ANNUAL REPORT 2024

VHV GROUP /

KEY FIGURES

GROUP	2024	2023
Number of contracts (thousands)	12,803.4	12,828.5
Gross premiums earned (EUR million)	4,147.2	3,940.2
Net technical reserves (EUR million)	14,657.2	14,790.8
Investments (EUR million)	17,197.9	17,392.2
Net income from investments (EUR million)	443.3	530.5
Consolidated net income (EUR million)	138.5	211.2
Equity (EUR million)	2,833.8	2,691.8
Balance sheet total (EUR million)	19,165.4	19,140.1
Average number of employees	4,387	4,244

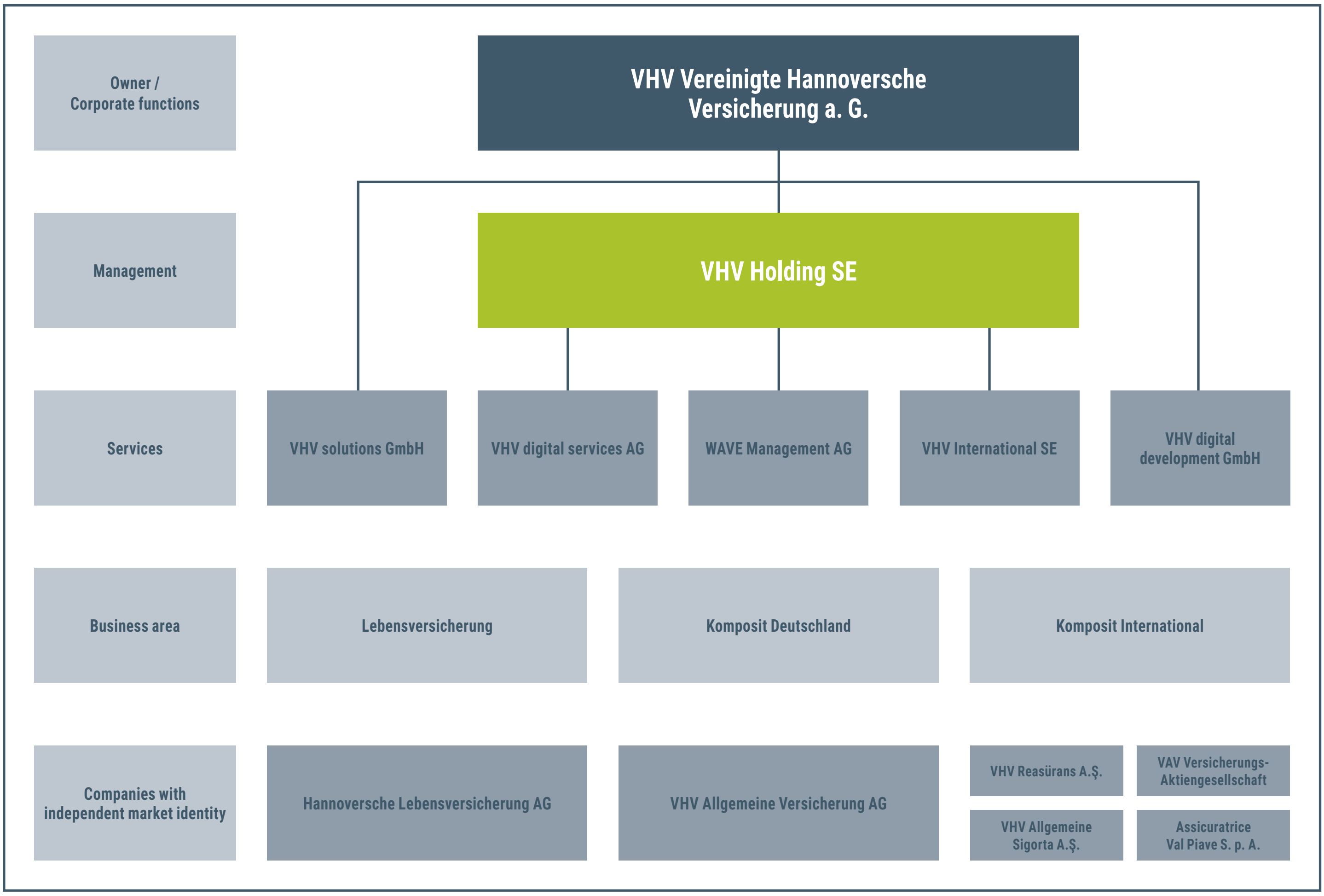
PROPERTY-CASUALTY INSURANCE		
	2024	2023
Number of contracts (thousands)	11,663.7	11,701.9
Gross premiums earned (EUR million)	3,132.3	2,895.4
Net premiums earned for own account (EUR million)	2,956.1	2,713.6
Claims ratio (%)[1]	71.8	80.3
Management expense ratio [expenses for insurance operations] (%)[1]	22.6	22.9
Combined ratio (%)[1]	94.3	103.2
Gross technical reserves (EUR million)	5,507.8	5,469.5
Net technical reserves (EUR million)	5,167.5	5,048.5
Technical earnings for own account (EUR million)	76.1	68.2
Investments (EUR million)	6,918.2	6,824.9
Net income from investments (EUR million)	175.8	241.1

[1] Figures given as percentages refer to gross premiums earned

KEY FIGURES LIFE INSURANCE		
	2024	2023
New contracts		
Insurance contracts (thousands)	78.5	74.8
Sum insured (EUR million)	16,742.3	14,760.0
Regular premiums for one year (EUR million)	61.7	55.0
One-off premiums (EUR million)	200.8	230.4
Total premiums (EUR million)	1,745.9	1,546.6
Insurance portfolio		
Insurance contracts (thousands)	1,139.7	1,126.6
Sum insured (EUR million)	150,652.6	141,739.8
Regular premiums for one year (EUR million)	801.5	799.0
Premium revenues		
Net premiums earned (EUR million)	1,015.0	1,044.8
Premiums from the reserve for premium redemption (EUR million)	7.3	5.4
Benefits in favour of policy holders	–	
Payouts made for insurance benefits (EUR million)	1,085.0	1,009.0
Payouts made for bonuses (EUR million)	394.8	384.0
Benefits reserved for policy holders		
Gross actuarial reserve (EUR million)	8,199.4	8,502.5
Net actuarial reserve (EUR million)	8,194.6	8,497.8
Reserve for premium redemption (EUR million)	713.2	691.5
Surplus credit (EUR million)	283.4	310.9
Portfolio of investments (EUR million)	10,430.4	10,476.2
Net income from investments (EUR million)	292.6	283.7

GROUP STRUCTURE*)

GROUP OVERVIEW AS AT 31 DECEMBER 2024



*) The Group structure is part of the consolidated management report.

ANNUAL REPORT 2024

VHV GROUP /

VHV GROUP

The annual report of the VHV Group is also available in German. The German version applies.

PREFACE

Ladies and Gentlemen,

The German economy experienced a difficult year in 2024: for the first time in many decades, our strength, performance and innovative edge were all brought into question. There was an increasing trend of declining revenues and job losses in key industries, and the workforce began to worry about their jobs once again.

2024 was also a challenging year for the insurance industry. External negative factors such as significantly rising claims settlement expenses, changing customer needs and an increasing shortage of skilled labour further contributed to the industry's ever-increasing competitive and cost pressures.

High momentum in the core markets
In its core markets, the VHV Group faced a high level of momentum in the reporting period. The motor vehicle insurance market remained under high pressure due to continuing significant rises in claims settlement expenses in both the private and commercial sectors. There were also no signs of a positive trend reversal in our core Construction market, with revenues in the construction industry continuing to fall slightly in 2024, particularly in structural engineering. In life insurance, portfolios began to consolidate in 2024. The challenging market conditions were particularly evident in our core segment of Term Life Insurance, which explains why the downward market trend observed in previous years is persisting.

VHV Group stays the steady course
In this difficult environment, the VHV Group was once again more than able to hold its own and further expand its market positions. Both internationally and in its German core business, the company was able to increase its key performance indicators once again, demonstrating its solid standing and strength even in challenging times. For the first time in the history of the VHV Group, we are reporting premiums earned of over four billion euros for 2024, achieving a five per cent increase in premiums compared to 2023. It is particularly pleasing that all of our core business areas contributed to this performance.

In the German property and casualty business, we achieved further growth in gross earned premiums. The development of our combined ratio shows that we have calculated with foresight and made the right decisions, particularly in the motor vehicle sector.

Thomas Voigt, Chairman of the Board of Directors

The combined ratio was 97.8 % for the reporting year, which is significantly below the market average. VHV also holds an above-average position in the core Construction market: As a leading insurer in the construction industry, we have a distinct focus and were able to perform well despite the ongoing challenging market environment.

In the area of life insurance, we achieved double-digit growth in regular premiums compared to the previous year. We further expanded our market shares in term life insurance an occupational disability insurance for self-employes individuals, despite the competetive market. Our rates in the biometrics segment received top marks from leading rating agencies in 2024, confirming the quality and attractiveness of our products.

In the international business, which is consolidated under VHV International SE, we further strengthened our position as a European special insurer of the construction industry in the reporting year. In 2024 we grew by over ten per cent in terms of premiums. Our international presence is already making an important contribution to the Group's success and still offers substantial potential.

Our investments also performed favourably again in the reporting year and led to a significantly higher-than-plannend contribution to our operating results.

This is anything but a matter of course and not at least due to the dedication of an outstanding team of employees, but also to a carefully developed strategy, impressive products and trust-based cooperation with our partners in the market. I would like to take this opportunity to express my sincere thanks, also on behalf of all the members of the Board of Directors and managing directors.

Outlook for 2025

We anticipate that the market environment will remain challenging in 2025. It remains to be seen what course will be set by a new federal government and within the EU in the medium term and what relevance this will have for our industry. The VHV Group has once again set ambitious but realistic growth targets. With our fine-tuned Group strategy carried by the slogan "Experts who make the difference", we will consistently align ourselves with the changes in framework conditions and focus specifically on our success factors. Combined with our strong position on the market and the commitment of our employees, we believe we have an excellent basis for achieving our goals and approach the coming years with confidence.

Kind regards
on behalf of all members of the Board of Directors
and managing directors

Thomas Voigt
CEO/Chairman of the Board of Directors
VHV Vereinigte Hannoversche Versicherung .a. G.

LIST OF ABBREVIATIONS	
AG	Aktiengesellschaft (stock corporation)
AGV	Arbeitgeberverband der Versicherungsunternehmen in Deutschland e. V.
AIRR	Additional interest rate reserve
AktG	German Stock Corporation Act
ALM	Asset liability management
AltZertG	Act on the certification of retirement and basic pension plans (Pension Plan Certification Act)
A.Ş.	Anonim Şirket
BaFin	German Federal Financial Supervisory Authority, Bonn and Frankfurt am Main
BGB	German Civil Code
BGBl	German Federal Law Gazette
CBCR	Country-by-country reporting
CCA	Climate change adaptation
CCM	Climate Change Mitigation
CMS	Compliance-Management-System
CRO	Chief Risk Officer
CSRD	Corporate Sustainability Reporting Directive
DAV	Deutsche Aktuarvereinigung e.V. (German Actuarial Society), Cologne
DAX	German stock index
DeckRV	Ordinance on the calculation basis for actuarial reserves (German Actuarial Reserve Ordinance)
Deutsche Bahn	Deutsche Bahn AG, Berlin
DMTT	Domestic minimum top-up tax
ECB	European Central Bank, Frankfurt am Main
EEC	European Economic Community
EGHGB	Introductory Act to the German Commercial Code
EIOPA	European Insurance and Occupational Pensions Authority, Frankfurt am Main
ESG	Environment, Social, Governance
ESGC	ESG Committee

LIST OF ABBREVIATIONS

ESRS	European Sustainability Reporting Standards
EStG	Income Tax Act
EU	European Union
Eucon GmbH	Eucon GmbH, Münster
EUR'000	Thousand euros
e. V.	eingetragener Verein (registered association)
Fed	Federal Reserve System
FMA	Austrian Financial Market Authority, Vienna
FNG	Sustainable Investment Forum
GDP	Gross domestic product
GDV	Gesamtverband der Deutschen Versicherungswirtschaft e. V. (German Insurance Association), Berlin
GmbH	Gesellschaft mit beschränkter Haftung (limited liability company)
HDB	Hauptverband der Deutschen Bauindustrie e. V. (German Construction Industry Federation), Berlin
HGB	German Commercial Code
HL	Hannoversche Lebensversicherung AG, Hanover
HRB	Commercial register section B
HUR	Liability and accident annuities
IBR	Internal investment guidelines
ICS	Internal control system
IDD	Insurance Distribution Directive
IDW	Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany)
IE	Infrastructure equity
IIR	Income inclusion rule
ILO	International Labour Organization
InterEurope AG	InterEurope AG European Law Service, Düsseldorf
InterEurope Beteiligung	InterEurope Beteiligung GmbH, Hanover
IRCF	Independent risk controlling function

LIST OF ABBREVIATIONS	
ISO	International Organization for Standardization
IT	Information technology
KfW	Kreditanstalt für Wiederaufbau, Frankfurt am Main
KPI	Key Performance Indicator
LkSG	Lieferkettensorgfaltspflichtengesetz (Supply Chain Due Diligence Act)
MGA	Managing General Agent
NGFS	Network for Greening the Financial System
ORSA	Own Risk and Solvency Assessment
PE	Private equity
Pensionskasse	Pensionskasse der VHV-Versicherungen, Hanover
PLC	Property, liability and casualty insurance
PLCT	Property, liability, casualty and technical insurance
PRI	Principles for Responsible Investment
PSI	Principles for Sustainable Insurance
QDMTT	Qualified domestic minimum top-up tax
R.C. Décennale	Responsabilité Civile Décennale
RechVersV	Ordinance on accounting by insurance companies (German Insurance Companies Accounts Regulations)
RfB	Reserves for premium refunds
S.p.A.	Società per azioni (public limited company)
S.r.l.	Società a responsabilità limitata
S&P	Standard & Poor's
SDG	Sustainable Development Goals
SE	Societas Europaea (European public limited liability company)
SICAV	Société d'investissement à capital variable
SIF	Specialised Investment Fund
SMEs	Small and medium-sized enterprises
SWRV	Austrian Equalisation Reserve Regulation

LIST OF ABBREVIATIONS	
US	United States
USA	United States of America
USD	US dollar
UTPR	Undertaxed Profits Rule
VAG	Act on the supervision of insurance companies (Insurance Supervisory Act)
VAV	VAV Versicherungs-Aktiengesellschaft, Vienna/Austria
VHV a. G.	VHV Vereinigte Hannoversche Versicherung a. G., Hanover
VHV Allgemeine	VHV Allgemeine Versicherung AG, Hanover
VHV Assicurazioni	VHV Italia Assicurazioni S.p.A., Belluno/Italy
VHV Assurance France	VHV Assurance France, Paris/France
VHV digital development	VHV digital development GmbH, Hanover
VHV digital services	VHV digital services AG, Hanover
VHV Group	VHV Vereinigte Hannoversche Versicherung a. G./Group, Hanover
VHV Holding	VHV Holding SE, Hanover
VHV International	VHV International SE, Hanover
VHV Re	VHV Reasürans A.Ş., Istanbul/Turkey
VHV Sigorta	VHV Allgemeine Sigorta A.Ş., Istanbul/Turkey
VHV solutions	VHV solutions GmbH, Hanover
VMF	Actuarial Function
VVG	Act on insurance contracts (Insurance Contract Act)
VVH	VVH Versicherungsvermittlung Hannover GmbH, Hanover
WAVE	WAVE Management AG, Hanover
ZDB	Zentralverband des Deutschen Baugewerbes e. V. (Central Association of the German Construction Industry), Berlin

GLOSSARY*)

A

Actuarial interest rate
The actuarial interest rate is a calculation basis for calculating premiums and the actuarial reserves in life insurance. The maximum permissible actuarial interest rate for actuarial reserves in new business is established in the DeckRV.

Actuarial reserve
Actuarial reserves are the obligations resulting from the life assurance contract or another contract offering long-term insurance protection.

Additional interest rate reserve
Additional reserve prescribed by law for life insurers that provides for a forward-looking increase in reserves with regard to periods of low interest income. The amount of the additional interest rate reserve depends on a reference interest rate. If the reference interest rate falls below a contract's actuarial interest rate, an additional interest rate reserve is created. If the reference interest rate increases, the additional interest rate reserve is gradually reversed. The method for calculating the reference interest rate is stipulated by the German Actuarial Reserve Ordinance (DeckRV).

Annual Premium Equivalent
Total of continuous new business premiums and a tenth of the new business one-off premiums.

Availability by phone
Availability by phone is the ratio of telephone calls answered to incoming calls.

Average claims expenditure
The average claims expenditure is the ratio of claims expenses to the claims registered.

Average premium
The average premium is the ratio of premiums earned to the number of contracts at the year-end.

B

Basic participation in valuation reserves
The basic participation in valuation reserves is part of the policy holders' surplus allocation in life insurance. The basic participation is the declared minimum participation in the valuation reserve.

Business-year claims expenditure
The business-year claims expenditure is the total claims expenditure including claims settlement expenses for claims incurred in the financial year including unknown late claims.

Business-year claims ratio
The business-year claims ratio is the ratio of business-year claims expenditure to premiums earned expressed as a percentage.

C

Cancellation rate
The cancellation rate indicates the percentage of insurance companies' contracts cancelled or exempted from payment of premiums before the end of the contract.

ChatGPT
ChatGPT is a chatbot from the US software company OpenAI, allowing users to communicate via text-based messages and images. The basis is a large language model.

Claims frequency
Ratio of the number of business-year claims reported to the average number of contracts as at 1 January and as at 31 December of the financial year.

Claims ratio
Ratio of expenses for insurance claims to premiums earned.

Combined ratio
The combined ratio is the ratio of expenses for insurance operations and claims expenses (including processing) to premiums earned.

*) The glossary is part of the consolidated management report of VHV a. G.

Current average interest
Current average interest is defined as the ratio of current income from investments less current expenses for investments to the average investments at the beginning of the year and at the year-end.

Current income from investments
Current income from investments refers to ordinary earnings such as dividends, coupon payments and interest. Other income from investments, which is realised through reversals or the sale of securities, is not covered by this definition.

Customer experience
- describes the customer's overall experience with a company. All experiences at the various points of contact with the company are taken into account.

D

Deposit accounts receivable/payable
Deposit of collateral with the primary insurer by the reinsurer.

Direct deposit
Form of surplus allocation for policy holders where the amounts are paid out directly from the net profit for the year and allocated to policy holders without their being previously allocated to the reserve for premium refunds.

Direct-written insurance transactions
Insurance transactions concluded directly with the policy holder.

E

Effective interest rate method
Discounting the expected cash flows over the entire lifecycle of a financial asset or a financial liability at the effective interest rate.

Equalisation reserve
Technical reserve in property-casualty insurance and in reinsurance that is created to offset volatilities in the development of claims in the annual financial statements prepared in accordance with German commercial law.

Equity exposure
Equity exposure is the ratio of equities held taking into account any equity derivatives and the total portfolio of investments at market value.

Expense ratio
The expense ratio corresponds to the ratio of the personnel and non-labour costs to the gross premiums.

Expenses for insurance claims
Expenses for insurance claims comprises the payments made in the fiscal year for insurance claims and the change in the reserve for insurance claims not yet processed.

Expenses for insurance operations
Expenses that an insurance company incurs in connection with the operation of its insurance business. The expenses shown relate to either the conclusion or the administration of insurance transactions.

F

Final surplus share
The final surplus share refers to the policy holders' surplus allocation in life insurance, which is not granted until the end of the term of the insurance contract. The final amount is not definite until the year in which the contract ends and may be subject to considerable fluctuation in the preceding years.

G

Gross domestic product (GDP)
The gross domestic product shows the total value of all goods and services that were produced in one year within the boundaries of a national economy and are used for final consumption. Goods that are not used directly but are warehoused are taken into account in the calculation as changes in inventories.

Gross new investment
The total additions to a balance sheet item within a financial year are described as gross new investment.

GLOSSARY

Guarantee assets
Portion of an insurance company's assets that serves to secure policy holders' claims in the event of insolvency.

H

Hidden reserves
Components of companies' equity that are not visible from the balance sheet and which can arise from assets being undervalued and liabilities being overvalued.

I

In-house bank
The affiliates charge internal receivables and payables centrally via VHV Holding. This reduces external bank fees and uses liquidity surpluses of individual affiliates to cover the current financing requirements of others.

Insurance transactions assumed in reinsurance coverage
Insurance transactions assumed from a primary insurer or reinsurer in reinsurance coverage.

M

Management expense ratio
The management expense ratio is the ratio of management expenses to gross premiums earned.

Management expenses
All expenses incurred for the ongoing management of the insurance portfolio.

N

Net asset value
Value of all the tangible and intangible assets of a company or investment fund less all liabilities.

Net interest
Net interest is defined as the ratio of all income from investments less expenses for investments and the average investments at the beginning of the year and at the year-end.

Net result from investments
Income from investments less expenses for investments produces the net result.

Non-technical result
The balance of income and expenses that cannot be directly attributed to insurance transactions.

O

Operating costs ratio
The operating costs ratio is the ratio of gross operating expenses (expenses for insurance operations) to gross premiums earned expressed as a percentage.

Own funds
Total of the free and unencumbered assets used to cover the solvency and minimum capital requirements.

P

Premiums
Premiums written represent gross sales in premium business and contain customers' premiums for the corresponding insurance products. Premiums earned contains the premiums attributable to the fiscal year plus premiums carried forward from the previous year and less premiums carried forward to subsequent years.

Processed/reported claims ratio
The processed/reported claims ratio is the ratio of the expenses incurred in the fiscal year for insurance claims, including expenses arising from the processing of insurance claims that accrued in previous years, to premiums earned expressed as a percentage.

Productivity
Productivity corresponds to the ratio of processed contracts to internal and external employment levels.

Profit participation
The life insurance policy holders participate in the profits in their entirety in accordance with the statutory requirements. The profits attributable to policy holders are allocated to the reserve for premium refunds or credited directly to the insurance contracts entitled to profits (direct deposit). The profit participation consists of current profit shares, final profit shares and participation in the valuation reserves.

Profit segmentation
In the profit segmentation, unadjusted earnings are allocated according to their sources. Consequently, the profit segmentation provides information as to the source of the surplus as part of a product costing analysis. Here, the actual business development is compared with the input variables used to set the premium for each source of earnings.

Projected unit credit method
This is an actuarial measurement method for obligations from occupational pensions where only the part of the obligation that has already accrued at each measurement date is measured.

R

Real estate ratio
The real estate ratio is the ratio of all real estate investments to the total volume of investments.

Reinsurance
Contract or contracts that have the object of transferring technical risk and which a (primary) insurance company concludes with another insurance company.

Reserve for insurance claims not yet processed
This is a technical reserve. It is created for claims that have occurred by the balance sheet closing date but which have not yet been processed.

Reserves for premium refunds
This is a technical reserve that shows policy holders' claims to future surplus allocations if sufficient surpluses have already arisen or the company has legal obligations irrespective of whether surpluses have arisen or not.

Retention ratio
Ratio of net premiums written to gross premiums written.

Risk-bearing capacity
Risk-bearing capacity is a company's ability to cover unexpected losses resulting from risks assumed with the defined level of security. If own funds exceed the risk capital required, the company has the necessary risk-bearing capacity. Risk-bearing capacity is defined via the coverage of the risk capital required by own funds.

S

Settlement
Settlement is the difference between the claims reserves created in previous years and the claim payments made in the reporting year as well as new claims reserves created in the reporting year.

Solvency
Solvency is an insurance company's endowment of resources that serve to cover the risks of insurance transactions and consequently to secure policy holders' claims even in the event of unfavourable developments.

Solvency II
Solvency II is the current supervisory regime that among other things defines enhanced solvency requirements for insurance companies/groups based on a comprehensive risk assessment. The starting point is the solvency balance sheet, in which assets and liabilities must be recognised at fair value. In addition, Solvency II comprises extensive qualitative requirements for the governance system and enhanced reporting obligations for insurance companies/groups.

Strategic asset allocation
Strategic asset allocation refers to the target weighting of the individual investment categories. The strategic asset allocation ensures that sufficient account is taken of the long-term objectives for the specific structure of the portfolio.

T

Target amount of the equalisation reserve
The target amount of the equalisation reserve is the upper limit for the creation of or allocation to an equalisation reserve.

Technical result
The technical result is the difference between income and expenses solely from insurance transactions.

Transaction costs ratio
The transaction costs ratio is the ratio of transaction expenses to the total premium of new business.

GLOSSARY

Transaction expenses
Transaction expenses are the expenses resulting directly or indirectly from the conclusion of an insurance contract.

Turnover rate
The turnover rate calculates the proportion of employees who leave the company each year compared with the average headcount.

U

Unadjusted earnings
Surplus of income over expenses before allocation to the reserve for premium refunds and the direct deposits as well as the reserves and dividends in life insurance.

Unearned premiums
Unearned premiums are premiums for a specific period after the balance sheet closing date. A technical reserve is created for these in the annual financial statements.

Unisex
Insurance tariff that disregards the gender of the policy holder in the risk assessment.

Unit costs
Unit costs correspond to the ratio of the personnel and non-labour costs incurred to the contracts processed.

V

Value-at-risk (VaR)
Specific measure of risk with applications in the area of financial risks (risk), particularly insurance sector risks. Starting from a fixed time interval and a specified probability of default (confidence level), the VaR of a financial item is the amount of the loss that will not be exceeded with the specified probability.

Z

Zillmerisation
Zillmerisation is an actuarial procedure for including transaction costs in life insurance that have been incurred but not yet repaid. In the case of a zillmerised tariff, this means the actuarial reserves in the first insurance years may be extremely low or even negative.

CONSOLIDATED MANAGEMENT REPORT VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G.

As the Group parent company, VHV a. G. hereby presents the consolidated financial statements and the consolidated management report as at 31 December 2024.

GROUP'S BUSINESS MODEL

The VHV Group is a group of specialists for insurance policies, provisions and assets with a history dating back over 100 years. The long-term success of the company, particularly for the benefit of its customers, is always the focus of the Group's activities. The parent company of the VHV Group is organised as a mutual insurance association. Through this form of organisation, the VHV Group commits itself to insurance policy holders. In line with the principle of mutuality, the Group's business policy is geared exclusively towards the interests of the companies and thus the insured persons. It allows the company to strive for sustainable, profitable growth and not to focus its entrepreneurial activities on short-term shareholder value. Through a continious process of improvement, the VHV Group aims to operate even more flexibly and in a more customer-centric manner on the market than the competition. The VHV Group is characterised by clearly defined business segments, efficient cost management and customer-oriented, high-performance products. Customers and sales partners benefit from products and advice with a very good cost/performance ratio.

The companies affiliated with the VHV Group operate independently in clearly defined business segments. VHV Holding controls the Group's strategic development and direction and monitors the progress of the operating units. The VHV Group's business segments are focused on composite Germany, composite international, life provision and insurance-related services.

Composite Germany

As a special insurer of the construction industry and a motor vehicle and liability insurer, VHV Versicherungen is one of the major German providers of property-casualty insurance. The more than 14,000 intermediaries offer customers tailored insurance on competitive price levels.

Composite International

The international composite business comprises property and casualty insurance in Austria, Italy and France. In Turkey, the focus is primarily on construction and liability insurance as well as facultative and treaty reinsurance business.

Life provision

In the life provision segment, the VHV Group specialises in biometric products and multi-channel insurers. Needs-oriented products at competitive prices have always been its strategy and the basis of its success. VHV attaches great importance an above-average service focus that is highly distinctive from the rest of the market.

Other services

The VHV Group centrally oversees all key contract processing and claims settlement processes for the national composite business in the “other services” segment. The responsibilities for all areas of IT are also bundled in this business area. Among other things the service companies within the VHV Group contribute to the company's success through investment management and expertise in digitalisation. For example, they handle claims settlement throughout Europe on behalf of insurance companies or manage capital investments with a focus on safe investments. They also support digital development in the insurance industry and assist with the digitalisation of business processes.

CONSOLIDATED MANAGEMENT REPORT

WE ENGAGE IN THE FOLLOWING BRANCHES AND TYPES OF INSURANCE BUSINESS:
1. In property-casualty insurance:
ACCIDENT INSURANCE
General accident insurance
Individual accident insurance without premium refund
Complete accident insurance
Insurance for non-work accidents
Aviation accident insurance
Functional disability insurance
Group accident insurance without premium refund
Complete group accident insurance
Partial group accident insurance
Motor vehicle accident insurance
LIABILITY INSURANCE
Personal liability insurance
Business and professional liability insurance
Construction (including architects and structural engineers) Industry, trade and other business operations
Environmental liability insurance/Environmental damage insurance
Financial losses liability insurance
Radiation and nuclear facility liability insurance
Fire liability insurance
Construction guarantee insurance
Construction completion insurance
R. C. Décennale
Other liability insurance, and liability insurance not classified
MOTOR VEHICLE LIABILITY INSURANCE
OTHER MOTOR VEHICLE INSURANCE
Full motor vehicle insurance
Partial motor vehicle insurance
FIRE AND PROPERTY INSURANCE
Fire insurance
Industrial fire insurance
Other fire insurance
Associated household contents insurance
Associated residential building insurance
Other property insurance
Burglary and theft insurance
Water mains insurance
Glass insurance
Storm insurance
Hail insurance*)
Technical insurance
Machinery breakdown insurance
Assembly insurance
Construction services insurance
Electronics insurance
Weather risk insurance
Extended coverage (EC) insurance
TRANSPORTATION INSURANCE
LOAN AND SURETY INSURANCE
Surety insurance
Commercial credit insurance
LEGAL EXPENSES INSURANCE
TRANSPORTATION SERVICE INSURANCE
OTHER INSURANCE
Business interruption insurance
Business interruption fire insurance
Other business interruption insurance
Other indemnity insurance
Exhibition insurance
Frozen goods insurance
Luggage insurance
Camping insurance
Insurance for loss of rents
Dynamic property insurance
All risks insurance
Cyber risk insurance
Nuclear facility property insurance
LIFE INSURANCE*)
AVIATION INSURANCE*)

*) Only in insurance transactions assumed in reinsurance coverage

Legal expenses insurance is passed on to Neue Rechtsschutz-Versicherungsgesellschaft AG, Mannheim.

2. In life insurance:
LIFE INSURANCE
Term insurance with fixed sum insured
Partner term insurance with fixed sum insured
Group term insurance with fixed sum insured
Term insurance with decreasing sum insured
Term insurance with redemption plan
Funeral expenses insurance
ANNUITY INSURANCE
Traditional annuity insurance
Traditional basic pension in accordance with section 10 (1) no. 2b of the Income Tax Act (EStG)
Traditional group annuity insurance
Traditional annuity insurance as private pension plan according to AltZertG
Fund-linked annuity insurance
Certificate-linked annuity insurance
INSURANCE FOR INCOME GUARANTEES
Occupational disability insurance
Work incapacity insurance
CAPITALISATION TRANSACTIONS
Investment for one year
Payment plan
SUPPLEMENTARY INSURANCE
Accidental death supplementary insurance
Supplementary work incapacity insurance
Supplementary survivors' annuity insurance

CONSOLIDATED MANAGEMENT REPORT

REPORT ON ECONOMIC POSITION

Macroeconomic trends

The global economy developed very heterogeneously in 2024. While economic output in the US rose by 2.8 %, the economy in the eurozone developed less dynamically with reported GDP growth of 0.7 %. As in the previous year, Germany's economic output contracted due to the difficulties in the manufacturing industry. The change in German GDP in the reporting year was –0.2 % and was therefore below that of other large economies in the eurozone, such as France (+1.1 %), Italy (+0.5 %) and Spain (+3.5 %). Global GDP grew by 3.2 % in the year 2024.

The Turkish economy underwent an economic policy turnaround in 2024 with a stricter monetary policy. This led to a gradual reduction in inflation, which nevertheless remained at a high level. At the same time, the national currency remained consistently weak.

The two major Asian economies, Japan and China, reported GDP growth of +0.2 % and +5.0 % respectively for the year 2024.

Inflation rates declined in the reporting year and fell temporarily below the ECB's inflation target in the eurozone, reaching a low of 1.8 %. The slight increase at the end of the year was due to base effects in energy prices. The eurozone reported an inflation rate of 2.4 % for the year as a whole; in Germany, the annual average inflation rate was 2.2 %. Inflation rates in France (+2.0 %), Italy (+1.0 %) and Spain (+2.8 %) followed a similar pattern. The US inflation rate fell to 2.9 %. At the end of the year, the core inflation rate in the eurozone — excluding energy and food — was 2.7 % compared to the same month of the previous year.

Capital markets

Significantly lower inflation rates and the slow economic momentum in the eurozone enabled the ECB to ease its restrictive monetary policy that had been in place until mid-year. Over the rest of the year, the central bank lowered key interest rates in several steps by a total of 135 basis points. The yield on ten-year German government bonds initially rose from the beginning of the year from 2.02 % to an interim high for the year of 2.69 % before declining again. At the end of the year, ten-year German government bonds were yielding 2.37 %. The yield on two-year German government bonds fell on balance from 2.40 % to 2.08 % over the course of the year in response to the ECB's interest rate cuts. The yield curve steepened as a result. The yield on ten-year US government bonds traded volatile in a range between 3.60 % and 4.74 %. At the end of the year, ten-year US government bonds were yielding 4.57 %, which was 69 basis points higher than at the end of the previous year.

The global stock markets performed positively for the most part in 2024, with various major indices reaching new highs over the course of the year. This development was driven in particular by the expectation of a less restrictive monetary policy in the future. Germany's lead index, the DAX, rose by 18.9 %, while its European counterpart – the EuroStoxx50 – closed 8.3 % higher. The leading US indices Dow Jones Industrial and S&P 500 ended trading in the positive zone, at 12.9 % and 23.3 % respectively.

Over the course of the year, the euro depreciated against the US dollar from USD 1.10 at the beginning of the year to USD 1.04 at the end of the year.

Insurance sector environment

According to the GDV's projections published in November, premium growth of 7.8 % can be expected for the 2024 financial year in direct property-casualty insurance transactions in Germany, with an increase in business year claims expenditures of 6.4 %.

The combined ratio is expected to be around 98 % in the 2024 financial year, which is lower than the previous year.

According to the GDV forecast, premium revenues in motor insurance are set to increase by 10.9 %, with an increase in business year claims expenditure of 3.9 %. The increase in claims expenses is attributable to both motor vehicle liability insurance and fully comprehensive motor insurance (motor vehicle liability insurance: +6.5 %, fully comprehensive insurance: +2.0 %, partially comprehensive insurance: –7.5 %). According to the GDV, the increase is the result of a significant rise in the claims average, in particular due to high inflation, the prevalence of exceptionally large increases in motor vehicle spare parts prices and hourly rates, as well as bottlenecks in garages and wage trends in the healthcare sector. If settlement and expense ratios decline slightly, the GDV estimates that the overall technical result for motor vehicle insurance would be around EUR –1.9 billion (previous year: around EUR –3.4 billion) and a combined ratio of 106 % (previous year: 110 %).

In property insurance, in particular due to the continued above-average increase in inflation indices in the previous year and the resulting adjustments to sums insured, and in general liability insurance, partly due to rising wages and turnover, the GDV has forecasted a significant increase in premium revenues of 9.3 % and 2.0 % respectively. In general accident insurance, premium revenues are expected to increase slightly in 2024 even though the number of contracts continues to decline. Claims expenditure in property insurance is expected to increase by 10.0 % in 2024, partly due to the June floods in 2024, despite an almost average year for natural hazards and a consistent claims trend for other risks such as burglary, water damage and major fire claims. The GDV therefore predicts a slightly worse combined ratio of 93 % (previous year: 92 %) for the sum of property, liability and accident insurance with rising premium revenue in tandem with a larger increase in claims expenditure.

In loan, surety and fidelity insurance, a significantly higher combined ratio of 80 % (previous year: 72.7 %) is expected for 2024 despite a 1.5 % rise in premium revenues. The GDV points to rising insolvency figures, which are leading to a sharp increase in claims expenditure (+20.0 %).

As a leading insurer in the construction industry, the VHV Group has a keen interest in the economic situation and development of the construction industry. According to statistical projections, the German construction industry and the German construction sector expect sales to fall by 3.5 % in 2024; however, prices for construction services are expected to fall by 1.0 % over the course of the year. In residential construction, sales are expected to fall by 13.0 % in 2024. In commercial construction, sales are expected to increase by 1.0 % and in public sector construction by 2.5 % compared to the previous year.

According to the GDV's provisional figures from January 2025, gross premiums written in the 2024 financial year. A downward trend in contracts is emerging compared with 2024 level, whereas regular premiums for one year remained constant.

Gross premiums written increased by +2.9 % compared to 2023 to EUR 91.7 billion. EUR 64.2 billion (–0.1 %) of this was attributable to regular premiums and EUR 27.4 billion (+10.6 %) to one-off premiums. The number of new insurance contracts concluded fell by –3.3 % compared to the previous year and totalled 4.3 million. The regular premium for one year rose by 2.7 % to EUR 6.6 billion in new business. The one-off premiums paid also increased by +10.0 % to EUR 27.0 billion.

With a significant increase in the number of contracts of around 141,827 (previous year: 97,464), annuity and pension insurance policies, in particular hybrid forms with guarantees, made a considerable contribution to the new one-off premiums of insurers with EUR 8.7 billion (share: 32.3 %).

In terms of the annual premium equivalent, annuity insurance policies accounted for a share of 69.1 % of the life insurers' total new business (previous year: 67.3 %).

Group performance

- As expected, consolidated net income in the financial year was lower than the previous year.
- In the property-casualty insurance segment, there was an increase in premiums and a slight rise in expenses for insurance claims compared to the previous year. Despite an increase in insurance claims expenses for the financial year, the business-year claims ratio declined while gross premiums earned rose further. A reduction in the number of claims also contributed to this favorable outcome.
- The life insurance business recorded lower premiums in new business with an increase in the number of contracts and higher contract numbers in the portfolio with regular premiums below the previous year's level.
- Net income development of investments above the forecast
- Development of digitalisation projects and other major projects in line with planning

For the financial year, the Group reports consolidated net income totalling EUR 138.5 million (previous year: EUR 211.2 million). This meant that the company's financial resources were strengthened further in the interests of our policy holders.

In the property-casualty insurance business, a technical result for own account of EUR 76.1 million (previous year: EUR 68.2 million) was achieved. The improvement in the net technical result was achieved despite an allocation to the equalisation reserve of EUR 21.8 million (previous year: withdrawal of EUR 82.5 million). Net premiums earned increased significantly compared to the previous year by 8.9 % to EUR 2,956.1 million (previous year: EUR 2,713.6 million). With an increase of 4.0 %, net expenses for insurance claims rose much more moderately to EUR 2,173.4 million (previous year: EUR 2,089.7 million). The main reason for the positive development is the increase in premiums in the motor vehicle segment, which was significantly higher than the increase in claims expenditures. Net operating expenses also rose more moderately than net premiums earned at 7.1 % to EUR 677.1 million (previous year: EUR 632.3 million).

The life insurance business closed with a technical result of EUR 58.3 million (previous year: EUR 97.5 million). This development is due to the lower result at HL.

Overall, the technical result for own account totalled EUR 134.4 million (previous year: EUR 165.8 million)

PORTFOLIO DEVELOPMENT FOR DIRECT-WRITTEN INSURANCE TRANSACTIONS

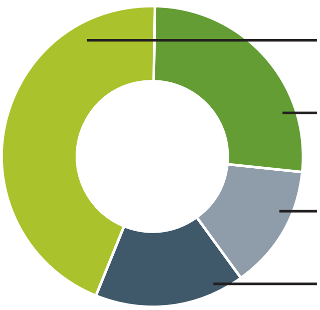
	NUMBER OF CONTRACTS			PREMIUMS EARNED		
	31.12.2024 Number	**31.12.2023 Number**	**Change**	**2024 EUR'000**	**2023 EUR'000**	**Change**
Accident insurance	726,272	675,928	7.4 %	73,302	66,487	10.2 %
Liability insurance	1,721,761	1,729,536	−0.4 %	525,171	503,674	4.3 %
Motor vehicle liability insurance	3,614,762	3,676,519	−1.7 %	1,080,859	997,754	8.3 %
Other motor vehicle insurance	2,845,544	2,895,518	−1.7 %	774,524	683,108	13.4 %
Fire and property insurance	1,152,656	1,123,206	2.6 %	346,909	335,388	3.4 %
of which:						
Associated household contents insurance	486,158	487,949	−0.4 %	57,050	55,105	3.5 %
Associated residential building insurance	148,982	125,397	18.8 %	92,198	78,490	17.5 %
Other property insurance	425,527	402,492	5.7 %	163,347	158,155	3.3 %
of which: Technical insurance	131,535	112,316	17.1 %	107,112	101,756	5.3 %
Loan and surety insurance	65,183	63,829	2.1 %	127,700	117,066	9.1 %
Legal expenses insurance	37,286	37,251	0.1 %	5,670	5,240	8.2 %
Transportation service insurance	1,411,906	1,417,891	−0.4 %	16,064	15,224	5.5 %
Other insurance	88,310	82,238	7.4 %	29,907	22,696	31.8 %
Total property-casualty	**11,663,680**	**11,701,916**	**−0.3 %**	**2,980,105**	**2,746,636**	**8.5 %**
Total life insurance	**1,139,744**	**1,126,568**	**1.2 %**	**1,015,098**	**1,044,802**	**−2.8 %**
Total for the VHV Group	**12,803,424**	**12,828,484**	**−0.2 %**	**3,995,203**	**3,791,438**	**5.4 %**

RESULTS OF OPERATIONS

Gross earned premiums for the Group totalled EUR 4,147.2 million (previous year: EUR 3,940.2 million).

Gross premiums earned of EUR 3,994.7 million (previous year: EUR 3,791.0 million) were generated in direct-written insurance transactions and EUR 152.5 million (previous year: EUR 149.2 million) in insurance transactions assumed in reinsurance coverage. Including the reinsurance premiums ceded of EUR 184.1 million (previous year: EUR 189.2 million), this resulted in premiums for own account of EUR 3,963.1 million (previous year: EUR 3,751.0 million). The retention ratio in relation to the premium written was 95.4 % (previous year: 95.1 %).

PREMIUMS EARNED
(share in %)



Gross claims expenses in the financial year totalled EUR 3,354.2 million (previous year: EUR 3,345.4 million). This resulted in a reported claims ratio for the Group, in relation to gross premiums earned, of 80.9 % (previous year: 84.9 %).

Expenses for the Group's insurance operations, based on gross premiums earned, was 19.5 % (previous year: 19.2 %).

The net result from investments (including certificate- and fund-linked insurance policies) totalled EUR 443.3 million (previous year: EUR 530.5 million), resulting in net interest of 2.6 % (previous year: 3.1 %). Current average interest fell to 2.5 % (previous year: 3.2 %).

Current income from investments totalling EUR 468.9 million decreased by 19.1 % compared to the previous year (EUR 579.8 million). This decline is mainly due to income from miscellaneous investments, which at EUR 163.3 million was significantly lower than in the previous year (EUR 227.5 million).

Compared to the previous year, gains from the divestiture of investments increased from EUR 32.3 million to EUR 66.7 million.

At EUR 20.9 million, losses from divestments were EUR 13.2 million lower than in the previous year.

Additions decreased by EUR 0.7 million to EUR 1.3 million, while write-downs increased by EUR 19.4 million to EUR 44.0 million.

Through the valuation of investment assets and bearer bonds with a total carrying amount of EUR 10,961.9 million (previous year: EUR 10,773.5 million) as non-current assets in accordance with section 341b (2) HGB in conjunction with section 253 (3) sentence 5 HGB (moderate lower of cost or market principle), write-downs totalling EUR 724.6 million (previous year: EUR 793.9 million) were avoided.

PERFORMANCE IN PROPERTY-CASUALTY INSURANCE TRANSACTIONS

The figures on business performance are based on gross amounts (before reinsurance), unless stated otherwise.

Premiums earned in property-casualty insurance transactions totalled EUR 3,132.3 million (previous year: EUR 2,895.4 million). Of this figure, EUR 2,979.8 million (previous year: EUR 2,746.2 million) was attributable to direct-written insurance business and EUR 152.5 million (previous year: EUR 149.2 million) to transactions assumed in reinsurance coverage.

Net premiums earned for own account for the overall business increased by 8.9 % year-on-year to EUR 2,956.0 million (previous year: EUR 2,713.6 million).

The reported claims ratio in direct-written insurance transactions fell from 77.8 % in the previous year to 73,0 %, which was partly due to a decline in the business-year claims ratio and partly to a lower number of claims.

The operating costs ratio of direct-written insurance transactions decreased in the financial year from 22.3 % in the previous year to 22.1 %, mainly due to the decline in the management expense ratio.

With a decline in the business-year claims ratio and a lower operating costs ratio, the combined ratio in direct-written insurance transactions fell from 100.0 % in the previous year to 95.0 % in the financial year.

Overall, the direct-written insurance transactions recorded with a technical result of EUR 76.6 million (previous year: EUR 127.4 million)

Regarding the individual classes and types of insurance for direct-written insurance transactions, the following is reported (not including the investment income generated in the division or any consolidation effects that are negligible for this purpose):

Accident insurance

In accident insurance, the number of contracts increased by 7.4 % to 726,272 (previous year: 675,928). In addition, the positive premium growth of previous years continued thanks to competitive products. Premiums earned increased by 7.4 % (previous year: 12.8 %) to EUR 73.2 million (previous year: EUR 66.5 million), which was in line with our expectations.

Claims expenses increased by 39.4 %. The reported claims ratio increased by 10.0 percentage points to 47.8 % (previous year: 37.8 %). Taking into account a slight decrease in the operating costs ratio, this resulted in a combined ratio of 84.2 % (previous year: 78.0 %). Following a withdrawal from the equalisation reserve of EUR 11.6 million (previous year: EUR 2.7 million), a technical result for own account of EUR 21.6 million was recorded (previous year: EUR 16.4 million).

General liability insurance

In general liability insurance, the number of insurance contracts fell by 0.4 % from 1,729,536 in the previous year to 1,721,761 in the financial year.

Premiums earned increased again by a total of 4.3 % (previous year: 8.3 %) to EUR 525.1 million (previous year: EUR 503.7 million), which exceeded our expectations. This was due to rising sales, wage and fee totals and targeted portfolio-related measures.

Claims expenses increased by 11.6 %. The reported claims ratio deteriorated by 4.1 percentage points to 63.4 % (previous year: 59.3 %). Taking into account a slight increase in theoperating costs ratio, this resulted in a combined ratio of 95.8 % (previous year: 89.9 %).

After an allocation to the equalisation reserve in the amount of EUR 16.5 million (previous year: withdrawal of EUR 9.2 million), a technical result for own account was recorded at EUR 2.3 million (previous year: EUR 60.2 million).

Motor vehicle insurance policies

The number of insurance contracts in the motor vehicle segment, including motor vehicle accident insurance and transportation service insurance, fell by 1.0 % year-on-year to 8,290,136.

Premiums earned increased by 10.3 % (previous year: 4.8 %) to EUR 1,878.3 million. Average premiums in the main motor vehicle insurance lines thus rose slightly compared to the previous year.

Due to the higher speed of settlement in motor vehicle insurance, the sharp rise in inflation had a significant impact on payments in the financial year.

Motor vehicle liability insurance

The number of contracts in motor vehicle liability insurance fell by 1.7 % (previous year: +1.3 %) from 3,676.519 to 3.614.762.

Premiums earned increased by 8.3 % (previous year: 4.7 %) from EUR 997.8 million in the previous year to EUR 1,080.7 million in the financial year.

Claims expenditure fell by 9.7 % compared to the previous year. Average claims expenditure fell by 9.3 % compared to the previous year (previous year: +10.9 %). Accordingly, the reported claims ratio fell by 12.9 percentage points to 64.5 % (previous year: 77.8 %). Taking into account a slightly lower operating costs ratio, the combined ratio totalled 80.1 % (previous year: 94.5 %).

After a withdrawal from the equalisation reserve of EUR 25.0 million (previous year: EUR 29.1 million), the technical result for own account was EUR 228.0 million (previous year: EUR 81.0 million).

Other motor vehicle insurance
In other motor vehicle insurance, the number of contracts fell by 1.7 % from 2,895,518 in the previous year to 2,845,544 in the year under review.

Premium growth continued with a rise in premiums earned from 13.4 % (previous year: 5.0 %) to EUR 774.5 million (previous year: EUR 683.1 million). The increase pertained to the number of full motor vehicle insurance at 12.4 % and partial motor vehicle insurance at 20.8 %.

Claims expenditures increased by 11.8 % compared to the previous year. In contrast, the reported claims ratio improved by 1.5 percentage points to 106.5 % (previous year: 108.0 %). Taking into account a slight improvement in theoperating costs ratio, the result was a combined ratio of 122.8 % (previous year: 124.4 %).

As a result of the above developments and a withdrawal from equalisation reserve in the amount of EUR 3.8 million (previous year: EUR 94.2 million), the technical result at for own account totalled result was negativ with EUR 181.8 million (previous year: EUR –76.7 million).

Fire and property insurance
Fire and property insurance includes policies for fire, industrial fire, associated household contents, associated residential buildings, technology, burglary and theft, water mains, storm, glass and extended coverage (EC). Details on associated household contents insurance, associated residential building insurance and technical insurance policies are reported separately.

The number of contracts in the insurance segments not listed separately fell by 5.8 % year-on-year from 409,781 to 385,981 in the financial year. Premiums earned decreased by 9.2 % (previous year: +37.6 %). This is primarily due to the fire, burglary and storm segment and the planned termination of the co-operation with a French underwriting agent in these lines. The development of premiums earned was below our expectations and was driven in particular by the activities in France.

Claims expenditure increased by 36.2 % compared to the previous year. The reported claims ratio was 92.4 % (previous year: 61.6 %). Taking into account a slight increase in the operating costs ratio, this resulted in a combined ratio of 130.0 % (previous year: 91.6 %).

After an allocation to the equalisation reserve of EUR 7.5 million (previous year: EUR 28.3 million), atechnical result for own account was recognised at EUR –32.0 million (previous year: EUR –16.6 million).

Associated household contents insurance
In associated household contents insurance, the number of insurance contracts decreased compared to the previous year by 0.4 % to 486,158 in the financial year (previous year: 487,949). At 3.5 % (previous year: 6.1 %), premiums earned again increased from EUR 55.1 million to EUR 57.0 million.

Claims expenditure increased by 41.4 % compared to the previous year. The reported claims ratio increased by 14.7 percentage points to 54.8 % (previous year: 40.1 %). With a constant operating costs ratio, the result was acombined ratio of 96.0 % (previous year: 81.4 %).

Taking into account an unchanged equalisation reserve, as in the previous year, the technical result for own account was reported at EUR 0.5 million (previous year: EUR 7.4 million).

Associated residential building insurance
In associated residential building insurance, the number of contracts rose by 18.8 % year-on-year from 125,397 to 148,982 in the financial year.

The positive premium growth of previous years continued with an increase in premiumis earned by 17.5 % (previous year: 22.9 %) from EUR 78.5 million in the previous year to EUR 92.1 million in financial year. This was due to premium adjustments. The development was therefore better than expected.

Claims expenditure fell by 33.8 % compared to the previous year. The increased claims expenditure in the previous year was mainly due to the earthquake event. As a result, the reported claims ratio improved by 44.7 percentage points to 57.7 % (previous year: 102.4 %). Taking into account a slight improvement in the operating costs ratio, the result was a combined ratio of 86.8 % (previous year: 132.6 %).

After an allocation tontye equalisation reserve in the amount of EUR 2.5 million (previous year: withdrawal of EUR 3.9 million), the technical result for own account was recognised at EUR 1.7 million (previous year: EUR 7.4 million).

Technical insurance
The positive development in technical insurance continued in the financial year 2024 with an increase in the number of contracts by 17.1 % to 131,535 (previous year: 112,316).
Premiums earned increased by 5.3 % (previous year: 33.0 %) to EUR 107.1 million, which was in line with our expectations.

Claims expenditure fell by 13.5 % to EUR 66.1 million compared to the previous year. As a result, the reported claims ratio improved to 61.7 % (previous year: 75.0 %). Taking into account a slight improvement in theoperating costs ratio, the result was a combined ratio of 88.1 % (previous year: 102.8 %).

Following a withdrawal from the equalisation reserve of EUR 3.7 million (previous year: EUR 1.9 million), the remaining technical result amounted to EUR 2.6 million (previous year: EUR 4.1 million).

Loan and surety insurance
In loan and surety insurance, the number of insurance contracts increased by 2.1 % to 65,183 (previous year: 63,829). Premium growth continued with an increase in premiums earned from 9.1 % (previous year: 5.0 %) to EUR 127.7 million (previous year: EUR 117.1 million). The development was in line with our expectations.

The liability under the surety bonds issued during the financial year fell by 1.8 % to EUR 3,493.4 million. The claims ratio increased by 5.8 percentage points to 27.1 % (previous year: 21.3 %). Taking into account a slight decrease in theoperating costs ratio, the result was a combined ratio of 54.0 % (previous year: 48.8 %).

Following an allocation to the equalisation reserve in the amount of EUR 8.9 million (previous year: EUR 10.3 million), an overall technical result for own account of EUR 49.5 million (previous year: EUR 49.8 million) was reported.

Transportation service insurance
The number of contracts fell by 0.4 % year-on-year to 1,411,906 in the financial year| (previous year: 1,417,891). The premium growth continued with an increase in premiums earned of 5.5 % (previous year: 8.1 %) from EUR 15.2 million in the previous year to EUR 16.1 million in the financial year.

At 97.0 %, claims expenditure rose disproportionately compared to the growth in premiums. As a result, the reported claims ratio deteriorated by 28.4 percentage points to 61.1 % (previous year: 32.7 %). With a slightly lower operating costs ratio, the result was a combined ratio of 81.4 % (previous year: 53.1 %).

Taking into account an allocation to the equalisation reserve of EUR 2.2 million (previous year: EUR 1.6 million), the technical result for own account was EUR 0.7 million (previous year: EUR 5.3 million).

Other insurance
Transportation insurance (mainly vehicle contents insurance), business interruption insurance and other indemnity insurance are included here in summary form.

In the insurance types considered, premiums earned increased by 27.4 % (previous year: 46.7 %) from EUR 27.9 million in the previous year to EUR 35.6 million in the financial year. The increase was mainly due to business interruption insurance.

Claims expenditure fell in comparison to growth in premiums. This is due to a reduction in the average claims. The reported claims ratio was 27.2 % (previous year: 114.6 %). Taking into account a slight increase in the operating costs ratio, the result was a combined ratio of 57.1 % (previous year: 141.3 %).

Following an allocation to the equalisation reserve of EUR 22.3 million (previous year: EUR 2.7 million), the technical result for own accountwas negative with EUR 10.2 million (previous year: EUR 6.5 million).

Insurance transactions assumed in reinsurance coverage
In insurance transactions assumed in reinsurance coverage, which is mainly carried out in the accident, liability, vehicle, fire and property, legal protection, life, air travel, transportation, loan and surety insurance and technical insurance classes, there was a technical result for own account of EUR 3.3 million (previous year: EUR –45.4 million). The significantly lower result in the previous year was primarily caused by natural hazards resulting from an earthquake in Turkey.

PERFORMANCE IN LIFE INSURANCE TRANSACTIONS

The number of new insurance contracts amounted to 78,526 (previous year: 74,849 shares). Of these, 63.0 % i.e., 49,497, were attributable to individual risk insurance policies (previous year: 47,985).

Overall, new business premiums declined from EUR 285.3 million in 2023 to EUR 262.5 million in 2024. Of this, EUR 61.7 million (previous year: EUR 55,0 million) was attributable to regular premiums and EUR 200.8 million (previous year: EUR 230.4 million) to one-off premiums. Not including one-off premiums from the capitalisation business, pension products with one-off premiums amounting to EUR 102.5 million (previous year: EUR 152.6 million) impacted the portfolio.

Measured in terms of the sum insured, the insurance portfolio grew by 6.3 % to EUR 150.7 billion (previous year: EUR 141.7 billion).

Total new contracts of EUR 16,876.0 million (previous year: EUR 14,862.1 million) were partially offset by disposals in the amount of EUR 7,963.2 million insured (previous year: EUR 7,227.1 million).

Premature disposal by repurchasing, conversion to non-premium contracts and other premature disposals totalled a sum insured of EUR 2,171.2 (previous year: EUR 1,866.0 million).

Measured in terms of regular premiums, the insurance portfolio increased slightly by 0.3 %, rising from EUR 799.0 million to EUR 801.5 million. Contrary to the market trend, the insurance portfolio rose by 13,176 contracts from 1,126,568 contracts to 1,139,744 contracts.

Gross premiums written fell by 2.8 % from EUR 1,036.7 million to EUR 1,007.4 million. At EUR 795.3 million, the majority of gross premiums were attributable to regular premium revenues (previous year: EUR 793.4 million). Premiums from one-off payments in the amount of EUR 212.1 million (previous year: EUR 243.3 million) include premiums from capitalisation transactions in the amount of EUR 98.3 million (previous year: EUR 77.7 million).

The cancellation ratio (based on the average regular premium) increased to 2.5% (previous year: 2.4 %) and is therefore substantially lower than sector-wide average of 5.2 % in 2024.

Payouts to policy holders for insurance benefits and profit shares rose from EUR 1,393.0 million to EUR 1,479.8 million in the financial year. Of this figure, insurance benefits accounted for EUR 1,085.0 million and profit shares for EUR 394.8 million. The technical provisions and liabilities for future benefits to policy holders decreased by EUR 107,0 million to EUR 9,672.8 million.

Unadjusted earnings after taxes totalled EUR 410.6 million (previous year: EUR 388.0 million). Of this amount, an allocation of EUR 189.5 million (previous year: EUR 145.5 million) was made to reserves for premium refunds and EUR 193.1 million (previous year: EUR 190.3 million) was distributed as direct deposit. Net income accounted for EUR 28.0 million (previous year: EUR 52.2 million).

The technical result for life insurance transactions was EUR 58.3 million (previous year: EUR 97.5 million).

PERFORMANCE AT THE OTHER SERVICE COMPANIES

The defining feature of business performance, which was affected by the targeted increase in personnel resources (including for the roll-out of new IT systems in contracts and claims and for retraining staff moving from other fields), was that productivity remained steady in contracts but declined in claims. Productivity increased slightly in the cross-divisional functions. Unit costs rose overall as a result of the effects referred to above. Further progress was made in the digitalisation of communication channels in input and output management through improvements to the broker and customer portals and the addition of extra functions to the customer portal app and the digital claims card. The biggest refinements to the customer portal include the introduction of a postbox and the addition of a claims tracking feature for our customers. Average claim payments rose again in the 2024 financial year due to persistent increases in costs associated with vehicle claims. The cost-increasing impact of claims inflation was limited through various control measures within claims processing. The quality parameters in the contract and claims back-office units were in line with planning across the board, with the exception of the personal motor vehicle segment. The introduction of the new inventory management system as part of the goDIGITAL projects continued to have a considerable impact on the processing situation in the personal motor vehicle segment, but the situation was further stabilised in 2024. Moreover, it is the view of the Board of Directors that the comprehensive strategy and culture process aimed at shaping the future direction of the VHV Group was continued over the course of the year.

CONSOLIDATED MANAGEMENT REPORT

The focus was on the further development and upgrades of the IT landscape and the implementation of the “goDIGITAL” programme as the most important measure for digitalisation of the VHV Group. Other areas of focus were IT security, with an improvement in employee awareness of IT security and continuous investments, and the cloud, with the development of a cloud governance approach to enable the secure and rapid implementation of cloud projects within the Group, in line with regulatory requirements. In the area of AI and analytics, various use cases were evaluated in test fields and put into production. In addition, a platform for internal company testing of a general, generative AI (similar to “ChatGPT”) was introduced.

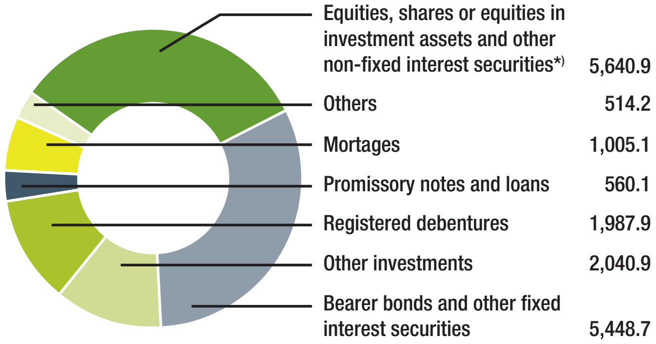
ASSETS

For the VHV Group as an insurance group, the net assets and structure of the balance sheet are largely characterised by insurance transactions, even though the Group includes service companies. Assets on the balance sheet are dominated by investments, while under liabilities and shareholders’ equity, net insurance technical reserves and liabilities make up the largest share of thebalance sheet total.

Investments

The carrying amount of the investment portfolio decreased in the financial year by 1.1 % to EUR 17,197.9 million (previous year: EUR 17,392.2 million).

INVESTMENTS
in million EUR



*) Equity exposure to fair value 1.6 %

Interest-bearing Investments in the form of bearer bonds, registered debentures, promissory note loans, loans and advance payments on insurance policies as well as miscellaneous loans and loans to affiliated companies remained the primary focus of the investment portfolio cumulatively accounting for a share of EUR 8,012.3 million (previous year: EUR 8,210.3 million or 46.6 %).

This was followed by investment assets, which acccounted for a share of 32.8 % of the total investment portfolio and a carrying amount of EUR 5,640.9 million (previous year: EUR 5,620.6 million).

Newly approved mortgages, land charges and annuity charge-receivables amounted to EUR 38.8 million in the 2024 financial year (previous year: EUR 103.9 million). Disposals fell to EUR 81.1 million (previous year: EUR 78.7 million). As a result, the investment portfolio decreased to EUR 1,005.1 million (previous year: EUR 1,047.5 million). The share of the total investment portfolio amounted to 5.8 %.

As at the balance sheet closing date, equity exposure at fair value amounted to 1.6 % (previous year 1.7 %). The equities were held exclusively in the fund portfolio.

As at 31 December 2024, the Group had a PE/IE portfolio with a carrying amount of EUR 2,045.2 million (previous year: EUR 2,210.7 million). As a proportion of total investments, the PE/IE share was approximately 11.9 % overall (previous year: 12.7 %).

In the area of real estate investments, selective purchases and sales were made in 2024. As at 31 December 2024, the Group cumulatively held real estate investment units with a carrying amount of EUR 1,403.1 million (previous year: EUR 1,389.1 million). This corresponded to 8.2 % of the total investment portfolio (previous year: 8.0 %).

 Translation from the German language

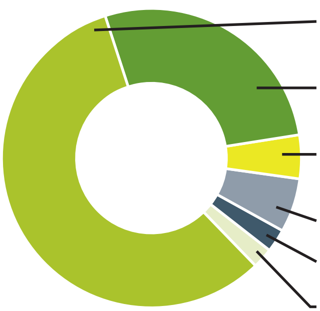
Funds for indemnification

The Group's funds for indemnification increased by less than 0.1 % and consist of:

FUNDS FOR INDEMNIFICATION	2024 EUR million	2023 EUR million
Equity	2,833.8	2,691.8
Net technical reserves	14,657.2	14,790.8
Funds for indemnification for own account	**17,491.0**	**17,482.6**

Net technical reserves

The net technical reserves were composed of the following items as at the balance sheet closing date:



At 55.9 % (previous year: 57.5 %), the majority of net technical provisions relate to Actuarial reserve.

At 39.4 % (previous year: 41.1 %), the majority of the actuarial reserves reported relate to individual capital insurance policies of the VHV Group's life insurance company. Group insurance policies account for a share of 24.0 %, followed by individual annuity insurance policies with a share of 22.5 % of the total actuarial reserve. To fulfil future interest obligations, the actuarial reserve contains an additional interest rate reserve in the amount of EUR 728.0 million (previous year: EUR 803.4 million).

FINANCIAL POSITION

Liquidity

The VHV Group's liquidity was safeguarded at all times in the past financial year. Risk-oriented liquidity management is carried out to satisfy ongoing obligations. This ensures that payment obligations can continue to be met at all times. Further information can be found in the risk report.

