reporting incidents. However, reports can also be made anonymously. A dedicated page containing extensive information on reporting suspicions has been created on the intranet. Baloise has also put an action plan in place to protect individuals from retaliation. Baloise does not tolerate retaliation against employees who make reports in good faith. Whistleblowers are protected from negative consequences as a result of submitting a report, unless they knew that the matter reported was not true. More information on this and on the Integrity Line can also be found in the disclosures under ESRS G1-1 – Business conduct policies and corporate culture.

Baloise supports the availability of such channels by regularly providing information on the channels for submitting reports and keeping this information up to date. Employees also receiving regular training on the reporting channels, and participation in such training is monitored.

Reported matters are investigated by an independent internal office. Once the investigation has been completed, this office recommends appropriate actions. The relevant line managers are responsible for implementing and tracking the actions. The actions can also be implemented by independent offices in the second or third line of defence where there is an elevated level of risk.

The Audit Committee is informed periodically about the type and number of Integrity Line reports.

S1-4 – Taking action on material impacts on the Company's own workforce, and approaches to managing material risks and pursuing material opportunities related to the Company's own workforce, and effectiveness of those actions and approaches

(Art. 964b (2) 3 OR)

Baloise systematically focuses on informed analysis and targeted action to boost the satisfaction and commitment of its employees. The following steps and insights show how the Company addresses material risks, utilises opportunities and ensures the effectiveness of the action taken.

The results of the full EES survey conducted as scheduled at the end of 2023 was able to be analysed in detail in the first quarter of 2024. Action aimed at improvement was derived on the basis of this analysis. A material insight was the change in the ranking of individual factors of influence. While issues such as the stretched resource situation and the wellbeing of employees during the pandemic had become less relevant, emotional needs, such as a feeling of belonging or feeling confidence about the future, became far more important to employees.

In 2024, a focus was placed on decentralised, team-specific action, as the results of the employee survey were made available at the level of teams. The most important action areas affecting multiple units were defined and specific actions for improving employee satisfaction were implemented. The Group Strategy Board discussed the results of the EES on three occasions and identified Group-wide action areas such as “survey follow-up”, “trust in the Executive Committees” and “outlook for the future”. These action areas were translated into specific actions.

On the subject of “survey follow-up” in 2024, the Group Strategy Board members attached great importance to clearly linking the new action steps initiated in their areas of responsibility with the EES in order to highlight their relevance for employees.

To address the other two action areas (“trust in the Executive Committee” and “outlook for the future”), dialogue with employees in connection with the strategic realignment was stepped up. New communication formats, such as town hall meetings and platforms for dialogue with senior management were established. The management teams were also given training on organisational leadership and communication. To prepare their strategy communication, the management teams in Germany and Luxembourg and at Baloise Bank took part in this training course in 2024. The effectiveness of the action taken was tracked through the EES pulse check in November 2024. The results showed, in particular, that the initial communication of the strategic realignment gave employees the guidance that they had been looking for. The tried-and-trusted approach to collecting data will be continued in a comparable manner in the new strategy period from 2025 in order to address the concerns of employees and boost their satisfaction.

In addition to the employee surveys, other channels are available for making complaints, such as the Integrity Line. More information can be found in the disclosures under ESRS S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns.

Metrics and targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(Art. 964b (2) 2 OR)

During the Season 2 strategy period, which was completed in 2024, Baloise pursued its ambitious target for the Group to become a leading employer in Europe. The specific target was employee satisfaction in the 5th percentile of all European companies, with an interim target to be achieved by 2024 of joining the upper 10th percentile of employers. A high level of employee satisfaction plays a key part in implementing the business strategy because it leads to happy customers, which in turn leads to success for the business.

Specifically, Baloise measured employee satisfaction by asking its employees “How happy are you to work at Baloise?” At the end of each year, an external partner institute that specialises in employee surveys provided Baloise with a benchmark analysis of its percentile position compared with all other companies in Europe.

Progress is tracked by employees in the CEO unit. This includes reporting the results to the Group Strategy Board and coordinating action aimed at improvement across the Group. Progress is discussed annually with Baloise’s employee representatives in the context of the European Forum (see ESRS S1-8 – Collective bargaining coverage and social dialogue).

In the previous strategy period, Baloise achieved its target of the Group numbering among the 10th percentile of employers in the financial sector in Europe. The 5 per cent target for Season 2 was another milestone. However, this target came with a new benchmark that was introduced in connection with switching to Glint as the survey partner. This opened the comparison up to include more than the financial sector alone. The first survey in 2021 placed Baloise in the upper 36th percentile of employers in Europe. Baloise was able to maintain this position in 2022 in what was a challenging environment. In 2023, the survey results improved slightly, placing Baloise in the upper 29th percentile of employers.

The last EES pulse check in November 2024 indicated that employee satisfaction remained steady in 2024 despite the strategic realignment. Baloise was able to improve its benchmark ranking by 2 percentage points to move into the top 27 per cent of employers. This is the final figure for Season 2.

While the overly ambitious 5 per cent target was not achieved by any means, ranking in the upper 27th percentile of the best employers (measured on the basis of customer satisfaction) is sufficient and suitable for preventing material risks and negative impacts on employees while enhancing positive impacts.

S1-6 – Characteristics of the Company’s employees

(Art. 964b (2) 5 OR)

S1-6: Characteristics of the company’s employees

Total number of employees by gender

Gender	Unit	2024	2023
Female	Headcount	3,586	n/a
Male	Headcount	4,411	n/a
Not specified	Headcount	0	n/a
Total	Headcount	7,997	n/a

No prior-year data is available for this disclosure requirement.

Headcount relates to Baloise employees with a current employment contract with Baloise as at the reporting date of 31 December 2024.

S1-6: Characteristics of the company’s employees

Total number of employees by country

Country	Unit	2024	2023
Switzerland	Headcount	4,043	n/a
Germany	Headcount	1,563	n/a
Belgium	Headcount	1,767	n/a
Luxembourg	Headcount	624	n/a
Total	Headcount	7,997	n/a

No prior-year data is available for this disclosure requirement.

Baloise does not have any headcount figures for employees in Poland, Liechtenstein, the Netherlands or France. For organisational purposes, employees in these countries are assigned to and counted in the figures for the aforementioned country sub-groups.

S1-6: Characteristics of the company's employees

Total number of employees by employment contract and gender

		Female	Male	Not specified	Total
Employees with permanent contracts	Headcount	3,370	4,199	0	7,569
Employees on temporary contracts	Headcount	215	211	0	426
Call-off labour	Headcount	1	1	0	2
Total	Headcount	3,586	4,411	0	7,997

No prior-year data is available for this disclosure requirement.

A total of 95 per cent of employees are permanent.

S1-6: Characteristics of the company's employees

Staff turnover

Key figure	Unit	2024	2023
Total number of employees that left the organisation during the reporting period	Headcount	784	n/a
Employee turnover in the reporting period	%	10.3	n/a

No prior-year data is available for this disclosure requirement.

All of the people who left during 2024 and average headcount were compared (total number of people who left divided by the average headcount for the year).

Total turnover includes employees who left the Company for the following reasons in 2024:

- Termination of employment by the employee
- Termination of employment by the employer
- Natural attrition due to retirement or death
- Temporary employment contract coming to an end
- Employment contracts being ended by mutual agreement

All of the people who left during 2024 and average headcount were compared.

S1-7 – Characteristics of the Company's non-employees

(Art. 964b (2) 5 OR)

The information under this disclosure requirement is not disclosed for the reporting year.

Report on non-financial matters

S1-8 – Collective bargaining coverage and social dialogue

(Art. 964b (2) 5 OR)

S1-8: Collective bargaining coverage and social dialogue

Coverage	Collective bargaining coverage		Social dialogue
	Employees in the EEA area	Employees outside the EEA area	
0–19%			
20–39%			
40–59%			
60–79%	Luxembourg	Switzerland	
			Switzerland Germany
80–100%	Germany Belgium		Belgium Luxembourg

All national subsidiaries have collective pay agreements or collective labour agreements that cover a majority of the workforce.

Of the employees of the Baloise Group, 85 per cent are covered by collective pay agreements and/or the Swiss collective bargaining agreement for trained office staff.

Employees in the countries listed are represented in social dialogue by employee representative bodies such as the employee commission and the works councils.

Together with the employee representatives, Baloise set up the European Forum to promote dialogue at international level. This forum provides a platform that brings together the representatives, the Corporate Executive Committee and senior management so that they can discuss and seek common solutions to current issues of relevance to the Group as a whole.

S1-9 – Diversity metrics

(Art. 964b (2) 5 OR)

S1-9: Diversity parameters

Gender distribution at top management

Gender	2024		2023	
	absolute	%	absolute	Per cent
Female	5	14.7	4	12.5
Male	29	85.3	28	87.5
Not specified	0	0.0	0	0.0
Total	34	100.0	32	100.0

At Group level, a standard hierarchy was drawn up based on country-specific management tiers. The top management level comprises the Corporate Executive Committee and local Executive Committees.

The members of the top management level in Belgium are self-employed and therefore belong to the non-employee population. However, they are included in the gender distribution for the top management level.

