

PRINCIPLES FOR SUSTAINABLE INSURANCE

Report 2024



Contents

[Introduction](#)

[Principle 1](#)

[Principle 2](#)

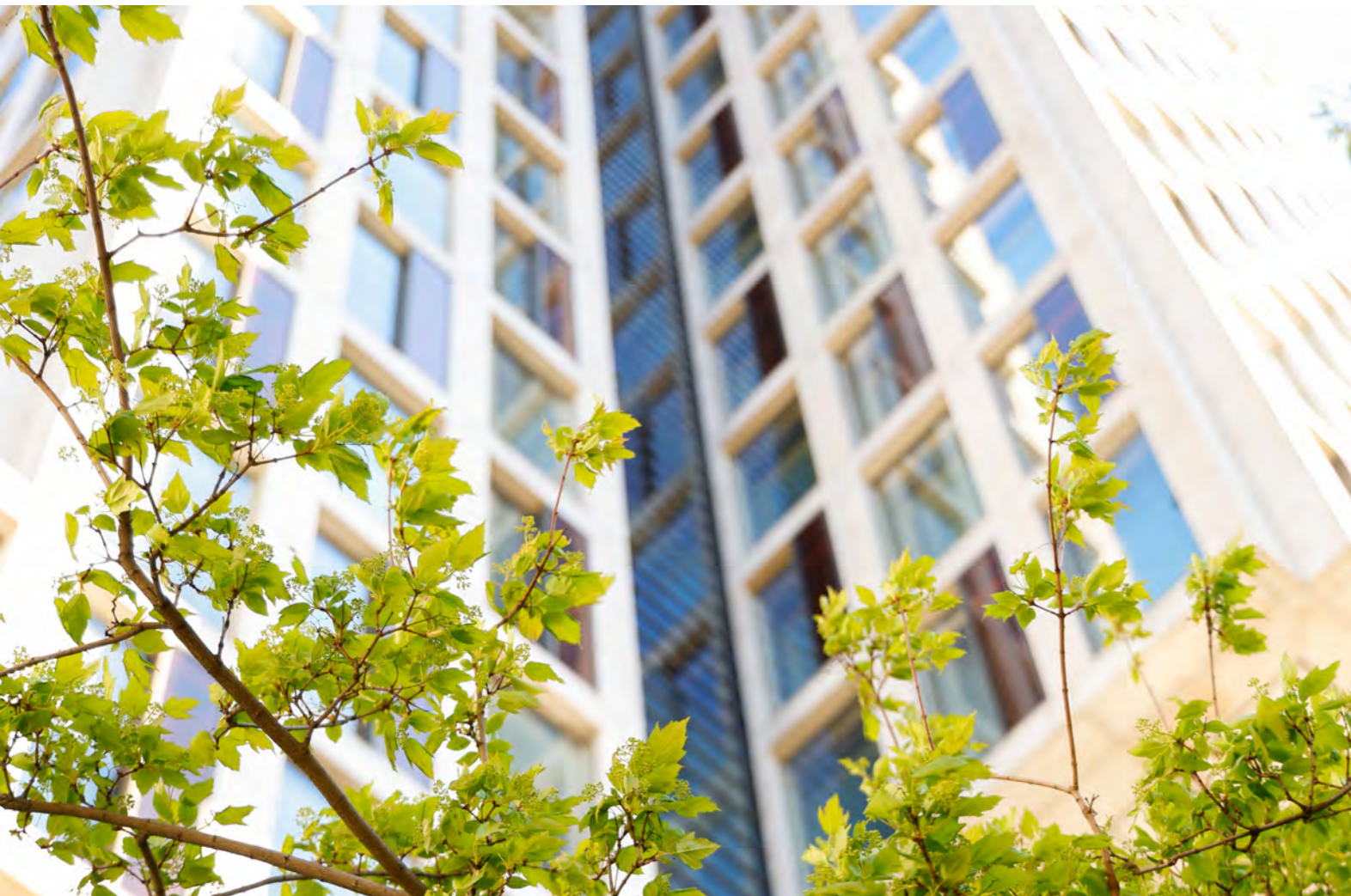
[Principle 3](#)

[Principle 4](#)

[Impressum](#)



Good to know! In our sustainability brochures, we do not use stock images and only show photos that have been taken specifically for us.



Introduction

The Principles for Sustainable Insurance (PSI) provide insurance companies with a clear framework for firmly **anchoring sustainability in their core business**.

Initiated by the United Nations Environment Programme Finance Initiative (UNEP), the PSI were launched in 2012 during the UN Conference on Sustainable Development (Rio+20).

