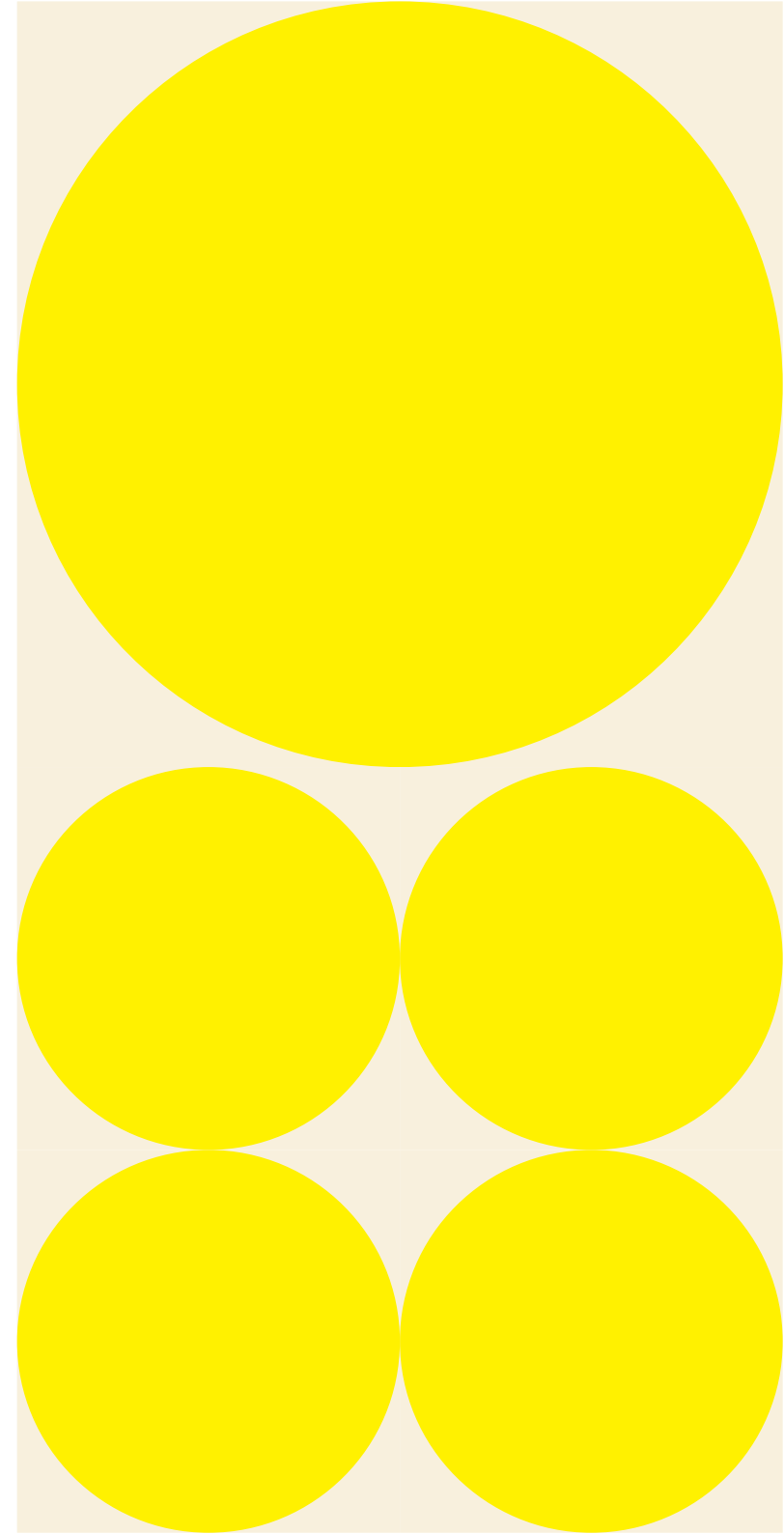


Sustainability Report 2024

ARAG Holding SE





V. Sustainability Report

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The limited assurance report of the independent assurance practitioner on the non-financial statement can be found at the end of the annual report under 'Further Information'.

1 General disclosures

1.1 Basis for preparation

Regulatory background of the sustainability report

This consolidated sustainability report for the reporting date December 31, 2024 is the first to be produced in full accordance with Delegated Regulation (EU) 2023/2772, known as the European Sustainability Reporting Standards (ESRS). As the Federal Republic of Germany had not transposed Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive [CSRD]) into national law by the end of 2024, ARAG must still apply CSRD. The Group sustainability report was prepared in accordance with the requirements of section 341j (4) of the German Commercial Code (HGB) in conjunction with sections 315b and 315c HGB regarding consolidated non-financial statements. ARAG has decided to publish this report as a consolidated non-financial statement for 2024 that voluntarily and fully applies ESRS as its framework in accordance with section 315c (3) HGB in conjunction with section 289d HGB as part of the group management report. Furthermore, the report fulfills the provisions of Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) of the European Parliament and of the Council.

Basis of consolidation of the sustainability report

ARAG Holding SE, Düsseldorf, produces a consolidated sustainability report as the ARAG Group's parent company. In financial reporting, consolidation options are exercised so that non-material subsidiaries are not consolidated. ARAG Legal Protection Ltd., Dublin, is not consolidated in financial reporting due to reasons of materiality. However, it is included in this sustainability report. The reporting period covers the year from January 1 to December 31, 2024.

Through its consolidated reporting, ARAG also fulfills the reporting obligations of its subsidiaries, which in their own management reports refer to the exemption and to the overarching sustainability report.

Value chain

The term 'value chain' used in this sustainability report covers activities in own operations, in investments, and in the underwriting business. Upstream and downstream activities are also taken into account.

ARAG's upstream value chain comprises service providers, suppliers providing office infrastructure, and reinsurers offering reinsurance services. Own operations focus on the core functions of all activities related to products and asset management, including underwriting, claims settlement, product development, and marketing. Supporting functions such as HR, IT, strategy, sustainability, and procurement are further integral elements. The downstream value chain primarily comprises insurance activities, including private and corporate customers, and the management of investments.

Sensitive information

ARAG has not made use of the option to omit specific pieces of information corresponding to intellectual property, know-how, or the results of innovation.

Impending developments

ARAG has not made use of the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in Articles 19a (3) and 29a (3) of Directive 2013/34/EU.

Time horizons

ARAG's reporting is based on the following short, medium, and long-term time horizons:

- Short-term: up to one year, the same as for financial reporting
- Medium-term: more than one year up to five years
- Long-term: more than five years

Where the report deviates from these time horizons, particularly in the context of risk management, this is indicated accordingly.

Value chain estimation, including sources

Where the metrics published in this report include upstream and/or downstream value chain data estimated using indirect sources, such as sector-average data or other proxies, this is clearly indicated at the relevant points. This applies to the disclosures on gross Scope 1, 2, and 3 greenhouse gas (GHG) emissions. For the sake of greater transparency, additional context is provided to explain the informational value of the metrics. Where metrics are based on estimates and subject to measurement uncertainty, this is clearly indicated at the relevant points, and additional context is provided to explain the informational value of the metrics. Unless stated otherwise, the calculation of the metrics contained in this sustainability report has not been validated by an external body.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

No information has been included in this sustainability report on the basis of other legal provisions or recognized standards and frameworks for sustainability reporting.

Incorporation by reference

ARAG has not incorporated any information by reference in this sustainability report.

1.2 Corporate governance

System of governance

The ARAG Group has structured its system of governance in a way that aims to manage business activities soundly and conservatively in line with the business strategy and the risk strategy. Corporate governance follows the legal requirements of the two-tier system, under which the management and supervisory functions are performed by two separate bodies, the Management Board as the management body and the Supervisory Board as the supervisory body.

The Management Board is responsible for sustainability, with member of the Management Board Klaus Heiermann assuming overall responsibility. He receives day-to-day support from the Chief Sustainability Officer.

As of December 31, 2024, the Management Board of ARAG Holding SE had three members with the following responsibilities:

- Dr. Dr. h. c. Paul-Otto Faßbender: CEO; Equity Investments/Group Audit/Legal/Compliance
- Klaus Heiermann: Brand and Communications/Risk Management and Sustainability Management
- Dr. Sven Wolf: Data Security/Finance/Accounting and Tax/HR

As of December 31, 2024, the Supervisory Board, which is responsible for appointing and monitoring the Company's Management Board, had the following members:

- Gerd Peskes (Chairman)
- Professor Dr. Tobias Bürgers (Deputy Chairman)
- Professor Emeritus Dr. Brigitte Grass

Workers' representatives and other employees are not members of the Supervisory Board. All members of the Management Board have management experience and appropriate theoretical and practical knowledge of the insurance sector, and thus meet the 'Requirements for persons who effectively run the undertaking or assume responsibility for other key tasks' in accordance with section 24 of the German Insurance Supervision Act (VAG).

They have the professional qualifications, knowledge, and experience to manage the Company soundly and prudently.

The members of the Supervisory Board must have the necessary knowledge, skills, and experience to be able to perform their monitoring role. They must always have the expertise needed to adequately monitor and oversee the Management Board of the ARAG Group and to actively support the Company's growth. Each member must therefore understand the Company's business and be able to assess the relevant risks. They must also be familiar with the main statutory requirements applicable to the Company. The individual members are not required to have specialist knowledge. However, they must be capable of identifying when they need to take advice and of obtaining this advice. In any case, the expertise of the Supervisory Board as a whole must cover investments, underwriting, financial reporting, auditing, and sustainability. Having the necessary professional suitability entails undertaking continuing professional development. Before the Annual General Meeting appoints someone to the Supervisory Board, both the potential Supervisory Board member and the Supervisory Board that proposed the candidate are expected to make sure that the potential member is sufficiently qualified.

In addition to the expertise referred to above, the members of the Supervisory Board of ARAG Holding SE must possess adequate knowledge of the ARAG Group's internal organization and further knowledge that enables them to assess the activities carried out by the Management Board of ARAG Holding SE related to satisfying Group-related obligations and requirements. Other essential knowledge includes regulatory requirements in relation to the management of environmental and social affairs, such as reporting requirements for these issues.

All Supervisory Board members, including the chairman, are non-executive members of the Supervisory Board and are not part of the Company's management.

The Management Board plays a key role when it comes to implementing and monitoring the Company's sustainability targets. The Management Board is responsible for the actions taken to achieve the ARAG 5>30 targets defined in the corporate strategy, which is guided by the ARAG Essentials. In this context, the Management Board makes decisions within its competence and informs the Supervisory Board of any matters with the potential to negatively impact on stakeholders, the environment, or society.

Impacts, risks, and opportunities are identified and evaluated as part of the materiality assessment. The findings and the key impacts, risks, and opportunities are reviewed and approved, and the results are then presented to the Supervisory Board in the Supervisory Board meeting.

Members of the Supervisory Board must have in-depth knowledge, skills, and experience in order to perform the monitoring role at ARAG, particularly in the area of sustainability. They monitor the Management Board in the traditional areas of business, as well as in relation to sustainability matters, including the associated impacts, risks, and opportunities for the Company. The expertise of the Supervisory Board as a whole must cover material topics such as investment, underwriting, financial reporting, auditing, and sustainability. The aim is to ensure that the necessary knowledge related to the material impacts, risks, and opportunities is communicated and that these can be placed in the overall business context. In addition, the members of the Management Board and of the Supervisory Board can turn to external sources to acquire the necessary knowledge.

The Management Board as a whole is responsible for meeting the targets set in the sustainability strategy.

The Management Board member responsible for sustainability regularly attends the meetings of the Supervisory Board, at which he informs Supervisory Board members about forthcoming regulatory obligations, current developments, target achievement, and the handling of these topics in sustainability management in the insurance industry.

Composition of administrative, management, and supervisory bodies

	2024
Number of Management Board members (executive) (head count)	3
Number of Supervisory Board members (non-executive) (head count)	3
Percentage of independent members on the Supervisory Board	100%

Diversity on the Management Board

	2024
Percentage of female Management Board members	0%
Percentage of male Management Board members	100%
Gender split on the Management Board	0%

Diversity on the Supervisory Board

	2024
Percentage of female Supervisory Board members	33.3%
Percentage of male Supervisory Board members	66.7%
Gender split on the Supervisory Board	0.5%

Topical disclosure requirements: G1 – Corporate governance

The Supervisory Board plays a key role when it comes to developing and implementing business conduct policies. It must fulfill its duties according to the law, the articles of incorporation, and the rules of procedure, and continuously advise the Management Board and monitor its work. The Supervisory Board is involved in decision-making processes of fundamental importance to the Company. The Supervisory Board members, all Management Board members, and senior managers at the first and second management levels receive regular training on how to avoid conflicts of interest. In addition, all employees in the German companies must attend mandatory training on the topics of conflicts of interest, fair competition, antitrust law, and information security.

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

The purpose of the annual materiality assessment is to identify and assess the ARAG Group’s material impacts, risks, and opportunities, which are disclosed in the sustainability report. Every year, the materiality assessment’s findings, including the sustainability matters identified as not material, are presented to the Management Board by the relevant Management Board member, Klaus Heiermann, and confirmed by the board. Where required, the Management Board can approve appropriate action to manage the identified impacts, risks, and opportunities. Mr. Heiermann also presents the results to the Supervisory Board. The lists of material impacts, risks, and opportunities presented to the Management Board and the Supervisory Board can be found under ‘Material impacts, risks, and opportunities and their interaction with strategy and business model’.

Furthermore, the Management Board – primarily the member with responsibility for risk management and sustainability management – continuously monitors regulatory and market-related developments, and ensures that all relevant information about sustainability-related risks and opportunities and the implementation of due diligence are communicated to the Supervisory Board. As a company that takes the long view, ARAG attaches great importance to forward-looking risk management that also factors in emerging risks. These include risks caused by climate change. ARAG considers sustainability risks to be part of existing risk categories. Risks are identified, analyzed, and assessed as part of the existing risk management process, and managed by the relevant process owners. Efforts are made to ensure that the risk strategy is consistent with the corporate strategy, and that compromises are taken into account in this context too. ARAG also takes sustainability risks into account in its own risk and solvency assessment (ORSA). The Management Board is responsible for the annual ORSA process and takes a lead role in ensuring it is carried out.

There are also regular reports on progress with implementing the sustainability strategy and on the outcome of actions that have been decided upon.

Integration of sustainability-related performance in incentive schemes

Remuneration management is an important part of corporate governance. Having members of the governing bodies who are motivated and whose performance is rewarded provides the foundation for ARAG to achieve sustained business success. The Company's remuneration policy also promotes ethical behavior and minimizes risks and misincentives that could damage ARAG and, by extension, its stakeholders too.

The remuneration of the Management Board comprises a fixed basic salary and a variable element set as a percentage of the basic salary. The basic salary is set at a level that ensures the members of the Management Board are not heavily reliant on the variable component. The aim is to prevent the variable component from creating incentives that conflict with the interests of the Company. No share plans or share option programs are offered anywhere in the Group. To ensure that remuneration is attractive and in line with the market, the variable component for members of the Management Board is limited to a maximum of 60 percent of the basic salary and is split into a short-term and a long-term component. In the case of insurance companies and ARAG Holding SE, the long-term component equates to 60 percent of the variable remuneration and is deferred; it also takes into account a potential downward adjustment as a result of exposure to current or future risks. The variable remuneration targets are based on objective Group and company metrics drawn from strategic planning and on individual targets for each member of the respective governing body. The weighting of the targets is defined beforehand.

The ARAG Group has linked remuneration components for the members of the Management Boards of its material operating insurance companies to the implementation of the ARAG sustainability strategy. This affects 10 percent of annual short-term incentives (STI)

in the remuneration system. The sustainability strategy covers the following areas: product and performance, underwriting, customer satisfaction, diversity, compliance, and leadership and values. There is also a close link to the sustainability targets of the ARAG 5>30 Group strategy, which focuses on access to justice. No specific targets for reducing greenhouse gases have been set.

Supervisory Board members receive fixed remuneration for their work. If they also take on other tasks within the Group, a decision is made on a case-by-case basis as to whether and how the remuneration from these activities affects their fixed remuneration.

ARAG's remuneration policy is set out in guidelines for the Group and for the individual companies as well as in the remuneration management handbook. These apply to all international branches and subsidiaries. General principles of the remuneration policy, the remuneration structure of the various function groups, the basis for salary adjustments, and the related processes are set out in the remuneration management handbook. The processes are based on systematic market comparisons that are continuously updated. The remuneration of the Group's governing bodies is based on the governing law applicable to the entity in the Group.

Remuneration falls under the remit of Group Human Resources. The Total Rewards Department systematically reviews the Group's remuneration and incentive structures, taking account of ARAG Holding SE's overall objectives. In respect of remuneration in the individual companies, Group Human Resources acts on behalf of the Management Board; in respect of the remuneration for the individual Management Boards, it acts on behalf of the Supervisory Board. The international branches and subsidiaries can also specify additional remuneration rules that are specific to their market.

Climate-related targets are not part of the remuneration structure for members of the administrative, management, and supervisory bodies. Performance is not assessed on the basis of targets for reducing GHG emissions.

Due diligence declaration

The process for fulfilling due diligence obligations with regard to sustainability matters is described below by referencing the information provided in this sustainability report:

Core elements of due diligence	Sections in the sustainability report
Embedding due diligence in governance, strategy and business model	Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	Integration of sustainability-related performance in incentive schemes
	Material impacts, risks and opportunities and their interaction with strategy and business model
Engaging with affected stakeholders in all key steps of the due diligence	Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
	Interests and views of stakeholders
	Description of the process to identify and assess material impacts, risks, and opportunities
Identifying and assessing adverse impacts	Description of the processes to identify and assess material impacts, risks, and opportunities
	Material impacts, risks and opportunities and their interaction with strategy and business model
Taking actions to address those adverse impacts	Topical chapters on actions
Tracking the effectiveness of these efforts and communicating	Topical chapters on actions

Risk management and internal controls over sustainability reporting

The assumption of risk is the core business of an insurance group. This means that its activities aimed at achieving its strategic business objectives naturally involve taking on risks in order to achieve the desired success. To deal with these risks, ARAG has implemented a risk management system consisting of several elements. Chief among these are the risk strategy, the operational risk management process, and the system of limits.

The own risk and solvency assessment process is another element of risk management, which itself comprises the identification, analysis, measurement, management, monitoring, and reporting of risk. The aim is to identify the emergence of new risks or changes in existing risks at an early stage and to assess them using a standard procedure. Sustainability risks are taken into account when looking at existing risk categories.

The ARAG Group has also established an internal control system (ICS). The ICS has a consistent structure throughout the Group, ensuring that the connected systems and reports in the Group can be verified. The ICS is designed to create and maintain compliance with an organizational framework that ensures that statutory and, in particular, regulatory requirements are implemented. The ICS follows the 'three lines of defense' model, which organizes the risks and internal controls of the reporting process. The focus here is on avoiding errors in the way information is presented and disclosed in the reporting process.

Sustainability reporting is integrated into the ICS process. As part of the operational structure defined in ICS, all activities, responsibilities, participating functions, and verification procedures for the processes relevant to the ICS are documented using a process and control system. This provides an overview of the process architecture within the ARAG Group. Appropriate controls are put in place based on the identified risks in the process. An annual review and reapproval procedure ensures that all process documentation is up to date, accurate, and complete. Further controls, such as checking by a second member of staff, are also taken into account. The aim is to avoid or mitigate risks.

The Management Board occupies a special position within the organizational structure because it is responsible for ensuring an orderly and effective system of governance and thus for ensuring that the ARAG Group's risk management system and its ICS are appropriate and effective. This means that the Management Board is directly responsible for the ARAG Group's ICS. The Management Board receives reports regularly and on an ad hoc basis. The results of the risk management process are presented as part of the quarterly risk reporting. A risk/measures inventory is created for operational risks, also

on a quarterly basis. The results of the ORSA process are documented in the annual ORSA report. The ICS also includes a reporting process, which ensures that the Management Board is informed about all relevant information and developments. Once the annual approval process has been completed, the Organization reports on the process and control system to the Management Board member with relevant responsibility. This report includes details about how up to date, accurate, and complete the ICS-related processes are, and includes the risks and controls. Every year, the Management Board member then reports this information to the Management Board and senior management team of each company.

1.3 Strategy

ARAG understands the importance of the sustainable transformation of the economy and society. The focus is on sustainable development and structures as the basis of social, economic, and environmental stability. ARAG firmly believes that this comprehensive transformation process will be a success if it is transparent and verifiable, provides rights that can be enforced, and allows everyone to actively participate. As the leading legal insurer worldwide, ARAG can make a valuable contribution to supporting and purposefully driving forward the societal change needed for this sustainable transformation.

Business model

The ARAG Group operates in the fields of legal insurance, casualty and property insurance, and health insurance. It focuses on insurance products and services aimed at both private and small business customers. Internationally, ARAG is targeting potential growth areas in the legal insurance sector. This involves the development and sale of insurance products, as well as claims settlement, in 20 countries.

The Company offers comprehensive services and risk cover with the aim of preventing and managing risks, for example in litigation, health, and pension provision.

ARAG supports consumers in safeguarding and asserting their rights in the areas of work, the home, physical and mental health, education and participation, equal treatment, and privacy, whether analog or digital. In addition, legal insurance can support consumers in legal proceedings relating to environmental offenses. The key customer groups and insurance products mentioned are reflected in the impacts identified as material. There were no material changes related to ARAG's products or customers in 2024.

Headcount of employees by geographical area

	2024
EEA countries	4,881
Non-EEA countries	1,195

Sustainability strategy

For nearly 90 years, ARAG has acted as a risk carrier providing access to justice. This business model promotes equal opportunities for all citizens and strengthens their rights at a time of social and economic change. ARAG endeavors to help consumers and businesses to achieve and comply with environmental goals and standards. In line with its sustainability strategy, ARAG focuses on the following targets:

Integrating a sustainability check in the product development process in the area of **products and services**. This check will become an integral element of product development in order to factor sustainable services and pricing characteristics into the review of existing, and the development of new, legal insurance products. The aim is the sustainable transformation of the product portfolio in the health insurance and casualty and property insurance classes.

On behalf of its **customers**, ARAG assumes responsibility for making future risks and new risks financially manageable. Legal insurance, in particular, plays a significant role in ensuring equal opportunities and access to justice. ARAG is improving this access as the sustainable transformation progresses, and supports consumers in safeguarding and asserting their rights.

Customer satisfaction is a key metric for monitoring the achievement of this ambition. ARAG continually measures the satisfaction of customers and their willingness to recommend the Company, and bases its actions on the findings. The Net Customer Satisfaction Score gauges customers' satisfaction and the Net Promoter Score establishes their willingness to recommend ARAG.

Sustainability matters are identified and factored in for stakeholders and in asset management, risk management, underwriting, and HR management. The aim is to channel capital into sustainable investments without jeopardizing the ability to meet obligations toward customers in the long term.

ARAG's sustainability strategy is closely linked to the ARAG 5>30 corporate strategy and marks the next big step in the Group's development up to 2030. The strategy program comprises five areas of action: Essential Growth, Winning Spirit, Embracing Clients, Driving Purpose, and Smart Insurer. Each area of action has targets that safeguard the Company's independence as a family enterprise:

- **Essential Growth:** ARAG to achieve extraordinary growth and high substantial value
- **Winning Spirit:** Increase attractiveness as an employer and further strengthen performance culture
- **Embracing Clients:** Raise customer satisfaction to a new level through innovative products and inspiring services
- **Driving Purpose:** Combine business model as legal insurer with social sustainability, and reduce carbon footprint
- **Smart Insurer:** Digital by default – transform the mindset regarding digitalization and strengthen the use of AI

Responsibility for product innovations lies with the Sales, Products and Innovation function. New products undergo a clearly defined development process based on insights from sales, claims, legal services, customer service, market research, and customer surveys. Customer feedback and information from market research is systematically incorporated into the product development process.

At present, customer demand for rapid access to justice is rising. ARAG is responding with new offerings, such as a new legal insurance rate scale offering immediate assistance, which is particularly relevant where help is needed in an emergency. Mediation is a mandatory part of all ARAG legal insurance products and facilitates the swift and amicable resolution of legal disputes. In this context, ARAG waives policy exclusions, waiting periods, the exclusion of disputes arising before the policy came into force, and deductibles. ARAG thus makes an important contribution to sustainable development goal (SDG) 16, which aims to strengthen the rule of law and ensure universal access to justice. ARAG's products and services support the Company's visionary founding principle of ensuring access to justice and equal opportunities.

As a rule, ARAG designs its products to be modular and flexible so that they can meet the individual needs of customers. Over 90 percent of products are offered in the versions Basis, Komfort, and Premium, and customers can choose from up to seven different levels of deductible. This enables policyholders to tailor the affordability and level of cover to their particular needs.

The domestic market in Germany is particularly important with regard to sustainability targets. In Germany, ARAG has access to numerous networks and partnerships in the area of sustainability, which facilitates collaboration on projects.



The ARAG sustainability strategy is based on the corporate guidelines, the ARAG Essentials:

“As a family enterprise, the wellbeing of future generations is important to us. Based on these values, ARAG acts in a sustainable manner and embraces its corporate social responsibility.”

This guiding principle is based on the UN Global Compact’s 17 SDGs. ARAG is in a position to contribute directly and indirectly to the achievement of several of these goals.

SDG 16, which calls for the strengthening of the rule of law and universal access to justice, offers the broadest approach for ARAG. Thanks to its founding principle, ARAG has the greatest relevance in this area, both nationally and internationally. SDG 5 and SDG 8, which deal with gender equality and decent work, respectively, directly overlap with ARAG products such as protection from discrimination and legal insurance for employment. SDG 13 directly affects insurance companies as investors and risk carriers, with asset management, risk management, underwriting, product management, and claims management of relevance here. SDG 12 has the potential to have a considerable bearing on ARAG’s business model if environmental rights are defined as consumer rights and insurance products encourage sustainable consumption. SDG 3 is central to the health insurance business, while SDG 17 addresses the principle of good citizenship and calls on companies to voluntarily demonstrate corporate social responsibility, as ARAG does by supporting schools across North Rhine-Westphalia and through its digital education campaigns.

In the environmental arena, ARAG is committed to using natural resources sustainably as an investor, risk carrier, and operator of its own sites. For 90 years, ARAG has acted as a risk carrier providing unrestricted and affordable access to justice, thus helping to level the playing field and boost citizens’ rights. The Company is integrating a sustainability check into its product development process and monitors customer compliance with the ESG standards as part of the underwriting process.