The financial and liquidity situation and changes in cash flows are largely affected by insurance and investment transactions. The VHV Group receives liquid funds through regular premium revenues, investment income and returns on investments. This is offset by insurance benefits, payments for business operations and investing.

ITEM	2024 EUR'000	2023 EUR'000
Cash flow from operating activities	201,877	−33,848
Cash flow from investment activities	53,907	−170,632
Cash flow from financing activities	−31,583	33,768
Change in cash and cash equivalents	**224,201**	**−170,712**
Change in cash equivalents due to exchange rate movements, changes in the scope of consolidation and measurement	6,525	12,854
Cash at the beginning of the period	220,971	378,829
Cash at the end of the period	**451,696**	**220,971**

In the cash flow statement, there was a change in cash and cash equivalents totalling EUR 224.2 million in the reporting period (previous year: EUR −170.7 million). Net cash flows therefore increased by EUR 394.9 million (previous year: EUR −354.2 million).

The cash flow from operating activities, which primarily comprises cash inflows and outflows from underwriting and other investments, increased year on year. This is primarily due to the increased return flows from the investment business, which have not yet been reinvested.

Cash flow from investment activities is determined by the cash flows of property, plant and equipment, intangible assets, participations and investments for the account and risk of policy holders. Performance in the reporting year was largely dictated by the lower level of new investment business in the context of certificate-linked annuity insurance.

The cash flow from financing activities, which has decreased compared to the previous year, mainly includes liabilities to banks. Please see the cash flow statement on page 229 for additional details.

Investments
In the year under review, the VHV Group mainly made investments in financial assets. The focus of new investments was on investment funds, fixed-interest securities and alternative investments. Disposals resulted mainly from scheduled maturities.

In addition, investments were made as part of the "goDIGITAL" programme for digitalisation initiatives.

MISCELLANEOUS

The rating agency S&P has once again confirmed an "A+" rating and a stable outlook for VHV a. G. and its core companies VHV Allgemeine and HL.

The decisive factors behind this rating are the capital and earnings strength of the VHV Group with capital resources above the 99.99 % level. According to S&P, the strong and sustainable technical results of VHV Allgemeine and the favourable risk/return profile in the life segment make a significant contribution to this.

The quality of the products and services of VHV Allgemeine and Hannoversche were also confirmed once again in 2024 by various studies and rankings:

HL received the top rating "excellent A++" from the customer-focused Cologne-based rating agency ASSEKURATA for the thirteenth time in a row. Once again, it was awarded the top mark of "excellent" in all four sub-categories. In addition, HL was once again awarded the top rating of "5 stars" in the rating of life insurance companies by analysts Morgen & Morgen in 2024.

VHV Allgemeine was also once again able to demonstrate its strategically anchored customer and intermediary focus in numerous product and satisfaction studies conducted in 2024. The leading trade magazine for insurance brokers and financial investment brokers, AssCompact, has honoured VHV Allgemeine as the annual winner in several product categories.

In addition, the "goDIGITAL" digitalisation programme to upgrade key components of the application landscape, in particular the portfolio management and sales systems, also made a further contribution to improving the customer experience in property-casualty and life insurance in 2024.

HUMAN RESOURCES REPORT

The VHV Group is characterised by the high degree of expertise and commitment demonstrated by its employees and executives and the constructive cooperation with employee representatives (including the Remuneration Committee of Executive Employees).

In the VHV Group, the annual average number of employees, including fixed-term contracts and excluding trainees, increased from 4,244 in the previous year to 4,387 in the financial year.

The focus of HR work in the 2024 financial year was on the recruitment of new employees and employee retention. Other topics included the introduction of a new skills model, the adjustment of potential and development interviews, and the establishment of a trainee programme.

The incapacity for work rate in the financial year is 4.5 % (previous year: 4.5 %) and remains below comparable values on the insurance market (6.3 %).

We would like to take this opportunity to extend our gratitude to all employees whose individual dedication, expertise and experience contributed significantly to us successfully mastering the challenges we faced in 2024. The Board of Directors would also like to thank the Representative Committee of Executive Employees, the company-wide Works Council and the local Works Councils for their constructive and trust-based cooperation.

PERSONNEL OF THE VHV GROUP*)

	2024	2023
Average number of employees for the year*)	4,387	4,244
Average number of trainees for the year	69	66
Number of employees at end of year*)	4,474	4,320
Number of employees at end of year	78	79
Average number of office-based employees*)	4,125	3,995
Average age of employees (years)	44.2	44.0
Average length of employment with the company (years)	13.8	14.1
Proportion of university graduates (%)	34.9	31.9

*) Not including apprentices, including temporary employees.

GENERAL STATEMENT OF THE BOARD OF DIRECTORS

The VHV Group is one of the largest motor vehicle insurers in Germany and has been able to maintain its position in the market in this area. One key achievement, particularly in view of the challenging market situation, is the return to profitability in the motor vehicle business. Another focal point in the past year was on strengthening the non-motor vehicle business. The VHV Group has achieved this in both the private and commercial insurance segments. As a leading insurer in the construction industry, the VHV Group was able to continue to increase its own sales, particularly in Germany, despite the negative trend in construction industry sales and the simultaneous decline in incoming orders in the construction industry compared to previous years. On a positive note, there were continued increases in wages, revenue and fee totals, which are included in the assessment of premiums.

Life insurance recorded a slight decline in premium revenues compared to the previous year, which is essentially the result of the one-off premium business falling short of the previous year due to interest rates. One positive development was the retention of market leadership in term life insurance despite the cooling market environment. In addition, last year's focus on expanding the disability business continued with growth well above market average, both in current premiums and in terms of numbers. The cancellation rate, which was well below the market average, continued to move in the right direction. Based on the latest GDV forecast, the administrative expense ratio will remain well below market average. Based on an increased risk result, unadjusted earnings were again very satisfactory.

During the financial year, as part of the VHV Group's internationalisation strategy, VAV, VHV Assicurazioni and VHV Re were integrated into VHV International, which was founded in the previous year and coordinates the international property-casualty segment.

The net result from investments fell to EUR 443.3 million (previous year: EUR 530.5 million).

With an improved technical result in the property-casualty insurance segment and a declining result in the life insurance segment, consolidated net income totalled EUR 138.5 million and was therefore below the previous year's level of EUR 211.2 million. This is in line with our expectations.

Despite persistently high inflation, a sharp rise in insurance claims expenses and the ongoing economic and political challenges, the Board of Directors can look back on a profitable financial year with good performance overall.

OPPORTUNITY AND RISK REPORT

RISK REPORT

Inflation in the eurozone fell noticeably in the reporting period. At the same time, risks remain, primarily due to the poor growth prospects. As Europe's largest economy, Germany is suffering from weak exports and challenges in energy-intensive sectors. Additional uncertainty arises from the limited ability of the German and French governments to act as a result of political crises, which could cause yields to rise further.

The measures planned by the new US administration could place an additional burden on the European economy and reignite fears of inflation. At the same time, China is likely to respond to the USA's protectionist trade policy by exporting an increased number of state-subsidised products – particularly electric vehicles – to the European market.

Ongoing geopolitical tensions have further exacerbated these uncertainties. The continued war in Ukraine is leading to high energy and raw material costs, which is further weakening the competitiveness of energy-intensive sectors in Europe. The Middle East conflict increases the risks. At the same time, the smouldering Taiwan conflict harbours potentially serious risks for the global semiconductor industry and world trade, which could affect export-oriented economies such as Germany in particular.

The investment and actuarial risks are continuously monitored and analysed in light of these developments, including in the form of stress tests and scenario analyses. Even under these stresses and in these scenarios, the VHV Group continued to have the minimum cover set out in its risk strategy at all times. The VHV Group's risk profile has not changed materially. Accordingly, ad hoc reporting on the company's own risk and solvency assessment (ORSA) was not required.

Manual and automatic screening processes have been implemented in the VHV Group for reviewing sanction lists and compliance with non-personal sanctions. There were no material risks relating to Belarus and Russia as at 31 December 2024.

Based on the information currently available, there are no risks that could jeopardise the VHV Group's development or its existence as a going concern. Due to the ongoing geopolitical tensions, in particular the war in Ukraine, the conflict in the Middle East and the smouldering Taiwan conflict, combined with the weak growth prospects, political uncertainties in Europe and potential trade conflicts with the US, the comments on the risk situation are fraught with uncertainty.

Targets
The VHV Group attaches major importance to risk management. The risk management methods are continuously enhanced. Risk management serves to secure the appropriate risk-bearing capacity and therefore the long-term and sustainable continued existence of the VHV Group and the individual insurance companies. The main objectives of risk management are to:

- establish a consistent risk culture within the VHV Group,
- support and secure the business strategy,
- create transparency regarding all material risks and appropriate risk management,
- meet legal and supervisory requirements for risk management.

The eligible own funds of the VHV Group comfortably exceeded the legal solvency requirements in all quarters of 2024.

The forecast period for the Opportunity and Risk Report is one year.

Risk strategy
The risk strategy sets out the strategic requirements for risk management. The risk strategy is aligned to the business strategy and governs the handling of the corresponding risk. The risk strategy is reviewed and adopted by the Board of Directors every year. The risk strategy documents the risks that were deliberately entered into in pursuing the business strategy and how these are to be managed. It also serves to create a comprehensive understanding of risk and the establishment of a Group-wide risk culture. The most important element of a healthy risk culture is an open exchange of information on the risk situation within the company. By unequivocally allocating risk responsibility, the Board of Directors seeks to promote the risk culture, increase the commitment of the individuals appointed, and ensure overall transparency through clear contact persons.

Organisation
Overall responsibility for Group-wide effective risk management lies with the **Board of Directors** of VHV a. G. and the respective boards of the individual companies, which play an active role in the ORSA process. In particular, the responsibility is in:

- Approving the methods used,
- Discussing and critically reviewing the results of the ORSA process,
- Approving the Group's risk management policy and the ORSA report.

The Risk Committee is established as a Group-wide risk management body in the VHV Group. The key task of the Risk Committee is to ensure the uniform development of risk management systems, methods and procedures throughout the Group on behalf of the Board of Directors. The Risk Committee also provides a platform for Group-wide discussion of the risk situation and can initiate decisions. The members of the Board of Directors of VHV a. G. and VHV Holding, representatives of the subsidiaries, and the responsible persons of the IRCF, the Compliance Function and Internal Audit are members of the Risk Committee.

In addition, a subcommittee of the Risk Committee is established to offer assistance on technical and operational questions regarding the risk models.

The VHV Group has created the ESG Committee, which is tasked with the establishment of uniform Group-wide sustainability management in line with regulatory requirements. Its members are the Chairman of the Board of Directors and the other members of the Board of Directors of VHV a. G. and VHV Holding.

In accordance with the principle of the **separation of functions**, the responsibility for managing and independently monitoring risks in the VHV Group is separated within the organisational structure up to Board level. If a separation of functions is excessive, accompanying measures (e. g.separate reporting channels) are taken instead.

In the **business units**, risk officers who are responsible for the operational management of risks and compliance with limits are appointed in the strict separation of functions from the IRCF. In particular, the Group pursues the aim of encouraging the risk culture in the company by clearly allocating responsibility for risk internally.

The Risk Committee supports the Supervisory Board in controlling risk management and in all key functions, including the corresponding reporting. At the meetings of the risk committees, the risk strategy and the reports of key functions under Solvency II (IRCF, VMF, Compliance Function and Internal Audit) are discussed with the Board of Directors and the people responsible for the key functions. In particular, this includes the discussion of the ORSA report, the report on solvency and the financial position and the results of the internal review of the business organisation. In addition, the methods and tools of the key functions and changes in the organisation are also discussed.

The **IRCF** is tasked with the operational implementation of a consistent and efficient risk management system. The IRCF is exercised centrally in an organisational unit led by the responsible person of the IRCF. The responsible person of the IRCF reports directly to the respective Board of Directors of the insurance companies.

The **VMF** at Group level is performed in the central area of Group risk management. The VMF at Group level is responsible among other things for technical risks and the VHV Group's solvency. The Group VMF coordinates the timing of the VMF reports. The solo VMF of the individual insurance companies is exercised by a different responsible person than the Group VMF for each company. The main tasks of the VMFs include coordinating the calculation of the technical reserves and guaranteeing the appropriateness of the methods and basic models used. In addition, the solo VMF submits an opinion on the general underwriting and acceptance policy. The solo VMF also presents the VMF report to the Board of Directors at least once a year, detailing all the VMF's activities, the results achieved and recommendations.

The **Compliance Function** is responsible for guaranteeing compliance with legal and supervisory provisions. The four core tasks of the compliance function are: the advisory task, the risk control task, the monitoring task and early warning task. In addition to the Chief Compliance Officer, Compliance Function in the wider sense also includes other employees as well as company officers and their employees, who in particular cover the topics of supervisory and antitrust law, distribution law, insurance contract law, money laundering law, financial sanctions and embargoes, data protection law, tax law and anti-fraud management.

The tax compliance management system is used to ensure the complete and timely fulfilment of tax obligations and contributes to the early recognition and minimisation of tax risks. The Head of TAX is responsible for the operation of the tax compliance management system. The Group's tax policy describes the organisation of the tax compliance management system, stipulates the roles and responsibilities of all organisational units involved and regulates tax-relevant processes in a uniform manner.

The topic of data protection is handled together with the information security management system in its own organisational unit that includes the company data protection officers appointed for the VHV Group's domestic insurance companies. The organisational unit also operates the data protection management system.

Anti-money laundering and financial crime (including financial sanctions and embargo, anti-fraud management) is performed in its own organisational unit head by the Anti-Money-Laundering Officer.

Internal Audit audits all business segments, processes, procedures and systems within the VHV Group independently and in a process-independent manner on the basis of a risk-oriented audit plan to be updated annually. Internal Audit is only subject to the instructions of the Board of Directors, but remains independent and objective in the performance of its function. It has the following rights and obligations:

Internal Audit evaluates the appropriateness and effectiveness of risk management in general and the internal control system in particular, as well as the security and propriety of essentially all activities and processes

Internal Audit is immediately informed when significant deficiencies are identified or significant financial losses are incurred or there is a specific suspicion of other irregularities.

Risk management process
We understand the risk management process as all the organisational regulations and measures from risk identification to risk management in their entirety. Risk management at Group level also takes account of accumulations and interactions between the risks of the individual companies.

The aim of **risk identification** is to record and document all key risks. Risk inventories are regularly carried out for this purpose. Relative to reference dates, a company-wide risk assessment is carried out, in which all risks are queried and updated systematically every six months by the risk officers in all divisions and projects of the VHV Group. Individual risks identified are checked for plausibility by the IRCF and then aggregated to determine the overall solvency needs. Process-oriented risks are also identified on the basis of an IT-based system of documenting business processes.

There are also wide-ranging ad hoc reporting requirements to ensure risks or material changes are identified during the year. In addition, risk analyses on an ad hoc basis are prepared for projects relevant to risks, the results of which are taken into account in the decision by the Board of Directors.

Risk assessment refers to all methods and processes that serve to measure and assess identified risks. Operational, strategic and reputation risks are evaluated in the semi-annual risk assessment via an expert assessment of the risk officers using the probability of occurrence and the potential economic loss as criteria. In addition to this quantitative assessment, there is an opinion in accordance with qualitative criteria (appropriateness and reputation). Appropriate procedures are used to aggregate the overall solvency needs for operational risks. Findings from the regular review of the ICS are also taken into account when assessing operational risks. The model calculations of the standard formula provided for the quantitative assessment of the risks under Solvency II and the determination of eligible own funds are conducted both on an annual basis as at 31 December and on a quarterly basis. To determine the overall solvency needs annually, company-specific circumstances are included in the risk models. The underlying assumptions of the standard formula and risks not shown in the standard formula are assessed for their appropriateness for the insurance companies of the VHV Group.

Risk monitoring is ensured at aggregate levels through the IRCF. To this end, a limit system has been implemented to apply the risk strategy operationally, which is constantly being refined and adapted to environmental changes. The limit system ensures that the risk tolerance variables defined in the risk-bearing capacity concept are monitored through a number of risk parameters. Various escalation processes ensure that there is an early warning in the event of material deviation from targets and that an ad hoc report is submitted to the Board of Directors.

Reporting on the company's own risk and solvency assessment takes place on a regular basis and on an ad hoc basis. In addition to quarterly reporting as part of the model calculations of the standard formula, standard reporting takes place in particular via the annual ORSA report and during the year via the monthly limit reports. The ORSA report is approved by the Board of Directors and made available to the members of the Risk Committees of the Supervisory Boards and the supervisory authority. In addition, the IRCF's annual standard reporting includes the results and recommendations of the HGB projections carried out in asset/liability management and the internal ICS report. Ad hoc risk analyses are also prepared where necessary. In addition, the results of risk analyses relevant to the decision and on an ad hoc basis are reported to the Board of Directors.

Risk management refers to the taking of decisions and the implementation of measures to deal with a risk situation while taking risk strategy targets into account. This includes the conscious acceptance of risk, risk avoidance, risk reduction and risk transfer. In particular, new business segments, new capital market and insurance products as well as outsourcing projects are subjected to a risk assessment by the IRCF and other key functions before any resolution, meaning that the Board of Directors can take risk-oriented decisions that build on this process.

Internal control system
The VHV Group has drawn up a binding group policy that defines the standard requirements for the internal control system. The ICS of the VHV Group consists of all the internal requirements, organisational measures and controls.

The minimum requirements from the Group policy are implemented at company level through company policies. The subsidiaries confirm the implementation of the requirements to the Board of Directors of VHV a.G. in an annual process and deviations and any necessary implementation measures needed are explained.

Material business processes, including the risks involved and the associated controls, are assessed and documented according to standardised requirements by the risk officers of the respective organisational units. Risks related to business processes are assessed based on financial criteria (quantitative risks) and qualitative criteria (qualitative risks).

The ICS is systematically reviewed and evaluated across the Group at least once a year according to a standardised procedure on the basis of a control process (ICS control process). The ICS control process is coordinated by the IRCF. The ICS control process is primarily geared towards an assessment of the key controls and a comprehensive confirmation of the proper functioning of the ICS by all executives of the VHV Group. In addition, findings of the key functions, e. g.Internal Audit results, IRCF risk analysis and findings from compliance activities, are taken into account in the assessment. The results of ICS control processes are reported by the IRCF to the Board of Directors and the Risk Committee of the Supervisory Board at least once a year.

The ICS is intended to ensure the completeness and accuracy of accounting and thus of the respective annual financial statements and consolidated financial statements.

Material risks
The risk categories are described below. The following ranking, derived from Solvency II calculations, shows the importance for the VHV Group based on risk management measures:

1. Technical risk in property-casualty insurance
2. Market risk
3. Technical risk in life insurance
4. Credit/default risk
5. Operational risk
6. Strategic risk and reputation risk
7. Liquidity risk

Technical risk is one of the material risks to which the VHV Group is exposed. It describes the risk that, due to chance, error or change, the actual expense for claims and benefits differs from the forecast expense.

Technical risk of in property-casualty insurance
The technical risk of property/casualtyaccident insurance arises predominantly from the underwritten motor vehicle liability, general liability and comprehensive motor vehicle insurance lines. Negligible biometric risks (especially longevity risk) also arise from the bond portfolios in liability and accident insurance at VHV Allgemeine.

The actuarial risks are continuously monitored and analysed on the basis of the developments described, including by means of stress tests and scenario analyses. In addition, the adequacy of the premiums in new and existing business is carefully observed and managed on a segment-specific basis. At the same time, new business and claim expectations are taken into account when premiums are rated. Loss reserves under the German Commercial Code (HGB) and Solvency II also take account of expected inflation. Technical risk from property-casualty insurance is divided into premium, reserve and disaster risk below.

Premium risk refers to the risk that (with the exception of disasters) the insurance premiums will not be sufficient to cover claim payments, commissions and other costs. In addition to reinsurance, the premium risk is reduced through the use of actuarial procedures when calculating premiums and taking reasonable surcharges into account. The premiums are calculated on the basis of applicable actuarial methods. The VMF is involved in the new product process. In addition, compliance with major underwriting and acceptance guidelines is monitored independently by an established controlling system. In addition, the underwriting and acceptance policy is regularly assessed by the VMF. Changes in the development of claims are recognised promptly by continuously monitoring claims expenses, so that measures can be introduced where necessary. The premium risk is also reduced through the targeted use of reinsurance. Every year, premium risk is investigated together with disaster risk by the IRCF and the VMF in stochastic analyses of asset/liability management. The pooling of risks and risk diversification between the segments resulted in some random diversification in the claims ratios at aggregate Group level. There are also equalisation reserves through which technical fluctuations are offset over time.

The table below shows the consolidated reported claims ratios for the property-casualty insurance companies included in the consolidated financial statement as a percentage of premiums earned for own account for the financial years 2015 to 2024.

CLAIMS RATIO PROPERTY-CASUALTY

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
68.9	71.3	71.6	71.5	70.7	65.9	65.4	74.1	77.0	73.5

Reserve risk refers to the risk that insurance technical reserves will not be sufficient to meet future claim payments for claims that have not yet been processed or are not yet known. Reserve risks may emerge in particular from unforeseeable claim trends resulting from changes to conditions, changes to medical care and macroeconomic factors, such as inflation, which may have a considerable impact on the settlement result. Reserve risk is limited and the probability of settlement losses reduced by a conservative reservation policy. In previous years, inflation expectations were taken into account by increasing reserves.

Reserves for late claims are also created for claims that have occurred but that are still unknown. In addition, the settlement is continuously monitored, and the insights gained in this process are taken into account in the calculation of technical reserves (including the required reserves for late claims). The settlement potential of the claims reserves is also monitored by the VMF. The settlement results from direct-written insurance transactions shown below (as a percentage of the initial reserves for own account) are proof of the conservative reservation policy.

SETTLEMENT RESULT PROPERTY-CASUALTY

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
7.0	6.3	7.0	7.0	8.2	5.9	9.1	7.2	7.2	7.6

The presentation shows consistently positive settlements over recent years. The risk of settlement losses across all segments is low.

Disaster risk describes the risk resulting from the fact that actual expenditure for disaster-related claims differs from the percentage calculated in the insurance premium. Disaster risk may occur in the form of natural disasters and “man-made” disasters. With regard to disaster risks in property-casualty insurance, in essence the risk from natural disasters for the VHV Group results in particular from hail, storms, flooding and earthquakes and from man-made disasters in the surety insurance and liability insurance segments. There are natural disaster risk concentrations in the insurance transactions conducted due to the risk of earthquakes in Turkey and to cumulative risks in Germany. These are analysed on a regular basis and reduced by purchasing reinsurance. The VHV Group predominantly underwrites technical risks in Germany. The VHV Group’s fleet of vehicles and the sum insured in its property business are largely distributed across Germany because of sales by intermediaries nationwide, meaning that the VHV Group is diversified with regard to natural hazards. In addition to taking appropriate account of this when calculating premiums, disaster risk is also countered in particular by ensuring reinsurance coverage against natural disasters mentioned above, which safeguards against accumulation risk from natural hazards. The calculation of the requisite reinsurance is based in principle on a modelled 200-year event. The VMF provides an opinion on the appropriateness of the reinsurance agreements at least once a year. In addition, the IRCF provides an opinion on the reinsurance programme. With regard to reinsurance partners, the VHV Group defines requirements for solidity and takes care to avoid concentrations in individual reinsurance groups.

Market risk

Market risk describes the risks of a loss or an adverse change in the net assets and financial position arising directly or indirectly from fluctuations in the level and volatility of market prices for assets, liabilities and off-balance sheet financial instruments. The VHV Group’s market risk comprises equity, real estate and interest rate risk in particular.

Equity risk primarily results from investments in private and infrastructure equity and the participating interests held. The risks associated with private and infrastructure equity investments are limited by refraining from investing directly in individual target companies. Instead, only the simple indirect form of access is permitted. Successful investments are also supported through the careful selection of a suitable manager. The profitability of the respective investment is continuously examined during the investment process. This includes taking into account a valuation that is updated on a quarterly basis, reviewing the yield generated, and including private and infrastructure equity investments in stress tests and scenario analyses. In addition, compliance with the quota for private and infrastructure equity resulting from the strategic asset allocation is continuously reviewed.

Market risks in connection with participating interests are monitored continuously in the context of managing and controlling participating interests, which covers material risks.

Real estate held via funds is also exposed to additional market risks from falls in market values resulting from the property crisis and from vacancies and the resulting loss of rent. The risk of fair value losses in connection with real estate is analysed as part of stress testing.

Quotas are defined as part of strategic asset allocation. The resulting limits are checked every day. With the exception of properties used by the company, investments in real estate may only be made via funds. The corresponding real estate funds are generally focused on Germany. To limit real estate risk, the market is continuously observed by the respective external property managers and internal officers. Suitable properties are always preselected in line with the individual investment criteria (e. g.region, segment, volume, yield). This is followed by a due diligence process in which additional external experts are typically consulted in order to analyse the attractiveness of the property from various perspectives. Due to intra-Group leasing, there is no material risk from the direct real estate portfolio.

Because of the high proportion of bonds, additional market risks result from fluctuations in market interest rates. Hidden reserves tend to accumulate when interest rates are falling, whereas rising interest rates lead to lower valuation reserves. The sharp rise in interest rates since 2022 has led to hidden liabilities for the VHV Group's bond portfolio.

As the insurance companies of the VHV Group report the majority of their bonds in non-current assets as held to maturity, the accumulation of hidden liabilities does not affect the interest income from the respective investments. The only effect is a reduction in the fair value of the underlying investments. In order to identify any potential impairment losses above and beyond this, the affected bonds are subjected to a detailed analysis to establish the cause of the reduction in fair value. Impairment losses are not recognised if the change in the market interest rate is identified as the primary cause of the reduction in fair value and there is no evidence of default due to inadequate creditworthiness. No impairment losses were required to be recognised at the VHV Group as at the reporting date.

In the insurance companies of the VHV Group, a risk-conscious allocation of investments is ensured via regular value-at-risk analyses and within the framework of the company's own risk and solvency assessment. Strategic investment allocation is developed taking into account the risk-bearing capacity and involving Risk Management and the responsible actuary in Life. The core element of this strategic allocation is the definition of minimum revenues with corresponding safety. Compliance with the strategic investment allocation is monitored continuously. In addition to conventional forms of investment such as government and corporate bonds and covered bonds, new investments are focusing in particular on the asset classes of real estate and private and infrastructure equity, including renewable energies, and unlisted debt instruments in the real estate and infrastructure sectors.

The following charts show examples of the effects of simulated market changes on the value of investments that are sensitive in terms of interest rates and equity prices.

EQUITIES AND OTHER NON-FIXED INTEREST SECURITIES

Change in equity price*)		**Change in market value of investments sensitive to equity price**
Decrease of 20 %	EUR	–57 million
Market value on 31.12.2024	EUR	287 million

*) Change in equity price taking account of possible equity derivatives.
Private equity and participating interests not taken into account.

SECURITIES WITH FIXED INTEREST AND LOANS

Interest-rate changes		**Change in market value of investments sensitive to interest**
Change of +1 percentage point	EUR	–852 million
Change of –1 percentage point	EUR	942 million
Market value on 31.12.2024	EUR	11,779 million

There is also an exchange rate risk for investments in foreign currency. This is limited through fixed foreign currency rates and monitored on an ongoing basis. In addition, the foreign currency risk is reduced via hedging transactions.

Market risk is one of the material risks to which the VHV Group is exposed.

Technical risk in life insurance

The insurance technical risk in life insurance includes biometric risks and interest rate guarantee, cost, cancellation and disaster risk. At the VHV Group, this relates to the portfolios of HL and the Pensionskasse. An explanation of the calculation basis used at HL is provided in the notes to the single-entity financial statements in the presentation of the accounting and valuation methods.

In light of the inflationary environment and the high degree of uncertainty concerning macroeconomic development in Germany and the euro area, actuarial risks are continuously monitored and analysed, including in the form of stress tests and scenario analyses. In addition, the adequacy of the premiums in new and existing business is intensively observed and managed on a segment-specific basis. At the same time, new business and benefit expectations are taken into account when premiums are rated.

Biometric risks refers to all risks directly linked to the life of an insured person. These include mortality risk, longevity risk and invalidity risk. In the calculation, tables (some of which are company-specific) are used to determine the probabilities of death or disability. Fluctuation charges and change risks are calculated in line with DAV derivation. For annuity insurance, the mortality tables published by the DAV are used. To verify the appropriateness of the calculation, portfolio statistics are continuously evaluated and further examinations are performed based on profit segmentation and, if necessary, countermeasures are initiated. Starting at a predefined range, individual biometric risks involving death or invalidity benefits are limited by way of reinsurance solutions.

Interest guarantee risk describes the risk that the investment income generated is not sufficient to fulfil the interest guarantees. The interest guarantee risk is constantly controlled and assessed with the aid of analyses of asset/liability management, portfolio projections, internal profit segmentation and stress tests. Additional deterministic and stochastic scenarios are analysed along with the current market and interest rate environment. The additional interest rate reserve in accordance with DeckRV ensures that interest guarantees can be financed even in the event of declining investment income. The likelihood of cancellation and lump-sum options as well as reduced security margins in the biometric calculation basis are recognised when calculating the additional interest rate reserve. The reference interest rate used for the endowment of additional interest rate reserve was 1.57 % at the end of 2024. The additional interest rate reserve recognised in the past is used to finance the promised insurance benefits, which relieves the interest result.

Cost risk is the risk that actual costs may exceed expected costs. Cost risk is monitored continuously (including in connection with profit segmentation) and managed via effective cost management taking inflation assumptions into account.

Cancellation risk can result from any change in policy holder behaviour (increase or reduction in cancellations, one-off shock events). In particular, a mass-cancellation scenario affecting biometric products would have significant consequences for the VHV Group. The VHV Group's life insurance portfolio has a high proportion of term life insurance. This serves to hedge mortality risks and therefore offers no economic incentive for cancellation by policy holders even in the event of an interest rate rise. In addition, the cancellation rate at HL is well below the market average and is monitored and reported continuously using portfolio movement and performance statistics and via the limit system.

Disaster risk in life insurance mainly entails the risk of a pandemic with the occurrence of high mortality and invalidity rates. This could result in an unexpectedly large number of insurance claims.

Credit/default risk

Credit/default risk refers to the risk of a loss or an adverse change in assets and the results of operations following a default or a change in the creditworthiness or the credit rating of securities issuers, counterparties and other debtors (e. g.reinsurers, policy holders and insurance agents) that are liable to the company.

The ongoing geopolitical tensions, in particular the war in Ukraine, the Middle East conflict and the smouldering Taiwan conflict, combined with the poor growth outlook, political uncertainties in Europe and potential trade conflicts with the US, may lead to a further increase in the risk premiums of bonds and consequently to declines in market value.

Ratings of the bond portfolio are continuously monitored for corresponding negative changes using a credit limit system. Ratings are also validated internally using a credit analysis tool. Various key figures/pieces of information are evaluated for the relevant counterparties from sources including annual reports, credit research reports and information from rating agencies.

The following charts show the composition of the fixed-interest securities and loans at their carrying amounts, along with the respective rating class allocation.

COMPOSITION OF SECURITIES WITH FIXED INTEREST AND LOANS (CARRYING AMOUNTS)

	in million EUR
Fixed-interest securities	7,998
of which debentures	2,475
of which bank bonds	2,281
of which corporates	1,528
of which loans and treasury bonds	1,714
Mortgages	1,005
Loans and advance payments on insurance policies	7
Total	**9,010**

SHARES OF RATING CLASSES IN % (CARRYING AMOUNTS)

	AAA	AA	A	BBB	< BBB	NR*)
Fixed-interest securities	54.8	20.6	10.8	1.6	0.1	0.8
Mortgages	–	–	–	–	–	11.2
Loans and advance payments on insurance policies	–	–	–	–	–	0.1
Total	**54.8**	**20.6**	**10.8**	**1.6**	**0.1**	**12.1**

*) No rating available

Default risks from receivables from policy holders and insurance agents are reduced by corresponding organisational and technical measures. The value of the receivables portfolio has also been adjusted sufficiently to provide for these losses. Taking account of these value adjustments, receivables from insurance policy holders that are more than 90 days past due amounted to EUR 58.7 million.

There are no material balance sheet risks from possible defaults of receivables from policy holders and insurance agents. The average default rate is calculated from the ratio of value adjustments to gross premiums written and amounted to 0.7 % for the past three years.

On the balance sheet closing date, there were settlement receivables from the reinsurance business amounting totalled EUR 124.8 million. In the ceded reinsurance business, the receivables were almost exclusively due from reinsurers with a Standard & Poor's rating of at least A–. With regard to solidity, a minimum rating is defined when selecting reinsurers. In addition, credit rating analyses of the main reinsurance partners are performed using key data. Compliance with the defined criteria is monitored continuously in the limit system.

There is a risk of impairment on deferred tax assets if the level of taxable income declines sharply or falls into negative territory. The development of consolidated net income is monitored intensively as part of our multi-year planning. The risk of impairment is estimated as low in the planning period.

Credit/default risk is a material risk for the VHV Group.

Concentration risk refers to the risk that results from the company assuming individual risks or closely correlated risks that have a significant default potential.

The VHV Group attaches great importance to concentration risk management with regard to investments by defining ranges for each asset class and continuously monitoring the resulting limits. In accordance with the prudent person principle, a broad mix and diversification of investments is ensured. The appropriate requirements are defined in an internal investment catalogue. It also aims to achieve an even greater degree of diversification of issuers in the long term. To ensure this development in operational terms, a comprehensive issuer limit system and a loan portfolio model are used for managing risk.

Liquidity risk

Liquidity risk describes the risk that a company is not in a position to fulfil its financial obligations when they fall due because of mismatches in the timing of cash flows or because assets cannot be easily converted into cash. The realisation of assets may be necessary if the benefits to be paid and the costs exceed the premiums earned and the income from investments. The sharp rise in the market interest rate means it may currently be necessary to sell securities at below their carrying amount. The VHV Group was able to meet its financial obligations at all times in the 2024 financial year.

The VHV Group controls liquidity risk through active liquidity management. To this end, liquidity planning takes place on a monthly basis and any deviations are analysed subsequently. It also monitors liquidity classes. In the process, investments are classified into different classes according to their convertibility into cash, and sufficient highly liquid investments are kept available. The minimum amount of highly liquid investments is guided by the identified stress events and is enshrined in the limit system. Long-term liquidity risks are also monitored via our asset/liability management system. Aside from liquidity risks relating to the capital markets, the VHV Group (particularly its insurance companies) is not subject to a significant liquidity risk. This is due to the business model of insurance companies, which usually have sufficient liquidity because they receive regular premium income.

Operational risk

Operational risk describes the loss risk arising from inadequacy or failure of internal processes, employees or systems or from external events.

The VHV Group is exposed to the following operational risks, which are identified and evaluated in the semi-annual risk assessment.

Legal risk describes the risk of disadvantages due to insufficient observance of the current legal situation and the incorrect application of a possibly unclear legal situation. Legal risk also includes the risk of legal change arising from a change in legal bases. The legal risk is minimised by employing qualified personnel and obtaining external advice when necessary, To reduce legal risk, a compliance management system has also been established that performs the advisory role, the early warning role, the risk controlling role and the monitoring role for the reduction of legal risk. It is ensured that changes in legislation and case law in all jurisdictions relevant to the VHV Group are recognised and taken into account in a timely manner. Data protection risk is also reduced by the work of the Data Protection Officer within the framework of his or her legal duties and responsibilities. The employees of the VHV Group receive regular training on data protection regulations, and there are established procedures for reporting and eliminating risks under data protection law. In addition, money laundering risk and fraud risk are explicitly included in the risk management system and reduced via the controls established in the compliance management system. The roles of the Anti-Money-Laundering Officer and the Anti-Fraud Manager have been established in the VHV Group for this purpose. The employees of the companies of the VHV Group that are bound by the German Money Laundering Act receive training on the prevention of money laundering annually and when they join the company. A procedure has been established for the internal and external reporting of suspected cases of money laundering. The same applies to the internal reporting and prosecution of criminal offences.

Tax risks (“tax compliance”) are managed via a tax compliance management system. The purpose of this internal control system is the complete and timely fulfilment of tax obligations. The Group’s tax policy describes the organisation of the tax compliance management system, stipulates the roles and responsibilities of all organisational units involved and standardises tax-relevant processes.

Organisational risk can arise from the organisational structure of the company, e. g.from complex business processes, high coordination complexity or inadequately defined interfaces. In order to reduce this risk, the business organisation is reviewed regularly and there is an internal control system in which all material business processes, including the risks contained therein and the controls associated therewith, have been mapped using uniform process modelling software. Relevant guidelines are made available to employees.

The risk selection processes are generally exposed to operational risks, particularly with regard to individual property-casualty and life insurance transactions. This risk is minimised as far as possible by painstaking risk assessment and corresponding underwriting guidelines. Compliance with underwriting guidelines is monitored via a controlling system.

The **risk from IT systems** describes the risk of the realisation of losses that could arise from the IT systems’ failure to meet one or more protection targets (confidentiality, integrity, availability, authenticity). IT risks result from steadily increasing demands on IT architecture and IT applications caused by changing market requirements and escalating regulatory requirements. This increases the complexity and susceptibility to error of the IT landscape. In addition to operational risks in the event of non-functioning IT, there is also a reputation risk if the IT is not available to our customers and business partners. To secure the long-term future viability of the IT application landscape and modernise IT operations, the "go-DIGITAL" digitalisation programme was continued with ongoing high priority in the reporting year. Following the introduction of the new portfolio management system in the private motor vehicle insurance segment, the focus in 2024 was on stabilising and migrating the old portfolio and consistently optimising and digitalising processes. With regard to life insurance, further policies were migrated to the new system in 2024, meaning that over 90 % of HL's portfolio is now managed in the new system. The main objective for 2025 is to migrate the remaining contracts from the legacy system and then switch off the part of the host system used by Leben. In matters relating to finance, the company was focused on replacing the previous SAP system landscape with the successor technology S4/HANA. The "go-DIGITAL" programme forms the basis of future digitalisation initiatives at the VHV Group. Reports on the status of IT and the "go-DIGITAL" programme are provided on a regular basis in the meetings of the Board of Directors and the Supervisory Board. The existing IT risks are monitored intensively. The possibility of a ransomware attack with extensive consequences in terms of system availability and business process disruption is considered to represent a significant risk. For the purpose of risk reduction, online mirroring of the most important systems at two locations has been set up in particular. In light of continually rising technical, statutory and regulatory requirements and growing cyber risks, IT risks at the VHV Group are continuously monitored as part of IT risk management and current methods and applications for identifying and defending against attacks are tested and deployed. The effectiveness of backup measures is reviewed and documented on a regular basis as part of IT emergency drills. The risks associated with the implementation of the "goDIGITAL" programme and the challenges of the upcoming transformation are managed according to a cross-programme governance structure. The personnel risk resulting from the transformation is managed via human resources management in IT. In addition to preventing failures of data processing systems, service providers, buildings and staff, information security and especially protection against attacks on IT systems play an important role. For this reason, the VHV Group has implemented appropriate precautionary measures and is monitoring their effectiveness.

The **risk from outsourcing** describes risks of wrong decisions, flawed contracts or the incorrect implementation of an outsourcing process and other operational risks that could arise from outsourcing. The companies affiliated with the VHV Group have outsourced their processes to a certain extent to internal and external service providers. Key functions and activities are exclusively outsourced within the Group. These companies are fully integrated in the management mechanisms of the VHV Group. The risks associated with an outsourcing project are identified, analysed and evaluated as part of a risk analysis. The content and scope of the risk analysis are based on the regulatory classification. Depending on the assessment of service provider dependency and the risk profile of the outsourcing project, appropriate service provider management and monitoring is established. Specifications for this are defined by the central service provider controlling department and their implementation is monitored. The growing number of outsourcing projects and the increasing proportion of cloud-based IT services, including in the context of primarily insurance-related services, are resulting in increasing accumulation risks. These require an in-depth understanding of overarching service provider dependencies and adequate consideration in the risk assessment. The aim is to consciously manage concentration and accumulation risks posed by outsourcing. Suitable limit indicators are to be developed for this purpose. Due to the careful selection of partners when outsourcing externally and the corresponding controlling mechanisms, there is no material increase in operational risk.

Personnel risk describes risks relating to the employee capacities of the company divisions, employee qualification, any irreplaceable staff members and employee turnover. To address this risk, training and continuing education measures are executed to ensure a high level of specialised qualification of employees. Rules on representation and succession minimise the risk of disruptions in work processes.

In addition to the operational risks described, the **data quality risk**, the **risk from external events and infrastructure** and the **project risk** are systematically identified, evaluated, reported and managed.

The VHV Group also has access to comprehensive protection requirements analyses and carries out regular business impact analyses, such as a failure in IT or buildings, in which extreme scenarios are modelled in order to control operational risk. The findings of these analyses are used to derive emergency plans, which are updated regularly and adjusted to reflect current circumstances. The VHV Group therefore retains its ability to act if the availability of resources such as employees, buildings or IT systems is limited, ensuring that business operations can be maintained even in emergencies.

Strategic risk
Megatrends are the major changes on the market to which the insurance industry and thus the VHV Group and its business segments are subjected, such as declining premiums and profitability due to macroeconomic pressure, mass standardisation with price as a decisive distinguishing factor, channel and customer focus as a future priority, tech and data as an absolute must, "new work", a shortage of skilled workers and increasing expectations for the employer.

The VHV Group's strategic risks consist of failing to recognise the potential influencing factors of megatrends, failing to systematically analyse the resulting consequences for the business model and not adapting the business model accordingly. To make matters worse, the implications of the megatrends for the VHV Group's business model are currently being influenced or even overshadowed by the micro- and macroeconomic shifts currently being observed and their effects. These include, for example, the changing geopolitical world order as a result of increasing tensions between states and multinational alliances, an increased momentum of war and crisis events and the increased use of geopolitical instruments, or the ongoing and dynamic change in economic structures, which are influenced by economic policy, new technologies, increased regulation, international competition and changing expectations for the labour market. This prompts the VHV Group to keep its clear and well-founded Group strategy up to date on an ongoing basis. It enables the VHV Group to negotiate a dynamic environment, exploit opportunities and minimise risks. It promotes future viability and competitiveness and ensures that all decisions and actions are geared towards a common goal.

The Group strategy defines predominant success factors for the strategic development of the VHV Group, which are derived from the implications of megatrends and the effects of macroeconomic shifts on the VHV Group's business model. Suitable targets and measures are planned and implemented to realise these success factors. Risks, which lie primarily in the implementation of the measures, are reduced to an appropriate level by means of suitable guidelines.

Reputation risk
Reputation risk is the risk that results from possible damage to the company's reputation as a result of negative perceptions among the general public.

The risk of negative perception by customers, sales partners or other stakeholders is countered by means of intensive quality management and regular dialogue with our sales partners, among other things. Service level agreements with internal and external service providers of the VHV Group ensure continuous controlling of essential key data.

Current studies and test results confirm the good service to customers and brokers. Diverse communication activities also take place with the aim of upholding the VHV Group's strong reputation. Reputation risk is continuously monitored by the central Corporate Communication department.

To counter potential reputation risks, the VHV Group has undertaken to comply with the Code of Conduct for insurance sales and the Code of Conduct for data protection.

Emerging risks
Emerging risks constitute new types of risk where the potential danger can either not be estimated at all or only with difficulty (including due to climate change or the development of new technologies). They are distinguished by having considerable potential for substantial losses, meaning that identification of these risks at an early stage is of major importance. Emerging risks are therefore explicitly identified and assessed as part of the risk officers' risk assessment in order to increase the time available for countermeasures through early identification.

Risk-bearing capacity
The risk-bearing capacity of the VHV Group was guaranteed in full at all times throughout the reporting period and in line with risk strategy targets. As at 31 December 2024, the VHV Group clearly exceeded the legal solvency requirements with eligible own funds even without the instruments of the transitional measures subject to approval or volatility adjustments.

In the stress tests and scenario analyses performed, risk-bearing capacity was not at risk even in the stress situations analysed (extreme events) such as a hyperinflation scenario lasting several years. The hyperinflation scenario assumes prolonged hyperinflation in addition to the average inflation in recent years until the final settlement of the current claims reserves.

Sustainability risk management, in particular the climate stress tests, was also continuously developed in this reporting year. Please see the report on economic position and the forecast report for information on the market developments in the financial year and expected development 2025.

OPPORTUNITY REPORT

The identification of opportunities is a significant component of future-oriented corporate governance. In the context of strategic planning, current conditions are analysed to identify emerging opportunities at an early stage and to act accordingly. Due to the ongoing geopolitical tensions, in particular the war in Ukraine, the Middle East conflict and the smouldering Taiwan conflict, combined with the weak growth outlook, political uncertainties in Europe and potential trade conflicts with the US, the statements on opportunities are subject to uncertainty.

Property-casualty insurance

In the property-casualty insurance market in Germany, the VHV Group has positioned itself as a partner of intermediaries/brokers and as a special insurer of the construction industry. This allows it to identify trends and developments that will serve as the basis for competitive products at an early stage in a market environment characterised by intense competition. With regard to the technical result, the expansion of claims management and the development of methods for processing claims offer opportunities to reduce claims costs still further.

The company is further expanding its international property/casualty insurance business. The selective development in chosen foreign markets such as Austria, France, Italy and Turkey could contribute to a further improvement in diversification as well as the attainment of growth targets. In all markets, the construction segment in particular is perceived as a viable business segment for the future. To achieve the strategic goal of above-average growth in the non-motor-vehicle segments, the main focus will be on strengthening the corporate business.

Improvements in profitability and productivity via improved unit costs can also contribute to the competitiveness of our products. The measures already introduced to increase productivity are to be continued for this purpose and the management of external service providers is to become more professional.

With regard to the technical result, the expansion of claims management and the development of methods for processing claims offer opportunities to reduce claims costs still further.

Life insurance

Products for covering biometric risks remain very important for the life insurance market, both in the area of death and disability cover. However, as the long-standing market leader in new term life insurance business, HL is confronted with a shrinking market. We are therefore aiming for further growth for the company in the disability product segment, particularly in occupational disability and basic disability insurance and via insurance agents.

Investments

In response to rising interest rates since 2022, the investment focus was increasingly geared towards covered bonds and government and corporate bonds with a good credit rating. Investments were also made in private and infrastructure equity, real estate funds and unlisted debt instruments. In addition to portfolio diversification, which is fundamentally positive, there are also opportunities to participate in positive market trends.

Miscellaneous

The VHV Group's corporate structure with a mutual insurance association as the ultimate parent company provides opportunities in the current market environment. This corporate structure allows the VHV Group to act quickly and efficiently and thus enjoy above-average performance in a dynamic market environment with changing internal and external conditions.

In addition, corporate profits strengthen the capital base and do not have to be distributed to any shareholders. Changing customer behaviour and technical innovation mean that advancing digitalisation will be decisive for the future of the insurance industry. Especially for a medium-sized mutual insurance association with a long-term strategy and the organisation of the VHV Group, this offers opportunities in future competition following the implementation of the digitalisation strategy developed.

As a result of digital advancement and the associated shift in customer requirements, the adjustment of brand presence and advertising strategies will be of central importance in the future. There is growing customer interest in digital touchpoints and modern communication channels in particular. Furthermore, study results show that the customer experience in the direct competitive environment of VHV Allgemeine and Hannoversche is constantly improving. The VHV Group has taken these influencing factors into account in its corporate and brand strategies and considers itself to be competitively positioned.

The satisfaction of customers and brokers is a central factor for the future market position and profitability of the VHV Group. Therefore, the VHV Group sets great store by an above-average service focus that is seen to be different from the market. This is underscored by various test results and awards. Service quality is monitored continuously via internal and external reviews.

Ensuring that the VHV Group is systematically positioned as an attractive employer also provides opportunities in light of demographic change. Motivated and qualified employees are the basis for competent and high-quality cooperation with customers, brokers and other business associates. Internal continuing education measures, ongoing training and systematic succession management ensure that employees are qualified for their roles. In addition, a great deal of importance is ascribed to work life-balance and occupational health management.

SUMMARY

On the basis of the information currently available, current findings and the assessment of the future development do not indicate any sustained material impairment in the net assets, financial position and results of operations of the VHV Group at present. The VHV Group's continuity is not under jeopardy even in extreme scenarios. All material risks are recognised early, measured and managed.

FORECAST REPORT

Macroeconomic development and the capital market

According to economists, the global economy is likely to continue to develop at different speeds in 2025. In their forecasts, economic research institutes expect stable economic development in the US and limited recovery in the eurozone. Economic growth in Germany is once again expected to be lower than in the eurozone.

Geopolitical uncertainty remains high. Measures and decisions by the newly elected US government could have a significant influence on the actual development of the global economy, but these can be predicted only with great uncertainty. The introduction or increase of tariffs could lead to an intensification of the trade conflict between the US and China, which would not leave the EU unscathed either. There is still potential for escalation in the Middle East, although positive developments, such as an end to the Ukraine-Russia conflict at the negotiating table, also appear conceivable.

Due to the expected limited economic momentum in the eurozone, the inflation rate is likely to fluctuate around the 2 % mark, although temporary increases due to base effects are probable.

Monetary policy will continue to have a significant influence on the development of the economy and capital markets. Market stakeholders expect further interest rate cuts by the ECB in 2025. Due to the continued strength of the US economy and possible political decisions by the new US administration, which could have an inflationary effect, the Fed is expected to make significantly fewer interest rate hikes.

Bonds remain fundamentally well supported for the time being due to the weakened inflationary pressure and further anticipated interest rate cuts in 2025. On the other hand, a deterioration in fundamentals, possibly triggered by economic or geopolitical developments, could have a negative impact on the risk appetite of market stakeholders. This would mean higher risk premiums on interest-bearing securities with credit risks.

The stock markets are likely to be volatile in the expected area of conflict comprising limited economic momentum, high geopolitical uncertainty and the influence of central banks.

Property-casualty insurance

Residential construction continues to be characterised by the difficult framework conditions. According to the ZDB, the inadequate subsidisation of new construction and the sharp rise in construction and financing costs in particular are having a negative impact on the sector. The weak demand for building permits is stagnating at a low level and reinforcing this trend. For the year 2025, revenues are expected to fall from 7.0 % to EUR 48.7 billion.

The development of commercial construction is largely characterised by the continuing high demand in the civil engineering sector, in particular due to investments in infrastructure projects such as rail expansion, power lines and broadband expansion. According to the German Civil Engineering Federation (ZDB), the commercial civil engineering sector in 2024 has outperformed the commercial building construction sector for the first time. The latter correlates strongly with the stagnating economic development in Germany. The expected declines in commercial building construction will be offset by the strong growth in civil engineering, meaning that the sales volume for 2025 is expected to remain at the previous year's level of EUR 63.0 billion.

Sales in the public construction sector are also expected to stagnate in the year 2025 from 0.2 % to EUR 48.2 billion. According to the ZDB forecast, the investment backlog in local authorities will be further exacerbated by inadequate public budgets. In addition, the provisional budget from 2025 jeopardises planned projects and capacities in the construction industry.

The VHV Group is in an above-average position in terms of market development in its core business areas and, as things stand, will maintain the capacity to hold its own in a difficult market environment with competitive tariffs and products in future as well.

In investments, an investment in instruments with good credit ratings (investment grade) is planned for 2025. There are also plans to continue the real estate, private equity and infrastructure asset classes. Equity allocations in the indirect portfolio are actively aligned with market conditions and implemented in line with total return investment approaches. For 2025, the VHV Group is planning a slight increase in investment portfolios. Based on the investment structure, it is assumed that the net interest return on investments will be below the level of 2024.

In motor vehicle insurance, the VHV Group has been focused on increasing its income for many years. This strategy was continued in 2024 and will also be decisive for the coming years. In addition to a further focusing of the risk selection, restructuring in commercial business and premium adjustments, this strategy primarily comprises extensive measures in claims management. The continued development of higher inflation may have an impact on the course of business. Results are expected to remain constant at least following an allocation to the equalisation reserve.

It is expected that the liability business for business customers will continue to be influenced by intense price and performance competition in 2025. As a result of risk exposure, a trend towards market hardening is expected in individual submarkets.

As an industry insurer specialising in the construction target group, the VHV Group believes it remains well positioned. With undisputed construction demand and a forecast price increase of 2.5 % for construction services, the industry expects a real decline in construction industry sales to EUR 159.9 billion (2.2 %) for the year 2025. Positive effects on the development of portfolio and earnings are expected from the continuation of the active management of the portfolio of professional liability insurance for architects and engineers. The further development of the geopolitical crises and the macroeconomic development in Germany, which is dependent on factors such as these, could have a significant impact on the construction industry and thus negatively affect the business development of VHV Allgemeine.

In the segment of personal liability insurance, the number of contracts is expected to increase in 2025 while premiums remain the same.

In the area of accident insurance, we expect a sustained impetus for new business and portfolio development in 2025 thanks to tariff revisions in previous years, resulting in above-average premium growth in the market.

The technical insurances division is expected to continue its positive development in terms of unit sales and contributions.

In loan and surety insurance, premium revenues and the number of contracts are set to increase in 2025. The insolvency situation, which already deteriorated in 2024, could remain acute with the consequences of the decline in construction activity. The number of forecast insolvencies is expected to increase in 2025.

In fire and property insurance, our competitive products will deliver growth in terms of the number of individual contracts and the amount of premiums. This applies particularly to the commercial segment.

In the Composites International business division, the year 2025 is characterised by a further increase in profitability with simultaneous growth and the strict continuation of the diversification strategy. This development is supported by numerous sales and advertising activities and is being systematically continued by the measures already initiated in 2024 to improve underwriting profitability through tariff adjustments in new business and portfolio management. In addition, expectations for business development are supported by regionally differentiated measures such as the implementation of selective underwriting approaches, focussing on specific target markets and on new products, including sales activities tailored to them.

All in all, the VHV Group expects to see positive portfolio and premium growth in the coming years. Claims expenditure is expected to increase further in 2025, especially as a result of inflation. With a lower contract portfolio planned for 2025 and simultaneously rising premium income, claims management measures, especially in the motor vehicle segment, and measures to reduce management expenses will be a high priority in order to secure the current competitive position in the future.

In the 2024 financial year|, the digitalisation programme "goDIGITAL. KOMPOSIT" largely completed the upgrade of the private motor vehicle contract system with the migration of the contract portfolio from the old system to the new system, thus laying the foundation for the consistent optimisation and digitalisation of processes. The renewal of the contract and claims systems for the private PLC business was started and the first productive implementations were already realised in the second half of the year. In 2025, the focus will be on continuing the system modernisation in the private PLC business. Preparations are also being made to implement the renewal of the contract systems in the commercial divisions.

Life insurance

With the rise in interest rates in recent years, the VHV Group was able to make significant releases from the additional interest rate reserve. If interest rates stayed unchanged, the company expects to make further reversals in the coming year. Within the AIIR, provisions have been recognised by life insurers have been recognising AIIR since 2011 to be in a position to meet interest obligations during the period of low interest rates. Because of the targeted duration management and the low proportion of annuity insurance in the portfolio compared with the market as a whole, the VHV Group believes it is competitively positioned in the market environment. The effects of substantial rises and falls in interest rates continue to be constantly reviewed at the VHV Group with the aid of ALM studies to be able to focus the investment policy in line with the requirements of liabilities and shareholders' equity in the future too.

In investments, an investment in long-term instruments with good credit ratings (investment grade) is planned for 2025. There are also plans to continue the real estate, private equity and infrastructure equity asset classes. The VHV Group is anticipating a slight decline in the carrying amount of investments in 2025. Based on the investment structure, it is assumed that the net interest return on investments is expected to be slightly below the level of 2024.

In 2025, the VHV Group's biometrics portfolio will be expanded with the introduction of basic disability insurance. This step is part of the strategy in which the VHV Group, as a multi-channel biometric insurer, is continuously developing and optimising its products. The VHV Group believes it is competitively positioned in the market thanks to innovative and needs-focused product development, the ongoing review and modification of the existing product portfolio and the high quality of its sales and service. As a result, the market share of new risk insurance business has continued to expand at a high level in recent years. This share is to be maintained in an increasingly competitive environment, and occupational and basic disability insurance is to be further expanded, particularly in the intermediary market.

The state pension will remain under pressure in 2025, so the need for the general population to take measures for retirement provisions on their own initiative is expected to increase. There is therefore continued high potential, particularly for subsidised pension products.

In light of the sustained uncertainty concerning future economic development, the mindset of many consumers is shaped by an aversion to risky investments and long-term capital commitment. Accordingly, in the case of one-off premiums, business is expected to be dominated by demand for products with short terms. The expected continuation of the trend of further interest rate cuts in 2025 is also expected to increase the attractiveness of one-off premium products.

Overall, the VHV Group expects premium revenues in the coming year to be above the previous year's. It is expected that the net income after taxes for 2025 will decline slightly compared with 2024.

The development of premium income is also supported by the continuation of the "fitness programme" carried out in recent years, with a range of topics from product innovations to service quality, the costs offensive and risk selection. By systematically working through the individual issues of the "fitness programme", the excellent levels of customer satisfaction are to be further improved and the low expense ratios are to be maintained at the respective level, among other things.

The “goDIGITAL” digitalisation programme, which is modernising the IT application landscape and laying a foundation for future digitalisation initiatives within the VHV Group, will also be continued.

Miscellaneous
WAVE will continue to operate primarily as an asset management company within the VHV Group and also offer a focused product family of mutual funds. Due to the focus on asset management within the VHV Group, WAVE’s business performance is largely dependent on the investment portfolio of the Group subsidiaries. From today’s perspective, it can be assumed that this figure will remain constant in the coming year.

Based on current assumptions, the company’s planning forecasts stable business development in the next two financial years (excluding the performance-based remuneration). The higher operating expenses can be offset by increases in productivity. For the institutional third-party business including mutual funds, a slight increase in earnings is expected for the 2025 financial year. This is due to higher expected follow-up commissions and higher expected income from fund management. For the years 2025 and 2026, a slight decrease in the operating result is expected without taking performance-based remuneration into account.

For VHV solutions, which bundles the contract and claims activities of the companies of the VHV Group, an important goal in the 2025 financial year is to continue the measures from the “fitness programme” for the continuous improvement of costs and quality as well as additional measures for various projects. Taking account the insurance companies’ planning, the non-financial performance indicators are expected to be positive on a sustained basis. With a slight reduction in sales revenues, a significant decline in net profit is expected.

At VHV digital development, a proactive technology management approach will continue to be taken in 2025 through the advancement of the digitalisation strategy with a focus on automation, optimised data usage and technological principles. The technological focus will be on expanding AI expertise and the cloud. These projects will be supported by the creation of agile teams. A system of key indicators will be drawn up to measure the progress of digitalisation.

Taking into account the insurance companies’ planning, net income is expected to remain constant year on year and the non-financial performance indicators are expected to continue to develop positively, with both a slight increase in sales revenue and a slight increase in personnel expenses.

In the coming year, VHV Holding will continue to manage the planned major projects. The focus will remain on the continuation of the “goDIGITAL” programme.

Based on the aforementioned forecasts for the individual areas of activity, the VHV Group is anticipating a slight increase in consolidated net income in 2025.

Proviso regarding statements about the future
The present forecast contains estimates of the Group’s future development. Considering all known opportunities and risks and on the basis of plans and projections, assumptions were reached that may not occur this way or may not occur in full because of unknown risks and uncertainties.

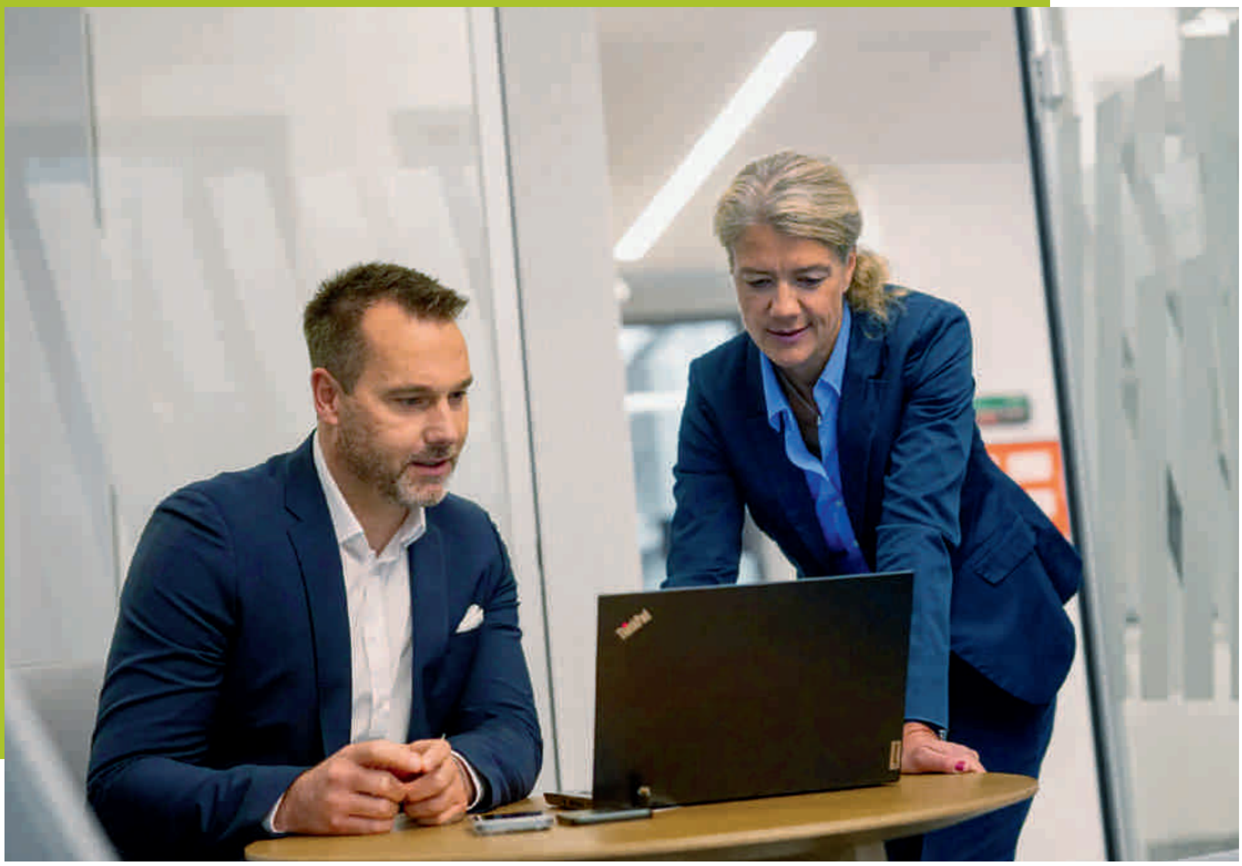
In light of the dynamically evolving conditions, it is still not possible to conclusively assess the long-term ramifications with regard to economic development, the capital markets and the business performance of the VHV Group at present. As such, the forecasts issued are subject to increased uncertainty.

Hanover, 19 March 2025

THE BOARD OF DIRECTORS

Voigt	Bickhoff	Hilbert
Dr Reddemann	Schneider	Stark

Sustainability: **an ongoing journey.**



With a clearly defined sustainability strategy, the VHV Group is focussing on responsible value creation in the long term. The aim is to actively implement and continuously improve this strategy. Suitable functions and instruments have been created for this purpose.

Redefining economic and social structures for a sustainable future is a pivotal challenge and obligation to our children, our children's children and beyond. Based on the philosophy of mutual support and solidarity, the VHV Group accepts responsibility for the social and environmental challenges of our time; climate change and demographic trends in particular are part and parcel of our daily experience within the VHV Group. They influence the core business of Germany's leading specialist insurance provider for the construction industry, as well as major automotive and biometric coverage provider, in myriad ways. The VHV Group therefore also takes sustainability into account in its business activities by integrating environmental and social issues.

The Group Sustainability Statement is divided into the following chapters in accordance with the requirements of the ESRS:
- General information (ESRS 2)
- Environmental information
  - Climate change mitigation (ESRS E1)
    - Disclosures pursuant to Article 8 of Regulation 2020/852
    - Climate change (ESRS E1) – General
    - Climate change (ESRS E1) – Actuarial practice
    - Climate change (ESRS E1) – Investments
    - Climate change (ESRS E1) – Own business operations
- Social information
  - Own workforce (ESRS S1)
  - Affected communities (ESRS S3)
  - Consumers and end-users (ESRS S4)
- Governance information (ESRS G1)
- Appendix E.U. Taxonomy Investment Tables 2023

The individual reporting requirements of the ESRS are dealt with in the respective chapters. The respective key figures are summarised at the end of each chapter. For this reason, the report is based on the structure of the reporting standards.