Their goal: to actively **support the transition to a green economy through sustainable insurance practices**. Today, the PSI is the largest cooperative initiative between the United Nations and the global insurance industry. Close to 300 organisations worldwide are committed to the **four principles of sustainable insurance**, thereby helping to shape the future of the insurance Industry in a responsible manner.

With its **signature in May 2024**, VOLKSWOHL BUND Versicherungen officially commits itself to the PSI. For us, sustainability is an integral part of a future-proof insurance industry. Our sustainable actions aim to create and maintain reliable social, economic and ecological conditions for present and future generations. People are at the center of our efforts: customers, sales partners and employees, for whom we want to create added value. Our commitment to the PSI underlines our effort to take ESG aspects into account along the entire value chain – from product development and capital investment to sales. By signing the PSI, we want to make an active contribution to this initiative.

As a PSI signatory, we are committed to reporting transparently on our progress in implementing the principles on an annual basis. This document summarises the **developments of our first implementation year** and highlights the topics that were the focus of VOLKSWOHL BUND.

UN 
**environment
programme**

**finance
initiative**



**Principles for
Sustainable Insurance**

We offer strong insurance protection for private households and commercial SME.

VOLKSWOHL BUND Versicherungen (VB) comprises VOLKSWOHL BUND Lebensversicherung a.G. (VBL) as the parent company, the wholly owned subsidiary VOLKSWOHL BUND Sachversicherung AG (VBS), the wholly owned subsidiary Dortmunder Lebensversicherung AG (DOL) (indirectly via VOLKSWOHL BUND Holding AG) and the wholly owned subsidiary prokundo GmbH. The **head office** is located in **Dortmund**.

Protecting people against poverty in old age, biometric risks, and the financial consequences of accidents is a task to which we are fully committed. That is why we offer our customers **high-performance products** in the areas of pensions, income protection, savings, long-term care and death, commercial insurance, household contents, liability and motor insurance.

We help people to **overcome difficult times** and make adequate financial provisions for retirement.

COMPANY PROFILE

- » **Broker insurer:** Our products are sold exclusively by brokers, multiple agents and independent financial service providers out of conviction.
- » **Our customers:** receive professional advice based on their wishes and needs.
- » **Mutual insurance association:** We are not accountable to any shareholders.
- » **Generated income:** We pass on almost all of our earnings to our customers.
- » 7 locations, 917 employees (as of December 31, 2024)
- » **Sustainability:** An integral part of a future-proof insurance industry.
- » **Website:** <https://www.volkswohl-bund.de/>

PRINCIPLE 1

We will incorporate environmental, social, and governance issues related to our insurance business into our decisions.

Our strategy

With the **2030 Agenda** and the Paris Climate Agreement, an ambitious framework was created in 2015 for the world to work together to build a better future. To advance these goals within the EU, the European Green Deal was launched with the aim of becoming the **first climate-neutral economic area** by 2050 at the latest. One of the EU's focuses for achieving these goals is the financial sector. As part of the financial sector, we see it as our **responsibility to contribute to achieving the climate targets** by 2050 and to support the redirection of capital flows into sustainable investments.

Sustainability is therefore part of our business strategy and means more to VOLKSWOHL BUND Versicherungen than just taking environmental aspects into account. It also encompasses social and societal engagement and responsible corporate governance. Our sustainable actions aim to **create reliable social, economic and ecological conditions** for current and future generations and to maintain existing ESG-compliant conditions. Based on our business purpose, we want to continue to take responsibility and expand it even more specifically. That is why we have developed our **sustainability strategy**, which we have been pursuing since 2021 and review and adjust once a year.

The 2030 Agenda and the resulting legal requirements provide us with a framework for our actions. Based on this framework, we have formulated **three key objectives** for our Group, which serve as a guide for the objectives of the individual fields of action.



- E** We want to support the achievement of climate targets and promote a **low-carbon world**.
- S** We want to take **responsibility for society**, promote a lifestyle that is fair to future generations and create a strong environment for our employees and future employees. The development and maintenance of our attractive employer brand helps us in this regard.
- G** With our **business model**, we aim to contribute to the goals of areas of responsibility E and S. At the same time, we are aware of the importance of sustainability as a strategic factor.

We pursue a **holistic approach** that takes sustainability aspects into account in the following **areas of activity**:



environmental protection



attractive products and services



satisfied employees



charitable and social commitment



impact-oriented and responsible investments



responsible corporate governance

Products and services

Our life insurance

VOLKSWOHL BUND Lebensversicherung a.G. enables the integration of ESG criteria into all our life insurance tariffs (FONDS PUR, FONDS MODERN, FONDS FITTERY, KLASSIK MODERN) with the **NEXT tariff option**.