As an investor, ARAG aims to make its investment portfolio greenhouse gas-neutral by 2050, and to cut the carbon intensity of equities and corporate bonds by 25 percent by 2025 and by 40 percent by 2030 compared with 2021. These targets are to be achieved through active portfolio management and comprehensive screening to exclude issuers with high ESG risks. ARAG is also increasingly focusing on sustainable investment.

The sustainable transformation of the economy and society can only be achieved on the basis of social and political stability. In the social sphere, ARAG contributes to social and political stability by making future risks and new risks financially manageable, and by ensuring equal opportunities and access to justice. ARAG supports consumers in safeguarding and asserting their rights in the areas of work, the home, health, education, equal treatment, and privacy.

ARAG avoids partners who do not meet the standards for human rights, decent work, and equal opportunities, and sets great store by compliance with health and safety requirements. In order to review its investment decisions, ARAG uses exclusion lists and ESG approaches in asset and risk management. Internally, ARAG promotes equal opportunities and diversity, irrespective of age, gender, nationality, or life circumstances, and plans to continually increase the proportion of female managers.

With regard to governance, ARAG is subject to comprehensive regulation and transparently publishes its business activities. The ARAG Essentials and Leadership Essentials translate those corporate principles into leadership behavior, and adherence to these principles is a component of management remuneration. Compliance with regulatory requirements is of great importance and is checked annually.

The protection of human rights is a central pillar of ARAG’s business model as a legal insurer, but protection is only effective where the rule of law and its structures support this fundamental consensus.

Due to the nature of ARAG's business, there is generally a very low risk of human rights violations in connection with the services that it purchases. The bulk of the Company's purchasing activities relate to consultancy services and other highly specialized services. The risk is also minimal in the purchasing of goods, as ARAG mainly obtains these from local or regional suppliers. Furthermore, ARAG's purchasing policy is designed to ensure that all offers meet legal requirements, and that statutory minimum requirements relating to occupational health and safety and minimum wages, for example, are always observed.

ARAG began preparing for Germany's new Supply Chain Due Diligence Act (LkSG) in 2022. Direct suppliers and own operations are assessed as part of a risk analysis. A prevention and remediation plan designed to protect the Company from risks in the supply chain has also been developed. A complaints system in line with LkSG was added to the ARAG website too. It allows anyone to openly or anonymously report breaches of human rights or of environmental obligations.

As part of its duty of care, ARAG performs due diligence on all new suppliers to check if they are on sanctions lists of the US Office of Foreign Assets Control, the EU, or the United Nations.

Existing suppliers are automatically checked on a daily basis. If any suspicions arise, the supplier is immediately blocked such that no further orders or payments can be made. Payments by ARAG to countries outside the Single Euro Payments Area (SEPA) are subject to an additional check prior to execution, during which it is also checked whether the country is embargoed. Since January 1, 2024, all orders and framework agreements have included a new clause that explicitly refers to the newly developed ARAG code of conduct for business partners, with which all service providers must comply.

Value chain

As an insurance company, ARAG provides insurance cover. Its own operations include the development of insurance products that meet customer demand. Accordingly, ARAG's value chain comprises the following three areas: upstream value chain, own operations, and downstream value chain. This is what ARAG's own value chain is based on.

Upstream value chain: The upstream value chain primarily includes suppliers and service providers. The services they render are currently categorized into 21 product groups, which include IT, Data Privacy Framework and communications, facilities management, travel and events, financial services, and professional services such as external claims handlers and auditors. The sourcing of services is the responsibility of Group Procurement. The services defined in the purchasing policy, however, can be procured directly by the departments.

Own operations: Own operations cover all management processes, core processes, and support processes that are needed to link the upstream and downstream value chain.

Downstream value chain: Insurance for private and corporate customers includes the insurance products themselves and the existing channels for insurance product brokerage. ARAG's investments also fall into this category.

Interests and views of stakeholders

Important stakeholders

The ARAG Group's most important stakeholders can be divided into different groups, each with their own expectations. The most important stakeholder groups at ARAG include customers, sales partners, and employees. Other important stakeholders are business partners, suppliers, industry associations, regulatory bodies, and media organizations. ARAG maintains an intensive dialogue with these groups as they not only have a significant influence on the Company's success but are also affected by the Company's business activities.

Stakeholder engagement as part of the materiality assessment

Taking the interests of stakeholders into account is a key element in identifying material topics for this sustainability report. Accordingly, their interests were factored into the materiality assessment. ARAG's chosen approach has multiple stages. It involved internal stakeholders putting themselves in the shoes of external stakeholder groups and making assessments from the point of view of these external groups as part of the materiality assessment.

The findings of the materiality assessment were presented to ARAG's Management Board. The Management Board and the Supervisory Board are indirectly informed of the views and interests of affected stakeholders with regard to the Company's sustainability-related impacts through the sustainability report and when approving the strategies and the materiality assessment.

Views and interests of employees

ARAG employees can make a complaint regarding occupational health and safety by contacting the Safety and Security Department or the Talent and Skill Development Department directly. Feedback can be given via the intranet and a central email address too. Concerns can also be raised with ARAGcare employees and in the sessions of the health and safety committee. In addition, employees can contact the Works Council or any member of the managerial staff.

Views and interests of workers in the value chain

The workers in the value chain mainly include the workforce of companies in which ARAG invests. ARAG recognizes the importance of this and has established appropriate processes to protect human rights, in particular.

Views and interests of customers

In line with its corporate mission, ARAG deals with business partners responsibly and puts the needs of the customer first. The Company gauges customer satisfaction and expectations on an ongoing basis through feedback questionnaires and an online platform for customer surveys. In market research, it uses focus groups and comparative studies of holders of multiple policies. Qualitative and quantitative studies are carried out in collaboration with market research companies in order to answer specific questions.

ARAG works with an external institute to examine consumer expectations with regard to preventive healthcare. The Company regularly conducts surveys in its online community, ARAG Denkraum ("thinking space"), on topics such as waiting times and processing times in order to align its operational processes with customer expectations. It also holds discussions with customers on products and processes, with a focus on direct dialogue, and continuously monitors how satisfied customers are with the service they receive over the phone.

This direct and open exchange of views and experiences gives ARAG an unfiltered insight into customer expectations and needs, which it then uses to optimize products, services, and internal processes.

Material impacts, risks and opportunities and their interaction with strategy and business model

The materiality assessment identified a range of impacts on people and the environment, and financial risks and opportunities in the dimensions ‘insurance activities’, ‘own operations’, and ‘investments’. The following overview lists all impacts, risks, and opportunities identified as material in the course of the materiality assessment. The materiality assessment covers ARAG’s entire value chain. The material impacts and risks relate to the five standards E1 – Climate change, S1 – Own workforce, S2 – Workers in the value chain, S4 – Consumers and end-users, and G1 – Corporate governance, and can be assigned to the dimensions ‘insurance activities’, ‘own operations’, and ‘investments’. The impacts and risks relate to most of the business activities in the Federal Republic of Germany and are mainly located in the Company’s own operations and the downstream value chain. The employees are considered the most important input in relation to the impacts, while the insurance products offered represent the most important output. Sales are an essential part of the Company’s business activities, especially in relation to customer satisfaction.

The tables show in detail which topics are relevant for ARAG and the specific impacts, risks, and opportunities associated with them. Furthermore, they show whether the impacts, risks, and opportunities relate to own operations or the value chain. They also show whether the impacts are considered positive or negative. No material risks or financial impacts were identified that affect ARAG’s financial position, financial performance, or cash flows.

Actions have been put in place for all material impacts. The strategic relevance of such topics is continuously reviewed, as is whether they are to be included in the sustainability strategy if they are not already. This ensures that the strategy and the business model are adapted to the impacts and risks identified as material.

A brief description of each impact, risk, and opportunity can be found in the relevant tables. More detailed information and notes on each topic can be found in the relevant sections in this report.

Material impacts, risks, and opportunities

Impact/risk/opportunity	Part of the value chain	Applicable standard in ESRS	Positive/negative	Description of the IROs	Time horizon (short-term, medium-term, long-term)
Impact	Own operations	E1 – Climate change	Negative	ARAG contributes to energy consumption through its business.	Short-term
				ARAG's operations generate carbon emissions that have a negative impact on climate change.	Long-term
	Insurance activities	E1 – Climate change	Negative	By offering insurance products, ARAG contributes to the generation of emissions.	Medium-term
			Positive	Contributes to climate change adaptation by offering taxonomy-eligible and taxonomy-aligned products.	Long-term
Risk	Insurance activities	E1 – Climate change	n/a	By covering loss or damage from climate-related risks, ARAG contributes to climate change adaptation through its insurance products. As extreme weather (hail, storms, floods, etc.) becomes more frequent as a result of climate change, there is a risk of higher overall loss events, which might not be reinsured.	Medium-term
				The medium- to long-term forecast is for a gross increase in risks from climate change and that risk mitigation techniques will become disproportionately more expensive. The risk from natural disasters is set to increase and drive the cost of risk mitigation techniques. The risk of being unable to purchase sufficient reinsurance cover is not expected to materialize in the years ahead.	Medium-term
				Fall in new business and increase in lapses due to inflation.	Medium-term
Impact	Investment	E1 – Climate change	Negative	Negative contribution to climate change due to investment in companies that generate emissions.	Short-, medium-, and long-term
Risk	Investment	E1 – Climate change	n/a	Issuers with high ESG risks that could lead to losses.	Medium-term
Impact	Own operations	S1 – Own workforce	Positive	Improvement of working conditions (working time/flexible working, pay [at least to minimum pay-scale standards], work-life balance) has a positive effect on employees and boosts staff retention.	Medium-term
				The rules on workers' participation rights, which go beyond the statutory requirements, have a positive impact on the opportunities for codetermination in day-to-day work.	Medium-term
				The rules on health and safety, which go beyond the statutory requirements, have a positive impact on matters of employee health.	Medium-term
				Actions to combat discrimination in the workplace and promote diversity and gender equality have a positive impact on employees.	Medium-term
			Extensive opportunities for training and further education promote the development of employees' skills and leadership qualities, which also has a positive effect on employees.	Medium-term	
			Negative	ARAG holds a wide range of personal data on employees. A data leak could expose this personal data.	Short-term
Risk	Own operations	S1 – Own workforce	n/a	A lack of suitably qualified employees could endanger the Company's long-term viability. This could result in relative inefficiencies and above-average costs for attracting talented individuals.	Medium-term



Material impacts, risks, and opportunities

Impact/risk/opportunity	Part of the value chain	Applicable standard in ESRS	Positive/negative	Description of the IROs	Time horizon (short-term, medium-term, long-term)
Impact	Investment	S2 – Workers in the value chain	Negative	Investment in companies or sectors could have a negative impact on a range of social aspects for workers in the value chain.	Short-, medium-, and long-term
Impact	Insurance activities	S4 – Consumers and end-users	Negative	Possible negative impacts on policyholders due to the potential loss of sensitive customer data	Medium-term
			Positive	Contribution to the health and safety of policyholders	Long-term
			Positive	Contribution to legal insurance cover for policyholders	Long-term
Risk	Insurance activities	S4 – Consumers and end-users	n/a	The processing of sensitive personal data involves the risk of unauthorized access to this data, potentially damaging ARAG's reputation and leading to fines.	Medium-term
Impact	Own operations	G1 – Business conduct	Positive	Established policies, values, and the Compliance Guideline have a positive impact on the corporate culture.	Medium-term
				An established and functioning system for protecting whistleblowers has a positive impact on the corporate culture.	Short-term
				An established compliance management system helps to avoid/detect corruption and bribery.	Short-term
				ARAG strives to strengthen democratic institutions and maintain an active dialogue with authorities and policymakers. ARAG represents its interests to government as political and regulatory developments can have a considerable influence on ARAG's business activities.	Medium-term
Risk	Own operations	G1 – Business conduct	n/a	There is a risk of not being able to respond appropriately, and in time, to changes in legislation and case law. A significant risk arising in relation to changes in legislation would have a negative impact on the ARAG Group's costs and reputation. This could result in fines and damage ARAG's reputation.	Medium-term
Impact	Own operations	G1 – Business conduct	Positive	Taking sustainability criteria into account in the risk analysis could have a potentially positive impact.	Medium-term

The findings of the materiality assessment are discussed and evaluated in an overarching workshop with experts on reporting, strategy, and risk to ensure a consistent and appropriate outcome.

The findings of the materiality assessment, including the topics identified as material and not material, are presented to the Management Board for discussion. The Management Board is then asked to confirm the findings of the materiality assessment.

If the Management Board has no objections, it decides on the identified material impacts, risks, and opportunities.

If it has objections, these must be reviewed. The materiality assessment must be adapted accordingly and resubmitted and validated. The outcome is then communicated to the Supervisory Board.

ARAG's risk strategy and the business strategy on which it is based are regularly reviewed, updated, and continuously refined. The findings of the own risk and solvency assessment (ORSA), which forms part of the risk management process, are incorporated into the regular strategy development process. The following are some of the actions taken by the ARAG insurance companies to manage the identified material impacts, sustainability risks, and opportunities:

No current financial impacts by material risks on the financial position, financial performance, or cash flows were identified in the course of preparing this report. Accordingly, no material adjustment to the carrying amounts of the assets and liabilities recognized in the associated annual financial statements is expected.

In the first year, ARAG is making use of the option to omit the anticipated financial effects of the Company's material risks and opportunities on its financial position, financial performance, and cash flows over the short, medium, and long term, including the reasonably expected time horizons for those effects.

As part of the ongoing strategic management of sustainability topics and the delivery of the materiality assessment, ARAG ensures that, among other things, the business model and strategic decisions are reviewed against sustainability matters, and that action is taken accordingly. This contributes to the Company's resilience against unexpected changes, crises, and risks. In the course of the ORSA, which is part of risk management, a detailed analysis of ARAG's risk profile is carried out every year. Specific climate-related physical and transition risks are taken into account through quantitative stress tests. The analysis examines the capacity to assume risk both at the reporting date and across the entire business planning period.

1.4 Impact, risk, and opportunity management

Description of the processes to identify and assess material impacts, risks, and opportunities

General information on the materiality analysis

ARAG carried out a materiality assessment to identify the material topics that provide the content for sustainability reporting. As part of the process, sustainability matters from the topic-specific standards underwent a double materiality assessment. This double materiality assessment covers both the inside-out and the outside-in perspective.

The inside-out perspective determines the Company's actual and potential positive and negative impacts on sustainability matters, directly or indirectly via the value chain. The assessment is based on impact materiality.

The outside-in perspective determines the negative and positive impacts of sustainability matters on the Company's development, performance, and position. Risks and opportunities are assessed with regard to their financial materiality.

A sustainability matter is deemed to be relevant if one or both of these perspectives is material.

Within the basis of consolidation, the upstream and downstream value chain was examined accordingly and incorporated into the materiality assessment. It covers ARAG's own operations, insurance products, and investments. Geographical areas and business relationships were also included, thus taking into account the direct and indirect influence on the impacts.

Description of the materiality assessment process

The materiality assessment process is divided into four steps. The first is to gain a complete understanding of the relevant circumstances (value chain, stakeholders, business activities, and business strategy) in preparation for conducting the materiality assessment. Once the preparations have been completed, the identification of actual and potential impacts and of risks and opportunities begins. A number of approaches to identifying impacts, risks, and opportunities are used. Impacts are initially identified using internal documentation (ARAG 5>30 strategy, ARAG sustainability strategy, ARAG Essentials, annual reports, etc.), and subsequently using the findings of discussions with each department. In addition, publicly accessible databases are consulted during the investment process to determine actual and potential impacts. These include UNEP FI Impact Radar, Encore, and the WWF Biodiversity Risk Filter. The data shows which impacts are associated with the various sectors of industry and are used as the starting point for the workshops. The identification of impacts involved assessing whether they are actual or potential, and whether they are positive or negative. The time horizon was also assessed (short-, medium-, or long-term).

The existing risk management processes and assessment methods, particularly as part of the ORSA, support the identification of material risks. In accordance with the Guidance Notice on Dealing with Sustainability Risks published by the German Federal Financial Supervisory Authority (BaFin), sustainability risks are not a separate risk category, but rather are included as risk drivers within the existing risk categories. Opportunities were identified through desk research along the entire value chain, in a similar way as for impacts.

In a third step, the identified impacts, risks, and opportunities are assessed during workshops in the internal departments affected by the specific topics. The identified impacts, risks, and opportunities are only categorized by their materiality; they are not prioritized

any further. The views and interests were incorporated into the materiality assessment with regard to the sustainability matters that affect them. Impacts were assessed based on their scale, scope, and, in the case of negative impacts, on the basis of whether they could be remedied. Where these are potential impacts, the likelihood of occurrence is also assessed. As far as potential negative impacts on human rights are concerned, their severity is a more important factor than the likelihood of occurrence. A scale from one to four was used to determine this. An impact was deemed material if it exceeded a threshold of two.

The process for assessing financial materiality includes the identification of information that is relevant to investors, lenders, and other creditors. This information allows the users of general financial reporting to assess the impacts of sustainability matters on cash flow, development, performance, position, cost of capital, and access to finance. Risks were assessed during a separate workshop, downstream of the identified impacts, in order to also take potential interrelationships between impacts, risks, and opportunities into account. In this context, the likelihood of occurrence and the potential extent of the financial impact were assessed using a scale from one to four. If a risk exceeded a threshold of two, it was deemed to be material. Interrelationships with the impacts were also taken into account by assigning them to the corresponding subtopic and performing a qualitative assessment.

The result of the materiality assessment is presented to the Management Board for discussion, including those topics identified as material as well as those identified as not material. The Management Board is then asked to approve the findings of the materiality assessment. The purpose of approval is to ensure that no material topics are omitted during the materiality assessment. Given the nature of ARAG's business model, no further consultations were held with affected stakeholders or external experts.



The materiality assessment was first carried out in 2023 in preparation for implementing the new sustainability reporting. Accordingly, the process was developed from the ground up at that time. The materiality assessment was reviewed in 2024 on the basis of new insights, but without changing the process. The next review is scheduled for 2025.

Sustainability matters analyzed during the materiality assessment

Significant impacts, risks, and opportunities were identified during the materiality assessment and evaluated with regard to the sustainability matters defined in the reporting standards. Additional sources of information were consulted for certain sustainability matters.

Climate change

The climate change reporting standard covers the sustainability matters ‘climate change mitigation’, ‘climate change adaptation’, and ‘energy’. The carbon footprint is used to identify the impacts, primarily from GHG emissions, that are associated with these matters. The carbon footprint is calculated in accordance with the Greenhouse Gas Protocol (GHG Protocol). In ARAG’s own operations, GHG emissions are generated by the buildings it uses and by its vehicle fleet. ARAG’s investments account for the bulk of the total GHG emissions. They are made measurable and comparable by converting the various emissions generated into verified and standardized CO₂ equivalents (CO₂eq). This made it possible to determine the actual and potential impacts of GHG emissions on climate change and to evaluate them in workshops.

The ORSA process is generally used to identify and assess risks. Sustainability risks are not presented as a separate risk category, but rather as risk drivers within the existing risk categories. As part of identifying climate-related risks, an analysis is performed to determine the risk types within which sustainability risks have a particularly strong effect. Scenario analyses are used to identify and assess the physical risks and transition risks

of climate change in the upstream and downstream value chain. Based on the potential economic impact, and taking additional sources into account, external data providers determine how loss or damage will develop generally as a result of selected physical events (e.g. floods) in individual countries up to the year 2100. ARAG identifies the risk using the scenarios of the Network for Greening the Financial System (NGFS). NGFS is an alliance of regulators and central banks that aims to facilitate the implementation of scenario analyses for financial institutions by developing specific scenarios that meet regulatory requirements. The data on which the scenarios are based is regularly updated and published. The scenarios for property insurance are based on the Representative Concentration Pathways (RCP) of the Intergovernmental Panel on Climate Change (IPCC). The IPCC is the United Nations body that assesses scientific findings on climate change. These scenarios describe trends in the concentration of GHGs in the atmosphere. As these are possible scenarios rather than forecasts, the scenarios change over time depending on how climate change actually evolves. Key limitations of the NGFS and RCP scenarios are the dependence on scientific progress and trends, the high degree of uncertainty regarding the figures over a long time horizon, and the wide range of potential outcomes. The scenarios do not indicate probabilities, but rather depict the range of possible developments. The assessment is performed by re-evaluating the investment and the technical provisions in each scenario. The analysis of assets involves a geographical differentiation.

Climate change could have a negative impact on the ARAG Group’s assets, primarily due to a potential loss in the market value of investments. The financial impacts of **physical risks on assets** (e.g. heat waves, storms, floods) were determined using the following scenarios: physical risks in **investments** were assessed using the ‘current policies’ scenario, while transition risks were assessed using the ‘delayed transition’ scenario.



A key driver in both scenarios is the carbon price. This is relevant for all companies as they have to pay it directly, which reduces their profits accordingly. Lower profits can impact on share value and/or on a company's credit rating, and thus reduce the market value of interest-bearing securities. Investments are re-evaluated using a software tool from MSCI, which is regularly updated and expanded.

The 'current policies' scenario assumes that only the currently implemented actions are retained, which results in significant physical risks. Emissions are predicted to increase until 2080, leading to global warming of around 3°C and severe physical risks. These include irreversible changes such as rising sea levels. Pressure on the market value of investments would result primarily from negative financial consequences for ARAG's investees due to the physical effects of climate change. With regard to assets, the losses in the value of shares and issuers of corporate bonds could increase until 2050. This scenario was applied to the share and corporate bond portfolio. Risks and opportunities in the portfolio are measured using a forward-looking and return-based method. The result is the Climate Value-at-Risk (Climate VaR) metric. Climate VaR is an estimate of the present value of an issuer's future climate-related costs and profits in a specific scenario, and is given as a percentage of the issuer's current valuation. The metric reflects costs and profits up to 2100 with the aim of capturing the full breadth of potential climate-related costs. Climate costs result from loss or damage to the company caused by physical climate events (e.g. storms, heat waves, floods, forest fires) and from the company's transition to carbon neutrality. The 'current policies' scenario considers the physical risks and thus the costs resulting from extreme weather events, for example. As of June 30, 2024, there was no significant change in the market value of shares and corporate bonds due to physical risks.

The 'delayed transition' scenario assumes that annual global emissions will not fall by 2030. Subsequently, strict policy measures will be necessary to limit global warming to below 2°C. The market value of the investment would be reduced by the costs that companies have to bear as a result of the transition to a low-carbon economy. Transition risks are the main risk with regard to assets. An analysis of potential losses in the value of investments in the 'delayed transition' scenario shows that losses would increase over time until 2050. As of the reporting date, there was no significant change in the market value of shares and corporate bonds due to transition risks.

Using these scenarios, the physical and transition risks in investments were calculated for time horizons of 5, 10, 15, and 30 years. The endpoint of the scenarios is 2100. They represent the extremes of the NGFS scenarios and are therefore suitable for the isolated quantification of both types of risk. This type of worst-case analysis is the best way to identify any need for action.

A scenario involving global warming of less than 1.5°C was not analyzed, as the transition risks in such a scenario are considered to be less pronounced.

The IPCC's RCP 4.5 and 8.5 are used in **underwriting**. The RCP 4.5 scenario describes a comparatively moderate progression of climate change and takes actions to mitigate climate change into account. It assumes a rise in the global temperature of up to 2.6°C above pre-industrial levels. In contrast, RCP 8.5 represents an extreme scenario and does not take into account any actions to mitigate climate change. This scenario assumes that no further action to mitigate climate change is taken and that fossil fuels are still used frequently. Global warming is expected to rise to more than 4°C above pre-industrial levels by the end of the century, leading to more intense and frequent extreme weather events, which have an impact on claims.

Using these scenarios, the physical risks in underwriting were calculated for time horizons of 5, 15, and 30 years. The endpoint is once again 2100. While transition risks from natural disasters are only indirectly relevant in underwriting, physical risks are more important.

The analysis of various potential trajectories addresses the uncertainty about how the future will unfold and allows for an assessment within one of the intermediate ranges.

The reevaluation of technical provisions is based on data from the Climate Impact Explorer and from a study by Munich Re (2020), an article by Kunz, Mohr & Punge (2018), and the European Severe Weather Database (ESWD). The market value of technical provisions would rise due to the increase in expected future loss or damage. The impacts of physical risks on the insurance business of property insurance companies were analyzed quantitatively for time horizons of 5, 15, and 30 years. While the value of loss or damage as a result of flooding and hailstorms increases in the first time horizon, this tends to tail off in the second time horizon. The expected claims incurred were adjusted in order to assess the impact of flooding and hailstorms. Overall, the scenario analyses clearly show that higher losses due to extreme weather events have a significant impact on the technical provisions of property insurance companies.

Transition risks in the underwriting business are qualitatively identified and assessed in the ORSA. No transition risks were identified that have significant negative impacts.

Physical and transition risks in **own operations** are qualitatively identified and assessed in the ORSA. No physical or transition risks were identified that have significant negative impacts on own operations. Accordingly, no scenario analysis was performed. With regard to own operations, a geographical analysis of ARAG's sites determined that the properties are not affected by physical climate risks.

The short-, medium-, and long-term time horizons follow the definition of the supervisory authority: a period of 5–10 years is selected for the short term, 10–15 years for the medium term, and 15–30 years for the long term. This takes into account the long-term nature of the risks. The objective here is to identify risks at an early stage and derive any potential need for action. The strategic planning horizon is less than five years. Within this timeframe, operational risk is managed through capital allocation plans and, among other things, is based on the duration of fixed-income securities. The focus here is on acute risks.

ARAG uses MSCI's Implied Temperature Rise (ITR) to determine whether assets are compatible with the transition to a climate-neutral economy. The ITR provides a company's implied temperature increase, which is calculated based on a carbon budget allocated according to the company's sector and size, and on the action it has taken to reduce carbon emissions. The achievement of its own targets is also taken into account. Investments with an ITR above 4°C are excluded from direct investments and self-managed institutional pension and fixed-income funds.