The Group Sustainability Statement covers the requirements of the ESRS that were identified as material for the VHV Group on the basis of the materiality assessment. As the individual requirements have each been implemented separately, there may be some overlaps in terms of content. These were deliberately accepted in order to ensure complete and comprehensible reporting. All thematic duplications were specifically addressed and categorised in the respective context.

The VHV Group is a mutual insurance association, which is why the company is committed to responsible corporate governance and control geared towards sustainable value creation.

a) General nature of the company

The VHV Group is a group of insurance, pension and asset specialists that has grown over 100 years.

The parent company of the VHV Group is organised as a mutual insurance association. This form of organisation allows the company to think and act strategically over the long term and not to focus its business activities on short-term shareholder value.

The Group is rooted in the idea of helping people and companies calculate their risks. The foundation of the VHV Group is a business policy that builds on tradition and experience on the one hand and sets itself new goals for the future on the other. The VHV Group sets store by its long-term, reliable business policy based on a partnership with its customers. Because the VHV Group was not created to earn the most money in the shortest possible time, but rather to think and act with future outcomes in mind, its purpose is to serve as a secure, financially stable company that stands behind its customers.

b) Strategy, business model and value chain [ESRS 2 SBM-1, 38-42]

[ESRS 2 SBM-1, 38-40] As an insurance specialist with defined business segments, the VHV Group aims to tailor its array of products and insurance solutions to the expectations and needs of its customers and sales partners. Furthermore, the VHV Group believes it must integrate new or changing risks into its products and insurance solutions in order to offer seamless coverage to its customers.

The **Group strategy** sets the guiding strategic framework for the VHV Group. It sets out the strategic guidelines and success factors for the VHV Group. In addition, the VHV Group's overall (quantitative) ambition is integrated into the Group strategy – including the derivation of business segments, core measures and roadmap.

General thematic strategies (risk and sustainability strategy, IT and digitalisation strategy, personnel strategy and internationalisation strategy) are derived from the Group strategy. The Group strategy and the general thematic strategies are turned into specific strategies along the business segments in the respective business segment strategies, from which specific targets are derived. Quantitative targets and necessary measures are also derived from the business segment strategies. In turn, individual strategies for selected segments (including composite construction strategy, sales strategy and claims strategy) are derived from the business segment strategies.

The VHV Group has identified the following success factors in its Group strategy and is seeking to implement them:

Our success factors ...	... for the core business ...	... building on a strong foundation
1 Focused approach on channels and customers **2** Cost discipline and efficiency **3** Technological excellence **4** End-to-end process excellence	**5** Underwriting excellence **6** Investments **7** Excellentcorporatefunctions	**8** Long-term focused corporate management • Solidity and strength from within • Employer attractiveness • Integration of ESG/sustainability

9 Systematic benchmarking

The areas of activity of the VHV Group are broken down into domestic/German insurance business and the strategic growth markets, international insurance business, and technology-based and digitalisable insurance-related services. In Germany, the individual companies operate under the VHV Versicherungen and Hannoversche brands, in Austria under the VAV Versicherungen brand, in Turkey with VHV Re and VHV Allgemeine Sigorta and in Italy with VHV Italia under the VHV Versicherungen brand. Major markets for the VHV Group are the private customer and commercial business in Germany, France, Italy, Austria and Turkey. Besides the private customer business, the VHV Group also offers life insurance policies as part of occupational retirement provision, which are concluded with employers.

Life insurance primarily offers biometric products (in particular term life insurance, occupational disability insurance, and funeral expenses insurance) and insurance investment products (fund-linked annuity insurance, annuity insurance with traditional investments, certificate-linked annuity insurance and capitalisation transactions).

[ESRS 2 SBM-1, 40a iii] Employees from 32 nations and 5 continents currently work across the company. Further information on employees can be found in the "Social information" section.

The VHV Group offers property-casualty insurance products in the following main classes of insurance:

- Liability insurance
- Motor vehicle liability insurance
- Other motor vehicle insurance
- Loan and surety insurance
- Fire and property insurance

[ESRS 2 SBM-1, 40b/c] The table shows the revenue of the property-casualty insurance in Germany, broken down by the specified ESRS sectors. Revenue from other divisions or regions are not included.

Required disclosure	ESRS sectors	Industries	Written premium (contribution margin accounting) 2024
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Agriculture	Agriculture, fisheries, forestry	7,162,333
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Construction	Construction and engineering	656,245,278
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Supply	Electricity, water and waste management	20,618,852
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Financial institutions	Banks, insurance companies, capital markets	14,247,615
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Health	Healthcare and healthcare services	21,430,239
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Production and processing	Chemical products, food, machinery, textiles	67,464,981
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Mining and energy	Mining, coal, oil and gas	2,006,845
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Property	Property industry	12,430,867
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Transport	Road and other transport	30,084,237
Breakdown of total revenue by signficant ESRS sectors (paragraph 40b)	Technology	IT, media, communication	11,373,469
List of additional relevant ESRS sectors (paragraph 40c)	Hospitality industry	Accommodation, catering	8,882,032
List of additional relevant ESRS sectors (paragraph 40c)	Services	Education, professional services	128,954,735
List of additional relevant ESRS sectors (paragraph 40c)	Entertainment and leisure	Recreation, leisure, gaming	1,031,118
List of additional relevant ESRS sectors (paragraph 40c)	Biofuels	Bio-based fuels	0
List of additional relevant ESRS sectors (paragraph 40c)	Special production	Paper products, medical instruments, tobacco	66,096
List of additional relevant ESRS sectors (paragraph 40c)	Distribution and trade	Retail, wholesale	26,138,574
	Commerce, other		369,438,975
	Private		1,341,886,862
	Total		**2,719,463,108**

[ESRS 2 SBM-1, 40d] The VHV Group does not generate any income from its direct business activities related to the exploration, extraction, production, processing, storage, refining, or distribution, including transportation, storage, and trading of fossil fuels pursuant to Article 2 Number 62 of Regulation (EU) 2018/1999 of the European Parliament and of the Council. The same applies to the manufacture of chemicals in accordance with Section 20.2 of Annex I to Regulation (EC) No 1893/2006.

The VHV Group does not engage in any business operations related to controversial weapons (anti-personnel mines, cluster munitions, chemical and biological weapons) or the cultivation and production of tobacco. Regarding actuarial methods and practices, the VHV Group generates income from insurance in the area of fossil fuels and the storage and transportation of tobacco.

[ESRS 2 SBM-1, 40e] The VHV Group is committed to design its products and insurance solutions with sustainability aspects in mind in order to meet the expectations and needs of customers and sales partners, while also adhering to the principle of risk-based premium calculation (making sure that the insurance premiums charged can cover future claims payouts, commissions and other costs).

In life insurance, the VHV Group focuses on meeting its customers' needs for insurance cover and their interest in protection. In fund-linked life insurance, Hannoversche Lebensversicherung AG (HL) offers funds focused on sustainable economic activities.

[ESRS 2 SBM-1, 40f] The most important products and services are assessed on the basis of the materiality assessment. The most important products in terms of sustainability are those in the field of construction insurance, technical insurance, fire and property insurance, loan and surety insurance, and motor vehicle insurance. These insurance lines aid in the transformation and energy transition and have a significant influence on the environmental impact. Policies with natural hazard components for buildings and household contents can also offer support in the event of damage caused by environmental impacts that have already occurred, such as flooding, landslides or heavy rainfall events. The VHV Group offers special additional services for electric vehicles in motor vehicle insurance. The Group has also offered comprehensive insurance coverage in the renewable energies sector for more than 15 years.

[ESRS 2 SBM-1, 40g] Key activities of the VHV Group are focused on implementing sustainability-related regulations and developing a control concept in the field of investing, which will be the basis for the net-zero target and the further development of the ESG investment approach as well as the consideration of the Corruption Perception Index. Further activities relate to the implementation of the Taxonomy Regulation.

> With regard to the workforce, a major project was initiated in the previous year to boost employer attractiveness and enhance the visibility of the employer brand. In addition, the VHV Group continuously monitors current market developments to be able to respond accordingly.

[ESRS 2 SBM-1, 41] The VHV Group is not permitted to make an exception to the disclosure pursuant to Article 18 (1a) of Directive 2013/34/EU.

[ESRS 2 SBM-1, 42a /b]
As a modern, high-performance insurance association, the VHV Group combines the advantages of the traditional concept of a community of policyholders based on mutual solidarity and support with a professional service and customer-oriented approach. We are rooted in the idea of helping people and companies calculate their risks. Our strong foundation is a stable business policy that builds on tradition and experience on the one hand and sets itself new goals for the future on the other. As an insurance association, our management is committed, as its top priority, to the interests of our customers and sales partners, whom we serve as a reliable partner in the areas of insurance, provisions and assets. There are no claims from other stakeholders, such as shareholders in capital-market-oriented companies. We can consequently pursue a long-term, reliable and down-to-earth business policy based on a fair partnership with our customers.

In the spirit of unity, we as the VHV Group do not strive to earn the most money in the shortest possible time, but rather to think and act with future outcomes in mind, and to serve as a secure, financially stable company that stands behind our customers. The advantages of our philosophy of mutuality benefit the customers of all affiliates – regardless of the actual legal form of the operating companies of the VHV Group – as all gains remain in the VHV Group to secure any customer claims over the long term.

As an insurance company, value creation is based on the collection, development and safeguarding of key inputs such as financial capital, data, technological infrastructure and the expertise of employees. These inputs are effectively utilised and further developed through specialised approaches, such as structured data management, innovative product development and long-term partnerships.

The outputs and results are reflected in comprehensive insurance coverage, reliable claims handling and financial security and resilience. In this way, the VHV Group creates current and future benefits for customers and strengthens relationships with other stakeholders along the value chain.

[ESRS 2 SBM-1, 42c] For information about the business model of the VHV Group, refer to the statements in the management report under "Group business model".

The VHV Group's upstream value chain is defined by the legal requirements of the supply chain of the Supply Chain Due Diligence Act (LkSG). The VHV Group's supply chain comprises activities related to the production of goods or the provision of services.

The following service providers are in the top 10 in terms of business volumes (December 31, 2024):

1	Deutsche Post AG
2	Guidewire Software, Inc.
3	Mindshare GmbH
4	Rhenus
5	RGM Facility Management GmbH
6	PROFI Engineering Systems AG
7	McKinsey & Company, Inc.
8	HUK-COBURG Schadenmanagement GmbH
9	DBS Projektsteuerung GmbH
10	Kyndryl Deutschland GmbH

For further information on the implementation of the requirements of the LkSG, refer to the "Social information" section. The topic of human rights is also dealt with in the "Social information" section.

c) Interests and positions of stakeholders [ESRS 2 SBM-2, 43-45]

The stakeholders of the VHV Group are the customers, the employees, the sales partners and other business partners of the VHV Group and civil society. Due to the organisational structure of the parent company of the VHV Group as a mutual insurance association, outside investor interests do not need to be considered. The "Social information" section provides a closer look at the interests of cutsomers, sales partners and employees.

[ESRS 2 SBM-2, 45a] The stakeholders of the VHV Group are organised through various organisations, including:

Customers
- Consumer advice centre
- Bund der Versicherten e.V.
- Versicherungsombudsmann e.V.
- Institut der Bauwirtschaft (institute of the construction industry)

Employees
- General Works Council of the VHV Group
- Works councils in Berlin, Munich and Hanover
- Young people and trainee representatives
- Severely disabled persons representatives
- Employee representatives on the Supervisory Board of VHV Allgemeine Versicherung AG, VHV Holding SE and VHV solutions GmbH
- Union

The Group strategy takes into account the interests of the stakeholders and defines the overarching requirements based on channel and customer requirements as well as differentiation from core competitors. In addition, the VHV Group's overall (quantitative) ambition is integrated into the Group strategy – including the derivation of business segments, core measures and roadmap. The annual strategy process thus ensures that the strategic direction is aligned with the preferences of the named stakeholders.

[ESRS 2 SBM-2, 45b] The stakeholders and their positions are considered a key success factor in achieving the business strategic objectives when designing the corporate strategy and general thematic strategies, ensuring that the strategies do not conflict. The VHV Group endeavours to support its stakeholders in the transformation to a sustainable economy and sees itself as their partner.

[ESRS 2 SBM-2, 45c] In the further development of the strategies, the interests of the stakeholders are taken into account in such a way that the interests do not conflict.

It is not expected that the relationship with the stakeholders and their positions will change as a result.

This is ensured by a structured and regular procedure for implementing the Group strategy in business segments and thematic strategies.

[ESRS 2 SBM-2, 45d] The Board of Directors and the Supervisory Board are explicitly involved in the development and refinement of the Group strategy and general thematic strategies. The strategies are adoped by the Board of Directors.

d) Material impacts, risks and opportunities and their interaction with the strategy and business model [ESRS 2 SBM-3, 46-48]

[ESRS 2 SBM-3, 48a] The VHV Group has identified the material impacts, risks and opportunities in the topics of climate change mitigation, own workforce, affected communities, consumers and end-users and business conduct. Further details can be found in the table below.

Impact/ risk/oppor-tunity	Section of the value chain	Topic	Related ESRS standard/com-pany-specific-disclosure	Descriptions of the material sustainability-related impacts, risks and opportunities
Risk	Actuarial methods and practices	Climate change	E1	The environmental changes that have already occurred and the associated increase in extreme weather events pose a material risk, particularly in light of the provision of insurance coverage. These events can lead to an increase in expenses for natural hazards and affect the profitability of insurance products.
Impact	Actuarial methods and practices	Climate change	E1	As an insurer of buildings and motor vehicles, including natural hazard insurance, VHV is particularly affected by damage caused by extreme weather events. Increasing extreme weather events as a result of climate change could have an impact on policies with natural hazard components (including buildings, property, household contents, comprehensive insurance).
Risk	Investments	Climate change	E1	The topic of climate change mitigation is also important in the context of investments. Owing to the transformation of the economy, investments may no longer retain their value (stranded assets).
Impact	Investments	Climate change	E1	Investments in emission-intensive industries and areas have a negative impact on the VHV Group's downstream value chain.

Impact/ risk/oppor-tunity	Section of the value chain	Topic	Related ESRS standard/com-pany-specific-disclosure	Descriptions of the material sustainability-related impacts, risks and opportunities
Risk	Own business operations	Own workforce	S1	Material risks arise in the area of employer attractiveness against the backdrop of the increasing shortage of skilled labour.
Impact	Own business operations	Own workforce	S1	A misguided personnel strategy can lead to excessive demands on employees and thus to health problems.
Impact	Own business operations	Corporate policy	S3	The VHV Foundation strengthens the economic independence and cultural participation of communities through its sponsors-hip projects in the areas of art and culture, education, training and vocational programmes, charity and science, which helps promote equal opportunities and social cohesion in thelong term. In this way, it creates sustainable development opportunities and improves the quality of life of disadvantaged groups.
Impact	Own business operations	Consumers and end-users	S4	Negative impacts may arise in the course of business activities, for example in light of data processing and the right to privacy as well as the protection of personal data.
Risk	Own business operations	Consumers and end-users	S4	Failure to comply with the requirements for customer and data protection could lead to legal consequences and reputation risks.
Impact	Own business operations	Corporate policy	G1	An inadequate business organisation,conflicts of interestand misguided incentives can have negative impacts on the company's long-term development.
Risk	Own business operations	Corporate policy	G1	Insufficient implementation of the sustainability strategy harbours the risk that the trust of stakeholders will dwindle and that the public perception and long-term reputation of the VHV Group will be negatively affected.
Impact	Own business operations	Corporate policy	G1	An ineffective switch to new or specialised business partners and services harbours the risk that the quality and efficiency of the insurance products and services offered will be negatively impacted, especially if they can only be guaranteed in part or with a delay.

[ESRS 2 SBM-3, 48b] Climate change in particular has a negative impact on the VHV Group's business model. The environmental changes that have already occurred and the associated increase in extreme weather events pose a material risk, particularly in light of the provision of insurance coverage. These events can lead to an increase in expenses for natural hazards and affect the profitability of insurance products. Owing to the transformation of the economy, there is a risk in the area of investing that investments will no longer retain their value (stranded assets) if the business models of the relevant investments do not adapt to the changed conditions.
On the other hand, in the area of investing, material opportunities for more stable yields are generated by focussing on assets whose allocation takes ESG criteria into account. This focus is implemented operationally through the definition of climate-based exclusions, positive criteria and exclusions in the event of serious controversies.

Further information on this can be found in the "Environmental information – Investments" section. Future opportunities may arise from the management of carbon emissions (intensity control) in the asset classes of equities and corporate bonds. Within the scope of improving the data situation, further asset classes are to be taken into account in future via the "Net-zero target" management concept.

[ESRS 2 SBM-3, 48C]

Descriptions of the material impacts	How the company's material negative and positive impacts affect people or the environment (or, in the case of potential impacts, how they are likely to affect them) [ESRS 2 SBM-3, 48c (i)]	Whether and how the impacts originate from or are related to the company's strategy and business model [ESRS 2 SBM-3, 48c (ii)]	The time horizons that can reasonably be expected for the impacts [ESRS 2 SBM-3, 48c (iii)]	Whether the company has a share in the material impacts through its activities or due to its business relationships, with a description of the nature of the activities or business relationships concerned [ESRS 2 SBM-3, 48c (iv)]
Investments in emission-intensive industries and areas have a negative impact on the VHV Group's downstream value chain.	Greenhouse gas emissions are linked to climate change and therefore have an impact on people and the environment.	In accordance with the sustainability strategy, the aim is to achieve greenhouse gas neutrality in investments by the year 2050.	Long term	Investment activities, for example in emission-intensive industries and areas, can have an influence on the impact described.
As an insurer of buildings and motor vehicles, including natural disaster insurance, VHV is particularly affected by damage caused by extreme weather events. An increasing number of extreme weather events as a result of climate change could have an impact on policies with natural hazard components (including building, property, household contents, comprehensive insurance).	Potential changes to policies with natural hazard components would have impacts on the policy holders.	The impact is directly related to the sustainability strategy.	Long term	New or changed risks, e. g. from changes in climate conditions, are taken into account in product development and the underwriting and acceptance processes.
An inadequate personnel strategy can lead to excessive demands on employees and thus to health problems.	Excessive demands can lead to stress, burnout and other health problems. This affects the well-being and performance of employees and may increase absenteeism.	The impacts depend directly on the personnel strategy.	Medium term	To provide a contemporary workplace to our employees, the VHV Group has introduced measures and projects such as mobile working as well as flexible working hours and locations.
In the course of business activities, negative impacts may arise, e. g. in the context of data processing and the right to privacy and the protection of personal data.	Potential impacts on customers with regard to data protection compliance.	Legally compliant data processing is part of the VHV Group's business model.	Short term	The VHV Group's existing data protection concept ensures compliance with the General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (BDSG). As of June 1, 2014, affiliates of the VHV Group have also acceded to a voluntary commitment to handle personal data in the insurance industry (Code of Conduct). The Code of Conduct specifies the provisions of the GDPR and the BDSG with regard to the insurance industry.

Descriptions of the material impacts	How the company's material negative and positive impacts affect people or the environment (or, in the case of potential impacts, how they are likely to affect them) [ESRS 2 SBM-3, 48c (i)]	Whether and how the impacts originate from or are related to the company's strategy and business model [ESRS 2 SBM-3, 48c (ii)]	The time horizons that can reasonably be expected for the impacts [ESRS 2 SBM-3, 48c (iii)]	Whether the company has a share in the material impacts through its activities or due to its business relationships, with a description of the nature of the activities or business relationships concerned [ESRS 2 SBM-3, 48c (iv)]
An inadequate business organisation, conflicts of interest and misguided incentives can have negative impacts on the company's long-term development.	Potential impacts on the company's own workforce in view of divergent corporate development.	The impacts could result from changes to the strategyor business model.	Medium term	In accordance with legal and regulatory requirements, the Board of Directors must ensure a proper and effective business organisation.
An ineffective switch to new or specialised business partners andservices harbours the risk that the quality and efficiency of the insurance products and services offered will be negatively impacted, especially if they can only be guaranteed inpart or with a delay.	Potential impacts on customers in terms of the quality of service offered.	The impact does not originate from or is related to the VHG Group's strategy and business model.	Medium term	Standardised outsourcing and service provider management has been established throughout the VHV Group.
The VHV Foundation strengthens the economic independence and cultural participation of communities through its sponsorship projects in the areas of art and culture, education, training and vocational programmes,charity work and science, which helps promote equal opportunities and social cohesion in the long term. In this way, itcreatessustainable development opportunities and enhances the quality of life of disadvantaged groups.	The Foundation's positive impacts have a direct impact on people by promoting economic independence and strengthening cultural participation. The activities improve the quality of life of disadvantaged groups and promote equal opportunities and social cohesion.	The positive impacts of the VHV Foundation described above are an integral part of the sustainability strategy. The VHV Foundation's sponsorship projects are directly in line with the VHV Group's strategic orientation, which aims, among other things, to assume social responsibility and create social added value.	Medium to long term	The VHV Group contributes directly to the positive impacts through the activities of its Foundation. The Foundations's sponsorship projects are specifically designed to support disadvantaged groups and thus to achieve the material impacts described above.

[ESRS 2 SBM-3, 48 d-e] The material risks are identified, analysed, assessed and addressed as part of the climate stress tests performed. No financial impacts of the material risks on the financial position, financial performance and cash flows have been identified. Refer to the information on the climate stress tests performed in the "Environmental information" section.

By increasingly integrating carbon information into the investment portfolio management system, the aim is to increase the opportunities for actively managing carbon emissions and identify potential financial impacts at an early stage. Reporting takes place within the Investment Committee.

[ESRS 2 SBM-3, 48 f] The resilience of the strategy and business model is analysed within the framework of the capital projection over the planning horizon in terms of its impact on the coverage ratio of the VHV Group. Refer to the information on resilience in the "Environmental information" section.

[ESRS 2 SBM-3, 48g] No changes to the material impacts, risks and opportunities occurred compared with the previous reporting period.

[ESRS 2 SBM-3, 48h] Besides the disclosure requirements of the ESRS, the VHV Group has not covered any additional company-specific information.

Topical disclosure requirements: S1 Own workforce

INTERESTS AND POSITIONS OF STAKEHOLDERS [ESRS S1 12 (ESRS 2 SBM-2)]

The interests, positions and rights of employees, including respect for human rights, are taken into account in the Group and sustainability strategy and in the VHV Group's business model. "Employer attractiveness" is an explicit success factor in the updated Group strategy. Refer to the requirement ESRS 2 SBM-1, 38-42.

The positions of the company's own workforce are incorporated into the strategies, for example, through regular employee surveys and via employee representatives.

Topical disclosure requirements: S2 Workers in the value chain

WORKERS IN THE VALUE CHAIN [ESRS S2, 9 (ESRS 2 SBM-2)]

The VHV Group respects the right to freedom of association and therefore the right of employees to set up a trade union, to join a trade union, as well as the right to strike and collective bargaining.

The VHV Group determines the risks associated with protected legal positions in its own business segment and among its direct suppliers in the value chain in accordance with the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG) through risk analyses in order to identify and minimise any potential violations of human rights or environmental rights as far as possible. For this purpose, the VHV Group has expanded its existing, Group-wide risk management system.

If the VHV Group recognises a risk in the risk analysis, it implements preventive measures. If it discovers a violation of a human rights-related or environmental obligation has already occurred or is imminent in its own business area or at a direct supplier, it will take immediate remedial action.

Topical disclosure requirements: S3 Affected communities

INTERESTS AND POSITIONS OF STAKEHOLDERS [ESRS S3, 7 (ESRS 2 SBM-2)]

Under "Affected communities", the VHV Group has identified civil society as a stakeholder.

The positions, interests and rights, including respect for human rights, are taken into account during the revision of the strategy and the business model. There is no direct exchange or dialogue.

Topical disclosure requirements: S4 Consumers & end-users

INTERESTS AND POSITIONS OF STAKEHOLDERS [(ESRS 2 SBM-2)]

The interests, positions and rights of consumers and end-users are taken into account as part of the Group strategy through the "Focused approach on channels and customers" success factor. The interests are also taken into account as part of the described product development process.

General principles for the preparation of the Sustainability Statement [ESRS 2 BP-1, 3-5a-b]

[ESRS 2 BP-1, 5a] This Group Sustainability Statement has been prepared in accordance with the provisions of sections 289c et seq. and section 315c HGB, the CSRD and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2099 and the delegated acts adopted in this regard. It comprises the Group Sustainability Statement of the parent company VHV Vereinigte Hannoversche Versicherung a. G. and the Group Sustainability Statement of the VHV Group.

[ESRS 2 BP-1, 5b] Unless otherwise indicated, this Group Sustainability Statement includes the same scope of consolidation as for the consolidated financial statements.

The following subsidiaries are exempt from sustainability reporting in accordance with Article 19a (9) of Directive 2022/2464/EU as they are included in this Group non-financial statement:

- VHV Vereinigte Hannoversche Versicherung a. G.
- VHV Holding SE
- VHV Allgemeine Versicherung AG
- Hannoversche Lebensversicherung AG
- Pensionskasse der VHV-Versicherungen
- VHV International SE
- VHV Reasürans A.S.
- VHV Allgemeine Sigorta A.S.
- VHV Italia Assicurazioni S.p.A.
- VAV Versicherung-Aktiengesellschaft
- VHV digital development GmbH
- VHV solutions GmbH
- WAVE Management AG
- Eucon Digital GmbH
- Eucon GmbH
- InterEurope AG European Law Service
- InterEurope Beteiligung GmbH
- WAVE Private Equity SICAV-SIF

VHV a. G. is the ultimate parent company and is not itself a subsidiary. Therefore, no use is made of the exemption option under Article 29(8) 2013/34/EU.

[ESRS 2 BP-1, 5c] The VHV Group is an international organisation, which considers human rights and environmental risks in a global context. To comply with the human rights and environmental due diligence obligations set out in the LkSG, the VHV Group identifies and assesses associated risks across borders. The VHV Group determines the risks associated with protected legal positions in its own business segment and among its direct suppliers through risk analyses in order to identify and minimise any potential violations of human rights or environmental rights as far as possible. For this purpose, the VHV Group has expanded its existing, Group-wide risk management system. Further details on the implementation of the requirements of the LkSG and the protected legal positions are shown in the "Social information" section.

[ESRS 2 BP-1, 5d] The VHV Group has not made use of the option to omit certain information relating to intellectual property, expertise or the results of innovations.

[ESRS 2 BP-1, 5e] VHV a. G. has not made use of the option of exemption in Article 19a (3) 2013/34/EU and Article 29a (3) 2013/34/EU to exempt the disclosure of imminent developments or matters under negotiation.

Disclosures in relation to specific circumstances [ESRS 2 BP-2, 6-16]

[ESRS 2 BP-2, 9a-b] The VHV Group does not use a different definition of the time horizons defined in the ESRS. The following time horizons are defined in the VHV Group:

- **Short term:** up to one year
- **Medium term** one to five years
- **Long term:** over five years

[ESRS 2 BP-2, 10] No estimates or approximate values such as sector average data are currently used in the upstream and downstream value chain.

[ESRS 2 BP-2, 11-12] Estimates and uncertainties regarding results exist in the determined greenhouse gas emissions within the implemented environmental management system of our Group's business activities that have not been determined based on consumption bills. This applies in particular to emissions from rented office space, as the VHV Group is dependent on the landlords' ancillary cost statements, most of which are only made available after a time lag. If no current values are available, the previous year's figures are recognised. If the office space has changed since the last service charge statement was issued, the previous year's consumption is calculated proportionately on the basis of the changed office space. For individual branches, a calculation is made based on degree day numbers.

Other estimates and uncertainties exist for Scope 3 emissions regarding the calculation of carbon emissions from the commuting of employees, as assumptions about the mobility behaviour of employees are made here. The greatest uncertainty here is from the choice of the actual means of transport used. The estimate is based on existing studies of mobility behaviour in Germany by the Federal Statistical Office. If the actual usage behaviour deviates from the assumptions made, this results in an uncertainty regarding the indicated value. The level of this uncertainty cannot be estimated at present.

The reported Scope 3 emissions from business trips are calculated and reported using a centralised process. This information only includes trips booked via an external service provider for business travel management. If the employees have not booked their trips through this provider, these emissions are not yet recognised.

As part of the management concept for the net-zero target for carbon emissions in investments, data on greenhouse gas emissions from the managed investments are used by a data provider. Within this framework, only reported and not estimated greenhouse gas emissions of the value chain of the companies invested in are used. No significant source of uncertainties regarding results can be identified when calculating the key figures for the taxonomy alignment of investments, as the calculations are only based on published values of the portfolio companies.

[ESRS 2 BP-2, 13] There have been no changes in the preparation and presentation of sustainability information compared with the previous reporting period.

[ESRS 2 BP-2, 14] The VHV Group has not become aware of any errors in reporting in the comparative period.

[ESRS 2 BP-2, 15] The VHV Group does not include any information based on other legal regulations in this Group Sustainability Statement.

[ESRS 2 BP-2, 16] With the exception of the requirement for the business model of the VHV Group, the Group does not make use of the option to refer to information.

PRINCIPLES OF THE SUSTAINABILITY STRATEGY [ESRS 2 STRATEGIES MDR-P, 63-65]

[ESRS 2 Strategies MDR-P, 65a/b] The VHV Group conducts its business activities with a view to sustainability and has adopted a separate sustainability strategy for this purpose. It understands sustainability to mean long-term financial orientation and protecting against risks in the long term with a view to environmental and social concerns and proper, ethical corporate governance. The sustainability strategy was derived from the Group strategy and goes hand-in-hand with the Code of Conduct of the VHV Group and its values.

The VHV Group's sustainability strategy provides the strategic framework at Group level. The "Sustainability Management" Group policy defines the requirements for sustainability management for all geographical areas, which must be operationalised by the individual companies. The main stakeholders are customers, employees and civil society.

[ESRS 2 Strategies MDR-P, 65e] The interests of the most important stakeholders are taken into account when defining the strategy.

[ESRS 2 Strategies MDR-P, 65f] Besides the statements in this report, the pillars of the sustainability strategy can also be viewed on the website of the VHV Group and its subsidiaries VHV Allgemeine, HL and VAV for potentially affected stakeholders.

ACTIONS AND RESOURCES IN RELATION TO MATERIAL SUSTAINABILITY ASPECTS [ESRS 2 ACTIONS MDR-A, 66-69]

[ESRS 2 Actions MDR-A, 68a] The VHV Group's sustainability strategy identifies climate change as one of the greatest current challenges. For this reason, the Group gives high priority to the measurement and management of adverse sustainability impacts in relation to carbon emissions. One strategic goal is to achieve the net-zero target for investments by 2050 and thus make a contribution to decarbonisation.

The further development of the ESG investment approach to include the asset class of government bonds is also planned for the 2025 reporting year. This measure is aimed at continuously developing sustainability efforts with regard to investments. Specifically, the intention is to make new investments in government bonds only in countries that are categorised as "free" by Freedom House. This measure is intended to ensure that countries with serious violations of democratic rights and human rights are excluded from investments. There are also plans to take the Corruption Perception Index into account as an additional criterion. A great deal of importance is ascribed to preventing and combating corruption in the sustainability strategy. The consideration of sustainability criteria in investment decision-making processes and risk management is regularly reviewed and, if necessary, adjusted. An additional specialised data provider was consulted for the property asset class. This will help to achieve a higher level of coverage and a high degree of automation.

[ESRS 2 Actions MDR-A, 68(b) – (c)] Besides the already formulated net-zero target for carbon emissions in investments by 2050, the continued development of the ESG investment approach and the consideration of the Corruption Perception Index, the VHV Group has not yet defined any further time horizons for implementing the most important actions.

[ESRS 2 Actions MDR-A, 68(d)] No remedial measures needed to be taken in the reporting year as a result of damage caused by actual material impacts.

[ESRS 2 Actions MDR-A, 69] As the VHV Group has not currently defined a specific action plan, no significant operating expenditure or capital spending is evident based on current knowledge. It is therefore not yet possible to make any statements on the amount of current or future financial resources.

PARAMETERS RELATING TO MATERIAL SUSTAINABILITY ASPECTS [ESRS 2 ACTIONS MDR-M, 73-77]

[ESRS 2 Actions MDR-M, 75-77(a)] The material impacts and risks are assessed in particular as part of the sustainability stress tests carried out. For this purpose, the risk modelling is adjusted for the individual risk categories of market risk and insurance risks in life insurance and property-casualty insurance. The resulting stress factor can have both positive and negative values and forms a parameter in relation to material sustainability aspects.

The key parameters are the impacts of the sustainability stress tests on the coverage ratio of the VHV Group and its insurance companies in accordance with the standard formula and the ORSA model. The impacts on the Group's capital, solvency capital requirements and risk capital requirements (RCR) are analysed.

For the methodology used in the sustainability stress tests, refer to the statements in the "Environmental information" section. Additional parameters for assessing performance and effectiveness are the carbon emissions and fuel consumption figures calculated in the environmental management system.

[ESRS 2 Actions MDR-M, 77b] The parameters are validated in accordance with the dual control principle.

[ESRS 2 Actions MDR-M, 77d] Unless otherwise stated, all amounts are shown in euros.

TRACKING THE EFFECTIVENESS OF STRATEGIES AND MEASURES THROUGH OBJECTIVES [ESRS 2 TARGETS MDR-T, 78-81]

[ESRS 2 Targets MDR-T, 78-80] The Board of Directors of WAVE Management AG is aiming to further develop the carbon managementsystem for investments. For this further development, it plans to examine whether the system can be extended to additional asset classes, whether additional management metrics can be incorporated and whether specific intermediate steps can be formulated to achieve reductions.

[ESRS 2 Targets MDR-T, 80 a] The target is in line with the "responsible investment" objective formulated in the sustainability strategy. The VHV Group is committed to sustainable investment. As a long-term investor, the VHV Group is keen to benefit from the opportunities of the transition to a sustainable economy while managing potential risks as early as possible.

[ESRS 2 Targets MDR-T, 80 b] This is a qualitative target.

[ESRS 2 Targets MDR-T, 80 e] The period to which the target applies is from January 1, 2024 to September 30, 2024.

[ESRS 2 Targets MDR-T, 81] The targets formulated in the VHV Group's sustainability strategy are transferred to the VHV Group's target agreement process and are further operationalised by the individual companies. The time frame for the individual target agreements is one year. The effectiveness of targets and actions in relation to the material sustainability-related impacts, risks and opportunities is regularly tracked and monitored using the tools already described. Tracking is performed primarily on the basis of qualitative indicators.

THE FRAMEWORK

The VHV Group's sustainability strategy incorporates internationally recognised principles and standards such as

- **ESG criteria for sustainable business**
- **Goals of the UN 2030 Agenda**
- **Principles from the leading sustainability initiatives**

THE THREE PILLARS OF ESG

The sustainability strategy revolves around the **ESG criteria** for sustainable business outlined below. These three criteria illustrate how broadly the topic of sustainability should be considered today. They range from equal opportunities for employees to product development and sustainable financing strategies.

Environmental
- Fighting climate change
- Reducing carbonemissions
- Using renewable energies
- Decreasing energy consumption
- Maintaining biodiversity
- Protecting natural resources, such as water and forests
- Avoiding environmental pollution from toxins, waste, imprudent use of materials

Social
- Diversity and equal opportunity
- Fair pay
- Healthy, safe products
- Healthy, safe working conditions
- Social commitment

Corporate Governance
- Complying with all legal and internal rules
- Preventing corruption and bribery
- Preventing money laundering
- Respecting human rights
- Executive remuneration tied to sustainability targets
- Tax compliance
- Data protection and security
- Complying with fair competition practices

SUPPORT FOR THE UN 2030 AGENDA AND THE GREEN DEAL [ESRS 2 STRATEGIES MDR-P, 65d]

The UN 2030 Agenda, with its 17 sustainable development goals, is a global plan to promote sustainable peace and prosperity while protecting our planet. The VHV Group stands behind all 17 of these goals and actively fosters five of them:

GOAL 4

Quality Education
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

GOAL 5

Gender Equality
Achieve gender equality and empower all women and girls

GOAL 8

Decent Work and Economic Growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

GOAL 12

Responsible Consumption and Production
Ensure sustainable consumption and production patterns

GOAL 13

Climate Action
Take urgent action to combat climate change and its impacts

In order to do its part particularly for the aforementioned goals, the VHV Group also supports the Green Deal, which aims for Europe to become climate neutral by 2050.

INVOLVEMENT IN SUSTAINABILITY INITIATIVES

The VHV Group has joined numerous sustainability initiatives and relevant networks, thereby underscoring the commitment to its goals and intent while providing transparency.

Signatory of:

PRI Principles for Responsible Investment

Principles for Responsible Investment

The PRI is a global investor network with six principles for responsible investments that the VHV Group is committed to fulfilling.

UN environment programme | finance initiative

Principles for Sustainable Insurance

Principles for Sustainable Insurance

The PSI support a sustainable transformation in actuarial methods with the help of four principles to which the VHV Group is committed as a member.

FNG-SIEGEL 2024

FNG-Label

The quality standard for sustainable investment funds in German-speaking regions. The WAVE Total Return ESG fund managed by WAVE has received the FNG-Label.

ÖKOPROFIT
Hannover 2023

Ecoprofit

A partnership project between municipalities and local business that aims to reduce operating costs while also protecting natural resources.

GSN

German Sustainability Network

The GSN is a practical cooperation platform for insurers in the German-speaking region and stakeholders from relevant industries. It uses eleven focal areas to share knowledge, provide ideas and foster industry-wide networking.

charta der vielfalt
Für Diversity in der Arbeitswelt

Diversity Charter

An employer initiative to promote diversity in companies and organisations in order to advance recognition, appreciation and integration for diversity at the workplace.

WE SUPPORT
UN GLOBAL COMPACT

UN Global Compact

The UN Global Compact is the world's largest and most important initiative for sustainable and responsible corporate governance.

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT ARE:

1. Businesses should support and respect the **protection of internationally proclaimed human rights.**
2. Businesses should ensure that they are **not complicit in human rights abuses.**
3. Businesses should uphold the **freedom of association** and the **effective recognition of the right to collective bargaining**.
4. Businesses should work towards **eliminating all forms of forced and compulsory labour.**
5. Businesses should stand up for the **abolition of child labour.**
6. Businesses should work towards **eliminating discrimination** in employment and occupation.
7. Businesses should support a precautionary **approach to environmental challenges.**
8. Businesses should **undertake initiatives** to promote greater **environmental responsibility.**
9. Businesses should encourage the development and diffusion of **environmentally friendly technologies.**
10. Businesses should work **against corruption in all its forms,** including extortion and bribery.

SIX KEY SUSTAINABILITY ISSUES

Under its sustainability strategy, the VHV Group has defined six action areas that include customers, employees, sales partners, investments and social initiatives.

01 Deliver the right products
The VHV Group designs its products and services according to the interests of its customers and sales partners, to do more for a bright future for all.

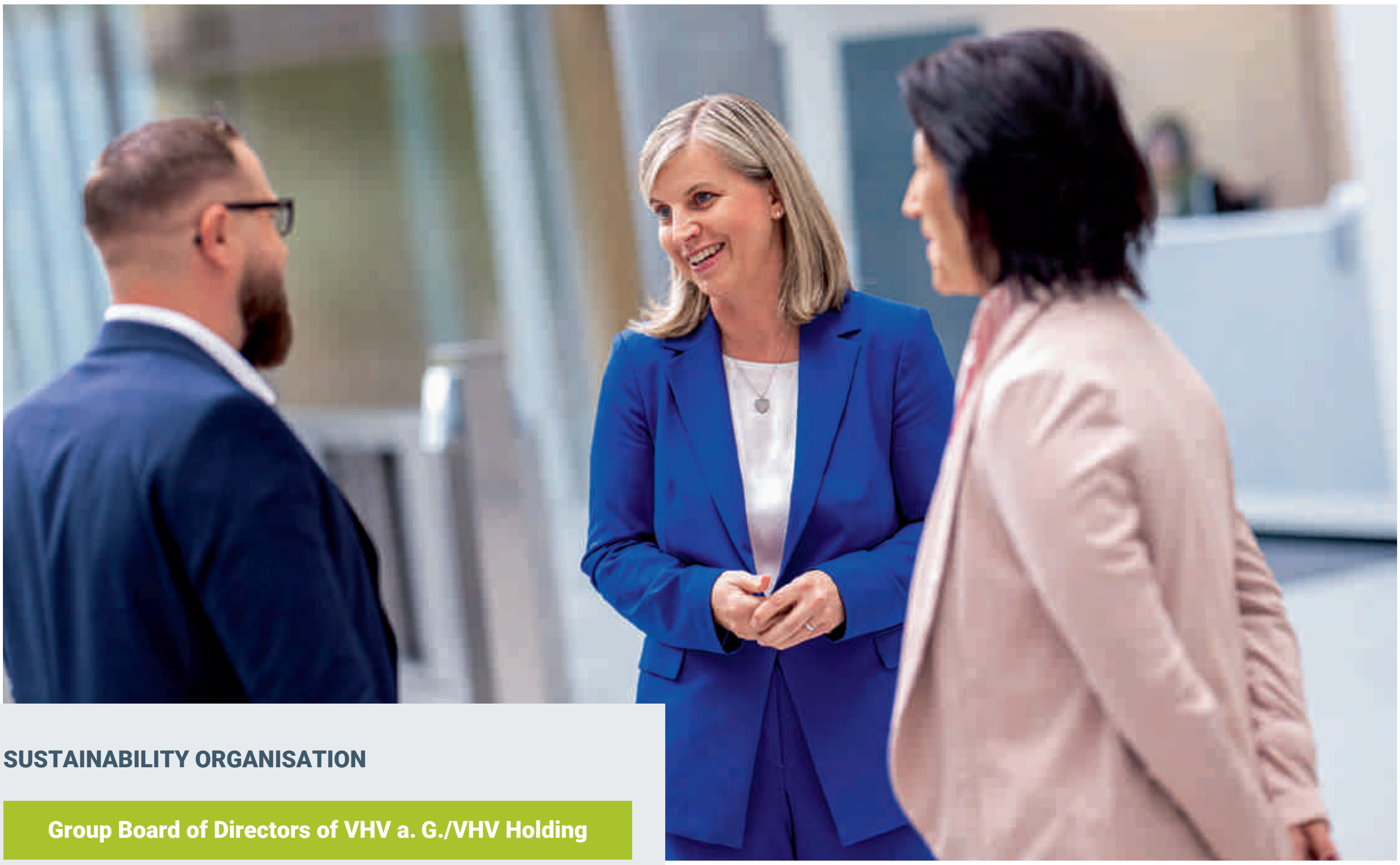
02 Invest responsibly
Sustainability is the leading social trend of our times. As a long-term investor, the VHV Group aims to benefit from this trend as soon as possible and has set a net-zero target for investments by 2050.

03 Offer the best employment opportunities
The VHV Group wants to enable all its employees to realise their full potential and have development opportunities. Its corporate culture is aligned to equal opportunity and freedom from discrimination.

04 Implement climate-friendly operations
With this aim in mind, the VHV Group offset the direct emissions as at December 31, 2023, fleet management in 2024 and the energy it purchased in 2024.

05 Follow the guidelines
From legal requirements to the VHV Code of Conduct and the procedures of the VHV Group, the Group is transparent about what is expected from each and every one of us.

06 Foster and engage
The VHV Group works to promote sustainability even outside its business operations. The VHV Foundation supports relevant education, integration, cultural and research projects and exclusively and directly pursues charitable and benevolent purposes, particularly in the Hanover region.



SUSTAINABILITY ORGANISATION

Group Board of Directors of VHV a. G./VHV Holding

↓

ESG Committee

↓

Sustainability manager

[ESRS 2 Strategies MDR-P, 65(c); ESRS 2 GOV-1, 22(c)] As the executive body of **the VHV Group, the Board of Directors of VHV a. G./VHV Holding** makes strategic decisions for the Group and monitors the progress of its sustainability management efforts. It stipulates the requirements for sustainability management within the entire VHV Group. The in-house audit of the business organisation as ordered annually by the Board of Directors also includes an evaluation of the adequacy and effectiveness of the sustainability management system that has been adopted by the VHV Group.

The **ESG Committee (ESGC)** makes strategic decisions for individual or multiple companies and steers the establishment of a uniform sustainability management system throughout the Group. The ESGC of the VHV Group is made up of the Board of Directors of VHV a. G./VHV Holding. There are also general communications about the status of implementation of the sustainability management system in order to ensure its consistent and complete integration. The general strategic decisions taken by the ESGC are operationalised by the respective individual companies. The CEOs of VHV Allgemeine, HL, VHV digital services and WAVE, and the Managing Director of VHV digital development, who are members of the ESGC, communicate the decisions made in the ESGC for further implementation in the respective individual companies.

The **sustainability manager** is the primary point of contact and general expert on all issues relating to sustainability management. He steers the operational side of the sustainability management system and handles other coordination and implementation activities relating to Group operations.

[ESRS 2 GOV-2, 24-26] A transparent investment process is in place within WAVE, which is integrated into the various business areas and committees. This institutionalised investment process is designed to develop an assessment of the relevant capital markets and investment themes for the mandates accepted and to prepare and make decisions within the scope of the mandates issued. The aim of the Investment Committee (IC) is to manage and monitor the approved strategic investment direction for the customers of the VHV Group and institutional third-party customers. Based on a prepared assessment of the capital markets and the compiled mandate-related information, relevant market developments and their effects are discussed, and specific management measures are agreed upon, if necessary. The IC reports on ESG key indicators and engagement activities, presents the results of screening for exclusion criteria and controversies and provides information on limit utilisation. The IC may pass resolutions by the Board of Directors of WAVE, which is also a member of the IC in accordance with its rules of procedure.

An internal WAVE committee has also been set up to make suggestions to the IC for the refinement of the ESG investment process, taking into account regulatory changes and other developments in the industry. This committee also prepares the ESG reporting to the IC. The Committee also reviews the plausibility of the methodology used for the ESG scores and the qualitative ESG assessments and makes recommendations to the IC.

[ESRS 2 GOV-1, 22c] Regular risk inventories are carried out to record and document all material risks. Relative to reference dates, a company-wide risk assessment is carried out, in which all risks are queried and updated systematically every six months by the risk officers in all divisions and projects of the VHV Group. Individual risks identified are checked for plausibility by the IRCF and then aggregated to determine the overall solvency needs.

Process-oriented risks are also identified on the basis of an IT-based system of documenting business processes. There are also wide-ranging ad hoc reporting requirements to ensure risks or material changes are identified during the year. In addition, risk analyses on an ad hoc basis are prepared for projects relevant to risks, the results of which are taken into account in the decision by the Board of Directors.

METHOD AND PROCESS OF THE MATERIALITY ASSESSMENT

[ESRS 2 IRO-1, 51-53] In preparation for the new requirements of the CSRD for non-financial reporting, the VHV Group has conducted a materiality assessment. Reporting under the CSRD is based on the European Sustainability Reporting Standards (ESRS). These standards break down environmental, social and governance topics into sub-topics that must be covered in the future in the non-financial reporting.

The individual sustainability topics were assessed using the principle of double materiality required by the CSRD:

> Double materiality looks at the two dimensions of "Impact materiality" and "Financial materiality". It stipulates the sustainability topics to be reported on.

To this end, the relevant departments, in consultation with the sustainability manager, have weighted the applicable sustainability issues by importance and confirmed their decisions with the Board of Directors.

For instance, with climate protection (emissions) as a sustainability topic, the impact of providing financing to companies in investments or providing insurance coverage to companies are factors in the materiality assessment. In the reporting year, all topics were reviewed for materiality, only the topics of Biodiversity and ecosystems (ESRS E4) and Climate change mitigation (ESRS E1) were reviewed in more detail or quantitatively differently from the other topics, which were only reviewed qualitatively.

The materiality analysis was largely based on industry and sector analyses in the area of investing, specifically on the impact on individual sectors. This was compared with the findings of the climate value at risk of the stress tests carried out. With regard to actuarial methods and practices, the internal reporting system was used for the distribution of premiums by line of business and the financial impact of major loss events.

[ESRS 2 IRO-1. 53b] The company’s potential and actual impacts on people and the environment are parts of the materiality analysis and, besides the company’s own business operations, include in particular the underwriting processes and investing.

A sustainability aspect is considered material with regard to impacts if it relates to the company's material actual or potential, positive or negative impacts on people or the environment in the short, medium or long term.

For actual negative impacts, materiality is based on the severity of the impacts; for potential negative impacts, it is based on the severity and probability of impacts. The severity is determined on the basis of the following factors:

- the scale,
- scope and
- irreversibility of the impact.

The extent is assessed using the scale of 1–5. The scope is measured using the scale of 1–5 and the irreversibility of the impacts using the scale of 1–5. Together, the severity of the specific impact is assessed individually. An impact is categorised as material for VHV if a value of 3 is exceeded. The threshold value was defined by VHV as a quantitative measure based on the selected scales so that the material sustainability issues can be identified. This assessment was carried out separately for the company's own business operations, the underwriting processes and investments at main topic level.

Affected stakeholders are not directly consulted. The impact is derived and assessed from available internal and external information.

[ESRS 2 IRO 1, 53d] The results of the materiality analysis are discussed internally by the departments involved and validated with the Management Board. This includes both the topics identified and the respective assessment. The process is incorporated into the existing governance system.

[ESRS 2 IRO 1, 53g] The VHV Group uses a variety of input parameters to integrate the identification, assessment and management of sustainability risks into its decision-making processes. These include, among others:

Data sources
The VHV Group uses both internal and external data sources, including claims statistics, actuarial analyses, market studies, regulatory reports and ESG databases. Data from industry associations is also included in the assessments.

Scope of the recorded processes:
Risk assessment is based on a wide range of transactions, including underwriting policy, claims management processes and investments. Particular attention is paid to the impacts of climate risks, social factors and governance aspects on the portfolio and the business model.

Level of detail of the assumptions:
The modelling is based on differentiated assumptions that take into account both historical data and forward-looking scenario analyses.

[ESRS 2 IRO-1, 53h] Compared with the previous reporting period, the procedure for reviewing the assessment of materiality is unchanged.

DISCLOSURE REQUIREMENTS COVERED BY THE COMPANY'S SUSTAINABILITY STATEMENT IN ESRS [ESRS 2 IRO-2, 54-59]

[ESRS 2 IRO-2, 58] The impacts, risks and opportunities of the following standards are not material for the VHV Group, so that the disclosure requirements for these topical ESRS are limited to the disclosure requirements specified in ESRS 2 Appendix C:

- ESRS E2 Pollution
- ESRS E3 Water and marine resources
- ESRS E4 Biodiversity and ecosystems
- ESRS E5 Resource use and circular economy
- ESRS S2 Workers in the value chain

The classification of the aforementioned standards is based on the findings of the materiality assessment, as both the impacts within the company’s own business operations and across the value chain as well as their remediability were assessed as not material.

THE FOLLOWING SUSTAINABILITY ISSUES WERE RATED FOR THE VHV GROUP AS A RESULT OF THE MATERIALITY ASSESSMENT:

Environmental

- Energy (E1)
- Climate change mitigation (emissions) (E1)
- Climate change adaptation (E1)

Social

- Working conditions (S1)
- Equal treatment and opportunities for all (S1)
- Other work-related rights (S1)
- Communities' economic, social and cultural rights (S4)
- Information-related impacts for consumers and/or end-users (S4)
- Personal safety of consumers and/or end-users (S4)
- Social inclusion of consumers and/or end-users (S4)

Governance

- Corporate culture (G1)
- Protection of whistleblowers (G1)
- Political engagement (G1)
- Management of relationships with suppliers including payment practices (G1)
- Corruption and bribery (G1)

The material topics identified are the basis for reporting on the qualitative and quantitative information as required for each topic.

Impact materiality
For the evaluation of the material impact regarding sub-topics of sustainability, an analysis was performed as to which business activities of the VHV Group had a material impact on external, non-financial matters. Thus, the actual impacts relate to the activities, products and/or services of the VHV Group. They can be relevant to the company's own business activities as well as upstream or downstream value chains. The analysis considers the type of impact, as well as the severity and scope of the impact and – if it is negative – the degree to which it can be resolved.

Financial materiality
The direct and indirect impact of external, non-financial matters on the VHV Group are identified and the risks and opportunities relating to the net assets, financial position and income situation are evaluated. This is assessed on the basis of the company's own business activities, the product portfolio and the investment portfolio.

The materiality assessment includes the time horizon for opportunities and risks. With a view to the short, medium and long term, the extent to which non-financial issues have an impact on business activities, products and services was analysed. The (potential) probability of occurrence was also analysed.

Double materiality principle

PROCEDURES FOR IDENTIFYING, ASSESSING, PRIORITISING AND MONITORING RISKS

[ESRS 2 IRO-1, 53c/e] The VHV Group defines risk as the possibility of deviating from an express or implied target. The deviations that could have negative effects on the earnings and results of operations are of the most interest. Sustainability risks are defined as events or conditions in the environmental, social or corporate governance areas which, if they occur, could have a significant negative impact on the net assets, financial position and results of operations as well as the reputation of the VHV Group. Sustainability risks can be divided into physical risks with regard to individual extreme weather events and long-term changes in climatic and ecological conditions, and transition risks in connection with the transition to a low-carbon economy. Sustainability risks do not constitute a new risk category, but they can have a significant impact on the known risk categories and contribute as a factor to the materiality of these risk categories.

Therefore, the objective of sustainability risk management in the VHV Group is to deal intensively and comprehensively with the modes of action and impacts of sustainability risks on known risk categories, without restricting the focus on purely financial impacts on the assets and liabilities side. Sustainability risks are thus integrated into the existing risk identification, management and controlling processes.

Operational implementation is carried out by integrating sustainability risk management into the existing group policies or documents for the VHV-specific documentation of the required written risk management guidelines under Solvency II. The chosen approach clearly defines tasks, responsibilities and the time frame for identifying, assessing, managing, monitoring and reporting sustainability risks within the risk management system.

Risk assessment refers to all methods and processes that serve to measure and assess identified risks. Operational, strategic and reputation risks are evaluated in the semi-annual risk assessment via an expert assessment of the risk officers using the probability of occurrence and the potential economic loss as criteria. In addition to this quantitative assessment, an assessment based on qualitative criteria (appropriateness and reputation) is carried out. Appropriate procedures are used to aggregate the overall solvency needs for operational risks. Findings from the regular review of the ICS are also taken into account when assessing operational risks. The model calculations of the standard formula provided for the quantitative assessment of the risks under Solvency II and the determination of eligible own funds are conducted both on an annual basis as at December 31 and on a quarterly basis. To determine the overall solvency needs annually, company-specific circumstances are included in the risk models. The underlying assumptions of the standard formula and risks not shown in the standard formula are assessed for their appropriateness for the insurance companies of the VHV Group.

Materiality concept

Materiality thresholds are needed for risk classification and enable management to focus on the risks with potentially material effects and monitor them more closely. When assessing materiality, a distinction is made between solvency assessments and risks outside the solvency assessment. Applicability depends on whether the relevant risks are covered by capital, or whether they can be controlled via capital. The specific quantitative thresholds are defined for the yearly updates to the risk strategy and approved by the Board of Directors.

[ESRS 2 IRO-1, 53h] Compared with the previous reporting period, the procedure for reviewing the assessment of materiality is unchanged.

Topical disclosure requirements: E1 Climate change

CLIMATE STRESS TESTS [ESRS E1, 18-19 (ESRS 2 SBM-3), ESRS E1, 20(b)/21 (ESRS 2 IRO-1)]

To account for the increasing relevance of sustainability risks, in the year under review climate stress tests as at December 31, 2023 were performed and analysed.

These tests are intended to predict the resilience of the VHV Group to physical and transitory risks in various climate scenarios. The impacts of different scenarios on the VHV Group's coverage ratio are analysed. Both physical risks and transitory risks (in the case of market risk) are taken into account in the stress tests conducted. In addition, the transitory risks are analysed qualitatively and allocated to the strategic risks. Climate-related transition events were not identified.

Publications from the following initiatives were consulted in addition to the regulatory requirements when performing the climate stress tests:

- Network for Greening the Financial System (NGFS)
- UN Principles for Responsible Investment (UN PRI)
- UNEP FI Principles for Sustainable Insurance (PSI)
- Task Force on Climate-related Financial Disclosures (TCFD)

Regulators are increasingly referring to the NGFS as a possible starting point for climate scenarios. The current NGFS Phase III scenarios comprise six different scenarios. Four of these are used as a basis of the climate scenarios determined in the VHV Group. As a result, the following scenarios, which are named according to the associated temperature rise by 2100, are considered:

1.5°C
(based on the NGFS scenario "Divergent Net Zero")
In this scenario, net carbon dioxide emissions will be zero by 2050. The transition is disorganised and its costs are especially heavy on consumers. Energy supply and industry are less affected. Technologies for carbon extraction are utilised to a modest degree. This results in a probability of at least a 50 % of limiting global warming to below 1.5°C by 2100. This scenario has the lowest physical risks, but relatively high transitory risks.

2°C
(based on the NGFS scenario "Below 2°C")
Stricter laws are steadily introduced from now on. This corresponds to an orderly transition. Technologies for carbon extraction are utilised to a limited degree. Net carbon emissions are zero by 2070. This results in a probability of 67 % of limiting global warming to below 2°C by 2100. This scenario has relatively low physical and transitory risks.

2°C late
(based on the NGFS scenario "Delayed Transition")
In the delayed transition scenario, no new regulations or laws are brought in until 2030 and the economic recovery after the COVID-19 pandemic is based on fossil fuels. This means that carbon dioxide emissions are not reduced until this year. Technologies for carbon extraction are hardly used, driving up carbon prices. After 2030, the transition takes place at an accelerated rate and carbon dioxide emissions plunge. This results in a probability of 67 % of limiting global warming to below 2°C by 2100. This scenario has both high physical risks and high transitory risks.

3°C
(based on the NGFS scenario "Current Policies")
No further laws and directives are brought in to protect the climate, but the existing ones remain in place. As a result, carbon dioxide emissions continue to rise and increase physical risk. Non-reversible changes are also possible. This scenario describes a "hot house world". This scenario has the lowest transitory risks, but relatively high physical risks.

The GDV released a second version of its "Climate Change Scenarios in ORSA" paper in March 2023, describing additional approaches to implementing regulatory requirements. This paper supports the assumptions of the VHV climate stress tests. It also provides possible parameterisations for the refinement and design of climate stress tests. The climate stress test scenarios are determined for the ORSA model and the standard formula.

Besides the stress scenarios, a geographical analysis of the active and passive inventory will be conducted in the reporting year. This is done especially to prepare for regional stress tests in the next few years.

The impacts of the climate stress tests performed were not material for the VHV Group as at December 31, 2023. Excess cover for the solvency capital requirements remained at an elevated level in all scenarios. Based on current knowledge, no adjustments to the business model are therefore necessary.

An annual strategy process provides the opportunity to adapt the business model for the short-, medium- and long-term time horizon. This results in increased resilience to market fluctuations and crises.

[ESRS E1-1, 18] The VHV Group has identified two climate-related risks as part of the materiality assessment. The climate-related risk in the actuarial practice value chain is a climate-related physical risk. The climate-related risk in the investment value chain is a climate-related transition risk.

Further information on the topical disclosures in the ESRS E1 IRO-1 can be found in the "Environmental information" section.

Each scenario looked at the impacts on the following risk categories:

- **Non-technical risk:** Hail and flooding stress tests were performed for the different climate scenarios. The risk of flooding is of subordinate importance for investments up to the year 2100, while the risk of hail is not explicitly modelled. The significance of extreme weather events for business activities is described in ESRS 2 IRO-1, 53c/e and in ESRS 2 SBM-3, 48, among others.
- **Technical risk:** Annual modifications to biometric principles (mortality, disability, dread disease and reactivation) were used for the different climate scenarios.
- **Market risk:** To compute the market risk, the transitory and physical risks were modelled for each climate scenario and quantified using "climate costs" at individual equity level.
- **Strategic risk**

Topical disclosure requirements: E2 Pollution

POLLUTION [ESRS E2, 11 (ESRS 2 IRO-1)]

Unlike companies with a business model that relies heavily on energy and materials, the VHV Group's direct environmental impact is minimal. Therefore, the impacts of the VHV Group on the sustainability aspects pollution of air, water, soil, substances of concern, including substances of very high concern, are of minor importance for its own business operations. A consultation, especially with the affected communities, was therefore not carried out.

Under the implemented environmental management system, the VHV Group determines and communicates the environmental aspects of its activities, products and services that it can control and influence. The environmental impacts associated with these are also considered, taking account of the lifecycle. Changes, including planned or new developments and new or changed activities, products and services, are taken into account.

Under the implemented environmental management system, the VHV Group has identified the external and internal issues that are relevant to its purpose. To determine the internal and external issues, all aspects which affect the VHV Group's ability to achieve the intended results of the environmental management system and improve environmental performance are taken into account.

Topical disclosure requirements: E3 Water and marine resources

WATER AND MARINE RESOURCES [ESRS E3, 8 (ESRS 2 IRO-1)]

[ESRS E3, 8 (ESRS 2 IRO-1)] The VHV Group's impact on the sustainability aspects of water and marine resources is of minor importance for its own business operations. A consultation, especially with the affected communities, was therefore not carried out.

With the environmental management system, the VHV Group has identified the external and internal issues that are relevant to its purpose. All aspects which affect the VHV Group's ability to achieve the intended results of the environmental management system and improve environmental performance are taken into account. Here, water availability in relation to the provision of clean sanitation and drinking water was also identified as an issue.

BIODIVERSITY AND ECOSYSTEMS [(ESRS 2 SBM 3) ESRS E4, 16]

A list of the sites and branches can be found in the notes to the annual report. In terms of its own business operations, the impact of the VHV Group on biological diversity and ecosystems is negligible.

No significant negative impacts in terms of land degradation, desertification or soil sealing were identified.

Activities in areas with vulnerable biodiversity are not carried out, nor are activities with impacts on endangered species.

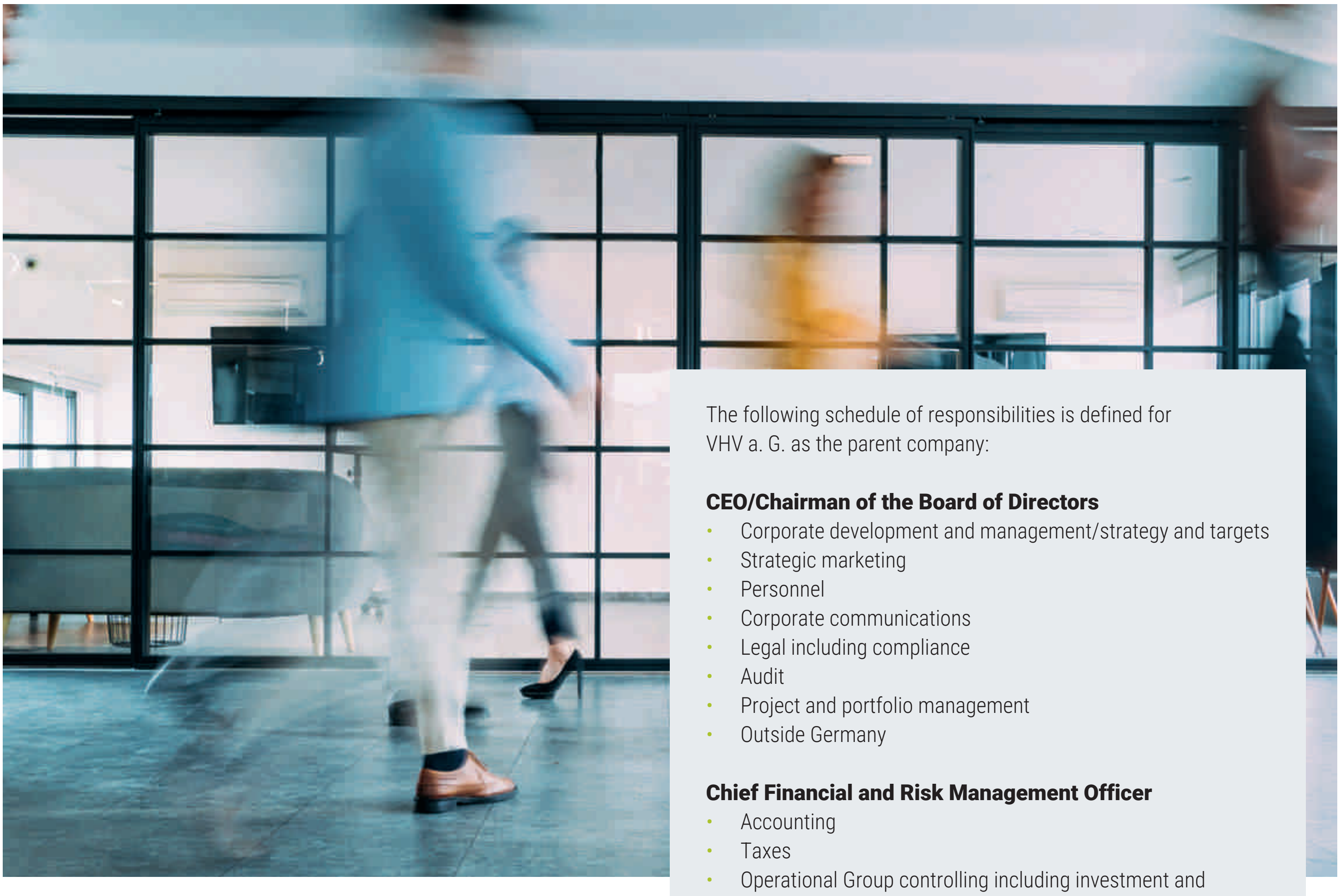
BIODIVERSITY AND ECOSYSTEMS [(ESRS 2 SBM 3) ESRS E4, 17-19 (ESRS 2 IRO-1)]

[ESRS E4, 17 (ESRS 2 IRO-1)] The VHV Group has identified and assessed the impacts, risks, dependencies and opportunities related to biological diversity and ecosystems within the materiality assessment conducted. The VHV Group does not have any significant impact from its own business operations. A consultation with the affected communities was therefore not carried out.