The breakdown of the workforce by age was as follows:

S1-9: Diversity parameters

Age distribution of the workforce

Age distribution	2024		2023	
	absolute	%	Com-pletely	%
Below 30	1,177	14.7	n/a	n/a
30 to 50	3,899	48.8	n/a	n/a
Over 50	2,921	36.5	n/a	n/a
Total	7,997	100.0	n/a	n/a

S1-10 – Adequate wages

(Art. 964b (2) 5 OR)

At Baloise, all employees are guaranteed fair and adequate wages that are in line with country-specific benchmarks. A significant proportion of the salaries are based on collective pay agreements.

S1-11 – Social protection

(Art. 964b (2) 5 OR)

All employees benefit, as a minimum, from social protection in accordance with the statutory requirements applicable to the individual national subsidiaries. This protection comprises protection against loss of income due to major life events, such as sickness, unemployment (starting from when the employee works for Baloise), employment injuries and acquired disability, parental leave and retirement.

S1-12 – Persons with disabilities

(Art. 964b (2) 5 OR)

The information under this disclosure requirement is not disclosed for the reporting year.

S1-13 – Training and skills development metrics

(Art. 964b (2) 5 OR)

The information under this disclosure requirement is not disclosed for the reporting year.

S1-14 – Health and safety metrics

(Art. 964b (2) 5 OR)

As a responsible employer, Baloise protects and promotes the health of its employees and various initiatives are run in its national units with this aim in mind. Special safety arrangements are made for activities or special occasions with a potential risk of accidents.

S1-14: Health and safety metrics

Key figure	Unit	2024	2023
Percentage of persons in the labour force covered by the company's health and safety management system, based on legal requirements and / or recognised standards or guidelines	%	100	100
Number of deaths from work-related injuries and work-related illnesses	Quantity	0	n/a
Number of reportable work-related accidents	Quantity	59	n/a
Rate of reportable occupational accidents	%	5.0	n/a

No prior-year data is available for this disclosure requirement.

Report on non-financial matters

The number of workplace accidents is recorded for Baloise in Switzerland, Germany, Belgium and Luxembourg and therefore covers more than 97 per cent of the total workforce.

The rate of recordable work-related accidents is the number of accidents per million hours worked.

While the actual hours worked in 2024 are available for the Baloise sub-groups in Switzerland and Germany and for Baloise Belgium NV, the hours worked for Baloise Luxembourg and Euromex NV are estimated.

To do so, it was assumed that each employee – in accordance with the local collective pay agreements – worked seven hours per day in Belgium and eight hours per day in Luxembourg on 220 working days in the year.

It was assumed that the accident rate was comparable with that for other employees in the Group because the work that they do is similar.

Due to data protection rules, Baloise does not have any information on recordable work-related ill health. Similarly, the number of days lost to work-related injuries or to fatalities resulting from workplace accidents is only recorded for Baloise Belgium NV and Baloise Germany. This equates to coverage of 39 per cent of the total workforce.

In Switzerland and Luxembourg, no diagnoses of ill health may be recorded due to data protection rules, which is why the number of days lost to work-related accidents and illnesses cannot be calculated.

S1-15 – Work-life balance metrics

(Art. 964b (2) 5 OR)

In accordance with the respective legislation in each country, Baloise employees are entitled to take family-related leave.

In 2024, 4 per cent of all men entitled to do so and 8 per cent of all women entitled to do so took family-related leave.

The figures calculated cover 97 per cent of employees in the Baloise Group.

It is assumed that the ratios calculated can be applied analogously to the other 3 per cent of employees.

S1-16 – Remuneration metrics (pay gap and total remuneration)

(Art. 964b (2) 5 OR)

The information under this disclosure requirement is not disclosed for the reporting year.

S1-17 – Incidents, complaints and severe human rights impacts

(Art. 964b (2) 5 OR)

The following information is disclosed in relation to incidents, complaints and severe human rights impacts:

S1-17: Incidents, complaints and severe human rights impacts

Incidents of discrimination, including harassment

Key figure	Unit	2024	2023
Total number of cases of discrimination, including harassment, reported during the reporting period	Quantity	4	6
Number of grievances about operations and facilities in which the right to freedom of association and collective bargaining has been violated, including through mechanisms provided for in agreements with trade unions	Quantity	1	2
Total amount of significant fines, sanctions and damages, as well as a reconciliation of the stated amounts of money with the most meaningful amount stated in the financial statements	CHF	0	0

The following information is disclosed in relation to identified cases of severe human rights incidents (e.g. forced labour, human trafficking or child labour):

S1-17: Incidents, complaints and severe human rights impacts

Cases of human rights incidents

Key figure	Unit	2024	2023
Number of serious incidents of human rights violations involving the company's workforce during the reporting period, including information on how many of them violate the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises	Quantity	0	0
The total amount of fines, sanctions and damages, and a reconciliation of these amounts with the most meaningful amount disclosed in the financial statements	CHF	0	0

Social information

ESRS S4 – Consumers and end-users

(Art. 964b (1) OR)

Strategy

Disclosure requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders

(Art. 964b (2) 1 OR)

Reference is made to the disclosures under ESRS 2 SBM-2 – Interests and views of stakeholders with regard to how the interests, views and rights of consumers and/or end-users, including respect for their human rights, inform the strategy and business model.

Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

(Art. 964b (2) 4 OR)

In the following section, the most important impacts, risks and opportunities relating to consumers and end-users are described. A detailed overview of the material impacts, risks and opportunities and their interaction with the strategy and business model is presented in ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model. That section contains a detailed description of the identified impacts on people and the environment. The processes to identify and assess the material impacts, risks and opportunities, along with related information, are explained in the disclosures under ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

The material actual negative impacts include harm to customers as a result of the loss or theft of data, consumer deception, strengthening of information asymmetries as a result of advice or the contract formation process not being adequately accessible, insufficient financial protection for customers owing to poor advice or unjustified refusal of payment of the sums insured.

Risks in connection with customers and end-users relate to corporate communications, insurance, banking and asset management business, and the provision of advice and support to customers.

Risks in connection with corporate communications: False, delayed or inaccurate public reporting can give

customers, shareholders, competitors and authorities an inadequate picture of the Company's situation.

Risks arising from Baloise's operations: Financial losses can arise if a counterparty, such as a policyholder or issuer, is unable to fulfil its contractual obligations. There is also a risk that larger claims or higher claims than expected are incurred and the premiums collected are insufficient (premium risk). Negative unfavourable capital market movements can also affect investment products.

Another risk related to operations is non-compliance with solvency capital or liquidity requirements: If the Company's capital levels fall or the solvency capital requirements are tightened, the Company may no longer have adequate coverage to maintain solvency. There is a risk in banking activities that the short-term liquidity and stable funding levels no longer meet the regulatory requirements and can only be guaranteed at significant additional cost.

Risks in connection with advising and supporting customers: Data security is a material risk, as data may end up in the wrong hands as a consequence of cyberattacks or the improper handling of information. In IT business continuity management, there is a risk that IT applications and systems go down for periods and are not available to customers as a result of natural disasters, incorrect programming or external attacks.

In collection management, there is a risk that collections can no longer be processed accurately owing to the IT system being insufficient, a lack of knowledge or inadequate organisational setup. This can lead to incorrect payments, postings or processing, and reputational risk such as customer complaints.

In the provision of investment advice, there is a risk that customers receive incorrect advice. If they are not given sufficient information about a product, this can also constitute a breach of the banking advisers' duty to explain and clarify.

Baloise's material opportunities arising from impacts and dependencies on consumers and end-users lie in digitalising the customer journey. This encompasses the customers' entire journey and includes everyone involved in the process, such as sales and other employees, especially through tailored omnichannel communication, which facilitates seamless interaction through all channels. There is also an opportunity to cater to the increased importance to society of investing sustainably and to actively support the companies in which Baloise

invests as they transition to a sustainable business model. Further information on Baloise's responsible investment strategy is presented in the disclosures under ESRS 2 SBM-1 – Strategy, business model and value chain.

All types of Baloise customers – business clients and individuals – can be affected by the material impacts, risks and opportunities. Material impacts can relate to individual incidents or to specific business relationships.

Baloise does not sell any products that are inherently harmful to people and/or increase the risk of chronic disease.

Impact, risk and opportunity management

S4-1 – Policies related to consumers and end-users

(Art. 964b (2) 2-5 OR)

Baloise has developed a number of Group-wide and country-specific policies relating to consumers and end-users. The Group-wide policies are shown in the following table.

Report on non-financial matters

Policies related to consumers and end-users (MDR-P)

Name of rule set	Main content	General objectives	Review
Information security strategy (2024-2027)	Information security strategy <ul style="list-style-type: none">• Vision and mission• Strategic objectives	Identification of strategic objectives in information security	Quarterly
Data Protection Policy	<ul style="list-style-type: none">• Principles of data protection• Rights of data subjects• Consent of data subjects• Processing of special categories of personal data• Special processing situations• Data protection organisation at Baloise• Data protection officer• Sanctions/labour relations law	Data protection rules	Annually

Area of application	Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Group-wide	Group CISO	Cybersecurity & Data Privacy Metaframework	Intranet	Information security strategy (2024–2027)
Group-wide	Group Compliance	EU General Data Protection Regulation	Intranet	Data Protection Policy

Report on non-financial matters

Some of the national subsidiaries have additional local policies in place that relate to consumers and end-users.