The results of the scenario analyses are used to calculate the impact on the coverage ratio and to identify any potential need for action. The analyses did not reveal any need for further action. In addition to the impacts on assets, the impacts of **transition risks on the ARAG Group's financial performance** were also assessed. The coverage ratio serves as the metric for performance. While the fall in the market value of investments reduces the coverage ratio, the requirements of the business policy are still met. The financial performance of the ARAG Group is also assured with regard to the impacts of transition risks. Despite the existing resilience, climate change in particular may necessitate short-term adjustments to the business model, especially in the area of casualty and property insurance due to higher claims payments. Climate change could also lead to short-,

medium-, or long-term adjustments to investments. Furthermore, the consequences of climate change and the action taken across the insurance industry to mitigate climate change could lead to changes that may also entail adjustments to the strategy in the long-term.

Further environment-related sustainability topics

A varied approach was taken within the value chain in order to identify impacts, risks, and opportunities related to sustainability matters such as pollution, biodiversity and ecosystems, water and marine resources, and resource use and circular economy. The following sub-topics were taken into account:

- Pollution: pollution of air; pollution of water; pollution of soil; pollution of living organisms and food resources; substances of concern; substances of very high concern; microplastics
- Water and marine resources
- Biodiversity and ecosystems: direct impact drivers of biodiversity loss; impacts on the state of species; impacts on the extent and condition of ecosystems; impacts and dependencies on ecosystem services
- Resource use and circular economy: Resource inflows, including resource use; resource outflows related to products and services; waste

The aforementioned methodology was used to identify actual and potential impacts, risks, and opportunities in own operations and in the upstream and downstream value chain.

As an insurance company, ARAG primarily provides insurance products. Consequently, its **own operations** are essentially not dependent on marine resources or other natural resources, and is not active in geographical regions in which it could have an impact on bodies of water.

No significant impacts, risks, and opportunities were identified in relation to biodiversity, mainly because ARAG does not have sites in or near key biodiversity areas or river catchment areas. The sites are also not material with regard to pollution, and no corrective action was taken. As an insurance company, ARAG is not dependent on biodiversity or on ecosystem services. Furthermore, no significant volumes of waste are generated, which is why these topics are deemed not material from the perspective of own operations.

ARAG's investments are an integral element of the value chain. Publicly accessible data sets were used to identify impacts within these investments. The data shows which impacts are associated with various sectors of industry, but do not relate to individual issuers. Nevertheless, this data provides an objective overview and a basis for discussion among experts. The data-driven analysis examined whether ARAG invests in sectors that typically consume a lot of water or resources, or that have a significant impact on pollution (air, water, soil), biodiversity, or water and marine resources. Since ARAG does not have any significant investments in issuers related to these topics, no material impacts were identified.

The sustainability matters were discussed among experts for the 'insurance activities' dimension. The bulk of ARAG's business activities are concentrated in the Federal Republic of Germany and involve the provision of insurance cover to individuals and to small and medium-sized enterprises. No material impacts in relation to the aforementioned environmental matters were identified in this context.

No consultations were held with affected communities.

No major impacts were identified in any dimension in relation to pollution, biodiversity and ecosystems, water and marine resources, and resource use and circular economy. Based on the materiality assessment, no material risks or opportunities were identified in relation to these topics. The materiality assessment did not consider any systemic risks with regard to biodiversity.

As an insurance company, ARAG must have an effective and appropriate system of governance in place in accordance with the relevant requirements of section 3 VAG. This system of governance is designed to ensure that legal and regulatory requirements are met and that the Company is run soundly and prudently. Risk management is an integral element of ARAG's governance structure. The aspects of the internal governance system and ARAG's business activities were included in the materiality assessment. The criteria of location, activity, and sector used to identify impacts, risks, and opportunities related to business conduct do not differ from those used in the materiality assessment.

2 Environmental information

2.1 Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

The Taxonomy Regulation (Regulation [EU] 2020/852) provides a classification system for identifying sustainable economic activities and promoting transparency about them. Companies must disclose key performance indicators (KPIs) associated with their taxonomy-related economic activities.

For ARAG, this includes both investing activities and underwriting activities. The underwriting activities are only relevant to non-life and reinsurance business. The Taxonomy Regulation specifies the following six environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

Economic activities are defined for each environmental objective. These have the potential to be environmentally sustainable by making a positive contribution to one of the six environmental objectives. An economic activity is considered taxonomy-eligible if technical screening criteria (TSC) have been defined for the activity. It is also considered taxonomy-aligned if it meets the technical screening criteria, including the Do No Significant Harm (DNSH) principle, and provides social minimum safeguards.

Insurance

Gross premiums considered taxonomy-eligible relate to certain non-life insurance activities from specific lines of business (LoBs) under Solvency II that provide cover for specific, climate-related hazards:

- LoB 1: medical expense insurance
- LoB 2: income protection insurance
- LoB 3: workers' compensation insurance
- LoB 4: motor vehicle liability insurance
- LoB 5: other motor insurance
- LoB 6: marine, aviation and transport insurance
- LoB 7: fire and other damage to property insurance
- LoB 11: assistance

LoBs 3 and 6 are not part of the ARAG portfolio. The bulk of ARAG's gross premiums written are for legal insurance, which is taxonomy-non-eligible according to the Taxonomy Regulation.

ARAG considers products taxonomy-eligible if they have both a direct and an indirect link to climate-related hazards in the insurance terms and conditions. Following the publication of the act, the individual components of ARAG's products were analyzed with regard to their coverage of climate-related hazards involving temperature, wind, water, or solid mass. The proportion is calculated based on data for the premiums of individual product features provided by the Finance and Accounting Department. Based on this data, it is possible to identify which premiums are directly associated with climate-related hazards. Additional information provided by the international units was also factored in. The allocation of gross premiums from Spain and Portugal to the individual product features was based on the related sales revenue.

Components of home contents insurance and residential buildings insurance, in particular, were identified as taxonomy-aligned. The fulfillment of the criteria is briefly outlined below.

The ARAG products identified as taxonomy-eligible offer customers protection against climate-related risks. These risks play a key role in pricing and are adequately taken into account with the help of the latest modeling methodologies. They factor in historical data as well as trends and insights from scenarios and simulations that could be important for the future. The risks of climate change are appropriately reflected by including physical characteristics and geographical zones in the cost calculations. Furthermore, multiple data sources (proprietary data and relevant research by the German Insurance Association [GDV], for example) are often consulted to reduce uncertainties and the range of possible results. The results are assessed using validation methods that examine the model's consistency, robustness, and sensitivity.

ARAG offers incentives in the form of deductibles and discounts, especially with its home contents and residential building insurance products, to encourage customers to take prevention and mitigation measures.

Among other things, the product development process incorporates market observations, customer surveys, and the monitoring of the regulatory environment. A full review is also undertaken to determine the extent to which sustainability aspects and/or new or evolving climate-related risks should be included in future generations of products. Adjustments are agreed in close cooperation with ARAG's Chief Sustainability Officer. Climate change is driving the cost and frequency of climate-related loss events. Thanks to their business model, insurance companies have access to a significant volume of relevant claims data that is not available to the authorities and other public bodies to the same extent. In order to derive the greatest benefit from this data, including for the protection of the general public, ARAG shares anonymized data with the authorities.



ARAG aims to provide its customers and sales partners with expert assistance that is fast and transparent. Service standards were defined for the claims handling guideline that are to be upheld in the event of a loss. ARAG also has an emergency procedure in place to ensure that its existing telephone lines are adequately staffed in the event of a major disaster. Affected customers will also find a link on the website through which they can quickly submit claims.

Insurance products must not be reported as taxonomy-aligned if they provide cover for the production, storing, or transportation of fossil fuels or for vehicles, property and equipment, or other facilities used in this context. ARAG's business model excludes such insurance options and thus complies with this principle.

Insurance activities should also include suitable measures to provide minimum safeguards in respect of human rights, corruption, taxation, and fair competition. ARAG has implemented processes aimed at meeting these requirements. Potential risks are identified and preventive measures defined and monitored, where necessary, as part of a due diligence process. The Compliance Guideline and the compliance function ensure overall compliance.

As a legal insurer, ARAG currently has only a small proportion of products associated with climate risks. Nevertheless, sustainability matters are actively reviewed and integrated during the product development process. This involves continually checking the extent to which climate risks influence the products and whether the risks need to be taken into account. The concept is agreed with ARAG's Chief Sustainability Officer as part of the

product development process. Among other things, this involves looking at the taxonomy eligibility criteria. Feedback from Sales and from customers is also factored into the development process with the aim of creating an even more customer-oriented offering. Nevertheless, there are currently no targets for taxonomy alignment.

The proportions have remained the same year on year, mainly because, as a legal insurer, ARAG's legal insurance business accounts for a significant proportion of gross premiums written. As this income is neither taxonomy-eligible nor taxonomy-aligned, it is used only in the metrics' denominator. The following metrics apply to the insurance business in 2023 and 2024.

The underwriting KPI for non-life insurance and reinsurance companies

Economic activities (1)	Material contribution to climate change adaptation			Do No Significant Harm (DNSH)					
	Absolute premiums, 2024 (2) (€ million)	Proportion of premiums, 2024 (3) (%)	Proportion of premiums, 2023 (4) (%)	Climate change mitigation (5) Y/N	Water and marine resources (6) Y/N	Circular economy (7) Y/N	Pollution (8) Y/N	Biodiversity and ecosystems (9) Y/N	Minimum safeguards (10) Y/N
A.1. Taxonomy-aligned non-life insurance and reinsurance underwriting activities (environmentally sustainable)	18.9	0.9	0.9	Y	Y	Y	Y	Y	Y
A.1.1 Of which reinsured	1.1	0.1	0.1	Y	Y	Y	Y	Y	Y
A.1.2 Of which stemming from reinsurance activity	0.0	0.0	0.0	Y	Y	Y	Y	Y	Y
A.1.2.1 Of which reinsured (retrocession)	0.0	0.0	0.0	Y	Y	Y	Y	Y	Y
A.2. Taxonomy-eligible, but not environmentally sustainable, non-life and reinsurance underwriting activities (not taxonomy-aligned activities)	169.0	8.3	8.8	X	X	X	X	X	X
B. Taxonomy-non-eligible non-life and reinsurance underwriting activities	1,858.5	90.8	90.4	X	X	X	X	X	X
Total (A.1 + A.2 + B)	2,046.4	100.0	100.0	X	X	X	X	X	X

Investments

There is growing public interest in sustainable investments, and they are closely associated with the Taxonomy Regulation. The aim is to increase the volume of financing of taxonomy-aligned economic activities overall, although no explicit targets are set for this. The taxonomy eligibility and taxonomy alignment of investments is disclosed below.

Calculation base

The calculation of the KPIs is usually based on total assets, which comprises all investments including intangible assets. For all assets that fall within the scope, the carrying amounts from the consolidated financial statements prepared in accordance with HGB are used. The basis of consolidation used for ARAG Holding SE is the one defined in the consolidated financial statements, which matches the companies consolidated for regulatory purposes. As the basis of consolidation was expanded in 2024, comparability with the metrics disclosed for the previous year is limited accordingly.

Under the rules of the EU taxonomy, exposures to central governments, central banks, and supranational issuers are excluded from the numerator and denominator when calculating the KPIs.

Certain investments (e.g. cash, intangible assets, and derivatives) are also excluded from the numerator, as are companies that are not obliged to publish a non-financial statement under Articles 19a and 29a of Directive 2013/34/EU (Non-financial Reporting Directive [NFRD]). The exception here are subsidiaries included in the report of a parent entity that is obliged to publish a non-financial statement. In this case, the KPIs of the parent entity are used – where available and technically feasible – as the basis for calculating a subsidiary's KPIs.

Use of mandatory published information (liquid assets)

The KPIs disclosed are based on the data published by investee companies. The calculation is based on the most recent data and KPIs available from the counterparties. No estimates are made in this context.

The published data of the individual counterparties that is required for assessing liquid assets in the public markets segment was obtained from a data provider and used. Where data was not available, other associated data providers or relevant publications were used. Only data available by March 1, 2025 was used. In the case of investments in investment funds, a review of the individual investments within the funds and the issuers behind them – where such information was available – was carried out and the availability of data on taxonomy alignment checked.

Data quality

ARAG has put internal controls in place for checking the data, and information from external data providers is spot-checked and validated. One example is the risk-based, manual review to determine whether counterparties covered by the NFRD have published freely available taxonomy-related metrics. Any discrepancies are reported to the external data providers and corrected.

Establishing the taxonomy alignment of investments in real estate and infrastructure

Obtaining data for non-liquid assets, which at ARAG include real estate (direct investments, loans, equity investments/funds) and infrastructure investments (equity investments/funds), is still difficult and incomplete. ARAG's own analyses and external data procurement via partners (including external asset managers), counterparties, co-investors (in the case of investments via fund and investment vehicles), trade associations/initiatives (German Investment Funds Association [BVI], German Alternative Investment Association

[BAI], Principles for Responsible Investment [PRI], Encore, German Property Federation [ZIA], etc.), and public data sources are all included. Each asset manager and portfolio manager was asked about the availability of relevant information.

In the real estate segment, each directly held property was analyzed to ascertain taxonomy alignment, with the relevant Energy Performance Certificates (EPCs) consulted. Where no EPC was available for a property, checks were carried out to determine whether the property was in the top 15 percent of properties nationwide or across the region in terms of primary energy consumption. Research by the Institut de l'Épargne Immobilière et Foncière (IEIF) and information from the Deepki platform were mainly used for this purpose. Compliance with the DNSH principle was also checked, with a climate risk and vulnerability assessment carried out for each property that met the criteria for a material contribution. The analysis established whether properties are exposed to potential climate-related hazards and whether plans are in place for adapting in the event of a risk.

Disclosures under Article 8 of the EU taxonomy

In accordance with Annex X of the EU taxonomy, the following tables show the proportion of investments by insurance and reinsurance undertakings that are used to fund taxonomy-aligned or not taxonomy-aligned economic activities. The tables provide a clear overview of the exposures that make up the denominator and numerator upon which the relevant KPIs of the Taxonomy Regulation are based. This provides an insight into the proportion of investments that are directed at, or associated with, the funding of taxonomy-aligned economic activities in relation to the insurance or reinsurance company's total investments. The absolute rise in taxonomy-aligned investments originates primarily in financials and is mainly down to the greater availability and reliability of data. The increased coverage is primarily the result of purchased portfolio elements and certain shifts in assets that must be recorded for the KPI.

The proportion of investments by ARAG in 2024 that are directed at, or associated with, the funding of taxonomy-aligned economic activities in relation to the total investments

Description	Percentage-based metric	Description	Absolute metric
	(%)		(€ million)
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with the following weightings for investments in undertakings as listed below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, taxonomy-aligned economic activities, with the following weightings for investments in undertakings as listed below:	
Sales revenue-based:	4.7	Sales revenue-based:	247.2
CapEx-based:	6.5	CapEx-based:	339.7
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities:		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities:	
Coverage ratio:	81.8	Coverage:	5,235.4
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI:	0.0	The value in monetary amounts of derivatives:	0.0
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	26.8	For non-financial undertakings:	1,400.7
For financial undertakings:	13.3	For financial undertakings:	698.0
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	17.9	For non-financial undertakings:	936.3
For financial undertakings:	5.7	For financial undertakings:	300.7
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	12.8	For non-financial undertakings:	670.4
For financial undertakings:	19.6	For financial undertakings:	1,028.5
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: ¹	27.5	Value of exposures to other counterparties and assets: ¹	1,437.8
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders: ²	100.0	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders: ²	5,235.4



The proportion of investments by ARAG in 2024 that are directed at, or associated with, the funding of taxonomy-aligned economic activities in relation to the total investments

Description	Percentage-based metric	Description	Absolute metric
	(%)		(€ million)
The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI: ²		Value of all the investments that are funding economic activities that are not taxonomy-eligible: ²	
Sales revenue-based:	41.0	Sales revenue-based:	2,144.0
CapEx-based:	36.8	CapEx-based:	1,927.0
The value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI: ²		Value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned: ²	
Sales revenue-based:	7.6	Sales revenue-based:	396.0
CapEx-based:	6.9	CapEx-based:	359.4
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings – sales revenue-based:	1.6	For non-financial undertakings – sales revenue-based:	82.6
For non-financial undertakings – CapEx-based:	2.9	For non-financial undertakings – CapEx-based:	150.1
For financial undertakings – sales revenue-based:	0.6	For financial undertakings – sales revenue-based:	29.2
For financial undertakings – CapEx-based:	1.0	For financial undertakings – CapEx-based:	54.2
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, taxonomy-aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, taxonomy-aligned economic activities:	
Sales revenue-based:	4.7	Sales revenue-based:	247.2
CapEx-based:	6.5	CapEx-based:	339.7
The proportion of taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:		The proportion of taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Sales revenue-based:	2.6	Sales revenue-based:	135.4
CapEx-based:	2.6	CapEx-based:	135.4

¹ In Article 5 (3) of the Delegated Regulation of June 27, 2023, exposures to other counterparties became '(...) other counterparties and assets' (cf. Annex 5 (12) and (13)).

² Annex X to the Disclosures Delegated Act (DDA) does not call for a separate disclosure of sales revenue-based and CapEx-based metrics at these points. Based on the calculation logic, these metrics would be expected to be disclosed on the basis of sales revenue and CapEx too.

The proportion of investments by ARAG in 2023 that are directed at, or associated with, the funding of taxonomy-aligned economic activities in relation to the total investments

Description	Percentage-based metric	Description	Absolute metric
	(%)		(€ million)
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with the following weightings for investments in undertakings as listed below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, taxonomy-aligned economic activities, with the following weightings for investments in undertakings as listed below:	
Sales revenue-based:	5.2	Sales revenue-based:	219.2
CapEx-based:	7.5	CapEx-based:	314.9
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities:		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities:	
Coverage ratio:	72.3	Coverage:	4,217.3
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI:	0.0	The value in monetary amounts of derivatives:	0.0
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	17.8	For non-financial undertakings:	752.2
For financial undertakings:	13.0	For financial undertakings:	546.1
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	15.9	For non-financial undertakings:	670.1
For financial undertakings:	6.0	For financial undertakings:	252.2
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	17.2	For non-financial undertakings:	723.1
For financial undertakings:	22.0	For financial undertakings:	928.7
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: ¹	30.1	Value of exposures to other counterparties and assets: ¹	1,267.2
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders: ²	100.0	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders: ²	4,217.3



The proportion of investments by ARAG in 2024 that are directed at, or associated with, the funding of taxonomy-aligned economic activities in relation to the total investments

Description	Percentage-based metric	Description	Absolute metric
	(%)		(€ million)
The value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI: ²		Value of all the investments that are funding economic activities that are not taxonomy-eligible: ²	
Sales revenue-based:	19.9	Sales revenue-based:	841.0
CapEx-based:	15.7	CapEx-based:	661.5
The value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI: ²		Value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned: ²	
Sales revenue-based:	13.6	Sales revenue-based:	574.2
CapEx-based:	17.6	CapEx-based:	740.9
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings – sales revenue-based:	4.9	For non-financial undertakings – sales revenue-based:	206.7
For non-financial undertakings – CapEx-based:	6.6	For non-financial undertakings – CapEx-based:	277.9
For financial undertakings – sales revenue-based:	0.3	For financial undertakings – sales revenue-based:	12.5
For financial undertakings – CapEx-based:	0.9	For financial undertakings – CapEx-based:	37.0
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, taxonomy-aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, taxonomy-aligned economic activities:	
Sales revenue-based:	5.2	Sales revenue-based:	219.2
CapEx-based:	7.5	CapEx-based:	314.9
The proportion of taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:		The proportion of taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Sales revenue-based:	0.0	Sales revenue-based:	0.0
CapEx-based:	0.0	CapEx-based:	0.0

¹ In Article 5 (3) of the Delegated Regulation of June 27, 2023, exposures to other counterparties became '(...) other counterparties and assets' (cf. Annex 5 (12) and (13)).

² Annex X to the Disclosures Delegated Act (DDA) does not call for a separate disclosure of sales revenue-based and CapEx-based metrics at these points. Based on the calculation logic, these metrics would be expected to be disclosed on the basis of sales revenue and CapEx too.



Breakdown of the numerator of the KPI by environmental objective (2024)

Taxonomy-aligned activities – provided Do No Significant Harm (DNSH) and social safeguards positive assessment:

Environmental objective	Percentage-based metric	Breakdown	Percentage-based metric
1. Climate change mitigation ¹			
Sales revenue:	4.5	Transitional activities (sales revenue):	0.2
CapEx:	6.3	Transitional activities (CapEx):	0.4
		Enabling activities (sales revenue):	1.1
		Enabling activities (CapEx):	1.5
2. Climate change adaptation ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.1	Enabling activities (CapEx):	0.1
3. Sustainable use and protection of water and marine resources ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
4. Transition to a circular economy ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
5. Pollution prevention and control ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
6. Protection and restoration of biodiversity and ecosystems ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0

¹ The transition activities for environmental objectives 2–6 were deleted in Article 5 (3) of the Delegated Regulation of June 27, 2023 (cf. Annex 5 (11)).



Breakdown of the numerator of the KPI by environmental objective (2023)

Taxonomy-aligned activities – provided Do No Significant Harm (DNSH) and social safeguards positive assessment:

Environmental objective	Percentage-based metric	Breakdown	Percentage-based metric
1. Climate change mitigation ¹			
Sales revenue:	5.0	Transitional activities (sales revenue):	0.1
CapEx:	7.0	Transitional activities (CapEx):	0.2
		Enabling activities (sales revenue):	0.7
		Enabling activities (CapEx):	1.4
2. Climate change adaptation ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
3. Sustainable use and protection of water and marine resources ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
4. Transition to a circular economy ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
5. Pollution prevention and control ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
6. Protection and restoration of biodiversity and ecosystems ¹			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0

¹ The transition activities for environmental objectives 2–6 were deleted in Article 5 (3) of the Delegated Regulation of June 27, 2023 (cf. Annex 5 (11)).

KPIs for environmental objectives 3–6 (2024)

Environmental objectives 3–6 and new activities	Percentage-based metric	Absolute metric
The proportion of exposures in taxonomy-eligible economic activities according to the Taxonomy Regulation and sections 3.18 to 3.21, and sections 6.18 to 6.20 of Annex I of Delegated Regulation (EU) 2021/2139 and sections 5.13, 7.8, 8.4, 9.3, 14.1, and 14.2 of Annex II of Delegated Regulation (EU) 2021/2139 relative to the value of total assets covered by the KPI: ¹	0.0	0.4
The proportion of exposures in taxonomy-non-eligible economic activities according to the Taxonomy Regulation and sections 3.18 to 3.21, and sections 6.18 to 6.20 of Annex I of Delegated Regulation (EU) 2021/2139 and sections 5.13, 7.8, 8.4, 9.3, 14.1, and 14.2 of Annex II of Delegated Regulation (EU) 2021/2139 relative to the value of total assets covered by the KPI: ¹	99.9	5,235.0

KPIs for environmental objectives 3–6 (2023)

Environmental objectives 3–6 and new activities	Percentage-based metric	Absolute metric
The proportion of exposures in taxonomy-eligible economic activities according to the Taxonomy Regulation and sections 3.18 to 3.21, and sections 6.18 to 6.20 of Annex I of Delegated Regulation (EU) 2021/2139 and sections 5.13, 7.8, 8.4, 9.3, 14.1, and 14.2 of Annex II of Delegated Regulation (EU) 2021/2139 relative to the value of total assets covered by the KPI: ¹	0.0	0.0
The proportion of exposures in taxonomy-non-eligible economic activities according to the Taxonomy Regulation and sections 3.18 to 3.21, and sections 6.18 to 6.20 of Annex I of Delegated Regulation (EU) 2021/2139 and sections 5.13, 7.8, 8.4, 9.3, 14.1, and 14.2 of Annex II of Delegated Regulation (EU) 2021/2139 relative to the value of total assets covered by the KPI: ¹	0.0	0.0

¹ Annex X to the Disclosures Delegated Act (DDA) does not call for a separate disclosure of sales revenue-based and CapEx-based metrics at these points. Based on the calculation logic, these metrics would be expected to be disclosed on the basis of sales revenue and CapEx too.

Investments in economic activities in nuclear energy and fossil gas

As of December 31, 2024, ARAG's investments included few investments in nuclear energy and fossil gas. Up-to-date information on exposures in relation to activities in nuclear energy and fossil gas is provided in accordance with Annex III of Delegated Regulation (EU) 2022/1214.