[ESRS E4, 19 (ESRS 2 IRO-1)] The VHV Group does not have locations in or near areas with vulnerable biodiversity, nor does it engage in activities with negative impacts on these areas which would lead to a deterioration in natural habitats and work habitats.

RESOURCE USE AND CIRCULAR ECONOMY [ESRS E5, 11 (ESRS 2 IRO-1)]

[ESRS E5, 11 (ESRS IRO-1)] Due to the VHV Group's business model, the impact in the area of resource use and circular economy is not significant. This is essentially limited to waste disposal in the company's own business operations. A consultation with the affected communities was therefore not carried out.



The role of the administrative, management and supervisory bodies (ESRS 2 GOV-1, 19-23)

[ESRS 2 GOV-1, 22] In the VHV Group, the administrative, management and supervisory bodies include the Supervisory Board, the Board of Directors and the management.

The tasks and responsibilities are defined in the respective rules of procedure and schedule of responsibilities. The respective rules of procedure for the Board of Directors define the activities that the general Board of Directors handles and the transactions that require consent from the Supervisory Board.

The Board of Directors or the management of the respective individual company is responsible for monitoring the impacts, opportunities and risks. The allocation of the individual topics is based on the schedule of responsibilities.

The following schedule of responsibilities is defined for VHV a. G. as the parent company:

CEO/Chairman of the Board of Directors
- Corporate development and management/strategy and targets
- Strategic marketing
- Personnel
- Corporate communications
- Legal including compliance
- Audit
- Project and portfolio management
- Outside Germany

Chief Financial and Risk Management Officer
- Accounting
- Taxes
- Operational Group controlling including investment and participating interest controlling
- Reinsurance
- Purchasing
- Combating money laundering/economic crime
- Group data protection and information security
- Group business administration
- Risk management
- Actuarial function

Chief Investment Officer
- Investments
- Real estate
- Facility management
- Participating interest management

Chief Property-Casualty Insurance Officer
- Property-casualty insurance
- Co-insurance VHV a. G.
- Reinsurance

Chief Life Insurance Officer
- Life insurance
- Mortgages

Chief Information Technology Officer
- IT
- Company organisation
- Digitalisation/transformation

The topic of sustainability is an explicit component of the individual aforementioned topics and is also assigned to the Chief Financial and Risk Management Officer as a whole.

[ESRS G1, 5a (ESRS 2 GOV-1)] The Board of Directors is responsible for defining corporate policy, which is monitored by the Supervisory Board as part of its monitoring and control function.

[ESRS 2 GOV-1, 19-21] All members of the Board of Directors at VHV a. G./VHV Holding were male in the 2024 reporting year. Their contracts are valid for between three and five years. The company is represented legally by two members of the Board of Directors or one member of the Board of Directors together with a holder of procuration (power of attorney). The respective rules of procedure for the Board of Directors define the activities that the general Board of Directors handles and the transactions that require consent from the Supervisory Board. As a rule, the Board of Directors meets every two weeks.

[ESRS 2 GOV-1,22] The Board of Directors of VHV a. G. manages the company under the advisory supervision of the Supervisory Board under its own responsibility and defines targets and strategies for this purpose. The Board of Directors has overall responsibility for implementing, further developing and monitoring the governance system. This means that the Board of Directors is also responsible for implementing the statutory and regulatory requirements for risk management and for managing risks at VHV a. G. The Supervisory Board and Board of Directors are the main pillars of the VHV Group's executive bodies. The Board of Directors directs the company’s operations, while the Supervisory Board does not.

Members and duties of the Supervisory Board

[ESRS 2 GOV-1, 19-21] The Supervisory Board of VHV a. G. consists of six members, who are elected by the members' meeting as the company's highest representative body. In the 2024 reporting year, one woman and five men were elected. The meetings of the respective Supervisory Board take place at least three times per calendar year and as required. A Supervisory Board meeting can also be convened within two weeks at the request of a member of the Supervisory Board or Board of Directors.

The Supervisory Board of VHV a. G. acts as a monitoring and control body for the Board of Directors.

As part of their monitoring and control functions, the Supervisory Board members are notified by the Board of Directors on a regular basis (or ad hoc as needed) about all information regarding business operations, the performance of the Group companies and their equity interests, general questions relating to corporate management, corporate planning and the intended business policies of the VHV Group.

The Supervisory Board members are also involved on a regular basis in risk management processes.

[ESRS 2 GOV-1, 21b] No employee representatives are represented on the Supervisory Board of VHV a. G.

[ESRS 2 GOV-1, 21e] The members of the Supervisory Board of VHV a. G. are completely independent.

[ESRS 2 GOV-1, 19-22] Supervisory Board committees
The members of the Supervisory Board of the VHV Group form the following committees from their ranks:

- Human Resources and Nomination Committee
- Audit Committee
- Investment Committee
- Real Estate Committee
- IT/Digitalisation Committee
- Risk Committee

The individual committees perform the following tasks, each of which also takes sustainability into account:

Tasks of the Risk Committee
- Discuss the risk strategy
- Discuss reports with the Board of Directors and the holders of the respective key function
- Assess the effectiveness of the management systems of the key functions by the four key functions
- Discuss the reports on the solvency and financial position
- Discuss the internal review of the business organisation
- Solvency II benchmarking
- Overview of BaFin processes and BaFin communication of the individual key functions (where applicable)

The **Audit Committee** supports the Supervisory Board in particular with monitoring:

- the accounting process and the internal control system,
- the performance of the statutory audit, in particular with regard to the selection and independence of the statutory auditor, the quality of the statutory audit and the additional services provided by the statutory auditor (scope, frequency and reporting) and
- the swift rectification by the Board of Directors of deficiencies in the accounting process and the internal control system identified by the auditor and internal control functions during internal and external audits through suitable measures.

The Group Sustainability Statement is discussed and reviewed by the Audit Committee of the Supervisory Board.

The tasks **of the IT/Digitalisation Committee** include preparing reports to the respective Supervisory Board committees on the status of current market developments in the IT sector, the status of IT application development /landscape, IT operations and IT management, content, time and cost planning of current IT and digitalisation projects as well as assessing the necessary prioritisation and HR situation in IT.

The **Human Resources and Nomination Committee** deals with the remuneration system for members of the Board of Directors and managing directors as well as adjustments and modifications to the responsibilities of Board of Directors members and managing directors.

The independence of the leadership bodies and leadership roles is of great importance to the VHV Group. Apart from the Supervisory Board, Board of Directors and the four key functions, the VHV Group has not defined any further key functions.

All people in key functions have an employment contract with VHV a. G. or with all other Group companies where they fulfil such a function.

People in key functions are management and report directly to the responsible Board of Directors member based on the schedule of responsibilities. The Board of Directors has overall responsibility and monitors the appropriateness and effectiveness of the key functions.

The Supervisory Board of VHV Holding and VHV solutions has a group of elected employee representatives.

Members and duties of the Board of Directors [ESRS 2 GOV-1,22]

The Board of Directors of VHV a. G. consists of six members and comprises the following persons, including allocation of responsibilities, in accordance with the schedule of responsibilities:

Board of Directors
Thomas Voigt Born in 1961 Chairman Hanover
Frank Hilbert Born in 1963 Property-Life Insurance Hanover
Dr. Sebastian Reddemann Born in 1982 Property-Casualty Insurance Hanover
Ulrich Schneider Born in 1964 Investments Hanover
Sebastian Stark Born in 1980 Finance and Risk Management Hanover
Arndt Bickhoff Born in 1968 IT Hamburg

The Board of Directors of VHV a. G. manages the company under the advisory supervision of the Supervisory Board under its own responsibility and defines targets and strategies for this purpose. The Board of Directors has overall responsibility for implementing, further developing and monitoring the governance system. This means that the Board of Directors is also responsible for implementing the statutory and regulatory requirements for risk management and for managing risks at VHV a. G. This includes the design and implementation of an effective risk management system.

[ESRS 2 GOV-1, 21a] All members of the Board of Directors of VHV a. G. are managing directors.

The Board of Directors also has overall responsibility for the structural procedural regulations. In this context, the Board of Directors of VHV a. G. is responsible for the establishment, appropriate organisation and effectiveness of a functioning ICS.

The Board of Directors of VHV a. G. is responsible for the risk strategy of the VHV Group and thus in particular for specifying risk tolerances. In addition, the Board of Directors of VHV a. G. is responsible for the ongoing monitoring of the VHV Group's risk profile. For this purpose, a limit system with an early warning function has been established at the group level. The Board of Directors has not formed any committees.

SPECIALIST QUALIFICATIONS AND INTEGRITY [ESRS 2 GOV-1, 21c, 23; ESRS G1, 5b (ESRS 2 GOV-1)]

There is a company policy that governs specialist qualifications and integrity. This describes the framework for an appropriate definition of the requirements and verification of the specialist qualifications and integrity of members of the boards and committees and the responsible persons and employees of the key functions of the insurance companies of the VHV Group and specificies the responsibilities for the definition and monitoring of the requirements and verification.

A number of documents are used to verify that all requirements have been met. The insurance and reinsurance companies of the VHV Group that are domiciled in the European Union are subject to the relevant European and national insurance supervision laws. The companies from all other countries are subject to their respective national supervisory laws.

Suitability of the members of the Supervisory Board

The Supervisory Board members must have sufficient expertise in order to understand the business conducted by the VHV Group, to evaluate the risks and to make any changes in management as needed. The areas of investment, actuarial methods and accounting and annual financial statements, etc. are relevant.

If the Supervisory Board member held a long-term executive position with an insurance company in the past, it is assumed that they have the required qualifications. The same is true for any Supervisory Board members with multiple years of experience as a member of the Supervisory Board for an insurance company.

The Supervisory Board members are apprised of current developments in sustainability during the Supervisory Board meetings.

The professional suitability of Supervisory Board members requires that they have the necessary expertise to fulfil their supervisory function and to assess and monitor the company's business activities. Insurance-specific knowledge of risk management is important in this respect. Attention must be paid to continuous further training.

Expertise can also be acquired through (previous) activities in other sectors, in public administration or on the basis of political mandates, provided that these were or are not of a completely subordinate nature and are significantly focused on economic and legal issues over a longer period of time. The provisions on employee co-determination apply notwithstanding.

The professional suitability requirements must be met taking into account the principle of proportionality: This states that requirements must always be met specifically taking into account the company's individual risks and the nature and scope of its business operations. The required knowledge must therefore always be considered in relation to the general business, economic and market environment in which the company operates.

Each member of the Supervisory Board must have sufficient knowledge of all areas to ensure appropriate controlling. The knowledge and experience of the other Board members or other employees are no substitute for appropriate professional qualifications of the respective Supervisory Board member.

Suitability of the members of the Board of Directors

The specialist qualifications of the members of the Board of Directors include a sufficient degree of theory and practice in the area of corporate transactions and leadership experience. Leadership experience comes in particular from management positions if the position was directly below executive level or larger company organisational units were managed.

The Board of Directors of VHV a. G. is regularly informed about current developments in the area of sustainability via the implemented ESGC. In the reports, the Board of Directors receives information such as:

- The results of any climate stress tests performed
- The status of sustainability-related projects
- The status of regulatory issues in the area of sustainability
- Results from the risk assessment, taking account of sustainability risks

Reports are made within the individual companies as needed.

At a minimum, members of the Board of Directors must be suitably qualified, experienced and knowledgeable of the following topic areas:

- Insurance and financial markets
- Business strategy and model
- Governance system
- Risk management
- Information technology
- Financial analysis and actuarial analysis
- Regulatory framework and regulatory requirements

Once a year, the suitability of each member is reviewed and, if necessary, a personal development plan is drawn up.

Sufficient funds are provided for professional and personal development to support participation in further and advanced training.

Sustainability risks are taken into account in the "Fit & Proper" company policy and form part of the review. In addition, quality assurance is achieved by linking skills and expertise with the relevant risks, in particular through the self-assessment questionnaires and development plans. There is no link with the material opportunities and impacts.

Information and sustainability matters that are dealt with by the company's administrative, management and supervisory bodies (ESRS 2 GOV-2)

[ESRS 2 GOV-2, 26a] Material impacts, risks and opportunities are reported both via the ESGC and in the Board of Director meetings of the individual companies. In addition, the Risk Committee reports on risks (e. g. results of the climate stress test). Detailed reports on the implemented governance system, the appropriateness and effectiveness of which is assessed in the internal review of the governance system initiated by the Board of Directors in the reporting year, are submitted to the Board of Directors committees and the Risk Committee of the management, executive and supervisory bodies of the VHV Group. A documented resolution of the Board of Directors of VHV a. G./VHV Holding was passed on the assessments of the key functions and the results of external audits with the final assessment.

[ESRS 2 GOV-2, 26b] The individual strategies and decisions on important transactions (including the defined criteria for carrying out a risk analysis) are monitored by the Board of Directors of the individual company concerned or, in the case of issues relevant to the Group, also by the Board of Directors of VHV a. G./VHV Holding.

[ESRS 2 GOV-2, 26c] In the reporting period, the Board of Directors dealt with the following material impacts, risks and opportunities:

- CSRD implementation status
- Impacts of the Green Claims Directive
- Conceptual development of the climate stress tests
- Description of the main adverse impacts of investment decisions on sustainability factors of HL, WAVE and Pensionskasse der VHV-Versicherungen
- Findings of the internal audit as part of the environmental management system
- Recording and analysis of taxonomy key indicators

The risk strategy sets out the strategic requirements for risk management. The risk strategy is aligned to the Group strategy and governs the handling of the corresponding risk.

The Group function ensures Group-wide implementation of the governance requirements.

The Supervisory Board and the Board of Directors with their committees and working groups as well as the four key functions are incorporated into the VHV Group's risk management and internal control system as cornerstones of the governance system.

The members of the Supervisory Board and Board of Directors are assisted in their roles by special committees and working groups established for this purpose. The organisation has a coordinated system of individual risk owners with Board of Directors working groups and Supervisory Board committees at Group and individual company level.

Special qualifications and personal integrity of the persons assigned to these roles are needed for the executive positions and roles listed below.

GOVERNANCE STRUCTURE AND COMPOSITION OF THE SUPERVISORY BOARD

Honorary Chairman of the Supervisory Board

Dr. Achim Kann
Honorary Chairman
Chairman of the Board of Directors (retired) of GLOBALE Rückversicherungs AG, Cologne;
Chairman of the Board of Directors (retired) of Frankona Rückversicherungs-AG, Munich

Dr. Peter Lütke-Bornefeld
Honorary Chairman
Chairman of the Board of Directors (retired) of General Reinsurance AG, Cologne

Members of the Supervisory Board elected by the members' meeting

Uwe H. Reuter
Chairman
Deputy Chairman
Chairman of the Board of Directors (retired) of VHV a. G. and VHV Holding, Hanover;
Chairman of the Board of Directors of PATRIZIA SE, Augsburg

Fritz-Klaus Lange, lawyer
Deputy Chairman
Chairman of the Board of Directors (retired) of Gegenbauer Holding SE & Co. KG, Berlin;
Chairman of the Board of Directors (retired) of RGM Facility Management GmbH, Berlin/Dortmund

Dr. Thomas Birtel
Chairman of the Board of Directors (retired) of STRABAG SE, Vienna/Austria;
Member of the Supervisory Board of Wienerberger AG, Vienna/Austria

Thomas Bürkle
Chairman of the Board of Directors (retired) of NORD/LB;
Norddeutsche Landesbank Girozentrale, Hanover;
Senior Advisor Boston Consulting Group, Boston/USA

Sarah Rössler
Versicherungsgruppe;
Chair of the Supervisory Board of MLP SE, Wiesloch;
Chair of the Supervisory Board of MLP Banking AG, Wiesloch;
Former member of the Board of Directors of HUK -COBURG

Dr. Josef Adersberger
Managing Director of QAware GmbH, Munich;
Advisory Board of TWIP Venture Studio GmbH & Co. KG, Munich

Inclusion of sustainability-related performance in incentive schemes [ESRS 2 GOV-3, 27-29]

REMUNERATION POLICIES AND PRACTICES

The remuneration system of the VHV Group complies with the business and risk strategy of the VHV Group and fosters long-term corporate development by avoiding conflicts of interest or false incentives. The remuneration system, which allows for incentives, is a risk management tool: variable remuneration components can be cancelled in full if company targets and/or individual targets are not met. The remuneration system of the VHV Group includes a fixed portion and a variable portion. An external consulting company is not hired to monitor the remuneration policy independently. The remuneration in the VHV Group is agreed under the following procedures:

- The individual targets for employees are agreed in writing between the employee and their manager at the start of the year.
- The targets of executive employees are agreed with the head of the respective division. The division targets (individual targets) are based on the written agreement between the Board of Directors and Supervisory Board that is entered into at the start of the year.
- Remuneration for Supervisory Board members is defined by the members' meeting in accordance with the legal provisions and the articles of association. It is disbursed at the end of the financial year and includes a fixed amount plus meeting attendance fees.

Variable remuneration depends on the company's earnings (company targets of the VHV Group and the individual company relevant for the respective business areas) and the individual target achievement by employees, executives and top management (individual targets). At the end of a financial year, members of the Board of Directors, managing directors and executive employees receive the qualitative and quantitative targets for the upcoming financial year. Definitive remuneration parameters are also set in order to evaluate target achievement.

All target agreements account for the aspects below (list not exhaustive):

a) Company targets and individual targets are defined in accordance with the business and risk strategy, the risk profile and the long-term interests and performance of the respective company and the VHV Group. No targets should be agreed that could result in conflicts of interest.

b) Company targets and individual targets are agreed with due regard for environmental and social matters as well as proper and ethical corporate governance; they are intended to promote sound and effective risk management and not encourage the assumption of risks that exceed the risk tolerance thresholds of the Group company or of the VHV Group.

c) The company targets apply to the companies of the VHV Group and for the VHV Group as a whole. The individual targets provide for specific agreements regarding the duties and performance of the employees.

[ESRS 2 GOV-1, 22d] Targets and measures are formulated on the basis of the sustainability strategy. The sustainability goals define the desired conditions in the areas of action that need to be achieved. By contrast, the measures describe selected actions with which the realisation of the desired states is pursued.

As part of the target agreement process, the goals of each action area in the sustainability strategy can be realised by defining goals for each Board of Directors division. The targets for each action area include, but are not limited to, product development, investments, environmental management system, disclosure and communication.

The sustainability-related targets set out in the target agreement are agreed in the strategic dialogue. Thematic localisation extends across individual sub-categories of the individual objectives of the target agreement.

Target achievement is monitored during the year in the operational dialogue at ESGC level.

For executive management, the variable remuneration has a target of 45 % (subsidiaries) or 50 % (for those who are also members of the Board of Directors of VHV a. G./VHV Holding) of the fixed salary. The cap on this variable remuneration is 100 % of the fixed salary. A significant portion (at least 30 %) of the variable remuneration is withheld and paid out over a period of three years. The Supervisory Board is also permitted to grant an additional bonus to recognise special performance or results.

For executive employees, the share of variable remuneration is 25 %. The same applies for the responsible persons in key functions. However, a significant portion (at least 30 %) of the variable remuneration is also withheld for these persons and paid out over a period of three years.

The variable and fixed components are defined so as to ensure that the relevant persons are not too dependent on the variable remuneration. Profit sharing is tied to the achievement of the company goals of the VHV Group that are relevant for the Board of Directors, executive employees and employees, with individual performance factors also being taken into account. The compliance with a minimum capital requirement and the equity performance are among the factors for evaluating target achievement as the basis for variable remuneration.

[ESRS 2 GOV-3, 29b/c/d (ESRS E1, 13)] The targets agreed as part of the target agreement process also take into account overarching sustainability targets. Specific sustainability-related targets or impacts are not taken into account in the definition of targets and are therefore not considered in the assessment of performance. This means that no sustainability-related performance parameters are considered as performance benchmarks such as specific emission reduction targets. The following sustainability targets were agreed in the target agreement process in the reporting year:

- Creation of taxonomy quotas
- Preparation of the non-financial statement as at December 31, 2024
- Further development of carbon management for investments

Measured against the overall targets, the sustainability targets accounted for 0.7 %.

[ESRS 2 GOV-3, 29e] The Supervisory Board is responsible for organising the remuneration system for managing directors. The remuneration of members of the Supervisory Board is decided by the members' meeting of VHV a. G. or the Annual General Meetings and Shareholders' Meetings of the respective companies of the VHV Group.

Statement on due diligence [ESRS 2 GOV-4, 30-33]

The VHV Group considers respect for human and environmental rights as a fundamental part of social responsibility. Our corporate due diligence to protect these rights includes our own business operations and all suppliers along the supply chain. In our own business operations, we identify, evaluate and address environmental impacts at least once a year in the environmental management system. Procedures have also been implemented to ensure duty of care is met in the areas of investing and actuarial methods and practices.

The VHV Group minimises the potential negative impacts on the environment and people in connection with its business activities through the use of selected ESG instruments. These include exclusion criteria that are directed against carbon-intensive energy production or actively address compliance with the principles of the UN Global Compact. In addition, the financial market participants of the VHV Group are obliged to report on their strategies for dealing with the adverse impacts on sustainability factors in the annual statement on the most important adverse impacts of investment decisions on sustainability factors.

Risk management and internal controls on sustainability reporting [ESRS 2 GOV-5, 34-36]

The VHV Group has drawn up a binding Group policy that defines the standard requirements for the internal control system. The ICS of the VHV Group consists of all the internal requirements, organisational measures and controls.

[ESRS 2 GOV-5, 36a] All public reports and regulatory reports are validated and approved by the Boards of Directors of the individual companies or, at Group level, by the Board of Directors of VHV Holding/ VHV a. G.. Furthermore, all reports of the key functions under Solvency II are submitted to the Risk Committee of the Supervisory Board.

The departments involved have control processes for updates to each report. These implemented processes also apply to sustainability reporting.

Sustainability reporting includes not only regulatory reports (disclosure regulation and Group Sustainability Statement) but also topic- and event-related reporting to the Board of Directors and Supervisory Board, as well as the respective committees.

The ICS of the VHV Group consists of all the internal requirements, organisational measures and controls. The objectives are:

- Effectiveness and efficiency of business operations
- Complying with laws and ordinances
- Protecting assets, in particular against deliberate damage from within as well as from outside
- Adequacy, completeness and accuracy of internal and external reporting – in particular financial reporting and reporting to supervisory authorities

The ICS includes controls pertaining to the VHV Group, the individual companies, material business processes and monitoring of the primary IT systems.

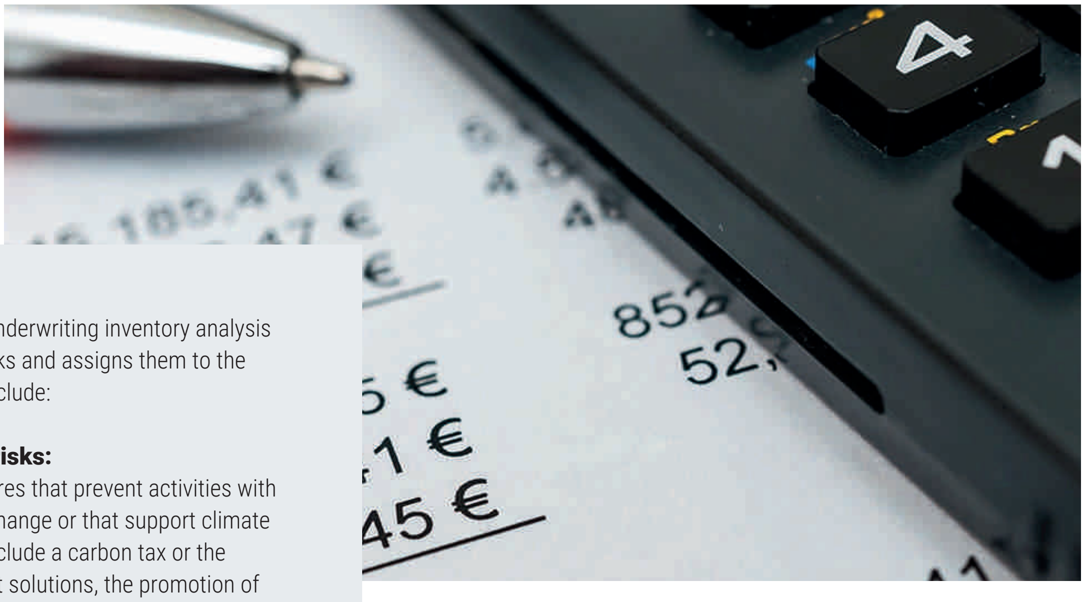
[ESRS 2 GOV-5, 36b] Risk assessment refers to all methods and processes that serve to measure and assess identified risks. The evaluation is carried out in the semi-annual risk assessment via an expert assessment of the risk officers using the probability of occurrence and the potential economic loss as criteria. In addition to this quantitative assessment, an assessment based on qualitative criteria (appropriateness and reputation) is carried out.

The risk owners of the organisational units are in charge of evaluating and documenting the material business processes. "Key controls" are defined from a risk standpoint on the basis of standard materiality criteria.

The ICS is systematically reviewed and evaluated across the Group at least once a year according to a standardised procedure on the basis of a control process (ICS control process). The results of ICS control processes are reported by the IRCF to the Board of Directors and the Risk Committee of the Supervisory Board at least once a year.

[ESRS 2 GOV-5, 36b] To determine the underwriting risk exposure in relation to physical sustainability risks, an inventory analysis was conducted with the underwriting departments of VHV Allgemeine when the methodology was being developed and the findings were prepared in the form of a heat map. The selection of risks considered in the inventory analysis was deductively based on the "PSI Guideline Underwriting environmental, social and governance risks in nonlife insurance business (2021)" and the "Remarks from the findings report of the Damage Insurance Committee of the German Actuarial Association (2021)".

To determine the underwriting risk exposure related to physical sustainability risks, an inventory analysis was also carried out during the development of the methodology with the underwriting departments of HL and the findings were prepared in the form of a heat map.



Besides the physical risks, the underwriting inventory analysis also deals with the transitory risks and assigns them to the strategic risk category. These include:

- **Political and regulatory risks:**
  Political risks include measures that prevent activities with adverse effects on climate change or that support climate change adaptation. These include a carbon tax or the promotion of energy-efficient solutions, the promotion of water-efficient measures or support for sustainable land use practices. The associated risks depend on the type and timing of the political change.

The regulatory risk arises from an increasing regulatory framework in the sustainability context and a subsequent wave of lawsuits due to insufficient organisational adaptations to climate change and inadequate disclosure of significant financial risks. Regulatory risks are also rising as a result of an increase in losses and damage caused by climate change.

- **Technology risk:**
  Technological improvements or innovations that contribute to a transition to a low-carbon, energy-efficient economy can have a significant impact on competitiveness or products and consequently on demand (including technologies such as renewable energy, battery capacity, energy efficiency and carbon storage). Outdated technologies and systems may be replaced by new forms of technology, leading to risks arising from this disruptive process.

- **Market risk (change in the market environment):**
  Due to the increasing consideration of climate-related risks, demand patterns are changing.

[ESRS 2 GOV-5, 36c] Concerning sustainability reporting, there are potential risks with regard to the completeness and integrity of the data, the availability of information and the timing of its availability. These risks will be taken into account and mitigated by the VHV Group's implemented ICS through the allocation of appropriate controls.

[ESRS 2 GOV-5, 36d] The findings of the risk assessment and insurance portfolio analysis and internal controls are incorporated into the annual control process for reviewing and evaluating the ICS.

[ESRS 2 GOV-5, 36e] Sustainability risks are an explicit part of the regular reporting to the Board of Directors and Supervisory Board and are also part of the risk management processes. Reporting on the company's own risk and solvency assessment takes place on a regular basis and on an ad hoc basis. In addition to quarterly reporting as part of the model calculations of the standard formula, standard reporting takes place in particular via the annual ORSA report and during the year via the monthly limit reports. The ORSA report is approved by the Board of Directors and made available to the members of the Risk Committees of the Supervisory Boards and the supervisory authority. Ad hoc risk analyses are also prepared where necessary. In addition, the results of risk analyses relevant to the decision and on an ad hoc basis are reported to the Board of Directors.

ESRS disclosures **at a glance.**

This list shows the disclosure requirements of the European Sustainability Reporting Standards (ESRS) that are fulfilled in this sustainability report and in which chapter the respective disclosure can be found.

NEGATIVE STATEMENTS

Requirements	Abbreviation	Negative statement
ESRS 2 SBM-1, 40a iv	Description of the main products and services subject to prohibitions in certain markets	The VHV Group does not offer any products or services to which prohibitions apply in certain markets.

[ESRS 2 IRO-2, 56]
List of fulfilled disclosure requirements

Requirements	Abbreviation	Paragraph	Chapter
ESRS 2-GOV 1	Board's gender diversity	Paragraph 21 (d)	General information
ESRS 2-GOV 1	Percentage of board members who are independent	Paragraph 21 (e)	General information
ESRS 2-GOV 4	Statement on due diligence	Paragraph 30	General information
ESRS 2-SBM 1	Involvement in activities related to fossil fuel activities	Paragraph 40 (d) i	General information
ESRS 2-SBM 1	Involvement in activities related to chemical production	Paragraph 40 (d) ii	General information
ESRS 2-SBM 1	Involvement in activities related to controversial weapons	Paragraph 40 (d) iii	General information
ESRS 2-SBM 1	Involvement in activities related to cultivation and production of tobacco	Paragraph 40 (d) iv	General information
ESRS E1-1	Transition plan to reach climate neutrality by 2050	Paragraph 14	Environmental information – General
ESRS E1-1	Undertakings excluded from Paris-aligned Benchmarks	Paragraph 16 (g)	Environmental information – General
ESRS E1-4	GHG emission reduction targets	Paragraph 34	Environmental information – General
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Paragraph 38	Environmental information – Own business operations
ESRS E1-5	Energy consumption and energy mix	Paragraph 37	Not material
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors	Paragraphs 40 to 43	Environmental information – Own business operations

Requirements	Abbreviation	Paragraph	Chapter
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions	Paragraph 44	Environmental information – Own business operations
ESRS E1-6	Gross GHG emissions intensity	Paragraphs 53 to 55	Environmental information – Own business operations
ESRS E1-7	GHG removals and carboncredits	Paragraph 56	Environmental information – Own business operations
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks	Paragraph 66	Not material
ESRS E1-9	Disaggregation of monetary amounts by acute and chronic physical risk	Paragraph 66 (a)	Not material
ESRS E1-9	Location of significant assets at material physical risk	Paragraph 66 (c)	Not material
ESRS E1-9	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	Paragraph 67 (c)	Not material
ESRS E1-9	Degree of exposure of the portfolio to climate-related opportunities	Paragraph 69	Not material
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	Not material
ESRS E3-1	Water and marine resources	Paragraph 9	Not material
ESRS E3-1	Dedicated policy	Paragraph 13	Not material
ESRS E3-1	Sustainable oceans and seas	Paragraph 14	Not material
ESRS E3-4	Total water recycled and reused	Paragraph 28 (c)	Not material
ESRS E3-4	Total water consumption in m³ per net revenue on own operations paragraph	Paragraph 29	Not material
ESRS 2-SBM 3 E4	Biodiversity and ecosystems	Paragraph 16 (a) i	General information
ESRS 2-SBM 3 E4	Biodiversity and ecosystems	Paragraph 16 (b)	General information
ESRS 2-SBM 3 E4	Biodiversity and ecosystems	Paragraph 16 (c)	General information
ESRS E4-2	Sustainable land/agriculture practices or policies	Paragraph 24 (b)	Not material
ESRS E4-2	Sustainable oceans/seas practices or policies	Paragraph 24 (c)	Not material
ESRS E4-2	Policies to address deforestation	Paragraph 24 (d)	Not material
ESRS E5-5	Non-recycled waste	Paragraph 37 (d)	Not material
ESRS E5-5	Hazardous waste and radioactive waste	Paragraph 39	Not material
ESRS 2-SBM 3 S1	Risk of incidents of forced labour	Paragraph 14 (f)	Social information – Own workforce
ESRS 2-SBM 3 S1	Risk of incidents of child labour	Paragraph 14 (g)	Social information – Own workforce
ESRS S1-1	Human rights policy commitments	Paragraph 20	Social information – Own workforce
ESRS S1-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Paragraph 21	Social information – Own workforce
ESRS S1-1	Processes and measures for preventing trafficking in human beings	Paragraph 22	Social information – Own workforce

Requirements	Abbreviation	Paragraph	Chapter
ESRS S1-1	Workplace accident prevention policy or management system	Paragraph 23	Social information – Own workforce
ESRS S1-3	Grievance/complaints handling mechanisms	Paragraph 32 (c)	Social information – Own workforce
ESRS S1-14	Number of fatalities and number and rate of work-related accidents	Paragraph 88 (b) and (c)	Social information – Own workforce
ESRS S1-14	Number of days lost to injuries, accidents, fatalities or illness	Paragraph 88 (e)	Social information – Own workforce
ESRS S1-16	Unadjusted gender pay gap	Paragraph 97 (a)	Social information – Own workforce
ESRS S1-16	Excessive CEO pay ratio	Paragraph 97 (b)	Social information – Own workforce
ESRS S1-17	Incidents of discrimination	Paragraph 103 (a)	Social information – Own workforce
ESRS S1-17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Paragraph 104 (a)	Social information – Own workforce
ESRS 2-SBM 3 S2	Significant risk of child labour or forced labour in the value chain	Paragraph 11 (b)	General information
ESRS S2-1	Human rights policy commitments	Paragraph 17	Not material
ESRS S2-1	Policies related to value chain workers	Paragraph 18	Not material
ESRS S2-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Paragraph 19	Not material
ESRS S2-1	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	Paragraph 19	Not material
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain	Paragraph 36	Not material
ESRS S3-1	Human rights policy commitments	Paragraph 16	Social information – Affected communities
ESRS S3-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Paragraph 17	Social information – Affected communities
ESRS S3-4	Human rights issues and incidents	Paragraph 36	Social information – Affected communities
ESRS S4-1	Policies related to consumers and end-users	Paragraph 16	Social information – Consumers and end-users
ESRS S4-1	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Paragraph 17	Social information – Consumers and end-users
ESRS S4-4	Human rights issues and incidents	Paragraph 35	Social information – Consumers and end-users
ESRS G1-1	United Nations Convention against Corruption	Paragraph 10 (b)	Governance information
ESRS G1-1	Protection of whistleblowers	Paragraph 10 (d)	Governance information
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws	Paragraph 24 (a)	Governance information
ESRS G1-4	Standards of anti-corruption and anti-bribery	Paragraph 24 (b)	Governance information

Climate change mitigation: **Every step counts.**

The VHV Group focuses on ESG-compliant investments and insures sustainable technologies as a partner of the economy. It protects its customers against the financial consequences of the increasing number of natural disasters. In order to limit the emissions of its own business operations, the Group is constantly developing and refining its internal environmental management system.

DISCLOSURES IN ACCORDANCE WITH ARTICLE 8 OF REGULATION 2020/852 (TAXONOMY REGULATION)

Background of the EU Taxonomy Regulation

The EU Taxonomy Regulation is a measure under the EU's "Sustainable Finance" plan to classify economic activities as environmentally sustainable. It was set forth in the 2020/852 EU (Taxonomy Regulation) with the aim of promoting investments in "green" business. The Regulation provides a uniform definition of "environmentally sustainable activity".

It is based on the following six EU environmental goals:

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

The EU publishes a catalogue of sustainable economic activities pursuant to the EU Taxonomy Regulation for each of these environmental objectives. Economic activities were selected from sectors that are most important for achieving the environmental goals. That also means that economic activities belonging to these sectors, which have not been listed to date, will not automatically be classified as unsustainable under the EU Taxonomy Regulation.

When it comes to classifying an economic activity as "environmentally sustainable" for the purposes of the EU Taxonomy Regulation, a distinction is made between taxonomy-eligible and taxonomy-aligned. Taxonomy-eligible describes the fundamental ability of an economic activity to be taxonomy-aligned, i.e. ecologically sustainable in terms of the EU Taxonomy Regulation. It does not state whether an activity is environmentally sustainable. However, it is a prerequisite for classification as taxonomy-aligned (or non-aligned).

The amendments to the legal act on Article 8 of the Taxonomy Regulation as part of Delegated Regulation 2023/2486, which came into force on November 21, 2023, stipulate that the first-time application of reporting on taxonomy eligibility with regard to environmental objectives 3 to 6 is already mandatory from the 2023 financial year. However, a transitional phase has been granted for environmental objectives 3 to 6 and the activities included for the first time with regard to their taxonomy eligibility under Delegated Regulation 2023/2486. As a result, financial companies must disclose their taxonomy eligibility for environmental objectives 3 to 6 in the 2024 reporting year.

Economic activities are considered "environmentally sustainable" or taxonomy-aligned if they meet the criteria set out in the EU Taxonomy Regulation. These include both making a significant contribution to the realisation of one or more environmental objectives and that there is no significant impairment of one or more other environmental objectives, which is assessed on the basis of the technical assessment criteria. Compliance with the specified minimum level of protection must also be ensured.

Taxonomy key data of the VHV Group

For the VHV Group, investments and insurance business are relevant for the implementation of the EU Taxonomy Regulation.

The Taxonomy Regulation currently limits the scope of investments that can generally be regarded as taxonomy-eligible and taxonomy-aligned to companies that are obliged to publish non-financial information in accordance with Art. 19a or 29a of the Non-Financial Reporting Directive (NFRD) 2013/34/EU. Therefore, the VHV Group, as an investor, only considers the economic activities of undertakings covered by the NFRD for taxonomy reporting. Real estate and property loans, for example, which can generally be regarded as taxonomy-eligible and potentially taxonomy-aligned, are also taken into account.

The investment figures include all direct and indirect investments, including those in funds, participations, loans, mortgages, property, plant and equipment and, where applicable, intangible assets (excluding goodwill). The key performance indicators are calculated in relation to the total investments less government bonds, investments in central banks and supranational issuers. These are not included in either the numerator or the denominator of the KPI. This also applies to sovereign green bonds.

Investments for which no or only uncertain information is available are not classified as taxonomy-eligible or taxonomy-aligned and are therefore not included in the numerator. For this reason and due to the partial overlapping of the key performance indicators, the sum of the individual ratios below does not equal 100 %.

The first key performance indicator shows the ratio of taxonomy-aligned investments to total investments. Additional information is also produced by subdividing the denominator and numerator. In the denominator, the assets are essentially divided into categories, such as the proportion of derivatives, other counterparties and assets. In the context of dividing the denominator – into financial and non-financial undertakings – the overall proportion of undertakings not subject to the NFRD must be shown, as well as the proportion of non-EU undertakings and those that are therefore not subject to the NFRD. The next KPIs indicate what proportion of the VHV portfolio is subject to the NFRD obligation and what proportion of the investments is not taxonomy-eligible or is taxonomy-eligible but not taxonomy-aligned. In addition, the presentation of the investment key performance indicators without the share of fund-linked life insurance policies reveals their impact on the key performance indicators.

The numerator includes the taxonomy-aligned investments. Additional information is also disclosed here with regard to the proportion of financial and non-financial undertakings, the impact of fund-linked life insurance policies and investments in other counterparties and assets.

In addition, information on taxonomy-aligned economic activities in the area of nuclear energy and fossil gas must be published by the investment entities (issuers) in accordance with Supplementary Delegated Regulation 2022/1214.

Taxonomy-aligned investments

The weighted average value of all investments of insurance or reinsurance undertakings geared towards or associated with the financing of taxonomy-aligned economic activities, **in relation to the value of total assets recognised for the KPI,** with the following weightings of participating interests in undertakings as listed below: Revenue-based: 2.7 % CapEx-based: 3.4 % The percentage of assets recognised for the KPI in relation to the total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in state entities. Recognition rate: 45.7 %	The weighted average value of all investments of insurance or reinsurance undertakings geared towards or associated with the financing of taxonomy-aligned economic activities, with the following weightings of participating interests in undertakings as listed below: Revenue-based: EUR 418.2 million CapEx-based: EUR 529.5 million The monetary value of the assets recognised for the KPI. Excluding investments in state entities. Recognised area: EUR 7,037.6 million

Additional, supplementary disclosures: Breakdown of the denominator of the KPI

The percentage of derivatives in relation to the total assets recognised for the KPI: 0.0 %	The value of the derivatives as a monetary amount: EUR 2.6 million
The share of **exposures to financial and non-financial undertakings which are not subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets** recognised for the KPI: For non-financial undertakings: 9.3 % For financial undertakings: 18.3 %	The value of **exposures to financial and non-financial undertakings that are not subject to Articles 19a and 29a of Directive 2013/34/EU:** For non-financial undertakings: EUR 1,436.4 million For financial undertakings: EUR 2,814.8 million
The share of **exposures to financial and non-financial undertakings from non-EU countries that are not subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets** recognised for the KPI: For non-financial undertakings: 7.0 % For financial undertakings: 5.9 %	The value of **exposures to financial and non-financial undertakings from non-EU countries that are not subject to Articles 19a and 29a of Directive 2013/34/EU:** For non-financial undertakings: EUR 1,078.2 million For financial undertakings: EUR 907.0 million
The share of **exposures to financial and non-financial undertakings that are subject to Articles 19a and 29a of Directive 2013/34/EU** in the total assets **recognised for the KPI**: For non-financial undertakings: 9.2 % For financial undertakings: 33.4 %	The value of **exposures to financial and non-financial undertakings that are subject to Articles 19a and 29a of Directive 2013/34/EU:** For non-financial undertakings: EUR 1,415.9 million For financial undertakings: EUR 5,151.6 million

Additional, supplementary disclosures: Breakdown of the denominator of the KPI

The share of **exposures to other counterparties and assets in** the total assets recognised for the KPI:	21.4 %	The valueof **exposures to other counterparties and assets:**	EUR 3,299.1 million
The share of the insurance or reinsurance undertaking's investments other than investments for life insurance contracts, **where the investment risk is borne by the policy holders:***	98.2 %	The value of the insurance or reinsurance undertaking's investments other than investments for life insurance contracts, **where the investment risk is borne by the policy holders:**	EUR 15,135.1 million

The value of all **investments which** fund **non-taxonomy-eligible economic activities** in relation to the **value of** total assets recognised for the KPI:	
Revenue-based:	36.0 %
CapEx-based:	35.5 %
The value of all investments which fund taxonomy-eligible **but non-taxonomy-aligned** economic activities **in relation to the value** of total assets recognised for the KPI:	
Revenue-based:	24.7 %
CapEx-based:	24.8 %
The value **of all investments which fund non-taxonomy-eligible economic activities**:	
Revenue-based:	EUR 5,550.3 million
CapEx-based:	EUR 5,468.5 million
The value of all investments which fund taxonomy-eligible **but non-taxonomy-aligned** economic activities:	
Revenue-based:	EUR 3,813.5 million
CapEx-based:	EUR 3,830.1 million

*) In accordance with the wording of Delegated Regulation 2021/2178, this KPI is intended to relate to investments that are geared towards or associated with the financing of taxonomy-aligned economic activities. Since this is a KPI that is intended to break down the denominator, this addition is not applicable in our view.

Additional, supplementary disclosures: Breakdown of the numerator of the KPI

The share of **taxonomy-aligned exposures to financial and non-financial undertakings that are subject to Articles 19a and 29a of Directive 2013/34/EU** in the total assets recognised for the KPI: **For non-financial undertakings:** Revenue-based: 1.2 % CapEx-based: 1.5 % **For financial undertakings:** Revenue-based: 1.5 % CapEx-based: 1.8 %	The value of **taxonomy-aligned exposures to financial and non-financial undertakings that are subject to Articles 19a and 29a of Directive 2013/34/EU:** **For non-financial undertakings:** Revenue-based: EUR 183.8 million CapEx-based: EUR 235.6 million **For financial undertakings:** Revenue-based: EUR 228.2 million CapEx-based: EUR 284.2 million
The share of the insurance or reinsurance undertaking's investments other than investments for lifeinsurance contracts, **where the investment risk is borne by the policy holders** , which are geared towards or associated with the funding of taxonomy-aligned economic activities: Turnover-based: 2.8 % CapEx -based: 3.5 %	Value of the insurance or reinsuranceundertaking's investments other than investments held in respect of life insurance contracts **where the investment riskis borne by thepolicy holders**, that are directed at funding, or are associated with, taxonomy-aligned economic activities: Revenue-based: EUR 424.0 million CapEx-based: EUR 535.3 million
The share of taxonomy-aligned **exposures to other counterparties and assets in the total assets recognised** for the KPI: Revenue-based: 0.6 % CapEx-based: 0.6 %	The value of **taxonomy-aligned exposures to other counterparties and assets** in the total assets recognised for the KPI: Revenue-based: EUR 85.6 CapEx-based: EUR 85.6

Breakdown of the KPI numerator by environmental objective

Taxonomy-aligned activities – provided that there is "do no significant harm" (DNSH) and social safeguarding are positively assessed:

1	Climate change mitigation	Revenue: CapEx	2.1 % 2.8 %	Transitional activities: A % (Revenue; CapEx) Enabling activities: B % (Revenue; CapEx)	0.1 % 0.9 %	0.2 % 1.2 %
2	Climate change adaptation	Revenue: CapEx	0.1 % 0.1 %	Enabling activities: B % (Revenue; CapEx)	0.0 %	0.0 %
3	Sustainable use and protection of water and marine resources	Revenue: CapEx	0.0 % 0.0 %	Enabling activities: B % (Revenue; CapEx)	0.0 %	0.0 %
4	Transition to a circular economy	Revenue: CapEx	0.1 % 0.1 %	Enabling activities: B % (Revenue; CapEx)	0.0 %	0.1 %
5	Pollution prevention and control	Revenue: CapEx	0.1 % 0.1 %	Enabling activities: B % (Revenue; CapEx)	0.0 %	0.0 %
6	Protection and restoration of biodiversity and ecosystems	Revenue: CapEx	0.0 % 0.0 %	Enabling activities: B % (Revenue; CapEx)	0.0 %	0.0 %

REVENUE-BASED

Template 1 Nuclear and fossil gas related / activities		
Row	**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/cooling using fossil gaseous fuels.	Yes

Template 2 / Taxonomy-aligned economic activities (denominator)

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 EUR million	%	Amount in EUR million	%	Amount in EUR million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.1	0.0	0.1	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 (EU) 2021/2139 in the denominator of the applicable KPI	8.2	0.1	8.1	0.1	0.0	0.0
4	Amount and proportion of taxonomy-aligned economi-cactivity referred to Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7	**Amount and proportion of other taxonomy-alin-ged economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI**	409.8	2.7	318.6	2.1	15.6	0.1
8	**Total applicable KPI**	418.2	2.7	326.9	2.1	15.6	0.1

Template 3 / Taxonomy-aligned economic activities (numerator)

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 EUR million	%	Amount in EUR million	%	Amount in EUR million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	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 (EU) 2021/2139 in the numerator of the applicable KPI	0.1	0.0	0.1	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 (EU) 2021/2139 in the numerator of the applicable KPI	8.2	2.0	8.1	1.9	0.0	0.0
4	Amount and proportionof taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of theapplicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5	Amount and proportion of taxonomy-alignedeconomicactivity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	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 (EU) 2021/2139 in the numerator of the applicable KPI	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 in the numerator of the applicable KPI**	409.8	98.0	318.6	76.2	15.6	3.7
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	418.2	100	326.9	78.2	15.6	3.7

Template 4 / Taxonomy-eligible but not taxonomy-aligned economic activities

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 EUR million	%	Amount in EUR million	%	Amount in EUR 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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	3.9	0.0	3.9	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 (EU) 2021/2139 in the denominator of the applicable KPI	1.8	0.0	1.7	0.0	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.1	0.0	0.1	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 in the denominator of the applicable KPI**	3,807.7	24.7	1,269.7	8.2	82.8	0.5
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	3,813.5	24.7	1,275.4	8.3	82.8	0.5

Template 5 / Non-taxonomy-eligible economic activities

Row	Economic activities	Amount in EUR million	Percentage
1	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 1 of Template 1 in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1.7	0.0
2	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 2 of Template 1 in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
3	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 3 of Template 1 in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1.8	0.0
4	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 4 of Template 1 in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
5	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 5 of Template 1 in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
6	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 6 of Template 1 in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1.7	0.0
7	**Amount and proportion of other non-taxonomy-eligible economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI**	5,544.9	36.0
8	**Total amount and proportion of non-taxonomy-eligible economic activities in the denominator of the applicable KPI**	5,550.3	36.0

CAPEX-BASED

Template 1 Nuclear and fossil gas related / activities

Row	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/cooling using fossil gaseous fuels.	Yes

Template 2 / Taxonomy-aligned economic activities (denominator)

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 EUR million	%	Amount in EUR million	%	Amount in EUR million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	1.1	0.0	1.0	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 (EU) 2021/2139 in the denominator of the applicable KPI	6.6	0.0	6.6	0.0	0.0	0.0
4	Amount and proportion of taxonomy-aligned economi-cactivity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	2.5	0.0	2.5	0.0	0.0	0.0
5	Amount and proportion of taxonomy-alignedeconomi-cactivity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1.0	0.0	1.0	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.2	0.0	0.2	0.0	0.0	0.0
7	**Amount and proportion of other taxonomy-alig-ned economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI**	518.1	3.4	426.7	2.8	11.1	0.1
8	**Total applicable KPI**	529.5	3.4	437.9	2.8	11.1	0.1

Template 3 / Taxonomy-aligned economic activities (numerator)

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 EUR million	%	Amount in EUR million	%	Amount in EUR million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	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 (EU) 2021/2139 in the numerator of the applicable KPI	1.1	0.2	1.0	0.2	0.0	0.0
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	6.6	1.2	6.6	1.2	0.0	0.0
4	Amount and proportionof taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of theapplicable KPI	2.5	0.5	2.5	0.5	0.0	0.0
5	Amount and proportion of taxonomy-alignedeconomi-cactivity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	1.0	0.2	1.0	0.2	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 (EU) 2021/2139 in the numerator of the applicable KPI	0.2	0.0	0.2	0.0	0.0	0.0
7	**Amount and proportion of other taxonomy-alig-ned economic activities not referred to in rows 1 to 6 in the numerator of the applicable KPI**	518.1	97.9	426.7	80.6	11.1	2.1
8	**Total amount and proportion of taxonomy-alig-ned economic activities in the numerator of the applicable KPI**	529.5	100.0	437.9	82.7	11.1	2.1

Template 4 / Taxonomy-eligible but not taxonomy-aligned economic activities

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 EUR million	%	Amount in EUR million	%	Amount in EUR 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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	1.9	0.0	1.9	0.0	0.1	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.5	0.0	0.4	0.0	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.1	0.0	0.1	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 in the denominator of the applicable KPI**	3,827.6	24.8	1,299.5	8.4	31.2	0.2
8	**Total amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	3,830.1	24.8	1,301.9	8.4	31.3	0.2

Template 5 / Non-taxonomy-eligible economic activities

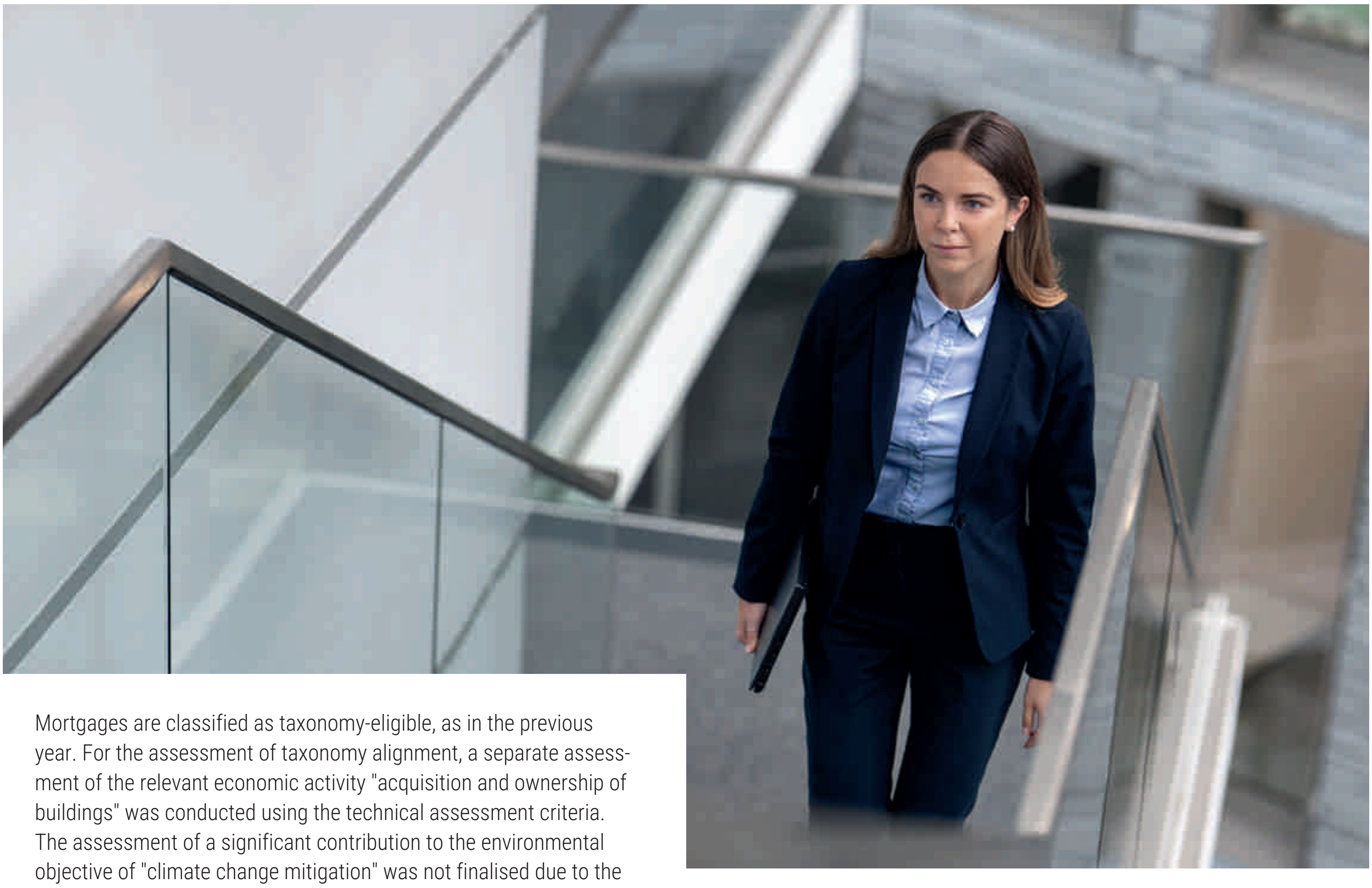
Row	Economic activities	Amount in EUR million	Percentage
1	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 1 of Template 1 in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
2	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 2 of Template 1 in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	4.2	0.0
3	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 3 of Template 1 in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1.0	0.0
4	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 4 of Template 1 in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
5	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 5 of Template 1 in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
6	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 6 of Template 1 in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
7	**Amount and proportion of other non-taxonomy-eligible economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI**	5,463.2	35.4
8	**Total amount and proportion of non-taxonomy-eligible economic activities in the denominator of the applicable KPI**	5,468.5	35.5

The investments are listed at their carrying amount. Total assets less government bonds, investments in central banks and supranational issuers in the 2024 reporting year amounted to EUR 15,415.6 million (previous year: EUR 15,763.9 million). Total assets include the sum of investments, fixed tangible assets and intangible assets excluding investments in governments, central banks and supranational issuers. The item total investments relates to the designation total assets.

Derivatives are not included in the numerator of the key performance indicators and only included in the denominator.

The term other counterparties and assets includes items that do not relate to undertakings, i.e. intangible assets (excluding goodwill), fixed intangible assets, loans to private individuals and real estate.

The disclosures on taxonomy-aligned exposures for the 2024 reporting year include real estate, mortgage loans, mortgage bonds and investments in undertakings which engage in taxonomy-aligned activities. The information on whether the underlying economic activities of investments in undertakings and mortgage bonds were taxonomy-eligible was obtained primarily from an external data provider. For illiquid assets (e. g. participations, private equity and private debt) that were not provided by the external data provider, the information was collected by means of independent research in the form of questionnaires. Only investments that were reported for investments in undertakings subject to NFRD were used.



Mortgages are classified as taxonomy-eligible, as in the previous year. For the assessment of taxonomy alignment, a separate assessment of the relevant economic activity "acquisition and ownership of buildings" was conducted using the technical assessment criteria. The assessment of a significant contribution to the environmental objective of "climate change mitigation" was not finalised due to the lack of consistently available data, particularly energy performance certificates. Mortgages are therefore recognised as not taxonomy-aligned. Work is being done to expand the database, particularly in new business. Investments in real estate funds are also considered to be taxonomy-eligible. To determine taxonomy eligibility, a review was conducted to individual property level. As with mortgages, a separate assessment of the relevant economic activity "acquisition and ownership of buildings" was conducted. The assessment of a significant contribution to the environmental objective of "climate change mitigation" was carried out on the basis of the energy performance certificates. The assessment of a non-significant harming of the environmental objective of "climate change adaptation" was conducted on the basis of the MSCI ESG Real Estate module and the GIS-ImmoRisk Naturgefahren tool from the Federal Institute for Research on Building, Urban Affairs and Spatial Development. Investments in funds and unit-linked contracts are also classified as taxonomy-eligible. A review is also conducted here to evaluate taxonomy alignment. The VHV Group has classified fixed tangible assets and intangible assets as non-taxonomy-aligned.

Data from an external data provider was used to determine the proportion of total investments* of those investments in undertakings that are not required to publish a non-financial statement under EU law. In the case of investments not covered by the external data provider, the information was researched independently. Here too, only information that was reported for investments in NFRD-mandatory investments was used. The latest available published information was consulted for this purpose.

Quality assurance was performed on the third-party provider’s data by the VHV Group. The proportion of investments in governments, central banks and supranational issuers was determined in the same way as the classification in the solvency balance sheet with the exception of instruments with government or state guarantees. Investments with government or state guarantees were classified as taxonomy-eligible or non-taxonomy-eligible in accordance with the economic activity performed, if there was an obligation to prepare a non-financial statement for the investment vehicle.

*) Less investments in governments, central banks and supranational issuers

TAXONOMY-ALIGNED INSURANCE BUSINESS

	Significant contribution to climate change adaptation			Do no significant harm (DNSH)					
Economic activities	**Absolute premiums, year 2024**	**Share of premiums, year 2024**	**Share of premiums, year 2023**	**Climate change mitigation**	**Water and marine resources**	**Circular economy**	**Pollution**	**Biodiversity and ecosystems**	**Minimum protection**
	in EUR million	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**
A.1 Taxonomy-aligned non-life insurance and reinsurance business (environmentally sustainable)	60.3	1.9	0.0	Y	Y	Y	Y	Y	Y
A.1.1 Of which reinsured	3.0	0.1	0.0	Y	Y	Y	Y	Y	Y
A.1.2 Of which from reinsurance activities	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 insurance and reinsurance business (non-taxonomy-aligned activities)	33.3	1.1	3.1						
B Non-taxonomy-eligible non-life insurance and reinsurance business	3,082.3	97.1	96.8						
Total (A.1 + A.2 + B)	3,176.0	100.0	100.0						

The calculation of the proportion of gross premiums written in non-life insurance included the gross premiums written under HGB of the entire VHV Group. As this is a Group view, intragroup transactions were consolidated.

The VHV Group's taxonomy-eligible business segments are other motor vehicle insurance, marine, aviation and transportation insurance as well as fire and other property insurance.

To identify the taxonomy-eligible business segments, the insurance conditions relating to the coverage of climate-related risks were analysed. The VHV Group derives from notice C/2024/6691* published by the European Commission on November 8, 2024 that only the proportion attributable to climate-related risks is to be disclosed when reporting both the taxonomy-eligible and the taxonomy-aligned portions of the premiums written. The VHV Group's taxonomy-eligible premiums shown consist of the climate-related portions of the gross premiums of the taxonomy-eligible business segments where a separation of these was possible. In contrast, the non-taxonomy-eligible proportions include the remaining premium shares of the taxonomy-eligible business segments and the premiums of the occupational disability insurance, motor vehicle liability insurance, assistance cover, general liability insurance, loan and surety insurance, legal expenses insurance and various insurance policies covering financial losses. Due to the high proportion of motor vehicle liability, general liability and loan and surety insurance in VHV Allgemeine's portfolio and also due to the separation of the climate-related proportion of the premiums of the taxonomy-eligible business areas, the taxonomy-eligible share is low at 1.1 %.

Under EU taxonomy, non-life (re)insurance activities can only make a significant contribution to the environmental objective of "climate change adaptation". For this, five technical evaluation criteria must be met:

- Leading role in the modelling and pricing of climate risks
- Product design
- Innovative insurance solutions
- Disclosure of data
- High level of performance after a disaster

For taxonomy alignment, the do no significant harm criterion, i.e. the non-harming of other environmental objectives, and the safeguarding of minimum social protection must also be ensured.

The taxonomy-aligned gross premiums written of EUR 60.3 million (previous year: EUR 1.1 million) with a proportion of 1.9 % consist of a proportion of the household contents insurance for private customers of VHV Allgemeine and, for the first time this year, all of the motor vehicle comprehensive insurance and a proportion of the commercial property insurance. The contributions were determined using individual contract information and meet all technical evaluation criteria. A climate-related proportion of the contributions was also separated here. As household contents insurance and private motor vehicle comprehensive insurance are non-commercial business, the do no significant harm criterion is met. Compliance with the minimum social protection of policy holders is also ensured for non-commercial business. In the case of commercial motor vehicle comprehensive insurance, the do no significant harm criterion for the non-inclusion of insured vehicles transporting hazardous goods is met. In commercial property insurance, certain types of operation such as "coal extraction and processing" or "oil and gas drilling and production plant", etc. are excluded when determining the taxonomy-aligned contracts. With regard to compliance with minimum social standards for business customers in motor vehicle comprehensive and property insurance, VHV Allgemeine pursues a case-based approach. Whether the customer is in breach of minimum social standards is ascertained to the best of the Group's ability based on the available information about the customer. The VHV Group itself meets minimum social standards via the VHV Code of Conduct as well as a legal/compliance department, anti-fraud management system, internal audit department and data protection officer (see also the "General information" section). The reinsured proportion of the taxonomy-aligned gross premiums written was calculated in proportion to the total reinsurance premium for the corresponding divisions.