- **Guidelines on the product development process**
Guidelines for the development process for new products and for revising and reviewing existing products
- **Guidelines on sales**
Rules and arrangements for implementing insurance distribution regulations in line with the Swiss Insurance Supervision Act (ISA) and implementation of the European Insurance Distribution Directive (EU) 2016/97 (IDD)
- **Guidelines for complaints management**
Definition of the framework for handling complaints in accordance with the regulatory requirements on complaints handling by insurance companies
- **Information security strategy (2024–2027)**
Description of the strategic objectives in the area of information security aimed at protecting data and ensuring data security, with a focus on the processing of personal data
- **Underwriting guidelines**
Definition of the underwriting rules and the underlying principles and processes
- **ESG underwriting policies**
Definition of rules on implementing ESG ambitions in underwriting, e.g. through underwriting restrictions
- **Procedural instructions for claims handling**
Definition of the approach to claims handling, including prioritisation of claims by criticality and rules on prompt processing
- **Target segment strategy for non-life**
Definition of the current non-life target segments, which serves as the basis for designing the product range

Each of these policies is managed by the relevant department in the respective unit, reviewed at the intervals specified locally in accordance with regulatory requirements and made available to employees on the local intranet.

Baloise's policies related to consumers and end-users mainly focus on the following topics:

1. Product range
2. Customer communication and transparency
3. Crisis management and claims strategy
4. Data protection and digital security

Policies on the product range include target segment strategies and guidelines on product development, which ensure the integration of customer needs and consideration of disadvantaged groups. There are also rules in the ESG underwriting policies that exclude certain industries. Customer communication and transparency focus on advising consumers and end-users on insurance products. Key topics in this regard cover avoiding consumer deception, reducing information asymmetries and ensuring sufficient financial protection through professional advice.

Another aspect is the opportunity to optimise the customer journey through digitalisation and implement tailored omnichannel communication in order to respond to changing customer requirements. In addition, Baloise actively supports the transition to a sustainable business model by including ESG criteria in line with ESG underwriting policies. Baloise has clearly defined procedural instructions and processes for crisis management and claims processing to ensure that claims are dealt with quickly and efficiently.

The data protection and information security strategy is prepared on a Group-wide basis with all national subsidiaries and takes all local and European requirements into account. In this way, Baloise addresses the negative impact of harm to customers as a result of data protection violations or the loss or theft of data.

The range of insurance products is also adjusted on an ongoing basis in the interests of customers. It includes elements that encourage customers to act in a more sustainable manner.

With regard to respect for human rights that are relevant to consumers and/or end-users, see "Respect for human rights" under ESRS 2 SBM-1. Human rights-related risks are identified on a precautionary basis and handled in a preventative and corrective manner. No incidents involving consumers and/or end-users were reported in this context.

S4-2 – Processes for engaging with consumers and end-users about impacts

(Art. 964b (2) 3 OR)

The perspectives of consumers and end-users are decisively important for Baloise in order for it to incorporate their concerns and needs into its strategies and operations. This is done in three ways: by calculating, monitoring and managing the Net Promoter Score (NPS), through customer surveys and by analysing the customer journey.

Baloise calculates its NPS and measures the satisfaction of end customers and brokers by requesting feedback every time they have been in contact. The product range and customer service are evaluated from a customer perspective. Internal key performance indicators serve to improve processes and provide a basis for strategic decisions.

The progress of ongoing initiatives is monitored using the NPS and internal key performance indicators. These indicators also serve as a basis for setting priorities for new initiatives aimed at improving the customer experience. An internal core team made up of members from different national markets share experiences relating to customer focus. This allows Baloise to use the NPS internally in order to bring customer experiences to employees' attention and raise awareness of the opportunities that Baloise unlocks by gaining insights into these experiences. Baloise regularly updates its local management teams at all sites on progress made regarding the loyalty of customers and brokers and the quality of the customer experience. This information is then used as a basis for potential decisions on, and the adjustment of, strategic and operational matters. By promoting close collaboration between all national subsidiaries, subject matter experts and senior management, Baloise strengthens its customer-oriented culture. As Baloise operates in various different markets, it adapts its loyalty assessments to market-specific conditions in order to take account of specific requirements and expectations.

Baloise has conducted customer satisfaction surveys at regular intervals since 2021. They help Baloise to review its service offering and assess its performance relative to its competitors.

The following surveys are carried out within the national subsidiaries:

- **Switzerland**

Customers are asked to rate their satisfaction after the inception of a policy, at the end of a claims process and after contact with customer services or with a customer adviser.

- **Germany**

Customers are asked for feedback on the claims handling process for motor vehicle and property insurance products. The Germany-wide agent survey KUBUS is also carried out and market comparisons, agent feedback and product comparisons are also obtained via external providers.

- **Belgium**

Customers of Baloise Belgium NV are asked for feedback on the claims handling process for fire and buildings insurance. Baloise Belgium took part in the Profacts benchmarking survey for the fifth time in 2024, in which professional brokers are asked about their working relationship with insurance companies.

- **Euromex**

Given the specific nature of the sales channels, Euromex does not contact customers directly, measuring customer satisfaction through brokers instead. Contact with brokers is sporadic and does not happen after every interaction. Certain events or seminars are selected after which the brokers are surveyed.

- **Luxembourg**

Customers are asked to rate their satisfaction after the inception of a policy and at the end of a claims process for standard products and claims.

Baloise also analyses the customer journey for its different target groups in order to identify potential for improvement from a customer perspective and to improve customers' experience with Baloise.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

(Art. 964b (2) 3 OR)

For Baloise, it is essential that business activities always comply with the law and are ethical and moral.

Any advice that Baloise provides is therefore always based on internal guidelines that take the requirements of local statutory and regulatory requirements into account. In combination with other compliance rules, this ensures that advice is compliant.

Nonetheless, customers may wish to report concerns or make complaints.

Baloise sees customer complaints as an opportunity to bring about improvements. It is normal for Baloise to enter into dialogue with customers making complaints, be it through talking to them personally or on social media. Proactive complaints management is anchored within the Company and designed to remediate negative impacts on consumers and end-users quickly and effectively.

Report on non-financial matters

All incoming complaints are tracked and monitored in the complaints management system, and customers are regularly informed about the status of their complaints.

Reports are thoroughly analysed and documented. If material negative impacts are identified, Baloise takes corrective action plus action to avoid future incidents. The Company continually reviews the effectiveness of these actions to ensure that they align with customer needs and contribute to improvement.

Baloise has defined the following reporting channels for customer concerns and complaints:

- Instant message via digital communication platforms
- Telephone during stipulated customer service hours
- Post to the Company's official address
- Whistleblowing platform – Integrity Line (see the disclosures under ESRS G1-1 – Business conduct policies and corporate culture)

With the exception of the Integrity Line, which is an independent platform provided through an external service provider (EQS GmbH), Baloise set up these channels itself. They ensure that customer concerns are processed quickly and efficiently. The internal mechanisms facilitate the structured recording and processing of all incoming concerns.

In its business relationships, Baloise champions the existence of channels for complaints and ensures that sales partners use similar structures to guarantee a high level of service quality and customer satisfaction. It is ensured that channels for complaints are available along the entire value chain.

Baloise reviews the effectiveness of the complaints channels through ongoing feedback from the affected customers and implements actions to improve the channels when necessary.

The processes in place are firmly established in the Company and are an integral element of IT security and compliance training for new hires. They are also enshrined in the compliance guidelines on fraud and the guidelines on complaints handling. Baloise publishes these on the intranet to aid awareness of the policies in place to protect people using these structures or processes.

Through clear communication and transparent processes, Baloise ensures that customers are aware of the channels available for making complaints and have faith in them. The Company also has whistleblower protection policies in place to protect people lodging complaints from reprisals.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions and approaches

(Art. 964b (2) 3-5 OR)

Actions in relation to material negative impacts on consumers and/or end-users

Baloise divides the potentially material negative impacts into the following categories:

- Product range
- Customer communication and transparency
- Crisis management and claims strategy
- Data protection and digital security

The actions in relation to the **product range** break down as follows:

• Simplification of the product portfolio

A simplified product portfolio is essential for digitalisation and will make it easier for customers and partners to interact with Baloise. By streamlining the product portfolio, activities in the value chain, such as claims handling or customer services, are accelerated and simplified. This not only boosts efficiency but also has a positive impact on the related costs. Product simplification is therefore one of the most important initiatives within the strategic pillar “Focus on core business”. Besides simplifying its product range, Baloise is also pushing ahead with the full automation of product-related processes, such as the automated signing of insurance contracts. Progress is measured using the straight-through-processing (STP) rate. For example, the Group-wide STP rate in the motor vehicle insurance business is now at 90 per cent of all new quotes, and the figure for the private real estate business is over 95 per cent. Due to the high volume of policies processed on a fully automated basis in property insurance, liability insurance, accident insurance and health insurance in private client business, Baloise believes that simplifying its product portfolio is essential if it is to remain competitive. Baloise in Germany is focusing on simplifying the insurance terms and conditions and integrating the retention of benefits and innovation guarantees into current product lines. This involves offering a policyholder all the benefits they had with a previous insurer and updating policies to reflect the latest insurance cover available in the market. Customers therefore have uninterrupted cover, while agents benefit from advice that is reliable in terms of liability. In Belgium, Baloise's product simplification efforts involve an increased emphasis on brokers as the most important sales channel. It is also tailoring

its product range to focus on insurance products that deliver an excellent customer experience.