NEXT places particular emphasis on **environmental and social characteristics**. NEXT is not a standalone sustainable tariff, but an optional **additional product feature** in all our life insurance tariffs. In our NEXT product line, we consistently work with funds that meet at least the requirements of the Disclosure Regulation in accordance with **Articles 8 and/or 9**. Despite the challenges in the market, we have been able to expand our fund portfolio in this area. In order to meet the goals of our sustainability strategy, NEXT is constantly adapted to changing customer needs and regulatory requirements.

Our property insurance

In the property insurance sector, we are currently focusing on further **developing motor vehicle and household insurance as well as accident insurance** in order to promote preventive measures that prevent damage and thus result in direct benefits for customers and, indirectly, more stable or cheaper premiums.



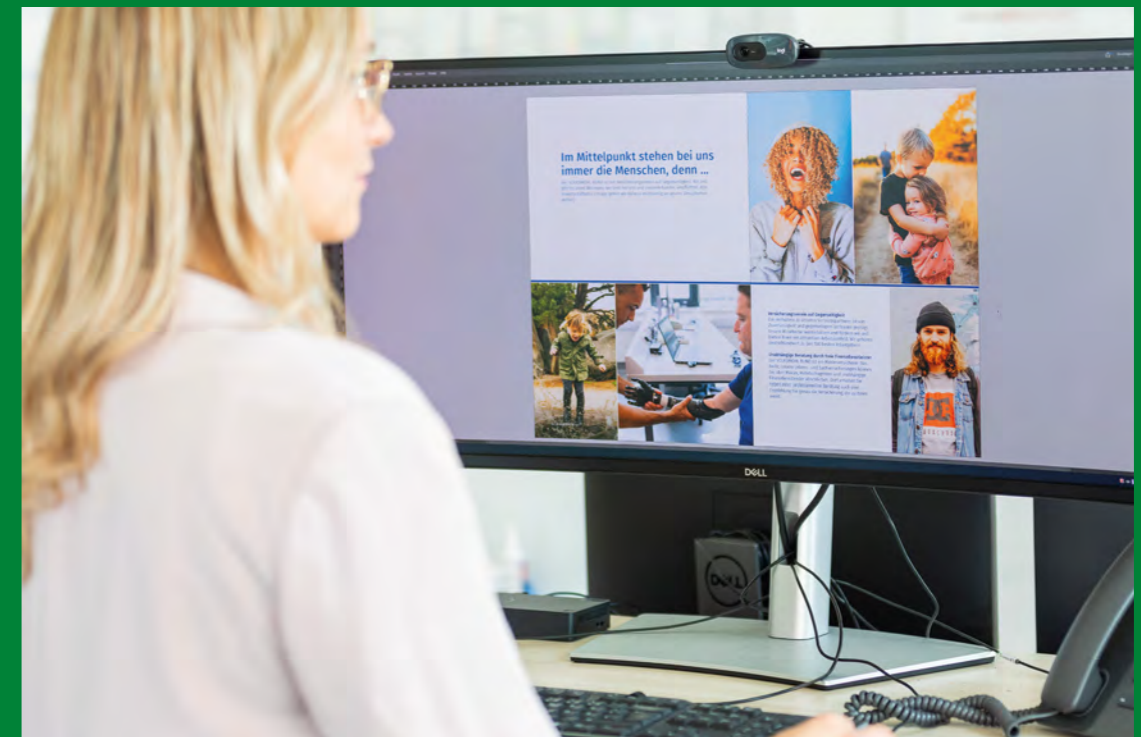
Valuable services

To support our sales partners, we have integrated an **IDD-compliant query of sustainability preferences** into our online offering program.

For further sales support, we have developed guidelines specifically designed to facilitate advice on sustainability and the associated risks.

We offer **training courses and specialist lectures** to give our affiliated sales partners the opportunity to fulfill their IDD continuing education requirements. These educational offerings cover topics such as capital investment, sustainability and asset protection and are aimed at all relevant stakeholders. The aim is to impart comprehensive knowledge and reach a broad audience.

Through the targeted use of **online channels** such as the sales room as an online platform for our sales partners, digital newsletters and digital advertising campaigns, we have succeeded in significantly reducing paper consumption. Our goal is to further minimise the use of paper in advertising and to offer more **paperless advertising measures** in the future.