Template 1 – Nuclear and fossil gas related activities

Row	2024
Nuclear energy related activities	
1. The undertaking carries out, funds, or has exposures to research, development, demonstration, and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
2. The undertaking carries out, funds, or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3. The undertaking carries out, funds, or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
Fossil gas related activities	
4. The undertaking carries out, funds, or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5. The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6. The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 1 – Nuclear and fossil gas related activities

Row	2023
Nuclear energy related activities	
1. The undertaking carries out, funds, or has exposures to research, development, demonstration, and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2. The undertaking carries out, funds, or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3. The undertaking carries out, funds, or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
Fossil gas related activities	
4. The undertaking carries out, funds, or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5. The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6. The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Template 2 – Taxonomy-aligned economic activities (denominator) (2024)

Row		Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
				CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
				Amount in million €	%	Amount in million €	%	Amount in million €	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.2	0	0.2	0.0	0.0	0.0	
		(CapEx)	0.0	0	0.0	0.0	0.0	0.0	
2.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	3.5	0.1	3.5	0.1	0.0	0.0	
		(CapEx)	14.4	0.3	14.4	0.3	0.0	0.0	
3.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	21.2	0.4	21.2	0.4	0.0	0.0	
		(CapEx)	7.1	0.1	7.1	0.1	0.0	0.0	
4.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	2.3	0.0	2.3	0.0	0.0	0.0	
5.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	2.4	0.1	2.4	0.1	0.0	0.0	
		(CapEx)	2.7	0.1	2.7	0.1	0.0	0.0	
6.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.2	0.0	0.2	0.0	0.0	0.0	
		(CapEx)	2.0	0.0	2.0	0.0	0.0	0.0	
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	(Sales revenue)	219.8	4.2	219.8	4.2	0.0	0.0	
		(CapEx)	311.2	5.9	309.9	5.9	1.3	0.0	
8.	Total applicable KPI	(Sales revenue)	247.2	4.7	247.2	4.7	0.0	0.0	
		(CapEx)	339.7	6.5	338.4	6.5	1.3	0.0	

CCM = climate change mitigation; CCA = climate change adaptation

Template 2 – Taxonomy-aligned economic activities (denominator) (2023)

Row		Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
				CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
				Amount in million €	%	Amount in million €	%	Amount in million €	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0	
2.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	0.4	0.0	0.4	0.0	0.0	0.0	
3.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	2.0	0.1	2.0	0.1	0.0	0.0	
		(CapEx)	2.9	0.1	2.9	0.1	0.0	0.0	
4.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	0.2	0.0	0.2	0.0	0.0	0.0	
5.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	0.2	0.0	0.2	0.0	0.0	0.0	
6.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0	
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	(Sales revenue)	217.5	5.2	208.0	4.9	0.5	0.0	
		(CapEx)	311.3	7.4	290.2	6.9	1.0	0.0	
8.	Total applicable KPI	(Sales revenue)	219.2	5.2	210.0	5.0	0.5	0.0	
		(CapEx)	314.9	7.5	293.9	7.0	1.0	0.0	

CCM = climate change mitigation; CCA = climate change adaptation



Template 3 – Taxonomy-aligned economic activities (numerator) (2024)

Row		Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
				CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
				Amount in million €	%	Amount in million €	%	Amount in million €	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.2	0.1	0.2	0.1	0.0	0.0	
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0	
2.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	3.5	1.4	3.5	1.4	0.0	0.0	
		(CapEx)	14.4	4.2	14.4	4.2	0.0	0.0	
3.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	21.2	8.6	21.2	8.6	0.0	0.0	
		(CapEx)	7.1	2.1	7.1	2.1	0.0	0.0	
4.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	2.3	0.7	2.3	0.7	0.0	0.0	
5.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	2.4	1.0	2.4	1.0	0.0	0.0	
		(CapEx)	2.7	0.8	2.7	0.8	0.0	0.0	
6.	Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.2	0.1	0.2	0.1	0.0	0.0	
		(CapEx)	2.0	0.6	2.0	0.6	0.0	0.0	
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	(Sales revenue)	219.8	88.9	219.8	88.9	0.0	0.0	
		(CapEx)	311.2	91.6	309.9	91.2	1.3	0.4	
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	(Sales revenue)	247.2	100.0	247.2	100.0	0.0	0.0	
		(CapEx)	339.7	100.0	338.4	99.6	1.3	0.4	

CCM = climate change mitigation; CCA = climate change adaptation



Template 3 – Taxonomy-aligned economic activities (numerator) (2023)

Row		Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)						
			CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		
			Amount in million €	%	Amount in million €	%	Amount in million €	%	
1.		Amount and proportion of taxonomy-aligned economic activity referred to in section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0
			(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0
2.		Amount and proportion of taxonomy-aligned economic activity referred to in section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0
			(CapEx)	0.4	0.1	0.4	0.1	0.0	0.0
3.		Amount and proportion of taxonomy-aligned economic activity referred to in section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	2.0	0.9	2.0	0.9	0.0	0.0
			(CapEx)	2.9	0.9	2.9	0.9	0.0	0.0
4.		Amount and proportion of taxonomy-aligned economic activity referred to in section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0
			(CapEx)	0.2	0.1	0.2	0.1	0.0	0.0
5.		Amount and proportion of taxonomy-aligned economic activity referred to in section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0
			(CapEx)	0.2	0.1	0.2	0.1	0.0	0.0
6.		Amount and proportion of taxonomy-aligned economic activity referred to in section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0
			(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0
7.		Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	(Sales revenue)	217.5	99.2	208.0	94.9	0.5	0.3
			(CapEx)	311.3	98.9	290.2	92.2	1.0	0.3
8.		Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	(Sales revenue)	219.2	100.0	210.0	95.8	0.5	0.3
			(CapEx)	314.9	100.0	293.9	93.3	1.0	0.3

CCM = climate change mitigation; CCA = climate change adaptation

Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities (2024)

Row		Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
				CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
				Amount in million €	%	Amount in million €	%	Amount in million €	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.1	0.0	0.1	0.0	0.0	0.0	
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0	
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.3	0.0	0.3	0.0	0.0	0.0	
		(CapEx)	9.8	0.2	9.8	0.2	0.0	0.0	
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	13.6	0.3	13.6	0.3	0.0	0.0	
		(CapEx)	3.3	0.1	3.3	0.1	0.0	0.0	
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	2.0	0.0	2.0	0.0	0.0	0.0	
		(CapEx)	0.2	0.0	0.2	0.0	0.0	0.0	
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	10.5	0.2	10.5	0.2	0.0	0.0	
		(CapEx)	8.2	0.2	8.2	0.2	0.0	0.0	
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.2	0.0	0.2	0.0	0.0	0.0	
		(CapEx)	2.0	0.0	2.0	0.0	0.0	0.0	
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	(Sales revenue)	369.3	7.1	362.4	6.9	6.9	0.1	
		(CapEx)	336.0	6.4	334.4	6.4	1.6	0.0	
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	(Sales revenue)	396.0	7.6	389.1	7.4	6.9	0.1	
		(CapEx)	359.4	6.9	357.8	6.8	1.6	0.0	

CCM = climate change mitigation; CCA = climate change adaptation



Template 4 – Taxonomy-eligible but not taxonomy-aligned economic activities (2023)

Row		Economic activities		Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
				CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
				Amount in million €	%	Amount in million €	%	Amount in million €	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0	
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0	
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0	
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	3.1	0.1	3.1	0.1	0.0	0.0	
		(CapEx)	0.4	0.0	0.4	0.0	0.0	0.0	
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	10.9	0.3	10.9	0.3	0.0	0.0	
		(CapEx)	5.9	0.1	5.9	0.1	0.0	0.0	
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0	
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0	
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	(Sales revenue)	560.3	13.3	0.0	0.0	0.0	0.0	
		(CapEx)	734.6	17.4	0.0	0.0	0.0	0.0	
8.	Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	(Sales revenue)	574.2	13.6	0.0	0.0	0.0	0.0	
		(CapEx)	740.9	17.6	0.0	0.0	0.0	0.0	

CCM = climate change mitigation; CCA = climate change adaptation

Template 5 – Taxonomy-non-eligible economic activities (2024)

Row	Economic activities		Amount in million €	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.4	0.0
		(CapEx)	0.0	0.0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	1.8	0.0
		(CapEx)	3.0	0.1
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	1.8	0.0
		(CapEx)	1.1	0.0
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0
		(CapEx)	0.0	0.0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	2.2	0.1
		(CapEx)	2.2	0.0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.4	0.0
		(CapEx)	0.0	0.0
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	(Sales revenue)	2,137.3	40.8
		(CapEx)	1,920.7	36.7
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	(Sales revenue)	2,144.0	41.0
		(CapEx)	1,927.0	36.8

CCM = climate change mitigation; CCA = climate change adaptation

Template 5 – Taxonomy-non-eligible economic activities (2023)

Row	Economic activities		Amount in million €	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0
		(CapEx)	0.0	0.0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.1	0.0
		(CapEx)	2.7	0.1
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	1.7	0.0
		(CapEx)	1.2	0.0
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0
		(CapEx)	0.0	0.0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0
		(CapEx)	0.0	0.0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0
		(CapEx)	0.0	0.0
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	(Sales revenue)	839.2	19.9
		(CapEx)	657.5	15.6
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	(Sales revenue)	841.0	19.9
		(CapEx)	661.5	15.7

CCM = climate change mitigation; CCA = climate change adaptation

2.2 Climate change

Transition plan for climate change mitigation

As an insurance company, ARAG wants to make a positive contribution to climate action. To this end, ARAG adopted a sustainability strategy back in 2022, which is set out below. ARAG does not currently have a transition plan. As a transition plan is necessary to achieve carbon reduction targets, such a plan will be developed and adopted within the next two years.

2.2.1 Own operations

ARAG's own operations include activities that cannot be designated as insurance activities or investments. During the materiality assessment, ARAG identified material negative impacts in its own operations:

- ARAG's business generates carbon emissions that have a negative impact on climate change.
- ARAG contributes to energy consumption through its business.

The concepts, actions, and targets for mitigating negative impacts are described below.

2.2.1.1 Concepts

Sustainability strategy

Given its influence on the environment as a financial institution, ARAG defined a sustainability strategy in 2022 that is binding across the Group and for all departments.

Among other things, it covers the management of material sustainability matters in own operations and is based on the United Nations' 17 SDGs and the Global Compact. ARAG's sustainability strategy is centered around three key areas of action. With regard to its own operations, ARAG focuses on its sites where sustainable business practices are being implemented. Emissions from properties used by third parties are reported under Scope 1

and 2 emissions for the first time as of December 31, 2024, resulting in an increase in emissions. ARAG will also start working on a transition plan in 2025. In light of this, the target set will be reviewed and redefined if necessary.

In terms of customer communication, ARAG will go mainly digital in its provision of policy documents and information sheets and in its correspondence. There will be exceptions where the law requires communications to be in paper form. The department dedicated to inhouse environmental measures focuses on reducing GHG emissions in order to reach the target set.

ARAG's sustainability strategy for its own operations relies on the environmentally friendly design of processes. The sustainability matters 'climate action' and 'energy' are addressed accordingly. While the sustainability strategy does not explicitly address climate action, climate change adaptation, energy efficiency, and the use of renewable energies, it does cover the impacts identified by the materiality assessment.

ARAG also carries out an energy audit every four years (2017, 2021, scheduled for 2025 and going forward) in accordance with DIN EN 16247-1 aimed at continually reviewing and improving its energy efficiency. A DIN EN 16247-1 energy audit is a systematic process of inspecting and analyzing a company's energy use and consumption with the aim of identifying and implementing ways to save energy. By carrying out this audit every four years, ARAG ensures that it meets legal requirements while also reducing its energy costs and minimizing its carbon footprint. The results of the audit are made available to the Management Board.

The sustainability strategy applies across the entire ARAG Group. The Management Board as a whole is responsible for achieving the target, while each department is responsible for delivering it. Each international subsidiary is individually responsible for the topics. Monitoring compliance with the strategy is the responsibility of the Management Board as a whole.

Company car policy

The purpose of ARAG's company car policy, which was last updated in July 2024, is to make using and managing company vehicles more efficient and environmentally friendly. The policy defines clear rules and processes for using, maintaining, and procuring vehicles in order to optimize costs, increase safety, and reduce the vehicle fleet's environmental impact. The objective is to convert the fleet to fully electric cars. The company car policy applies to all ARAG Group companies in Germany.

The aim of converting the entire vehicle fleet to electric is to reduce GHG emissions by replacing internal combustion vehicles with more energy-efficient electric ones. The policy only indirectly takes the sustainability matters 'climate action' and 'energy' into account, but it has an influence on the negative impact of the carbon emissions identified in the materiality assessment.

Group Central Services handles the entire fleet administration process, from the procurement and management of company vehicles to monitoring compliance with the company car policy. Overall responsibility lies with the Management Board as a whole. The company car policy is published on the intranet.

2.2.1.2 Actions

ARAG made significant progress with decarbonization in 2022 by switching to green electricity at its main administrative sites. This represents a key lever for significantly reducing carbon emissions. However, since this lever's potential has largely been exhausted, ARAG has identified further decarbonization options. They include improving energy efficiency,

promoting sustainable travel, and implementing innovative technologies that reduce the carbon footprint. The ability to deliver on this will depend on the availability and allocation of financial resources. No separate budgets have been set for these actions.

Electrification of the vehicle fleet

The following actions will be taken over the next six years to fully convert the vehicle fleet to all-electric:

ARAG will increase the subsidies for electric vehicles and expand the Company's own charging infrastructure. While electric vehicles accounted for 0.54 percent of the entire vehicle fleet in 2018, this increased to 14.2 percent in 2024. It is not currently possible to quantify the reduction in GHG emissions achieved so far.

The scope of this action is limited to own operations in Germany.

Installation of German Energy Conservation Ordinance (EnEV) kits

By installing electronically operated vents in buildings held for own use that allow for the four smoke extraction shafts of the passenger lifts to be shut tightly, it is possible to keep more heat inside the building in winter and reduce the amount of energy spent on heating. The vents also help to reduce the heat load in summer. This is achieved through temperature-dependent venting of the shaft, which provides further energy savings and increased energy efficiency. Furthermore, if CO₂ levels are high, the vents can be opened and closed to bring in fresh air. The negative pressure load (stack effect) on the fire doors in the lift vestibule is also minimized, thus reducing the susceptibility to faults and the associated costs.

The calculations based on defined average values show that there is considerable potential for savings. However, this is a theoretical calculation as the total heating costs cannot be compared and the actual temperatures in this area cannot be determined precisely. The savings on heating costs can be calculated by assuming an average external temperature of 10°C and an internal temperature of 21°C. By installing four EnEV kits, two for the innermost lifts and two for the outer twin shafts, annual savings of more than 590,000 kWh and a reduction of around 168 tonnes of CO₂ are achievable. It is not currently possible to quantify the reduction in emissions achieved so far. The installation of the EnEV kits began in mid-2024 and is scheduled to be completed by mid-2025.

The scope of this action is limited to own operations in Germany.

Sustainable commuting

More sustainable employee commuting is encouraged by offering a subsidy of up to €50 toward local public transportation and by raising awareness of climate-friendly travel options. ARAG is thus also focusing on climate action and the efficient use of resources. The Company is striving for climate-friendly employee mobility and wants to encourage everyone to adapt their behavior in the face of climate change. While 115 season tickets for local public transportation were issued to the workforce in Germany in 2022, within two years that number had increased almost five-fold. This initiative was launched in May 2023. In 2024, 696 season tickets for local public transportation were issued to the workforce in Germany. The reduction in greenhouse gas emissions is not currently quantified.

The scope of this action is limited to own operations in Germany.

2.2.1.3 Targets

ARAG has not defined any measurable, results-oriented targets for its own operations, including GHG emission reduction targets. However, the effectiveness of the concepts and actions is ensured through the annual process of calculating the carbon footprint.

2.2.2 Insurance products

The ARAG Group operates in the fields of legal insurance, casualty and property insurance, and health insurance (the latter only in Germany). It focuses on insurance products and services aimed at both private and small business customers. Internationally, the ARAG Group is targeting potential growth areas in the legal insurance sector. It does not operate diversified corporate insurance business.

Climate action was identified as material by the materiality assessment:

- Negative impacts in connection with emissions facilitated by offering casualty and property insurance.
- Positive impacts on climate change adaptation by providing cover for loss or damage caused by extreme weather.
- Risk: By covering loss or damage from climate-related risks, ARAG contributes to climate change adaptation through its insurance products. As extreme weather (hail, storms, floods, etc.) becomes more frequent as a result of climate change, there is a risk of higher overall loss events, which might not be reinsured.
- Risk: The medium- to long-term forecast is for a gross increase in risks from climate change and that risk mitigation techniques will become disproportionately more expensive. The risk from natural disasters is set to increase and drive the cost of risk mitigation techniques. There is no indication for the years ahead that purchasing sufficient reinsurance cover will not be possible. However, the reinsurance market is expected to reduce its capacity.

- Risk: More expensive energy causes a recession and higher unemployment, leading to a fall in new business.

The concepts, actions, and targets implemented to manage the impacts are presented below. Climate change adaptation was identified as material in the context of the taxonomy-eligible and taxonomy-aligned activities. For further information, see the chapter ‘Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)’.

2.2.2.1 Concepts

Sustainability strategy

As a risk carrier, ARAG endeavors to help consumers and businesses to achieve and comply with environmental goals and standards. In addition, the negative impact of contributing to GHG emissions by insuring property – which was identified as material – is to be minimized and managed.

The relevant parameters are defined in the sustainability strategy, which calls for the sustainable use of natural resources. The strategy is the responsibility of the Management Board as a whole. The sustainability strategy does not explicitly address climate action, climate change adaptation, energy efficiency, and the use of renewable energies. Through its sustainability strategy, ARAG endeavors to help consumers and businesses to achieve and comply with environmental goals and standards. The aim is to promote sustainable transformation by reviewing the inclusion of sustainable benefits, services, or pricing features when updating products and developing new ones. In the context of deciding whether to take on business, ARAG also considers it very important that customers, including business customers, comply with environmental, social, and governance (ESG) standards. The design of the sustainability strategy is the responsibility of the individual departments. At the overarching level, the sustainability function is responsible for the implementation of, and compliance with, the strategy.

Underwriting guideline

The underwriting guideline is the basis for acceptance checks in underwriting and is consistent with the Group sustainability strategy. The guideline also defines ARAG’s appetite for risk. In this context, ARAG attaches great importance to its customers’ compliance with ESG standards, including business customers.

The underwriting policy is further broken down by contracting guidelines at product level. Each insurance company in the ARAG Group has its own underwriting guideline formulated by the central Underwriting & Inward Reinsurance department. The Management Board is responsible for putting a proper system of governance in place, which includes the establishment of internal guidelines and policies. The underwriting guideline of ARAG SE is the responsibility of the member of the ARAG SE Management Board with responsibility for Sales, Products and Innovation. The underwriting guideline for property, liability and accident insurance is the responsibility of the Management Board of ARAG Allgemeine.

The independent Internal Audit function regularly checks that the Company is operating within the requirements set internally and externally. These include internal guidelines, processes, and systems related to corporate management.

2.2.2.2 Actions

The actions taken by ARAG to implement and direct its strategy and manage impacts are explained in greater detail below. The purpose of these actions, which relate to climate change mitigation, is to support the achievement of strategic targets and the associated management of identified impacts. As the actions are ongoing, no specific time horizon has been defined for them.

The Group Sales, Products and Innovation Department is responsible for the transparency of product information. The product development process is the responsibility of the Product and Portfolio Management Department, which is part of Group Sales, Products and Innovation. The Sustainability function is also involved. All of the Group’s insurance

companies in Germany are covered. Mechanisms used by ARAG include monitoring processes and legal checks to ensure compliance with key laws and regulations in Germany and abroad, as well as stringent approval processes in product development.

Expansion of the product development process

ARAG is linked to the generation of GHG emissions through property insurance and claims settlement. A conscious effort is made to incorporate sustainable benefits, services, and pricing features into new products.

The development of sustainable products and services is integral to the implementation of the sustainability strategy. This is how ARAG aims to support sustainable transformation. New products undergo a clearly defined development process that includes a sustainability check. When developing and refining insurance solutions, ARAG incorporates, among other things, insights from sales, the claims and legal service, customer service, and the needs and wishes of customers. In addition, ARAG draws on information from market research and customer surveys relating to current trends and needs. This ensures that feedback from customers and sales partners is systematically incorporated into the product development process.

The sustainability assessment, which is an integral element of concept development, looks at how sustainable customer behavior is rewarded, how sustainable lifestyles are insured, and how sustainable benefits can be offered in claims settlement.

GHG emissions are to be reduced by incentivizing more sustainable behavior through products and services.

Discounts

Nevertheless, ARAG's new products already include related incentives such as discounts. ARAG's Top Special Service Package offers discounts for customers with electric cars and

for those who use a season ticket for public transportation. With the new ARAG Recht & Gewerbe product, customers can be placed in a higher no-claims category if they belong to a sustainability network or hold a certification. Small-business customers can also be placed in a higher category if they meet at least two criteria from a sustainability catalog, such as promoting and using green transportation, using green electricity or a photovoltaic system, or voluntarily offsetting carbon emissions.

In home contents insurance, for example, ARAG encourages repairs over replacement purchases. In the event of a write-off scenario, ARAG will pay up to 130 percent of the replacement value for proven costs of repair.

Supporting the use of renewable energy

ARAG supports the use of renewables through actions that contribute to the energy transition and thus to climate change adaptation. The new Erneuerbare Energietechnik insurance from InterLloyd, for example, provides cover for facilities, including their components, used to generate, transform, and store energy, for example in the event of incorrect operation, clumsiness, short circuits, power surges, induction, and damage resulting from faults in the design, materials, and workmanship. Insured items such as heat pumps can also be covered against theft. This module is designed to cover existing as well as future risks in the field of renewable energies.

The ability to deliver on this will depend on the availability and allocation of financial resources. No separate budgets have been set for these actions. With regard to products, there are currently no climate change mitigation measures in place that rely on a decarbonization lever. It is currently not possible to determine the expected and actual reduction in GHG emissions.

2.2.2.3 Targets

To date, ARAG has not defined any measurable, results-oriented targets for its insurance products in relation to climate change mitigation and climate change adaptation. Nevertheless, the effectiveness of these concepts and actions is monitored by means of the aforementioned processes.

2.2.3 Investments

The materiality assessment identified the following material impacts and risks with regard to investments:

- Negative contribution to climate change due to investment in companies that generate emissions.
- Risks from investments in issuers with high ESG risks.

2.2.3.1 Concepts

Sustainability matters have played a key role in ARAG's investment management since 2018. By factoring sustainability considerations into its investment decisions, ARAG has added a further dimension to the traditional investment target variables of return, risk, and liquidity.

The policy on using sustainability criteria in investment adds greater detail to ARAG's sustainability strategy with regard to managing investments. The policy is reviewed annually and adapted where necessary, with overall responsibility falling to the relevant member of the Management Board. The negative impacts on society and the environment are minimized through a contribution to climate change mitigation, while the risks arising from climate change are proactively addressed in the portfolio. Specifically, ARAG's materiality assessment identified material, climate-related impacts and risks that inform the sustainability strategy.

ARAG meets its responsibility toward its stakeholders by taking sustainability matters into account in its investments. ARAG sets great store by the sustainability of its investments and is expanding its sustainable portfolio. With this in mind, ARAG integrates sustainability matters into its investment decisions and, through its actions, endeavors to make an active contribution to mastering the challenges of moving to a more sustainable economy. The Company takes an entity-specific approach in this context.

Direct investments

A negative screening filter allows for individual issuers and countries to be excluded from investments. The scope of the filter is limited to ARAG's direct investments and investments in liquid institutional funds.

Climate risks are taken into account in the new investment process by applying metrics from data provider MSCI. The Implied Temperature Rise (ITR) and Environmental Pillar Score Quartile (EPS Quartile) metrics are only applied to investments in corporate bonds and pfandbriefs/covered bonds. Government bonds are exempt from this rule and may continue to be acquired in compliance with the requirements of strategic asset allocation and the exclusion lists.

Infrastructure investments

Decisions on further expanding the commitment to sustainable infrastructure investments will be made in line with the existing alternative investments program. The objective is to not support those seeking to raise capital through investments that contravene standards of human rights, decent working conditions, or equal opportunities, or where the business does not take steps to ensure the ESG-compliant transformation of its activities.

Group Asset Management is responsible for implementing these requirements. Compliance with the investment restrictions set in relation to ESG criteria and the targets for carbon emissions are both monitored. The criteria for new investments are an integral element of the investment proposal created in portfolio management. As part of this process, each new direct investment is checked in advance to determine whether it meets the aforementioned ESG criteria, and any deviations are flagged accordingly. Each new direct investment is approved by the Senior Vice President Asset Management and the Head of Department. Twice a year, Investment Controlling calculates the carbon emissions of the Group's investments and checks the predicted path and the achievement of emission targets.

Real estate

The buildings in ARAG's investment portfolio currently represent a significant source of carbon emissions. Modernizing them can therefore make a considerable contribution to decarbonization. In the future, sustainability criteria will increasingly feature alongside the original criteria in the decision-making process, both for existing and for new-build properties. The overarching aim is to actively shape the energy transition by replacing fossil fuels with renewable energy sources and implementing energy-saving measures. This should reduce climate-related financial risks in property investments.

All investments submitted for a decision must meet the exclusion criteria set for direct investments in real estate; the other sustainability criteria have a positive influence on the overall rating.

Alternative investments

When it comes to alternative investments, ARAG focuses on selecting sustainability-oriented asset managers, irrespective of whether alternative investments are held directly, for example via institutional fund structures. To this end, a sustainability criterion is used in the assessment. The selection process for sustainability-oriented asset managers focuses

on the existence of a clear and appropriate ESG strategy, which primarily means the existence and application of a meaningful ESG policy, a regular, documented monitoring system, and transparent reporting to investors.

2.2.3.2 Actions

There are two relevant decarbonization levers in relation to the business portfolio. The first focuses on the customers' transformation (passive lever), the second on the active adaptation of the business portfolio, for example the targeted expansion of new business with low-emission customers (active lever).

One of ARAG's main active levers for achieving its climate targets is the implementation of a negative list that includes environmental aspects by taking environmental metrics into account in investment decisions and the selection of asset managers. One approach to linking the customers' transformation with these active levers is to shape the energy transition in the real estate portfolio by replacing fossil fuels with renewable energy sources and implementing energy-saving measures by factoring positive and negative criteria into investment decisions.

The environmental actions taken by ARAG are listed below. All of the actions below are ongoing and do not follow a defined time horizon.

Negative list

Exclusion criteria based on business lines are the foundation of sustainable investment. This involves applying ARAG-specific minimum standards. With this approach, one or more criteria are defined that exclude investment in certain companies or sectors. The purpose of these criteria is to exclude all assets with severe sustainability risks from ARAG's investment process.

The negative selection process is used as an overlay for the entire portfolio of fungible investments (direct investments and liquid institutional funds). Various criteria are used with regard to climate action. ARAG avoids investing in producers of coal and of unconventional oil and gas with a revenue threshold of at least 10 percent. The Company aims to contribute to climate action by supporting the decarbonization of the value chain.

Companies on the negative list are subject to an investment freeze, with sales still possible, but purchases not. If companies are no longer on the negative list, the investment freeze ends. Issuers whose business activities involve controversial weapons or are linked to child labor must be removed from the portfolio. Furthermore, ARAG undertakes to reduce the affected existing portfolios over a transitional period until 2025 or to hold them until final maturity, but no later than 2030.

The criteria for the exclusion lists are formulated by the Central Group Asset Management Department and adopted by the Group Management Board. The negative list and the country exclusion list are developed by the Investment Controlling Department using an external database (MSCI ESG Manager) and entered into the limit system (SCD Compliance Manager). They are monitored by Investment Controlling in Group Asset Management as part of the established limit monitoring and control processes. Exclusion lists are taken into account during pre-trade checks for new investments and during the screening of existing investments whenever lists are updated. For liquid institutional funds, this process takes place at the level of the investment management company.

Implementation in the new-investment process

Direct investments

In addition to the application of the aforementioned negative lists, another factor in new investment is the target of reducing GHG emissions. Internally, ARAG relies on the forward-looking ITR metric provided by MSCI. The ITR was standardized by the G20 Financial Stability Board's permanent Task Force on Climate-related Financial Disclosures (TCFD) as one of three portfolio alignment metrics and shows the extent to which companies align with global climate targets. It is expressed in degrees Celsius. The model used to calculate the ITR translates the forecast GHG emissions of the companies in a portfolio into an increase in average global temperatures over the coming decades. The ITR metric is an effective way to quantify the challenge of keeping the increase in global average temperature to well below 1.5°C above pre-industrial levels.

