

Principles for Sustainable Insurance

Report 2024



Introduction

The United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI) represent an industry-wide endeavor aimed at collaboratively establishing sustainability criteria at insurance companies. As BarmeniaGothaer we embrace the PSI to underscore our commitment for comprehensively integrating environmental, social, and governance (ESG) considerations into our entire value chain. By signing the PSI, our objective is twofold: to actively contribute to this initiative and to encourage other companies in the insurance industry to incorporate ESG even more strongly into their core business.

Human-induced climate change poses a significant threat to our existence. Although the current century is still relatively young, we have already experienced a number of catastrophic events, including extreme heatwaves and floods, often referred to as “disasters of the century.” As an

insurer, our role is to provide coverage against risks, enabling our clients to focus on their lives and businesses. These risks, however, are transforming, and so are we. Rather than ignoring these challenges, we have chosen to actively shape the future landscape, guiding our clients on this journey of transformation. Our goal is to underwrite a sustainable future.

In our capacity as a signatory to the PSI, we pledge to annually publish information about the progress we have made in implementing these principles. 2024 marks the first year of joint reporting as BarmeniaGothaer and the fourth year of PSI-related reporting activities. This report outlines key initiatives undertaken during the past twelve months and refers to the Non-financial group statement for further details (available in German only).

Principles for Sustainable Insurance



Principle 1: Strategy & Objectives

We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

In particular, this includes the integration of ESG issues in the following areas:

- Company strategy
- Risk management and underwriting
- Product and service development
- Claims management
- Sales and marketing
- Investment management



Principle 2: Customers & Partners

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

In particular, this includes the integration of ESG issues in the following areas:

- Clients and suppliers
- Insurers, reinsurers and intermediaries



Principle 3: Stakeholders

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

In particular, this includes the integration of ESG issues in the following areas:

- Governments, regulators and other policymakers
- Other key stakeholders



Principle 4: Transparency & Accountability

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

In particular, this includes the integration of ESG issues in the following areas:

- Assess, measure and monitor the company’s progress in managing ESG issues and proactively and regularly disclose this information publicly
- Participate in relevant disclosure or reporting frameworks
- Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles

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Values such as sustainability, humanity and strong cooperation are key cornerstones of BarmeniaGothaer. Long before the merger, both Barmenia and Gothaer had given sustainability a high priority and set comparable strategic focuses. Barmenia emphasized on capital investment, simple and flexible products, a culture of trust and responsibility as well as new business models and innovations. Gothaer structured its ambitions around sustainable and transparent investments, innovative, sustainable insurance solutions, climate neutrality and sustainable resource use, responsible customer relationship management, and engagement of employees and sales partners.

Following the merger, the combined sustainability experience of both companies forms the basis of developing the new sustainability strategy of BarmeniaGothaer, which will be formulated by the end of 2025. The results of the joint materiality analysis, highlighting climate change, biodiversity, own workers, consumers and end users, and governance, serve as the foundation for this work. Repeating the analysis regularly ensures continued focus on the most critical sustainability matters.