- **Product development**

The entire lifecycle of a new product is considered in the round during the product development stage in order to ensure that products are customer-focused and sustainable. When product development begins, the Company focuses on customer needs, trends and standards as well as on ensuring sustainable customer and claims management. It also establishes potential downstream instruments to maintain customer loyalty over the long term, e.g. regular monitoring of outcomes. Baloise also scrutinises regulatory requirements and technical dependencies. In Germany, for example, Baloise has set itself six targets in the area of sustainability that have been enshrined in a binding product datasheet, which is part of the product development guidelines, to make sure they are factored into product development as standard. Baloise is also pushing ahead with developing taxonomy-aligned products in the taxonomy-eligible divisions, and taxonomy alignment is clearly described in the product datasheets. The guidelines for product development in the national subsidiaries are an integral element of Baloise's process landscape. They are communicated openly and transparently to all employees. The guidelines can be accessed on the intranet. Information on updates is also promptly published on the intranet to ensure that all employees are always kept up to date.

- **Consideration of disadvantaged groups**

Baloise attaches great importance to people with disabilities being able to take advantage of its services without the assistance of other people. When developing products, they are tailored to the personal circumstances of an individual group of customers where possible. This includes insurance products aimed at particular age groups (e.g. senior rate scales) and, in Germany, insurance benefits that compensate physical or mental impairments in the event of a claim (e.g. payouts under personal liability insurance due to loss or damage caused by individuals who are not considered legally responsible). Failing to adequately consider the needs of disadvantaged groups can give rise to discriminatory actions and can entail legal repercussions and reputational damage.

- **Insurance for welfare and educational settings**

Beyond primary expectations of turning a profit, Baloise pursues the objective of making a positive contribution to integration, inclusion and social protection. To this end, it insures social welfare establishments and educational settings, such as childcare facilities, sheltered workshops, advice centres and residential homes.

- **Sustainability criteria in the underwriting process**

In August 2020, Baloise signed up to the Principles of Sustainable Insurance (PSI), which include the gradual integration of sustainability matters into Baloise's underwriting guidelines. Since 2022, the Company has applied environmental, social and corporate governance criteria in its ESG underwriting principles, which were revised and tightened once more with effect from 1 April 2023. Certain sectors and activities are no longer supported, and activities are only continued if customers are prepared to switch to a sustainable business model within a transitional period. In addition, Baloise aims to work in partnership with customers whose business model is currently undergoing this transformation in order to understand the challenges they face with regard to sustainable development and to support them. The integration of sustainability matters into the underwriting guidelines is a risk management tool that can be used to support the transition of the economy to sustainable business models and to minimise potential losses and risks. Baloise can thus actively manage critical ESG risks in its underwriting policy, because existing risks are reduced and potential risks are mitigated. This view of risk is complemented by the targeted exploitation of opportunities. For example, Baloise is committed to encouraging the use of renewable energy sources through its tailored insurance solutions.

The actions in relation to **customer communication and transparency** break down as follows:

- **High-quality advice**

In order to guarantee the quality of advice in the insurance sales organisation, Baloise complies with the statutory requirements of the Swiss ISA and the IDD in the EU. Baloise focuses on clear and understandable communication of information about insurance products and knowledgeable and ethical customer advice that takes individual preferences into account. To make the products on offer more understandable to customers and minimise the risk of misunderstandings, Baloise gives customers easily understandable product information documents when providing advice. Baloise relies on well informed and trained partners to provide high-quality advice, as well as training its own sales employees to equip customers with the necessary information. Regular webinars, ad hoc presentations and meetings, and training and e-learning are used to showcase products and explain their added value. An overview containing up-to-date information on training and development initiatives is available on the website and sales portals. The national subsidiaries have defined local training requirements and policies for their sales organisations. For example, advisers in Switzerland and Germany have to take regular tests

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on specific subjects during their basic training. Brokers are obliged to undertake a reasonable amount of continuing professional development every year, which Baloise monitors. Sales partners can also keep up with news about Baloise, its products, webinars and events via a regular newsletter. There are also internal rules of conduct and procedural rules for the sales organisations, which insurance brokers must adhere to in order to provide customers with consistently high-quality advice that matches their preferences and needs. In the case of pension products, the broker must also check the appropriateness of the retirement benefit and the suitability of the pension product based on the customer's investment preferences and knowledge. In the EU, customers must also be asked about their sustainability preferences when advising them. Advice is documented in a record of investment advice. The quality of the advice provided and the satisfaction of customers feed into the variable remuneration of sales staff. In other departments too, the strategic team targets are formulated using the NPS. For quality assurance purposes, regular feedback is obtained from policyholders and brokers. More information is provided in this regard under ESRS S4-2 Processes for engaging with consumers and end-users about impacts.

- **Lead management**

Another example of actions to avoid or mitigate material negative impacts such as consumer deception, information asymmetries and insufficient financial protection is lead management in Germany. It helps agencies to manage existing customer relationships strategically in order to identify and address gaps in coverage at the earliest opportunity. The customer hotline in the life insurance business offers customers needs-based advice in order to provide them with targeted support for their enquiries. Customers can also make simple changes themselves in the self-service area of Baloise's Germany website, which promotes transparency and security. Special actions are defined on the basis of customer surveys.

- **Sustainability and corporate social responsibility in customer contact**

Communicating sustainability matters is essential for raising awareness of the issue among the sales force. Baloise in Germany, for example, carries out training on the topic of sustainability with the agencies. It also publishes sustainability action plans for transitioning to sustainable agency operations. The corporate communications function offers ongoing support to remediate misunderstandings or problems in sustainability communication. In Switzerland, content is currently being created for sustainability training for sales employees, as the topic is gaining importance in Switzerland and the EU alike.

- **Service portal**

Baloise in Switzerland and Baloise in Germany use a customer relationship management portal from software provider BSI in the private client business. This software provides an overview of customers' insurance contracts across the divisions and gives customer advisers better information on which to base their advice, enabling them to process customer requests in a service-oriented way.

The actions in relation to **crisis management and claims handling** break down as follows:

- **Financial distress of consumers and end customers**

For customers who unexpectedly find themselves in financial distress, life insurance products offer specific liquidity options that help to bridge financial bottlenecks. There are also options for making adjustments to contracts, such as premium waivers, that provide customer-specific solutions for continuing a contract and avoiding terminating it early in the event of financial difficulties.

- **Actions in relation to claims handling**

Baloise aims to provide service-oriented claims handling for its customers and, to this end, it refines its active claims management process on an ongoing basis. Automated and streamlined processes, transparent practices, speed and efficiency are key pillars of the Company's strategic direction. Baloise's aim is to process claims in an unbureaucratic manner, focusing on active claims handling and telephone contact. These actions are enshrined in procedural instructions for claims handling in the national subsidiaries. Procedural instructions provide an overview of processes and specific resources for day-to-day administration. Topics such as the prioritisation and processing of claims are set out in detail, including specific details of processing windows.

The actions in relation to **data protection and information security** break down as follows:

As an insurance company that handles sensitive customer data, Baloise is aware of the high importance of data protection. The loss or theft of customer data and violations of data protection can have significant negative consequences, such as reputational damage and financial loss, which can potentially lead to compensation payments and fines. Due to the risk of human error or cyberattack, Baloise has taken extensive action to mitigate risk.

The Baloise Group's data protection and information security strategy is prepared in cooperation with all national subsidiaries and takes all local and European requirements into account, such as the Digital Operational

Resilience Act (EU) 2022/2554 (DORA), the General Data Protection Regulation (EU) 2016/679 and the General Data Protection Regulation (GDPR) in the EU and the Swiss Data Protection Act (FADP). This strategy applies to all groups of people, whether individuals or legal entities.

The data protection strategy not only sets out the principles for processing personal data within the Company but it also covers customers, upstream and downstream service providers and employees. The defined actions are intended to ensure an appropriate level of protection across the entire value chain.

Compliance with the statutory requirements is ensured by providing regular training and regularly reviewing the defined action. Baloise updates its systems, processes and training at regular intervals, monitors them for weaknesses and adjusts them where necessary. Employees are given data protection and information security training, and internal and external audits are also carried out. Reporting and handling processes are in place for security incidents.

In the event of a data protection incident or a cyberattack, established processes ensure that they can be identified and responded to rapidly in order to minimise the harm for the affected persons. The security incident and event management (SIEM) system aids the swift identification of threats and the implementation of mitigation actions so as to avert harm or minimise it as much as possible.