In addition, the EPS quartile is used. It forms part of MSCI's ESG rating and is defined as the weighted average of all key issues that come under the environmental pillar of the ESG rating. The EPS quartile indicates the quantile in which the respective company is located in comparison to the sector median. A value of 1 represents the top quantile (100 percent) and 4 the lowest quantile (25 percent). Taking the EPS quartile into account in new investments makes it easy to identify the issuers that have the poorest environmental rating relative to the sector average.

The following rules apply with regard to these two metrics:

- No new investment in companies with an ITR of 4°C or more.
- Companies with an ITR up to 2.5°C are the preferred target for new investment.
- Where a company has an ITR between 2.6°C and 3.9°C, the investment decision will also take the EPS quartile into account. No new investment in companies with an EPS quartile of 4, which puts them in a lower quantile than the sector median.

Taking these two metrics into account internally avoids categorically excluding specific sectors and industries that currently have high carbon emissions but will have an important role to play in decarbonization. This also places a stronger focus on the topic of transition.

The evaluation of new investments using the ITR and the EPS quartile applies exclusively to investments in corporate bonds. Government bonds and pfandbriefs/covered bonds are exempt from this rule and can be acquired in line with the requirements of strategic asset allocation (percentage-based target variable per asset class) and the exclusion lists. Action relating to direct investment is ongoing and does not follow a time horizon.

Liquid institutional funds

As a rule, the carbon footprint of liquid institutional funds is reviewed at the portfolio level every year, or at least every two years. Fund managers are instructed to match ARAG's target for reducing carbon emissions in their portfolios within the specified timeframe. Progress with achieving targets is reported semi-annually during the investment committee meetings.

In addition, further requirements relating to new investment are defined for internally managed institutional funds. Similar to the approach for direct investments, both the ITR and the EPS quartile are factored into new investments in institutional fixed-income funds. The same target values apply as for direct investment.

With regard to decarbonization, special ESG benchmarks will be a factor influencing future investment in equities as part of internally managed institutional funds. A suitable approach is currently in development and is scheduled to be completed as soon as possible.

The aforementioned requirements apply only to institutional funds or segments of liquid institutional funds that include shares or corporate bonds. Government bonds and pfandbriefs/covered bonds are exempt from this rule and can be acquired in line with the requirements of strategic asset allocation (percentage-based target variable per asset class) and the exclusion lists.

Integration into asset manager selection

It is difficult to quantitatively assess ESG aspects for alternative investments (private equity, infrastructure, and real estate) as the underwriting generally involves blind pool risks. There are currently only limited standard disclosure requirements for private market funds, and there is still little to no raw ESG data available at portfolio level.

When integrating ESG criteria into its strategy for alternative investments, ARAG thus focuses on the selection process for sustainability-oriented asset managers and on the existence of a clear and appropriate ESG strategy, which primarily means the existence and application of a meaningful ESG policy, a regular, documented monitoring system, and transparent reporting to investors.

The aforementioned considerations apply regardless of whether alternative investments are held as direct investments or via institutional fund structures, for example. In the case of indirect investment via externally managed institutional funds, this process is carried out within the collaboration between the companies and the investment management company.

Direct investment in real estate

Direct investment in real estate represents a significant proportion of ARAG's investments. Some of this real estate is rented to ARAG subsidiaries and serves as administrative offices. Consequently, some real estate investments are closely linked to ARAG's inhouse environmental measures.

Essential actions in relation to real estate in the portfolio include the implementation of regulatory requirements pertaining to resource consumption and the management of data for greater transparency in line with sustainability reporting obligations.

As the buildings are major sources of carbon emissions at present, modernizing them can make a considerable contribution to decarbonization. Actively shaping the energy transition by replacing fossil fuels with renewable energy sources and implementing energy-saving measures will reduce climate-related financial risks in property investments.

In addition to the financial criteria and those connected to building services, property type, and location, and the associated project, rental, legal, and tax risks, ARAG will increasingly factor sustainability criteria into future decisions, for both existing real estate and new builds.

The sustainability criteria for **new investment in directly held new-builds are listed below.**

Exclusion criteria:

- The following certification or, alternatively, proven readiness for certification not present: German Sustainable Building Council (DGNB) minimum 'gold'; Leadership in Energy and Environmental Design (LEED) minimum 'gold'; Building Research Establishment Environmental Assessment Methodology (BREEAM) minimum 'very good'

- Energy efficiency class A according to the German Buildings Energy Act (GEG) for real estate in Germany, and/or the EU Energy Efficiency Directive (EED), not achieved
- Use of tropical woods and exotic natural stone

Positive screening:

- Proof of conformity with EU taxonomy, primarily environmental objective 1 (climate change mitigation) or 2 (climate change adaptation)
- No unnecessary sealing of the soil surface in forests and in agriculture
- Maximum prefabrication and proof that components can be separated
- Proof that at least 70 percent of building materials can be reused or recycled
- Support for car-free transportation options (local public transportation no more than ten minutes' walk away, sufficient number of cycle stands)
- For residential construction: no displacement of residents, i.e. no luxury refurbishments
- For commercial real estate: no pre-letting to tenants in accordance with 3.1.1. negative list

Below are the sustainability criteria for **new investment in directly held existing real estate.**

Exclusion criteria:

- The following certification or, alternatively, proven readiness for certification not present: DGNB minimum 'silver'; LEED minimum 'silver'; BREEAM minimum 'good'
- Energy efficiency class at least B with the potential to reach A according to the GEG for real estate in Germany, and/or the EED, not achieved

Positive screening:

- Proof of conformity with EU taxonomy, primarily environmental objective 1 (climate change mitigation) or 2 (climate change adaptation)
- Use of, or ability to retrofit, water-saving technology
- Upholding of social standards by counterparties (no social dumping, no social security fraud)

- For residential construction: no displacement of residents, i.e. no luxury refurbishments
- For commercial real estate: no letting to tenants on negative list

All investments submitted for a decision must meet the exclusion criteria set for direct investments in real estate; the other sustainability criteria have a positive influence on the overall rating.

In addition, a topical approach is chosen that results in a rise in specific investments in the allocation of capital. Under the alternative investments program, there are plans to gradually build up a portfolio over the coming years that qualifies as sustainable, has commercial potential, and achieves the documented sustainability targets.

No transition plan is in place for other environmental topics, and, specifically, no dedicated transition plan for biodiversity. These environmental topics are addressed through initial actions and in existing guidance, such as the policy on using sustainability criteria in investment.

The activities relating to ESG risk management cannot be explicitly quantified. Reducing GHG emissions is not a primary objective of risk management. Accordingly, no reliable assertions can be made in this context. Uncertainties regarding emissions, including financed emissions, result from the use of estimates and projections, and from potential changes in the composition of ARAG's portfolio.

The actions described have no end date and are therefore to be considered ongoing. Furthermore, no other action has been taken aimed at achieving the defined emission reduction targets.

2.2.3.3 Targets

The policy on using sustainability criteria in investment adds greater detail to ARAG's sustainability strategy with regard to managing investments. The latest version of the policy was signed off by the Management Board in November 2024. The strategic goals for the Group are defined as follows:

The ARAG Group follows the ESG principle when describing its strategic goals.

ARAG aims to make its insurance investment portfolio greenhouse gas-neutral by 2050. The overarching aim is to limit global warming in the long term, ideally to 1.5°C. To date, there are no defined methods for pursuing and reaching the goal of net zero by 2050. While target setting is considered to be based on science, so far the underlying methodology is not. An update of the methodology is planned, taking into account future regulatory developments and other factors. The target was set in consultation with the Management Board.

With regard to the interim targets adopted in 2022 of reducing financed emissions linked to shares and corporate bonds by 25 percent by 2025, ARAG had already achieved a reduction of 23 percent in 2023. The target relates to the Scope 1 and 2 emissions linked to shares and corporate bonds in which ARAG invests. Interim targets are defined in greater detail in accordance with the requirements of the CSRD.

The financed Scope 1 and 2 emissions linked to shares and corporate bonds (including pfandbriefs/covered bonds) in the investment portfolio are to be reduced by a further 40 percent by 2030 compared with the base year 2023. The benchmark figure in 2023 was 215,000 tCO₂eq and is derived from the calculation of the emission values for the portfolio as of December 31, 2023 without normalization. Should the investment portfolio

remain unchanged, this equates to absolute emissions of 130,000 tCO₂eq in 2030. The benchmark figure is based on the portfolio as of December 31, 2023 and the associated emission values.

The target of being greenhouse gas-neutral by 2050 is linked to the commitment of the German Insurance Association. The 40 percent target for 2030 was defined using the expert judgement method.

These interim targets are to be achieved through active portfolio management, the implementation of negative screening, and a greater focus on sustainable liquid and non-liquid investments. Interim targets are reviewed twice a year (mid-year and year-end) and fleshed out in greater detail as science progresses and data becomes available. MSCI has provided ESG data to Group Asset Management since 2022. As there is not yet sufficient data for all investments, and no standard approach to measurement, ARAG will gradually integrate additional relevant asset classes into the climate target in the years to come.

ARAG does not support those seeking to raise capital through investments that contravene standards of human rights, decent working conditions, or equal opportunities, or where the business cannot document any steps it has taken to transform its activities in line with ESG considerations. In order to review its investment decisions, ARAG uses exclusion lists (issuer-specific and country-specific) and integrated ESG approaches with a focus on transition risks.

The adjustment of the basic amount and the inclusion of pfandbriefs in the calculation of financed emissions follows the grouping of investments in the Partnership for Carbon Accounting Financials (PCAF) standard.

Compliance with the investment restrictions set in relation to ESG criteria and the targets for carbon emissions are both monitored by Investment Controlling. The ‘carbon

footprint process description’ document describes the process for calculating the investment portfolio’s carbon footprint and analyzing the achievement of strategic targets in the ARAG Group.

All GHG emission reduction targets are adapted to the targets detailed in the section ‘Metrics for Scope 1, 2, and 3 emissions’. Consequently, there are no differences with regard to the calculation method and the underlying Scope.

2.3 Metrics

The following table shows ARAG’s energy consumption and mix in 2024.

Energy consumption and mix

	2024
(1) Fuel consumption from coal and coal products (MWh)	0.0
(2) Fuel consumption from crude oil and petroleum products (MWh)	3,858.3
(3) Fuel consumption from natural gas (MWh)	744.2
(4) Fuel consumption from other fossil sources (MWh)	0.0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling, and from fossil sources (MWh)	10,608.5
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	15,210.9
Share of fossil sources in total energy consumption (%)	58.4%
(7) Consumption from nuclear sources (MWh)	937.9
Share of consumption from nuclear sources in total energy consumption (MWh)	3.6%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	102.0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling, and from renewable sources (MWh)	9,364.4
(10) The consumption of self-generated non-fuel renewable energy (MWh)	425.0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	9,891.4
Share of renewable sources in total energy consumption (%)	38.0%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7, and 11)	26,040.2



ARAG takes all companies in its basis of consolidation as well as ARAG Legal Protection Ltd., Dublin, into account when determining the energy consumption and mix. Purchased energy (electricity and heat) for buildings held for own use, self-generated heat, refrigerants, purchased cooling, the vehicle fleet (internal combustion engine and electric), fugitive emissions, and consumption related to rented space are all factored in. The scope of the metrics on energy consumption therefore matches the scope for determining Scope 1 and 2 emissions.

Due to time constraints, the primary data for consumption is recorded during the year and extrapolated for the fourth quarter. For buildings held for own use, the primary data for the consumption of purchased energy is usually obtained from supplier invoices. In some instances, meter readings are taken every month. For rented buildings, data from the billing of operating costs and utilities is used. This primarily applies to the Main Branch Offices, the Sales Directorate, and the Sports Offices. Energy consumption also includes the diesel or heating oil used for emergency power generators. The amounts used over the course of a year can be obtained from invoices, as can the vehicle fleet's consumption. Where no primary data is available, estimates and/or invoices from the previous year are used. Each of these is validated.

An energy audit in accordance with DIN EN 16247-1 is carried out every four years to systematically analyze a company's energy consumption and energy efficiency, and to identify potential savings. The next energy audit is scheduled for 2025.

Energy consumption is disclosed for buildings held for ARAG's own use as well as for buildings rented out to third parties. The principle of always using the best possible data source applies to these buildings too. Where possible, actual data is collected in the same way as for buildings held for own use. If ARAG cannot access this data, estimates are used based on energy performance certificates.



Gross Scopes 1, 2, 3 and Total GHG emissions

	Retrospective			Milestones and target years				Annual % target/ base year
	Base year	Comparative	2024	Change	2025	2030	2050	
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO ₂ eq)	-	-	1,492.0	-	-	-	-	-
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	-	-	0.0	-	-	-	-	-
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	-	-	3,352.9	-	-	-	-	-
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	-	-	4,483.7	-	-	-	-	-
Significant Scope 3 GHG emissions								
Total indirect gross GHG emissions (Scope 3) (tCO ₂ eq)	-	-	2,469,328.9	-	-	-	-	-
1. Purchased goods and services	-	-	2,517.1	-	-	-	-	-
[Optional sub-category; Cloud computing and data center services]	-	-	0.0	-	-	-	-	-
2. Capital goods	-	-	0.0	-	-	-	-	-
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	-	-	2,177.3	-	-	-	-	-
4. Upstream transportation and distribution	-	-	0.0	-	-	-	-	-
5. Waste generated in operations	-	-	82.3	-	-	-	-	-
6. Business travel	-	-	2,794.9	-	-	-	-	-
7. Employee commuting	-	-	4,286.9	-	-	-	-	-
8. Upstream leased assets	-	-	0.0	-	-	-	-	-
9. Downstream transportation	-	-	0.0	-	-	-	-	-
10. Processing of sold products	-	-	0.0	-	-	-	-	-
11. Use of sold products	-	-	0.0	-	-	-	-	-
12. End-of-life treatment of sold products	-	-	0.0	-	-	-	-	-
13. Downstream leased assets	-	-	0.0	-	-	-	-	-
14. Franchises	-	-	0.0	-	-	-	-	-
15. Investments	-	-	2,457,470.6	-	-	-	-	-
Total GHG emissions								
Total GHG emissions (location-based) (tCO ₂ eq)	-	-	2,474,173.7	-	-	-	-	-
Total GHG emissions (market-based) (tCO ₂ eq)	-	-	2,475,304.6	-	-	-	-	-

The table above does not currently contain any information for the comparative year as this is the first year in which reporting is based on ESRS. Due to the differing scope of application, there are also no disclosures regarding the base year or the interim targets. ARAG uses a tool provided by ClimatePartner to calculate Scope 1, 2, and 3 emissions.

Scope 1 and 2 emissions

Scope 1 and 2 emissions are calculated on the basis of energy consumption. In the same way as for energy consumption, Scope 1 and 2 emissions encompass the entire basis of consolidation, ARAG Legal Protection Ltd., Dublin, and the buildings rented out to third parties. Within the tool, the energy consumption figures are multiplied with the relevant emission factors.

Scope 1 emissions include emissions from fossil fuels used to heat buildings held for own use or rented out to third parties, from refrigerant losses, and from our own vehicle fleet. Scope 2 emissions include emissions from the consumption of electricity and district heating. A distinction is made between a location-based and market-based calculation. Location-based Scope 2 emissions are calculated based on the average emission intensity of the local power grid. Irrespective of how much electricity a business consumes, its emission footprint is calculated by multiplying the power grid's emissions per kWh with the power consumption of the business. Market-based Scope 2 emissions are calculated based on the average emission intensity of a specific purchase agreement or power supply agreement.

The proportion of market-based Scope 2 emissions linked to bundled instruments in the form of Renewable Energy Certificates (REC) is 35.2 percent. The proportion of contractual instruments not bundled with energy attributes that are used for the sale and purchase of energy is 35.2 percent.

Only energy performance certificates are used for ARAG's property portfolio. Of the emissions presented here, 1,485.2 tCO₂eq of Scope 1 emissions, 4,482.9 tCO₂eq of market-based Scope 2 emissions, and 3,352.5 tCO₂eq of location-based Scope 2 emissions originate within the entities included in the financial basis of consolidation. For reasons of materiality, ARAG Legal Protection Ltd., Dublin, is not consolidated in financial reporting. The Scope 1 emissions of ARAG Legal Protection Ltd., Dublin, amount to 6.8 tCO₂eq, while Scope 2 emissions amount to 0.8 tCO₂eq (market-based) and 0.4 tCO₂eq (location-based).

Scope 3 emissions

In addition to Scope 1 and 2 emissions, ARAG also discloses emissions in all significant Scope 3 categories. The following categories were identified as significant within own operations:

- Purchased goods and services (category 1)
- Fuel and energy-related activities (category 3)
- Waste generated in operations (category 5)
- Business travel (category 6)
- Employee commuting (category 7)
- Financed emissions (category 15)

Category 1 'Purchased goods and services' covers office consumables, inactive ingredients, and the extraction and processing of raw materials. At ARAG, this includes printed matter, office paper, water, external data centers, electronic equipment, and catering. Only office paper is disclosed for the Main Branch Offices, the Sales Directorate, and the Sports Offices.



Category 3 ‘Fuel and energy-related activities’ (not included in Scope 1 or Scope 2) covers upstream emissions from heating and electricity. This includes upstream emissions from purchased fuels and electricity, transmission and distribution losses, the generation of purchased electricity sold to end users, and the extraction and transportation of gas used in the Company. Upstream emissions are automatically recorded by the ClimatePartner tool.

In addition, ARAG records emissions in **category 5 ‘Waste generated in operations’**, which covers emissions from production waste, business waste, landfill, recycling, and incineration.

Emissions from business travel are recorded in category 6, which covers travel by air, rail, and rental and private vehicles, as well as overnight stays in hotels.

Category 7 ‘Employee commuting’ covers employees’ travel habits. The employee commute is calculated based on estimates, and ARAG also factors in emissions generated when employees are working from home.

Gross GHG emissions in **category 15 ‘Financed emissions’** are one of ARAG’s significant Scope 3 categories. Financed emissions are calculated using the PCAF standards. PCAF is a global standard for insurance companies and financial institutions for measuring the carbon emissions of their investment and loan portfolios. The figures in the following table relate to financed emissions:

Greenhouse gas emissions by asset class

2024	Assets covered (carrying amount)	Coverage	Scope 1 and 2 emissions	Scope 3 category 15	Total emissions	Emission intensity	DQS Scope 1&2	DQS Scope 3
	(€'000)	(%)	(tCO ₂ eq) ¹	(tCO ₂ eq)	(tCO ₂ eq)	(tCO ₂ /€ million)	weighted	weighted
Asset class								
Listed shares & corporate bonds	3,330,440	98.1%	239,877	1,751,445	1,991,322	597.9	2.2	4.0
Unlisted shares & corporate bonds	615,539	100.0%	25,758	95,120	120,878	196.4	2.4	4.0
Government bonds	1,259,605	93.0%	245,323	99,947	345,270	274.1	3.7	4.0
Total	5,205,584	97.1%	510,958	1,946,512	2,457,471	472.1	2.5	4.0
Other investments (carrying amount in €'000)	1,033,945							

¹ For government bond emissions excluding LULUCF

All transactions of a financing nature recognized in the accounts of entities in ARAG's basis of consolidation for the purposes of commercial law provide the foundation for reported financed emissions. By financing business partners and their economic activities, ARAG also carries a responsibility for the carbon emissions generated by these companies. Therefore, ARAG attributes to itself a proportion of the emissions indirectly caused by the finance it has provided. Emissions from recognized debt and equity financing of companies and financing of the public sector, primarily government bonds, is calculated using the PCAF standard. The financed proportion of the business partner's total Scope 1, 2, and 3 GHG emissions is calculated using the value of the financing in proportion to the business partner's enterprise value in accordance with PCAF.

The standard for calculating financed emissions provides a methodology for certain asset classes, while others are not covered. ARAG only calculates and discloses emissions for asset classes for which there is a methodology, which is why 'no methodology' is stated for certain asset classes. These are primarily investments in funds, securitized products, and the financing of local public-sector entities. With regard to the financing of listed and unlisted companies, emissions are calculated for shares, bonds, and credits. Emissions are also calculated for project finance and, in particular, real estate finance. In the public sector, it is primarily government bonds that are part of the emission inventory.

Alongside the availability of a calculation methodology, data availability also plays an important role in calculating financed emissions. Data of the highest quality is used where available, published directly by the business partners, for example. Primary data is preferred, but is often not available, in which case estimates are used. Where no published information is available, the data is derived for that customer based on sector-specific and/or country-specific average values. As not all underlying data is of the same quality, the weighted PCAF Data Quality Score (DQS) is determined and disclosed for each asset class.

Using the PCAF standard, data sources are rated on a scale of 1 to 5, with published data being rated higher than estimated values. For example, data published by companies is rated as DQS 2, while sector averages are rated as DQS 4.

As estimates are used in some cases to determine the financed carbon emissions, the results are subject to a certain degree of measurement uncertainty. This primarily arises from the fact that, where data is not available, customer-specific data is derived using average values or other approximation methods. In this case, an assumption is made that customers generate sector-specific or country-specific emissions, and an average value is used accordingly. This average might deviate from the actual values.

Over the next few years, the availability and quality of data relating to calculated sector-specific and country-specific average values will continue to improve. An increase in the accuracy of the base data is therefore expected in the future.

The following categories are deemed not significant:

Overview of categories deemed not significant

Category	Reason for non-significance
2. Capital goods	No upstream emissions from the production of capital goods were purchased or acquired in 2024. Accordingly, this category is not relevant for ARAG.
4. Upstream transportation and distribution	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
8. Upstream leased assets	ARAG already discloses emissions from the use of assets that were leased in 2024 (generally rented buildings) under Scope 1 and 2 emissions. Accordingly, this category is not relevant for ARAG.
9. Downstream transportation	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
10. Processing of sold products	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
11. Use of sold products	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
12. End-of-life treatment of sold products	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
13. Downstream rented/leased assets	ARAG already discloses emissions from the use of assets that were leased to other companies in 2024 (generally buildings rented to third parties) under Scope 1 and 2 emissions. Accordingly, this category is not relevant for ARAG.
14. Franchises	As an insurance company, ARAG does not act as a franchisor. Accordingly, this category is not relevant for ARAG.

Overall, 11.3 percent of Scope 3 emissions were calculated using primary data and 88.7 percent using secondary data.

Insurance-related emissions are not currently measured, but preparations are under way to quantify them in the future. Initial data collection activities and an analysis of calculation methods are in the pipeline and will be validated. Emissions and corresponding reduction targets will be disclosed at a later date to allow time for proper measurement and meaningful targets.

Greenhouse gas intensity

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/€)	0.0
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/€)	0.0

GHG intensity is defined as the ratio of a company's GHG emissions to its net revenue. ARAG uses the income statement item 'gross premiums written' in the Group report as the reference figure for net revenue. The greenhouse gas intensity is presented below in terms of Scope 2 emissions calculated using the location-based and market-based methods.

Internal carbon pricing

ARAG does not use an internal carbon pricing system.

3 Social information

3.1 Own workforce

Material impacts, risks and opportunities and their interaction with strategy and business model

Standard S1 – Own workforce applies solely to own operations. Consequently, the materiality assessment only considered impacts, risks, and opportunities within own operations.

The materiality assessment identified material impacts and one material risk related to ‘working conditions’ and ‘equal treatment and opportunities for all’. Furthermore, an impact in the sub-topic ‘data protection’ within the sustainability matter ‘other work-related rights’ was deemed material. The material impacts and risks were defined as follows:

- Improvement of working conditions (working time/flexible working, pay [at least to minimum pay-scale standards], work-life balance) has a positive effect on employees and boosts staff retention.
- The rules on workers’ participation rights, which go beyond the statutory requirements, have a positive impact on the opportunities for codetermination in day-to-day work.
- The rules on health and safety, which go beyond the statutory requirements, have a positive impact on matters of employee health.
- Actions to combat discrimination in the workplace and promote diversity and gender equality have a positive impact on employees.
- Extensive opportunities for training and further education promote the development of employees’ skills and leadership qualities, which also has a positive effect on employees.

- ARAG holds a wide range of personal data on employees. A data leak could expose this personal data.
- A lack of suitably qualified employees could endanger the Company’s long-term viability. This could result in relative inefficiencies and above-average costs for attracting talented individuals.

The materiality assessment identified potential negative impacts on employees in relation to data protection.

ARAG differentiates between employees and non-employees. Employees have an employment contract with an ARAG Group company. ARAG also differentiates between types of employee:

- Permanent employees with a fixed-term or open-ended contract
- Interns and student interns/temporary staff
- Trainees and degree apprentices

As all ARAG employees primarily perform their tasks in the office, and these tasks differ only in terms of content, the materiality assessment did not differentiate with regard to the employees’ characteristics, their tasks, or the working environment.

The material impacts identified by ARAG affect all employees in the Group. In contrast, non-employees are employed by a third-party and provide services to ARAG mainly in the area of information technology. Due to their small number, they are not affected by these impacts.

The Company did not identify any material opportunities related to its own workforce. Consequently, there are none that are solely relevant to certain groups of employees.

No material impacts on ARAG employees were identified resulting from transition plans to reduce negative impacts on the environment or to implement climate-neutral and more environmentally friendly activities.

As a service provider in the insurance sector, ARAG does not engage in any activities that entail the risk of forced labor or child labor.

3.1.1 Concepts

Group Human Resources (HR) at ARAG can call upon numerous concepts for managing its material impacts in relation to the workforce and for handling material sustainability matters. The HR strategy is aligned with the ARAG 5>30 Group strategy and its targets.

ARAG is an independent, family-led insurer and bases its values-driven culture on its **Integrity Guideline**. The guideline defines how we collaborate within the Group, and details the legal standards and ethical principles that should guide the actions of all employees. It thus fleshes out the ARAG Essentials and supplements ARAG's Compliance Guideline. Breaches of the Integrity Guideline can be reported to an individual's line manager, Group HR, the Works Council, the Compliance Department, or the designated workforce representatives. The Integrity Guideline applies to all employees of the ARAG Group in Germany. Employees are provided with online training on the content of the Integrity Guideline. This training is a firm fixture in the onboarding process for new hires and is just one of the ways in which the Guideline content is communicated. The Integrity Guideline also underlines that ARAG takes a zero-tolerance approach to any form of discrimination based on ethnic origin, color, nationality, gender, religion and world view, disability, sexual orientation, or age.