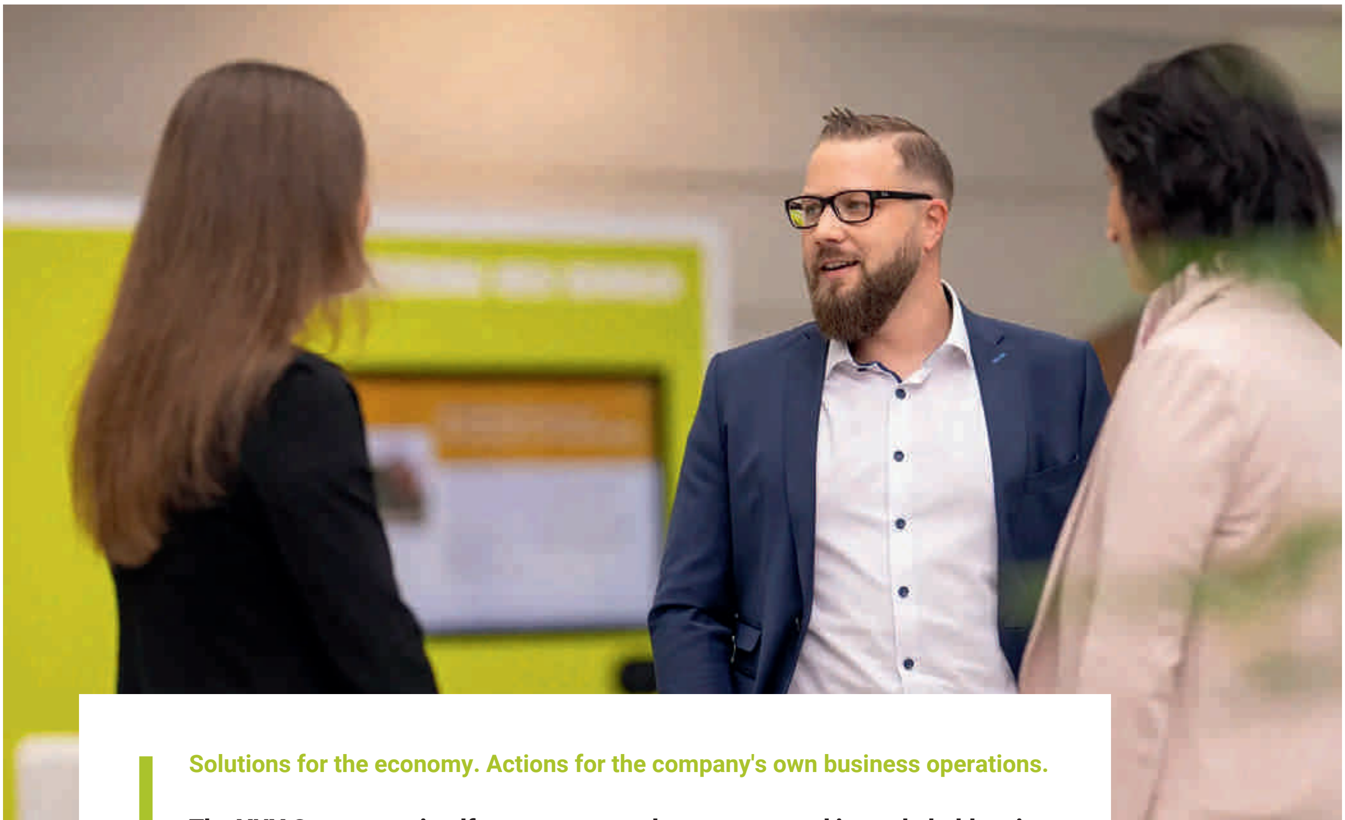
INCLUSION IN THE GROUP STRATEGY

With regard to investments, the VHV Group is not currently seeking a minimum ratio in ecologically sustainable investments within the definition of the Taxonomy Regulation.

In the insurance business, the VHV Group is looking into the possibility of launching further products that are environmentally sustainable within the definition of the Taxonomy Regulation. A minimum ratio is not currently being sought.

(*) Commission Notice on the interpretation and implementation of certain legal provisions of the Delegated Act on disclosure requirements under Article 8 of the EU Taxonomy Regulation on the reporting of taxonomy-eligible and taxonomy-aligned economic activities and assets (third Commission Notice)

Thinking green – *internally and externally.*



Solutions for the economy. Actions for the company's own business operations.

The VHV Group sees itself as a partner to the economy and its stakeholders in the financing and insurance of low-emission technologies. In its own business operations, the VHV Group implements the actions derived as part of the environmental management system it has instituted.

ESRS E1 CLIMATE CHANGE

The VHV Group is dependent on emission reductions in the real economy in both actuarial practice and investments. The VHV Group thus participates in the reduction targets of the real economy.

Further reductions in emissions result from a reorganisation of the insurance and investment portfolio.

The information on ESRS E1 Climate change is divided into a general section and then into the sub-topics of insurance, investments and own business operations.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION [ESRS E1-1, 17]

The VHV Group is guided by the climate change mitigation objectives of the German Insurance Association (GDV), which are in line with the Paris Climate Protection Agreement and aim to achieve a net-zero target for the emissions of its investements by 2050. As a member of GDV, the VHV Group supports its framework conditions and commitments, including actions for the reduction of carbon emissions and the promotion of sustainable investments.

The sustainability strategy is derived from the Group strategy and is linked to the VHV Code of Conduct and its values. It describes the strategic positioning of the VHV Group with regard to sustainability and is divided into six action areas. The VHV Group's sustainability strategy is operationalised by the companies within the scope of the sustainability strategy. Targets and measures are formulated on the basis of the sustainability strategy. The sustainability goals define the desired conditions in the areas of action that need to be achieved. By contrast, the measures describe selected actions with which we pursue the realisation of the desired states.

Furthermore, the VHV Group does not have a transition plan for climate change mitigation for the 2024 financial year. Plans are in place to draw up a transition plan for the future.

Material impacts, risks and opportunities and their interaction with the strategy and business model [(ESRS 2 SBM-3) ESRS E1-1, 18]

The risks identified as part of the materiality assessment are physical risks.

Description of the procedures for identifying and assessing the material climate-related impacts, risks and opportunities (ESRS 2 IRO-1)

[ESRS E1, 20a (ESRS 2 IRO-1)] Unlike companies with a business model that relies heavily on energy and materials, the VHV Group's direct environmental impact is minimal. Instead, the VHV Group contributes in areas where it can have a specific, positive impact and strives to keep its carbon emissionsand use of resources as low as possible for its own business processes.

[ESRS E1, 20b/21 (ESRS 2 IRO-1)] The VHV Group identifies and assesses climate-related impacts and risks using the climate stress tests described in ESRS 2 SBM-3 and as part of the risk management processes described in ESRS 2 GOV-5.

In the climate stress tests, the impacts of the physical and transitory risks are analysed for the risk categories of market risk, non-technical risk and technical risk at VHV Allgemeine, HL and – taking into account the Pensionskasse – within the VHV Group. In addition to the regulatory requirements, publications from the NGFS (Network for Greening the Financial System), which are increasingly being referred to in the regulatory field as a possible starting point for climate scenarios, were also taken into account in the derivation. The assumptions of the climate stress tests are also supported by the "Climate Change Scenarios in ORSA" paper (GDV, March 2023), which describes approaches to implementing regulatory requirements.

The current NGFS Phase IV scenarios comprise six different scenarios. Two of these are used as the basis of the climate scenarios determined in the VHV Group, the "Current Policies" scenario and the "Net Zero 2050" scenario. Both scenarios are determined in the ORSA model on the reporting date of December 31, 2023 and additionally on the future reporting date of December 31, 2053 in the form of a fictitious "leap in time". It is assumed that the rise in temperature and the transition to a lower-carbon economy (e. g. through political decisions or climate-friendly technologies) would have occurred in accordance with the scenario assumptions, but that the VHV Group would have been exposed to this situation with its portfolio as at the reporting date of December 31, 2023. This calculation is to be understood as a first intermediate step towards a projection to be developed in the coming years and follows a proposal from the GDV paper mentioned above. In their current form, the climate stress tests thus cover short-term and, in an initial approximation, medium-term risks that could be expected in the two scenarios over the next 30 years. The aim over the next few years is also to develop a long-term assessment of the risks at the end of the century.

The non-technical risk is primarily exposed to physical risks. In the inventory analysis to determine the risk exposure, risks were identified in particular in the areas of storms, flooding and hail.

However, the additional chronic risks will only materialise in the event of an actual increase in temperature compared to 2023, i.e. by the future date in 30 years. At present, no clear trend can be derived for the future development of storm activity, therefore no climate stress test is currently being carried out for this risk. The GDV paper "Climate Change Scenarios in ORSA" describes possible parameterisations for the risks of flooding and hail. The modelling of the change in the annual expected damage from river flooding for different changes in climate was taken from this analysis (Climate Impact Explorer). Reinsurance brokers can meaningfully adjust the parameterisation of their natural hazard models for the risk of hail on the basis of climate studies. In the scenarios, the damage was therefore re-modelled after an adjustment of the hail frequency and the hail diameter, taking into account the reinsurance structure.

The physical risk is also significant in terms of the technical risk. In the inventory analysis to determine the risk exposure, increased risks were identified, particularly due to the risks of heatwave and the spread of new diseases. No corresponding data is currently available for the spread of new diseases, so the risk of heat is currently being taken into account in the climate stress tests on the basis of studies and expert estimates. To this end, the biometric calculation bases are adjusted according to the scenarios. In contrast to the non-technical risk, however, future mortality expectations are also included in the calculation as at the current reporting date, so that adjustments are also made here as at the reporting date of December 31, 2023.

Besides the physical risks, the underwriting inventory analysis also deals with the transitory risks and assigns them to the strategic risk category. These include:

Political and regulatory risks:
Political risks include measures that prevent activities with adverse effects on climate change or that support climate change adaptation. These include a carbon tax or the promotion ofenergy-efficient solutions, the promotion of water-efficient measures or support for sustainable land use practices. The associated risks depend on the type and timing of the political change. The regulatory risk arises from an increasing regulatory framework in the sustainability context and a subsequent wave of lawsuits due to insufficient organisational adaptations to climate change and inadequate disclosure of significant financial risks. Regulatory risks are also rising as a result of an increase in losses and damage caused by climate change.

Technology risk:
Technological improvements or innovations that contribute to a transition to a low-carbon, energy-efficient economy can have a significant impact on competitiveness or products and consequently on demand (including technologies such as renewable energy, battery capacity, energy efficiency and carbon storage). Outdated technologies and systems may be replaced by new forms of technology, leading to risks arising from this disruptive process.

Market risk (change in the market environment):
Demand patterns are changing due to the increasing consideration of climate-related risks.

Investments are generally affected by both transitory and physical risks. The data basis for calculating the climate stress test is generated using the MSCI Climate Value at Risk (CVaR) module. For the above-mentioned scenarios for the future reporting date of December 31, 2053, both transitory and physical risks are initially modelled in this model and quantified using "climate costs" at individual equity level. The central modelling parameter for transitory risks is the price of carbon dioxide emissions (EUR per tonne CO_2). This means that higher transitory risks are modelled in scenarios with a higher transformation speed towards a low-carbon economy. The geographical location of production facilities and buildings is taken into account when modelling physical risks. The standard CVaR thus calculates potential climate costs up to the year 2100. In order to be able to estimate the costs incurred up to the reporting date of December 31, 2053, the physical costs are recognised pro rata up to this date. The climate costs determined in this way reduce the initial market values for the solvency calculation. The adjusted market values lead to a change in the solvency statement and therefore have a direct impact on own funds.

The impacts of ESG stresses as at December 31, 2023 on the coverage ratios of VHV Allgemeine, HL and the VHV Group amount to only a few percentage points and are negligible overall. For the year 2053, the calculations show somewhat more significant impacts in the "Current Policies" scenario. This is where the increased RCR of Allgemeine is reflected in the natural disaster risk. However, the RCR coverage ratios of HL and the Pensionskasse actually increase in this scenario, as the technical risk decreases due to higher mortality assumptions as temperatures rise. Overall, however, the ESG stress tests focus on chronic risks arising from further increases in temperature. In future, acute risks will be analysed using topical "what if" analyses, which are currently in preparation. Further inventory analyses have already been carried out for this purpose, including geographical diversification.

[ESRS E1, 20c/21 (ESRS 2 IRO-1)]

Climate-related opportunities are taken into account when updating the individual business strategies. They are also part of the product development process for actuarial practice as well as the new product process. Otherwise, climate-related opportunities are not explicitly identified and evaluated at present.

The climate scenarios used in the stress tests are consistent with the critical climate-related assumptions in the financial reporting.

STRATEGIES IN THE CONTEXT OF CLIMATE CHANGE MITIGATION AND CLIMATE CHANGE ADAPTATION [ESRS E1-2, 22-25]

Aside from the content of the sustainability strategy, the VHV Group has not defined any other strategies in connection with climate change mitigation and climate change adaptation. The sustainability strategy takes into account the areas of climate change mitigation, climate change adaptation and energy efficiency in owner-occupied buildings.

Targets and actions are derived in order to operationalise the sustainability strategy, the implementation of which is supported by an effective ESG structure and process organisation with a clear assignment of responsibilities, highly qualified employees and a purpose-oriented use of software applications.

The VHV Group also has policies for managing the following material impacts and risks in the context of climate change mitigation and climate change adaptation:

- **Climate change mitigation in the area of investments**
- **Investments in high-emission industries and sectors**

The strategic requirements for investments are set out in the internal investment policy. The investment strategy is derived from the Group strategy and defines how opportunities and risks are handled. It is adopted by the Board of Directors of VHV a. G. Other thematic strategies also apply to investments, such as the risk strategy and the sustainability strategy, which are also integrated into management and implementation.

The Group investment policy is adopted by the Board of Directors of VHV a. G. and reflects the minimum requirements for investments from the Group's standpoint that must be adopted and further specified in company policies as approved by executive management, taking account of local requirements and conditions. Reference is also made to the internal investment policy here. This is also similar to a company policy.

The binding Group policy comprises and describes the investment philosophy, the investment strategy and the investment process. It takes into account the insurance business, timescales and the legal and regulatory framework conditions. It regulates responsibilities, supervisory measures, the content and scope of investment reporting and the group of addressees.

- **Climate change mitigation in the area of actuarial methods and practices**
- **Climate change in the area of actuarial methods and practices**

The strategic requirements for actuarial practice are set out in the composite strategy for Germany and the life strategy. These strategies are derived from the Group strategy and define how opportunities and risks are handled. They are adopted by the Board of Directors of VHV a. G. Other thematic strategies such as the risk strategy and the sustainability strategy also apply to actuarial practice and are also integrated into management and implementation.

The Group underwriting policy is adopted by the Board of Directors of VHV a. G. and reflects the minimum requirements for underwriting from the Group's standpoint that must be adopted and further specified in company policies as approved by executive management, taking account of local requirements and conditions. Reference is made to the companies' underwriting and acceptance policies here.

The Group policy regulates the principles and requirements for the underwriting and acceptance of insurance risks within the VHV Group. The aim is to ensure that decisions on the acceptance of risks are made on the basis of commercial principles and the defined business alignment. The policy ensures that the responsible specialist departments adopt a holistic perspective that takes into account all relevant aspects of the respective division. It also emphasises that decisions may only be made by specialist departments with the relevant expertise.

The strategies of the VHV Group are updated annually. This cycle ends with the passing of resolutions in the committees of the Board of Directors and Supervisory Board of the VHV Group. There is also a process for updating the written policies at the beginning of each financial year, where Group policies, company policies, rules of procedure and working guidelines are adopted by the committees of the Board of Directors. In addition, compliance with the strategies and policies in the various areas is ensured by the instruments or processes of the internal review of the business organisation.

The organisational level responsible for the policies is the Board of Directors of VHV a. G.

The policies apply generally to consolidated companies depending on the business model of the respective company.

MEASURES AND MEANS IN CONNECTION WITH CLIMATE STRATEGIES [ESRS E1-3, 26-29]

In order to achieve the net-zero target for investments, greenhouse gas emissions from the liquid asset classes of equities and corporate bonds are measured annually and managed in accordance with the management concept. This measure relates to the risk identified under ESRS 2 SBM-3, 48a and the impact on investments. There are currently no measures in place for the other identified risks and impacts. This is due to the prioritisation of the overarching net-zero target for investments.

It is not yet possible to report on the results of the described measure, as the implementation of the management measures is still at an early stage. The continuous measurement and management of greenhouse gas emissions in the liquid asset classes is being carried out for the first time in accordance with the defined management concept, meaning that reliable data will only be available after a longer observation period.

For illiquid assets, plans are in place to bring in additional specialised data providers and this has already taken place in the real estate division. This will help to achieve the greatest possible coverage and a high degree of automation.

Reliable statements on the results achieved can only be made once the integration of the real estate data has been completed.

The aim is to achieve a reduction of 20 % in GHG emissions in the liquid asset classes by the year 2025.

Management is focussed on the maturities and reinvestment of securities. The exclusion and positive criteria introduced in the meantime ensure that investments are no longer made in particularly GHG-intensive issuers.

The management measures implemented to reduce greenhouse gas emissions act as decarbonisation levers by specifically targeting the management of liquid asset classes and the exclusion of particularly GHG-intensive issuers. This is primarily implemented via the adjustment of investment decisions and the consideration of specific exclusion and positive criteria. Nature-based solutions were not used in this context, however, as the measures are primarily focussed on financial market-related management instruments.

TARGETS IN THE CONTEXT OF CLIMATE CHANGE MITIGATION AND CLIMATE CHANGE ADAPTATION [ESRS E1-4, 30-34]

Regarding climate change mitigation and climate change adaptation, the VHV Group has not set any further goals and strategies regarding GHG emission reduction targets in its sustainability strategy, apart from the net-zero target for investments by 2050. This is due to the prioritisation of the overriding net-zero target for investments. By clearly focussing on this target, the objective is to ensure that measures, resources and strategic decisions are aligned to achieve a credible and comprehensive transformation of the portfolio. However, this does not rule out the possibility that additional, specific measures will be added in the course of the transformation process. These will be defined as soon as reliable foundations and experience from ongoing work are available to ensure that they are realistic and effective.

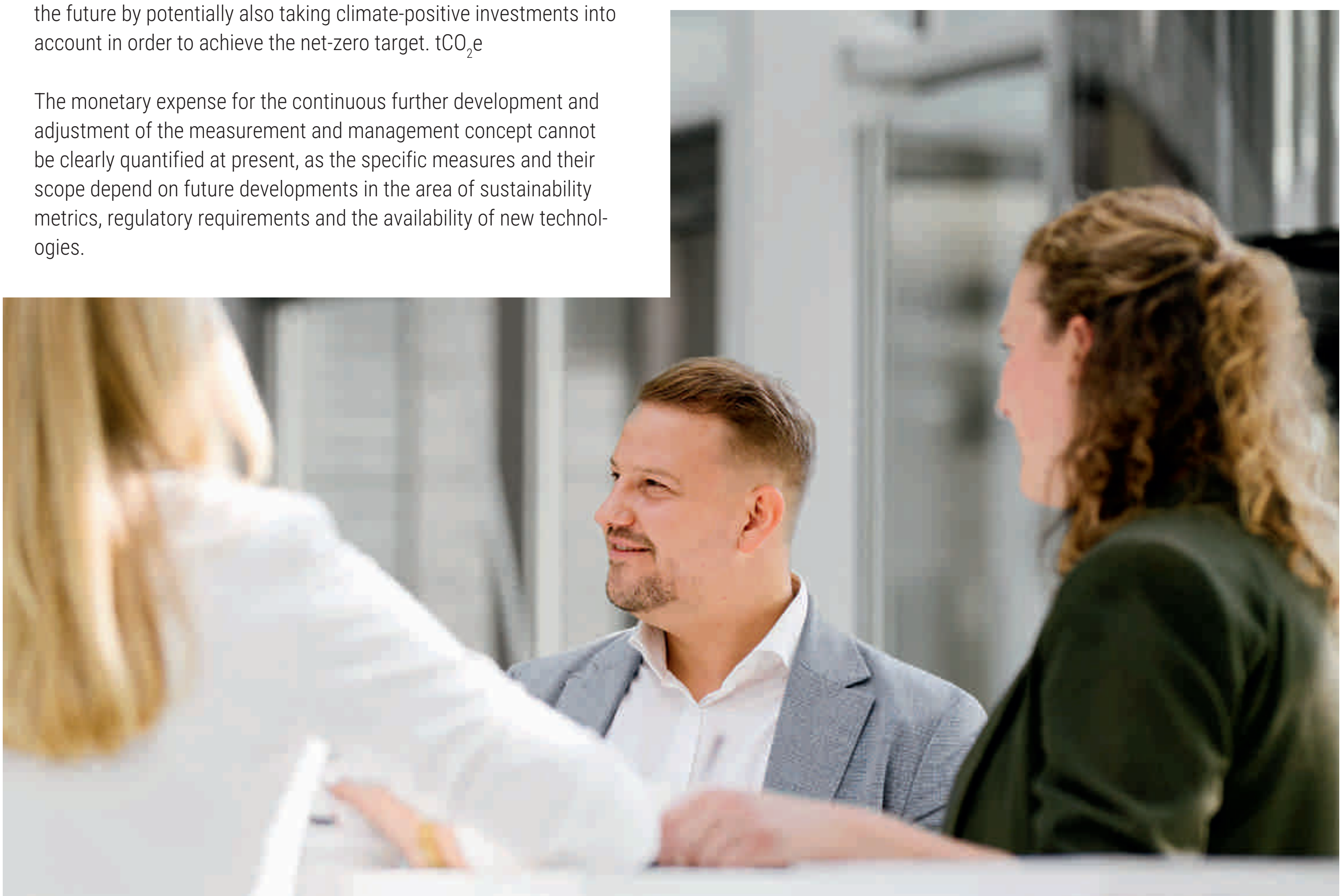
In order to achieve the net-zero target for investments by 2050, a management concept was drawn up from which future GHG emission reduction targets will be derived. The management concept is based on a corresponding measurement of portfolio emissions. The measurement covers the reported Scope 1 and 2 emissions of the asset classes of equities and corporate bonds.

Scope 3 emissions are not used as the quality of the data is currently insufficient. The progress being made in reducing GHG emissions can be tracked by means of separate carbon reporting, which is prepared on an annual basis. Progress is compared with the base year 2021. The starting point for the VHV sustainability strategy and thus for the carbon measurement is 2021. The baseline value for 2021 as the selected base year is 310,000 tCO_2e. The aim is to achieve a reduction of 20 % in GHG emissions in the aforementioned asset classes by the year 2025. This reduction is expected to be achieved. The measurement and management concept is regularly reviewed to establish whether there is any potential for it to be developed and refined. It is then adapted where possible, e. g. by adding additional metrics or including other asset classes to obtain a balanced view in the future by potentially also taking climate-positive investments into account in order to achieve the net-zero target. tCO_2e

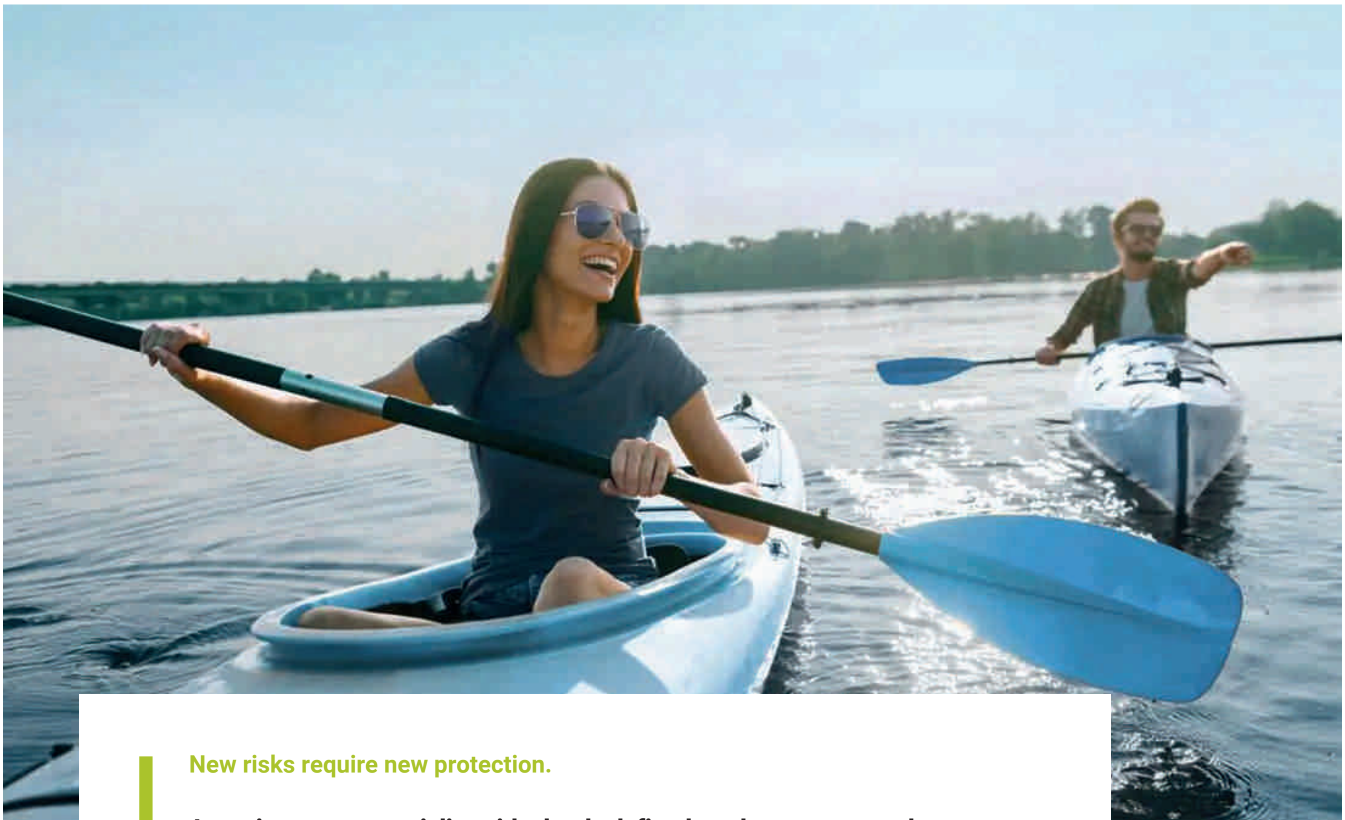
The monetary expense for the continuous further development and adjustment of the measurement and management concept cannot be clearly quantified at present, as the specific measures and their scope depend on future developments in the area of sustainability metrics, regulatory requirements and the availability of new technologies.

INTERNAL CARBON PRICING [ESRS E1-8, 62-63]

The VHV Group does not use an internal carbon pricing system.



Tackling climate change: *providing the right products.*



New risks require new protection.

As an insurance specialist with clearly defined market segments, the VHV Group continually aims to tailor its array of products and insurance solutions to the expectations and needs of its customers and sales partners. Furthermore, the VHV Group believes it must integrate new or changing risks into its products and insurance solutions in order to offer seamless coverage to its customers.

Special account is taken of the sustainability expectations and needs of the VHV Group's customers and sales partners. The Group is committed to design its products and insurance solutions with sustainability aspects in mind while also adhering to the principle of risk-based premium calculation (making sure that the insurance premiums charged can cover future claims payouts, commissions and other costs).

The initiative includes four principles that the member companies must agree to follow:

UN environment programme | finance initiative
Principles for Sustainable Insurance

1. **We will embed** in our decision-making environmental, social and governance issues **relevant to our insurance business.**
2. **We will work together with our customers and business partners** to raise awareness of environmental, social and governance **issues, manage risk and develop solutions.**
3. **We will work together with governments, regulators and other key stakeholders** to promote widespread action across society on environmental, **social and governance issues.**
4. **We will demonstrate accountability and transparency** in regularly disclosing publicly our progress in implementing the **Principles.**

The VHV Group has been a member of the Principles for Sustainable Insurance (PSI) initiative since 2022.

AN ACTIVE ROLE IN COMBATING CLIMATE CHANGE

The VHV Group fulfils its responsibility by supporting the transformation process with its products and insurance solutions.

"Green building" – serving as an instrumental partner to the construction industry

Climate change mitigation and climate change adaptation, energy efficiency, resource conservation, affordable housing, digitalisation and a state-of-the-art infrastructure are the main challenges to the construction industry of tomorrow. More and more customers are seeking project stakeholders with sustainable practices along everystep of the way – i.e. "green building". As Germany's leading speciality insurer for the construction industry, the VHV Group offers a wide range of services with its VHV construction insurance policies. Our current generation of products already includes special benefits for green building. Specifically when it comes to liability insurance for architects and engineers, the range of services has been expanded to include, for example, ESG due diligence (analysis/expert opinion on a construction project or building in terms of ESG risks) and co-insurance to cover e-charging stations and wallboxes.

Renewable energies – performance-driven insurance coverage for the energy transformation

Renewable energies – and making them more widely available – are an essential part of the energy transformation. The supply of energy must become more climate-friendly while Germany reduces its dependence on the import of fossil fuels. The VHV Group supports the energy transformation, offering comprehensive insurance coverage in the renewable energies sector for more than 15 years. This includes, but is not limited to, insurance on photovoltaic systems including solar power battery storage and wallboxes, hydroelectric and wind power plants, geothermal energy and biogas facilities. These are all risk insurance policies for damage to the policyholder's property. At the same time, the quick and professional resolution of any damage helps to prevent or reduce the potential negative downstream environmental impacts. The VHV Group currently has more than 60,000 photovoltaic systems and more than 1,600 biogas systems in its portfolio of contracts.

E-mobility and telematics: our active role in promoting mobility that is kind to the climate and the environment

Electromobility is one of the keys to creating an innovative, sustainable transport network and to reaching the climate goals in the transportation sector. The operation of electric vehicles results in much lower carbon emissions, particularly in conjunction with regenerative power. The VHV Group already plays an active role in the transformation to climate-friendly and environmentally conscious mobility in Germany, thanks to its auto insurance products with special added benefits for e-vehicles, such as "all-risk" coverage and coverage of auxiliary equipment. VHV auto insurance rates offer the option for a telematics component. Telematics is an innovative technology which combines telecommunications and IT and that can be used to record data on driving behaviour. Discounted premiums are available, depending on the policyholder's driving habits that are recorded and analysed.

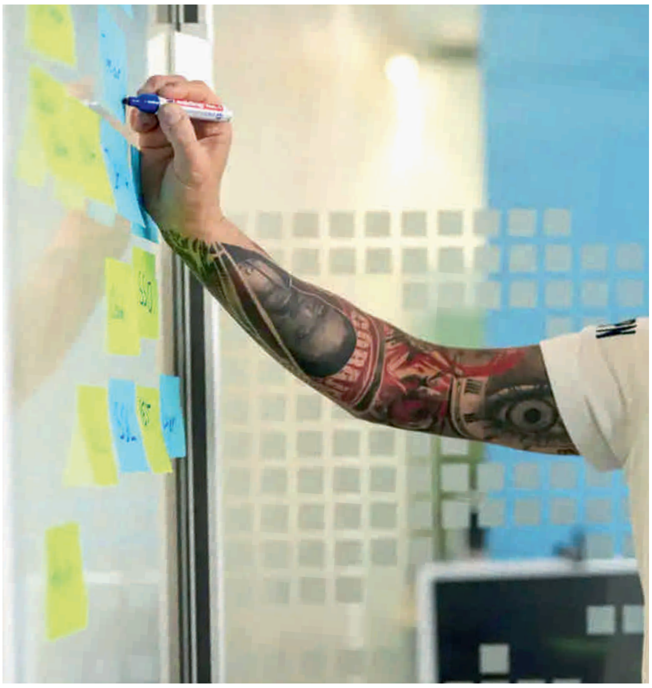
Risk coverage, security and pensions – customer care from A to Z

The VHV Group also educates consumers on the need for sustainability in life insurance and pension products. The VHV Group focuses on its core business – insurance for biometric risks in the segments of term life, pension and occupational disability insurance. Sustainability aspects are taken into account when identifying target markets and monitoring products. In the pension insurance category, customers can select the degree of sustainability they prefer based on the specific fund for fund-linked annuity insurance. These funds have a good track record not only in financial terms (value over time), but also when it comes to environmental, ethical and social matters (e. g. earning the FNG-Label for sustainable funds). The range of options has included sustainable funds for some years now. Future changes to the selection of funds will increasingly focus on sustainable funds and ETFs.

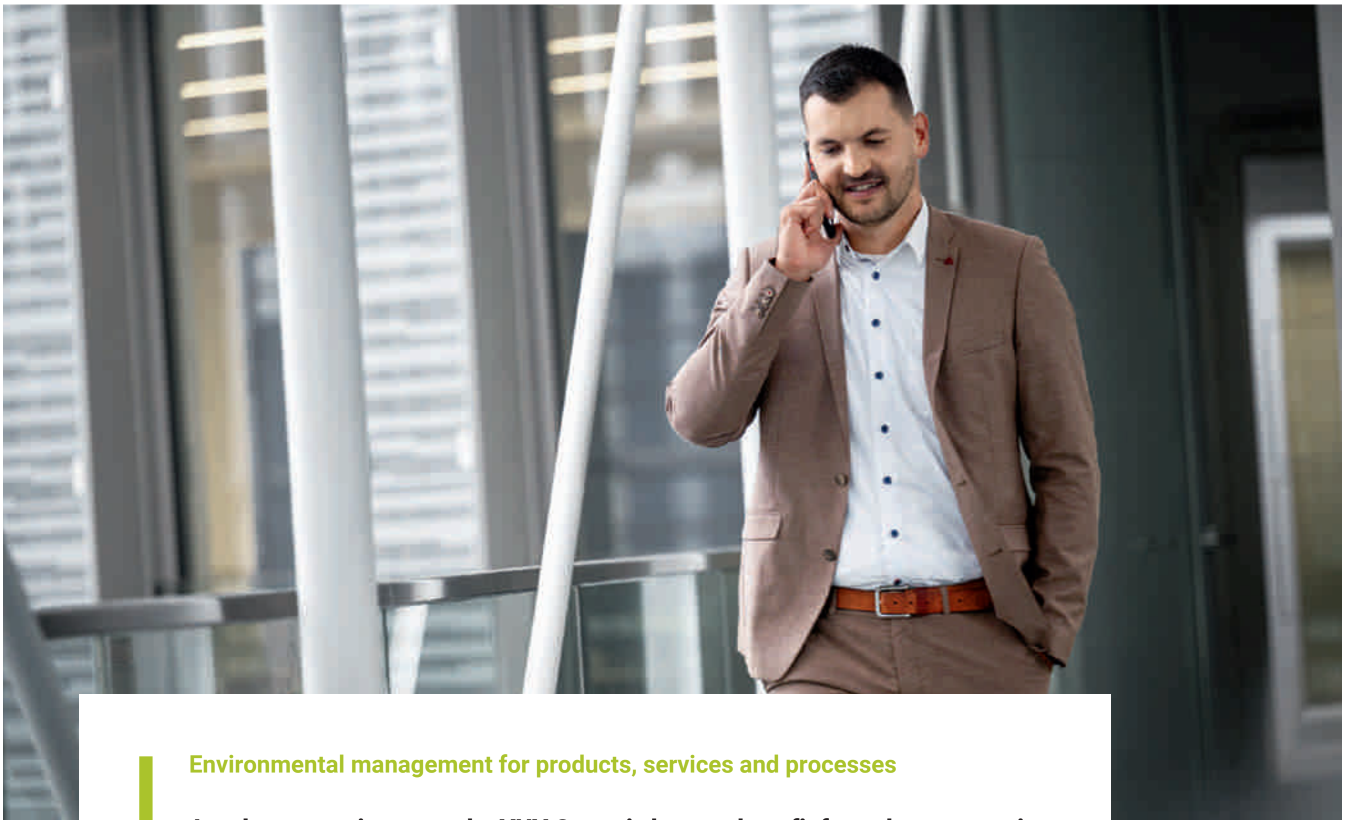
RISK HEDGING "HANDLING CLIMATE CHANGE"

As a result of climate change, natural disasters are on the rise, as is damage from climate-related natural disasters. Now more than ever we must ensure protection against the financial consequences. In addition to the natural hazards cover in comprehensive insurance, the VHV Group's household contents and residential building insurance for private customers and business property and building insurance for commercial customers protect the policyholders' property in the event of damage from fire, storms, hail and any resulting business interruptions. Additional natural hazards can also be insured. The VHV Group offers tiered supplementary cover that provides financial compensation for damage caused by flooding and backwater, for example.

The VHV Group currently offers its customers comprehensive insurance coverage against natural hazards.



Using the transition as an opportunity: *investments that retain their value.*



Environmental management for products, services and processes

As a long-term investor, the VHV Group is keen to benefit from the opportunities of the transition to a sustainable economy while managing the accompanying risks as early as possible. To meet the financial requirements of its companies, ensuring that investments retain their value takes priority.

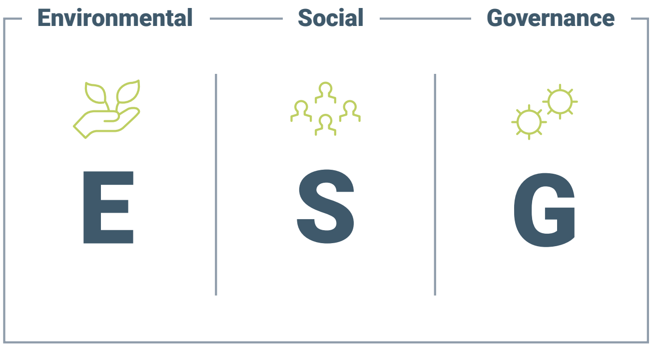
SUSTAINABILITY MANAGEMENT IN THE VHV GROUP'S INVESTMENTS

When making investment decisions, the VHV Group also considers sustainability risks relating to environmental, social and governance issues (ESG criteria) that could negatively affect the value of the investments.

As a responsible investor, the VHV Group understands that its investment decisions can have an impact on ESG matters. It takes account of factors that might have an adverse sustainability impact on sustainability and works to reduce them. The VHV Group sees the most important negative effects in climate change and its considerable relevance for the economy and society. With a high volume of assets under management and an average residual term of its customers' investments of well over more than ten years, it is possible to limit these negative effects as early as possible. Accordingly, the VHV Group focuses on the negative sustainability impacts of greenhouse gas emissions, carbon footprint and greenhouse gas intensity.

Applying sustainability/ESG criteria helps the VHV Group to achieve its general purpose of optimising the risk/return profile.

WAVE manages the investments of the VHV Group. Before and after taking on new mandates, WAVE regularly ensures that all sustainability criteria as defined by the customer are taken into account during the investment process and are monitored through risk management.



ESG INVESTMENT STRATEGY OF THE VHV GROUP

ESG integration
The VHV Group has integrated ESG criteria into its investment decision processes, risk management and investment policies. This holistic concept comprises various ESG investment strategies:

Exclusion criteria
By setting exclusion criteria, risks to the portfolio should be reduced and new investments avoided that could have principle adverse sustainability impacts from the VHV Group's standpoint. The exclusion criteria are defined on the basis of the ESG goals and internationally recognised standards, such as the ten principles of the UN Global Compact, the core labour standards of the ILO, the OECD Guidelines for Multinational Enterprises and the Convention on Cluster Munitions, all of which correspond to the values of the VHV Group.

Specifically, for example, exclusions have been defined for controversial corporate behaviour. Standards-based screening is therefore applied to the investment process with regard to severe violations of the UN Global Compact, the OECD Guidelines for Multinational Enterprises and the core labour standards of the ILO (International Labour Organization). This is intended to reduce the proportion of investments in companies that are involved in violations of the UN Global Compact principles, the ILO core labour standards or the OECD Guidelines for Multinational Enterprises.

No new investments will be made with issuers who fall under the above exclusion criteria. Existing holdings that are affected are sold within a defined period. The ESG exclusion criteria are applied to direct holdings and special securities funds. In the case of illiquid assets, they are applied when new investments are underwritten.

ESG exclusion criteria of the VHV Group for companies

Exclusion based on business activity

Categorically excluded:

Controversial weapons

Excluded from significant sales:

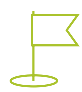
Coal-fired power generation
(30 % revenue tolerance)

Fracking and tar sand
(5 % revenue tolerance)

Exclusion based on conduct

Severe violations of:
- 10 Principles of the **UN Global Compact**
- **ILO core labour standards**
- **OECD Guidelines for Multinational Enterprises**

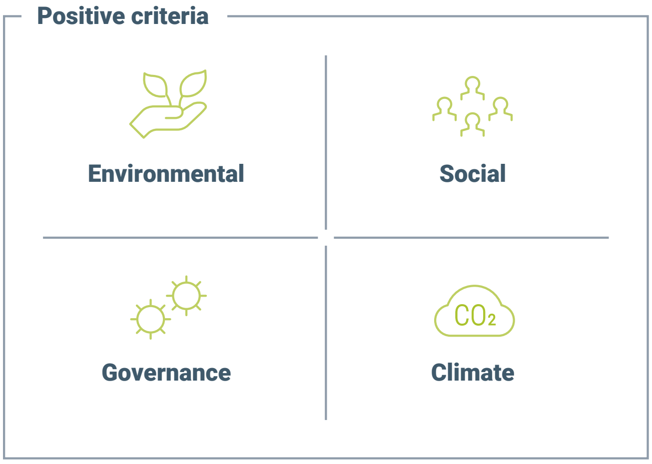
Global standards



Controversies

Positive criteria

To achieve a high level of ESG quality in the portfolio, positive selections are made. This is based on ESG scores that the VHV Group obtains from a sustainability data provider. For this purpose, the pillars of sustainability are analysed separately for each issuer and narrowed down during a selection process. This fosters investments in issuers that are not exposed (to a significant extent) to adverse sustainability impacts. The Low Carbon Transition Score is one factor in evaluating the climate-related ESG components.



In addition to these approaches, the VHV Group relies on dialogue and cooperation in the form of the following elements:

Engagement

The VHV Group conducts engagement activities in the form of event-driven dialogues with issuers and/or data providers. The aim of the measure is to improve the ESG quality of issuers, broaden the investment universe and enhance the ESG quality in the portfolio. This is intended to resolve any conflicts of objectives that may arise. The criterion for taking action is any identified violations of the ESG investment criteria.

Membership in associations and initiatives

The VHV Group solidifies its commitment through membership in sustainability initiatives. This membership supports collaborative achievement of sustainability goals when it comes to investments and the Group is able to further develop its own approaches and processes in consultation with experts. Reporting enables customers and sales partners of the VHV Group to monitor its sustainability efforts. As a member of the Principles for Responsible Investment (PRI) initiative, the VHV Group is committed to implementing the following principles for responsible investment:

Six principles for responsible investing

1. We will **incorporate ESG issues** into investment analysis and decision-making processes.
2. We will be **active owners** and incorporate ESG issues into our ownership policies and practices.
3. We will **seek appropriate disclosure on ESG issues** by the entities in which we invest.
4. We will **promote acceptance and implementation** of the **Principles** within the investment industry.
5. We will work together to **enhance our effectiveness** in implementing the Principles.
6. We will each report on our **activities and progress** towards implementing the Principles.

Accounting for ESG criteria in the investment process

Step 1
Exclusion criteria

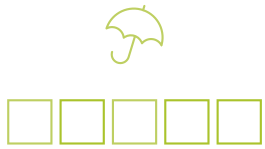
Companies
- Controversial weapons (e. g. land mines and cluster bombs)
- Severe violations of the UN Global Compact, the ILO core labour standards and the OECD Guidelines for Multi-national Enterprises
- Fracking and tar sand (5 % revenue tolerance)
- Coal-fired power generation (30 % revenue tolerance)

Governments
- Positive list of countries

Step 2
Positive criteria

- Detailed evaluation of the sustainability of an issuer in the areas of E (Environmen-tal), S (Social) and G (Governance)
- Minimum thresholds for ESG scores
- Inclusion of climate components with positive limits based on the Low Carbon Transition Score (which measures the transition risks for companies working towardslow-carbonoperations)

Step 3
Risk management



- Climate-related scenario analyses
- Climate stress tests

Portfolio

VHV GROUP /

ESG in risk management

The integration of sustainability risks into risk management is supported by the ESG instruments described above. Risk is limited using negative criteria such as exclusion as well as limits based on ESG scores. All the available qualitative and quantitative ESG data is used in risk management for analytical purposes. Along with a classic scenario analysis, climate-related scenarios are also examined in order to identify physical and transitory risks.

This involves calculating the climate value-at-risk (CVaR). This encompasses climate scenarios with different temperature paths and an analysis of the physical risks in the form of natural hazards and their potential impact on production facilities and buildings. The results of the climate VaR calculation include the forecast loss in the market value of the portfolios as a result of climate development.

Sustainability and external managers

Sustainability criteria are amongst the selection criteria when we hire new financial services providers. Newly selected external managers must prove that they invest responsibly, e. g. by signing the UN PRI and/or by complying with the rules of conduct of the Bundesverband Investment und Asset Management e. V. In addition, strategies for dealing with sustainability risks must be implemented. They can document their eligibility with an ESG policy and guidelines for exercising voting rights. External managers also report on their strategies (and their status of implementation) for handling sustainability risks during the regular investment committee meetings. The same applies to external managers that we already work with. The exclusion and positive criteria set forth above are also binding for external managers. Any portfolio changes that may result must be made by these external managers within a certain time period.

The criteria listed here are the minimum criteria for responsible investments that are generally observed by the VHV Group. Stricter ESG criteria also apply to individual products. For example, the WAVE Total Return ESG, an investment fund managed by WAVE, which has repeatedly been awarded the FNG-Label, the industry standard for sustainable investment in German-speaking countries.

Thematic investments with an ESG focus

For more than ten years, the VHV Group has invested specifically in the area of renewable energies and infrastructure in order to promote environmentally conscious energy production, i.e. the transformation of the energy industry. The focus in the form of direct investments and fund investments was on renewable energies such as solar, onshore wind and offshore wind. Both equity and debt investments were made throughout Europe. Infrastructure investments are an integral part of the strategic asset allocation, and there are plans to further increase investment allocations in the long term. Investments meeting ESG criteria include the following areas:

Wind energy

Solar energy

Public transport

Grid infrastructure (power)

Green/social/ sustainable bonds

Certified properties

As at the reporting date, the VHV Group's portfolio comprised EUR 1,063 million in infrastructure investments, of which EUR 294 million was attributable to renewable energies alone.

Technical implementation and automation
The VHV Group obtains sustainability information such as ESG scores and checks for the existence of exclusions from the sustainability data provider MSCI ESG for publicly traded securities (corporate bonds, bank loans including mortgage bonds and listed shares) and for overnight and term deposits and integrates this into its IT systems for use and processing. The physical and transitory risks of real estate are also evaluated using a tool from the sustainability data provider MSCI ESG.

In order to achieve comprehensive ESG integration, qualitative ESG evaluations are conducted during a due diligence process for private markets (from the asset classes of private equity, infrastructure equity, credit investments and real estate). This results in categories with a view to ensuring comparability with the ESG evaluation for publicly traded investments. External experts are consulted as needed.

All defined ESG limits are stored in the investment management system and are automatically included in all trading and risk management processes and used for control purposes.

The VHV Group continually works to enhance coverage of the assets under management using information regarding the sustainability impact. This will help to achieve the greatest possible coverage and a high degree of automation.

Net-zero target in the portfolio until 2050
One of the greatest challenges of our time is to fight climate change, a very relevant factor in the economy and society.

The VHV's objective is to make a significant contribution to decarbonisation with a climate neutral portfolio by 2050.

On this basis it will develop a management concept in accordance with scientific findings and the availability of suitable measurement tools. With this in mind, the VHV Group wants to help define capital flows in line with the goals of the Paris Agreement. The VHV Group sees the first key step to reaching this goal as regularly measuring greenhouse gas emissions in the liquid portfolio, with retroactive effect as at 31 December 2021, and has developed a management concept on this basis. This is regularly reviewed and, where possible, refined. To reduce carbon emissions in the portfolio, a 20 % reduction in the asset classes of corporate bonds and equities by 2025 has been defined as a voluntary interim target.

Possible redevelopment options such as the installation of solar power systems are being examined for the investments made in the context of the real estate funds.

In the reporting year, financed emissions totalled 151,542 tonnes of CO_2 with an intensity of 8.54 tonnes/million. The coverage of the financed emissions is 40.74 %.

Moving systematically **towards greater internal sustainability.**

Environmental management for products, services and processes.

As part of its continuing efforts in environmental protection, the VHV Group has introduced an environmental management system based on ISO 14001 for its defined area of application, which supports it in this endeavour and provides it with a suitable framework.

THE ENVIRONMENTAL POLICY OF THE VHV GROUP

Compliance with all obligations as part of the environmental system is among the VHV Group's priorities. Its products, services, processes and day-to-day operations are taken into account by this system. The VHV Group aims to ensure that the requirements of environmental management are fulfilled, the processes are clearly described and continuously improved and that all its employees are able to do their part towards the continuous improvement of the company's environmental practices.

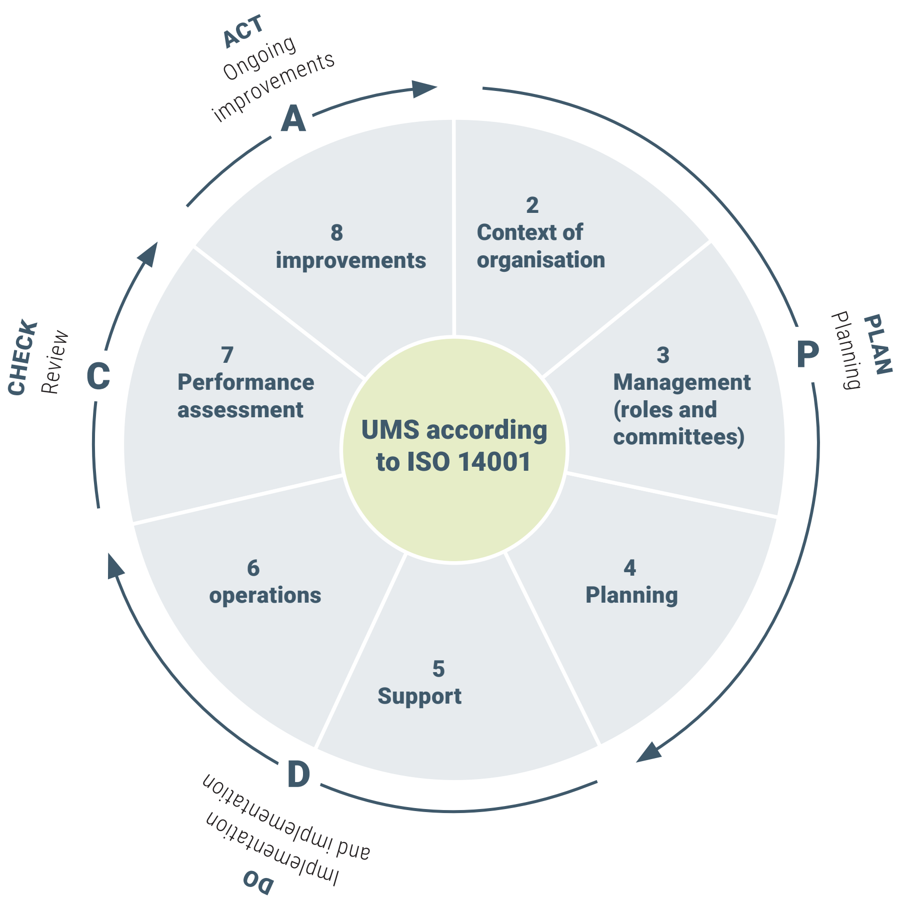
To meet its binding obligations, the VHV Group defines targets for its environmental management system, which are measured with certain key figures. The VHV Group undertakes to protect the environment by taking the actions at its locations to reduce or avoid a negative impact on the VHV Group's environmental footprint. With this in mind, the VHV Group aims to continually reduce its carbon emissions and consumption of energy and resources in its business processes. Since 2022, the VHV Group has offset those carbon emissions that it cannot reduce in its business operations. The VHV Group follows the established standards when developing measures for improvement to its internal environmental management system such as ISO 14001.

THE ENVIRONMENTAL MANAGEMENT SYSTEM

The environmental management system is based on ISO 14001, which uses the Plan-Do-Check-Act (PDCA) cycle. The cycle comprises four elements and begins with planning, in which environmental objectives and corresponding processes are defined. The second part, "do", involves implementing the processes, after which part three, "check", reviews the results and measures them against their objectives. In the final part, the "act", actions are then taken to improve the situation.

The environmental management system in effect covers all management and auxiliary processes at the headquarters in Hanover, the management offices in Berlin and Munich and all regional offices in Germany, as well as business trips and company cars. The environmental management system applies to these companies:

- VHV Vereinigte Hannoversche Versicherung a. G.
- VHV Holding SE
- VHV Allgemeine Versicherung AG
- Hannoversche Lebensversicherung AG
- VHV International SE
- VHV solutions GmbH
- WAVE Management AG
- Pensionskasse der VHV-Versicherungen



ENERGY CONSUMPTION AND ENERGY MIX [ESRS E1-5, 35-37]

The VHV Group discloses the following total energy consumption in KWh in connection with its own business operations:

Energy consumption (in kWh)	2024
Energy consumption from non-renewable sources	
District heating	5,152,043
Natural gas	1,093,293
Fuel oil	30,000
Electricity	545,805
Total amount of fossil energy	**6,821,141**
Energy consumption from renewable sources	
"Green" power	8,271,186
Geothermal	1,173,006
Total renewable energy	**9,444,192**

The VHV Group does not consume energy from nuclear sources. The energy generated by the photovoltaic system of the company's kindergarten facility is not significant and is therefore not separately disclosed.

CARBONFOOTPRINT OF THE VHV GROUP BY SCOPE [ESRS E1-6, 44-46]

Carbon emissions can be divided into three categories (scopes) under the Greenhouse Gas Protocol.

Scope 1
Emissions from sources that are directly owned or controlled by the company (e. g. operation of its own boilers).

Scope 2
Emissions from the use of energy purchased by the company (e. g. its own electricity consumption, heating, cooling).

Scope 3
Emissions resulting from activities not directly owned by the company (e. g. from business trips or waste management).

The VHV Group discloses the carbon emissions determined in its environmental management system below.

[ESRS E1-6, 50] The reported emissions cover the consolidated group.

[ESRS E1-6 47] There have been no changes compared to the previous year.

[ESRS E1-6, 48] The VHV Group does not fall under the scope of regulated emissions trading systems, meaning that the reported greenhouse gas emissions do not include any emissions from egulated emissions trading systems.

CARBONEMISSIONS

[ESRS E1-6, 48-51] Under its environmental management system, the VHV Group can measure its carbon emissions from each scope based on the latest data on hand.[1,2]

Carbon emissions In tCO_2e	**2024**
Scope 1	**2,168.2**
Gas and fuel oil consumption	225.8
Fleet management	1,942.4
Scope 2 location-based	**4,730.2**
Electricity	3,288.2
Heat consumption	1,442.0
Scope 2 market-based	**618.4**
Electricity	144.4
Heat consumption	474.0
Scope 3	**1,297.6**
Paper usage	0.8
Water consumption	10.9
Waste	10.5
Business trips (rail)	49.8
Business trips (air travel)	201.6
Employee commuting[2]	1,013.8
Hire cars	10.2

[1] A presentation of Scope 1 and Scope 2 emissions differentiated by accounting group and associated companies is not provided.
[2] The carbon emission values were partly determined on the basis of data from 2023, which was used to extrapolate the values for 2024.

The calculation of greenhouse gas emissions is based on the multiplication of activity data (e. g. energy consumption in kWh) with predefined emission factors. Emission factors are key figures for calculating greenhouse gas emissions. They quantify the amount of greenhouse gases emitted per unit of activity.

The calculations of greenhouse gas emissions are based on the following emission factors:

- Receipts from fuel suppliers
- Values in the literature, e. g. from the Federal Environment Agency

[ESRS E1-6, 52a] The total GHG emissions derived from the underlying Scope 2 GHG emissions measured using the location-based method amount to 8,196 tCO_2e.

[ESRS E1-6, 52b] The total GHG emissions derived from the underlying Scope 2 GHG emissions measured using the market-based method amount to 4,084.2 tCO_2e.

[ESRS E1-6, 53]

Intensity of greenhouse gas emissions	2024
Total GHG emissions (location-based) per net income (tCO_2/currency unit)	0.00000205
Total GHG emissions (market-based) per net income (tCO_2/currency unit)	0.00000102

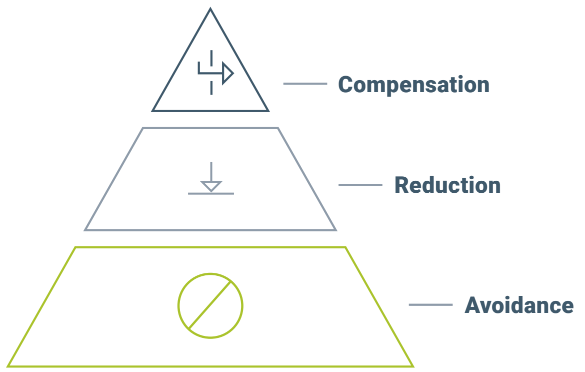
[ESRS E1-6, 55]

Reconciliation of net income with the corresponding item or statements in the financial statements	2024
	Corresponding item or statement in the financial statements
Net income used to calculate the greenhouse gas intensity	EUR 3,992,618,382

The details of net income can be found in the 2024 consolidated annual report.

For the long term, the VHV Group aims to avoid carbon emissions as its top priority before all other forms of reducing emissions.

Forms of emission reduction



It has the most influence on both management buildings owned by the VHV Group, because modifications can be made to those systems and technologies. At rented properties, consumption can be reduced mainly through reducing the size of the office space and raising awareness among employees.

OFFSETTING CARBON EMISSIONS [ESRS E1-7, 56-61]

Offsetting is part of a climate-friendly strategy and reduces the impacts of unavoidable emissions after methods for prevention and reduction have been exhausted.

The VHV Group considers the following criteria when choosing compensation providers:

Additionality
Additionality in offsetting projects means that the project would not have been possible without financing from carbon certificates.

Permanence
Permanence in compensation projects means that the emissions saved through climate protection projects must be permanent.

Non-profit organisation

Exclusivity
Exclusivity (avoiding double counting) for offsetting projects means that the carbon emissions saved by the projects and the resulting certification can only be used once to offset other carbon emissions.

Standards
Compliance with established standards such as the "Verified Carbon Standard (VCS)" and the "Gold Standard".

[ESRS E1-7, 59-61] As the emissions as at December 31, 2024 have not yet been fully submitted, the emissions as at December 31, 2023 will be disclosed here. Offsetting is carried out annually and for the emissions of the participating companies identified within the implemented environmental management system. With this aim in mind, the VHV Group offset the direct emissions as at December 31, 2023, fleet management in 2024 and the energy it purchased in 2024. In the year under review, the VHV Group offset 650 tonnes of CO_2 through the offsetting provider atmosfair. As a proportion of the quality standard, 100 % of the carbon credit is covered by the Gold Standard, while the proportion of the corresponding adjustment is also 100 %. The donated climate protection contribution supports a project in Nepal for the construction of biogas plants. Further offsetting was carried out directly by the fuel card provider so that the emissions resulting from the fleet are directly offset.

There are no plans for carbon offsetting outside the described value chain beyond this.

In addition, HL offset a further 231 tCO_2 through the offsetting provider PRIMAKLIMA for the marketing campaigns it ran. As a proportion of the quality standard, 100 % of the carboncredit is covered by the Verra Standards Verified Carbon Standard and Climate, Community & Biodiversity Standard (CCBS). The proportion of the corresponding adjustment is zero per cent.

[ESRS E1-7, 58] The VHV Group has not developed any projects for the reduction and storage of greenhouse gases within its own activities as well as within the upstream and downstream value chain.

[ESRS E1-7, 60-61] To achieve climate neutrality in the operations of the companies involved in the environmental management system, the Scope 1 and 2 emissions identified as at 31 December 2023 and selected Scope 3 emissions are offset through appropriate offsetting providers. These are organisations that offer carbon offsetting certificates or projects to offset the greenhouse gas emissions that are produced. Climate neutrality is currently achieved entirely through offsetting. The VHV Group has not yet set any GHG emission reduction targets for its own business operations.

Reduction measures

- Bike station – installation of a charging infrastructure for e-bikes
- Repair of the thermal insulation in the underground car park


NEGATIVE STATEMENTS ESRS E1

Requirements	Abbreviation	Negative statement
ESRS E1-1, 14-17	Transition plan for climate change mitigation	The VHV Group has not derived an explicit transition plan. Nevertheless, the topic remains in focus and the option to create such a plan is kept open at all times if required or if suitable opportunities arise.
ESRS E1-3, 29c	Measures for climate change mitigation and climate change adaptation and the resources allocated for their implementation	On the basis of current knowledge, no significant amounts of money required for the operational implementation of the measures taken or planned are apparent. Significant opportunity costs for investment decisions are also not expected.
ESRS E1-5, 38-43	Energy consumption and energy mix	The VHV Group is not active in climate-intensive sectors in relation to its own business operations.
ESRS E1-8	Internal carbon pricing	The VHV Group does not use an internal carbon pricing system.
ESRS E1-9	Anticipated financial effects of material physical risks and transition risks as well as potential climate-related opportunities	In accordance with Annex C of ESRS 1, the company may omit the disclosures prescribed in ESRS E1-9 in the first year of preparation of the sustainability statement. The VHV Group utilises this phased-in regulation.
ESRS E1-Appendix A, E1-6, AR 43c	Disclosures of biogenic carbon emissions from the combustion or bio-degradation of biomass separate from Scope 1 GHG emissions	There are no direct activities in which biogenic emissions are relevant.
ESRS E1-Appendix A, E1-6, AR 45e	Disclosures of biogenic carbon emissions from the combustion or bio-degradation of biomass separate from Scope-2-GHG emissions	There are no carbon emissions from the combustion or bio-degradation of biomass.
ESRS E1-Appendix A, E1-6, AR 46g-j	Disclosures on the value chain of Scope 3 categories	It is not currently possible to measure emissions along the value chain of Scope 3 categories.

Supporting people.
Strengthening the community.

Five elementary, binding values characterise our dealings with each other in the VHV Group. Not only in cooperation between employees, but also in dialogue with sales and with customers.

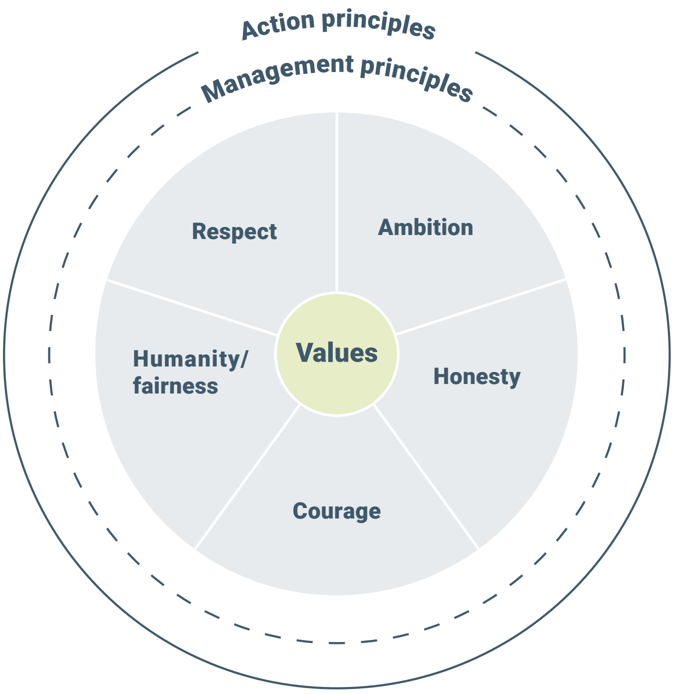
In accordance with the ESRS size criteria, the qualitative sections containing quantitative disclosures in the "Social information – Own workforce" section are based on a group comprising the following companies: VHV Vereinigte Hannoversche Versicherung a. G., VHV Holding SE, VHV Allgemeine Versicherung AG, Hannoversche Lebensversicherung AG, VHV digital development GmbH, VHV solutions GmbH, WAVE Management AG, Hannoversche Direktvertriebs-GmbH, VVH Versicherungsvermittlung Hannover GmbH, digital broking GmbH, Hannoversche Consult GmbH.