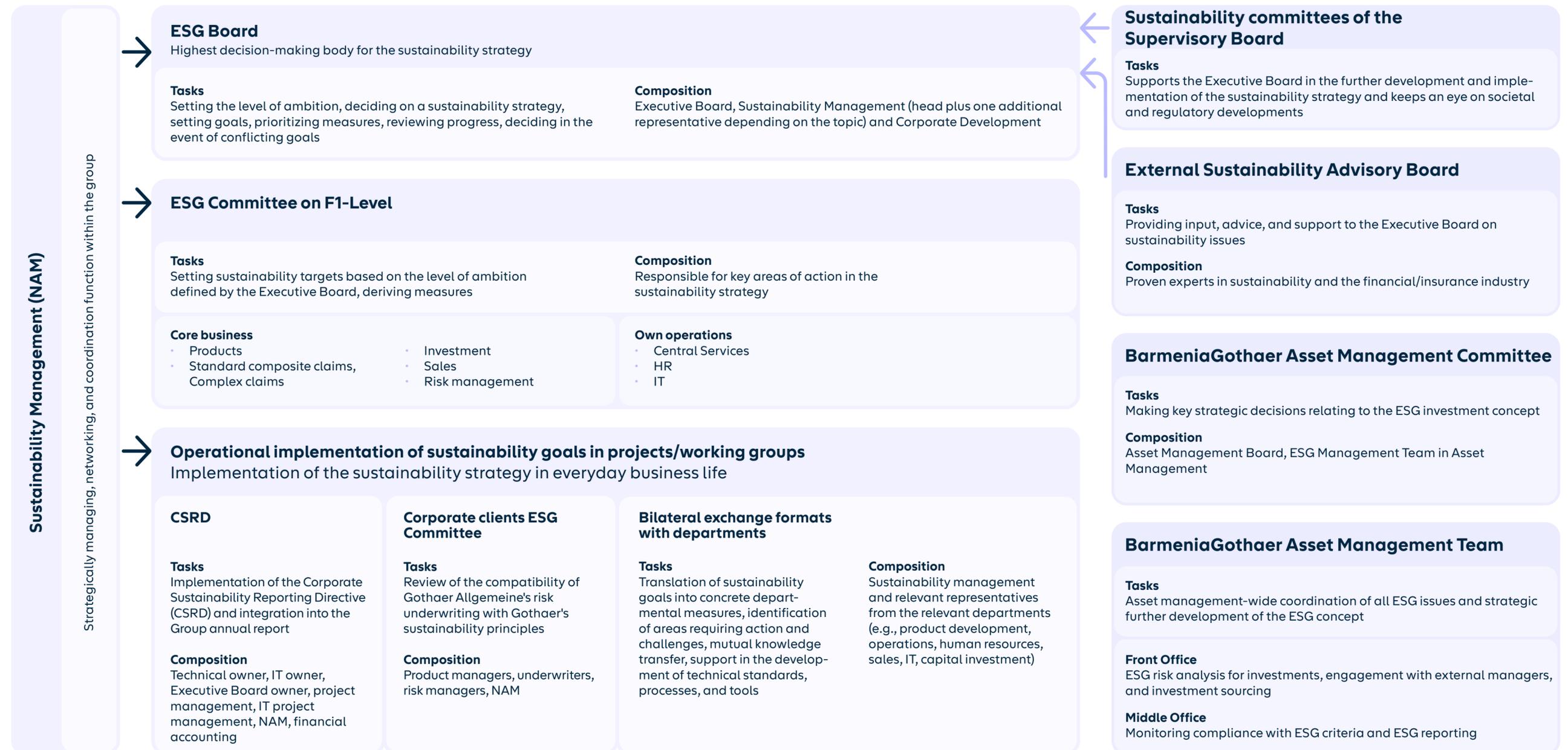
Sustainability Governance

Sustainability is firmly anchored in the BarmeniaGothaer organization. The highest decision-making body for the ESG strategy is the **ESG Board**.

An external **Sustainability Advisory Board** advises and supports the Executive Board on sustainability-related issues.

In addition, a new Supervisory Board committee, the **Sustainability Committee**, regularly deals with legal developments relating to sustainability and supports the further development and monitoring of the sustainability strategy.

The **ESG Committee** develops sustainability measures based on the sustainability strategy and the level of ambition adopted by the Management Board and derives measures from them. Operational implementation takes place in projects and working groups.





The **Sustainability Management** holds strategic, steering, and coordinating functions.

BarmeniaGothaer Asset Management AG is responsible for sustainability-related aspects of investment management.

Risk Management and Underwriting

Climate risks have become more important within our risk analysis. BarmeniaGothaer’s risk management team works to identify risks in advance, assess their financial implications, and proactively define mitigation measures. ESG risks were integrated into the existing risk management framework to ensure a comprehensive view of risk exposure.

As an insurer, we enable economic stability. Our underwriting guidelines define which risks we take and which we exclude (e.g. coal, certain oil/gas extraction). This selective underwriting sends signals to the market, actively supporting a sustainable transformation. For the energy and arms sectors, we strictly check risk compatibility with our sustainability principles. In new business, we aim to insure only companies committed to a low-emission future, supported by developing an ESG scoring system for industrial insurance.

Products, Services and Claims

We support sustainable lifestyle choices through our products. Sustainability criteria have been embedded in the product development process, for example through coverage modules that promote sustainable behaviour. We also strive to further develop climate-neutral claims processes.

Employees and Sales Partners

With roughly 7,600 employees and around 4,700 sales partners, BarmeniaGothaer has strong potential to drive sustainability within the organization. A range of formats is available to support learning, engagement and participation.

A sustainability positioning for sales, covering Sustainable operations and infrastructure, Diversity, equality and inclusion, Connection and fascination, and Ecological footprint, will be published by the end of 2025.

Investment Management

Our investment strategy reflects our sustainability commitments, with sustainability criteria anchored within our investment guidelines. This encompasses exclusion criteria, integration, engagement, thematic approaches/ best-in-class strategies, and the exertion of voting rights.

To strengthen internal incentives, a sustainability target has been integrated into remuneration and bonus systems.

Further details regarding our adherence to Principle 1 can be referred to in the sources below:

	Sub-goal	Source
We will embed in our decision-making environmental, social and governance (ESG) issues relevant to our insurance business.	Company Strategy	Non-financial group statement ↗ chapters 1.3, 4.1
	Risk management and underwriting	Non-financial group statement ↗ chapters 1.4, 2.2.3, 2.2.4
	Product and service development	Non-financial group statement ↗ chapters 2.2.4, 3.2
	Claims management	Non-financial group statement ↗ chapter 3.1, 3.2.2
	Sales and marketing	Non-financial group statement ↗ chapters 1.3, 2.2.2, 3.1.2
	Investment management	Non-financial group statement ↗ chapters 1.3, 2.2.3

Principle 2: Customers & Partners



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BarmeniaGothaer is committed to increasing awareness of environmental, social, and governance matters among corporate clients. ESG-compliant corporate pension schemes and corporate health insurances products support in customers adopting more responsible practices and investments. Sustainability criteria are also embedded in our supply chain.