ARAG has numerous national company agreements in place aimed at providing flexible working conditions. These include the **company agreement on flexible work schedules**.

Its purpose is to provide employees with as much scope as possible for arranging their working hours flexibly while still providing a high level of service to our customers. This is primarily designed to promote a better work-life balance. Company agreements on flexible work schedules are in place at the subsidiaries ARAG SE, ARAG Allgemeine, Interloyd, ARAG Health, ARAG IT, and Cura. Not covered by the company agreement are the subsidiaries' senior executives and employees at the second management level, as well as some employee groups due to specific contractual arrangements or job functions. These employees agree how to arrange their working hours individually with their line manager.

There is also a **company agreement on remote working**. It allows employees in the aforementioned ARAG subsidiaries in Germany to work remotely for between 40 and 80 percent of their weekly hours. Besides offering greater time-related flexibility, the company agreement aims to boost employee satisfaction by allowing employees to strike a better balance between work and personal interests. In addition to these social aspects, the agreement helps to conserve resources by reducing the time spent commuting and thus lowering emissions. Not covered by the company agreement are the subsidiaries' senior executives and employees at the second management level, as well as some employee groups due to specific contractual arrangements or job functions. If their role generally allows remote working, these employees can agree the amount of time they work remotely individually with their line manager.

The **policy on remote working abroad** expands the options of the existing company agreement on remote working by enabling work to be performed from any location. Under this policy, all ARAG Group employees in Germany have the option to work remotely from one of 23 countries across Europe for up to ten days a year. The policy aims to further increase employees' geographical flexibility and their satisfaction.



ARAG also has a **company agreement on remote working while looking after children and caring for relatives** in place at its German insurance companies ARAG SE, ARAG Allgemeine, Interlloyd, and ARAG Health. Its main purpose is to support a better work-life balance by allowing employees with children under the age of twelve or relatives in need of care (provided they are cared for by the employees themselves) to work from home. This is only permitted if the employee's tasks are able to be performed remotely and if it is technically possible and economically viable to set up a workplace at home. In principle, any employee can opt to work remotely as long as the prerequisites defined in the company agreement are met.

The respective management teams have overall responsibility for compliance with, and the implementation of, all company agreements and policies. No specific monitoring processes are in place beyond this.

No changes were made to the aforementioned concepts, guidelines, or policies in 2024.

In addition to the aforementioned concepts, ARAG also focuses on legal provisions with the aim of ensuring that human rights and employee rights are respected. Among other things, ARAG is subject to German employment law, which ensures that the human rights of all employees are respected and protected. When dealing with topics relating to human rights and the environment, ARAG is guided by the 17 SDGs of the UN Global Compact. Strategic approaches and actions are regularly reviewed to ensure continuous improvement.

When it comes to embedding actions relating to the **human rights strategy**, ARAG is guided by the results of the risk analysis of its business. Employees must acknowledge ARAG's expectations in the context of the ARAG Essentials. These expectations are supported by specific processes in purchasing, HR, and compliance. Training programs on the topics of equal opportunities and protection from discrimination are provided to raise awareness among managers with HR responsibilities. In line with International Labour

Organization (ILO) standards, ARAG has also developed processes and guidelines for suppliers to enforce respect for human rights in the value chain, including the issues of human trafficking, forced labor, and child labor.

Compliance with the human rights strategy is extremely important to ARAG. In the event of violations, ARAG takes appropriate action to uncover breaches and remedy them. Violations are not tolerated; they are robustly pursued and can have legal consequences, including the termination of employment contracts or business relationships.

In the event of a breach of duties relating to human rights or the environment, ARAG takes immediate and appropriate remedial action. The Company also ensures that the actions taken in its own operations in Germany, and usually also abroad, bring an end to the violations.

Every year, and on an ad hoc basis, the human rights officer carries out a review to gauge the effectiveness of remedial action. The review takes insights from the whistleblowing system into account.

The Management Board of ARAG SE is responsible for the implementation of, and compliance with, the declaration on respect for human rights.

In view of statutory provisions and of the Company's business model and area of business, it is a given that ARAG considers human trafficking, forced labor, and child labor to be prohibited. Consequently, the concepts do not make explicit reference to these topics.

Ensuring equality of opportunity has been a primary objective of ARAG since the company was founded. ARAG attaches great importance to offering all employees the same opportunities for professional development, irrespective of age, nationality, marital status, or other personal circumstances.

Fairness and openness are key corporate values that have been enshrined in the ARAG Essentials, and diversity also plays an important role in the ARAG Leadership Essentials. In the groupwide strategy, ‘ARAG 5>30’, promoting diversity is included under the heading ‘Winning Spirit’ as one of five key areas for action over the coming years.

As the leading legal insurer worldwide, ARAG naturally complies with the German General Equal Treatment Act (AGG). ARAG signed the Diversity Charter back in 2017, an initiative aimed at increasing diversity in companies and institutions, and fostering a work environment that is respectful and free of prejudice.

ARAG Germany has put the structural framework in place to support diversity within the Company. It offers flexible and remote working, specifically by dispensing with core hours and allowing employees to work remotely or from home for 40 percent or more of their time, as described above in the section on company agreements. ARAG supports employees with the technical and ergonomic equipment needed to work from home, and makes digital learning content available so that they can continue their professional development independently and from anywhere. These development offerings are available to all employees.

Managers at ARAG are allowed to work part-time. The Company supports women’s careers and is boosting the proportion of women at senior management level. ARAG is thus pursuing the long-term goal of increasing the proportion of women in leadership positions until a gender balance has been achieved. To this end, the Company focuses on identifying high-potential female staff in its succession planning, for example.

At international level, the first diversity officers and relevant contact persons were appointed across the Group as part of the strategic ARAG 5>30 targets. The Company is bringing together country-specific initiatives in a community to facilitate the sharing of plans, projects, and results. The aim is to raise awareness across the Group of successful actions to promote diversity and inclusion so that all organizational units can implement them.

Furthermore, a number of decentralized institutions are in place to promote equal treatment in the Group. The representatives for employees with a severe disability, for example, and the workplace representatives are independent points of contact for employees, and employees can always turn to the Works Council. Among other things, these institutions are tasked with preventing, mitigating, and addressing discrimination and unequal treatment, and they offer general points of contacts for employees with a wide range of concerns. Employees can also use a dedicated online portal to anonymously submit complaints that fall within the scope of the German Whistleblower Protection Act (HinSchG).

As an employer pursuant to section 154 of the German Social Code, Book IX (SGB IX), ARAG must fill at least 5 percent of its jobs with people with severe disabilities or equivalent status. Compliance with this quota is checked annually. ARAG is not subject to any other political obligations with regard to inclusion.

Processes for engaging with employees

Codetermination

Employees are involved in processes in a variety of ways so that their perspectives can be taken into account. ARAG complies with all legal requirements with regard to codetermination matters. The Company has a close relationship with the Works Councils and signs company agreements with them as required. This includes weekly meetings at operational level between HR representatives and the chairpersons of the Works Councils of ARAG SE, and regular talks between the Works Councils and the member of the Management Board with responsibility for HR matters. The regular involvement of the relevant Management Board member and the relevant HR representatives (e.g. the Head of People Business Partnering) ensures that the perspectives of employee representatives are factored into strategic corporate decisions.



Group HR and other ARAG departments are regular guests in Works Council meetings, where they present new developments and their impact on the workforce. These are then discussed in the meeting and solutions are developed accordingly.

The regular dialogue between employer and employee representatives, and the participation in Works Council meetings, for example, ensure that ARAG enjoys a close and effective relationship with its employees.

The Works Council provides the workforce with regular, transparent updates via the intranet about the outcome of its meetings and its agreements with the employer, and provides information on the latest topics. In addition, regular works meetings are organized by workers' representatives as a platform for informing the workforce about recent decisions and developments.

To the extent required by law, ARAG pays for training for employee representatives with the aim of giving them the latest insights they need to perform their tasks. The International ARAG SE Works Council meets twice a year. At the request of the stakeholders, members of the Management Board and/or senior managers report on topics relevant to codetermination and engage in a dialogue with workers' representatives.

The Economic Committee of ARAG SE, established in accordance with the German Works Constitution Act, meets every quarter. As firmly established guests, members of the Management Board of ARAG SE report on the Company's current economic performance during these meetings and discuss its future development.

Employee surveys

Voluntary, anonymous employee surveys are also conducted regularly, for example the international corporate culture analysis every two years. ARAG attaches great importance to getting employees on board when making any changes to the corporate culture. In September 2023, the global workforce took part in a third employee survey on the corporate culture. More than 3,100 employees answered questions relating to the corporate culture. The analysis painted a very positive picture overall, confirming the strong and thriving corporate culture throughout the Group. This was the first time that the survey included questions on employee satisfaction and the willingness of employees to recommend the Company. The results reflect the strong connection that employees have to the Company, with 96 percent of respondents stating that they enjoy working at ARAG. The employee Net Promoter Score (eNPS), which measures employee satisfaction, was 33. Despite these very positive figures, ARAG has identified room for improvement in some areas, for example with regard to the flow of information between departments and units. The Group will investigate the causes in order to improve the exchange of information.

Through regular live talks with senior management, ARAG provides a platform for dialogue on current topics and trends during which questions from the workforce can be asked directly.

Further details on the concepts

As an insurance company, ARAG's materiality assessment did not identify any material impacts relating to CO₂ reduction and the transition to cleaner, climate-neutral activities that result in restructuring, job losses, job creation, or similar. Nevertheless, all employees are involved in steps to minimize carbon emissions, such as reducing the volume of print-outs or taking up options for a lower-emission commute to work.

Processes to remediate negative impacts and channels for own workforce to raise concerns

There is no general approach to remedial action in the event of negative impacts on the own workforce. However, the relevant committees of employee representatives are involved where necessary in line with legal provisions, primarily the Works Constitution Act. The effectiveness of the actions taken is assessed in dialogue with employee representatives.

A number of decentralized institutions have been established across the Company where the workforce can report concerns, specify requirements, and submit grievances. These include the works councils, the representative committee for employees with severe disabilities, and the workplace representatives. In line with the Works Constitution Act, the works councils represent the interests of all employees. In addition, the representative committee for employees with severe disabilities champions the interests of these employees and offers them advice on a variety of matters, such as integration in the workplace. The workplace representatives are another port of call for employees seeking advice on topics connected to the Integrity Guideline. They enable employees to confidentially reflect on issues they have experienced and problems that have arisen. They also offer confidential advice and support with establishing the facts and taking the next steps. The workplace representatives act as a neutral party. There were three workplace representatives at the Düsseldorf site in 2024, plus another at the site in Munich. ARAG boosts the availability of, and access to, workplace representatives by allowing the role to be performed during working hours, by prioritizing this role over a representative's regular responsibilities, and by enabling the representative to call on external support with handling cases. The workplace representatives also have direct access to senior management and can be contacted via a number of channels, including email, telephone, and an anonymous whistleblowing tool. The workplace representatives provide holiday cover for each other, thus ensuring that at least one of them is available at all times. The representative committee for employees with severe disabilities and the workplace representatives are independent, and are not under the control of the Company

when carrying out their duties. Where issues reported to a representative are handled solely by the representative, the management of the case is not monitored or followed up on. Only if Group Human Resources, Compliance, or another department is involved is the responsibility for managing the case shared with, or transferred entirely to, one of these departments.

The works councils, the representative committee for employees with severe disabilities, and the workplace representatives act as points of contact for all employees.

Employees can also use a dedicated online portal to anonymously submit complaints that fall within the scope of the German Whistleblower Protection Act (HinSchG). Since the new Whistleblower Protection Act came into force, employees submitting information obtained in the course of their professional activities have enjoyed legal protection from being disadvantaged at work as a result of their report. This protection still applies if further investigation does not substantiate the report. Any information submitted is processed with the requested level of confidentiality to ensure protection from material negative impacts. The effectiveness of this approach has not yet been reviewed.

The internal and external channel for reporting criminal offences, irregularities, violations of legal provisions and internal regulations, and information on potentially dishonest behavior was set up in cooperation with a service provider. This reporting channel also covers violations that are punishable by a fine, provided that the regulation that has been breached serves to protect life, health, or the rights of employees or their representative bodies. Although lawmakers have not explicitly stipulated the establishment of an anonymous reporting channel, the Company believes it is essential to offer such a communication option. This serves to alleviate any concerns that anyone thinking of submitting a report might have. The reporting channel is published on the website and is open to third parties, which means that reports from former employees and service providers, for example, can also be submitted. Additionally, employees can leave confidential messages



in compliance mailboxes. In this case, communication is exclusively via workplace representatives, who are obliged to maintain confidentiality. The information received is treated confidentially and, if so requested by the whistleblower, forwarded anonymously to the competent authorities for the purpose of clarifying and remedying any irregularities. Information forwarded to Group Human Resources is received by the Senior Vice Presidents, who process it in collaboration with the relevant People Business Partner. Where required, the Labor Law Department is also involved.

The platform has also been introduced in units outside of Germany, including Spain, Portugal, Italy, Austria, Belgium, Slovenia, and Norway. All other units have set up compliance mailboxes to facilitate confidential whistleblowing by the workforce, taking account of any relevant local legislation.

In addition to the whistleblowing portal on the ARAG website, there is the option to contact the workplace representatives, the Works Council, and the relevant employees in the central Legal Department and Compliance Department anonymously and directly via dedicated email address, by telephone, or in person.

All employees are informed of the various structures and procedures for reporting concerns and complaints as part of the onboarding process. The online training session on the Integrity Guideline is also part of the onboarding process, during which the workplace representatives are introduced as another point of contact. Beyond this, no separate checks are made as to whether employees are familiar with and trust the aforementioned channels. Employees who submit reports within the meaning of the Whistleblower Protection Act enjoy comprehensive protection from reprisals such as dismissal. In addition, members of the Works Council enjoy special protection from dismissal under the law.

3.1.2 Actions

Group Human Resources and the departmental managers are jointly responsible for managing material impacts and risks related to the own workforce. With this in mind, Group Human Resources produces an annual roadmap of the topics to be prioritized and allocates resources accordingly. As part of this process, Group Human Resources focuses on regular and sufficiently transparent communication with the workforce, for example via the HR topics page in ARAGnet (intranet).

All of the actions below are ongoing and do not follow a defined time horizon.

ARAG Leadership Essentials

The ARAG Leadership Essentials were introduced in 2022 and, together with the ARAG Essentials, contain the guidelines on which our corporate culture is based. The ARAG Leadership Essentials set out the Group's vision of management and collaboration at ARAG and provide direction for senior managers in their actions and their personal development, and the development of their teams. Since 2022, managers have been able to access digital information and live online sessions about the ARAG Leadership Essentials via a digital platform. The Leadership Essentials provide the framework for a new approach to the development of managers and talented employees, and underpin the hiring processes, for example. They are also integrated into the onboarding of new colleagues and form the basis for new management training.

Women in leadership positions

In addition to defining the leadership requirements for the Group's managerial staff, the Company also supports the careers of its female employees and aims for a higher proportion of women at top management level. ARAG is pursuing the long-term goal of increasing the proportion of women in leadership positions until a gender balance has been achieved. To this end, the Company focuses on identifying high-potential female staff in its succession planning, for example. The process of succession planning and identifying high-potential staff takes place every year.

Group Human Resources conducts structured interviews with each Senior Vice President and direct report of the Management Board members, asking a wide range of questions about potential successors and high-potential candidates in each department. Diversity criteria such as gender are also covered. The process concludes with departmental discussions of candidates, attended by the relevant Management Board member, their Senior Vice President/direct reports, and Group Human Resources. Those identified are presented and discussed in order to establish greater transparency and create a pool of potential candidates, while decisions on possible appointments and development steps are also on the agenda. The pool of candidates serves as the basis for the appointment to new management roles.

In order to assess the effectiveness of these actions, the proportion of women at the top two management levels below the Management Board is reviewed annually, and any further action is taken as necessary.

Employee retention

A lack of suitably qualified employees could endanger the Company's long-term viability. This could result in relative inefficiencies and above-average costs for attracting talented individuals. ARAG has taken appropriate steps to minimize this risk. Actions related to the risk of employee turnover primarily include dedicated dialogue formats on the topic of employee retention in the departments. These formats are used to identify highly-skilled employees whose retention within the Company is deemed particularly important. At the same time, an assessment is made of how difficult it would be to replace them. The individuals in this group of employees are tracked. People Business Partners liaise with the departments in this regard, and targeted action is taken as required.

The dialogue is also used to identify personnel in whom vital expertise is concentrated. In this context, People Business Partners advise on how to deal with such scenarios and prevent key expertise from being held by only one person. It is up to the affected departments to implement the recommendations.

Furthermore, improving working conditions has a positive impact on employees and contributes to employee retention. An appropriate remuneration structure is another key element of employee retention. The structure is based on market comparisons, and the availability of information in the insurance market is very good.

Continuing professional development opportunities

Professional development opportunities at ARAG are generally available to all employees. ARAG's support for skills and its range of training and professional development options are based on the needs of the Company and its employees. Training measures are closely related to ARAG's strategy and employees' day-to-day work. All employees in Germany can access the professional development options via the online platform Learn2Develop. ARAG offers a wide range of classroom-based and live online training sessions as well as e-learning courses, with a focus on leadership skills, insurance knowledge, and digital, personal, and social skills.

Strategic management of continuing professional development falls within the remit of Group Human Resources and the People Development Department. They are also responsible for operational implementation together with all managers at ARAG. ARAG Sales Training is responsible for training the brokers in Core Sales, who mainly work for ARAG in accordance with the regulations set out in section 84 of the German Commercial Code (HGB). Each international site is responsible for the content of its continuing professional development options.

Corporate health management – ARAGcare

ARAGcare is a corporate health management program designed to make employees more health-conscious and primarily includes talks and activities promoting preventive care. Employees also have access to a company physician

ARAG offers independent external support through a service provider aimed at relieving the psychological burden on employees. They can approach this provider for support with their particular situation. A regular assessment of mental health risks is also carried out in line with legal requirements. It systematically identifies burdens, and appropriate action is then taken to reduce or remove them.

For long-term absentees, ARAG also operates a return-to-work and disability management system to ensure that the statutory requirements are implemented professionally. External specialists are consulted to make sure that the individuals concerned are provided with the best possible support.

Primary responsibility for ARAGcare rests with the People Development Department within Group Human Resources. The ARAGcare committee manages the program and develops it in consultation with the health and safety officer, the Works Council, the company physician, and the representative committee for employees with severe disabilities. The international locations are responsible for their own services.

Processing personal data

Group Human Resources processes a wide range of personal data on the workforce. A data leak could expose this personal data. Every year, the data protection officer in Group Human Resources asks HR employees to check that all stored data that should be deleted has been deleted. This ensures that data is processed in accordance with the General Data Protection Regulation (GDPR). To support this process, Group Human Resources has a policy on the GDPR-compliant processing of personal data in Group Human Resources. Additionally, access permissions to data drives and HR systems are reviewed in line with the need-to-know principle, and adjusted as necessary.

Mandatory online training sessions are in place to reduce or avoid material negative impacts on the workforce related to data protection (GDPR), the prevention of money laundering, and safety at work.

Employees usually have one calendar year to complete the mandatory training, but the deadline may be longer depending on the topic. All employees are informed in good time as soon as it is necessary to complete the training again, and they receive another reminder via the intranet shortly before the deadline.

3.1.3 Targets and metrics

The materiality assessment found that actions to combat discrimination and promote diversity and gender equality in the workplace have a positive impact on employees. ARAG is thus pursuing the long-term goal of achieving a gender balance at the top management levels. In accordance with the requirements of sections 76 (4) and 111 (5) of the German Stock Corporation Act, targets are set every two years for the proportion of women on the Supervisory Board, the Management Board, and the two levels immediately below the Management Board on June 30 of a given year. The achievement of the current targets is reviewed at the same time. The targets were last set in 2023, and there have been no changes since. The next review is scheduled for 2025. The relevant departments or functions set new targets based on existing quotas and known changes without the direct involvement of employees. These new targets are then approved by the appropriate committees.

The following targets were set for the proportion of women at ARAG SE on June 30, 2025:

- Supervisory Board: 11.1 percent
- Management Board: 16.7 percent
- First management level below the Management Board: 33 percent
- Second management level below the Management Board: 39 percent

In 2024, the proportions at ARAG SE were as follows:

- Supervisory Board: 11.1 percent (base year 2023: 11.1 percent)
- Management Board: 16.7 percent (base year 2023: 16.7 percent)

- First management level below the Management Board: 32.4 percent (base year 2023: 27.6 percent)
- Second management level below the Management Board: 39.5 percent (base year 2023: 38.4 percent)

The achievement of these quotas will be checked after June 30, 2025 based on the percentage of women in the defined positions. No further interim targets were defined.

ARAG has not currently set any targets related to the other impacts identified as material.

3.1.4 Metrics

Unless stated otherwise, the following quantitative metrics are as of December 31, 2024. They cover both domestic and international subsidiaries within the reporting scope in accordance with the disclosures about the basis of consolidation of the sustainability report. Given the reference date and the reporting scope, the metrics differ from the disclosures in the notes to the consolidated financial statements.

Characteristics of the Company's employees

Number of employees by gender

	2024
Gender	
Male	2,405
Female	3,671
Non-binary	0
Not disclosed	0
Total number of employees	6,076

Number of employees in countries with more than 50 employees or at least 10 percent of the Company's total number of employees

	2024
Germany	2,661
UK	906
Netherlands	803
Spain	647

Characteristics of the Company's employees

	Female	Male	Other ¹	Not disclosed	Total
Number of employees	3,671	2,405	0	0	6,076
Number of employees on permanent employment contracts	3,474	2,297	0	0	5,771
Number of employees on temporary employment contracts	195	109	0	0	304
Number of on-call workers	1	0	0	0	1

¹ Gender as specified by the employee themselves.

ARAG defines its employees as active or passive, and discloses their number as a headcount. The following are not included in the figure for the total workforce: members of the Management Board/Managing Directors, apprentices, interns, and those in early retirement or in passive pre-retirement part-time employment. This definition applies to all of the following metrics. The figures for employees are based on year-end values as of December 31, 2024.

Employees either have a permanent or a temporary employment contract. As the majority of employment contracts at ARAG are permanent, the Company makes a considerable contribution to job security.

Employee turnover

	2024
Total employee turnover	585
Rate of employee turnover	9.6%

With regard to disclosures about employee turnover, ARAG considers turnover to include the following:

- Natural turnover (retirement, early retirement due to individual contract, leaving after pre-retirement part-time employment, death)
- Termination by the company (operational reasons, conduct or performance-related reasons, reasons relating to the person)
- Termination by the employee (due to area of work, remuneration, working environment, leaving during/after parental leave, unknown/other reasons)
- Termination by mutual agreement
- Switch to freelancing
- Departure due to sale/outourcing

Not included are employees whose temporary contract has come to an end. Temporary employees are only included in the numerator in the employee turnover calculation if the employment is terminated early, as the employees will otherwise not have left the company voluntarily or due to dismissal, retirement, or death, but simply because their contract ended.

For the own employee turnover calculation, ARAG determines the aggregate of the number of employees who leave voluntarily or due to dismissal, retirement, or death in service. ARAG uses this figure in the numerator and the total number of employees in the denominator.

Characteristics of non-employee workers

Overview of non-employee workers

	2024
Number of non-employee workers in the Company	160

Non-employee workers includes contract labor. This metric was determined as of December 31, 2024 by querying the relevant departments.

Collective bargaining coverage and social dialogue

Coverage at a glance – collective bargaining and social dialogue

Coverage rate	Collective bargaining coverage		Social dialogue
	Employees – EEA ¹	Employees – Non-EEA countries ²	Workplace representation (EEA only) ¹
0–19%			
20–39%			
40–59%			
60–79%	Germany		
80–100%	Spain, Netherlands	UK	Spain, Germany, Netherlands

¹ For countries with >50 employees representing >10 percent of total employees.

² Estimate for regions with >50 employees representing >10 percent of total employees.

For the year ended December 31, 2024, 74.3 percent of employees in the ARAG Group are covered by collective bargaining.

Furthermore, 85.6 percent have an employee representative. In addition to the national employee representatives, there is also the Works Council of the Societas Europaea (ARAG SE), where representatives of ARAG subsidiaries in EEA countries meet twice a year at the headquarters in Düsseldorf to discuss employee matters at European level. Works councils and similar bodies exist in many European countries. In Norway, representation depends on the union that the individual employee belongs to. There is no employee representation in the USA, Canada, the Republic of Ireland, Greece, Portugal, or Slovenia.

Diversity metrics

Disclosures about the top management level

	2024
Number of employees at top management level	29
Number of female employees at top management level	7
Number of male employees at top management level	22
Proportion of female employees at top management level	24.1%
Proportion of male employees at top management level	75.9%

The calculation of the proportion of women at the top management level below the administrative and supervisory bodies includes members of management boards and senior management at domestic and international ARAG subsidiaries who must report to their company's supervisory body (supervisory board, advisory board, or board of directors) and whose company has employees. This specifically includes:

- Members of the Management Boards of national insurance companies who must report to their respective Supervisory Board (ARAG SE, ARAG Allgemeine, and ARAG Health)
- Members of senior management at national service companies who must report to their respective advisory board (ARAG Service Center, Cura, and Solfin)
- CEOs/Executive Directors of independent international subsidiaries who report to the respective Board of Directors (Republic of Ireland, Canada, Norway, UK, and the USA)

Breakdown of employees by age group

	2024
Breakdown of employees by age group: aged under 30	18.0%
Breakdown of employees by age group: aged 30–50	54.4%
Breakdown of employees by age group: aged over 50	27.6%

Adequate wages

All employees are paid according to applicable reference values or collective agreements. The minimum wage according to law or the collective agreement is factored in when assessing this metric. If no minimum wage has been set, national standard values are used. This is the case in Norway, Sweden, and Denmark.

Social security

All ARAG employees are covered by social protection enshrined in law, protecting them against loss of income due to major life events such as sickness, unemployment, workplace accidents and acquired disability, parental leave, and retirement. Information about social protection was requested from each country in which ARAG operates.

Persons with disabilities

Proportion of persons with disabilities

	2024
Percentage of persons with disabilities within the own workforce	3.8%

The methods used to obtain information about persons with disabilities vary from country to country. In Germany, this information is supplied by the employees voluntarily and recorded in a system. Proof in the form of relevant documentation must be provided for a reported disability.