In contrast, the following companies are taken into account for the quantitative disclosures for ESRS S1-6, ESRS S1-8, ESRS S1-9 and for the incapacity for work rate ESRS S1-14: VHV Vereinigte Hannoversche Versicherung a. G., VHV Holding SE, VHV Allgemeine Versicherung AG, Hannoversche Lebensversicherung AG, Pensionskasse der VHV Versicherungen, VHV International SE, VHV Reasürans A.S., VHV Allgemeine Sigorta A.S., VHV Italia Assicurazioni S. p. A., VAV Versicherung Aktiengesellschaft, VHV digital development GmbH, VHV solutions GmbH, WAVE Management AG, Eucon Digital GmbH, Eucon GmbH, InterEurope AG European Law Service, InterEurope Beteiligung GmbH, WAVE Private Equity SICAV SIF.

FOR AN ATTRACTIVE WORKING ENVIRONMENT

Five values on the path to sustainability

For the VHV Group, corporate culture with its five core values – often referred to internally as DNA – forms the basis of collaboration within the company. The values of respect, ambition, honesty, courage and humanity/fairness were developed jointly by the employees of the VHV Group back in 2009 and used to operationalise specific leadership and action principles that guide our dealings with each other and with our customers and sales partners.



MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH THE STRATEGY AND BUSINESS MODEL OF STAKEHOLDERS [ESRS S1 13-16 (ESRS 2 SBM-3)]

[ESRS S1 13a (ESRS 2 SBM-3] The actual and potential impacts on own workforce are taken into account when updating the strategies. Social aspects and human rights issues such as secure employment, working time, adequate wages, equality and diversity are taken into account when assessing materiality. In addition to the labour law regulations already in force and the collective agreement for the private insurance industry, the VHV Group has also joined the UN Global Compact and signed the Diversity Charter.

This framework promotes the consideration of employees' interests.

[ESRS S1 13 (b) (ESRS 2 SBM-3)] Material risks arise in the area of employer attractiveness against the backdrop of the increasing shortage of skilled labour in so far as this means that suitable skilled workers cannot be found. At the same time, this environment also offers an opportunity, provided that the VHV Group can differentiate itself from its competitors.

[ESRS S1 14a (ESRS 2 SBM-3)] All employees who have a current employment contract directly with a company of the VHV Group or with a subsidiary as at the reporting date of December 31 are taken into account.

Not taken into account:

- Employees in the passive phase of semi-retirement
- Employees on parental leave
- Employees who receive an occupational (disability) pension
- Employees who are unable to work for a period lasting more than 78 weeks (sickness benefits are discontinued by the health insurance fund)
- Trainees and apprentices (as they are on apprenticeship contracts)
- Members of the executive boards and committees (e. g. members of the Board of Directors)
- Temporary staff and agency workers (not recognised under personnel expenses)

Definition of non-employees:
Self-employed persons and persons provided by agencies.

[ESRS S1 14b (ESRS 2 SBM-3)] As part of its regular risk analyses and human rights due diligence, the VHV Group has no indications that systemic violations of human rights, such as child labour or forced labout, occur in the contexts in which it operates or that its business activities are associated with such practices in certain countries or regions outside the EU. There is also no evidence that individual incidents, such as industrial accidents or environmental disasters (e. g. oil spills), are directly or indirectly related to the business activities of the VHV Group.

[ESRS S1 14d (ESRS 2 SBM-3)] Material risks in the area of employer attractiveness arise from the growing shortage of skilled labour.

[ESRS S1 14f/g (ESRS 2 SBM-3)] There is currently no known significant risk of incidents of forced labour or child labour.

[ESRS S1 15 16 (ESRS 2 SBM-3)] There are currently no known risks of forced labour or child labour based on the instruments of the LkSG.

STRATEGIES RELATING TO OWN WORKFORCE [ESRS S1-1, 17-24]

These topics are part of the overarching Group strategy and are integrated into the HR strategy.

The refined Group strategy defines excellent Group functions, employer attractiveness and the topics of corporate culture and values as key success factors for the VHV Group. In addition, demographic developments (declining number of employees, generational change) and the associated challenges on the labour market as well as the further development of the VHV Group in its Group structure have made a new Group HR strategy necessary, which we have been working on intensively in recent months.

[ESRS S1-1, 19] The consideration of interests and social concerns of employees are of central importance to the VHV Group. Management, the employee representatives and the employees work together for a fair balance of company interests and social responsibility.

Compliance with the following rules and regulations are an essential part of this obligation:

- Statutory regulations
  (e. g. AGG – General Act on Equal Treatment, JArbSchG – Young Persons (Protection of Employment) Act, ArbZG – Working Hours Act, MuSchG – Maternity Protection Act, BEEG – Parental Allowance and Parental Leave Act, SGB – Social Code)
- VHV values and Code of Conduct
- UN Global Compact
- Works agreement on "Compatibility of work and family life"
- Regulations on occupational health and safety under (general) works agreements
- Collective bargaining agreements for the private insurance industry

HUMAN RIGHTS POLICY [ESRS S1-1, 20-22]

The VHV Group considers respect for human and environmental rights as a fundamental part of social responsibility. Our corporate due diligence to protect these rights includes our own business operations and all suppliers along the supply chain within the definition of the LkSG.

For this purpose, the VHV Group has adopted a policy statement on the protection of human rights as a human rights strategy to affirm its commitment to values and social responsibility. The policy statement covers the issues of human trafficking, forced labour and child labour. A human rights officer has also been appointed.

Managers are obliged to complete internal awareness training on the Supply Chain Due Diligence Act and to train their employees in compliance with human and environmental rights. The training is available to every employee of the VHV Group under "My Academy".

If employees become aware of human rights violations, they can report them using the whistleblower system:
https://www.bkms-system.com/vhv-gruppe
This information is known to every employee via Worknet and the VHV Group website. The link can also be used by non-employees of VHV.

The human rights officer carries out the overarching risk analysis of LkSG risks and reviews the measures for prevention and remediation. The risks identified are assessed, prioritised and communicated to the management. The risk analyses are carried out at least once a year or on an ad hoc basis (e. g. in the event of reports in the BKMS system).

The VHV Group does not accept or tolerate violations of human and environmental rights in any form. The VHV Group is therefore actively committed to the following protected legal positions and thus complies with Section 2 of the Supply Chain Due Diligence Act (LkSG). The VHV Group is making a clear and unequivocal commitment to its values and social responsibility with its policy statement on the LkSG. The VHV Group undertakes to observe the human rights and environmental due diligence obligations set out in the LkSG in its own business area and in its supply chain in an appropriate manner with the aim of preventing or minimising human rights or environmental risks or ending the violation of human rights or environmental obligations.

To comply with the human rights and environmental due diligence obligations set out in the LkSG, the VHV Group identifies and assesses associated risks across borders. Its aim is to safeguard the legal positions outlined in the LkSG to promote a fair and just society.

- Prohibiting child labour
- Prohibiting forced labour and all forms of slavery
- Prohibiting discrimination
- Appropriate remuneration for the work performed
- Safeguarding employment rights and occupational safety
- Safeguarding the right to form a coalition or association and the right to collective bargaining
- Lawful deployment of private and public personnel
- Safeguarding land rights
- Protecting environmental rights

The policy statement on the LkSG can be viewed on the VHV Group website.

As already explained, the further development of the ESG investment approach to include the asset class of government bonds is also planned for the 2025 reporting year. This measure aims to continuously develop sustainability efforts in investments. Specifically, the intention is to make new investments in government bonds only in countries that are categorised as "free" by Freedom House. This measure is intended to ensure that countries with serious violations of democratic rights and human rights are excluded from investments.

In addition, the VHV Group has strategies/policies for managing the following material impacts and risks with regard to its own workforce:

- Risks in the area of employer attractiveness against the backdrop of the increasing shortage of skilled labour
- Risk of excessive demands on employees due to a misguided HR strategy

The strategic requirements for the VHV Group's HR policy are set out in the HR strategy. This is formulated consistently in line with the Group strategy. The HR strategy focuses on the optimisation and automation of HR processes, the introduction of digital solutions and the expansion of capacities in order to operate efficiently and with an eye to the future. At the same time, uniform processes and structures are created through Group-wide standards, international harmonisation is promoted and clear remuneration models are established, while long-term competitiveness is ensured through systematic HR planning, the promotion of young talent and employee retention and commitment. It is adopted by the Board of Directors of VHV a. G.

The Group policy on human resources is adopted by the Board of Directors of VHV a. G. and reflects the minimum requirements for HR management from the Group's standpoint that must be adopted and further specified in company policies to be approved by the management, taking account of local requirements and conditions. Reference is made here to the company policy of the same name.

> The Group policy regulates the central requirements and principles of the HR policy within the VHV Group.

It ensures that the HR departments of all companies in the VHV Group act in a standardised manner by providing clear guidelines for the recruitment, development and retention of employees as well as the promotion of corporate values, quality standards and an attractive employer image. The aim is to implement a consistent and sustainable HR strategy that supports the long-term competitiveness and success of the VHV Group.

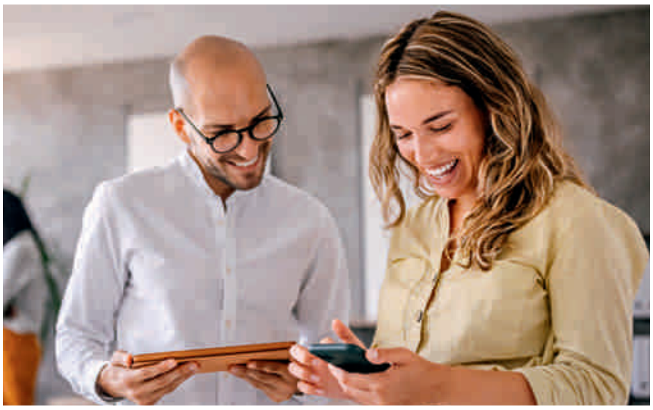
The strategies of the VHV Group are updated annually. This cycle ends with the passing of resolutions in the committees of the Board of Directors and Supervisory Board of the VHV Group. There is also a process for updating the written regulations at the beginning of each financial year, where Group guidelines, company guidelines, rules of procedure and working guidelines are adopted by the committees of the Board of Directors. In addition, compliance with the strategies and policies in the various areas is ensured by the instrument or process of internal review of the business organisation.

The organisational level responsible for policies is the Board of Directors of VHV a. G.

The policies apply generally to consolidated companies depending on the business model of the respective company.

Code of Conduct [ESRS S1-1, 24]

The VHV has designed a Code of Conduct to reinforce its own corporate governance system. It includes key rules such as the values, guidelines for action and management and anti-corruption principles and serves as a guideline for conduct by employees in professional relationships with each other, business partners and the general public (e. g. equal opportunities, freedom from discrimination). The person responsible for the compliance function is the highest level of responsibility for this Code of Conduct and for its implementation.



The Code of Conduct is freely accessible to all employees on the VHV Group intranet and is distributed to new employees when they are hired. Employees are updated regarding any changes. The Code of Conduct is also available on the VHV Group website. Corporate governance is also managed by numerous Group and company policies as well as the Code of Conduct for data protection by the GDV.

If the Code of Conduct has been defined in special policies or regulations for individual areas or companies in the Group, these apply in full in addition to the Code of Conduct.

The VHV Group and its entire staff are obliged to comply with the principles of action and corporate values. We wish to make particular note of "respect" as a value, which is intended to foster the individual personalities of the employees along with equal opportunities and freedom from discrimination.

The Group expects all employees to respect the personal dignity and rights to privacy of each and every individual.

[ESRS S1-1, 24b] We do not tolerate discrimination on the basis of race or ethnic origin, gender, religion, ideology, disability, age, or sexual identity. Nor do we tolerate sexual or other personal harassment or insults.

[ESRS S1-1, 24d] Cases of discrimination and violations of the values of the VHV Group or the binding requirements of the Code of Conduct can be reported anonymously via the implemented whistleblower system. All reports are tracked so that cases of discrimination can be contained and combated.

DIALOGUE ON MEASURES BY EXECUTIVE MANAGEMENT [ESRS S1-2, 25-29; ESRS S1-2, 27A-E), 28]

The VHV Group consults with the employee representatives regarding the company's further development. The management seeks dialogue with various committees at an early stage, Especially when decisions or changes have a direct impact on the workforce.

Future plans are presented to the working groups or responsible committees (Economic Committee, Personnel Committee, Social Committee, etc.). Works council agreements or other regulations are negotiated with the employee representatives for key topic areas.

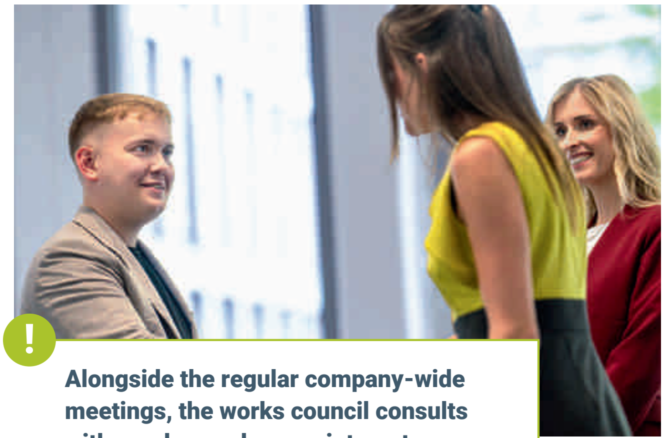
[ESRS S1-2, 27d] The VHV Group has adopted a human rights strategy to safeguard human rights.

[ESRS S1-2, 27e] In addition to ongoing dialogue, the effectiveness of collaboration with the company's own workforce is also assessed, for example, by means of regular employee surveys.

The VHV Group uses additional communication channels to keep the entire staff apprised of developments, including the employee newsletter "GRÜN", the intranet, regular company information and video messages.

The works council includes the following committees:

- Technology Committee*
- Economic Committee*
- solutions GmbH Committee*
- Social Committee*
- Sales Committee*
- Joint committee on remuneration (Section 6 of the general works council agreement on remuneration)
- Joint committee ESM – vehicle claims
- Joint committee ESM – property claims
- Development Advisory Board (general works council steering committee)
- Steering committee BGM ([general] works council members)*
- Joint committee on the new operations model
- Joint committee on converting special compensation into leave



Alongside the regular company-wide meetings, the works council consults with employees by appointment.

Options for addressing problems

[ESRS S1-3, 30-34; ESRS S1-3, 32] The Board of Directors has created a special position (management employee representative) for regular and timely dialogue between the Board and the employee representative bodies. There is also the option to file complaints and discuss problems here.

Each month, the works council holds a regular meeting with the CEO and the spokespeople from the Board of Directors of the main companies. The Head of Group Human Resources and the holder of the position of management employee representative take part in this meeting. In addition, a second monthly meeting is held between employee representatives, the Head of Group Human Resources and the management employee representative.

Employees can also express concerns or address grievances outside of the committees and regular meetings. This takes place at company-wide meetings or as part of the whistleblower system anchored in the compliance management system (see ESRS G1-1). Dates of the works meetings are published on the intranet ("Worknet") of the VHV Group. Worknet also has a page with information on the whistleblower system.

The VHV Group institutes appropriate remedial action if negative impacts on its own workforce are identified. The effectiveness of this action is monitored by internal controlling measures.

*) Inklusive Gesamt-Schwerbehindertenvertretung

Consequences for employees under employment law
Any violations of the rules are handled under the defined disciplinary process. This process should ensure correct, fair treatment of employees as well as different degrees of response depending on the type and severity of the violation and the impact on the company.

When considering disciplinary measures, the HR department must take account of certain aspects, including, but not limited to:

- Type and severity of the violation
- Degree of fault
- Extent of damage
- Potential for repeat offence
- Individual circumstances of the case

Management of opportunities and risks in the area of HR
There are various measures to minimise risks that the company incurs due to its dependence on its own employees. These include, for example, the disciplinary process, the whistleblower system, identifying money laundering and other reliability checks (e. g. IDD). The VHV Group has adopted the following measures to foster employee development:

> **Profit sharing model**

> **goDIGITAL.Workspace**

> **Executive assistant programme**

> **Professional development opportunities**

> **Diversity@VHV**

> **MeWE**

Characteristics of the company's employees [ESRS S1-6, 48-50]

With regard to the key figures, please refer to the overviews at the end of this chapter. The data required for this was generated from the systems of the VHV Group. The data was collected at the end of the reporting period (reporting date December 31, 2024). For the fully consolidated subsidiaries that are not integrated into the systems, the data was retrieved, quality assured and consolidated manually. No assumptions or methods were used. The data is shown as the number of persons.

Pay-scale agreement coverage and social dialogue [ESRS S1-8, 60a-c]

The VHV Group is a member of the AGV (Employers' Association of Insurance Companies in Germany). As a result, when existing pay-scale agreements are amended or new ones are drafted, this has a direct impact on the working conditions in the VHV Group. The employment contracts comply with the pay-scale agreement in its applicable version. The salary level in the VHV Group therefore changes automatically with the collectively agreed salary level. The same is true for other regulations under pay-scale agreements. Comparable regulations are in place for Group companies that do not fall under the scope of a pay-scale agreement.

The employees are represented by the works council and the Supervisory Board. These representatives are elected in accordance with the relevant statutory regulations (BetrVG and German Stock Corporation Act). There were no reorganisation matters that affected employees' rights to information and consultation.

[ESRS S1-8, 63] The employees of the VHV Group are represented by the following employee representative bodies:

- SE works council of VHV Holding SE
- General works council of the VHV Group
- Local works councils in Berlin, Munich and Hanover as well as in the North and West Sales Offices
- Comité social et économique (CSE – Economic and Social Committee) in the French branch of VHV Allgemeine AG

The other subsidiaries have the option of establishing their own works council in accordance with the applicable regulations.

Further disclosures on pay-scale agreement coverage and social dialogue can be found in the appendix to this chapter.

Diversity parameters (ESRS S1-9)
The diversity parameters are shown in the appendix to this chapter.

While the VHV Group does not have a separate diversity policy, it does meet the legal requirements. Under the laws regarding equal representation of women and men in management positions in the private economy and public service, VHV Holding is required to define quotas in order to increase the percentage of women, along with deadlines for compliance.

The VHV Group defines the top management level as the first or second level below the administrative and supervisory bodies. Specifically, the F1 level is defined as the first management level below the Board of Directors, while the F2 level describes the second management level below the Board of Directors.

The company has defined a target of 11.1 % for the Supervisory Board and a target of 0.0 % for the Board of Directors. The proportion of women on the Supervisory Board is 16.7 %. The Board of Directors target is based on the fact that while the composition of the Board of Directors recently changed due to some members retiring, their succession had already been arranged in-house in accordance with long-term planning and internal organisational decisions. For reasons of business efficiency, it is not useful to elect additional members to the Board of Directors. Therefore, we have no current plans to modify the quota of 0. Should any new members be needed in future, the Supervisory Board will make every effort to take account of suitable female candidates in order to increase the percentage of women and diversity on the Board of Directors. The quota of female members of the Board of Directors for subsidiaries VHV Allgemeine is 20 % and VHV International SE 33 %, respectively. Age is another criterion taken into account for diversity purposes.

Employment of persons with diverse nationalities
An international composition and collaboration of diverse nationalities are a matter of course at the VHV Group. Diversity is also practised in terms of geographical origin: employees from 37 nations and 5 continents are currently employed across the company. There were no complaints filed for discrimination in the year under review.

Diversity@VHV
The VHV Group has a diverse workforce. This is reflected, for example, in the diversity of age, gender and background at all levels of the Group. At the same time, the VHV Group is working to further promote diversity within the company. In 2023, the VHV Group signed the Diversity Charter, thereby placing an even greater focus on the topic.

The VHV Group aims to promote diversity so that all employees feel personally valued and experience a sense of equal opportunities and belonging, thereby motivating them to contribute their full potential. For the VHV Group, promoting diversity is not only an expression of social responsibility, but makes a major contribution to the company's financial success. At the same time, the VHV Group aims to attract new talent in line with its values to strengthen its foundations as an attractive employer.

Selected measures relating to diversity in the world of work are being expanded in stages. The contribution to employer attractiveness will help in prioritising the implementation of measures.

The VHV Group is guided by the following three areas of action:

1. **Visualisation of the existing diversity...**
   ... in the workforce and measures to promote diversity
2. **Awareness/sensitisation…**
   ... for the relevance of the topic and acceptance of all aspects of diversity
3. **Building structures...**
   ... to promote diversity and equal opportunities

ADEQUATE WAGE [ESRS S1-10]

Fair compensation [ESRS S1-10, 67-70]
The VHV Group provides profit sharing for its employees to share in its financial success: This can represent up to 2.5 monthly salary payments.

In contrast, the subsidiaries have implemented their own profit-sharing models. These are based on the system implemented in Germany.

The purpose of the **VHV Group's VHV profit sharing programme** is to

- motivate and rewardits employees for contributing to the target achievement of the VHV Group
- enhance employees performance while sharing the company's financial success with them
- optimise earnings
- establish and enhancethe company's competitive edge
- support the continuous improvement process
- provide a uniform compensation system.

Profit sharing is a means of harmonising company and employee interests. It is based on the same success parameters for the Board of Directors, managers and employees. The profit sharing system is set forth in a general works agreement.

The relevant salary agreement applies to all companies bound by salary agreements; all companies not bound by salary agreements are also guided by the respective salary agreements. All employees receive a salary based on the reference values of the salary agreement.

METRICS FOR HEALTH AND SAFETY [ESRS S1-14]

Company health management programme
The physical, emotional and social well-being of its employees is of great importance to the VHV Group. Favourable working conditions and quality of life at the workplace not only support health and motivation for the long term; they also enhance the company's productivity.

A central company health management office coordinates all the activities affecting all Group employees with the involvement of company doctors, employee representatives and representatives for severely disabled persons.

The core of company health management is described in the company health management framework strategy. Occupational health management is part of the VHV Group's corporate culture and corporate strategy. The Group strategy focuses on securing the long-term existence of the company. This requires the continuous realisation of earnings, which is largely made possible by the excellent performance of employees and managers at all levels. Company health management supports employees in improving their health through targeted programmes.

Employee performance is essentially based on their motivation. This is supported by balanced skills management. This includes the instruments established within the Group, e. g. target agreements, potential and orientation discussions and the profit sharing model. In addition, modern leadership skills and a team culture have a positive effect on motivation. This also includes a strong culture of communication and feedback. This culture of communication is also practised in company health management when it comes to health issues. Company health management ensures sensible conditional and behavioural prevention for employees and motivates them to focus on their health in order to maintain and promote performance.

Conditional prevention is concerned with preventive healthcare with regard to workplace design, the workplace, work equipment and the remaining working environment.

The aim of conditional prevention is the preventive, health-orientated design of the working environment with a view to reducing risk factors and limiting stress. Accordingly, conditional prevention measures aim to organise work structures that are conducive to good health. Examples include the VHV's occupational integration management programme (BEM), risk assessment and social benefits (canteen, medical service).

Behavioural prevention starts with the individual employee. Behavioural prevention concerns prevention with regard to the individual's behaviour at and in connection with work.

The aim of behavioural prevention is to avoid and minimise certain health-risk behaviours and mental stress by focusing on the individual. Accordingly, behavioural prevention measures aimsto promote healthy behaviour and are primarily aimed at individuals.

Measures for behavioural prevention include, in particular, information and education measures, publications on health topics, company sports programmes, ergonomics advice and many other health-related activities.

Company health management is supported by a steering committee made up of managers from various VHV companies as well as representatives of the employee committees, the health manager, the Head of Group HR Strategy and the Head of Group HR.

!

The strategic focus of company health management in 2024 was on mental health. To this end, a co-peration was established with the service provider pme, which also offers support in the area of mental health through targeted measures and is financed by the VHV Group.

The company fitness programme entails:

- Relaxation and recovery
- Strength training
- Stress management
- Massages
- Pilates
- Back exercises
- Smoking cessation and addiction counselling
- Weight Watchers
- Yoga

The company also offers bicycles for hire in order to help employees keep fit.

In 2023, a Health Corner was added to the company catering range, which includes a wide variety of bowls, vegetarian and vegan menus.

Because employee health has a significant impact on the VHV Group's financial success, the absenteeism rate is monitored regularly. The sickness absence rate in 2024 was 4.5 %.

Safety at the workplace
Every two to three years, worksite inspections are held on the premises of the VHV Group. The information obtained is used for a detailed hazard assessment.

The VHV Group has adopted a workplace safety policy.

The objectives are to:
a) Explain the role of the occupational safety coordinators
b) Define the interfaces among stakeholders and managers in the area of occupational safety and fire safety.

In order to ensure safe working conditions for telecommuters, employees who work remotely must document their workstations in accordance with the works agreement. There is also a checklist for remote working conditions.

Occupational medicine
Given the number of employees in the VHV Group, the requirements of the DGUV (German Social Accident Insurance) Regulation 2 apply, which require basic and company-specific supervision. Hours for health management have also been agreed.

Occupational medical services are meant to complement, and not replace, technical and organisational measures. The company has offered flu vaccinations for some years now.

Projects for occupational safety and health
The following focal areas were defined in 2024 for occupational safety and health:

- Continuation of regular occupational safety committee meetings
- Performance of worksite inspections
- Performance of hazard assessments
- Assistance with performance of employee safety training
- Provision of ergonomic assessments
- Classroom and practical training for fire safety assistants
- Assistance with performance of evacuation drills
- Provision of occupational healthcare
- Implementation of prevention measures such as flu vaccinations, pilates, yoga, back exercises
- Implementation of the requirements, rules and information from the employers' liability association
- Consulting for employers and employees about all issues relating to occupational medicine and occupational safety, including fire safety questions

VHV Group accident statistics, 2024 [ESRS S1-14, 88b/c]
In 2024, two occupational accidents (both commuting accidents) were reported to the employers' liability association. All accident reports received are reviewed as soon as possible to determine any action to be taken and discussed if needed during the next occupational safety committee meeting.

The near-accident situations are evaluated at the Hanover location by reviewing the first aid logs. Any required action is then taken.

Absenteeism [ESRS S1-14, 88e]
The rate of absenteeism due to occupational accidents and commuter accidents was 0.02 %. The number of days absent due to these occupational accidents was 195.1 days.

Further information on health and safety can be found in the appendix at the end of this chapter.

Voluntary benefits
In addition to the measures required by law (BEM – occupational integration management and hazard assessments), the VHV Group offers voluntary benefits for company health management.

REMUNERATION PARAMETERS (DIFFERENCES IN EARNINGS AND TOTAL COMPENSATION) [ESRS S1-16]

Gender pay gap
The VHV Group applies the salary agreement for the private insurance industry, which provides for gender-neutral remuneration. Employees can make use of the internal jobs board for promotions or transfers. Candidates are selected on the basis of the requirements profile and personal qualifications.

> **To increase the percentage of women in management positions, the company has special programmes for female staff members.**

Measures to reduce the pay gap:

- Promoting women in management positions (e. g. via the Executive Assistant Programme)
- Compliance with the pay-scale agreement

To promote the professional development of women, the VHV Group has implemented a mentoring and career programme for female managers and talents. In this programme, women receive individual support in shaping their management careers. Promoting gender equality is a priority for the VHV Group. At the various management levels, managers are endeavouring to increase the proportion of female employees. The Executive Assistant Programme plays an important role as a recruitment channel for future managers: the proportion of female assistants is currently more than half.

INCIDENTS, COMPLAINTS AND SERIOUS IMPACTS IN RELATION TO HUMAN RIGHTS [ESRS S1-17]

Incidents, complaints and serious impacts in relation to human rights [ESRS S1-17, 100-104]
There were no incidents, complaints or serious impacts in relation to human rights in the reporting year. As a result, no fines, sanctions or compensation payments needed to be made.

Complaints and claims relating to other workplace rights
All employee complaints are taken seriously, and each and every one is reviewed by the HR department.

Company-employee conflicts
There were no conflict-based labour disruptions in the year under review. Strikes and labour disruptions do not affect business operations in the VHV Group.

OTHER MEASURES RELATING TO THE COMPANY'S OWN WORKFORCE

goDIGITAL.WORKSPACE

The VHV Group considers digitalisation to be an opportunity to align its internal working conditions to the changing requirements of customers, sales partners, companies and employees.

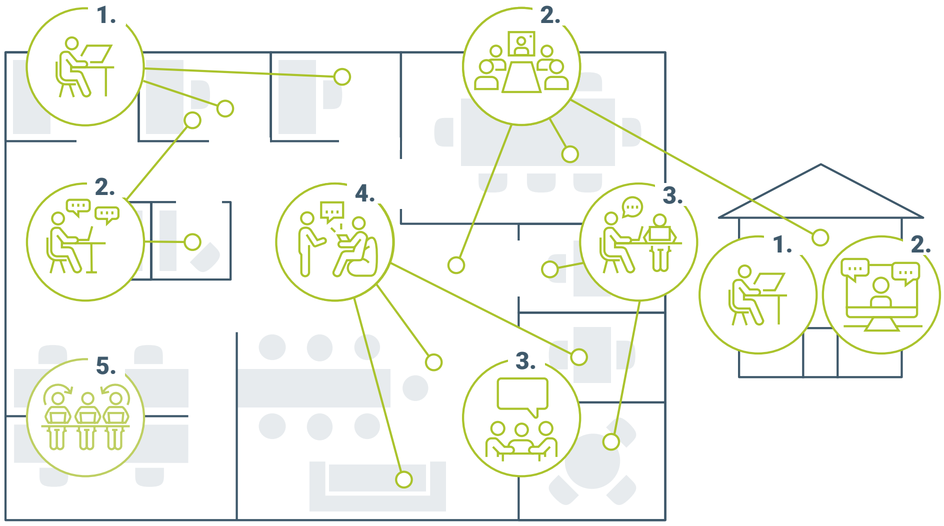
The goDIGITAL.WORKSPACE project is the VHV Group’s response to the expectations of customers, sales partners and companies that wish to enhance communications in terms of scheduling and technology. Workspace is also in the interest of employees who want the best possible work-family balance.

In times of demographic change and a fiercely competitive job market, it is important to have a clear employer value proposition to attract and retain employees for the long term. More than ever, personal freedom, flexible working hours, remote working and attractive on-site workplaces are in demand. With goDIGITAL.WORKSPACE, these possibilities have been created.

Core elements of the Workspace concept:

- Providing a high level of flexibility in terms of times and location (VHV.Mobil and telecommuting) including work management options
- Extending core working times from 6am to 10pm on weekdays; option to work on Saturdays
- Rolling out a new office concept using the "activity-based working" principle

The "hot desking" concept allows employees to use workplaces and locations flexibly



Type of activity

1. Concentration
2. Communication
3. Cooperation
4. Community
5. Support

More flexibility for managers and employees and greater space efficiency

Model for the new spacial design: activity-based working office concept.
Employees are placed in the required work environment depending on their personal employment duties. This is based on the "hot desking" principle: Instead of permanently assigning desks, there are multiple workplace options to be shared among employees.

A distinction is made between workstations and worksites. Under the Workplace Policy, workstations are designed for permanent use. Worksites, however, are intended for temporary use only and not necessarily designed in accordance with the policy. They support social interaction, communication and coordination of breaks.

Details of the "hot desking" principle
Specifically, hot desking means that a separate workstation is not assigned to each employee. Rather, employees share the space. This reduces the total number of workstations while new worksites are created.

The hot desking principle serves the company's sustainability goals, as shown by a space utilisation study in 2018: On average, around 20 % of workstations remain unused due to absence (holidays, illness, meetings, external appointments, business trips). There are even more vacant desks due to the increased popularity of remote work since 2018.

The new "village" concept
The space concept is based on the departments' organisational structure. It requires that employees from a group sit in close proximity to each other. In general, a department constitutes a "village".

But units that perform similar activities, interface frequently and/or have duties that are similar in subject matter should remain together as well. There may be exceptions due to structural circumstances or special requirements, e. g. increased confidentiality.

Hot desking should optimise space utilisation and help with more conscientious handling of space as a resource.

Under a company-wide referral programme, all employees of the VHV Group at all locations can use the Talentry online platform to advertise VHV Group jobs on their personal and social networks. For all referrals that result in a new hire, they will receive a finder's fee subject to special rules and conditions.

Employee referral programme

Referral › Application › Finder's fee

Trainee programme – career entry for young professionals

In the year under review, the VHV Group launched its own trainee programme for young professionals. With the VHV Young Professionals Programme, the VHV Group aims to further increase the visibility and attractiveness of the VHV Group employer brand in the market and actively contribute to the recruitment of young talent.

Over a total period of 24 months, the trainees gain insights into various areas of the VHV Group and benefit from a wide range of further training programmes for their professional and personal development. The programme includes the following content:

Trainee programme

Bespoke selection of stations	Further training programmes for your professional development	24-month term
Start on October 1	Individual mentoring for your personal development	Networking through regular network meetings
Great career opportunities even after the trainee programme	Unique insights into the diverse worlds of an insurance group	Permanent employment contract

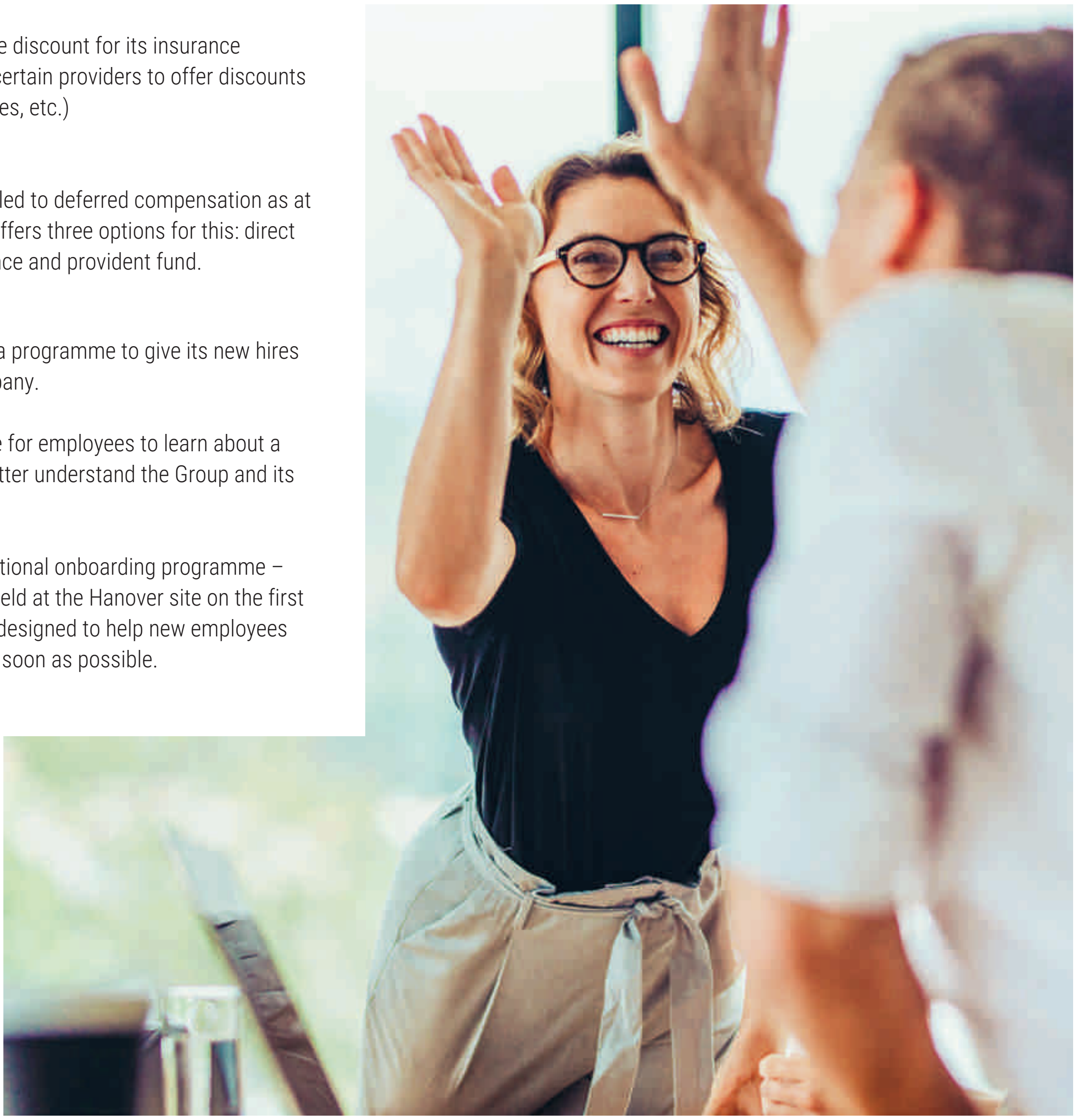
Employee programme
The VHV Group offers an employee discount for its insurance products. It also cooperates with certain providers to offer discounts (relating to sports, wellness, hobbies, etc.)

Deferred compensation
By law, employees have been entitled to deferred compensation as at January 1, 2002. The VHV Group offers three options for this: direct pension entitlement, direct insurance and provident fund.

Employee orientation
The VHV Group has implemented a programme to give its new hires the best possible start in the company.

VHV Start is a two-day programme for employees to learn about a wide range of topics in order to better understand the Group and its business segments.

In addition, VHV Welcome, an additional onboarding programme – both professional and social – is held at the Hanover site on the first of every month. Both of these are designed to help new employees feel at ease and build networks as soon as possible.



CHARACTERISTICS OF THE VHV GROUP'S EMPLOYEES [ESRS S1-6] PRESENTATION OF INFORMATION ON EMPLOYEE HEADCOUNT BY GENDER [ESRS S1-6.1][1]

Gender	Number of employees
Male	2,379
Female	2,191
Others	0
Not specified	0
Total number of employees	4,570

PRESENTATION OF THE NUMBER OF EMPLOYEES BY COUNTRY [ESRS S1-6.2]

Country	Number of employees
Germany	4,001
Austria	215
Turkey	135
Italy	75
France	42
Poland	26
Luxembourg	1
Spain	13
Portugal	6
Netherlands	16
UK	26
Belgium	14

[1]) [ESRS S1-6 50f] The average number of employees can be found in the VHV Group's annual report in the section presenting the key figures.

PRESENTATION OF INFORMATION ON EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY GENDER [ESRS S1-6.3]

As at: December 31, 2024	Female	Male	Others	Not specified	Total
Number of employees	2,191	2,379	0	0	4,570
Number of permanent employees	2,009	2,192	0	0	4,201
Number of temporary employees	182	187	0	0	369
Number of employees without guaranteed working hours	0	0	0	0	0
Number of full-time employees	1,465	2,184	0	0	3,649
Number of part-time employees	726	195	0	0	921

PRESENTATION OF INFORMATION ON EMPLOYEES BY CONTRACT TYPE, BROKEN DOWN BY REGION [ESRS S1-6.4]

See presentation pursuant to [ESRS S1-6.2]

EMPLOYEE TURNOVER [ESRS S1-6.5]

As at: December 31, 2024	
Total number of employees who left the company[1]	429
Employee turnover rate	9.4 %

PAY-SCALE AGREEMENT COVERAGE AND SOCIAL DIALOGUE [ESRS S1-8]

	Pay-scale agreement coverage	Social dialogue
Coverage rate	**Employees – EEA[2]**	**Representation at the workplace (EEA only)**
0–19 %		
20–39 %		
40–59 %		
60–79 %		
80–100 %	Germany	Germany

[1]) Employees who left the company voluntarily or due to dismissal, retirement or death.
[2]) For countries with at least 50 employees who make up at least 10 % of the total number

DIVERSITY METRICS – GENDER DISTRIBUTION [ESRS S1-9.1]

As at: December 31	Number	in %
Gender distribution in the Board of Directors of VHV a. G.		
Male	15	88.2
Female	2	11.8
Not reported as male or female	0	0
In management positions in the VHV Group		
Male	345	75.2
Female	114	24.8
Not reported as male or female	0	0

DIVERSITY METRICS – AGE DISTRIBUTION [ESRS S1-9.2]

As at: December 31	Number	in %
Percentage of employees under the age of 30	734	16.1
Percentage of employees aged between 30 and 50	2,262	49.5
Percentage of employees over the age of 50	1,574	34.4

REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)[3] [ESRS S1-16]

As at: December 31	
Pay gap	14.61 %
Ratio of the total compensation	23.05

[3]) The following companies were included in the calculation: VHV Vereinigte Hannoversche Versicherung a. G., VHV Holding SE, VHV Allgemeine Versicherung AG, Hannoversche Lebensversicherung AG, VHV digital development GmbH, VHV solutions GmbH, WAVE Management AG, Hannoversche Direktvertriebs-GmbH, VVH Versicherungsvermittlung Hannover GmbH, digital broking GmbH, Hannoversche Consult GmbH.

NEGATIVE STATEMENTS

Requirements	Abbreviation	Negative statement
ESRS S1 14c (ESRS 2 SBM-3)	Material positive impacts and their interaction with strategy and business model	The VHV Group has not identified any positive impacts in connection with its own workforce.
ESRS S1, 14e (ESRS 2 SBM-3)	Material impacts, risks and opportunities and their interaction with strategy and business model	The VHV Group has not drawn up any transition plans to reduce the negative impacts on the environment.
ESRS S1-1, 23	Strategies in connection with the company's own workforce	Due to its business model, the VHV Group does not have a specific strategy or management system for the prevention of occupational accidents.
ESRS S1-1, 24c	Strategies in connection with the company's own workforce	The VHV Group has not identified any group of people in the workforce who are particularly at risk with regard to inclusion or support measures. There are no specific political obligations.
ESRS S1-4, 35-43	Implementation of measures in relation to material impacts and approaches to the management of material risks and the utilisation of material opportunities in connection with the company's own workforce and the effectiveness of these measures and approaches	There are currently no specific measures to minimise negative impacts or material risks. As part of continuous analyses and evaluations, potential areas requiring action will be identified in future and suitable measures developed to minimise risks and provide remedies. The effectiveness of these future measures is monitored accordingly and reviewed regularly.
ESRS S1-5, 47	Targets in the context of managing material negative impacts, promoting positive impacts and dealing with material risks and opportunities	The VHV Group has not defined any specific targets. The effectiveness of the policies and possible future measures with regard to the IROs is reviewed on an ongoing basis.

Projects for *the common good.*

This is where the VHV Foundation comes in.

The VHV Foundation supports projects in a wide range of social areas. Through its commitment, it aims to promote social justice, strengthen communities economically and preserve cultural heritage.

[ESRS S3, 8-11 (ESRS 2 SBM-3)] INTERESTS AND POSITIONS OF STAKEHOLDERS

The positive impacts on affected communities are due in particular to the activities of the VHV Foundation, which is a component of the sustainability strategy. The Foundation helps to promote economic independence, improve equal opportunities and strengthen social cohesion through targeted sponsorship projects in the areas of art and culture, education and vocational training, charity and science.

The findings from the VHV Foundation's sponsorship projects and the ongoing dialogue with stakeholders also provide important impetus for the strategic direction of the sustainability strategy. Social challenges such as unequal educational opportunities, economic insecurity or social disadvantage require continuous adaptation of the sponsorship measures to ensure their effectiveness.

The dynamic interaction between the VHV Foundation and the sustainability strategy ensures that the VHV Group's social and ecological targets are always adapted to current social developments.

Specific activities that lead to positive impacts are presented in the "Examples of current sponsorships" section. The positive impacts relate, for example, to patients and medical professionals, children and young people, schoolchildren and students, people in need and those interested in culture and art.

Identification of stakeholders
The main stakeholders of the VHV Foundation include:

- Communities and target groups: communities that benefit directly from the Foundation's sponsorship projects (e. g. educational and cultural communities, disadvantaged groups).
- Sponsorship partners: organisations and institutions with which the VHV Foundation works together to implement projects.
- Authorities and regulatory institutions: public institutions that influence the legal and social framework of the Foundation's work.

Methodology of the stakeholder dialogue
The VHV Foundation uses various mechanisms to understand the interests and positions of stakeholders:

- Regular consultations with stakeholders
- Project-related feedback
- Strategic partnerships with sponsorship partners to ensure that projects are aligned with the actual needs of the target groups.
- Transparent reporting: publication of annual reports that reflect the results of the Foundation's work and feedback from the stakeholders.

The VHV Foundation will continue to prioritise dialogue with its stakeholders to ensure that its work achieves the greatest possible benefit for communities and target groups.

[ESRS S3-1, 12-18] STRATEGIES RELATED TO AFFECTED COMMUNITIES

[ESRS S3-1, 16. a)-c] In its policy statement on human rights, the VHV Group is committed to respecting and complying with internationally recognised human rights and undertakes to respect these in all areas of business.

As part of its commitment, the VHV Group has also joined the UN Global Compact and thus supports the ten universal principles in the areas of human rights, fair labour conditions, environmental protection and anti-corruption. The UN Global Compact is aligned with sustainable and responsible principles.

In this way, the VHV Group ensures that the rights of affected communities of the VHV Foundation are also respected. Indigenous peoples are not an interest group of the VHV Group.

The VHV Group pursues transparent and responsible dialogue with its customers and partners in order to guarantee human rights standards. As part of the UN Global Compact, the VHV Group is committed to involving stakeholders in relevant decision-making processes.

The VHV Group has mechanisms in place to identify and remedy potential human rights violations within its sphere of influence.

In accordance with the policy statement and the principles of the UN Global Compact, the VHV Group relies on transparent processes for reporting and handling complaints (see also disclosures in ESRS S1-3, 32).

> The Board of Trustees monitors the Foundation's objectives and decides on all fundamental matters.

[ESRS S3-2, 19-22] PROCEDURE FOR INVOLVING AFFECTED COMMUNITIES IN RELATION TO IMPACTS

Legal form and goals of the Foundation

The VHV Foundation is a legal foundation under civil law, domiciled in Hanover. In accordance with its articles of association, it promotes projects in the areas of art and culture, research, training, education, vocational programmes and charity work. Most of these projects are in the Hanover region.

Grants by the VHV Foundation

The VHV Foundation fulfils its purpose in particular through its support for projects including exhibits, scientific seminars, events and lectures, grants for schools and their educational activities, as well as funding for scholarships and competitions. This may also include support for other corporations that also have tax advantages, or corporations under public law that engage in projects with tax advantages.

The Foundation's assets

The Foundation's basic assets are maintained and invested in an appropriate manner in accordance with the articles of association. The Foundation uses income from the basic assets and from donations to sponsor its projects. All funds are to be used only for the purposes set forth in the articles of association. The endowments made in the years of establishment and especially in the more recent previous years have considerably increased the dedicated assets and thus created the basis for increased realisation of the funding objectives, which means that the VHV Foundation is attracting increasing attention in the Hanover region. The basic assets of the VHV Foundation amount to EUR 80 million.

Charitable highlights in 2024

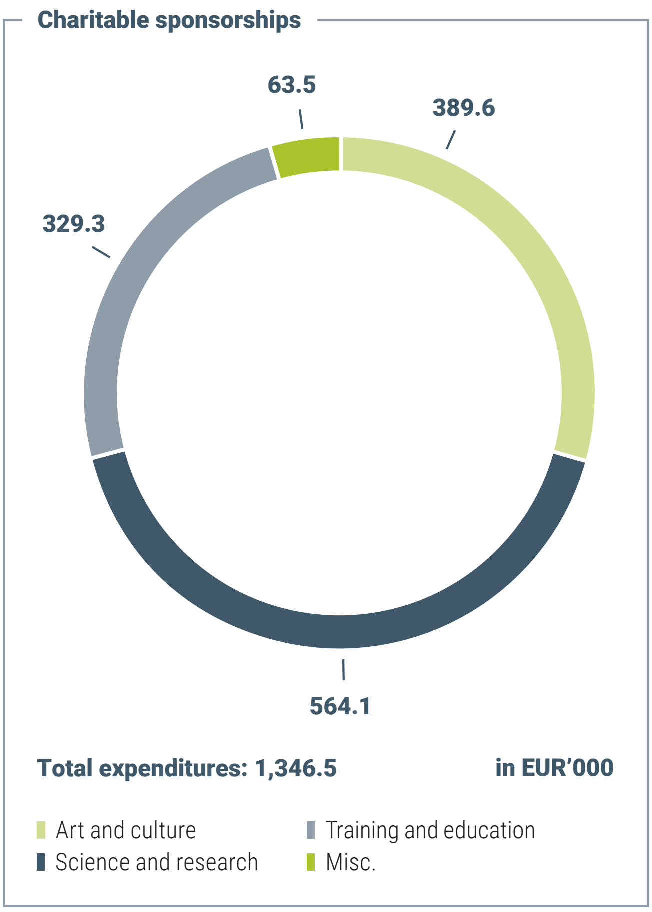
The VHV Foundation has agreed sponsorship partnerships with charitable organisations, educational institutions and other institutions in all of its sponsorship categories for many years as part of the Foundation's statutory purposes in order to enable them to plan their activities and projects in the medium term.

A total of 12 new or extended sponsorship partnerships were concluded in the sponsorship areas of art and culture, education, vocational training and charity. When selecting the partners, particular emphasis was placed on ensuring that the sponsored institutions provide continuous benefits to society. However, in the revaluation of the sponsored programmes/projects, greater emphasis was placed on sustainability, i.e. on the greatest possible and long-lasting benefit for the general public as a result of the sponsorship. In principle, the sponsorship categories and their respective share of the overall budget remain unchanged.

The highest proportion of sponsorship payments in the reporting year was made in the area of science. Here, the VHV Foundation focuses in particular, but not exclusively, on medical research. Two multi-year scientific projects dealing with artificial skin substitutes and rejection following transplants were continued or extended for a further project phase in the reporting year.

In addition to the sponsorship partnerships and the scientific projects, other projects in all areas were also supported in line with the purpose of the Foundation, whereby smaller projects in the areas of art and culture, education and charity were also considered.

The expenses for the Foundation's operations in 2024 can be broken down as follows:



EXAMPLES OF CURRENT SPONSORSHIPS [ESRS S3 SBM-3 9 C]

The list below shows examples of sponsorship projects in 2024, underlining the concept of the five sponsorship priorities and showing how the commitment is focussed on the Hanover region.

In many cases, the VHV Foundation decides in favour of providing continuous support over several years. However, a commitment can also be given to temporary individual projects such as art exhibitions.

SCIENCE AND RESEARCH

This segment includes two research projects at MHH medical school in Hanover.

Development of a US11 biopharmaceutical for local suppression of the immune response following an organ transplant
A project to develop new strategies for preventing rejection and the development of new medications for therapy following organ transplants to suppress the immune reaction that is triggered by the tissue transplanted.

Bioartificial vascular implants
A project for creating ("growing") clinically relevant, large-scale 3D tissue in order to "repair" damaged tissue or replace it as far as possible without causing an immune response.

TRAINING, EDUCATION AND VOCATIONAL PROGRAMMES

IFF for highly gifted musicians (sponsorship partner)
The IFF at the hmtmh (college of music, theatre and media) in Hanover offers an annual summer academy for young, highly gifted musicians that we sponsor as a partner.

Förderkreis der HMTMH e.V.
Sponsorship for the organisation of masterclasses and orchestral performances

Domiziel gGmbH
Project for child and youth welfare – sponsorship for the construction of a water playground

Literary salon of the University of Hanover
Sponsorship of the "In Zukunft" series

Brüder-Grimm school
Sponsorship of the schoolyard design with a focus on "cooperative learning"

Raschplatz Open Air e.V.
Promotion of the songwriting camp for pupils

LHH Herrenhausen Gardens
Sponsorship of the "Akademie der Spiele" project

CHARITABLE PROJECTS

ASB Landesverband Niedersachsen e.V.
Sponsorship of the "Wünschewagen" project

Stiftung Hannoversche Kinderheilanstalt Auf der Bult
Sponsorship to equip the neonatal ward

Diakonisches Werk, Hanover
Diakonisches Werk, Hanover provides meals to those in need in the winter months. Warm meals are served every day, primarily to unhoused and economically disadvantaged people.

ART

Kestner Gesellschaft
Sponsorship of exhibitions about Hannah Arendt

Wilhelm Busch Museum (sponsorship partner)
Sponsorship for the establishment of the Busch Cabinet

artothek Hannover e. V.
Sponsorship for the purchase of paintings

CULTURE

Girls' choir of Hanover (sponsorship partner)
The girls' choir of Hanover receives an annual grant under this partnership. The funds are used for vocal training and the choir's scheduled appearances.

Boys' choir of Hanover (sponsorship partner)
The boys' choir of Hanover receives an annual grant under this partnership. The funds are used for vocal training and the choir's scheduled appearances.

Kunstfestspiele Herrenhausen
Sponsorship for the annual festival

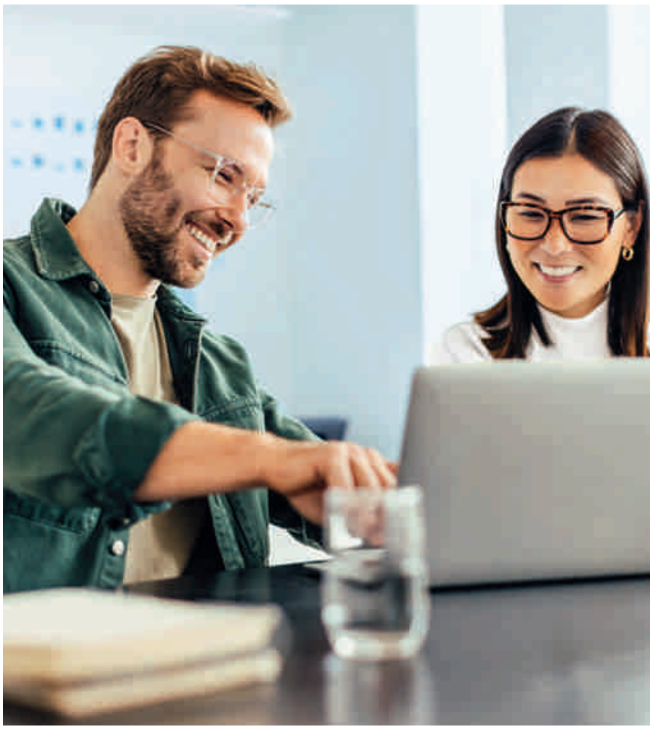
NDR Radio Philharmonic Orchestra
Sponsorship for a free open-air concert behind Hanover Town Hall

[ESRS S3-3, 27-28] Procedures for addressing negative impacts and channels through which affected communities can raise concerns

No adverse impacts were identified in the reporting period as a result of the activities of the VHV Foundation. Instead, the Foundation's sponsorship projects make a positive contribution to strengthening the resilience of the supported communities and creating sustainable social and cultural value.

[ESRS S3-3, 29]

The existing channels for communicating concerns are currently being reviewed. Any changes, such as the introduction of new channels, will be made in the medium term to ensure effective communication with the affected communities.

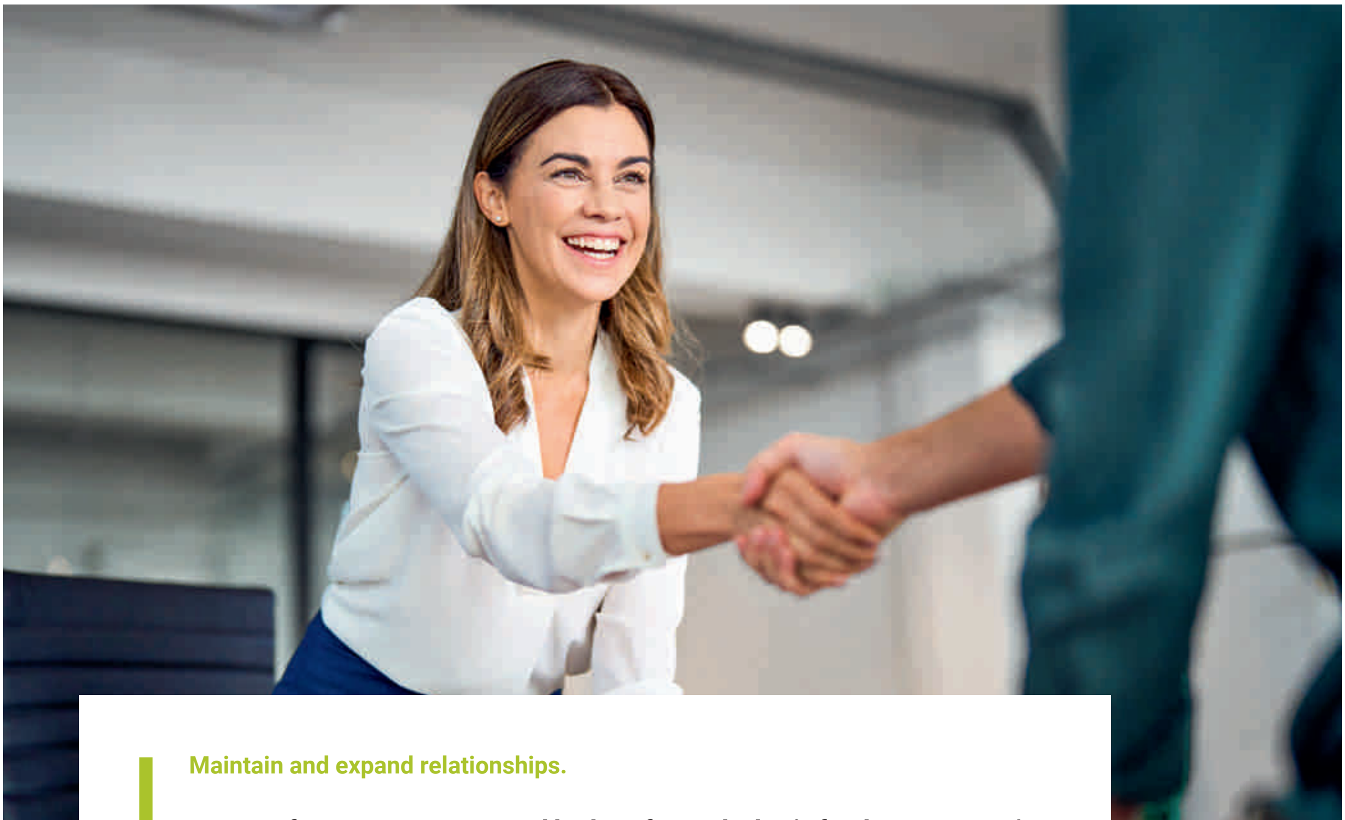


[ESRS S3-4, 31-39] Disclosures on negative impacts and mitigation measures
In the reporting period, the VHV Foundation did not identify any significant negative impacts on economic, social and cultural rights.

NEGATIVE STATEMENTS

Requirements	Abbreviation	Negative statement
ESRS S3-1, 12-14	Affected communities	The VHV Foundation is an integral part of the sustainability strategy, but it does not explicitly serve as a tool for managing or measuring impacts, risks and opportunities. A strategy for the management of material impacts on affected communities and the associated material risks and opportunities of the VHV Foundation is to be developed in the coming years.
ESRS S3-1, 15	Affected communities	Indigenous peoples are not an interest group of the VHV Group.
ESRS S3-1, 17	Affected communities	Indigenous peoples are not an interest group of the VHV Group.
ESRS S3-2, 19-24	Affected communities	Apart from the stakeholder dialogue described above, the VHV Foundation does not currently have a standardised procedure for systematically involving affected communities with regard to actual or potential impacts. A process for involving affected communities is to be developed and implemented in the coming years.
ESRS S3-2, 23	Affected communities	Indigenous peoples are not an interest group of the VHV Group.
ESRS S3-2, 19-24	Affected communities	The VHV Group has not identified any negative impacts with affected communities.
ESRS S3-4, 31-38	Affected communities	The VHV Group does not currently have a comprehensive, structured action plan that explicitly addresses the material impacts on affected communities in connection with the VHV Foundation. This is to be created in the medium term.
ESRS S3-5, 40-42	Affected communities	The VHV Foundation has no targets in connection with the management of material negative impacts, the promotion of positive impacts or the handling of material risks and opportunities.

Closer to the customer,
closer to the goal.



Maintain and expand relationships.

A strong focus on customers and brokers forms the basis for the VHV Group's business activities and represents a key factor for its market position and profitability. Accordingly, its practices are designed to retain existing customers and sales partners for the long term while attracting new ones.

ALIGNMENT TO CUSTOMERS AND BROKERS

Quality management is essential in this context. The VHV Group believes in providing above-average service that sets itself apart from the market, as illustrated by the test ratings and awards it has received to date, such as the AssCompact Award in the field of broker service. Service quality and customer satisfaction are regularly monitored by means of internal and external measurements – this is intended both to promote the needs-based and continuous development of service quality (including communication quality) externally and to monitor the company's internal processes with regard to sustainability aspects. Among other things, annual reviews of service and communication quality (e. g. call recordings in administration) are carried out. Customer satisfaction is also measured using a Net Promoter Score (NPS). In addition, customer and broker feedback is obtained on a regular basis. The methods used to measure service quality and customer satisfaction are continuously reviewed and further developed.

The digitalisation of customer interfaces and functions has a direct impact on the service and benefits assured for the customers and sales partners of the VHV Group. For this reason, the VHV Group is making technical upgrades to all its processes in the digital customer experience in order to lay the foundation for faster response times, "time to market" product development and greater service quality, particularly those using digital communication channels.

The VHV Group has enacted both a Group policy and a company policy for underwriting policy. We have established a system for monitoring compliance with the underwriting guidelines. By way of spot checks on transactions, the system will ensure that

- compliance with the underwriting guidelines is monitored
- violations of the underwriting guidelines are identified
- any necessary measures can be derived.

The spot check system is coordinated on a quarterly basis via the IRCF. The focus here is on particularly critical business transactions from a risk perspective (so-called "high-risk transactions"). The VHV Group has adopted a number of policies and checklists both at Group and individual company level. These apply to sales, the product development process and the product approval process and thus manage their impacts as well as material opportunities and risks in relation to consumers and end-users:

- Sustainability strategy and external initiatives (life)checklist
- Sustainabilitychecklist (property-casualty)
- Procedures for the product development process in the divisions
- Product development (property-casualty and life)checklist
- Product review (life)checklist
- Policy governing the product approval process (property/casualty and life)
- Corporate policy on the internal product approval process

In keeping with our nature, the VHV Group is integrating its sustainability philosophy into its customer and broker focus and into quality management.

The VHV Group promotes fair advisory services in sales and user-friendly communication about its insurance solutions.

The product approval process serves as binding documentation as to whether the product developed takes sufficient account of the customer’s goals (including sustainability preferences), interests and other characteristics. It is also intended to avoid negative impacts on the customer while ensuring customers are not placed at any disadvantage.

The product approval process is one step in handling conflicts of interest properly. Legal requirements for the product approval process have been defined in the EU's Insurance Distribution Directive (IDD). The sustainability strategy of the VHV Group's companies is also an essential tool.

The product approval process is documented using a checklist and should ensure that certain factors were taken into consideration, including:

- Materiality of product changes
- Definition of the target market and determination of whether the product is suitable for this market
- Product type
- Selection of distribution channel
- Product tests
- Provision of relevant information for the agent

In general, the Board of Directors of the relevant company must approve a new product.

The product approval process must be used for the development of new products and for significant changes to existing insurance products (e. g. assumption of new types of risk, risks resulting from new types of cover).

Even after a product has been launched and distributed, it is regularly monitored to identify any factors that may significantly impact the key characteristics, risk coverage, or guarantees under the products. The insurance products are evaluated to determine whether they meet the needs, characteristics and goals (including sustainability preferences) for the target market identified. When the product development process complies with the policies, it should be ensured that all requirements under supervisory and regulatory laws were adhered to during product development. The product approval process also should ensure that the product is in line with customer needs.

Material impacts, risks and opportunities and their interaction with strategy and business model [ESRS S4, 9 (ESRS 2 SBM-3)]

The actual and potential impacts on consumers and end-users result primarily from the provision of insurance cover and the settlement of insurance claims in the event of a loss or, in the case of capital-forming life insurance, upon expiry. Changes to the business model or the business strategy can therefore influence these impacts.

The actual and potential impacts on consumers and end-users are part of the VHV Group's corporate and risk strategy. Impacts and dependencies relating to consumers and end-users are taken into account as part of the regular updating of these strategies.

[ESRS S 4 10b/c/d (ESRS 2 SBM-3)]

In the course of business activities, negative impacts may arise, e. g. against the backdrop of data processing and the right to privacy as well as the protection of personal data. Non-compliance with customer protection and data protection requirements could lead to legal consequences and reputation risks. The right to freedom of expression and non-discrimination is taken into account in the VHV Group's Code of Conduct, among other things.