Besides damage limitation, Baloise also initiates additional action to enhance data security and increase the affected persons' trust in Baloise's data protection strategies. The Company is currently implementing a Group-wide tool to improve and standardise information security and data protection management processes. This tool helps Baloise to analyse the need for protection, define and track security actions, perform security and IT risk assessments, evaluate and document violations of security rules and perform data protection impact assessments.

Baloise fully informs persons affected by the processing of their data (prospective customers, employees, etc.) about the relevant processes. The Company also includes customers in a current contractual relationship with it in its approach to data protection, e.g. when they make a claim, and informs them about action and asks for their consent when required to do so by law.

Processes to identify actions in relation to potential or actual negative impacts

As described under ESRS S4-2 – Processes for engaging with consumers and end-users about impacts and ESRS S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns, the needs of the customer are identified and, building on that, the requisite actions are determined. These are then implemented in the context of, for example, product development, claims management and the provision of advice to customers.

In data protection, Baloise has implemented processes for the early detection and reduction of negative impacts and risks. See the information above on actions in relation to data protection and digital security.

Approaches to taking action in relation to specific negative impacts

The approaches to taking action in relation to specific negative impacts are explained in ESRS S4-3 and in the information above.

With regard to IT and data protection, Baloise has established ongoing review and improvement processes. These approaches are intended to minimise the risk of harm to customers as a result of data loss.

Baloise checks at regular intervals and whenever necessary whether the implemented actions, processes and systems are up to date and effective. This ensures that they reflect the latest developments and that security guidelines meet the latest requirements. In order to identify and remedy potential weaknesses at an early stage, Baloise refines these actions on an ongoing basis or defines new ones where required.

Service providers processing personal data on behalf of Baloise must comply with strict contractual arrangements and security requirements. Contractual and statutory requirements are regularly reviewed through audits of service providers in order to ensure adherence to security standards and to minimise the risk of a potential data loss.

This approach ensures that specific negative impacts are addressed proactively through preventative and reactive action in order to protect the security of customer data.

Ensuring the effectiveness of mitigation actions in the event of material negative impacts

Baloise measures the effectiveness of actions in connection with customers and end-users through regular customer surveys. A KPI from the surveys is the NPS.

Baloise uses specific indicators to assess the effectiveness of mitigation actions in the event of data protection violations or IT outages that affect end customers. Once such actions have been implemented, their effectiveness is checked on a regular basis in order to ensure that they are providing the anticipated level of protection.

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The indicators used include the frequency and severity of security incidents following the implementation of an action and the response times and success rates in averting potential threats. These metrics help to gauge the success of the actions and to make adjustments where necessary.

In order to continually improve security actions, Baloise retrospectively analyses all incidents, including those that did not directly lead to a security incident. These investigations are aimed at identifying potential weaknesses, which can then be remedied in a targeted manner. Actions that have already been implemented are also reviewed at regular intervals to ensure that they are in line with the latest security requirements. They are improved where necessary.

This ongoing process is intended to ensure not only that the mitigation actions are effective in the short term but also that they are continually adapted to new threats and security standards in order to minimise the risk of harm to customers due to data loss.

Action on material risks in relation to consumers and end-users

The aforementioned actions in relation to impacts also relate to material risks in relation to consumers and end-users. Various other actions have also been defined, which can be assigned to the different risk types as follows:

- **Regulatory risk**

Baloise has a comprehensive compliance management system in place to ensure that regulatory changes are implemented promptly and accurately. This system comprises extensive legal monitoring, which is carried out by both the legal and compliance functions and the relevant departments. This allows regulatory changes to be identified at an early stage and suitable communication actions to be taken. Regulatory changes affecting customers are communicated to them in a suitable manner, including by writing to them, updating privacy notices or issuing contract addendums. This ensures that customers are always informed of their rights and the protection of their data. In this way, Baloise ensures compliance with regulatory requirements and also boosts customers' faith in the Company's data protection and security processes.

- **Public reporting**

Baloise has implemented processes to ensure timely and accurate communication of its key figures, thereby ensuring that it communicates verified content with the public punctually.

- **Counterparty risk and collection management**

To mitigate counterparty risk, Baloise has set up collection processes to remind customers about payments in good time before further steps are initiated. The risk that day-to-day collection management processes can no longer be operated adequately and accurately (incorrect payments, postings or processing) and could give rise to reputational risk (customer complaints) owing to the IT system being insufficient, a lack of knowledge, inadequate organisational setup or incorrectly assigned responsibilities, is mitigated by the use of standardised processes and clear procedural instructions.

- **Advisory risks in the investment process**

There is a risk that customers will receive incorrect advice in the investment advice process. If they are not given sufficient information, this constitutes a breach of customer advisers' duty to explain and clarify. Actions that cover this risk are outlined in the above section on actions in relation to customer communication and transparency.

- **Calculation of premiums**

Baloise's products and the associated claims are continuously monitored to be able to assess the assumptions on which their pricing is based. Where the need for adjustment is identified, the product development process is initiated and the product is revised. Equally, it is possible to review the underwriting policy for the relevant products.

- **Data security risk**

Data security risk actions are described under "Actions in relation to data protection and digital security".

- **IT BCM risk**

There is a danger that IT applications and systems go down for a short or extended period and are not available to customers as a result of natural disasters, incorrect programming or external attacks. Baloise has implemented security policies and business continuity plans to safeguard the functionality of its IT infrastructure.

- **Non-compliance with solvency capital or liquidity requirements**

These risks are mitigated through a variety of actions. They include, for example, performing financial control actions, actively managing liquidity through asset/liability management, monitoring the solvency ratio, applying a limit system and preparing short-, medium- and long-term forecasts of the solvency ratio as part of the Own Risk and Solvency Assessment (ORSA).

Action on material opportunities in relation to consumers and end customers

Baloise has taken the following action to pursue material opportunities in relation to consumers and end-users:

- **Transition to a sustainable business model**

Actively marketing sustainable products and services provides opportunities to raise customers' awareness of sustainable solutions of which they are not yet aware. The more popular these solutions become in the market, the more they will oust conventional products. Sustainability is increasingly becoming customer focus. In fact, most consumers will already give preference to a sustainable or more sustainable solution at the same price. There is also a clear target demographic that explicitly seeks such solutions when deciding what to buy. In the long term, alignment with sustainability topics will give rise to new insurance solutions and upselling potential, justifying investment in this area. Baloise can seize the opportunity to present itself as an innovative and responsible partner to its customers. This strengthens the corporate image and customer loyalty.

- **Customer journey and designing it from the customer perspective**

Digitalising the customer journey is a central element of product design. In this connection, a number of innovative products have been developed to make the customer journey as pleasant as possible, such as the new parametric holiday insurance in Switzerland or the Rapid Damage Cockpit (RDC) project, which facilitates the automatic reporting of a claim by email or text message in the wake of a severe storm. The Competence Centre Automation digitalises the customer journey and relieves employees of the burden of repetitive tasks in order to unlock efficiency gains.

Baloise in Germany focuses on personalised communication using advanced marketing automation software, which allows relevant information to be sent out automatically. Customer advisers benefit from automated campaigns. The foundations have been laid for data-driven campaigns and the platform has been optimised.

In Belgium, Baloise is improving the customer and partner experience through the NPS programme and is pushing ahead with digitalisation. Brokers are being assisted with the digitalisation of administrative processes. A fully digital customer journey has been introduced for motor vehicle and property claims. The digital sales process for private clients is also being simplified with a new lead generator.

In Luxembourg, an interdisciplinary team continually analyses the customer journey and implements effective solutions for improvement, especially in the claims handling process. Through a proactive customer retention

initiative, Baloise reaches out to dissatisfied customers with the aim of resolving problems promptly and improving the customer experience.

Actions to avoid material negative impacts

By complying with regulatory and statutory requirements, Baloise ensures that the Company's marketing strategy is not associated with negative impacts on consumers (such as misleading advertising or targeted manipulation).

Many actions for avoiding consumer deception can be found under the relevant actions earlier in this chapter.

Baloise offers an extensive training programme for its agents that includes insurance-related, technical and regulatory elements. A centrally managed training database ensures that rules regarding time spent on training are observed. Advice must be documented and the documentation is archived with the application. Advertising in conjunction with the Baloise brand must be agreed with marketing. Agents are obliged to comply with competition rules.

To ensure that customer data is given maximum protection in the Baloise Group, a number of processes and security actions have been implemented. Checks are performed regularly and whenever necessary to ascertain whether the processes and systems are up to date and effective. Baloise refines the security actions on an ongoing basis to ensure that the processes and systems reflect the latest developments. It checks new processes for compliance with data protection rules and implements action where necessary. For example, during the procurement process for new software products, Baloise checks for compliance with internal data protection rules. The implemented actions are checked for effectiveness at regular intervals.

Potential data protection incidents that could lead to a breach of customer privacy are investigated in detail as soon as Baloise becomes aware of them. There were no severe data protection incidents involving breaches of end customer privacy in the reporting period. No severe human rights issues or incidents connected to consumers and/or end-users were reported either.