Risik management

Our business activities, our relationships with business partners and the products and services we offer could have a **negative impact on the environment, our employees or society**. In addition, there is a possibility that they could encourage corruption and bribery. To prevent these risks, we use our **risk management system** to regularly check whether there is a significant risk. Sustainability risks are also systematically considered as part of this system. In line with the assessment of the German Federal Financial Supervisory Authority (BaFin), sustainability risks are considered to be a sub-aspect of the known types of risk. Sustainability risks can affect all types of risk and are therefore identified and analysed as part of a **systematic risk inventory**.

We proceed as follows:



Risk identification



Risk analysis and assessment



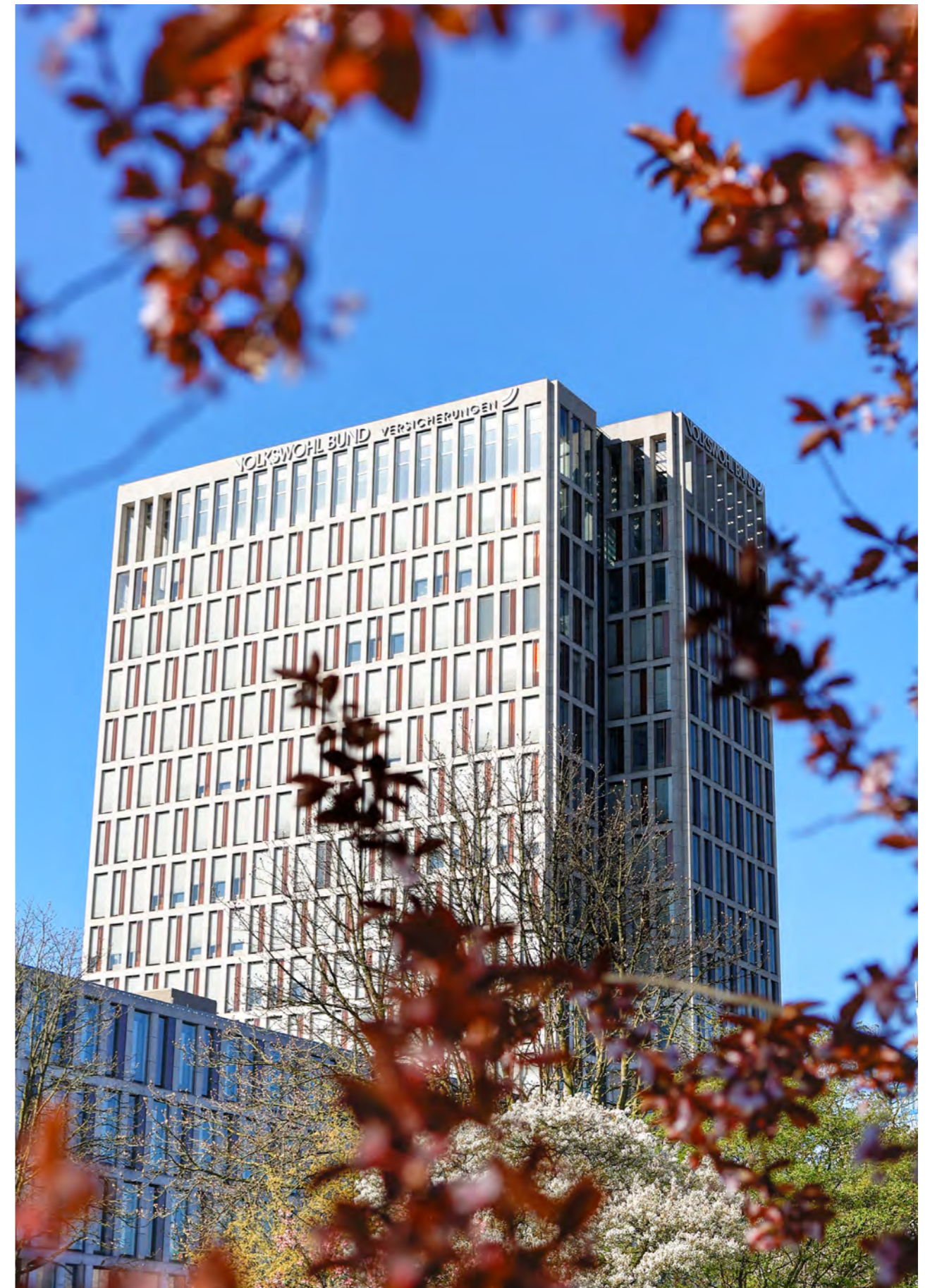
Risk control



Reporting

In the area of sustainability, we distinguish between two main types of risk: physical risks and transitional risks. Physical risks include the direct consequences of climate change, such as an increase in natural disasters and extreme weather events. **Transitional risks** are politically motivated adjustment processes for the transition to a sustainable economic system (e.g. a carbon-neutral economy) or regulatory changes.