[ESRS S4, 10a (ESRS S2 SBM-3)]

Against the backdrop of the VHV Group's business model, the following disclosures on consumers and end-users are not relevant to the VHV Group:

- Consumers and/or end-users of products that are inherently harmful to people and/or increase the risk of chronic disease
- Consumers and/or end-users of services that could potentially have a negative impact on their right to privacy, to have their personal data protected, to freedom of expression and to non-discrimination
- Consumers and/or end-users who are dependent on accurate and accessible product- or service-related information, such as manuals and product labels, to avoid potentially damaging use of a product or service
- Consumers and/or end-users who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals.

[ESRS S 4 12 (ESRS 2 SBM-3)]
The VHV Group has analysed and assessed the material risks arising in connection with consumers and/or end-users. It was found that the risks identified do not only affect specific groups of consumers or end-users. The VHV Group therefore considers all consumers and end-users to be relevant in relation to the identified risks.

By taking this holistic approach, the VHV Group ensures that its sustainability strategy and the associated measures are designed to maximise their effectiveness and meet the needs of all consumers and end-users.

Strategies relating to consumers and end-users [ESRS S4-1, 13-17]
The VHV Group has strategies/policies in place to manage the following material impacts and risks relating to consumers and end-users:

- Impacts in the course of business activities in the context of data processing and the right to privacy
- Legal consequences and reputation risks resulting from a failure to comply with customer and data protection requirements

The strategic guidelines for data protection and information security are set out in the risk strategy. This is formulated consistently in line with the Group strategy. The risk strategy sets out which risks are consciously entered into in the pursuit of the Group strategy and the overarching thematic strategies as well as the business segment strategies derived from these and how the material risks are to be managed. It is adopted by the Board of Directors of VHV a. G. Data protection and information security are also covered by other thematic strategies such as the IT and digitalisation strategy, which are also integrated into management and implementation.

The Group policies on data protection and information security are adopted by the Board of Directors of VHV a. G. and reflect the minimum requirements for data protection and information security management from the Group's standpoint that must be adopted and further specified in company policies as approved by executive management, taking account of local requirements and conditions. Reference is made here to the company policies on data protection and information security.

The Group policy on data protection regulates the handling of personal data and defines binding minimum requirements for data protection within the VHV Group. The aim is to ensure the protection of employee, customer and third-party data in accordance with applicable laws and voluntary industry-specific obligations. The policy creates a binding framework that strengthens an effective data protection culture through training, clear reporting channels and regular reviews. It ensures the establishment of a data protection management system, compliance with legal requirements and the continuous improvement of existing processes in order to guarantee the security of personal data.

The Group policy on information security regulates the information security requirements of the VHV Group in order to ensure the availability, confidentiality, authenticity and integrity of information and to protect against unauthorised access, misuse, loss, disclosure, destruction or manipulation. It ensures that information security as an integral part of business conduct supports the reliability of IT systems, the availability of relevant information and compliance with legal and regulatory requirements. In this way, the policy strengthens the competitiveness of the VHV Group, promotes the trust of customers and business partners and protects the Group's reputation. The aim is to achieve a state-of-the-art level of security that takes into account the security objectives and the specific risk profile of the company.

The strategies of the VHV Group are updated annually. This cycle ends with the passing of resolutions in the committees of the Board of Directors and Supervisory Board of the VHV Group. There is also a process for updating the written policies at the beginning of each financial year, where Group policies, company policies, rules of procedure and working guidelines are adopted by the committees of the Board of Directors. In addition, compliance with the strategies and guidelines in the various areas is ensured by the instruments or by the processes of the internal review of the business organisation.

The organisational level responsible for policies is the Board of Directors of VHV a. G.

The scope of the policies generally extends to the consolidation group depending on the business model of the respective company.

[ESRS S4-1, 16] In its policy statement on human rights, the VHV Group commits to respecting and complying with internationally recognised human rights and undertakes to uphold these in all areas of business. This includes both our own business operations and the entire supply chain.

As part of its commitment, the VHV Group has also joined the UN Global Compact and thus supports the ten universal principles in the areas of human rights, fair labour conditions, environmental protection and anti-corruption.

The UN Global Compact calls on companies worldwide to align their business practices with sustainable and responsible principles.

In this way, the VHV Group ensures that its business practices respect the rights of consumers and end-users.

The VHV Group pursues transparent and responsible dialogue with its customers and partners in order to guarantee human rights standards. As part of the UN Global Compact, the VHV Group is committed to involving stakeholders in relevant decision-making processes.

The VHV Group has mechanisms in place to identify and remedy potential human rights violations within its sphere of influence.

In accordance with the policy statement and the principles of the UN Global Compact, the VHV Group relies on transparent processes for reporting and handling complaints (see also disclosures in ESRS S1-3, 32).

[ESRS S4-1, 17] The VHV Group aligns its strategies with internationally recognised human rights standards, in particular the principles of the UN Global Compact.

In its policy statement on human rights, the VHV Group undertakes to identify and minimise human rights risks along the entire value chain.

To date, no cases of human rights violations have been identified in connection with consumers or end-users. Should this be the case in future, the VHV Group will take appropriate remedial measures in accordance with the commitments of the UN Global Compact and its policy statement.

Methods of communication with consumers and end-users regarding impacts [ESRS S4-2, 18-20; ESRS S4-4, 31]

The checklists from the product approval process should ensure that the products have been tailored to customer needs, or were created with our customers in mind. Specific activities (customer surveys by the sales departments, etc.) are defined for the product approval process. There are also remedial measures in the event of any discrepancies.

Customers play a part in the target market definition when we develop a new product or make significant changes to existing ones. This information is requested from the customer during advisory sessions regarding suitability and appropriateness. Product management employees work with sales to draft target market definitions as part of preliminary studies. The target market is ultimately defined by the product owner or Board of Directors for the product approval process. Under the principle requirements, subcategories of the market should take account of the characteristics, risk profile, degree of complexity, type of product and sustainability factors.

The Chairman of the Supervisory Board of VHV a. G. represents the highest-ranking responsibility with regard to monitoring compliance with the procedures described.

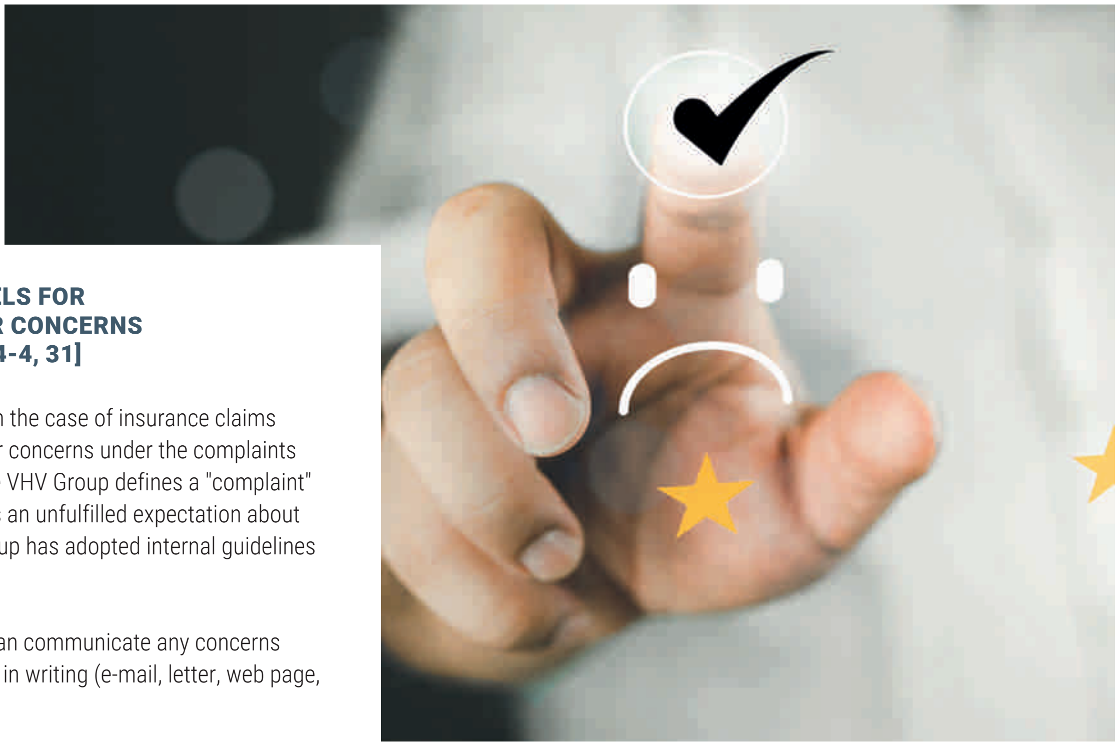
Monitoring compliance with the product approval process

The VHV Group has various methods of determining whether insurance brokers are following the practices under the product approval process. Insurance products are evaluated regularly to verify that they are being marketed and sold in the designated target market.

In addition, communication with customers takes place via the customer portal established in 2019. Customers can view their contract details and make changes to their personal data via the customer portal.

Products cannot conflict with the sustainability strategy, the Principles for Responsible Investment (PRI) or the Principles for Sustainable Insurance (PSI).

Since March 10, 2021, binding framework conditions have also applied pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to sustainability-related disclosure requirements in the financial services sector. HL and WAVE fall under the scope of the regulation and must therefore provide additional information on sustainability.



COMMUNICATION CHANNELS FOR CONSUMER AND END-USER CONCERNS [ESRS S4-3, 23-25; ESRS S4-4, 31]

Customers – or wronged parties in the case of insurance claims – of the VHV Group can voice their concerns under the complaints management system in place. The VHV Group defines a "complaint" of a customer or wronged party as an unfulfilled expectation about a service or product. The VHV Group has adopted internal guidelines for handling such complaints.

Customers and wronged parties can communicate any concerns verbally (by phone or in person) or in writing (e-mail, letter, web page, etc.).

Complaints are handled within the company in a timely and secure manner (data protection/data security) in accordance with the work instructions in effect.

The VHV Group has implemented measures to ensure that customers and wronged parties are aware of and can trust the existing structures and procedures. This is achieved through transparent communication. The structures that are in place for expressing concerns and needs and the way in which a possible complaint is processed are communicated clearly and openly. The relevant information is provided on the homepage under the heading "Express praise or criticism".

The VHV Group regularly reviews the use and effectiveness of feedback channels to ensure that they meet the needs of customers and wronged parties. Incoming enquiries and concerns are analysed in this regard.

As a rule, complaints are handled under the causation principle by the department that handled the underlying contract or claim. The complaints management role is handled centrally by the management unit of the life and property-casualty insurance provider, acting as the primary interface for all departments affected. This function focuses on ensuring the efficiency of process workflows and meeting deadlines.

Central complaints management handles overall complaints analysis and optimisation, as well as complaints reporting while taking account of these aspects:

- investigating complaints in a fair and lawful manner, identifying possible focal points of the complaints and avoiding or managing these in the best possible manner with the local complaints managers
- monitoring the implementation of the measures taken in the departments or documented by the local complaints managers
- supporting compliance with the internal guidelines, such as by way of spot checks on response letters to complaints and records kept, a quarterly report, analysis by Human Resources on any employee training provided
- enabling the internal flow of information and the required internal lines of reporting so that the complaints process is monitored and, if necessary, modified on at least a quarterly basis

The central complaints manager of the VHV Group provides a quarterly report to the Board of Directors on the status of the complaints received and, at their discretion, on any particular incidents that have arisen. This enables the complaints process to be analysed, monitored and, if necessary, adjusted at least quarterly. Central complaints management presents an annual report to BaFin in line with the requirements.

The central complaints manager also takes part in regular training courses about complaints management for their continuing professional development.

Local complaints managers are also appointed to the departments in order to perform the following duties:

- obtain the information required for their area of responsibility regarding any repeat occurrences or systemic problems
- analyse these from a professional standpoint and document the measures they have taken on the basis of this information
- regularly review complaints handling in terms of efficiency
- take part regularly in training events in the area of complaints management and further professional development in this segment

The complaints received are also monitored quarterly via the implemented limit system of the independent risk control function (IRCF).

NEGATIVE STATEMENTS

Requirements	Abbreviation	Negative statement
ESRS S 4 11 (ESRS 2 SBM-3)	Material impacts, risks and opportunities and their interaction with strategy and business model	No consumers or end-users were identified that could be exposed to a major risk of damage.
ESRS S4-4, 28-37	Implementation of measures in relation to material impacts on consumers and end-users and approaches to the management of material risks and the use of material opportunities in connection with consumers and end-users and the effectiveness of these measures and approaches	The VHV Group has not taken any specific measures with regard to material impacts on consumers and end-users. The VHV Group's existing data protection concept ensures compliance with the General Data Protection Regulation (GDPR) and the German Federal Data Protection Act (BDSG). On June 1, 2014, affiliates of the VHV Group also acceded to a voluntary commitment to handle personal data in the insurance industry (Code of Conduct). The Code of Conduct specifies the provisions of the GDPR and the BDSG with regard to the insurance industry.
ESRS S4-5, 38-41	Targets in the context of managing material negative impacts, promoting positive impacts and dealing with material risks and opportunities	No targets were defined in the context of managing material negative impacts, promoting positive impacts and dealing with material risks and opportunities. The existing data protection concept is subject to continuous monitoring and regular audits.

Clear leadership on **the path to the future.**

Acting in accordance with rules and laws contributes to sustainability within the company. The VHV Group promotes correct behaviour by means of modern compliance management, but also with its management policy. Anyone who demands values must exemplify them.

KEY GOVERNANCE ELEMENTS

The VHV Group is strongly committed to maintaining a proper business organisation. Compliance with the legal requirements, the VHV Code of Conduct and the internal sets of rules are the basis for the VHV Group's business activities.

The number one framework, applicable to all companies of the VHV Group, is the VHV Code of Conduct (directly resolved by the main companies), which outlines the values of the VHV Group. Following the VHV Code of Conduct are the principles of written policies, which are divided into the following document levels:

1	Group policy
2	Company policy
3	Division policy
4	Procedure

The Group policies reflect the minimum requirements from the Group's standpoint that must be adopted and further specified in company policies (as approved by executive management, taking account of local details and standards).

GOVERNANCE SYSTEM: AN OVERVIEW

The VHV Group has a governance system, the appropriateness and effectiveness of which is assessed as part of the internal review of the governance system initiated by the Board of Directors during the reporting year. All key functions as defined in Solvency II (IRCF, actuarial function, compliance function, Internal Audit) submitted their internal assessments of the following aspects of the governance system as required by supervisory laws:

- Structural and procedural organisation
- Written guidelines
- Governance requirements at Group level
- Role of the Board of Directors and the Supervisory Board
- Materiality concept
- Own funds
- IRCF
- Actuarial function
- Compliance management system and function
- Tax compliance management system
- Prevention of money laundering/combating white collar crime
- Internal Audit
- Specialist qualifications and personal integrity
- Risk management system
- Information security management system
- Data protection management system
- Internal control system
- Own risk and solvency assessment (ORSA)/ own risk assessment
- Outsourcing
- Remuneration policy
- Contingency management

In the year under review, the internal assessment of the governance system also included new legal and regulatory requirements. The review also focused on the status of implementation for updated circulars by the supervisory authority.

MANAGEMENT PRINCIPLES

The Supervisory Board, Board of Directors and managers play an essential part in company governance, as they are leaders and role models.

For this reason, the following management principles have been set forth in the Code of Conduct of the VHV Group:

- Exemplify and demand values
- Treat employees with respect
- Actively promote employee success
- Communicate clear goals regarding the expected outcome
- Allow creative freedom in how things are implemented
- Make performance contributions transparent
- Acknowledge performance, address criticism
- Encourage constructive criticism
- Communicate credibly and quickly
- Workin partnership with employee representatives

These principles are also essential for supervising company management, which is put to the test on a daily basis, not only in terms of teamwork but also its image as presented to the customers and all other stakeholders. The performance assessment process for supervising company management is informal and linked directly to the corporate culture of the VHV Group.

FAIR MARKETING AND SALES

Insurance marketing and sales link insurance companies and customers. In addition to a high product standard, an important requirement for customer satisfaction is that advice and insurance distribution be of high quality. Compliance with these standards is required for a sustainable customer relationship.

For this reason, VHV Allgemeine signed off on the GDV Code of Conduct on February 3, 2016. The GDV Code of Conduct is a voluntary commitment of the insurance industry which is aimed at ensuring high quality of customer advice.

The GDV Code of Conduct transparently sets the standards of conduct for the distribution of insurance products and sets a framework of standards and values for insurance companies to fulfil their customers' interests. It applies to all forms of insurance sales.

Since the IDD was implemented in the 2018 financial year, the focus has been on ensuring ongoing compliance with the requirements at VHV Allgemeine and HL.

The IDD is supplemented by delegated acts of the EU Commission. These include regulations on product oversight and governance requirements as well as special requirements for insurance-based investment products. In addition, the European Insurance and Occupational Pensions Authority (EIOPA) provides guidelines, technical recommendations and interpretation notes on the implementation of the IDD. These requirements are supplemented by national acts.

As of August 2, 2022, insurance-based investment products are subject to additional requirements concerning the recognition of sustainability factors, risks and preferences.

RISK MANAGEMENT PROCESSES

Risk management for the VHV Group is intended in particular to ensure the appropriate risk-bearing capacity defined as part of the risk strategy and, accordingly, the long-term viability of the VHV Group and its companies. The main objectives of risk management are to:

- ensure compliance with regulatory and legal requirements
- establish aconsistent risk culture within the VHV Group
- support and secure the Group strategy by ensuring an adequate capital base in accordance with the risk strategy
- ensure that obligations to customers can be met at all times
- establish transparency on all material risks and ensure appropriate risk management
- provide a comprehensive risk management system that is closely aligned with the VHV Group's business activities and includes methods and models for the quantification, overarching analysis and management of risks.

Risk management within the VHV Group and its companies is based on the following risk policy principles for the fundamental attitude toward and handling of risks:

1 Commitment
All companies must implement and comply with the VHV Group's risk strategy and the requirements of this Group policy.

2 Risk-taking
Taking acceptable risks in line with business strategies is part of the business models and therefore positive.

3 Integration
Risk management is integrated into all business areas and activities.

4 Proportionality
Decisions are made on the basis of a professional weighing of opportunities and risks.

5 Risk responsibility
A risk owner is assigned to each material risk.

6 Long-term financial orientation
Risk management measures are to be monitored and aligned with a long-term financial perspective.

7 Realism
Risk assessment must be based on realistic assumptions.

8 Prioritisation
Risk management focuses on the material risks.

9 Transparency
Risk management aims to create transparency.

10 Timeliness
Risk positions are reviewed on a regular basis. Risk-relevant ad hoc circumstances are to be reported immediately.

11 Consideration of human and cultural factors
Risk management within the VHV Group as an internationally operating insurance group takes human and cultural factors into account.

The Risk Committee supports the Supervisory Board in controlling risk management and in all key functions, including the corresponding reporting. At the meetings of the risk committees, the risk strategy and the reports of key functions are discussed with the Board of Directors and the people responsible for the key functions. In particular, this includes the discussion of the ORSA report, the report on solvency and the financial position and the results of the internal review of the business organisation. In addition, the methods and tools of the key functions and changes in the organisation are also discussed.

Overall responsibility for Group-wide risk management lies with the Board of Directors of VHV a. G. and the respective Boards of Directors of the individual companies, which play an active role in the ORSA process.

They are particularly responsible for:

- approving the methods used
- discussing and critically reviewing the results of the ORSA process
- approving the Group and company risk management policies and the ORSA report

The Risk Committee is established as a Group-wide risk management body in the VHV Group. The key task of the Risk Committee is to ensure the uniform development of risk management systems, methods and procedures throughout the Group on behalf of the Board of Directors. The Risk Committee also provides a platform for Group-wide discussion of the risk situation and can initiate decisions. The members of the Boards of Directors of VHV a. G. and VHV Holding, representatives of the subsidiaries, and the responsible persons of the IRCF, the Compliance Function and Internal Audit are members of the Risk Committee. In addition, a subcommittee of the Risk Committee is established to offer assistance on technical and operational questions regarding the risk models.

In accordance with the principle of the separation of functions, the responsibility for managing and independently monitoring risks in the VHV Group is separated within the organisational structure up to Board level. If a separation of functions is disproportionate, flanking measures (e. g. separate reporting channels) are taken instead. In the business units, risk officers who are responsible for the operational management of risks and compliance with limits are appointed in the strict separation of functions from the IRCF. In particular, the Group pursues the aim of encouraging the risk culture in the company by clearly allocating responsibility for risk internally. The IRCF is tasked with the operational implementation of a consistent and efficient risk management system. The IRCF is exercised centrally in an organisational unit led by the responsible person of the IRCF. The responsible person of the IRCF reports directly to the respective Board of Directors of the insurance companies. In addition to the regulatory tasks of the IRCF, the role includes operational and technical responsibility for other management systems, such as business continuity management and contingency management, as well as the framework requirements for the internal control system, the outsourcing process and the handling of sustainability risks of the VHV Group.

In addition, the responsible person of the IRCF coordinates the regular internal review of the governance system, the rating processes of the VHV Group and the reporting of all other key functions in the Risk Committee.

The VHV Group's risk management generally follows a centralised approach with standardised Group-wide risk management requirements set out in the Group policies. To ensure consistent implementation of the Group policies throughout the Group, company policies are also put into effect at the level of the individual insurance companies and, if necessary, supplemented to take into account local conditions, or their implementation is adjusted in line with proportionality considerations.

The risk management system includes quantitative model calculations (e. g. risk models, stress tests, scenario analyses) and qualitative processes (e. g. risk inventory, ad hoc risk analyses).

The company's own risk and solvency assessment characterises the entirety of procedures and methods for identifying, evaluating, managing and monitoring the current and future risk profile and the implications for capital adequacy. This includes the forward-looking and company-specific identification and assessment of risks, so that risks that may not be recognised in the standard regulatory formula are also taken into account. The annual ORSA report is prepared on a regular basis in the first half of the year as at December 31 and includes all relevant divisions and the Board of Directors. Compliance with the risk strategy, which is consistent with the business strategy, is monitored as part of the ORSA process. The material risks – technical risk as well as market and credit risk – are also analysed using stress tests and scenario analyses. Interest rate and inflation scenarios are analysed, for example. Sustainability risks are also taken into account in the risk management processes. To this end, both the qualitative and quantitative impacts are identified over short-, medium- and long-term time horizons and quantified with the help of scenario analyses. The results are reported annually in the ORSA report and on an ad hoc basis to the Board of Directors in the event of special events (e. g. if limits are exceeded or not reached) so that the latter has a complete picture of all material risks at all times. The results of the ORSA processes provide an important basis for decision-making by the Board of Directors.

The risk strategy sets out the strategic requirements for risk management. The risk strategy is aligned to the business strategy and governs the handling of the corresponding risk. The risk strategy is reviewed and adopted by the Board of Directors every year. The risk strategy documents the risks that were deliberately entered into in pursuing the business strategy and how these are to be managed. It also serves to create a comprehensive understanding of risk and the establishment of a Group-wide risk culture. The most important element of a healthy risk culture is an open exchange of information on the risk situation within the company. By unequivocally allocating risk responsibility, the Board of Directors seeks to promote the risk culture, increase the commitment of the individuals appointed, and ensure overall transparency through clear contact persons.

The aim of risk identification is to record and document all material risks.

Risk inventories are regularly carried out for this purpose. Relative to reference dates, a company-wide risk assessment is carried out, in which all risks are queried and updated systematically every six months by the risk officers in all divisions and projects of the VHV Group. Individual risks identified are checked for plausibility by the IRCF and then aggregated to determine the overall solvency needs. Process-oriented risks are also identified on the basis of an IT-based system of documenting business processes. There are also wide-ranging ad hoc reporting requirements to ensure risks or material changes are identified during the year. In addition, risk analyses on an ad hoc basis are prepared for projects relevant to risks, the results of which are taken into account in the decision by the Board of Directors.

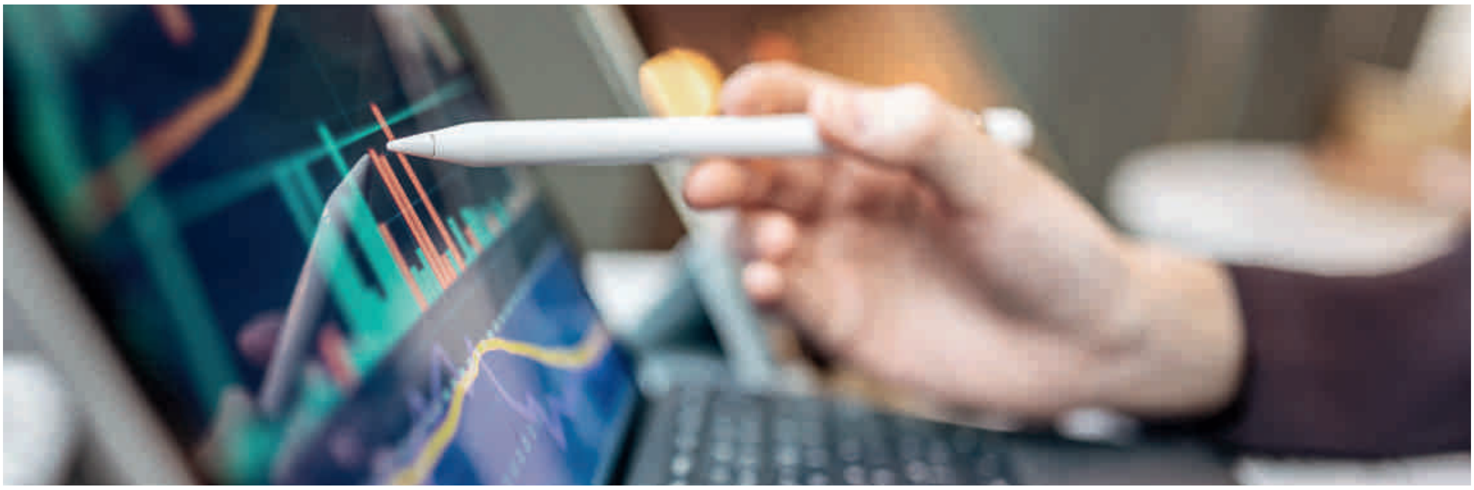
Risk assessment refers to all methods and processes that serve to measure and assess identified risks. Operational, strategic and reputation risks are assessed in the half-yearly risk assessment by means of an expert assessment by the risk managers based on the criteria of probability of occurrence and economic loss potential. In addition to this quantitative assessment, an assessment based on qualitative criteria (appropriateness and reputation) is carried out. Appropriate procedures are used to aggregate the overall solvency needs for operational risks. Findings from the regular review of the ICS are also taken into account when assessing operational risks.

The model calculations of the standard formula provided for the quantitative assessment of the risks under Solvency II and the determination of eligible own funds are conducted both on an annual basis as at December 31 and on a quarterly basis. In addition, the solvency capital requirement, the overall solvency requirement and own funds are calculated on the basis of projections for the current financial year and over the planning period of five years. This is used to analyse whether corporate planning is in line with the risk strategy and whether sufficient coverage will also be achieved in the future. In the event that the minimum or target coverage ratios defined in the risk strategy are not achieved with the planning proposal, recommendations for planning adjustments and, if necessary, the risk strategy are to be drawn up by the IRCF. If necessary, capital management measures are implemented at an early stage to ensure that strategic risk requirements are always met. The IRCF is responsible for the capital management analyses, is involved in the process at an early stage when capital management measures are planned and coordinates these. To determine the overall solvency needs annually as at December 31, company-specific circumstances are included in the risk models. The underlying assumptions of the standard formula and risks not shown in the standard formula are assessed for their appropriateness for the insurance companies of the VHV Group. Deviations in the actual risk profile from the underlying assumptions of the standard formula are analysed. If significant deviations are identified, a company-specific adjustment is made when assessing the corresponding risks. In addition, stress tests and scenario analyses are carried out as part of the company's own risk and solvency assessment. Among other things, this involves analysing the extent to which sufficient own funds are still available to cover the solvency capital requirement after the occurrence of defined extreme events or whether capital management measures could become necessary. In addition to the Solvency II market value analyses, stochastic HGB projection calculations are carried out in annual asset/liability management studies.

Risk monitoring is ensured at aggregate levels through the IRCF. To this end, a comprehensive limit system has been implemented to apply the risk strategy operationally, which is permanently refined and adapted to environmental changes. The limit system ensures that the risk tolerance variables defined in the risk-bearing capacity concept are monitored through a number of risk parameters. Various escalation processes ensure that there is an early warning in the event of material deviation from targets and that an ad hoc report is submitted to the Board of Directors.

Reporting on the company's own risk and solvency assessment takes place on a regular basis and on an ad hoc basis. In addition to quarterly reporting as part of the model calculations of the standard formula, standard reporting takes place in particular via the annual ORSA report and during the year via the monthly limit reports. The ORSA report, which documents the main results of the ORSA processes, is designed as a "single ORSA report" in such a way that the results of the VHV Group from a consolidated Group perspective and the companies VHV a. G., VHV Holding, VHV Allgemeine and HL are included. A separate report on the own risk assessment is prepared for the Pensionskasse der VHV-Versicherungen. The results of the ORSA processes of VAV and Val Piave are also presented in separate reports. The single ORSA report is approved by the Board of Directors and made available to the members of the Risk Committees of the Supervisory Boards and the supervisory authority. The single ORSA report was adopted by the Board of Directors on March 27, 2024. In addition, the IRCF's annual standard reporting includes the results and recommendations of the HGB projections carried out in asset/liability management and the internal ICS report. Ad hoc risk analyses are also prepared as required. Possible circumstances for ad hoc reporting by the IRCF to the Board of Directors and to the Supervisory Board include:

- The minimum coverage ratio defined in the risk strategy not being met
- Limit violations (red traffic light)
- Change to the organisational structure (involving key functions)
- Doubts about the qualifications of employees who perform key tasks ("fit and proper" requirements), e. g. criminal convictions of responsible persons
- Significant errors in governance and in company processes, e. g. systematic errors in processes involving customers
- In addition, the results of risk analyses relevant to decision-making and on an ad hoc basis are reported to the Board of Directors.



Risk management refers to the taking of decisions and the implementation of measures to deal with a risk situation while taking risk strategy targets into account.

This includes the conscious acceptance of risk, risk avoidance, risk reduction and risk transfer. In particular, new business segments, new capital market and insurance products as well as outsourcing projects are subjected to a risk assessment by the IRCF and other key functions before any resolution, meaning that the Board of Directors can take risk-oriented decisions that build on this process. The findings of the company's own risk and solvency assessment are used to derive measures, which are transferred to the target agreements of the members of the Boards of Management and senior executives responsible for implementation and to the remuneration system of the VHV Group. In summary, the company's own risk and solvency assessment is therefore fully integrated into the organisational structure and decision-making processes of the VHV Group.

COMPLIANCE MANAGEMENT SYSTEM

The implementation of regulatory requirements for the compliance function in the VHV Group is defined for all companies in the Group policy on the compliance management system. These requirements are further specified and bindingly implemented at company level through company policies. The company policy on the compliance management system is accessible to all employees. The aim of this compliance management system is to ensure adherence to these requirements, thereby avoiding the risk of material financial loss, of liability claims and other legal issues, as well as loss of reputation for the VHV Group, its employees and executive bodies. These risks concern, in particular, civil or criminal charges against employees or executive bodies of the VHV Group as well as claims for compensation, criminal charges or financial penalties against the VHV Group itself.

In addition to the Chief Compliance Officer, the compliance function in the wider sense also includes other employees as well as company officers and their employees. As an executive employee, the Chief Compliance Officer reports directly to the Board of Directors member in charge of compliance. The employees in the compliance function who are responsible for supervisory law, as well as anti-trust, marketing and insurance contract law, report directly to the Chief Compliance Officer. The compliance function is assisted by local compliance coordinators who are employed by other departments.

> The four core tasks of the compliance function are: the advisory task, the risk control task, the monitoring task and early warning task.

Once a year, the compliance function must submit a written compliance report to the Board of Directors. In the event of any significant findings, such as serious legal violations, the compliance function must present an ad hoc report to the Board of Directors in order to notify it immediately. The report must include suggestions for the remedial measures to be taken.

Within its advisory role, the compliance function consults with the Board of Directors about adherence to the applicable laws, ordinances and regulatory requirements that apply to insurance operations. The compliance function identifies and evaluates the compliance risks (risk control task).

Based on the risk analysis, the compliance function prepares a compliance plan that takes account of all relevant business areas. The monitoring activities of the compliance function are based on this compliance plan. The compliance function monitors compliance with the laws, regulations and regulatory requirements applicable to the operation of the insurance business (monitoring task).

Included in its monitoring task is the verification that suitable, effective internal procedures are in place to support compliance with the external requirements.

In relation to its early warning tasks, the compliance function observes and assesses the potential effects of changes in legislation and notifies management as soon as possible about the consequence of any such changes. Therefore, it must keep a close watch on and analyse developments in regulatory and general conditions. The early warning function is covered by regular monitoring of the legal conditions. Periodically, the compliance function publishes newsletters regarding the main topic areas. The most important legal amendments, particularly those that would involve a great deal of complexity for the entire business organisation, are presented to the Board of Directors for the VHV Group companies affected.

SANCTIONS AND EMBARGOES

The companies of the VHV Group are required to comply with the sanction and embargo rules of the European Union and the Federal Republic of Germany. This includes, but is not limited to, identifying (potential) customers as well as payment beneficiaries that are subject to personal sanctions. Personal sanctions are restrictions that apply directly to individuals, institutions or organisations, regardless of where they are located. These include, for example, the EU's embargo measures to combat terrorism. For persons subject to such measures, restrictions on capital and payment transactions, including a ban on the provision of economic resources, can be imposed (prohibition of provision and fulfilment).

The existence of sanction prevention measures is also increasingly being demanded by business partners, such as reinsurers and insurance brokers, as a prerequisite for doing business with the VHV Group. An absence of such measures could compromise the negotiating position or mean lost business relationships.

Because the VHV Group is an international insurance company, it would likely be subject to US sanction regulations as well. For this reason, precautions must be taken to adequately minimise any subsequent risks. The reach of these measures is limited; any measures taken cannot violate the boycott regulations of the European Union or the Federal Republic of Germany.

INTERNAL AUDIT

Internal Audit is designed to provide independent, objective audit and consulting services (that are reasonable in scope) in order to create value and improve the business processes of the VHV Group companies.

> This in turn is meant to increase and safeguard the value of the organisation with risk-oriented and objective audits, consultations and insight.

Internal Audit assists the organisation in reaching its goals by using a systematic, strategic approach to evaluate (and to help improve) the effectiveness of risk management, controls, management and monitoring processes.

BUSINESS PRACTICES [ESRS G1-1, 10A]

When it comes to business practices, the corporate culture plays a key role in the VHV Group's success. Identifying and combating corruption, accepting and granting benefits and invitations within customer and business partner relationships and avoiding conflicts of interest are included in the Code of Conduct.

The VHV Group also has strategies/policies for managing the following material impacts and risks in relation to business conduct and corporate culture:

- Potential loss of quality in the services offered due to the transition to and the search for new business partners and service providers

The strategic guidelines for outsourcing and supplier management are set out in the risk strategy. This is formulated consistently in line with the Group strategy. The risk strategy sets out which risks are consciously entered into in the pursuit of the Group strategy and the overarching thematic strategies as well as the business segment strategies derived from these and how the material risks are to be managed. It is adopted by the Board of Directors of VHV a. G. Other thematic strategies such as the IT and digitalisation strategy and the human rights strategy also apply to outsourcing and supplier management and are also integrated into management and implementation.

The Group policy on outsourcing and supplier management is adopted by the Board of Directors of VHV a. G. and reflects the minimum requirements for outsourcing and supplier management from the Group's standpoint that must be adopted and further specified in company policies as approved by executive management, taking account of local requirements and conditions. Reference is made here to the company policy of the same name.

The Group policy regulates the cooperation between the companies of the VHV Group as service recipients and the respective service providers by defining principles. The aim is to ensure the legally sound, risk-adequate and efficient provision of services. Service providers can be both external companies and companies of the VHV Group within the scope of of internal procurement.

The policy also promotes the systematic integration of services into the VHV Group's value chain and contributes to strengthening the company's core competences.

- Impacts on long-term corporate development as a result of conflicts of interest and misguided incentives
- Reputation risk due to inadequate implementation of the sustainability strategy

The strategic guidelines for the standardised Group-wide governance system are set out in the risk strategy. This is formulated consistently in line with the Group strategy. The risk strategy sets out which risks are consciously entered into in the pursuit of the Group strategy and the overarching thematic strategies as well as the business segment strategies derived from these and how the material risks are to be managed. It is adopted by the Board of Directors of VHV a. G.

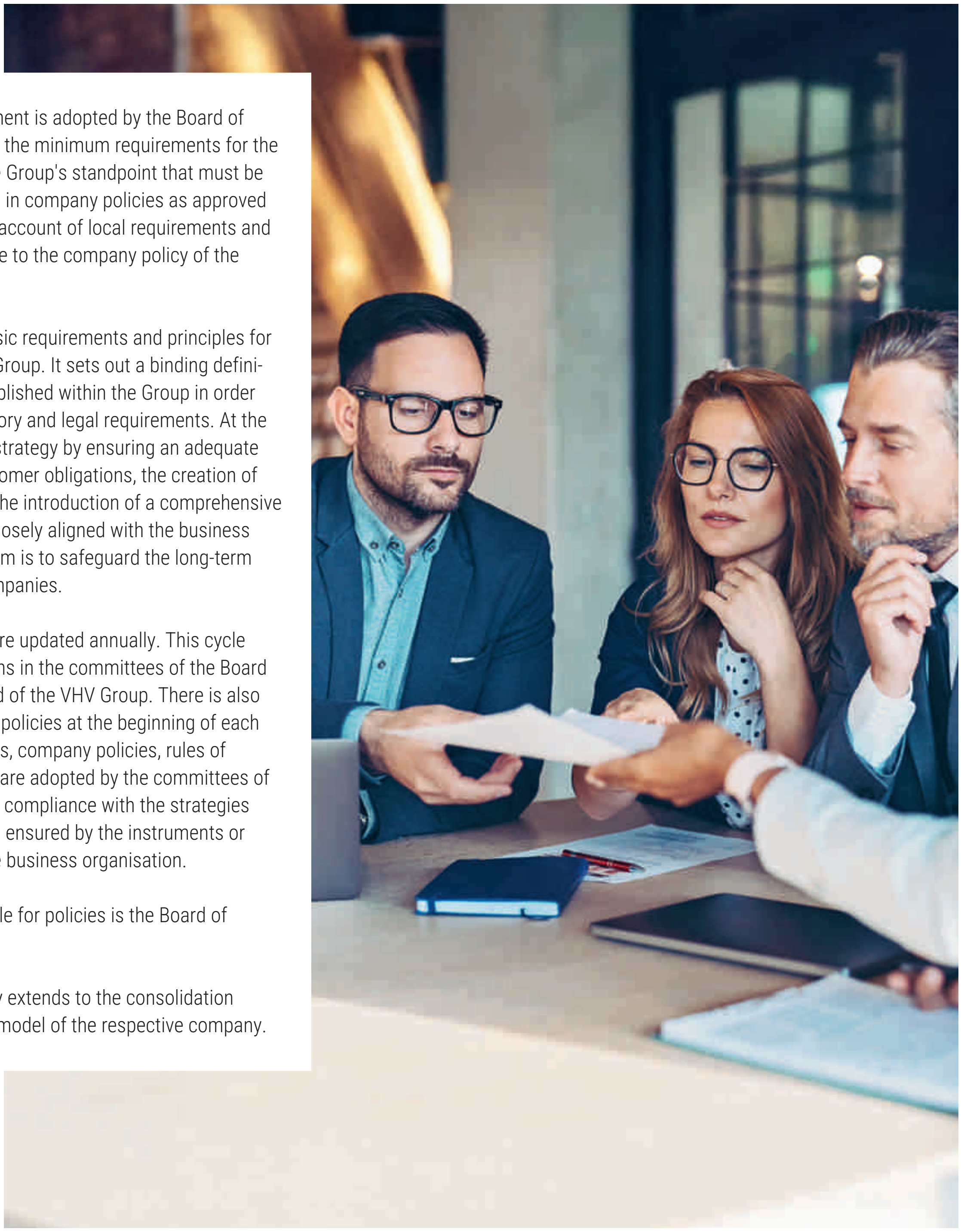
The Group policy on risk management is adopted by the Board of Directors of VHV a. G. and reflects the minimum requirements for the risk management system from the Group's standpoint that must be implemented and further specified in company policies as approved by executive management, taking account of local requirements and conditions. Reference is made here to the company policy of the same name.

The Group policy regulates the basic requirements and principles for dealing with risks within the VHV Group. It sets out a binding definition of how the risk culture is established within the Group in order to ensure compliance with regulatory and legal requirements. At the same time, it supports the Group strategy by ensuring an adequate capital base, the fulfilment of customer obligations, the creation of transparency regarding risks and the introduction of a comprehensive risk management system that is closely aligned with the business activities of the VHV Group. The aim is to safeguard the long-term existence of the Group and its companies.

The strategies of the VHV Group are updated annually. This cycle ends with the passing of resolutions in the committees of the Board of Directors and Supervisory Board of the VHV Group. There is also a process for updating the written policies at the beginning of each financial year, where Group policies, company policies, rules of procedure and working guidelines are adopted by the committees of the Board of Directors. In addition, compliance with the strategies and policies in the various areas is ensured by the instruments or processes of internal review of the business organisation.

The organisational level responsible for policies is the Board of Directors of VHV a. G.

The scope of the policies generally extends to the consolidation group depending on the business model of the respective company.



POLICIES TO GOVERN BUSINESS PRACTICES [ESRS G1-1, 10A]

Employee conduct affects the quality of the products and services of the VHV Group and thus its success. The VHV Group's Code of Conduct provides a precise definition of proper business practices, complemented by Group and company policies that define the minimum requirements for data protection, money laundering and terrorism financing and must be implemented in local policies.

The VHV Group considers misconduct in business to be a violation of obligations under the employment contract. In the event of violations, the anti-money laundering and financial crime unit and other contact persons within the compliance function and other affiliated companies are available for expert advice.

In addition, employees are required to report potential and actual violations via the whistleblower systems that have been set up.

These whistleblower systems are available to employees and, as a rule, also to external third parties for submitting information via the internal and external websites of the VHV Group companies.

[ESRS G1-1, 10c] The main subject areas of the whistleblower system are:

- Fraud, embezzlement, theft, document fraud, etc.
- Active and passive bribery and bribery of public officials
- Money laundering, terrorism financing, financial sanctions and embargoes
- Violations of supervisory laws (VAG – Insurance Supervisory Act, KWG – Banking Act, WpHG – Securities Act, etc.)
- Violations of fair competition laws and antitrust laws
- Violations of marketing and sales laws

[ESRS G1-1, 10c] Appropriate precautions are taken to safeguard confidential communication between the reporting centres and the whistleblower. At the whistleblower's request, this can also be carried out anonymously.

The operation of the whistleblower system and the handling of reports and those submitting reports is regulated by procedures. This includes regulations on the confidentiality of reports, on the protection of whistleblowers and on the protection of the independence of reporting centres. They also govern the prohibition of retaliation against the whistleblower and the prohibition of obstructing or attempting to obstruct reports or the communication following a report between the whistleblower and the reporting centre.

[ESRS G1-1, 10d/11] The German companies of the VHV Group are subject to the requirements of the Whistleblower Protection Act, which transposes Directive 2019/1937 into national law.

To foster a culture of conduct that benefits our business, the VHV Group has defined its own company values, as set forth in the Code of Conduct.

The Board of Directors is required to monitor the actions of employees in the VHV Group in an appropriate manner. When it comes to responsible business practices, the VHV Group makes no distinction between direct business activities or activities in the direct value chain.

The compliance management system has been established and is intended to support the implementation of the corporate culture.

MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS [ESRS G1-2, 12-15]

The VHV Group has defined the following purchasing principles in the Group policy on purchasing:

Fairness and transparency
The VHV Group's purchasing department makes its purchasing decisions exclusively on the basis of objective and comprehensible criteria while expressly ensuring equal opportunities between suppliers and service providers. Purchasing success is based not only on the best price, but the direct combination of the most favourable price with the best performance and the lowest possible environmental impact.

Supplier development
The VHV Group needs efficient, effective and innovative suppliers of goods and services. The VHV Group works with these suppliers in an open, fair and long-term partnership. The VHV Group supports the partners in the further development of their expertise and respects them as independent entrepreneurs. Decisions are made in accordance with the principle of economic efficiency and sustainability, i.e. a key factor for us is the combination of economic, ecological and social factors while maintaining the same qualifications and quality.

Ethics
The VHV Group commits itself and its suppliers to take action against unlawful behaviour such as fraud, deception or embezzlement in all its forms.

Risk management
When conducting its tasks, the purchasing department explicitly considers procurement risks.

[ESRS G1-2, 14] The VHV Group has not defined an explicit strategy to prevent payment delays to its suppliers. In the context of the implemented digital invoice processing, payments are systematically made with digital representation rules and digital invoice approval to support timely payment.

Code of Conduct for Suppliers and Business Partners of the VHV Group
Additionally, the VHV Group has implemented a Code of Conduct for Suppliers and Business Partners to establish requirements based on legal regulations such as LkSG and international standards such as the Principles of the United Nations Global Compact. The Code of Conduct therefore defines requirements for social and ecological responsibilities, as well as ethical business behaviour.

Both the VHV Group and its business partners are committed to setting up a systematic risk management system to identify and rectify any breaches of the mentioned requirements.

The VHV Group has implemented a binding Code of Conduct on the subject of human rights. In it, the VHV Group commits to respecting human rights and the core labour standards of the International Labour Organization (ILO) in accordance with the United Nations Guiding Principles on Business and Human Rights. The VHV Group expects the same from its business partners.

Violations and the measures taken against them by business partners must be reported to the VHV Group in a timely manner. The VHV Group also expects its business partners to recognise the contents of the Code of Conduct in writing and to comply with it at all times. Compliance can be verified through self-assessment questionnaires and risk-based audits. The audits are usually carried out for a specific reason with appropriate advance notice. If a violation of the Code of Conduct is identified during an audit, the relevant business partner will promptly receive a notification from the VHV Group, setting a deadline for rectifying the violation based on its severity.

In principle, any violations of the Code of Conduct must be rectified promptly. If a violation cannot be rectified in the foreseeable future, the business partner must report this to the VHV Group immediately in order to develop a joint concept with a timetable for rectifying or minimising the violation.

If a violation cannot be rectified or a business partner fails to rectify a violation by a defined deadline, the VHV Group may terminate the business relationship with the respective business partner and terminate all contracts.

ANTI-CORRUPTION AND ANTI-BRIBERY MEASURES [ESRS G1-1, 10E; ESRS G1-3, 16-18]

In order to combat and prevent corruption and bribery within the VHV Group, the respective companies must set up approval processes for accepting and granting benefits.

The same applies to the granting of benefits by employees of the VHV Group to third parties. Gifts, benefits and invitations to public officials are generally prohibited. Furthermore, there are regulations governing conflicts of interest that could arise from the processing of transactions relating to persons in one's own family or circle of acquaintances.

In the event of suspected corruption, employees can contact the body responsible for the company in question either directly or by using the fraud reporting process or whistleblower system. If suspicions are substantiated, these reports are processed there or forwarded to the appropriate bodies, e. g. the fraud investigator, for further review. The role of the fraud investigator is the responsibility of Internal Audit. It provides its clarification services independently and objectively. It does not perform any operational functions. The results of the investigations are reported to the heads of the respective divisions or managing directors responsible for the audit area, the full Board of Directors of the responsible insurance company or the full Board of Directors of VHV a. G./VHV Holding and the Anti-Fraud Manager.

As a rule, the whistleblower systems are also available to external third parties via the websites of the VHV Group companies.

Based on the questions received in cases of uncertainty, among other things, employees are mindful of the topic.

ANTI-FRAUD MANAGEMENT SYSTEM

The objective of an anti-fraud management system is to reduce the likelihood of white-collar crime (fraud) occurring through preventive measures (prevention and detection) and to limit any losses incurred in fraud cases that have occurred through effective and efficient measures (investigation of facts).

As described above, the further development of the ESG investment approach is also planned for the 2025 reporting year. In future, the Corruption Perception Index will be taken into account as an additional criterion for investments.

The anti-fraud management system is part of the overarching compliance management system. It covers the topics of consulting, early warning function, training and control as they relate to fraud. In other words, it further specifies the provisions of the compliance management system.

ANTI-MONEY LAUNDERING SYSTEM

The VHV Group must protect itself comprehensively from violations relating to money laundering and terrorism financing. This includes, but is not limited to, creating and maintaining suitable control and protection systems for transactions and customers.

Failure to comply with regulatory requirements in the respective home country of the Group company for an anti-money laundering system may mean high financial and administrative penalties for the VHV Group, its executive bodies and employees. There is also a risk of damage to the Group's reputation.

The extent of the measures to be taken are in accordance with the requirements of Section 9, GWG (German Anti-Money Laundering Act) and the locally applicable laws.

FAIR COMPETITION PRACTICES

The VHV Group is firmly committed to maintaining proper business practices with customers and business partners. The central aspect here is also the encounter in the competitive environment and operating within it. The fundamental idea is centrally incorporated and recorded in the Code of Conduct of the VHV Group.

The only way to enhance the VHV Group's market position is to outperform the competition in terms of service. For this reason, all VHV Group companies must pursue their business objectives by lawful, ethical means with fair methods of competition in accordance with the law.

> This includes following the provisions of fair competition and antitrust laws: no agreements on prices or terms with competitors, no sharing of information with competitors that is relevant to competition and no submission of sham offers.

All potential conflicts with business partners and customers must be avoided to the fullest extent possible or handled with the appropriate expedience and fairness. All precautions are intended to provide the best possible service to the insurance customers.

The compliance management system is designed to ensure adherence to the Code of Conduct. This includes all its regulations, including monitoring conduct towards business partners as well as customers.

ANTI-CORRUPTION AND ANTI-BRIBERY TRAINING [ESRS G1-1, 10G; ESRS G1-3, 20 21]

The VHV Group is firmly dedicated to complying with the anti-corruption and anti-bribery measures. For this reason, new recruits to insurance companies in Germany, for example, undergo anti-fraud management training that also covers corruption-related issues. Besides a case study to raise general awareness, the training also covers reporting obligations in the event of bribery attempts, the gift acceptance process, the duty to report transactions with related parties, and the prohibition of proprietary trading. The course includes a self-test to assess knowledge acquired. In order to communicate updates proactively and refresh the lessons learned, the training is mandatory every two years for employees of these companies regardless of their function or risk. Participation in the training is monitored via an automatic escalation process. At the end of defined periods, reminder e-mails are sent to employees who have not yet fulfilled their training obligations. At another escalation level, a notification is also sent to the relevant manager.

[ESRS G1-3, 21b] The training applies to all female and male employees of the applicable German companies, so that the percentage of risk-bearing functions covered by training programmes is 100 %.

Corresponding training has already been implemented in most of the downstream domestic and foreign companies.

[ESRS G1-3 21c] The Board of Direcrors and Supervisory Board of VHV a. G. are trained within the scope of specialist qualifications and integrity.

[ESRS G1-1, 10h] Generally speaking, there are potential risks for employees in all the main areas (applications, service, purchasing, marketing, facility management, investments, HR, etc.), meaning anywhere that providers are hired, payments are made, or applications are reviewed for approval.

CORRUPTION AND BRIBERY CASES IN THE PERIOD UNDER REVIEW [ESRS G1-4, 24A-C; 25A-D]

There were no known cases of corruption or bribery within the VHV Group in the reporting period. In addition to employees, this also includes business partners. If a case does occur in spite of our efforts toward proper business practices, the VHV Group's financial crime unit will launch an investigation immediately.

VIOLATION OF FAIR COMPETITION PRACTICES IN THE PERIOD UNDER REVIEW

There were no known cases of anti-competitive behaviour within the VHV Group in the reporting period. For more information on antitrust law, see the policy on compliance management systems. The compliance newsletter provides regular updates on antitrust law.

BENEFICIAL OWNERS

VHV a. G. is the parent company of the VHV Group and therefore directly or indirectly holds the shares in the affiliates. The Federal Financial Supervisory Authority (BaFin) is the supervisory authority in charge. For the current financial year, EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft was appointed as the financial statement auditors for the consolidated financial statements and individual financial statements of the main Group companies. The VHV Group companies' ownership structure does not include natural persons with 25 % or more of the capital stock or voting rights. Therefore, the members of the executive management are fictitious beneficial owners.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES [ESRS G1-5, 27-30]

The VHV Group is a member of the following associations and organisations, among others:

- Zentralverband des Deutschen Baugewerbes e.V.
- Stiftung Ordnungspolitik
- RKW Rationalisierungs- und Innovationszentrum der Deutschen Wirtschaft e.V.
- Bauwirtschaft Baden-Württemberg e.V.
- Wirtschaftsrat der CDU e.V.
- Institut der Norddeutschen Wirtschaft e.V.
- Deutschland baut! e.V.
- GDV
- United Europe e.V.

The members of the Board of Directors of VHV a. G. did not hold a comparable position in public administration (including regulatory authorities) in the two years prior to their appointment in the current reporting period.

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES [ESRS G1-5, 29B/C]

The VHV Group recognises the importance of transparency and accountability in dealing with political donations and lobbying activities. A process for recording and disclosing the relevant data is currently in the implementation phase. The aim is to ensure complete and compliant reporting in a timely manner.

In the current reporting period, no specific lobbying activities were identified that go beyond the general representation of the interests of the insurance industry. Key issues for the VHV Group as a specialist insurance provider for the construction industry generally relate to regulatory requirements in the construction and insurance sector. However, no active political influence or targeted positions on these issues in the context of lobbying activities were identified.

PAYMENT PRACTICES [ESRS G1-6, 31-33]

As an insurance company, the VHV Group has further cash flows to service providers and suppliers in addition to cash flows from investments and the underwriting areas (including brokers and claims payments).

DATA PROTECTION

As an insurance group, the protection of personal data (including employee data, customer data or data relating to other third parties) is particularly important due to its significance in the context of daily work. Carefully and safely handling data is therefore essential for trusting, long-term cooperation and customer relationships. Data protection is therefore a high priority.

A data protection management system has been implemented to protect personal data. The aim of this is to ensure that the existing activities, systems, processes and measures for the companies of the VHV Group are carried out in compliance with data protection regulations. In addition to the principles of data protection law that must be complied with, the data protection management system describes a standard process for identifying, evaluating, documenting and reporting on processing activities that are relevant to data protection. The measures required by the data protection management system are specified in a company policy on data protection and data protection management as well as in the procedures of the respective departments. The data protection management system helps to identify, assess and appropriately manage risks at an early stage as part of regular processes.

Responsibility for the establishment, appropriate design, effectiveness and ongoing monitoring of data protection organisation lies with the respective Board of the Directors of the responsible company.

When processing personal data, the principles and requirements of the applicable data protection law must be observed.

INFORMATION SECURITY AND ICT RISK MANAGEMENT

Information security and ICT risk management are an integral part of the business policy and sustainability strategy. The reliability of the IT systems used and the service providers commissioned in the business processes as well as the appropriate availability of information ensure the efficiency and competitive position of the VHV Group and thus the trust of customers and business partners as well as its public reputation. The VHV Group ensures that it maintains a level of resilience and security in line with its risk profile, which fulfils the legal and regulatory requirements and corresponds to the state of the art. To achieve this goal, the VHV Group operates an information security management system (ISMS). The ISMS follows a continuous process of planning, implementation, success monitoring and optimisation and is based on established information security standards.

The aim of the ISMS is to

- achieve the desired level of information security
- ensure this on a continuous basis
- provide information on its status at all times.

Control processes are used to identify, assess, handle, communicate and review ICT risks. Risks identified in the ISMS are supplemented by the risks from the use of ICT service providers and business continuity management (BCM) and are correlated, evaluated and appropriately managed. These risks are incorporated into the company's overall risk management.

Management is responsible for the ISMS and ICT risk management and creates the necessary framework conditions, particularly with regard to the necessary financial and human resources.

PRIVACY AT THE WORKPLACE

The VHV Group operates an information security management system. It is continuously in the planning, implementation, evaluation and optimisation phase. The VHV Group pursues the following principles:

- **Principle 1: Information security as an integral element**
  Information security is strategically positioned in VHV Group and is seen as an indispensable part of the overall corporate policy.

- **Principle 2: Compliance with legal and regulatory requirements**
  All legal and regulatory requirements for the VHV Group are continuously checked to ensure they are complete and up to date. Requirements contained in this document or in downstream regulations must be observed and deviations must be documented. Compliance with security requirements is regularly assessed for implementation within VHV Group and service providers.

- **Principle 3: Protection of information**
  The protection goals of integrity, confidentiality, authenticity and availability of information are ensured taking into account the state of the art as well as the risk profile of the companies.

- **Principle 4: Protection of personal data**
  Appropriate technical and organisational measures are used to protect personal data (e. g. of customers, partners, employees and service providers) from misuse.

- **Principle 5: Ensuring traceability**
  It must be possible to trace activities that are relevant to security: we must be able to identify the person in charge of an activity at all times.

- **Principle 6: Uniform standards**
  Adherence to the standards and regulations relevant to the companies of the VHV Group ensures the most complete possible identification and treatment of all security risks in business processes and gives a good structure for internal and external audits.

- **Principle 7: Protection against attacks**
  All processes are protected against failure and are protected from being compromised by attacks.

- **Principle 8: Ensuring information security in contractual relationships**
  Contractual agreements must be used to provide the necessary transparency of all agreed services and the external and internal service providers who are responsible for them, as well as to ensure compliance with information security requirements.

- **Principle 9: Guarantee of operation**
  Regardless of which parts of the operation take place within the VHV Group itself and which parts are outsourced to an external service provider, secure and regulated business operations are ensured.

- **Principle 10: Consideration of economic efficiency aspects**
  The security measures must be determined on a risk basis and be economically justifiable in relation to the loss that can be caused by an incident.

NEGATIVE STATEMENTS

Requirements	Abbreviation	Negative statement
ESRS G1-5, 29a	Political influence and lobbying activities	No representative has been appointed to the administrative, management and supervisory bodies responsible for overseeing political influence and lobbying activities.
ESRS G1-5, 29d	Political influence and lobbying activities	VHV a. G. is not entered in the EU Transparency Register.
ESRS G1-6, 33a/b	Payment practices	There are no standard payment terms for payments to service providers and suppliers. Furthermore, there is currently no systematic recording of the average time (in days) required to settle an invoice from the start of the contractual or statutory payment period. Irrespective of this, the VHV Group ensures that all payment deadlines are met at all times.
ESRS G1-6, 33c	Payment practices	There are no pending legal proceedings for late payments.
ESRS G1-5, 33d	Payment practices	The VHV Group did not use a representative sample to calculate the average days to pay invoices.

Taxonomy-aligned investments

The weighted average value of all investments of insurance or reinsurance undertakings geared towards or associated with the financing of taxonomy-aligned economic activities, **in relation to the value of total assets recognised for the KPI, with the** following weightings of participating interests in undertakings as listed below:

Revenue-based:	0.7 %
CapEx-based:	0.9 %

The percentage of assets recognised for the KPI in relation to the total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in state entities.

Recognition rate:	4.1 %

The weighted average value of all investments of insurance or reinsurance undertakings geared towards or associated with the financing of taxonomy-aligned economic activities, with the following weightings of participating interests in undertakings as listed below:

Revenue-based:	EUR 105.4 million
CapEx-based:	EUR 147.3 million

The monetary value of the assets recognised for the KPI. Excluding investments in state entities.

Recognised area:	EUR 651.4 million

Additional, supplementary disclosures: Breakdown of the denominator of the KPI

The percentage of derivatives in relation to total assets recognised for the KPI:	0.0 %

The value of the derivatives as a monetary amount:	EUR 0.9 million

The share of **exposures to financial and non-financial undertakings which are not subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets** recognised for the KPI:

For non-financial undertakings:	10.2 %
For financial undertakings:	28.1 %

The value of **exposures to financial and non-financial undertakings that are not subject to Articles 19a and 29a of Directive 2013/34/EU:**

For non-financial undertakings:	EUR 1,606.9 million
For financial undertakings:	EUR 4,435.8 million

The share of **exposures to financial and non-financial undertakings from non-EU countries that are not subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets** recognised for the KPI:

For non-financial undertakings:	7.3 %
For financial undertakings:	7.4 %

The value of **exposures to financial and non-financial undertakings from non-EU countries that are not subject to Articles 19a and 29a of Directive 2013/34/EU:**

For non-financial undertakings:	EUR 1,156.6 million
For financial undertakings:	EUR 1,173.1 million

The share of **exposures to financial and non-financial undertakings that are subject to Articles 19a and 29a of Directive 2013/34/EU in the total assets** recognised for the KPI:

For non-financial undertakings:	7.1 %
For financial undertakings:	22.3 %

The value of**exposures to financial and non-financial undertakings that are subject to Articles 19a and 29a of Directive 2013/34/EU:**

For non-financial undertakings:	EUR 1,123.0 million
For financial undertakings:	EUR 3,512.0 million

The share of **exposures to other counterparties and assets in** the total assets recognised for the KPI:	21.0 %

The valueof **exposures to other counterparties and assets:**	EUR3,304.3 million

The share of the insurance or reinsurance undertaking's investments other than investments for life insurance contracts, **where the investment risk is borne by the policy holders:***	97.9 %

The value of the insurance or reinsurance undertaking's investments other than investments for life insurance contracts, **where the investment risk is borne by the policy holders**:	EUR15,437.0 million

The value of all **investments which fund non-taxonomy-eligible economic activities in relation to the** value of total assets recognised for the KPI:

Revenue-based:	4.6 %
CapEx-based:	6.6 %

The value of all investments which fund taxonomy-eligible **but not taxonomy-aligned** economic activities **in relation to the value** of total assets recognised for the KPI:

Revenue-based:	15.0 %
CapEx-based:	15.0%

The value **of all investments which fund non-taxonomy-eligible economic activities**:

Turnover-based:	EUR730.4 million
CapEx-based:	EUR1,035.8 million

The value of all investments which fund taxonomy-eligible **but not taxonomy-aligned** economic activities:

Turnover-based:	EUR2,371.8 million
CapEx-based:	EUR2,370.8 million

*) In accordance with the wording of Delegated Regulation 2021 / 2178, this KPI is intended to relate to investments that are geared towards or associated with the funding of taxonomy-aligned economic activities. Since this is a KPI that is intended to break down the denominator, this addition is not applicable in our view.