Other countries where data on persons with disabilities is recorded include Belgium, Greece, Italy, the Republic of Ireland, Austria, Spain, Portugal, Slovenia, the United Kingdom, and the USA. This information is recorded in the respective HR system, in employee files, or in dedicated Excel lists. In the USA, the data is provided voluntarily through a questionnaire in which employees can report whether they identify with a disability.

No data on employee disabilities is recorded in Canada, the Netherlands, Norway, Sweden, and Denmark due to data protection and privacy concerns. Instead, disclosures are based solely on the knowledge of the respective HR manager.

Metrics for training and skills development

Regular performance and career development reviews

	2024
Percentage of employees that participated in regular performance and career development reviews	88.5%
Percentage of employees that participated in regular performance and career development reviews (male)	89.3%
Percentage of employees that participated in regular performance and career development reviews (female)	87.9%

The approach to obtaining these metrics varies from country to country. In Germany, for example, employees and managers are required to have an annual staff appraisal interview that, among other things, focuses on the previous year's performance and accomplishments, assesses the collaboration with the manager and within the team, and looks ahead to the coming year.

The majority of countries that must report, including Germany, Belgium, Italy, the Netherlands, Spain, Portugal, the United Kingdom, and the Republic of Ireland, have IT solutions in place for carrying out performance and career development reviews.

Countries that do not use IT solutions to track these assessments, such as Austria, Slovenia, and Canada, determine the number of completed appraisals by asking the relevant line managers either directly or in the context of the annual bonus payments. Norway, Sweden, and Denmark take an entirely trust-based approach. Managers at HELP receive comprehensive training to ensure that they can carry out their people management tasks properly, including the regular performance and career development reviews.

These three countries deliberately refrain from tracking the number of appraisals held as this would contradict their management approach. As the office in Greece is only small, no performance and career development reviews in accordance with ESRS are carried out here. Instead, the focus is on regular communication between managers and employees. Greece is therefore reported as having a share of 0 percent.

Training hours

	2024
Average number of training hours per employee	19
Average number of training hours per employee (male)	17
Average number of training hours per employee (female)	20

Most countries also use an IT solution to determine the average number of training hours per employee. In countries without access to an IT solution, the employees and managers are asked about the number of training hours completed over the reporting year.

For technical reasons, the average number of training hours per employee in Belgium can only be recorded from 2025 onward, therefore the disclosure for 2024 is zero hours.



Health and safety metrics

Health and safety

	2024
Percentage of people in ARAG's own workforce who are covered by the Company's health and safety management system based on legal requirements and/or recognized standards or guidelines	100.0%
Number of recordable workplace accidents	19
of which employees	19
of which non-employee workers	0
Rate of recordable workplace accidents (workplace accidents per one million hours worked)	2.1
of which employees	2.1
of which non-employee workers	0.0
In relation to the Company's employees, the number of days lost to work-related injuries or deaths resulting from workplace accidents, to work-related ill health, and to deaths resulting from illness	421

All employees of the ARAG Group are covered by their respective national health and safety management system.

The denominator in the calculation of the number of reportable workplace accidents takes the hours worked by all employees into account.

Work-life balance metrics

Family-related leave

	2024
Percentage of employees entitled to take family-related leave	99.5%
Percentage of entitled employees that took family-related leave	7.2%
Percentage of entitled employees that took family-related leave (male)	1.4%
Percentage of entitled employees that took family-related leave (female)	5.8%

ARAG employees are entitled to take family-related leave in line with statutory provisions. Reasons include maternity leave, parental leave, or carers' leave from work. The reported number of employees who took family-related leave is based on the number of employees as of December 31, 2024.

Remuneration metrics

Pay gap and total remuneration

	2024
Gender pay gap	20.4%
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)	26.5

When calculating the gender pay gap, the average hourly wage per country and gender is determined in order to ascertain the values for the Group. No factors influencing pay, such as job role or hierarchical level, are taken into account in the analysis of average income by gender, so only an unadjusted gender pay gap is available.

To determine the highest-paid person in the Company and the median of the total annual remuneration of all employees, anonymized salary lists with the total annual remuneration of each employee are requested from all countries. These individual lists are then consolidated to identify the highest paid person and the median, and to calculate the corresponding ratio.

Incidents, complaints, and severe human rights impacts

Reported incidents

	2024
Total number of incidents of discrimination, including harassment, reported in the reporting period	2
Number of complaints filed through channels for the Company's workforce to raise concerns (including grievance mechanisms) and, where applicable, to the National Contact Points for the OECD Guidelines for Multinational Enterprises related to the matters defined in paragraph 2 of this Standard, excluding those already reported in (a) above	0
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements	0
Number of severe human rights incidents connected to the Company's workforce in the reporting period, including an indication of how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, or OECD Guidelines for Multinational Enterprises. If no such incidents have occurred, the Company shall state this	0
Total amount of fines, penalties, and compensation for damages for the incidents described in (a) above, and a reconciliation of the monetary amounts disclosed in the most relevant amount in the financial statements	0

3.2 Workers in the value chain (investments)

Material impacts related to value chain workers

During the materiality assessment, ARAG identified a potential negative impact in relation to workers in the value chain as material. The impact results from investments in companies operating in sectors linked to incidents relating to secure employment, adequate wages, health and safety, gender equality, the employment and inclusion of persons with disabilities, diversity, child labor, and forced labor. The impact affects workers in companies in which ARAG has invested, and thus that operate in ARAG's downstream value chain. Due to the diversification of investments, the impact is not limited to a specific

geographical area, sector of industry, or activity. Accordingly, the materiality assessment made no distinction as to whether employees with certain characteristics might be more at risk.

In order to address these potential impacts, ARAG uses a standards-based screening filter to identify companies linked to severe violations in the following relevant areas and then take action to exclude these companies.

3.2.1 Concepts

ARAG wants to be perceived as a responsible company in its asset management activities too, and therefore factors environmental as well as social and corporate governance criteria into its investment decisions. Accordingly, the policy on using sustainability criteria in investment prescribes a negative screening filter that rejects investments in individual issuers and countries on the basis of certain standards, values, and sales revenue. The policy is based on international frameworks such as the International Labour Organization (ILO) standards, including in respect of child labor and forced labor. The negative screening filter provides the basis for dealing with potential negative impacts. Its purpose is to ensure that investments are only made in companies and countries that meet social criteria, thus reducing negative impacts on workers. Companies on the negative list are subject to an investment freeze. Sales are generally still permitted, but further purchases are excluded using business limits. If companies are no longer on the negative list, the investment freeze ends. The employees of investee companies are not directly taken into account. Overall responsibility lies with the relevant member of the Management Board. There were no active border violations in 2024 with regard to the negative list and the country exclusion list.

ARAG does not have any dedicated channels through which workers at companies in which ARAG invests can raise concerns. However, they can use the existing channels, such as the complaints system and the whistleblowing system described under S1 – Own workforce and G1 – Corporate governance.

3.2.2 Actions

The negative screening filter excludes companies that have committed severe violations from investment. That includes the following:

- Breaches of International Labour Organization (ILO) standards, including in respect of child labor and forced labor
- Human rights abuses
- Governance violations (including bribery and fraud)
- Controversial weapons (entities that have any connection whatsoever to cluster munitions, landmines, biological/chemical weapons, depleted-uranium weapons, blinding laser weapons, incendiary weapons, and/or weapons with non-detectable fragments that are subject to UN conventions)

The principles of the United Nations Global Compact are applied in the assessment for the standards-based exclusion of companies from the investment universe. The United Nations Global Compact establishes minimum social and environmental standards.

In addition, a country exclusion list is used. The countries listed and the companies based there (applicable to the ‘country of risk’ data characteristic) represent an increased risk for ARAG in the area of governance and are thus excluded from investment. The exclusion criteria do not apply to supranational issuers, such as multilateral development banks, that have administrative offices in a country on the exclusion list.

Issuers whose business activities involve controversial weapons and/or child labor must be removed from the portfolio. Furthermore, ARAG undertakes to reduce the affected existing portfolios over a transitional period until 2025 or to hold them until final maturity, but no later than 2030.

Countries and entities based in countries that meet at least three out of the five criteria are placed on an exclusion list; this does not apply to supranational issuers such as multi-lateral development banks. A strict ban applies, which means that any relevant securities in the portfolio are sold and no new investments may be made.

The exclusion list for countries is based on the following criteria:

Corruption: Corruption Perceptions Index (CPI) (‘weak management’ flag)

Countries with a high degree of perceived corruption among politicians and holders of public office, as measured by the CPI. The corruption criterion is met if the CPI is below 40 (on a scale of 0–100) and the assessment is ‘weak management’. The CPI is produced annually by the non-governmental organization Transparency International (Berlin) and summarized in a report. The methodology is established and transparent.

Democracy and human rights: Freedom House Index (‘not free’ status)

Countries with the lowest standards worldwide with regard to democracy and human rights measured by the Freedom House Index, primarily based on the UN Declaration of Human Rights. The democracy and human rights criterion is met if the Freedom House Index is below 34 and the assessment is ‘not free’. The Freedom House Index is produced annually by the non-governmental organization Freedom House (Washington) and summarized in the ‘Freedom in the World’ report. The methodology is established and transparent.



Peace status: Global Peace Index status ('weak management' flag)

Countries with the lowest standards worldwide with regard to security, safety, social cohesion, international collaboration, and militarization, as measured by the GPI. The peace status criterion is met if the GPI has an index value with the assessment 'weak management'. The GPI is produced annually by the Institute for Economics and Peace (IEP) (Sydney) and summarized in the 'Global Peace Index – Measuring peace in a complex world' report. The methodology is established and transparent.

MSCI Government ESG Rating

Countries with the lowest ESG standards worldwide, as measured by the MSCI Government ESG Rating. The Government ESG Rating criterion is met if the MSCI Government ESG Rating is CCC, the lowest possible rating. The MSCI Government ESG Rating is produced regularly, and at least once a year, by data provider MSCI (New York). The methodology is established and transparent.

Sanction status

Countries subject to sanctions by the EU or the UN. The sanction criterion is met if a country is subject to EU or UN sanctions, irrespective of the severity or duration of the individual sanctions.

A strict ban applies, which means that any relevant securities in the portfolio are sold and no new investments may be made.

The exclusion lists are stored in the ARAG portfolio system to enable adherence to be permanently monitored. Any securities that are on the negative list but not subject to an immediate requirement to sell are monitored using portfolio limits. Funds' compliance with the negative list and the country exclusion list is monitored by the investment management company HSBC INKA. The negative list and the country exclusion list are applied directly to ARAG's fungible investments (direct investments and institutional funds). The exclusion lists were produced by ARAG internally without the involvement of workers in the value chain.

ARAG did not receive any reports via its complaints system of human rights issues and incidents connected to its upstream and downstream value chain.

The actions described have no end date and are therefore to be considered ongoing. No separate resources are allocated to the implementation of the actions.

3.2.3 Targets

ARAG has not set any targets related to workers in the value chain. The use of the negative screening filter reduces potential negative impacts and helps to monitor them on an ongoing basis.

3.3 Consumers and end-users (insurance products)

Material impacts related to consumers and end-users

During the materiality assessment, ARAG identified two material positive impacts related to consumers and end-users. By including legal insurance benefits in almost all of its products, ARAG helps customers to assert their rights. With regard to health insurance, ARAG makes a positive contribution through its offering of private health insurance benefits and the associated access to the healthcare system. The potential loss of sensitive customer data was identified as a potential negative impact. The processing of sensitive personal data involves the risk of unauthorized access to this data, potentially damaging ARAG's reputation and leading to fines.

The material impacts affect ARAG's consumers and end-users, who can generally be divided into three main categories based on the insurance benefits offered and the way that the target group is addressed.

The private customer category includes individuals and families who purchase legal insurance, health insurance, and property insurance to protect themselves against everyday risks. Legal expenses insurance is particularly important, as it provides easy access to justice in many areas, including on the road, at work, at home, and in personal matters. Health insurance is another area with strong growth, primarily personal supplementary insurance and full-coverage insurance.

The second category comprises small and medium-sized enterprises (SMEs), the self-employed such as tradespeople and freelancers, and clubs and associations. It includes business customers that use special legal products such as liability insurance and property insurance.

The third category includes people who find themselves in difficult circumstances, as ARAG also specifically offers its services to socially disadvantaged and poorer groups in need of legal insurance.

ARAG does not offer any products that are inherently harmful to people and/or increase the risk of chronic disease. ARAG also does not offer any services that potentially negatively impact people's right to privacy, to have their personal data protected, to freedom of expression, and to non-discrimination; Furthermore, ARAG does not target any products at consumers and/or end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies.

3.3.1 Concepts

The ARAG 5>30 corporate strategy

The ARAG 5>30 corporate strategy comprises five key areas of action. Embracing Clients, for example, focuses on customer satisfaction. The aim is to take customer satisfaction to the next level through innovative products and inspiring services.

Sustainability strategy

ARAG has a positive impact on consumers and end-users by offering legal insurance and health insurance, thus helping to level the playing field and ensure broad access to justice. The overarching purpose of the sustainability strategy is to manage the impacts on consumers and end-users. The Management Board as a whole is responsible for meeting the targets set in the sustainability strategy.

By including legal insurance benefits, ARAG supports customers in safeguarding and asserting their rights. The Company boosts its customers' rights in the essential areas of work, the home, physical and mental health, education and participation, equal treatment, and privacy, whether analog or digital. In addition, legal insurance can support consumers in legal proceedings relating to environmental offenses, making it a highly effective instrument for ensuring that consumers can have a direct influence on sustainable transformation processes.

The strategies are targeted at all customers, whether private or business. ARAG focuses on its customers and places their satisfaction at the heart of its actions, thus unlocking opportunities for long-term success and reliable customer service.

With regard to consumers and end-users, ARAG's sustainability strategy is in line with internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights. The sustainability strategy emphasizes access to justice and promoting a level playing field, in line with the UN's SDG 16 (peace, justice, and strong institutions). Through its legal insurance products, ARAG helps to ensure access to justice.

Data Protection Guideline

For ARAG, digitalization is a customer-focused program of development that is supported by new technological possibilities. The Company is forging ahead with a digital by default approach. The idea is to take a digital first approach for processes and to only use analog processes where they offer an advantage for the customer. As a result of increasing digitalization, and with this approach in mind, ARAG is focusing more and more on data protection and on protection against cyber risks. It is therefore of the utmost importance to ARAG that it safeguards the confidentiality and security of the data it processes in order to maintain the trust of stakeholders, customers, business partners, and employees. ARAG's comprehensive data protection management is based on a set of policies and written procedures that includes the ARAG Information Security Guidelines, the ARAG Information Security Standard, the ARAG Data Protection Guideline, and the ARAG Data Protection Management Policy. These rules are binding for all of the Company's employees. They are reviewed annually and updated as required, and can be accessed via the intranet.

In the digital age, data protection is an interdisciplinary function for which all departments need to take responsibility. The departments are supported by the data protection organization, which is led by the Chief Information Security Officer. In the 'three lines of defense' model, the Company's Chief Information Security Officer and Group Audit (third line of defense) monitor compliance with all data protection requirements on an ongoing basis. Independent auditors periodically check that the data processing programs are being used in compliance with the applicable requirements. The regular IT security inspections help to identify shortcomings in the IT security architecture so that appropriate measures for improvement can be initiated. ARAG has been in compliance with the stricter rules on data protection that have been in place since the EU's General Data Protection Regulation (GDPR) came into force. In addition to the binding provisions of the GDPR, ARAG also voluntarily complies with the German insurance industry's code of conduct for processing personal data.

Human rights

With regard to upholding human rights in the value chain, their protection has been enshrined as a key component of the corporate strategy. ARAG has taken action aimed at ensuring compliance with the German Supply Chain Due Diligence Act (LkSG). This includes a risk analysis of direct suppliers and the introduction of a complaints system for reporting human rights abuses. Furthermore, ARAG attaches great importance to its customers' compliance with ESG standards, which are also part of the risk assessment. In its underwriting business, ARAG avoids partners who are known to contravene standards of human rights, decent working conditions, or equal opportunities, or where the partners cannot document any steps taken to transform the ESG impact of their business. The Company sets great store by compliance with health and safety requirements.

To date, no incidents have been reported relating to non-respect of 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.

Processes for engaging with consumers and end-users about impacts

ARAG considers it hugely important that its customers are satisfied and that their requirements are taken into account. Their perspectives with regard to the identified positive impacts are incorporated in a number of ways.

The first is during the product development process, where insights from sales, customer service, and the claims and legal service, as well as the needs and wishes of customers are all factored in. In addition, ARAG draws on insights from market research and customer surveys relating to current trends and needs. This ensures that feedback from customers and sales partners is systematically incorporated into the product development process. Insights are derived from this that flow into the formulation of action plans. The collaboration is therefore directly with the customers and indirectly with their representatives.

ARAG measures the satisfaction of its customers and their willingness to recommend the Company, and uses the insights gained to guide its actions. The Group relies on the Net Customer Satisfaction Score (NCSS) to gauge customer satisfaction, while the Net Promoter Score (NPS) measures the customers' willingness to recommend the Company.

The NCSS value was developed by ARAG and is recorded as part of a customer survey. Customers can choose from five answers to the question "How satisfied are you with ARAG overall?". The NPS is recorded using a scale from zero to ten. The aim is to steadily increase the number of satisfied and very satisfied customers. To this end, the NCSS and NPS are continuously recorded and analyzed, with appropriate action taken based on the findings.

A 2023 survey on corporate health insurance, commissioned by ARAG Health, highlights the potential inherent in corporate health insurance for businesses and their employees. ARAG is thus also responding to the perspectives and requirements of small and medium-sized enterprises by further expanding this business line.

The aforementioned actions help to take customers and their views on impacts into account and support the ongoing development of customer centricity and product development. Responsibility for these actions lies with the central Corporate Communications/Marketing Department.

Processes to remediate negative impacts, and channels for consumers and end-users to raise concerns

ARAG is committed to international guiding principles and the LkSG. This includes actions to respect and uphold human rights, and meeting the Company's obligations to review environmental risks and human rights risks. These risks affect own operations as well as ARAG's direct suppliers. An effective complaints system serves as an early warning system

for reporting risks and violations. Violations can also be reported openly or anonymously via a tool on the website in order to avoid or limit loss or damage. ARAG ensures that the complaints system is easy to find for customers too. Procedural rules are also in place to protect anyone who lodges a complaint from negative consequences.

Furthermore, ARAG and its actions are guided by the corporate principles of behaving ethically, with integrity, and within the law. The Company expects the same commitment to these values from its business partners.

Insurance activities also include suitable measures to ensure that minimum safeguards are in place in respect of human rights, corruption, taxation, and fair competition. ARAG has implemented processes aimed at meeting these requirements. Potential risks are identified and preventive measures defined and monitored, where necessary, as part of a due diligence process. The Compliance Guideline and the compliance function ensure overall compliance.

Negative impacts on customers are also to be prevented in the future. Accordingly, customer surveys and customer satisfaction surveys are consulted, and complaints are taken seriously at all times. ARAG has implemented a code of conduct for business partners of ARAG SE, a complaints system, and the declaration of principles in line with LkSG.

ARAG has a complaints management system on its website. The aim is to identify and remedy negative impacts on customers, who can find all relevant information on the website and submit their complaint online in only a few steps. The following information must be provided:

- The full personal details of the policyholder and, where appropriate, of other insured persons, and details about the type of property and the address of the insured property

- The contract number or claims number
- A description of the matter
- What the desired outcome is
- Where contact with ARAG is made on behalf of someone else, authorization from this person is required.

Information about external contacts, such as the insurance ombudsman and Germany's financial services regulator, BaFin, are also listed.

Complaints are checked once they have been received. ARAG ensures that complaints are handled by specially trained and selected ARAG employees. These employees are duty-bound to be discreet and neutral, are able to operate independently, have received appropriate training, and have sufficient time at their disposal. If the complaint is validated, ARAG takes immediate remedial and preventive action. The employees tasked with handling complaints check that any remedial action has been implemented successfully.

The effectiveness of the complaints system is reviewed regularly and on an ad hoc basis. This process involves mutual monitoring by various hierarchies, including the human rights officer.

3.3.2 Actions

ARAG has taken a range of actions, described in greater detail below, to support positive impacts in the area of health insurance and legal insurance. These actions do not follow a specific time horizon, and their appropriateness is reviewed as required. The Company does not currently have a standardized approach to tracking the effectiveness of actions related to material impacts over the reporting period. No separate budgets are allocated to the implementation of individual actions. Instead, the general resources in terms of personnel and information are made available.

Actions in legal insurance

The 17 SDGs seek to promote socially, economically, and environmentally sustainable development. This is a responsibility that ARAG shares. After all, the United Nations' ambition is a key aspect of the Company's founding principle and is enshrined in its corporate strategy. With this in mind, the first ARAG Day in 2023 provided a format that enabled the Group as a whole to champion rights, equal opportunities, and sustainable social transformation.

During ARAG Day, people across the world are granted access to justice, especially those who have difficulty obtaining legal assistance due to financial or social obstacles. The initiative aims to offer free legal advice to people who find themselves in particularly difficult situations, in line with the vision of improving access to justice for everyone. The ARAG Day is scheduled to take place annually, and was held in September in 2024. Legal systems are crucial, as they provide the foundations needed to manage the comprehensive restructuring of national economies and societies. The ARAG Day emphasizes the Company's commitment to protecting and promoting reliable legal structures in times of change.

This complex and critical challenge is too big, however, to leave to the ministries of justice, the courts, the bar associations, and the legal aid organizations alone. It requires new ways of collaborating, new functions, and new ways of working. This is why ARAG is joining forces with Justice Leaders, a non-profit organization whose objective is to support governments and justice leaders to bring about change in legal systems and to promote the strengthening of the rule of law. It calls for the innovative power, the wealth of ideas, and the capital of the private legal sector. In its digital meetings with Justice Leaders, ARAG therefore sounded out new forms of collaboration between those responsible for applying the law and the private sector that can help to ensure access to justice for all.

Actions in health insurance

A range of actions, including preventive action, was taken in relation to health insurance and access to healthcare.

The Roodie app offers adaptive support when searching for suitable healthcare services. Within 48 hours, users can get help with finding physicians and hospitals, including an appointment service and recommendations for suitable specialists. Virtual appointments with doctors are also possible, making it easier to access medical support.

There are extensive offerings for pregnant women and parents, including a midwife search option, online antenatal classes and advice on postpartum recovery, baby massages, and breastfeeding. Classes specifically for expectant fathers are also available.

In the event of psychological difficulties, therapy sessions are offered quickly, with the option of starting therapy after just ten days. Alternatively, psychotherapy can be provided online.

Personalized health coaching is also available, with a coach on hand to provide support with illnesses such as type II diabetes, cardiovascular disease, and chronic pain. For those in need of online nutritional advice, dietitians provide personalized support with challenges such as obesity, diabetes, and allergies.

The ARAG health app is the place to go for a wide range of health concerns. The app also offers pain therapy in the form of personalized exercises that help to prevent and alleviate pain. Patients with prostate cancer can turn to a special therapy app offering 3D pelvic exercises, tips for everyday life, and information on the disease and its treatment. The app also provides support with psychooncological matters.

With regard to oral health, users in southern Germany can arrange prompt dental appointments that are not available to the general public. They can also receive help with

finding a dentist or specialist, or with obtaining a second opinion. A no-obligation cost estimate for dental prostheses is offered by the partner Quality Smile Dentallabor. Customers can also benefit from attractive discounts on high-quality hearing aids that cover a range of hearing needs.

The actions described above support faster and easier access to the healthcare system and thus make a positive contribution to healthcare insurance services.

The central Markets, Products, Partner KV Department is responsible for compliance with, and the monitoring of, these actions.

Additional measures include the aforementioned ongoing measurement of customer satisfaction via the Net Customer Satisfaction Score and of the willingness to recommend the Company via the Net Promoter Score. Measuring these two scores helps to assess the results achieved and to derive and manage new actions.

Given that only positive impacts were identified in the areas of legal, health, and life insurance, there are no other processes – beyond those described above – for evaluating and deriving actions in the event of potential or actual negative impacts.

Actions to address data protection

To avoid negative impacts and reduce risks related to data protection, ARAG monitors data protection complaints on an ongoing basis and keeps track of the numbers so that it can assess the extent of compliance with data protection regulations in the Company's day-to-day business operations. If a breach of data protection is suspected, the data subject can submit a complaint via the aforementioned channels. If the breach is identified internally, the first step is to lodge a complaint with the relevant department. Approaching the Company's Chief Information Security Officer or the responsible data protection supervisory body directly is also an option at any time. Prompt handling ensures that negative impacts are rectified as soon as possible and that remedial action is taken.

Every two weeks, the member of the Management Board responsible for data protection is informed about the latest developments in data protection. In the event of reportable data protection violations, the relevant members of the Management Board are involved in the final review and approval of the report in accordance with the data protection management policy.

General and departmental training and information are designed to raise employees' awareness of data protection and thereby continuously improve the level of data protection. The Chief Information Security Officer is responsible for highlighting data protection issues and does so by providing individual advice and training for employees. This is complemented by measures to make employees aware of the issues, mandatory staff training, and the use of internal channels to communicate the latest information. ARAG repeats the basic data protection training for its employees every two to three years, and new employees must complete this as soon as they join the Company. In 2024, ARAG provided tailored inhouse training for employees working in data protection. The Company documents the findings of the data protection training and analyzes them in order to continually optimize this area of instruction.

3.3.3 Targets

ARAG has not defined any measurable, results-oriented targets as defined by ESRS for the identified impacts, as the ambition to improve access to justice worldwide is already enshrined in the sustainability strategy. The Company aims to facilitate access to justice for more than two million customers a year by 2030. No interim targets were defined. The expansion of services such as mediation and out-of-court resolutions will support this. Targets for health insurance and legal insurance are set as part of the sustainability strategy and are the responsibility of the Management Board.

4 Governance information

4.1 Corporate culture and corporate governance policies

For ARAG as an insurance company, compliance with all legal and regulatory provisions is a fundamental prerequisite for retaining its business license and the trust placed in ARAG by customers and other stakeholders. As a result, compliance has a high priority in the Group and across the entire value chain. The corporate culture and the associated values are embedded across the Company through a range of guidelines and training sessions. Compliance with the values and guidelines is intended to promote and validate the corporate culture. Furthermore, the implementation of numerous internal guidelines and processes minimizes the risk of not being able to respond appropriately, or in time, to changes in legislation and case law.