The assessment of sustainability risks is supplemented by the **consideration of climate change scenarios** that reflect the impact of transition risks and physical risks.



Employees

Our employees are an important part of our company's sustainability efforts. That is why we are committed to creating **fair and appreciative working conditions** and to providing our employees with regular training and information on current developments. We strive for **long-term employee retention** and are convinced that this can only be achieved through appropriate support, further development and offers to improve work-life balance.

Our **training programs** also cover ESG topics, which our employees can take advantage of. In addition, we held a sustainability day in 2024 to give our employees a better understanding of the topic of sustainability. ESG is also a part of the apprenticeship our insurance salesmen receive as part of their in-company training. Our dual students in the insurance industry also gain insight into ESG by providing project-based support to the ESG team.



Investment

Our investment strategy is primarily oriented towards ensuring the **long-term guarantees and commitments** arising from our insurance business. At the same time, our investments aim to meet our **sustainability goals** and take various social and environmental criteria into account. In this way, we seek to combine individual insurance and pension considerations with a sustainable contribution. To this end, we use the following ESG approaches:

Application of exclusion criteria

The capital investment applies a value-based exclusion approach. The central objective is to **exclude controversial activities and reduce sustainability risks**.

The exclusion criteria in particular help to ensure that no financial resources of VOLKSWOHL BUND Lebensversicherung a.G., which consist primarily of policyholders' contract assets, flow to issuers whose activities we believe are likely to have unacceptable negative social and environmental impacts.

The exclusion criteria are applied to both traditional fixed-income securities and equities in the direct portfolio of investments as well as our master fund. The master fund describes a special fund of liquid investments that is managed externally by an investment company.



INVESTMENTS

Review of exclusion criteria

The exclusion criteria are regularly reviewed for appropriateness and adjusted if necessary. In order to comply with these exclusion criteria, we have our direct investment portfolio and the master fund reviewed by an external service provider every six months. In the event of violations of the exclusion criteria, individual reviews are carried out and appropriate measures are implemented (e.g. the sale of the affected security).

In our own capital investments, **we do not invest in specific securities**, including exchange-traded securities from:

-  Countries that spend at least 5 % of their gross domestic product on **military expenditure**,
-  companies that generate at least 5 % of their turnover from the production of **armaments**,
-  companies that are demonstrably involved in the manufacture of **controversial weapons and their key components** (cluster munitions or anti-personnel mines),
-  companies that manufacture **civilian firearms** (including semi-automatic rifles) or ammunition for these weapons,
-  issuers that systematically violate **human rights** or the **core labour standards** of the International Labour Organisation (ILO),
-  companies that generate at least 10 % of their turnover from the **production of alcoholic beverages, the manufacture of gambling equipment, the operation of gambling businesses, pornography or the production of tobacco**, and
-  companies that generate at least 10 % of their turnover from **coal mining**.

Thematic investments (impact investments) and transition investments

The alternative assets of our fund for guarantee assets is divided into **various investment areas**, including thematic investments that meet our positive criteria. With our positive criteria, we have defined binding characteristics that actively promote environmental and/or social criteria in our collateral assets and thus make a **positive contribution to sustainability** (green finance).

These currently include **business models** that support the following:

The reduction of greenhouse gases,



the use of renewable forms of energy,



bridge technologies for renewable energies,

climate protection,



sustainable infrastructure,



sustainable and environmentally friendly manufacturing methods,

resource and energy efficiency,



combating inequality or

promoting social cohesion, integration or labour relations.



The positive criteria are continuously reviewed and adjusted as necessary. We also seek to support the **transition to a sustainable economy** (from "brown" to "green"). This means that investments can also be made in companies that are not considered sustainable at the time of investment but are striving for a transformation plan (transition finance).



INVESTMENTS

ESG approaches for new investments

New investments must be reviewed for compliance with VOLKSWOHL BUND Versicherungen's strategic sustainability policy. This can be done, for example, using an ESG questionnaire or product-related ESG documents. In addition, supplementary agreements can be made to ensure compliance with the sustainability criteria of VOLKSWOHL BUND Lebensversicherung a.G. and regular reporting of (selected) sustainability indicators.

ESG approaches for externally managed investments

Through the ESG approaches of our external managers, we attempt to apply indirectly our exclusion criteria to the alternative assets of our fund of guarantee assets. For existing investments, ESG criteria are taken into account as far as possible through the respective ESG approaches of the external managers (best-effort approach). In addition to exclusion criteria, ESG approaches that may be used, are for example, in-house ESG assessments by the external investment managers or engagement activities (dialogue between investors and management to achieve improvements in corporate practices or performance). Ensuring compliance is the responsibility of the external investment manager. It should be noted that it cannot always be guaranteed that their ESG aspects are completely identical to ours.