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Resources for managing material impacts

Baloise has provided the following resources for managing material impacts:

- **Personnel resources**

Specially trained employees and teams deal with actions to minimise and remediate impacts.

- **Budgeting**

The Company sets aside an appropriate budget for implementing the actions to manage material impacts, such as carrying out training and maintaining monitoring systems.

- **Technological resources**

Baloise invests in technologies and tools that record and analyse data on end customers and their experiences. These comprise customer relationship management (CRM) systems and digital channels for customer interaction as well as the expansion of self-services for customers.

- **Training**

To ensure that employees in the different segments have the requisite skills, Baloise relies on training and development programmes.

- **Data protection and digital security**

To avoid digital security impacts, employees are given regular training on data protection and IT security.

The IT systems are monitored by a SIEM system to protect them from malicious code or anomalies, such as unusual changes in data or data downloads. The systems are protected by authorisation policies that are regularly reviewed.

Metrics and targets

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

(Art. 964b (2) 5 OR)

Baloise did not set any time-bound or outcome-oriented targets within the meaning of this disclosure requirement in connection with the stated impacts, risks and opportunities in relation to consumers and/or end-users in 2024.

Nevertheless, the Company has implemented various policies and actions to mitigate material negative impacts, promote positive impacts and manage material risks and opportunities. As already mentioned, customer focus is at the heart of Baloise's strategy. Customer satisfaction is one of Baloise's core targets and is gauged using the NPS. Under its strategic business planning approach, Baloise uses internal key performance indicators for ongoing monitoring and improvement purposes. This strengthens Baloise's customer-oriented corporate culture and allows processes to be designed and fine-tuned with the aim of maintaining customer satisfaction and loyalty. With regard to data protection, Baloise's IT infrastructure is also designed with security in mind to protect against the loss of business and customer data.

Governance information

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Governance information

ESRS G1 – Business conduct

(Art. 964b (1) OR)

Governance

Disclosure requirement related to ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

(Art. 964b (2) 1 OR)

For disclosures on the role and expertise of the administrative, management and supervisory bodies related to business conduct, see ESRS GOV-1 – The role of the administrative, management and supervisory bodies.

Impact, risk and opportunity management

Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

(Art. 964b (2) 4 OR)

In the following section, the most important impacts, risks and opportunities relating to business conduct are considered. A detailed overview of the material impacts, risks and opportunities and their interaction with the strategy and business model is presented under ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model, which also contains a detailed description of the identified impacts on people and the environment. The processes to identify and assess the material impacts, risks and opportunities, along with related information, are explained in the disclosures under ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

The potential negative impacts include stakeholders' unwillingness to report irregularities owing to a lack of protection for whistleblowers. A further negative aspect is the loss of trust in the industry as a result of incidents of corruption and bribery. An impact that can be both positive and negative is influence on policy decisions. A positive impact, by contrast, is the contribution to sustainability (ESG) matters that companies can make through investments.

Material risks relating to business conduct include non-compliance with sustainability requirements, which can mean that the sustainability strategy and regulatory

requirements are not adequately applied. There is also the risk of inaccurate risk analysis and reports in connection with sustainability reporting. Outsourcing activities are a further key risk due to the danger of dependencies or poor service standards from service providers. Furthermore, reputational risk may arise if external communications are not aligned with the corporate strategy and values or if wrong/inappropriate information is published. The danger of not satisfying legal and regulatory requirements is a further material risk and can give rise to considerable legal risk. Business processes can also prove to be inadequate or deficient, impacting on efficiency and quality. Competition risks arise as a result of changes in the market environment or pressure from competitors. Wrong decisions by senior management, driven by unsuitable incentive schemes, can also have significant repercussions. Finally, there is a risk that targets for growth or profitability are not achieved due to external factors, such as geopolitical tensions or inflation.

G1-1 – Business conduct policies and corporate culture

(Art. 964b (2) 2-4 OR)

Baloise has developed a number of policies relating to business conduct and corporate culture. They are presented in the following table.

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Business conduct policies and corporate culture (MDR-P)

Name of rule set	Main content	General objectives	Review	Area of application
Group Policy on Human Rights	<ul style="list-style-type: none"> • Definition of the Baloise Group's stance on human rights and labour rights, including the prohibition of child labour • Description of the Baloise Group's approach to the observance of human rights • Definition of responsibilities in relation to human rights and arrangements for cooperation with the various stakeholders in the Baloise Group • Description of the reporting 	Upholding of human rights and labour rights; avoidance of child labour	Annually	Group-wide
Code of Conduct	<ul style="list-style-type: none"> • Ensuring confidentiality (confidentiality, data protection, use of electronic information and communication media) • Safeguarding integrity (money laundering prevention and embargoes, insider dealing, cartels, accounting, records management) • Dealing with customers and the public (mandates, conflicts of interest, gifts, donations, corruption, complaints, duty of care, taxes, communications and media) • Employee relations (health, equal treatment, bullying, sexual harassment) • Employees' contribution to implementation of the Code (responsibility, breaches, sanctions, performance assessment) • Link to the whistleblowing system 	Information about the ethical and legal principles and duties applicable to all employees	Annually	Group-wide
Baloise Vendor Code of Conduct	<ul style="list-style-type: none"> • Description of the criteria for ensuring a fair and transparent procurement process and the responsible selection of suppliers on the basis of a number of factors, including a range of criteria relating to sustainability, human rights and quality 	Assurance of a fair and transparent procurement process and the responsible selection of suppliers	As required	Group-wide
Group Compliance Policy	<p>The Group Compliance Policy defines</p> <ul style="list-style-type: none"> • responsibilities under the compliance management system; • tasks and authorisation levels for compliance and compliance-enabling functions; • rules for reporting and interfaces within the Baloise Group; • escalation processes. 	Compliance framework of the Baloise Group	Annually	Group-wide
Instructions regarding active and passive bribery	<ul style="list-style-type: none"> • Rules for the acceptance of gifts and hospitality • Rules for the granting of gifts and hospitality • Preferential treatment in connection with Baloise individual life insurance policies • Donations (gifts) and sponsorship • Approvals • Sanctions 	Rules for the prevention of bribery	Annually	Switzerland

Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Group Compliance	<ul style="list-style-type: none"> • UN Principles for Sustainable Insurance (PSI) and Responsible Investment (PRI) • UN sustainable development goals (SDGs) • UN Guiding Principles on Business and Human Rights (UNGPs) • OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD MNE Guidelines) 	Intranet and summary on the website	Group Policy on Human Rights
Group Compliance	n/a	Website and intranet	Code of Conduct
Group Procurement	<ul style="list-style-type: none"> • UN Sustainable Development Goals (SDGs) • UN Guiding Principles on Business and Human Rights (UNGPs) • General and industry-specific sustainability standards 	Website and intranet	Baloise Vendor Code of Conduct
Group Compliance	n/a	Intranet	Group Compliance Policy
<ul style="list-style-type: none"> • Group Compliance • Corporate Division Switzerland Risk and Compliance • Corporate Division Asset Management Compliance Guild • Bank Compliance 	n/a	Intranet	Instructions regarding active and passive bribery

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Name of rule set	Main content	General objectives	Review	Area of application
Group Outsourcing Policy	<p>Definition of clear rules on the outsourcing of material or critical functions throughout the entire outsourcing lifecycle in terms of the following:</p> <ul style="list-style-type: none"> • Selection, instruction and monitoring of the service provider • Rules on data protection and security, business continuity management, assurance of data protection • Audit and oversight of the service provider • Rules on outsourcing to other countries • Rules on contractual arrangements and compliance with regulatory requirements 	Rules on management of outsourcing arrangements	Annually	Group-wide
Group Compliance Controlling Standards	<p>Description of the compliance reporting process, which comprises the following material steps:</p> <ul style="list-style-type: none"> • Identification and assessment of compliance risks and key controls • Reporting on changes in regulations • Compliance reporting • Compliance plan • Roles and responsibilities 	Description of the compliance reporting process	Annually	Group-wide
ICS standards of the Baloise Group	<p>Description of internal control system requirements and processes:</p> <ol style="list-style-type: none"> 1. ICS organisational structure <ul style="list-style-type: none"> • Requirements for ICS control mechanisms • Processes, process risks and process controls • Documentation requirements • ICS assessment of outsourcing 2. ICS operational structure <ul style="list-style-type: none"> • ICS cycle (scoping, framework adjustment, evaluation, remedying of shortcomings, reporting, communication and monitoring) 	Rules on the internal control system	Annually	Group-wide
Conflict of interest guidelines	Instructions on dealing with conflicts of interest	Instructions on dealing with conflicts of interest	Annually	Switzerland
Group Risk Policy	<p>The Group Risk Policy defines Baloise's risk management cycle and comprises the following:</p> <ul style="list-style-type: none"> • Definition of the risk strategy based on the business strategy, taking account of risk preferences, risk-bearing capacity, risk appetite, risk tolerance, risk limits and capital management • Escalation processes • Risk governance • Monitoring and reporting • Risk appetite statement 	Definition of the risk management framework	Annually	Group-wide
Social media guideline	<ul style="list-style-type: none"> • Target: Make employees' use of social media safer and protect Baloise's reputation • Direct media enquiries to the responsible department 	Make employees' use of social media safer and protect Baloise's reputation	As required	Group-wide
Publication of information	Instructions on the approach to publishing information	Maintain professional secrecy and comply with data protection and stock exchange rules	As required	Group-wide