ARAG's insurance companies have a Compliance Guideline, which details the compliance management system in the ARAG organization and defines mandatory values and the levels of behavior expected from all employees. All of the ARAG Group's German insurance companies, including holding companies, adopt their own compliance guidelines. The respective compliance guidelines apply to branches and domestic and international subsidiaries that are not organized as stock corporations. The international stock corporations adopt their own relevant regulations based on the Compliance Guideline and taking applicable national provisions into account.

The Compliance Guideline is derived from the business strategy and the risk strategy, and describes the principles of any assessment and reporting processes that are in place. It informs employees of established communication channels and encourages them to report irregularities. The guideline ensures that the same standards and principles apply for all employees, and that ARAG is able to respond appropriately, and in time, to changes in legislation and case law.

ARAG is an independent, family-owned insurer and bases its values-led culture on its Integrity Guideline. It defines the moral and value-oriented standards that should guide employees' behavior, fleshes out the ARAG Essentials, and supplements ARAG's Compliance Guideline. This guidance goes beyond the legal requirements and emphasizes the importance of ethical conduct, integrity, and a sense of responsibility within the Company. One of the ways in which the contents of the Integrity Guideline are communicated to the employees is through online training, which is also included in the onboarding process for new employees.

The Compliance Guideline and the Integrity Guideline set clear expectations regarding lawful and ethical behavior and integrity in the Company. Their universal applicability promotes a culture of honesty and transparency. The Compliance Guideline and the Integrity Guideline address the establishment, development, and advancement of the corporate culture, and the identification and prevention of corruption and bribery. Overall responsibility lies with the relevant member of the Management Board.

The mandatory training sessions in Germany on compliance and integrity (including on conflicts of interest, competition law, protection of whistleblowers), for example, ensure that all employees have a common understanding of lawfulness and ethics. In addition, at-risk employees receive specific training on money laundering prevention. Data protection is an integral element of regular, separate training, for which the Chief Information Security Officer is responsible.

Where concerns arise as a result of internal or external reports, the procedure for maintaining confidentiality and the anonymity of the whistleblower, as described in S1 – Own workforce, applies. If there are concerns about unlawful behavior, the Compliance function can initiate its own investigative measures and/or commission external parties to conduct an investigation. The Chief Compliance Officer promptly informs senior manage-

ment and the supervisory bodies about material insights from investigations and about material compliance risks and reputational risks. A compliance risk or reputational risk is considered material if it has the potential to negatively impact on the Company's financial position or commercial or financial performance. The findings of the investigations are also presented in the annual compliance report and communicated to the committees of the Management Board and Supervisory Board. In its report, the Compliance function also sets out whether notifications were received through the whistleblowing system and what measures were taken as a result.

ARAG does not have any policies in place for preventing corruption or bribery in line with the United Nations Convention Against Corruption. There are no plans to introduce a policy in this form. The mandatory compliance training for all employees in Germany includes a module on corruption, bribery, and conflicts of interest. Internal rules also stipulate that no inducements may be offered to, or accepted from, public officials. Among others, the Related Parties Guideline and the Compliance Guideline provide further guidance on conflicts of interest and dealing with inducements from and to third parties. A dedicated process for handling invitations and gifts is also in place.

The internal and external channel for reporting criminal offences, irregularities, violations of legal provisions and internal regulations, and information on potentially dishonest behavior was set up in cooperation with a service provider. Although lawmakers have not explicitly stipulated that the reporting channel must be anonymous, the Company believes it is essential to offer such a communication option. The aim is to alleviate any concerns that potential whistleblowers might have. The reporting channel is published on the website and is open to third parties, which means that reports from former employees and service providers, for example, can also be submitted. Additionally, employees can leave confidential messages in compliance mailboxes. In this case, communication is exclusively via workplace representatives, who are obliged to maintain confidentiality.

All information received is treated confidentially and, if so requested by the whistleblower and legally possible, forwarded anonymously to the competent authorities for the purpose of clarifying and remedying any irregularities. The Compliance function provided the workplace representatives with training on the whistleblowing process and on how the whistleblowing platform works.

The whistleblowing channel has also been introduced in units outside Germany, including Spain, Portugal, Italy, Austria, Belgium, Slovenia, and Norway. All other units have set up compliance mailboxes to facilitate confidential whistleblowing by the workforce, taking account of any relevant local legislation.

The implementation of measures to protect own workers who are whistleblowers from retaliation in accordance with the applicable law transposing Directive (EU) 2019/1937 of the European Parliament and of the Council, and of the German Whistleblower Protection Act, is documented in the Whistleblowing Directive.

Incidents of corruption and bribery fall within the scope of the Whistleblower Protection Act. The relevant processes are described in the Whistleblowing Directive. The time limits for processing and responding are based on statutory provisions. External parties may also be called upon to investigate or clarify incidents in order to ensure independence.

Individual departments, such as Data Protection, Safety and Security, and Information Security, develop their own training programs and define the target groups, frequency, and scope for the respective department. Training sessions are entered into the learning management system.

The Compliance function introduced mandatory compliance training and money laundering training (mandatory for certain at-risk groups) in Germany. This training has been

integrated into the onboarding process. Sessions cover conflicts of interest, corruption and bribery, antitrust law, and information security. If required, additional learning modules are used to supplement the compliance training.

Once training content has been completed, it is not offered again. Following the expansion of the training modules to include compliance, these individual new modules will once again be made mandatory for the workforce.

ARAG does not categorize employees by risk of corruption. Generally, there is a residual risk of corruption and bribery in all areas of the Company and among all employees. This assessment is not limited to departments and functions that are closely linked to finance and sales. Training on corruption and bribery is mandatory for all employees, irrespective of their function. Accordingly, disclosures are not split into at-risk functions; instead, the number of employees who took part in the training is reported.

Target groups are only broken down in relation to money laundering training. As ARAG SE offers employee loans and advances on sales in relevant amounts, the Company falls within the scope of the German Money Laundering Act. Since this is a very specific area, mandatory training is only offered to employees who deal with these matters, including individual employees in Human Resources, Sales, and Accounting.

Risk assessments are carried out across the Group in order to identify and minimize the risk of breaching sanctions. In addition, an internal process for reporting suspicious transactions and identifying sanctioned individuals was established. Actions aimed at mitigating the risk of breaching sanctions include compliance training for employees, among other things on the subject of antitrust law. This training is integrated into the onboarding process for new employees. Furthermore, lists of dos and don'ts were developed that cover interactions with business partners and at association meetings. Existing training

modules can also be rolled out internationally in English, if required. Actions related to data protection and money laundering include monitoring, expert analyses, and training.

Policies for the prevention and detection of corruption and bribery

The Compliance Guideline provides guidance on preventing allegations of and incidents of corruption and bribery, including a dedicated process of verification by a second person. This guidance is integrated and communicated through mandatory compliance training for all employees in Germany, staggered approval processes in purchasing (Authorization Guideline), appropriateness assessments for third-party inducements, and processes for sponsorship and inducements in sales partnerships and partner sales. Incidents can be identified with the help of internal or external reports. A standard process for handling such reports is defined in the Whistleblowing Directive. External law firms may also be involved to ensure the independent investigation and examination of allegations.

The Compliance Guideline also allows for neutral third parties to be commissioned in order to safeguard the independence of any potential investigation.

The Compliance function is responsible for regular and ad hoc reporting to the supervisory bodies.

A SharePoint page has been set up where employees can access guidelines, policies, and other documents of a similar nature. Updates to any of these documents are published on a news page on the intranet. This information is also covered in complementary training.

Compliance training covers:

- Managing conflicts of interest (corruption and bribery),
- Fair competition and antitrust law
- Aspects of IT security.

Training comprises short videos and brief comprehension tasks.

Compliance training is mandatory for all employees and management bodies in Germany. No groupwide rules exist regarding mandatory training. The local Compliance Officers are responsible for assessing and selecting the actions aimed at minimizing compliance risks, while taking applicable local regulatory and legal requirements into account. In addition to this mandatory training, further training modules are available for the Management Board and the Supervisory Board, such as annual mandatory training that, among other things, examines the latest developments in compliance.

Relevant metrics related to corruption and bribery are presented below:

Prevention and detection of corruption and bribery

	2024
Percentage of functions-at-risk covered by training programs	59.1%

Incidents of corruption or bribery

	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines for violation of anti-corruption and anti-bribery laws	€0

As no incidents of corruption or bribery have come to light so far, no special action was taken in this regard.

4.2 Management of relationships with suppliers

ARAG carries out an annual risk analysis to identify environmental and human rights-related risks at indirect suppliers. In the first instance, the direct suppliers underwent a general risk assessment that took country-specific and sector-specific risks into account. A variety of environmental and human rights-related indices were consulted for this analysis, including the Children's Rights in the Workplace Index, the Global Slavery Index, and the Environmental Performance Index. ARAG's risk analysis identified the following topics as priority risks:

- Health and safety, primarily inadequate organization of work in terms of hours and breaks
- Unequal treatment, primarily with regard to unequal pay for work of equal value
- Disregard for freedom of association, especially in countries where it is difficult or impossible to form trade unions

Due to the action taken to prevent risks in the relevant areas, the overall risk of environmental violations and human rights abuses is considered low. Nevertheless, ARAG has set itself the target of proactively preventing environmental and human rights-related risks when dealing with suppliers, in accordance with the Supply Chain Due Diligence Act (LkSG), and taken appropriate action:

- Suppliers must acknowledge ARAG's code of conduct for suppliers.
- Suppliers must not use forced labor or child labor.
- Minimization of risk associated with hazardous processes or equipment
- Ensuring that adequate wages are paid, at least at the level of the statutory minimum wage or a living wage
- Equal treatment of all employees, irrespective of nationality, ethnic origin, social background, health status, disability, sexual orientation, age, gender, political opinion, religion, or world view
- Implementation of a purchasing policy that defines the interaction with suppliers

ARAG has established a process for carrying out an ad hoc risk analysis of indirect suppliers. This analysis is activated as soon as ARAG receives evidence of environmental violations or human rights-abuses by an indirect supplier.

ARAG's human rights officer reviews the effectiveness of risk management annually and on an ad hoc basis, and reports at least once a year directly to the Management Board of ARAG SE.

The effectiveness of the aforementioned preventive actions is reviewed regularly and also on an ad hoc basis. This process involves mutual monitoring by various hierarchical levels, including the human rights officer. In this context, ARAG also takes into account information from the whistleblowing system, through which employees and third parties can openly or anonymously report potential violations or risks.

The materiality assessment identified the sub-topic 'Payment practices' as not material, which means that no disclosures are made about related policies.

4.3 Political influence and lobbying activities

As a family enterprise, ARAG attaches great importance to corporate citizenship. Responsibility for topics relating to political influence and lobbying activities lies with the Communications Department, which falls under Klaus Heiermann's remit. Running a successful legal insurance business requires reliable democratic structures and the rule of law. ARAG's business operations are shaped to a significant extent by the regulatory and political environment. The Company therefore strives to protect and strengthen democratic institutions that promote active political participation. To this end, operating management company ARAG SE engages in active dialogue with policymakers and public authorities. This political dialogue is conducted by the Speaker of the Management Board and the Chief Representative of ARAG SE. The purpose of the dialogue is to identify topics of relevance to both sides so that different points of view can be examined and discussed at an early stage. The Group companies in Germany and the international subsidiaries are usually members of the relevant trade associations in their country and are actively involved in political discourse. ARAG's political commitment includes donations to parties represented in parliament at federal and state level in Germany.

In Germany, ARAG primarily calls for the deregulation of the legal market. The focus here is on laws of particular relevance to legal insurers, such as the German Act on Out-of-Court Legal Services (RDG) and the German Federal Lawyers Code (BRAO). In 2024, the Company did not exert any direct influence – i.e. not through the structures of the trade associations – on legislative processes, for example by participating in hearings.

The impacts, risks, and opportunities identified during the materiality assessment are validated by the Management Board. This involves checking that the published disclosures match the material aspects of the Company's lobbying activities.

ARAG Holding SE is entered in the lobby register of the Bundestag, Germany's federal parliament, under number R002895.

As of December 31, 2024, the Management Board of ARAG Holding SE had three members. None of the three individuals held a comparable position in the two years prior to their appointment. The résumés of the members of the management and administrative bodies are published on the Company website.

In 2024, ARAG made the following financial and in-kind contributions directly and indirectly:

Financial and in-kind contributions made directly and indirectly

Type of recipient/beneficiary	Financial contributions	In-kind contributions	Country
Political parties	€162,730	€0	Germany

The figures for contributions are the actual amounts paid.

5 Tables

Overview of disclosure requirements for the sustainability statement in accordance with the materiality assessment

Sustainability topic		Paragraph
E1-GOV-3	Integration of sustainability-related performance in incentive schemes	1.2
E1-1	Transition plan for climate change mitigation	2.2
E1-2	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3
E1-2	Policies related to climate change mitigation and adaptation	2.2
E1-3	Actions and resources in relation to climate change policies	2.2
E1-4	Targets related to climate change mitigation and adaptation	2.2
E1-5	Energy consumption and mix	2.2
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.2
E1-8	Internal carbon pricing	2.2
S1-SBM-2	Interests and views of stakeholders	1.3
S1-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3
S1-1	Policies related to own workforce	3.1
S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1
S1-6	Characteristics of the Company's employees	3.1
S1-7	Characteristics of non-employee workers	3.1
S1-8	Collective bargaining coverage and social dialogue	3.1
S1-9	Diversity metrics	3.1
S1-10	Adequate wages	3.1
S1-11	Social security	3.1
S1-12	Persons with disabilities	3.1
S1-13	Metrics for training and skills development	3.1
S1-14	Health and safety metrics	3.1
S1-15	Work-life balance metrics	3.1
S1-16	Compensation metrics (pay gap and total compensation)	3.1
S1-17	Incidents, complaints, and severe human rights impacts	3.1



– Overview of disclosure requirements for the sustainability statement in accordance with the materiality assessment

Sustainability topic		Paragraph
S2-SBM-2	Interests and views of stakeholders	1.3
S2-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3
S2-1	Policies related to value chain workers	3.2
S2-2	Processes for engaging with value chain workers about impacts	3.2
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4
S4-SBM-2	Interests and views of stakeholders	1.3
S4-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3
S4-1	Policies related to consumers and end-users	3.4
S4-2	Processes for engaging with consumers and end-users about impacts	3.4
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.4
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	3.4
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.4
G1-GOV-1	The role of the administrative, management, and supervisory bodies	4.1
G1-1	Corporate culture and corporate governance policies	1.2
G1-2	Management of relationships with suppliers	3.1
G1-3	Prevention and detection of corruption and bribery	4.1
G1-4	Confirmed incidents of corruption or bribery	4.1
G1-5	Political influence and lobbying activities	4.1

Datapoints from other EU legislation

Disclosure requirement and related datapoint		Reference to other EU legislation		Assessment of materiality	If yes: see chapter
ESRS 2 GOV-1	Board's gender diversity, paragraph 21 (d)	SFDR reference	Indicator number 13 Table #1 of Annex I	material	1.2
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	material	1.2
	Percentage of board members who are independent paragraph 21 (e)	Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	material	1.2
ESRS 2 GOV-4	Statement on due diligence, paragraph 30	SFDR reference	Indicator number 10 Table #3 of Annex I	material	1.2
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	SFDR reference	Indicator number 4 Table #1 of Annex I	not material	--
		Pillar 3 reference	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	not material	--
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	not material	--
	Involvement in activities related to chemical production, paragraph 40 (d) ii	SFDR reference	Indicator number 9 Table #2 of Annex I	not material	--
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	not material	--
	Involvement in activities related to controversial weapons, paragraph 40 (d) iii	SFDR reference	Indicator number 14 Table #1 of Annex I	not material	--
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	not material	--
ESRS E1-1	Transition plan to reach climate neutrality by 2050, paragraph 14	Climate Law reference	Regulation (EU) 2021/1119, Article 2(1)	material	2.2
	Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)	Pillar 3 reference	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	material	2.2
Benchmark Regulation reference		Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	material	2.3	
ESRS E1-4	GHG emission reduction targets, paragraph 34	SFDR reference	Indicator number 4 Table #2 of Annex I	material	2.2.1.3
		Pillar 3 reference	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	material	2.2.2.3
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Article 6	material	2.2.3.3



– Datapoints from other EU legislation

Disclosure Requirement and related datapoint		References (SFDR, Pillar 3, Benchmark Regulation, Climate Law)		Assessment of materiality	If yes: see chapter
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	SFDR reference	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex I	material	2.3
	Energy consumption and mix, paragraph 37	SFDR reference	Indicator number 5 Table #1 of Annex I	material	2.3
	Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	SFDR reference	Indicator number 6 Table #1 of Annex I	not material	--
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions, paragraph 44	SFDR reference	Indicators number 1 and 2 Table #1 of Annex I	material	2.3
		Pillar 3 reference	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	material	2.3
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	material	2.3
	Gross GHG emissions intensity, paragraphs 53 to 55	SFDR reference	Indicator number 3 Table #1 of Annex I	material	2.3
		Pillar 3 reference	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	material	2.3
Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Article 8(1)	material	2.3		
ESRS E1-7	GHG removals and carbon credits, paragraph 56	Climate Law reference	Regulation (EU) 2021/1119, Article 2(1)	not material	--
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	material	phased in
	Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)	Pillar 3 reference	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	material	phased-in
	Location of significant assets at material physical risk, paragraph 66 (c)			material	phased-in
	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)	Pillar 3 reference	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral	material	phased-in
	Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Annex II	material	phased-in
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	SFDR reference	Indicator number 8 Table #1 of Annex I; Indicator number 2 Table #2 of Annex I; Indicator number 1 Table #2 of Annex I; Indicator number 3 Table #2 of Annex I	not material	--



– Datapoints from other EU legislation

Disclosure Requirement and related datapoint	References (SFDR, Pillar 3, Benchmark Regulation, Climate Law)	Assessment of materiality	If yes: see chapter		
ESRS E3 – 1	Water and marine resources, paragraph 9	SFDR reference	Indicator number 7 Table #2 of Annex I	not material	--
	Dedicated policy, paragraph 13	SFDR reference	Indicator number 8 Table #2 of Annex I	not material	--
	Sustainable oceans and seas, paragraph 14	SFDR reference	Indicator number 12 Table #2 of Annex I	not material	--
ESRS E3 – 4	Total water recycled and reused, paragraph 28 (c)	SFDR reference	Indicator number 6.2 Table #2 of Annex I	not material	--
	Total water consumption in m ³ per net revenue in own operations, paragraph 29	SFDR reference	Indicator number 6.1 Table #2 of Annex I	not material	--
ESRS 2 SBM – 3 – E4	Paragraph 16 (a) i	SFDR reference	Indicator number 7 Table #1 of Annex I	not material	--
	Paragraph 16 (b)	SFDR reference	Indicator number 10 Table #2 of Annex I	not material	--
	Paragraph 16 (c)	SFDR reference	Indicator number 14 Table #2 of Annex I	not material	--
ESRS E4 – 2	Sustainable land/agriculture practices or policies, paragraph 24 (b)	SFDR reference	Indicator number 11 Table #2 of Annex I	not material	--
	Sustainable oceans/ seas practices or policies, paragraph 24 (c)	SFDR reference	Indicator number 12 Table #2 of Annex I	not material	--
	Policies to address deforestation, paragraph 24 (d)	SFDR reference	Indicator number 15 Table #2 of Annex I	not material	--
ESRS E5 – 5	Non-recycled waste, paragraph 37 (d)	SFDR reference	Indicator number 13 Table #2 of Annex I	not material	--
	Hazardous waste and radioactive waste, paragraph 39	SFDR reference	Indicator number 9 Table #1 of Annex I	not material	--
ESRS 2 SBM – 3 – S1	Risk of incidents of forced labor, paragraph 14 (f)	SFDR reference	Indicator number 13 Table #3 of Annex I	not material	--
	Risk of incidents of child labor, paragraph 14 (g)	SFDR reference	Indicator number 12 Table #3 of Annex I	not material	--
ESRS S1 – 1	Human rights policy commitments, paragraph 20	SFDR reference	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	material	3.1.1
	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21	Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	material	3.1.1
	Processes and measures for preventing trafficking in human beings, paragraph 22	SFDR reference	Indicator number 11 Table #3 of Annex I	material	3.1.1
	Workplace accident prevention policy or management system, paragraph 23	SFDR reference	Indicator number 1 Table #3 of Annex I	material	3.1.1
ESRS S1 – 3	Grievance/ complaints handling mechanisms, paragraph 32 (c)	SFDR reference	Indicator number 5 Table #3 of Annex I	material	3.1.1



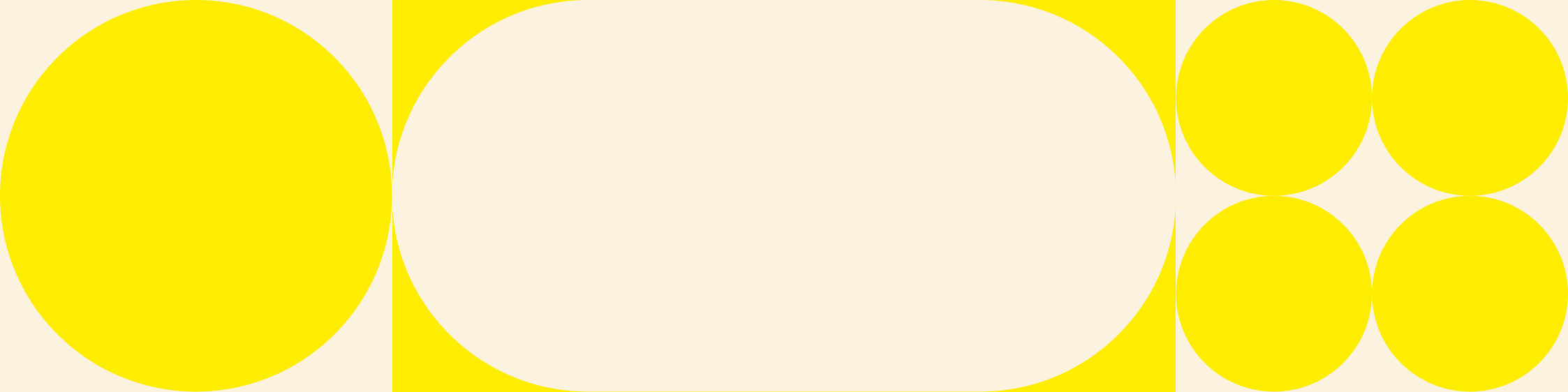
– Datapoints from other EU legislation

Disclosure Requirement and related datapoint	References (SFDR, Pillar 3, Benchmark Regulation, Climate Law)	Assessment of materiality	If yes: see chapter
ESRS S1 – 14	Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	SFDR reference Indicator number 2 Table #3 of Annex I	material 3.1.3
		Benchmark Regulation reference Delegated Regulation (EU) 2020/1816, Annex II	material 3.1.3
ESRS S1 – 16	Number of days lost to injuries, accidents, fatalities, or illness, paragraph 88 (e)	SFDR reference Indicator number 3 Table #3 of Annex I	material 3.1.3
	Unadjusted gender pay gap, paragraph 97 (a)	SFDR reference Indicator number 12 Table #1 of Annex I	material 3.1.3
ESRS S1 – 17	Excessive CEO pay ratio, paragraph 97 (b)	Benchmark Regulation reference Delegated Regulation (EU) 2020/1816, Annex II	material 3.1.3
	Incidents of discrimination, paragraph 103 (a)	SFDR reference Indicator number 8 Table #3 of Annex I	material 3.1.3
ESRS 2 – SBM3 – S2	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines, paragraph 104 (a)	SFDR reference Indicator number 7 Table #3 of Annex I	material 3.1.3
		SFDR reference Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	material 3.1.3
ESRS 2 – SBM3 – S2	Significant risk of child labor or forced labor in the value chain, paragraph 11 (b)	Benchmark Regulation reference Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	material 3.1.3
		SFDR reference Indicators number 12 and n. 13 Table #3 of Annex I	material 1.3
ESRS S2 – 1	Human rights policy commitments, paragraph 17	SFDR reference Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	material 3.2.1
	Policies related to value chain workers, paragraph 18	SFDR reference Indicators number 11 and 4 Table #3 of Annex I	material 3.2.1
	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines, paragraph 19	SFDR reference Indicator number 10 Table #1 of Annex I	material 3.2.1
		Benchmark Regulation reference Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	material 3.2.1
ESRS S2 – 4	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19	Benchmark Regulation reference Delegated Regulation (EU) 2020/1816, Annex II	material 3.2.1
	Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	SFDR reference Indicator number 14 Table #3 of Annex I	material 3.2.2
	Human rights policy commitments, paragraph 16	SFDR reference Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	material 3.2.2
	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines, paragraph 17	SFDR reference Indicator number 10 Table #1 of Annex I	material 3.2.2
	Benchmark Regulation reference Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	material 3.2.2	



– Datapoints from other EU legislation

Disclosure Requirement and related datapoint		References (SFDR, Pillar 3, Benchmark Regulation, Climate Law)		Assessment of materiality	If yes: see chapter
ESRS S3-4	Human rights issues and incidents, paragraph 36	SFDR reference	Indicator number 14 Table #3 of Annex I	not material	--
ESRS S4-1	Policies related to consumers and end-users, paragraph 16	SFDR reference	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	material	3.3
	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines, paragraph 17	SFDR reference Benchmark Regulation reference	Indicator number 10 Table #1 of Annex I Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	material	3.3
ESRS S4-4	Human rights issues and incidents, paragraph 35	SFDR reference	Indicator number 14 Table #3 of Annex I	material	3.3
ESRS G1-1	United Nations Convention against Corruption, paragraph 10 (b)	SFDR reference	Indicator number 15 Table #3 of Annex I	material	3.3
	Protection of whistleblowers, paragraph 10 (d)	SFDR reference	Indicator number 6 Table #3 of Annex I	material	3.3
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	SFDR reference Benchmark Regulation reference	Indicator number 17 Table #3 of Annex I Delegated Regulation (EU) 2020/1816, Annex II	material	4.1
	Standards of anti-corruption and anti-bribery, paragraph 24 (b)	SFDR reference	Indicator number 16 Table #3 of Annex I	material	4.1



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