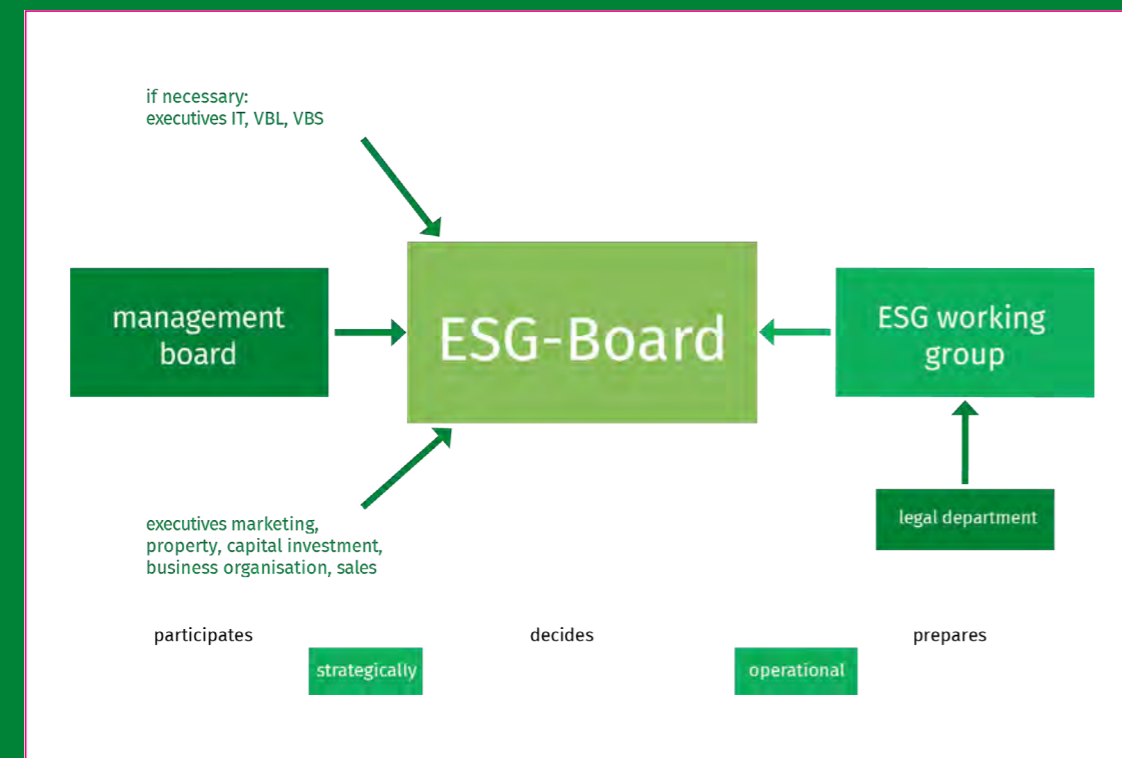
Many investments in our portfolio were made before the introduction of the Sustainable Finance Disclosure Regulation, so the application of our criteria cannot be guaranteed for the entire alternative portfolio. It also cannot be ruled out that individual external mandates are managed without taking ESG aspects into account.

Corporate governance, organisation and responsibility

ESG-Board

ESG aspects affect different areas of our Group. The **implementation of a comprehensive responsibility structure** is seen as a key factor in implementing sustainability in all areas of the Group. For this reason, our sustainability strategy and the resulting measures are managed by an ESG Board.

This enables us to **respond quickly to market changes** at any time. The ESG Board is supported by an ESG working group. This group identifies and develops ESG-related topics and prepares them for the ESG Board.



FURTHERMORE

ESG guidelines

In 2023, we created comprehensive ESG guidelines to supplement our sustainability strategy and specify our aspirations and goals for the individual areas and responsibilities. The guidelines also describe our organisational structure and define responsibilities.

The ESG Board, which meets regularly and as required, monitors the **implementation of measures** and the **current status of the sustainability strategy** and guidelines in the ESG area. All targets and measures are presented transparently to employees on the intranet.

If a target is **not achieved**, the reasons for this are investigated by the relevant department and presented to the ESG Board. A decision on how to proceed is then made jointly. At the same time, external influences (e.g. regulatory requirements) may necessitate **adjustments to the sustainability strategy** and guidelines. The ESG Board is also responsible for these changes. The sustainability strategy and guidelines in the ESG area are reviewed **annually** to ensure they are up to date and in line with significant impacts, risks and opportunities, and are **adjusted** as necessary.