Responsible organisational level	Reference to third-party standards or initiatives	Availability of the policy to stakeholders	Name of rule set
Group Risk Management	n/a	Intranet	Group Outsourcing Policy
Group Compliance	n/a	Intranet	Group Compliance Controlling Standards
Group ICS Office	n/a	Intranet	ICS standards of the Baloise Group
Group Compliance	n/a	Intranet	Conflict of interest guidelines
Group Risk Management	n/a	Intranet	Group Risk Policy
Corporate Communications/ Marketing	n/a	Intranet	Social media guideline
Corporate Communications	n/a	Intranet	Publication of information

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Compliance policies and compliance culture

The Group Compliance Policy sets out responsibilities, authorisation levels and tasks under the compliance management system and provides rules for reporting, collaboration between different areas of the business and escalation processes. The Group Compliance Controlling Standards define the process for monitoring and managing compliance risks. The Code of Conduct defines the fundamental expectations and requirements in terms of employees' behaviour. It underlines adherence to compliance rules and their implementation in the compliance management system, and includes information on the whistleblowing system. The Group Policy on Human Rights sets out Baloise's approach to respecting and promoting human rights. Baloise has introduced its Remuneration Policy, instructions regarding active and passive bribery, and guidelines on conflicts of interest in order to avoid bribery and conflicts of interest.

Compliance plays a key role in creating sustainable value for different stakeholder groups such as customers, partners, employees and shareholders. A fundamental attitude of self-responsibility is at the heart of Baloise's compliance culture and is encouraged to ensure that employees understand the guidelines and are able to operate within the set framework. Compliance requirements in a regulated company are strict and becoming ever stricter.

Baloise promotes a strong compliance culture and standards of ethical behaviour by raising employees' awareness of compliance through issuing instructions and providing regular training. This training is held every one to three years on various compliance topics, such as data protection, anti-money laundering, competition law, bribery and corruption.

All Baloise employees, including the Corporate Executive Committee, must complete the compliance training. The participants and the degree to which the training is completed is monitored in the internal training system. The Compliance department is the central point of contact for employees' questions and reports relating to compliance matters defined in the Code of Conduct. In order to avoid legal risk, the department monitors important legal developments. It also provides information about the status of the implementation of and adherence to the internal and external legal and regulatory provisions. Existing compliance risks are also systematically identified, assessed and monitored.

Projects are set up on an ongoing basis to incorporate new regulatory topics – including in the area of sustainability – into the Baloise Group's corporate governance. Sustainability risks are also covered by the standard and regular risk management process in order to avoid shortcomings in the identification, analysis or assessment of risk.

The prevention of negative impacts relating to the granting and acceptance of gifts and non-cash benefits

is addressed through clearly defined approval processes in the internal instructions and in the Baloise Code of Conduct.

Every six months, compliance reports are submitted to the local Executive Committees and, in consolidated form, to the Corporate Executive Committee and the Audit Committee of the Board of Directors. Ultimate responsibility rests with the Corporate Executive Committee and the Board of Directors.

Baloise defines Group-wide standards and a control framework for combating corruption in line with Swiss law. In 2009, Switzerland ratified the United Nations Convention against Corruption (UNCAC), and Baloise's policies on anti-corruption and anti-bribery are therefore consistent with the requirements of the UNCAC.

Suspected compliance violations can be reported via a number of channels, including an anonymous whistleblower platform that is also open to external parties. Clearly defined, Group-wide rules are in place that govern how reports and cases are to be dealt with.

The Integrity Line is an externally operated reporting platform that uses security precautions to allow users to make anonymous written or audio reports in defined categories, such as bribery and corruption. Whistleblowers receive confirmation of the receipt of their report within three days. Information received is examined by the relevant Compliance department in line with the local fraud response guidelines and the necessary actions are taken. The investigations are performed without undue delay, independently and objectively.

A link to the Integrity Line is published in the compliance information on the Group's intranet and website and is accessible to all employees. A link is also available on Baloise's website together with the Code of Conduct.

Further business conduct policies and corporate culture

Baloise also has a Vendor Code of Conduct, which describes criteria for the selection of suppliers in an ethical and responsible value chain. The Group Risk Policy, the ICS standards of the Baloise Group and the Group Outsourcing Policy play a central role in Baloise's governance system.

Strategies relating to animal welfare

Baloise is currently incorporating ESG criteria relating to animal welfare into its underwriting guidelines in Germany, taking into account aspects of animal welfare such as livestock farming practices, animal transport, slaughterhouses and animal testing in cosmetics research. Across the Group, all these sectors are considered sensitive areas in accordance with the current underwriting policies.

G1-2 – Management of relationships with suppliers

(Art. 964b (2) 2-4 OR)

It is very important to Baloise that it too is a fair business partner for its suppliers. For Baloise, fair supplier management begins with transparent call for tenders processes. Tender documents contain a description of standard requirements for all suppliers and evaluation criteria for awarding the tender in order to ensure fairness and objectivity. When choosing business partners for the outsourcing of activities that are material, relevant from a regulatory perspective or critical, the associated risks are considered in sufficient depth for regulatory purposes in order to avoid risks from outsourcing in the shape of dependencies or poor service standards from service providers. Risks associated with outsourcing arrangements are recorded in the risk management system, kept up to date and monitored. On request and to provide full transparency for suppliers, dedicated debriefing sessions are held in order to explain to the suppliers in detail why they did not win the tender over their competitors. Throughout the entire supplier lifecycle, Baloise ensures that suppliers have a clear point of contact within the Company.

Baloise also demonstrates fairness towards suppliers in its receivables management. Baloise has implemented a transparent payment system to avoid causing late payments, particularly for small and medium-sized enterprises (SMEs). The following actions are taken in addition to a daily payment run:

- **Proactive invoice control**
All incoming invoices are checked for accuracy and completeness immediately in order to avoid delays in the payment process.
- **Reliable payment deadlines**
Baloise adheres to contractually agreed payment deadlines and ensures that they are not exceeded, particularly for SMEs.
- **Ongoing communication**
In the event of discrepancies or questions, Baloise communicates directly and promptly with the supplier to clarify the situation quickly and minimise delays.

Long-term and enduring relationships with suppliers are important to Baloise. With this in mind, it created the Baloise Vendor Code of Conduct, which is applicable in Switzerland and Germany. The other national subsidiaries follow their own local rules in this respect. The Vendor Code of Conduct places a clear focus on sustainability criteria, which encompass key considerations related to environmental stewardship, social wellbeing and ethical corporate governance. In this context, compliance with

all applicable laws, regulations and industry standards is of prime importance, especially in terms of environmental compatibility, resource conservation, human rights, labour rights, and health and safety. Baloise has defined general principles and specific requirements for various purchasing categories, with the reduction of CO₂ emissions being a core element. Baloise's environmental mindset in procurement is "avoid, reduce, recycle". Goods that are particularly environmentally friendly or come from environmentally certified manufacturers are generally given preference over goods with otherwise comparable features and terms and conditions.

There is a danger of strategic partners exerting considerable price pressure given their importance for Baloise's ability to compete. To avoid this, contract extensions are initiated at an early stage to maintain price stability. There are also competition risks and other external factors resulting from changes in the market and competitive environment. These are identified at the earliest opportunity by observing and analysing the market. This allows suitable action to be taken, such as in product design or pricing.

Report on non-financial matters

G1-3 – Preventing and detecting corruption and bribery

(Art. 964b (2) 3 and 4 OR)

Baloise makes a distinction between active and passive bribery. Active bribery involves employees promising gifts or hospitality with the aim of inducing holders of public office or individuals bound by a duty of allegiance to violate their obligations towards their organisation or company or to exercise their discretionary powers in favour of Baloise. Passive bribery is when employees let themselves be induced to make certain decisions or behave in a certain way by accepting gifts or hospitality. The fundamental rule is that gifts and hospitality must not be accepted if this could influence employees' decisions or their behaviour. Baloise's approach to suspected compliance violations and dealing with them is described in the disclosures under ESRS G1-1 – Business conduct policies and corporate culture. The investigators/ investigating committee are separate from the chain of management involved in the matter. The results of an investigation are also reported to the responsible Executive Committee members and, in certain cases, also to the full Executive Committees. An aggregated report of all cases is also made as part of the annual compliance reporting process at Group level. Reports on internal investigations are provided to line management and other administrative and supervisory bodies if required once the process has been completed.

Group Compliance Controlling Standards set forth the fundamental compliance topics entailing the most risk as well as the related control targets that all of Baloise's strategic business units (SBUs) must implement as a minimum. Corruption and bribery have been identified as a specific compliance risk and appropriate controls have been drawn up.

Baloise has specific instructions that explain what corruption and bribery is and how gifts, hospitality, courtesies, donations and sponsorship must be handled.