A significant proportion of BarmeniaGothaer Asset Management's (BGAM) assets are managed externally. Accordingly, due diligence, careful manager selection, ongoing monitoring and active engagement are essential. ESG criteria are part of the evaluation process, and mandates are only awarded where concepts are convincing.

Further details regarding our adherence to Principle 2 can be referred to in the sources below:

	Sub-goal	Source
We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.	Clients and suppliers	Non-financial group statement ↗ chapters 1.3, 3.2, 4.2
	Insurers, reinsurers and intermediaries	Non-financial group statement ↗ chapter 1.3



Principle 3: Stakeholders



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Dialogue with stakeholders is of central importance. Customer interactions take place through various channels, including independent sales partners, intermediaries and digital services. These channels help simplify access to products and ensure efficient service delivery.

We utilize targeted programs to engage with our sales partners for sustainability. One example is our GoForTomorrow pilot, where agencies establish their climate footprint and develop effective sustainable customer approaches.

Furthermore, we maintain high standards of expertise: over 30 colleagues are certified as Sustainability Consultants (ISO 26000), and ESG training is firmly embedded in all continuous professional development. Collaboration is driven by sustainability competitions that encourage partners to implement measures derived from the corporate strategy, as well as by supporting their efforts to reduce emissions (e.g. e-mobility, green power).

For engaging with our employees, we embed sustainability in the daily work routine through various information and participation formats. The integration begins during the onboarding process of new hires and is a fixed component of ongoing training and development. Employees regularly have the opportunity to engage in moderated discussions on focus topics and are encouraged to directly contribute their proposals for more corporate sustainability. BarmeniaGothaer raises awareness and promotes active involvement in several annual Action Weeks (e.g. Biodiversity Week). Furthermore, and especially after the merger, we strengthen our corporate culture by involving employees and leaders in workshops defining our common key values. This commitment to empowerment is underpinned by specialized training programs aimed at informing, activating, inspiring, and enabling sustainable actions across the workforce.

Public communication is supported through press and public relations activities and through the sustainability section of the corporate website.

Engaging in initiatives

BarmeniaGothaer participates in a range of initiatives and associations that promote sustainable economic transformation. These include:

- B.A.U.M. – Bundesarbeitskreis für umweltbewusstes Management e.V.
- VfU – Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.,

- EURAPCO Sustainability Group
- NZAOA – Net-Zero Asset Owner Alliance
- United Nations Principles for Sustainable Insurance (UNEP FI PSI) and Responsible Investment (UN PRI)

Besides that, also BarmeniaGothaer Asset Management AG has joined Climate Action 100+ and the UN PRI Advance Initiative as a supporter.

BarmeniaGothaer Stiftung

The foundation supports projects in the areas of research, education and environmental protection. In 2024, funding totalled €470,000. Projects include the preservation of national natural heritage in Tilsow (Rügen) and the support of an exhibition by Bonner Universitätsstiftung on personal and planetary health.

BarmeniaGothaer also supports initiatives at its

locations in Cologne and Wuppertal, including Circular Valley, which aims to position the Rhine-Ruhr region as a global center for the circular economy through an international start-up accelerator.

This broad engagement demonstrates our commitment to supporting sustainable development beyond the boundaries of our core business.



Further details regarding our adherence to Principle 3 can be referred to in the sources below:

	Sub-goal	Source
We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.	Governments, regulators and other policymakers	Non-financial group statement ↗ chapters 1.3, 4.4
	Other key stakeholders	Non-financial group statement ↗ chapter 1.3

Principle 4: Transparency & Accountability



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BarmeniaGothaer consistently communicates its sustainability objectives and progress. Key instruments include:

- **Non-financial group statement (2024):** Structured according to CSRD/ESRS.
- **Sustainability report:** Detailed insights into sustainability activities, goals and achievements.
- **UN PRI information:** Disclosure aligned with the UN Principles for Responsible Investment.
- **Website:** Transparent presentation of sustainability-relevant information.
- **Climate footprint certification:** BarmeniaGothaer has been certified climate-neutral by TÜV Nord.
- **External ESG-Ratings:** BarmeniaGothaer undergoes independent sustainability ratings on product and company level, such as the Assekurata Sustainability Rating.

Further details regarding our adherence to Principle 4 can be referred to in the sources below:

	Sub-goal	Source
We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.	Measurement, Evaluation and Publication of ESG-related Progress	Non-financial group statement ↗ Indicators for all topics are sorted by chapter
	Participation in Relevant Disclosure and Reporting Frameworks	Sustainability report ↗ p. 14
	Dialogue with clients, regulators, rating agencies and other stakeholders to gain mutual understanding on the value of disclosure through the Principles	Non-financial group statement ↗ chapter 1.3



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