Supervisory board

VOLKSWOHL BUND Versicherungen has actively focused on integrating sustainability aspects into its governance and management processes. The administrative, management and supervisory bodies are informed regularly and as required about relevant developments, progress and challenges in the area of sustainability. The **sustainability strategy** and ESG guidelines of VOLKSWOHL BUND Versicherungen are reviewed by the Supervisory Board. In addition, the Supervisory Board is involved in the preparation of sustainability reporting.

The management Board and the supervisory Board are responsible for ensuring that **all business activities are conducted in accordance with our ethical standards and legal requirements**. They monitor the implementation of and compliance with our codes of conduct and guidelines and ensure that these are regularly reviewed and updated to reflect changing regulatory requirements and market conditions.

PRINCIPLE 2

We will work together with our customers and business partners to raise awareness of environmental, social and governance issues, manage risks and develop solutions.

Distribution partners and customers

Since 2 August 2022, it has been **mandatory to take customers' sustainability preferences into account** when advising them on insurance investment products in accordance with the Insurance Distribution Directive (IDD). In accordance with the IDD guidelines, our brokers systematically ask customers whether they wish to take sustainability preferences into account when selecting their insurance investment products. This involves, in particular, taking into account environmental or social characteristics and sustainable investments in accordance with the EU Disclosure Regulation and the Taxonomy Regulation.

Our advisory systems and processes have been adapted accordingly to ensure that these preferences are recorded at an early stage in the consultation process and taken into account in product recommendations. For example, we have implemented an **IDD advisory process** in our online offer calculator VB[ON] (<http://www.vbon.de>) that asks about sustainability preferences and provides our brokers with information on the query process in the form of clear information brochures. If suitable sustainable insurance investment products are available after the query, these are specifically recommended and explained transparently. If no product is available that fully meets the customer's sustainability preferences, this is also documented transparently and clearly communicated during the consultation.

To ensure IDD-compliant and high-quality sustainability advice, we have expanded and adapted our **training and continuing education measures**. Our brokers receive regular training and information on regulatory requirements, ESG criteria and sustainable product features. In this way, we ensure that sustainability is understood not only as a regulatory element, but as an integral part of responsible and future-oriented customer advice.

In addition, we regularly provide our brokers with various advertising materials for customer meetings and keep them informed about all relevant developments in the ESG area through news articles.

As a responsible insurer, we see the integration of sustainability into customer advice not only as a legal obligation, but also as an opportunity to actively contribute to the transformation towards a more sustainable economy. Through IDD-compliant sustainability advice, we raise awareness of sustainable financial decisions and thus make a concrete contribution to achieving the UN Sustainable Development Goals (SDGs).

Our goal is to protect our customers as best as possible against climate-related risks. As an insurance company, this primarily affects our property insurance with its household, residential building and natural hazard insurance policies offered by VOLKSWOHL BUND Sachversicherung AG (financial materiality). We also support the EU Action Plan on Financing Sustainable Growth by **designing products in line with the Disclosure Regulation** – so-called Article 8 products. In addition, Article 8 and 9 funds give customers the opportunity to invest their money specifically in sustainable economic activities or at least to support environmental and social characteristics (impact materiality).

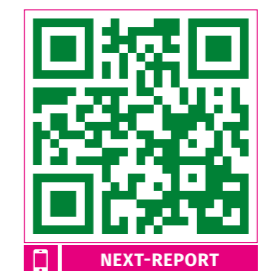
We also provide our customers and suppliers with further information in a transparent manner, giving them an **insight into our ESG efforts**. Among other things, we use our annual sustainability report for this purpose. The most recent report was published in 2025 as a fact sheet and a deep dive on the topic of sustainability on our website.



FACTSHEET



DEEP DIVE



NEXT-REPORT

Procurement

VOLKSWOHL BUND Versicherungen has firmly anchored the issue of sustainability in its **purchasing guidelines**. The purchasing guidelines contain **clear specifications for the entire purchasing process** for the procurement of goods and services.

We analyse our **supply chains** and ensure that our suppliers and business partners are environmentally and socially conscious and that appropriate measures are implemented within their organisations. This includes supporting local suppliers and complying with human rights standards and international social standards. In particular, this includes prohibiting child labour and forced labour in accordance with **ILO guidelines** and compliance with minimum standards. If we become aware of any violation of the aforementioned standards or human rights, we undertake to report this violation and take further steps, such as blocking the supplier or service provider.

Exchange with other insurance companies and industry initiatives

In order to raise awareness of ESG issues within the industry and further promote their integration along our value chain, we maintain an **active dialogue** with other companies in the insurance sector. This continuous exchange ensures a structured process for knowledge transfer.