The individual strategic business units in Belgium, Germany, Luxembourg, Liechtenstein and Switzerland must appoint anti-corruption and anti-bribery officers. Each company has internal instructions in place that reflect local law.

Regular training ensures that employees are familiar with anti-corruption regulations and are informed of any changes to the legal situation. Country-specific web-based training is held on the Code of Conduct and on compliance in general as part of e-learning. The training is geared to real-world needs and is intended to encourage active participation by employees.

The following topics are addressed and the proper conduct taught:

- Code of Conduct
- Compliance breaches, Integrity Line
- Conflicts of interest
- Corruption, especially how to deal with gifts and hospitality, fraud
- Competition law
- Data protection
- Advice
- Anti-money laundering
- Automatic Exchange of Information (AEOI) / Foreign Account Tax Compliance Act (FATCA)

The training content is based on compliance risks that have been classed as material. Regulatory and statutory obligations are met and all relevant legal changes and legislative procedures are covered.

Training on selected compliance topics is held for all new hires within three months of joining Baloise and for all employees every three years. Responsibility for carrying out training lies with the national subsidiaries' Compliance department or anti-money laundering officer. Employees who, as a result of their tasks, are at heightened risk of being exposed to money laundering generally receive additional specific anti-money laundering training once a year (the frequency depends on local law).

Additional compliance training and workshops are carried out in relevant departments as required. They are run in accordance with the specific needs of individual departments. For example, such training or workshops are offered if compliance risks have materialised in the department concerned and it is deemed prudent to raise awareness further among employees. This offer of training is also available to departments that have an increased need for information in relation to specific compliance topics.

The proportion of functions-at-risk covered by training programmes is 100 per cent.

Scope of training for administrative, management and supervisory bodies

There is no specific training on corruption or bribery for members of the Board of Directors of the Baloise Group.

The members of the Supervisory Boards of Baloise Lebensversicherung AG Deutschland and Baloise Sachversicherung AG Deutschland are subject to statutory and regulatory fit and proper requirements. In particular, the requirements of the German Federal Financial Supervisory Authority (BaFin) are observed. An individual training plan is prepared annually for members of the Supervisory Boards and is sent to BaFin. In addition, an annual assessment is carried out to ascertain whether the Supervisory Board members' knowledge of investment, underwriting and financial reporting is up to date. The outcome of this assessment is also sent to BaFin.

Metrics and targets

G1-4 – Incidents of corruption and bribery

(Art. 964b (2) 5 OR)

Information on incidents of corruption or bribery during the reporting period:

G1-4: Incidents of corruption or bribery

Key figure	Unit	2024	2023
Number of convictions for corruption and bribery offences	Quantity	0	0
Amount of fines for violations of corruption and bribery laws	CHF	0	0

No public legal cases involving corruption or bribery were brought against Baloise and its own workforce during the reporting period.

G1-5 – Political influence and lobbying activities

Baloise is a member of the national insurance industry associations in Germany (German Insurance Association (GDV), Belgium (Assuralia), Luxembourg (Association des Compagnies d'Assurances et de Réassurances (ACA)), Liechtenstein (Liechtenstein Insurance Association) and Switzerland (Swiss Insurance Association (SIA)). Baloise Bank in Switzerland is a member of the Association of Swiss Regional Banks (VSRB) and the Swiss Bankers Association (SBA). Baloise Asset Management AG is a member of the Asset Management Association Switzerland (AMAS).

The national industry associations represent the interests of insurers and banks, and also provide a number of services for their members aimed at supporting and promoting the industry. They focus on helping to ensure that the regulatory framework allows the insurance industry to operate its core business for the benefit of its customers and the economy. On their respective websites, the national insurance associations publish the issues that they address in the interests of the private insurance industry. In Switzerland, Baloise supports pro-business political parties. The Swiss political system is founded on the principle of volunteering and there is no state funding of political parties, which means that this support strengthens the system of direct democracy. The contributions are not tied to any obligations. The Executive Committee of each national subsidiary is responsible for monitoring any financial or in-kind contributions that are made. The Chairman of the Board of Directors, the Group CEO and the CEO for Switzerland are responsible for

financial contributions to political parties in Switzerland. The following direct and indirect financial contributions were made in 2024:

G1-5: Political influence and lobbying activities

Financial contributions

National Units	Unit	2024	2023
Switzerland	CHF	1,772,914	n/a
Germany	CHF	626,969	n/a
Belgium	CHF	787,925	n/a
Luxembourg	CHF	147,205	n/a
Liechtenstein	CHF	14,923	n/a
Total	CHF	3,349,936	n/a

No prior-year data is available for this disclosure requirement.

The aforementioned contributions mainly relate to memberships of associations. The financial support of parties in Switzerland in the financial year amounted to CHF 82,000.- (2023: CHF 100,500.-)

Baloise did not make any in-kind contributions in the context of political lobbying.

In 2024, no persons were appointed to the Corporate Executive Committee or the Board of Directors who had held a comparable position in public administration or with regulatory authorities in the two years preceding their appointment.

Report on non-financial matters

G1-6 – Payment practices

(Art. 964b (2) 5 OR)

Baloise's relationship with suppliers is reflected in the metrics on its payment practices. Across the Group, Baloise's standard payment terms are 30 days and apply for the majority of supplier relationships – regardless of the category of goods. For all other supplier relationships, the individual payment terms of the relevant supplier apply.

Baloise pays invoices promptly within the payment deadlines. The average payment duration varies for each national subsidiary and is between nine and 30 days. During the reporting period, there were no public court proceedings against Baloise for late payment.

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Table of references for the Swiss Code of Obligations

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		ESRS 2, Governance (GOV-2 – Information provided to and sustainability matters addressed by the Company's administrative, management and supervisory bodies)	118
		ESRS 2, Strategy (SBM-1 – Strategy, business model and value chain)	122
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		ESRS 2, Strategy (SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	129
Environmental matters (Art. 964b (1) OR)	Art. 3 KlimaVO and recommendations of the TCFD	The references to the relevant disclosures are contained in the following table of references for the Task Force on Climate-related Financial Disclosures.	225
Social matters (Art. 964b (1) OR)	Policies, including the due diligence approach (Art. 964b (2) 2 OR)	ESRS 2, Governance (GOV-3 – Integration of sustainability-related performance in incentive schemes)	118
		ESRS 2, Governance (GOV-4 – Statement on due diligence)	118
		ESRS 2, Impact, risk and opportunity management (IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities)	148
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		ESRS S4, Impact, risk and opportunity management (S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions and approaches)	196

Topic	Requirements	Chapter	Page	
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		ESRS S4, Strategy (ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	190	
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			ESRS 2, Governance (GOV-4 – Statement on due diligence)	118
			ESRS 2, Impact, risk and opportunity management (IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities)	148
			ESRS S1, Impact, risk and opportunity management (S1-1 – Policies related to own workforce)	177
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		ESRS 2, Strategy (SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model)	129
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		ESRS 2, Governance (GOV-4 – Statement on due diligence)	118	
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Table of references for the Task Force on Climate-related Financial Disclosures (TCFD)

Disclosures in accordance with Art. 3 of the Swiss Ordinance on Climate Disclosures (KlimaVO) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which are referenced in the ordinance, in connection with environmental matters in accordance with Art. 964b (1) OR

The disclosures in the relevant chapters of this report follow the TCFD disclosure recommendations and also reflect the supplemental TCFD guidance for the financial sector.

Topic	Disclosure recommendation	Chapter	Page
Governance Disclosure of governance in relation to climate-related risks and opportunities	a) Monitoring of climate-related risks and opportunities by the Board of Directors	ESRS 2, Governance (GOV-1 – The role of the administrative, management and supervisory bodies)	115
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	b) Role of senior management in assessing and managing climate-related risks and opportunities	ESRS 2, Governance (GOV-1 – The role of the administrative, management and supervisory bodies)	115

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Strategy Disclosure of the actual and potential impacts of climate-related risks and opportunities on operations, strategy and financial planning	a) Short-, medium- and long-term climate-related risks and opportunities of the organisation	ESRS 2, Basis for preparation (BP-2 – Disclosures in relation to specific circumstances)	114	
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	a) Integration of processes to identify, assess and manage climate-related risks into general risk management	ESRS 2, Governance (GOV-5 – Risk management and internal controls over sustainability reporting)	120	
	Metrics and targets Disclosure of the metrics and targets to assess and manage relevant climate-related risks and opportunities	a) Metrics to assess climate-related risks and opportunities based on the strategy and risk management process	ESRS 2, Governance (GOV-3 – Integration of sustainability-related performance in incentive schemes)	118
			ESRS E1, Governance (ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes)	158
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Report on non-financial matters

Report of the statutory auditor to the Annual General Meeting of Baloise Holding Ltd, Basel

Please refer to the German version of the Baloise Annual Report 2024, page 228, for the report of the statutory auditor on greenhouse gas emissions performance indicators for 2024. The auditor's opinion dated 20 March 2025 confirms compliance with Swiss law and the Company's articles of incorporation.

Please also refer to the disclosure on page 439, "Information on the Baloise Group", referencing the fact that only the German text of the annual report is legally binding.

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