VOLKSWOHL BUND Versicherungen is a member of the Gesamtverband der Versicherer (GDV). The association represents the interests of its member companies, also towards politics. The board members of VOLKSWOHL BUND Versicherungen and relevant employees from the specialist departments are represented on various committees within this association, including those dealing with sustainability.

TEAMWORK

Achieving more together

We are convinced that sustainability can be implemented better and more effectively when we work together. That is why we are an active **founding member** of the **industry initiative "Nachhaltigkeit in der Lebensversicherung"**. The initiative was launched by the infinma Institute for Financial Market Analysis in 2020. We hold regular meetings with other members to exchange ideas and identify important trends and opportunities for action. We also regularly participate in events organised by Versicherungsforen Leipzig on the topic of sustainability.



PRINCIPLE 3

We will work with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

VOLKSWOHL BUND does not work directly with governments and regulatory authorities to promote awareness of environmental, social and governance issues in society. However, we are in **constant dialogue with non-governmental organisations and institutions** as well as associations at municipal and regional level to support sustainable development. As a **member of the Dortmund-based association "bewusst wie"**, we exchange ideas with other companies on CSR issues. In addition, there is ongoing dialogue with other insurance companies, for example within the framework of the Versicherungsforen Leipzig, the industry initiative "Nachhaltigkeit in der Lebensversicherung" of infinma or insurlab Germany. Locally, we participate in the cross-industry working group on ESG issues initiated by Dortmund city council.

VOLKSWOHL BUND Versicherungen is a **member of official industry associations** (e. g. GDV, VOTUM). These associations represent the interests of their members vis-à-vis authorities and politicians in order to align the objectives of legislative procedures and regulations with the interests of the insurance industry. In order to ensure compliance with national and international standards of good and responsible corporate governance in our company, we have voluntarily adhered to the principles of the German Corporate Governance Code (DCGK) for several years. Since 2024, we have published an annual voluntary declaration of conformity, including the required documents on remuneration policy and a statement on corporate governance.



PRINCIPLE 4

We will demonstrate accountability and transparency by regularly disclosing our progress in implementing the principles.

Our **commitment to transparency** is at the center of our sustainability approach. We consistently communicate our **sustainability goals and progress** in a form that is accessible and open to the public.

To this end, we take the following measures:

1. **Annual sustainability report**, most recently in the form of a CSRD report,
2. **Fact sheet**
3. **Deep-Dive**
4. **Website**

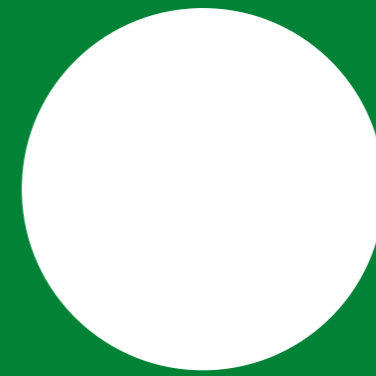
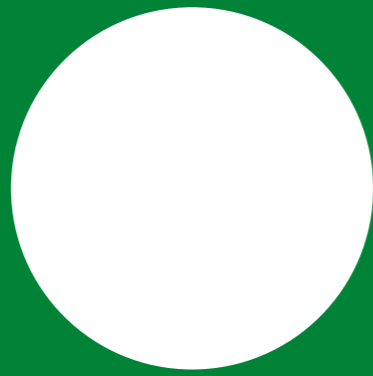
This report for PSI covers the status as of August 31, 2025. From now on, the progress made by VOLKSWOHL BUND Versicherungen will be documented annually. The update will be published next year in a separate report or integrated into the sustainability reporting. The sustainability reports, fact sheet and deep dive can be viewed on our website.

All further information on sustainability at VOLKSWOHL BUND Versicherungen is summarised on the website [VOLKSWOHL BUND | Nachhaltigkeit](#).



OUR SUSTAINABILITY TEAM

Sustainability is our thing. We are responsible for implementing our comprehensive sustainability strategy at VOLKSWOHL BUND: Jil Figura, Annika Rock, Sabine Rasquin, Lukas Hammerl (back row, from left to right), Leonie Loer, and Lara Schulte (front row, from left to right).



TODAY FOR TOMORROW.



VOLKSWOHL BUND Versicherungen
44137 Dortmund, Südwall 37 - 41
Telefon: 0231/5433-0 · Telefax: 0231/5433400
info@volkswohl-bund.de · volkswohl-bund.de
Visit us on Instagram: @volkswohl_bund_karriere