Additional, supplementary disclosures: Breakdown of the numerator of the KPI

The share of **taxonomy-aligned exposures to financial and non-financial undertakings that are subject to Articles 19a and 29a of Directive 2013/34/EU** in the total assets recognised for the KPI: **For non-financial undertakings:** Revenue-based: 0.7 % CapEx-based: 0.9 % **For financial undertakings:** Revenue-based: 0.0 % CapEx-based: 0.0 %	The value of **taxonomy-aligned exposures to financial and non-financial undertakings that are subject to Articles 19a and 29a of Directive 2013/34/EU:** **For non-financial undertakings:** Revenue-based: EUR 105.3 million CapEx-based: EUR 146.3 million **For financial undertakings:** Revenue-based: EUR 0.1 million CapEx-based: EUR 1.0 million
The share of the insurance or reinsurance undertaking's investments other than investments for life insurance contracts, **where the investment risk is borne by the policy holders**, which are geared towards or associated with the funding of taxonomy-aligned economic activities: Revenue-based: 0.7 % CapEx-based: 0.9 %	The value of the insurance or reinsurance undertaking's investments other than investments for life insurance contracts, **where the investment risk is borne by the policy holders**, which are geared towards or associated with the funding of taxonomy-aligned economic activities: Revenue-based: EUR 105.4 million CapEx-based: EUR 147.3 million
The share of taxonomy-aligned **exposures to other counterparties and assets in the total assets recognised** for the KPI: Revenue-based: 0.0 % CapEx-based: 0.0 %	The value of **taxonomy-aligned exposures to other counterparties and assets** in the total assets recognised for the KPI: Revenue-based: EUR 0.0 CapEx-based: EUR 0.0

Breakdown of the KPI numerator by environmental objective

Taxonomy-aligned activities – provided that there is "do no significant harm" (DNSH) and social safeguarding are positively assessed:

1	Climate change mitigation	Revenue: CapEx	0.4 % 0.6 %	Transitional activities: A % (Revenue; CapEx) Enabling activities: B % (Revenue; CapEx)	0.0 % 0.1 %	0.0 % 0.2 %
2	Climate change adaptation	Revenue: CapEx	0.0 % 0.0 %	Enabling activities: B % (Revenue; CapEx)	0.0 %	0.0 %
3	Sustainable use and protection of water and marine resources	Revenue: CapEx	%	Enabling activities: B % (Revenue; CapEx)		
4	Transition to a circular economy	Revenue: CapEx	%	Enabling activities: B % (Revenue; CapEx)		
5	Prevention and reduction of environmental Pollution	Revenue: CapEx	%	Enabling activities: B % (Revenue; CapEx)		
6	Protection and restoration of biodiversity and ecosystems	Revenue: CapEx	%	Enabling activities: B % (Revenue; CapEx)		

REVENUE-BASED

Template 1 Nuclear and fossil gas related / activities

Row	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/cooling using fossil gaseous fuels.	Yes

Template 2 / Taxonomy-aligned economic activities (denominator)

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 EUR million	%	Amount in EUR million	%	Amount in EUR million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.1	0.0	0.1	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 (EU) 2021/2139 in the denominator of the applicable KPI	11.9	0.1	11.9	0.1	0.0	0.0
4	Amount and proportion of taxonomy-aligned economi-cactivity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5	Amount and proportion of taxonomy-alignedeconomi-cactivity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7	**Amount and proportion of other taxonomy-alig-ned economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI**	93.4	0.6	57.1	0.4	0.2	0.0
8	**Total applicable KPI**	105.4	0.7	69.1	0.4	0.2	0.0

Template 3 / Taxonomy-aligned economic activities (numerator)

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 EUR million	%	Amount in EUR million	%	Amount in EUR million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	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 (EU) 2021/2139 in the numerator of the applicable KPI	0.1	0.1	0.1	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 (EU) 2021/2139 in the numerator of the applicable KPI	11.9	11.3	11.9	11.3	0.0	0.0
4	Amount and proportionof taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of theapplicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5	Amount and proportion of taxonomy-alignedeconomi-cactivity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	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 (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7	**Amount and proportion of other taxonomy-alig-ned economic activities not referred to in rows 1 to 6 in the numerator of the applicable KPI**	93.4	88.6	57.1	54.2	0.2	0.2
8	**Total amount and proportion of taxonomy-alig-ned economic activities in the numerator of the applicable KPI**	105.4	100.0	69.1	65.6	0.2	0.2

Template 4 / Taxonomy-eligible but not taxonomy-aligned economic activities

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 EUR million	%	Amount in EUR million	%	Amount in EUR 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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	12.9	0.1	12.4	0.1	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 (EU) 2021/2139 in the denominator of the applicable KPI	12.4	0.1	12.3	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.9	0.0	0.9	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 in the denominator of the applicable KPI**	2,345.6	14.9	3.4	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**	2,371.8	15.0	29.0	0.2	0.0	0.0

Template 5 / Non-taxonomy-eligible economic activities

Row	Economic activities	Amount in EUR million	Percentage
1	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 1 of Template 1 in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
2	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 2 of Template 1 in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
3	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 3 of Template 1 in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1.2	0.0
4	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 4 of Template 1 in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.1	0.0
5	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 5 of Template 1 in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
6	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 6 of Template 1 in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
7	**Amount and proportion of other non-taxonomy-eligible economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI**	729.1	4.6
8	**Total amount and proportion of non-taxonomy-eligible economic activities in the denominator of the applicable KPI**	730.4	4.6

CAPEX-BASED

Template 1 Nuclear and fossil gas related / activities

Row	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/cooling using fossil gaseous fuels.	Yes

Template 2 / Taxonomy-aligned economic activities (denominator)

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 EUR million	%	Amount in EUR million	%	Amount in EUR million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.7	0.0	0.7	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 (EU) 2021/2139 in the denominator of the applicable KPI	7.4	0.0	7.4	0.0	0.0	0.0
4	Amount and proportion of taxonomy-aligned economi-cactivity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5	Amount and proportion of taxonomy-alignedeconomi-cactivity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	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 (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7	**Amount and proportion of other taxonomy-alig-ned economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI**	139.2	0.9	85.0	0.5	0.3	0.0
8	**Total applicable KPI**	147.3	0.9	93.1	0.6	0.3	0.0

Template 3 / Taxonomy-aligned economic activities (numerator)

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 EUR million	%	Amount in EUR million	%	Amount in EUR million	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	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 (EU) 2021/2139 in the numerator of the applicable KPI	0.7	0.5	0.7	0.5	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 (EU) 2021/2139 in the numerator of the applicable KPI	7.4	5.0	7.4	5.0	0.0	0.0
4	Amount and proportionof taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of theapplicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
5	Amount and proportion of taxonomy-alignedeconomi-cactivity referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	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 (EU) 2021/2139 in the numerator of the applicable KPI	0.0	0.0	0.0	0.0	0.0	0.0
7	**Amount and proportion of other taxonomy-alig-ned economic activities not referred to in rows 1 to 6 in the numerator of the applicable KPI**	139.2	94.5	85.0	57.7	0.3	0.2
8	**Total amount and proportion of taxonomy-alig-ned economic activities in the numerator of the applicable KPI**	147.3	100.0	93.1	63.2	0.3	0.2

Template 4 / Taxonomy-eligible but not taxonomy-aligned economic activities

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 EUR million	%	Amount in EUR million	%	Amount in EUR 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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	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 (EU) 2021/2139 in the denominator of the applicable KPI	7.7	0.0	7.6	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 (EU) 2021/2139 in the denominator of the applicable KPI	12.1	0.1	12.1	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 (EU) 2021/2139 in the denominator of the applicable KPI	1.3	0.0	1.3	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 in the denominator of the applicable KPI**	2,349.6	14.9	6.8	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**	2,370.8	15.0	27.8	0.2	0.0	0.0

Template 5 / Non-taxonomy-eligible economic activities

Row	Economic activities	Amount in EUR million	Percentage
1	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 1 of Template 1 in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
2	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 2 of Template 1 in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	4.9	0.0
3	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 3 of Template 1 in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.6	0.0
4	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 4 of Template 1 in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.1	0.0
5	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 5 of Template 1 in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.4	0.0
6	Amount and proportion of non-taxonomy-eligible economic activity referred to in row 6 of Template 1 in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0.0	0.0
7	**Amount and proportion of other non-taxonomy-eligible economic activities not referred to in rows 1 to 6 in the denominator of the applicable KPI**	1,029.9	6.5
8	**Total amount and proportion of non-taxonomy-eligible economic activities in the denominator of the applicable KPI**	1,035.8	6.6

VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024
CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024
CASH FLOW STATEMENT
STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024
VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G.

Assets	EUR	EUR	EUR	31. 12. 2024 EUR	31. 12. 2023 EUR
A. Intangible assets					
I. Purchased concessions, industrial and similar rights and assets and licenses in such rights and assets			136,519,069		136,914,234
II. Goodwill			70,034,981		88,522,122
III. Advance payments			16,192,964		15,821,484
				222,747,014	241,257,840
B. Investments					
I. Real properties, rights equivalent to real property and buildings, including buildings on third-party real properties			105,474,595		111,959,483
II. Investments in affiliated and associated companies					
1. Shares in affiliated companies		46,175,022			36,960,656
2. Participating interests in associated companies		62,733,066			60,666,243
4. Other participating interests		66,601,155			65,721,234
5. Loans to associated companies		1,530,000			3,030,000
			177,039,243		166,378,133
III. Other investments					
1. Equities, shares or equities in investment assets and other non-fixed interest securities		5,640,880,764			5,620,581,420
2. Bearer bonds and other securities with fixed interest rates		5,448,698,642			5,304,835,765
3. Mortgage, land charge and annuity charge receivables		1,005,108,077			1,047,469,752
4. Other loans					
a) Registered debentures	1,987,907,077				2,260,596,534
b) Promissory notes and loans	560,106,597				625,989,617
c) Loans and advance payments on insurance policies	6,895,297				8,080,571
d) Miscellaneous loans	7,168,178				7,800,073
		2,562,077,148			2,902,466,794
5. Bank deposits		217,671,193			34,803,996
6. Miscellaneous investments		2,040,944,608			2,203,720,755
			16,915,380,433		17,113,878,481
				17,197,894,271	17,392,216,098
C Investments for the account and risk of holders of life insurance policies				280,760,563	327,053,699
D. Receivables					
I. Accounts receivable from direct-written insurance transactions with:					
1. Insurance policy holders		187,222,550			130,024,290
2. Insurance agents		14,905,698			11,083,968
			202,128,248		141,108,259
II. Settlement receivables from reinsurance business			124,783,023		89,729,496
thereof from associated companies: EUR 0 (previous year: EUR 2,202,014)					
III. Other receivables			104,649,574		167,041,101
thereof from affiliated companies: EUR 78,442 (previous year: EUR 76,914)				431,560,845	397,878,855
thereof from associated companies: EUR 7,526 (previous year: EUR 466,368)					
E. Other assets					
I. Tangible fixed assets and inventories			27,115,827		27,418,137
II. Bank balances, cheques and cash on hand			451,695,980		220,970,777
III. Miscellaneous assets			29,943,801		39,108,364
				508,755,608	287,497,278
F. Accruals and prepaid expenses					
I. Accrued interest and rent			95,114,546		96,245,298
II. Other prepaid expenses			46,367,149		30,980,640
				141,481,695	127,225,937
G. Deferred tax assets				382,219,893	366,992,924
TOTAL ASSETS				**19,165,419,889**	**19,140,122,631**

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2024
VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G.

Liabilities and shareholders' equity	EUR	EUR	31. 12. 2024 EUR	31. 12. 2023 EUR
A. Equity				
I. Retained earnings				
1. Loss reserve in accordance with section 193 of the Insurance Supervision Act (VAG)	70,656,847			70,656,847
2. Other retained earnings	2,755,851,309			2,635,149,809
		2,826,508,156		2,705,806,656
II. Difference in equity from currency translation		−2,398,040		−26,979,373
III. Non-controlling interests		9,686,285		13,009,832
			2,833,796,401	2,691,837,115
B. Technical reserves				
I. Unearned premiums				
1. Gross	414,013,699			377,970,033
2. Less: Reinsurance ceded	29,082,929			26,682,058
		384,930,770		351,287,975
II. Actuarial reserve				
1. Gross	8,199,283,327			8,502,519,674
2. Less: Reinsurance ceded	4,808,940			4,675,180
		8,194,474,387		8,497,844,494
III. Reserve for insurance claims not yet processed				
1. Gross	4,421,631,816			4,431,306,584
2. Less: Reinsurance ceded	312,940,261			395,535,052
		4,108,691,555		4,035,771,533
IV. Reserve for performance-related and non-performance-related premium refunds – gross		726,879,377		706,287,249
V. Claim equalisation reserve and similar reserves		906,673,591		885,027,179
VI. Other technical reserves				
1. Gross	337,006,719			316,153,941
2. Less: Reinsurance ceded	1,499,740			1,611,349
		335,506,979		314,542,592
			14,657,156,660	14,790,761,021
C. Technical reserves for life insurance policies, to the extent that the investment risk is borne by the policy holder				
I. Actuarial reserve – gross			280,760,563	327,053,699
D. Other reserves				
I. Reserves for pensions and similar liabilities		179,053,840		175,316,700
II. Tax reserves		59,922,896		50,810,520
III. Other reserves		204,365,487		195,143,997
			443,342,224	421,271,217
E. Funds held under reinsurance transactions ceded			16,322,875	17,039,401
F. Other liabilities				
I. Accounts payable from direct-written insurance transactions with:				
1. Insurance policy holders	561,668,710			540,778,428
2. Insurance agents	19,175,756			14,030,596
		580,844,466		554,809,024
II. Accounts receivable from reinsurance transactions		47,027,177		68,603,084
thereof due to associated companies: EUR 0 (previous year: EUR 998)				
III. Liabilities to banks		54,652,708		86,235,765
IV. Miscellaneous liabilities		245,160,150		176,229,516
thereof due to affiliated companies: EUR 3,582 (previous year: EUR 0)			927,684,500	885,877,389
thereof due to associated companies: EUR 428,352 (previous year: EUR 431,446)				
thereof from taxes of: EUR 21,436,531 (previous year: EUR 23,432,448)				
thereof for social security: EUR 804,568 (previous year: EUR 486,741)				
G. Deferred income			6,356,665	6,282,790
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			**19,165,419,889**	**19,140,122,631**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024
VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G.

Item	EUR	EUR	2024 EUR	2023 EUR
I. TECHNICAL ACCOUNT FOR PROPERTY-CASUALTY INSURANCE TRANSACTIONS				
1. Net premiums earned for own account				
a) Gross premiums written	3,175,997,635			2,937,297,604
b) Reinsurance premiums ceded	−182,735,522			−188,848,614
		2,993,262,113		2,748,448,990
c) Change in gross unearned premiums	−43,672,001			−41,915,465
d) Change of reinsurers' share in gross unearned premiums	6,473,470			7,089,022
		−37,198,531		−34,826,443
			2,956,063,582	2,713,622,547
2. Technical interest income for own account			144,392	831,922
3. Other technical earnings for own account			3,418,801	3,042,415
4. Expenses for insurance claims for own account				
a) Payments for insurance claims				
aa) Gross	−2,279,974,258			−2,063,511,609
bb) Share for reinsurers	168,185,256			132,573,051
		−2,111,789,001		−1,930,938,558
b) Change in reserve for insurance claims not yet processed				
aa) Gross	32,141,464			−261,671,587
bb) Share for reinsurers	−93,992,071			102,942,739
		−61,850,608		−158,728,847
			−2,173,639,609	−2,089,667,406
5. Change in other net technical reserves			−134,097	2,816,450
6. Expenses for performance-related and non-performance-related premium refund for own account			−4,268,151	−6,900,318
7. Expenses for insurance operations for own account				
a) Gross expenses for underwriting		−706,664,264		−662,773,967
b) Less: commissions and shares of profit received from insurance transactions ceded for reinsurance		29,571,951		30,504,410
			−677,092,313	−632,269,557
8. Other technical expenses for own account			−6,636,123	−5,711,068
9. Subtotal			**97,856,481**	**−14,235,015**
10. Change in equalisation reserve and similar reserves			−21,780,044	82,477,105
11. Technical result for own account in Property-Casualty insurance transactions			**76,076,437**	**68,242,090**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024
VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G.

Item	EUR	EUR	2024 EUR	2023 EUR
II. TECHNICAL ACCOUNT FOR LIFE INSURANCE TRANSACTIONS				
1. Net premiums earned for own account				
a) Gross premiums written	1,007,215,132			1,036,600,320
b) Reinsurance premiums ceded	–7,858,863			–7,399,018
		999,356,269		1,029,201,302
c) Change in gross unearned premiums		7,685,521		8,201,290
			1,007,041,790	1,037,402,592
2. Premiums from the gross reserve for premium redemption			7,300,720	5,433,221
3. Income from investments				
a) Income from participating interests		–		187.168
thereof from affiliated companies: EUR 187,168 (previous year: EUR 977,465)				
b) Income from miscellaneous investments				
aa) Income from real properties, rights equivalent to real property and buildings, including buildings on third-party real properties	7,253,154			7,253,154
bb) Income from miscellaneous investments	273,579,274			328,743,919
		280,832,428		335,997,072
c) Income from appreciation		659,868		710,726
d) Gains from the divestiture of investments		37,470,917		8,499,264
			318,963,213	345,394,230
4. Unrealised gains on investments			25,438,381	22,859,212
5. Other technical earnings for own account			19,590,532	8,420,863
6. Expenses for insurance claims for own account				
a) Payments for insurance claims				
aa) Gross	–1,090,466,562			–1,014,091,821
bb) Share for reinsurers	948,784			1,487,251
		–1,089,517,778		–1,012,604,570
b) Change in reserve for insurance claims not yet processed				
aa) Gross	–15,943,361			–6,089,986
bb) Share for reinsurers	338,672			855,029
		–15,604,689		–5,234,957
			–1,105,122,467	–1,017,839,527
7. Change in other net technical reserves				
a) Actuarial reserve				
aa) Gross		349,529,483		244,176,137
bb) Share for reinsurers		133,760		–734,618
			349,663,243	243,441,519
8. Expenses for performance-related premium refunds for own account			–189,519,987	–145,473,518
9. Expenses for insurance operations for own account				
a) Transaction expenses	–90,932,652			–81,978,066
b) Management expenses	–13,087,159			–12,416,322
		–104,019,812		–94,394,388
c) Less: commissions and shares of profit received from insurance transactions ceded for reinsurance		5,285,841		3,963,045
			–98,733,971	–90,431,343
10. Expenses for investments				
a) Expenses for management of investments, interest expense and other expenses for investments		–15,277,675		–13,728,279
b) Depreciation on investments		–23,399,771		–13,692,163
c) Losses from the divestiture of investments		–12,833,901		–33,197,357
			–51,511,348	–60,617,799
11. Unrealised losses on investments			–304,943	–253,472
12. Other technical expenses for own account			–224,498,628	–250,805,846
13. Technical result for own account in life insurance transactions			**58,306,534**	**97,530,132**

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024
VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G.

Item	EUR	EUR	EUR	2024 EUR	2023 EUR
III. NON-TECHNICAL ACCOUNT					
1. Technical result for own account					
a) in property-casualty insurance transactions			76,076,437		68,242,090
b) in life insurance transactions			58,306,534		97,530,132
				134,382,971	165,772,222
2. Income from investments, unless listed under II.3.					
a) Income from associated companies		3,796,654			6,343,091
thereof from affiliated companies: EUR 2,780,384 (previous year: EUR 172,657)					
b) Income from participating interests		7,500,128			7,644,207
thereof from affiliated companies: EUR 0 (previous year: EUR 93,854)					
c) Income from miscellaneous investments					
aa) Income from real properties, rights equivalent to real property and buildings, including buildings on third-party real properties	1,113,357				799,284
bb) Income from miscellaneous investments	175,173,663				228,865,391
		176,287,020			229,664,675
d) Income from appreciation		590,400			1,255,431
e) Gains from the divestiture of investments		29,208,981			23,832,910
f) Income from profit transfer agreements		173,745			194,716
			217,556,927		268,935,030
3. Expenses for investments, unless listed under II.10.					
a) Expenses in respect of associated companies		−1,828,305			−1,592,445
thereof in respect of affiliated companies: EUR −445,084 (previous year: EUR −2,217,475)					
b) Expenses for management of investments, interest expense and other expenses for investments		−11,200,977			−11,441,371
c) Depreciation on investments		−20,616,135			−9,300,400
d) Losses from the divestiture of investments		−8,028,613			−897,049
			−41,674,031		−23,231,265
			175,882,896		245,703,766
4. Technical interest income			−440,011		−1,080,901
				175,442,886	244,622,865
5. Other income			157,448,238		138,606,362
6. Other expenses			−254,855,251		−245,357,064
				−97,407,013	−106,750,702
7. Operating result				**212,418,844**	**303,644,385**
8. Taxes on income and earnings			−72,375,369		−91,183,424
Including: income from deferred taxes EUR 17,118,271 (previous year: expense EUR −9,493,829)					
9. Other taxes			−1,537,399		−1,296,903
				−73,912,768	−92,480,327
10. Consolidated net profit				**138,506,076**	**211,164,057**
11. Non-controlling interests				2,665,870	3,335,151
12. Withdrawals from other retained earnings					
a) from other retained earnings				–	500,000
13. Allocations to retained earnings					
a) to the loss reserve in accordance with section 193 of the Insurance Supervision Act (VAG)				–	–
b) to other retained earnings				−141,171,946	−214,999,209
14. CONSOLIDATED NET INCOME				**0**	**0**

CASH FLOW STATEMENT
VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G./GROUP

Item	2024 EUR'000	2023 EUR'000
Consolidated net profit	**138,506**	**211,164**
Change in technical reserves – net	–179,897	–50,952
Change in deposit accounts receivable and accounts payable, as well as invoice accounts receivable and accounts payable	–57,346	22,429
Change in other accounts receivable and accounts payable	53,281	–210,306
Change in other balance sheet items that are not attributable to investment or financing activities	248,849	–51,984
Other non-cash expenses and income, as well as adjustments to net profit	7,422	34,886
Gain/loss from the divestiture of investments, tangible fixed assets and intangible assets	–45,880	–6,375
Income tax expense	72,375	91,183
Income tax payments	–35,433	–73,893
Cash flow from operating activities	**201,877**	**–33,848**
Receipts from the sale of consolidated companies and other business entities	4,495	–
Payments resulting from the acquisition of consolidated companies and other business entities	–12,769	–11,609
Receipts from the sale of capital investments for fund-linked annuity insurance	168,556	8,910
Payments resulting from the acquisition of capital investments for fund-linked annuity insurance	–96,299	–145,200
Other receipts from the divestiture of tangible fixed assets and intangible assets	549	2,110
Other payments resulting from additions of tangible fixed assets and intangible assets	–10,625	–24,843
Cash flow from investment activities	**53,907**	**–170,632**
Receipts and payments from other financing activities	–31,583	33,768
Cash flow from financing activities	**–31,583**	**33,768**
Change in cash and cash equivalents	**224,201**	**–170,712**
Change in cash equivalents due to exchange rate movements, changes in the scope of consolidation and measurement	**6,525**	**12,854**
Cash at the beginning of the period	220,971	378,829
Cash at the end of the period	451,696	220,971

Cash is equal to the balance sheet item "bank balances, cheques and cash on hand".

EQUITY CAPITAL OF PARENT COMPANY

	Retained earnings			Difference in equity from currency translation	Total
	Loss reserve in accordance with section 193 VAG EUR'000	other retained earnings EUR'000	Total EUR'000	EUR'000	EUR'000
Status on 31.12.2022	**70,657**	**2,420,651**	**2,491,308**	**–11,424**	**2,479,884**
Currency translation	–	–	–	–15,556	–15,556
Other changes	–	–	–	–	–
Consolidated net profit	–	214,499	214,499	–	214,499
Status on 31.12.2023	**70,657**	**2,635,150**	**2,705,807**	**–26,979**	**2,678,828**
Adjustment as at 01.01.2024*	–	–21,827	–21,827	21,827	0
Status on 01.01.2024	**70,657**	**2,613,323**	**2,683,980**	**–5,152**	**2,678,828**
Currency translation	–	–	–	2,754	2,754
Other changes	–	1,356	1,356	–	1,356
Consolidated net profit	–	141,172	141,172	–	141,172
Status on 31.12.2024	**70,657**	**2,755,851**	**2,826,508**	**–2,398**	**2,824,110**

				NON-CONTROLLING INTERESTS	GROUP EQUITY
	Share before difference in equity from currency translation and net profit for the year EUR'000	Difference in equity from currency translation attributable to non-controlling interests EUR'000	Gains/losses attributable to non-controlling interests EUR'000	Total EUR'000	Total EUR'000
Status on 31.12.2022	**18,105**	**55**	**–6,562**	**11,597**	**2,491,481**
	890	–	–	890	890
Currency translation	–	–2	–	–2	–15,558
Other changes	–	–	–	–	–
	3,860	–	–	3,860	3,860
Consolidated net profit	–	–	–3,335	–3,335	211,164
Status on 31.12.2023	**22,855**	**53**	**–9,897**	**13,010**	**2,691,837**
Adjustment as at 01.01.2024*	**–**	**–**	**–**	**–**	**–**
Status on 01.01.2024	**22,855**	**53**	**–9,897**	**13,010**	**2,691,837**
Contributions to capital reserves	948	–	–	948	948
Currency translation	–	–22	–	–22	2,732
Other changes	–1,587	3	–	–1,584	–227
Changes to the consolidation group	–	–	–	–	–
Consolidated net profit	–	–	–2,666	–2,666	138,506
Status on 31.12.2024	**22,216**	**34**	**–12,563**	**9,686**	**2,833,797**

*Adjustments in accordance with disclosures in the "Accounting, valuation and calculation methods" section, p. 233

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G.

GENERAL DISCLOSURES

The registered office of VHV Vereinigte Hannoversche Versicherung a. G. is in Hanover. The company is entered in the commercial register of the Local Court of Hanover under the number HRB 3387.

The consolidated financial statements and theconsolidated management report for the 2024 financial year were prepared in accordance with the provisions of the HGB, the AktG, the VAG, and the RechVersV. The consolidated financial statements are disclosed in the electronic Bundesanzeiger (Federal Gazette).

As items are rounded, this can result in rounding differences.

The consolidated balance sheet closing date is 31 December 2024.

CONSOLIDATION GROUP

In addition to VHV Vereinigte Hannoversche Versicherung a. G., Hanover, as the ultimate parent company, the consolidated financial statements include 26 subsidiaries (previous year: 24), including two special purpose entities. One change in 2024 resulted from the first-time consolidation of two shelf companies, Eilenriede V V GmbH and Eilenriede 2. V V GmbH.

The inclusion of the special purpose entities results from section 290 (2) No. 4 HGB, as the Group bears the majority of the risks and opportunities of these special purpose entities from an economic perspective.

The interests held in five (previous year: five) associated companies are measured using the equity method.

25 (previous year: 25) subsidiaries were not fully consolidated in line with section 296 (2) HGB. Taken as a whole, the companies do not have a significant influence on the net assets, financial position and results of operations of the VHV Group.

In accordance with section 311 (2) HGB, two associated companies were not measured using the equity method and were reported in other participating interests for reasons of intelligibility and clarity.

The full listing of share ownership is reported separately in the notes.

CONSOLIDATION PRINCIPLES

In the consolidated financial statements, capital consolidation takes place according to the revaluation method pursuant to section 301 (1) HGB.

Under this method, the investment carrying amount is offset against the revalued equity (fair value of asset and liability items) of the acquired subsidiary at the date of acquisition. Any remaining difference after offsetting is to be disclosed in the consolidated balance sheet, as “Goodwill” if it arises under assets and as “Difference from capital consolidation” according to the equity method if it arises under liabilities and shareholders’ equity. Goodwill is subject to scheduled amortisation over the subsequent years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

The difference from the capital consolidation must be reversed through profit or loss, if the charges anticipated when the subsidiary was acquired have occurred or it is definite on the balance sheet closing date that a gain has been realised.

Any capital consolidations performed according to the book value method before 31 December 2009 remain unchanged pursuant to section 66 (3) sentence 4 of the Introductory Act to the German Commercial Code (EGHGB).

Investments in associated companies are accounted for using the equity method. Shares must be measured at the carrying amount at the date of acquisition in the consolidated balance sheet, supplemented by the changes in equity attributable to the Group post-acquisition. Profit distributions attributable to the shares must be deducted from them. The difference between the carrying amount and the pro rata equity of the associated company at acquisition must be allocated to the company's individual assets and liabilities, if their fair value is higher or lower and continued in subsequent years. Any goodwill remaining thereafter is also subject to scheduled amortisation over subsequent years.

The equity value must be checked for impairment at each Group reporting date. If the equity value exceeds the fair value, an impairment loss is recognised. If the reason for the impairment loss no longer applies, the equity value must be written up.

The valuations performed using the equity method before 31 December 2009, under which the difference between the carrying amount and the pro rata share of the associated company's equity is offset against retained earnings on acquisition, remain unchanged pursuant to section 66 (3) sentence 4 EGHGB.

Accounts receivable and accounts payable, expenses and income and intercompany profits between the consolidated companies were eliminated.

The share of the Group in the annual earnings generated by subsidiaries after the initial consolidation was included in the retained earnings and/or removed from this item.

In the consolidated financial statements, the option was utilised pursuant to section 300 (2) HGB to exercise balance sheet options anew, meaning that pursuant to section 308 (1) HGB a uniform valuation was performed in the Group.

In accordance with section 294 (2) HGB, comparability of consecutive consolidated financial statements in the face of material changes to the consolidation group is accommodated by verbal explanation and additional disclosures in the notes.

ACCOUNTING, VALUATION AND CALCULATION METHODS

The assets and liabilities included in the consolidated financial statements, as well as the expenses and income of the companies included, were valued uniformly pursuant to section 308 (1) HGB.

Balance sheet items and carrying amounts based on special requirements for foreign insurance companies were included without change pursuant to sections 300 (2) and section 308 (2) HGB. The asset and liability items of the balance sheet of annual financial statements in a foreign currency were translated at the middle spot exchange rate on the balance sheet closing date, with the exception of equity, which was translated at the historical rate. The income statement items were translated at average rates in accordance with section 308a sentence 2 HGB. The ECB euro reference rate for the 2024 financial year is applied as the average rate.

ASSETS

Intangible assets were valued at acquisition cost reduced by scheduled straight-line amortisation in line with their normal useful lives or, if lower, at their fair value at the reporting date. Advance payments were recognised at their nominal value.

Real properties, rights equivalent to real property and buildings were valued at acquisition or production costs less scheduled depreciation.

Investments in affiliated and associated companies were valued at the lower of acquisition cost or fair value as at the balance sheet closing date. The participating interests in two subsidiaries that are not fully consolidated as well as in five associated companies were accounted for in the amount of the pro rata equity without any adjustment to the Group's standard valuation methods according to the book value method or lower fair value.

Shares in investment assets, bearer bonds and other securities with fixed interest rates classified as non-current assets are those destined to serve business operations over the long term and were reported at amortised cost. Based on the provisions of section 341b (2) HGB in conjunction with section 253 (3) sentence 5 HGB (moderate lower of cost or market principle) applicable to non-current assets, depreciation was recognised on securities in the case of an anticipated long-term reduction in value. In the case of bearer bonds classified as non-current assets, any differences between the acquisition cost and the amount repayable using the effective interest rate method are amortised in line with section 341c (3) HGB.

In the case of a hidden liability at the reporting date, securities were assumed to be permanently impaired if default was considered to be likely based on the creditworthiness of the issuer. The impairment of investment fund shares was assessed on the basis of the assets held in the respective fund (look-through approach).

Bearer bonds assigned to current assets were valued at the lower of amortised cost or current market value on the balance sheet closing date, in accordance with the strict lower of cost or market principle.

Mortgage, land charge and annuity charge receivables were valued at the lower of acquisition cost or fair value as at the balance sheet closing date.

Registered debentures were recognised in the balance sheet at their nominal value. Zero-coupon registered debentures were recognised in the balance sheet at acquisition cost while taking into account addition of interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Promissory notes and loans were measured at acquisition cost plus or minus the cumulative amortisation of a difference between the acquisition cost and the amount repayable using the effective interest rate method in accordance with section 341c HGB.

Loans and advance payments on insurance policies were recognised in the balance sheet at nominal value less repayments made.

The miscellaneous loans were valued at the lower of acquisition cost or fair value as at the balance sheet closing date.

Bank deposits were recognised at nominal value.

Miscellaneous investments were recognised at amortised cost.

The increase in value rule according to section 253 (5) HGB has been complied with for all investments.

Investments for the account and risk of holders of life insurance policies were recognised at fair value in accordance with section 341d HGB in conjunction with section 56 RechVersV.

Accounts receivable from direct-written insurance transactions were recognised in the balance sheet at nominal value less value adjustments for latent default risk.

Settlement receivables from reinsurance business were calculated on the basis of the reinsurance contracts and valued at nominal value.

Other receivables were recognised in the balance sheet at nominal value less value adjustments for latent default risk.

Tangible fixed assets were valued at acquisition cost reduced by scheduled straight-line depreciation in line with their normal useful lives. For assets of low value with an acquisition cost of more than EUR 250 but less than EUR 1,000, the acquisition costs were recognised in a collective item, then written off at 20% in the year of acquisition and in each of the four following financial years. At VAV, assets of low value were written off in full in their year of acquisition.

Inventories were recognised in the balance sheet at acquisition cost less a valuation discount. An inventory count was made on 31 December 2024. At VAV, inventories were valued partially using fixed values and partially at cost price.

Bank balances, cheques and cash on hand and **miscellaneous assets** were measured at nominal value less value adjustments.

The accrued interest and rents reported under **accruals and prepaid expenses** were shown at nominal value. These amounts relate to 2024, but were not yet due as at 31 December.

The agios on registered debentures included in **other prepaid expenses** were deferred and allocated on a straight-line basis over the term. In addition, other expenses prior to the balance sheet closing date was recognised as deferred expenses if it represents expenses for a certain period after the balance sheet closing date.

In contrast to the treatment in the separate balance sheets of the companies included in the consolidated financial statements, **deferred tax assets** at German companies were recognised for temporary differences between the consolidated balance sheet and the tax balance sheets of the companies included in the consolidated financial statements. The option under section 274 (1) HGB was exercised in that the net amount from deferred tax assets and liabilities was recognised on the balance sheet. In addition, all deferred taxes were grouped together in accordance with the option under section 306 HGB. The respective individual tax rate was used in calculating the future tax burdens and tax benefits. Tax rates of between 23.00% and 30.82% were applied for foreign companies and between 31.93% and 32.63% for domestic companies. An average Group tax rate of 32.39% was applied for consolidation items.

LIABILITIES AND SHAREHOLDERS' EQUITY

Unearned premiums for direct-written insurance transactions in property-casualty insurance were calculated on a pro rata temporis basis in all insurance segments. The unearned premiums in surety insurance were determined in accordance with the average remaining term of the surety bonds or calculated pro rata temporis for each premium per surety bond. With respect to the construction warranty and Décennale insurance, the unearned premiums were calculated in accordance with the liability duration of the product. The shares for reinsurers corresponded to the quotas ceded for reinsurance. 85.0% of commissions from gross premiums and 92.5% of commissions from reinsurer shares were recognised as portions of revenue not eligible for being carried forward. At VAV, 10% and 15% of unearned premiums are recognised as portions of revenue not eligible for being carried forward in motor vehicle liability insurance and in the other insurance segments respectively. The unearned premiums for insurance transactions assumed in reinsurance coverage were calculated pro rata temporis and the shares for reinsurers were recognised in line with their contractual share. 92.5% of the commissions were recognised as shares not eligible for being carried forward. This figure was 80 % at VHV Re and 75 % at VHV Sigorta. At VHV Assicurazioni, 50 % of the acquisition commissions were recognised as non-transferable portions.

For the life insurance business, unearned premiums were calculated individually for each insurance contract, with the technical commencement of the contracts used as a basis for the calculation. When determining the portions of premiums eligible for being carried forward, the letter of the Federal Ministry of Finance dated 30 April 1974 was adhered to.

The **actuarial reserve** in life insurance according to Liabilities B.II. was calculated for the individual contracts using the prospective method, with explicit consideration of the Zillmer costs and implied consideration of other future costs. A management expense reserve is included in the actuarial reserve for insurance years that are exempt from the payment of premiums. Where the actuarial reserve calculated for a contract was lower than the contractually or legally guaranteed surrender value, the latter amount was recognised.

In the case of fund-linked annuity insurance (dynamic hybrids), where the guaranteed endowment benefit is partly secured through a guarantee fund, only the part of the actuarial reserve which was not already secured through the guarantee level of the guarantee fund was included in liability item B.II.

The following probability tables and actuarial interest rates were applied in calculating the actuarial reserve (without consideration of syndicated agreements under outside control):

Probability tables	Actuarial interest rates*)	Share of actuarial reserve
Capital and risk insurance and supplementary accidental-death, risk and term annuity insurance		
ADSt 1924/26 M	3.00 %	0.0 %
St 1967 M	3.00 %	0.4 %
St 1986 M/F	3.50 %	8.6 %
HL-Tafel 1994 M/F	4.00 %	38.0 %
HL-Tafel 2000 T M/F	3.25 %	5.6 %
DAV 1994 T M/F	2.75 %	0.1 %
DAV 1994 T M/F mod. NR/R	2.75 %	0.0 %
HL-Tafel 2000 T M/F	2.75 %	2.6 %
HL-Tafel 2000 T mod. NR/R M/F	2.75 %	0.3 %
DAV 1994 T M/F	2.25 %	0.0 %
DAV 1994 T M/F mod.	2.25 %	0.0 %
DAV 1994 T M/F mod. NR/R	2.25 %	0.0 %
HL-Tafel 2000 T M/F	2.25 %	0.4 %
HL-Tafel 2000 T mod. NR/R M/F	2.25 %	0.9 %
HL-Tafel 2008 T NR/R (mod., diff.) M/F	2.25 %	1.7 %
HL-Tafel 2011 T M/F	1.75 %	0.1 %
HL-Tafel 2011 T NR/R (mod.) M/F	1.75 %	0.7 %
HL-Tafel 2012 T Unisex	1.75 %	0.1 %
HL-Tafel 2012 T/TP/FT Unisex NR/R (mod.)	1.75 %	1.2 %
DAV 2008 T mod. Unisex	1.25 %	0.0 %
HL-Tafel 2012 T Unisex	1.25 %	0.1 %
HL-Tafel 2012 T/TP/FT Unisex NR/R (mod., diff.)	1.25 %	0.9 %
DAV 2008 T mod. Unisex	0.90 %	0.5 %
HL-Tafel 2016 T Unisex	0.90 %	0.1 %
HL-Tafel 2016 T/TP Unisex N10/N/R (mod., diff.)	0.90 %	1.7 %
HL-Tafel 2018 T Unisex N10/N/R (mod., diff.)	0.90 %	1.3 %
HL-Tafel 2021 T Unisex N10/N/R (mod., diff.)	0.90 %	0.2 %
DAV 2008 T mod. Unisex	0.25 %	0.1 %
HL-Tafel 2022 T Unisex N10/N/R (mod., diff.)	0.25 %	0.2 %

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Annuity insurance, fund-linked annuity insurance and private pension plans in accordance with AltZertG		
Interpolation of DAV 2004-B and R-B20 M/F	3.00 %	0.3 %
Interpolation of DAV 2004-B and R-B20 M/F	3.50 %	1.2 %
Interpolation of DAV 2004-B and R-B20 M/F	4.00 %	2.3 %
Interpolation of DAV 2004-B and R-B20 M/F	3.25 %	1.2 %
DAV 2004 M/F	2.75 %	1.3 %
DAV 2004 unisex	2.75 %	0.9 %
Interpolation of DAV 2004-B and R-B20 M/F	2.75 %	1.0 %
DAV 2,004 M/F	2.25 %	6.9 %
DAV 2004 unisex	2.25 %	1.1 %
DAV 2004 R M/F	1.75 %	1.2 %
DAV 2004 unisex	1.75 %	2.8 %
DAV 2004 unisex	1.25 %	1.8 %
Interpolation of DAV 2004-B and R-B20 M/F	1.00 %	0.0 %
DAV 2004 unisex	0.90 %	3.8 %
DAV 2004 unisex	0.50 %	0.7 %
Interpolation of DAV 2004-B and R-B20 M/F	0.50 %	0.0 %
DAV 2004 unisex	0.25 %	0.7 %
DAV 2004 R M/F	0.00 %	0.0 %
DAV 2004 unisex	0.00 %	0.0 %
Interpolation of DAV 2004-B and R-B20 M/F	0.00 %	0.0 %
(Supplementary) occupational disability insurance and (supplementary) work incapacity insurance		
St 1967 M DAV 1997 I M/F mod.	3.00 %	0.0 %
HL-Tafel 1994 M/F, mod. Verbandstafel 1990 M/F	4.00 %	0.3 %
HL-Tafel 2000 T M/F, HL-Tafel 2000 I M/F	3.25 %	0.3 %
DAV 1994 T M/F, DAV 1997 I mod. M/F	2.75 %	0.0 %
DAV 1994 T M/F, DAV 1998 E M/F	2.75 %	0.0 %
HL-Tafel 2000 T M/F, DAV 1997 I mod. M/F	2.75 %	0.1 %
HL-Tafel 2000 T M/F, HL-Tafel 2004 I M/F	2.75 %	0.1 %
DAV 1994 T M/F, DAV 1997 I mod. M/F	2.25 %	0.0 %
HL-Tafel 2000 T M/F, DAV 1997 I mod. M/F	2.25 %	0.7 %
HL-Tafel 2000 T M/F, HL-Tafel 2004 I M/F	2.25 %	0.0 %
DAV 2008 T M/F, DAV 1997 I mod. M/F	1.75 %	0.0 %
DAV 2008 T Unisex, DAV 1997 I mod. Unisex	1.75 %	0.0 %
HL-Tafel 2011 T M/F, DAV 1997 I mod. M/F	1.75 %	0.2 %
HL-Tafel 2011 T M/F, DAV 1998 E M/F	1.75 %	0.0 %
HL-Tafel 2012 T Unisex, HL-Tafel 2012 E Unisex	1.75 %	0.0 %
HL-Tafel 2012 T Unisex, HL-Tafel 2012 I Unisex	1.75 %	0.2 %
DAV 2008 T Unisex, DAV 1997 I mod. Unisex	1.25 %	0.0 %
HL-Tafel 2012 T Unisex, HL-Tafel 2012 E Unisex	1.25 %	0.0 %
HL-Tafel 2012 T Unisex, HL-Tafel 2012 I Unisex	1.25 %	0.1 %
HL-Tafel 2016 T Unisex, HL-Tafel 2012 E Unisex	0.90 %	0.0 %
HL-Tafel 2016 T Unisex, HL-Tafel 2012 I Unisex	0.90 %	0.0 %
HL-Tafel 2016 T Unisex, HL-Tafel 2017 E Unisex	0.90 %	0.0 %
HL-Tafel 2016 T Unisex, HL-Tafel 2017 I Unisex	0.90 %	0.3 %
HL-Tafel 2018 T Unisex, HL-Tafel 2019 I Unisex	0.90 %	0.1 %
HL-Tafel 2016 T Unisex, HL-Tafel 2017 E Unisex	0.25 %	0.0 %
HL-Tafel 2016 T Unisex, HL-Tafel 2017 I Unisex	0.25 %	0.0 %
HL-Tafel 2018 T Unisex, HL-Tafel 2022 I Unisex	0.25 %	0.0 %
HL-Tafel 2018 T Unisex, HL-Tafel 202203 I Unisex	0.25 %	0.0 %
HL-Tafel 2018 T Unisex, HL-Tafel 2023 I Unisex	0.25 %	0.0 %
Capitalisation transactions		
None	2.00 %	0.0 %
None	1.75 %	0.0 %
None	1.25 %	0.0 %
None	0.50 %	0.5 %
None	0.25 %	1.4 %

*) For new contracts with actuarial interest rates of between 1.75 % and 4.00 %, a reference interest rate of 1.57 % was applied as a basis for the next 15 years in accordance with section 341f (2) HGB in conjunction with section 5 (3) and (4) DeckRV. The same approach was applied for contracts in the existing portfolio.

The company's own HL table 1994 was developed from the mortality table St 1986, whose mortality probabilities are reduced according to the company's own experience. The company's own HL table 2023 T was developed from the DAV table 2008 T and individual mortality probabilities. The company's own HL tables 2008 T and 2011 T were developed from the DAV table 2008 T, for which the probabilities of death are reduced based on the company's own experience. The company's own HL tables 2012 T, 2012 TP, 2012 FT, 2016 T, 2016 TP, 2018 T, 2021 T and 2022 T were developed from the DAV table 2008 T, for which the probabilities of death and gender mix ratio are recognised in accordance with the company's own experience, which is occupation specific for the HL tables from 2018 onwards.

The company's own HL tables 2000 I, 2004 I and 2012 I were developed from the table DAV 1997 I, for which the probabilities of disability are reduced based on the company's own experience. The HL tables 2017 I, 2019 I, 2022 I, 202203 I and 2023 I are based on occupation-specific individual probabilities of disability. The HL table 2012 E was developed from the DAV table 1998 E; HL table 2017 E is based on individual probabilities of disability.

The unisex tables are gender-neutral bases of calculation derived from the corresponding gendered tables in accordance with the guidance provided by DAV.

The actuarial reserves were zillmerised as follows:

Tariffs	Zillmerisation rate	Reference value
Endowment insurance from 1960 to 1987	0.50 %	Sum insured
Group insurance from 1975 to 1987	0.50 %	Sum insured
Wealth accumulation insurance from 1970 to 1989	0.50 %	Sum insured
Annuity insurance until 1990	5.00 %	Annuity
VHV individual insurance policies to 2014	4.00 %	Total premiums
VHV individual insurance from 2015	2.50 %	Total premiums
VHV Group insurance policies to 2016	2.00 %	Total premiums
VHV Group insurance from 2017 to 2020	1.50 %	Total premiums
VHV Group insurance for major customers to 2016	1.00 %	Total premiums
Occupational disability insurance as of 07/2020	2.50 %	Total premiums
Risk insurance from 09/2023	2.50 %	Total premiums

All other actuarial reserves were not zillmerised. Zillmerised actuarial reserves make up 3.4% of the total actuarial reserve.

Additional amounts were added to the actuarial reserve to adjust it to updated bases of calculation in accordance with the principles published by BaFin, DAV and the legislator.

Studies of mortality for annuity insurance policies have shown that the security margins and trend projections presented in the DAV mortality table ZAR 1,994 no longer correspond to actuarial security requirements. In order to maintain an adequate level of security, the actuarial reserve for each individual annuity insurance policy was calculated in the 2024 financial year so that it corresponds at least to the value between the calculation on the basis of DAV 2004 R-B and DAV 2004 R-B20 in accordance with the DAV guideline dated 9 June 2004 "Surplus allocation and reserves for annuity insurance policies in the portfolio".

An additional interest rate reserve was created for the 2024 financial year in accordance with section 341f (2) HGB in conjunction with section 5 of the German Actuarial Reserve Ordinance. For the new portfolio, this is based on a reference interest rate of 1.57 % (previous year: 1.57 %), which results from anticipated income in accordance with section 5 (3) DeckRV. In accordance with relevant BaFin publications, company-specific, conservative cancellation probabilities and, in the case of term life policies, a conservative reduction in the biometric calculation basis were considered. A comparative calculation with the calculation bases of the addition to the interest reserves of the year before the first-time application of company-specific cancellation probabilities and the reduction in the biometric calculation basis was also carried out on the basis of the current contract status, and the maximum of the results of both calculations was recognised. The determination rules for the additional interest rate reserve in the new portfolio in accordance with DeckRV were also adopted for the existing portfolio, but without a reduction in the biometric calculation basis.

The **actuarial reserve for fund-linked annuity insurance policies** was determined according to Liabilities C.I., whereby the investment risk is borne by the policy holder, as the fair value of the share units available for the individual contract on the balance sheet closing date.

The **reserve for insurance claims not yet processed for direct-written insurance transactions** in property-casualty insurance was determined individually for each claim with the necessary commercial care. A discount was recognised on the claims reserve in motor vehicle liability insurance, taking actual claim payments in the past into account. Furthermore, internal calculations and analyses were used to examine whether the gross reserves for insurance claims not yet processed including discounts are sufficient in the motor vehicle liability insurance segment. VHV Re and VHV Sigorta recognised discounts in general liability insurance with the necessary commercial care and in line with the locally defined discount rate. The reserve for expected late claims was calculated on the basis of the requirements for subsequently reported late claims. The accounts receivable from recourse claims, salvages and sharing agreements were carefully determined on the basis of anticipated receipts, and deducted from the reserve for insurance claims not yet processed. The calculation of the annuity actuarial reserve was carried out individually for each annuity according to actuarial principles on the basis of section 341f and section 341g HGB and the statutory ordinance issued for section 88 (3) Insurance Supervisory Act (VAG). The calculation was based on the DAV 2006 HUR "Frauen und Männer" (Women and Men) mortality table. The annuity reserve was calculated using a uniform actuarial interest rate of 0.9 % for years of claim incidence up to and including 2021 and an actuarial interest rate of 0.25 % for 2022 as the year of claim incidence. The shares for reinsurers were determined on the basis of the existing reinsurance contracts.

The **reserve for insurance claims not yet processed for life insurance** contains the probable benefits for the insurance claims reported but not yet paid out at the date of the portfolio statement. The benefits were calculated individually for each insurance contract. For expected late claims, a reserve was created with regard to the estimated need for subsequently reported late claims.

The reserve for insurance claims not yet processed for insurance transactions assumed in reinsurance coverage was created in accordance with the specifications from the initial insurers taking into account reasonable surcharges. The shares for reinsurers were calculated on the basis of the existing reinsurance contracts.

In property-casualty insurance, the reserve for claims settlement expenses was calculated using actuarial methods reflecting the segment-specific settlement processes according to cause. At VAV, the calculation was based on section 12 (7) of the FMA Regulation on the Accounting of Insurance and Reinsurance Undertakings, BGBl. II No. 316/2015 of October 21, 2015, as amended on August 05, 2021, BGBl. II No. 353/2021.

In life insurance, the reserve for claims settlement expenses was calculated in accordance with the letter of the Federal Ministry of Finance dated 2 February 1973.

In life insurance, the **reserve for premium refunds** was recognised in accordance with the articles of association and provisions stipulated in the business plan. The final surplus fund from the existing portfolio includes final payments that are 100% financed, as well as accrued final bonus entitlements that are calculated in accordance with the prospective method without discount. The final surplus fund from the new portfolio includes final bonuses that are calculated individually for each contract on the basis of the achievable final bonus rate and the balance achieved from annual bonuses at the balance sheet closing date without discount. Within the final basic participation, a reserve was formed for the declared basic participation in the valuation reserves in the same way as for the final surplus shares.

Sums were added to and removed from the **reserve for premium refunds** in direct-written insurance transactions for property-casualty insurance according to contractual agreements.

The **equalisation reserve** was recognised in accordance with the annex to section 29 RechVersV. For the surety segment, the claims ratios from the tables published in the annual reports of BaFin or the previous Federal Supervisory Authority for the Insurance Industry were stated for past years. For the motor vehicle segment, BaFin gave permission for insurance transactions assumed in reinsurance coverage to be recognised using appropriate other claims ratios for past years rather than its own claims ratios, resulting in a significantly lower addition to the equalisation reserve. At VAV, the equalisation reserve was formed in accordance with the FMA Regulation on the Formation of an Equalisation Reserve in Property-Casualty Insurance of Insurance and Reinsurance Undertakings (SWRV 2016), BGBl. II No. 315/2015 of October 21, 2015, as amended on November 16, 2016, BGBl. II No. 324/2016. Deviating from the provisions of SWRV 2016, the FMA decreed by way of a notice dated 21 July 2020 that the equalisation reserve should be calculated without including the quota share reinsurance contracts in the period from 2004 to 2019. This covered the accident, liability, motor vehicle liability, comprehensive motor vehicle, storm, water mains, household, construction and transport segments. At VHV Re and VHV Sigorta, the equalisation reserve was recognised in accordance with the guidelines of the "Technical Reserves Regulation" of 10 November 2021. The equalisation reserve was calculated as 12 % of the net earthquake and loan premiums for the respective year. At VHV Assicurazioni, the equalisation reserve for natural catastrophe risks was formed in accordance with Ministerial Decree No. 705 of 19 November, 1996.

The cancellation reserve for peril cessation and reduction included in **other technical reserves** was calculated using the cancellation rates established on the basis of a representative sample from the individual insurance branches, in relation to premium revenues. The reserve for aid for road accident victims was formed according to the requirement of the registered association “Verkehrsopferhilfe e. V.”. The reserve for unused premiums from dormant motor vehicle insurance policies was created individually. At VAV, a reserve for terrorism risks was formed in accordance with its share of the terrorism pool. The share for reinsurers was calculated on the basis of the existing reinsurance contracts. A reserve for replenishment premiums still to be paid was formed in accordance with the contractual agreement in the reinsurance contract for claims caused by natural hazards.

The **reserve** for onerous contracts for insurance transactions assumed in reinsurance coverage was recognised in line with the specifications from the initial insurers.

The **latent reserves for premium refunds** for life insurance transactions accounted for under other technical reserves are calculated from valuation differences between the accounting carrying amounts at Group level and the accounting book values from the separate financial statements as well as from the inclusion of a special purpose entity, which must be allocated to life insurance. They are valued at a reserve for premium refunds ratio (after taxes) of 93.8 % (previous year: 93.9 %) on all valuation differences.

The **reserves for pensions** were measured according to actuarial principles based on the projected unit credit method in conjunction with section 253 (1) sentence (2) HGB. They were discounted by the average interest rate of the last ten years with an assumed remaining term of 15 years in accordance with section 253 (2) sentence 2 HGB in the amount of 1.90 % (previous year: 1.83 %)

For the other actuarial parameters (mortality tables, salary and pension trends), country-specific values for Germany and Austria were used in the valuation.

In Germany, the pension obligations were calculated on the basis of the 2018G mortality tables by Prof Dr Klaus Heubeck, taking into account the influencing factors of salary growth 3.00 % (previous year: 3.00 %) and pension growth 2.50 % (previous year: 2.50 %).

In Austria, the pension obligations were measured on the basis of the AVÖ (Austrian Actuarial Association) 2018-P Employees generation tables with salary adjustments of 3.25 % (previous year: 3.25 %) for employees and 2.75 % (previous year: 2.75 %) for members of the Board of Directors and adjustments to the current pension entitlements of 2.25 % (previous year: 2.25 %). To factor in the higher salary adjustments expected due to the hyperinflationary environment, a salary adjustment of 2.00 % higher than in the previous year was agreed for employees in 2025. No fluctuation discounts were deducted for the calculation of pension obligations.

Where pension benefits were reinsured by insurance policies covering pension liabilities, the reinsured portion of the pension reserve was measured at the amortised cost of the corresponding claim against insurance policies covering pension liabilities in accordance with the IDW Accounting Practice Statement concerning the measurement under commercial law of reserves for post-employment benefit obligations arising from reinsured direct pension commitments (IDW RH FAB 1.021).

Nettable assets that fulfil the requirements of section 246 (2) sentence 2 HGB (assets from insurance policies covering pension liabilities) were offset against the associated benefit obligations.

VAV’s reserves for severance pay, which are included in the item reserves for pensions and similar liabilities, were also measured according to the projected unit credit method using the AVÖ (Austrian Actuarial Association) 2018-P Employees generation tables, with an average interest rate for the last ten years of 1.90 % (previous year: 1.83 %) assuming a remaining term of 15 years and salary adjustments of 3.25 % for employees (previous year: 3.25 %) and 2.75 % for members of the Board of Directors (previous year: 2.75 %) To factor in the higher salary adjustments expected due to the hyperinflationary environment, a 2.00 % a higher salary adjustment than the long-term trend was assumed for employees in 2025. No fluctuation discounts were deducted for the calculation of provisions for severance pay.

The **tax reserves** and **other reserves** were recognised at the necessary settlement amount on the basis of reasonable business judgement. Reserves with a remaining term of more than one year were adjusted for future price and cost increases and discounted to the balance sheet closing date. at the average interest rates of

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the last seven years published by the Bundesbank on 30 November 2024.The reserves for anniversary benefits were calculated according to the projected unit credit method using the 2018G mortality tables by Prof Dr Klaus Heubeck and applying an actuarial interest rate of 1.97 % (previous year: 1.75 %), salary growth of 3.00 % (previous year: 3.00 %) and a turnover rate of 3.75 % (previous year: 3.25 %). They were discounted using the average interest rate of the last seven years extrapolated as at 31 December 2024, assuming a remaining term across the board of 15 years for the obligations. The partial retirement obligations were established in accordance with the projected unit credit method using the 2018G mortality tables by Prof Dr Klaus Heubeck. These reserves were discounted individually for each obligation at the average interest rates of the last seven years published by the Bundesbank as at 30 September 2024.

The **funds held under reinsurance transactions ceded** were determined in property-casualty insurance using the basis of calculation for the reinsurance contracts.

The **funds held under reinsurance transactions ceded in life insurance** correspond to the disability reserve deposited by the reinsurer on a pro rata basis for benefits under occupational disability and work incapacity insurance policies and in addition, in the case of contracts of the former VHV Leben, the claims reserve deposited by the reinsurer. There are no deposit accounts receivable for other forms of insurance, as the reinsurance transactions ceded are accounted for on a risk premium basis.

The **other liabilities** were shown at their settlement amount.

The discounts on registered debentures included in **deferred income** were deferred and allocated over the term. In addition, other income prior to the balance sheet closing date was recognised as deferred income if it represents income for a certain period after the balance sheet closing date.

DELAYED DISCLOSURES

In direct-written insurance transactions for property-casualty insurance, premiums totalling EUR 1,917 thousand were recognised in the reporting year with a delay due to claims being reported at a later date (previous year: EUR 4,498 thousand). In addition, premiums of EUR 1,241 thousand (previous year: EUR 93,580 thousand) in property-casualty insurance transactions assumed in reinsurance coverage, for which information from the initial insurer was available up to 30 September 2024, were recognised with a delay.

CURRENCY TRANSLATION

Items in foreign currency were translated using the exchange rate on the respective acquisition date or on the balance sheet closing date if this resulted in a lower carrying amount.

Income and expenses were translated using the exchange rate on initial recognition.

CALCULATION OF CURRENT MARKET VALUE

The current market values of the properties contained in the portfolio in the financial year were calculated according to the present value of future cash flow method as at 31 December 2024.

The net asset value was recognised as current market value for the PE investments reported under shares in affiliated companies and participations. In the case of the other participations and the loan to an associated company, their respective carrying amount or the pro rata equity was recognised at current market value.

The loan in the form of a convertible loan to a company with which there is a participating interest was valued using a manual yield curve valuation method using the PDE method (partial differential equation), which explicitly takes into account both the conversion right and the termination options contained therein. The valuation is based on data of the underlying asset (share price, volatility) and a yield curve plus an issuer-specific risk premium (credit spread).

The current market values of listed fixed-interest securities and nonfixed-interest securities were based on the market price on the balance sheet closing date. The current market values of investment funds resulted from the redemption price on the balance sheet closing date.

Mortgage, land charge and annuity charge receivables were valued using a system-supported yield curve evaluation method, taking into account cancellation rights in accordance with the German Civil Code (BGB) and special rights of redemption.

Registered debentures and promissory note loans were valued using a system-supported yield curve evaluation method. In this method, the securities were allocated to yield curves in line with the risk with typical market risk premiums. The yield curves were allocated and differentiated based on securities classes, rating categories and differentiation between first priority and subordinated securities. Any possible cancellation rights were valued explicitly. Fixed-interest securities for which no market price could be determined on the balance sheet closing date were valued according to the same procedure.

The current market value of bank deposits is set at nominal value.

Miscellaneous loans were valued on the basis of issuer notifications.

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ASSETS

RE A., B.I. AND B.II. INTANGIBLE ASSETS AND INVESTMENTS

The development of these asset items is shown in the table below.

RE A., B.I. AND B.II. DEVELOPMENT OF ASSET ITEMS

DEVELOPMENT IN FINANCIAL YEAR 2024		
	Carrying amounts Previous year EUR'000	Carrying amounts as at 1 January 2025 after foreign currency adjustment* EUR'000
A. INTANGIBLE ASSETS		
I. Purchased concessions, industrial and similar rights and assets and licenses in such rights and assets	136,914	144,336
II. Goodwill	88,522	86,629
III. Advance payments	15,821	15,821
Total A.	**241,258**	**246,786**
B. INVESTMENTS		
I. Real properties, rights equivalent to real property and buildings, including buildings on third-party real properties	111,959	111,959
II. Investments in affiliated and associated companies		
1. Shares in affiliated companies	36,961	36,961
2. Loans to affiliated companies	0	0
3. Participating interests in associated companies	60,666	60,666
4. Other participating interests	65,721	65,721
5. Loans to associated companies	3,030	3,030
Total B.II.	**166,378**	**166,378**
Total	**519,595**	**525,124**

*) Adjustments in accordance with disclosures in the "Accounting, valuation and calculation methods" section, p. 233

Additions EUR'000	Reclassifications EUR'000	Disposals EUR'000	Appreciation EUR'000	Write-downs EUR'000	Currency translation differences EUR'000	Carrying amounts Financial year EUR'000
8,464	−273	−81	0	−15,928	0	136,519
0	0	0	0	−16,594	0	70,035
166	273	−68	0	0	0	16,193
8,631	**0**	**−148**	**0**	**−32,521**	**0**	**222,747**
1,397	0	0	0	−7,882	0	105,475
9,669	240	−2,453	2,780	−798	−225	46,175
0	0	0	0	0	0	0
0	0	−523	1,016	−1,383	2,957	62,733
3,100	−240	−1,559	0	−421	0	66,601
0	0	0	**0**	−1,500	0	1,530
12,769	**0**	**−4,535**	**3,797**	**−4,102**	**2,732**	**177,039**
22,797	**0**	**−4,683**	**3,797**	**−44,505**	**2,732**	**505,261**

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RE A.II. GOODWILL
This item includes the goodwill of the consolidated companies of the Eucon Group (EUR 40.1 million), VHV Assicurazioni (EUR 17.5 million) and the InterEurope Group (EUR 12.4 million). This goodwill was amortised in the financial year for a total of EUR 16.6 million.

RE B.I. REAL PROPERTIES, RIGHTS EQUIVALENT TO REAL PROP ERTY AND BUILDINGS, INCLUDING BUILDINGS ON THIRD-PARTY REAL PROPERTIES
The balance sheet value of the real properties and buildings primarily used internally by affiliates in the context of their activities amounted to EUR 96.4 million (previous year: EUR 99.8 million).

RE B.II.1. SHARES IN AFFILIATED COMPANIES
This item relates to 25 companies that were not included in the consolidation group due to subordinate importance (section 296 (2) HGB), of which three were valued using the equity method. The additions are mainly influenced by the acquisition of the company Ernst Stibl GesmbH (EUR 9.3 million).

RE TO B.II.3 PARTICIPATING INTERESTS IN ASSOCIATED COMPANIES
The equity method in accordance with section 312 (1) HGB was used in the case of five associated companies. The difference between the carrying amount and the pro rata equity of these associated companies amounted to EUR 0.7 million. The difference included goodwill of EUR 0.2 million for one company.

RE B.II.4 OTHER PARTICIPATING INTERESTS
For reasons of intelligibility and transparency, an investment that was not accounted for using the equity method was recognised under other participations.

RE B.III.1 EQUITIES, SHARES OR EQUITIES IN INVESTMENT ASSETS AND OTHER NON-FIXED INTEREST SECURITIES

	31.12.2024 EUR million	31.12.2023 EUR million
Investment assets		
of which non-current assets	5,554.9	5,540.9
of which current assets	85.9	79.6
Total	**5,640.9**	**5,620.6**

Write-downs of EUR 79.9 million was avoided as a result of the valuation using the moderate lower of cost or market principle.

RE TO B.III.2 BEARER BONDS AND OTHER SECURITIES WITH FIXED INTEREST RATES

	31.12.2024 EUR million	31.12.2023 EUR million
Bearer bonds		
of which non-current assets	5,407.0	5,232.5
of which current assets	41.7	72.3
Total	**5,448.7**	**5,304.8**

Writedowns of EUR 644.7 million were avoided as a result of the valuation using the moderatelower of cost or market principle.

RE TO B.III.6 MISCELLANEOUS INVESTMENTS
This item relates solely to investments in private and infrastructure equity.

RE C. INVESTMENTS FOR THE ACCOUNT AND RISK OF HOLDERS OF LIFE INSURANCE POLICIES
Investments for the account and risk of policy holders totalled EUR 280.8 million (previous year: EUR 327.1 million).

RE F.II. OTHER PREPAID EXPENSES

Other prepaid expenses mainly included agios for registered debentures in the amount of EUR 11.3 million (previous year: EUR 13.9 million) and advance payments for maintenance contracts of EUR 20.0 million (previous year: EUR 13.2 million).

RE G. DEFERRED TAX ASSETS

Future tax benefits (deferred tax assets) primarily resulted from differences between the commercial balance sheet and the tax balance sheet relating to investments, technical reserves and reserves for pensions.

In accordance with the option under section 274 (1) HGB in conjunction with section 306 HGB, future tax burdens and tax benefits were offset against one another under deferred tax assets, with a surplus of assets being reported.

DISCLOSURE PURSUANT TO SECTION 314 (1) NO. 10 HGB

	Carrying amount EUR million	Fair value EUR million
Equities, shares or equities in investment assets and other non-fixed interest securities	2,267.0	2,187.2
Bearer bonds and other securities with fixed interest rates	4,322.5	3,677.8
Mortgage, land charge and annuity charge receivables	963.0	809.8
Other loans	390.7	304.1
Miscellaneous investments	211.8	194.8
Total	**8,155.1**	**7,172.9**

Due to the creditworthiness of the issuers or the degree of collateralisation, the losses in value in securities were not considered permanent.

DISCLOSURE PURSUANT TO SECTION 314 (1) NO. 12 GERMAN COMMERCIAL CODE

EUR 280.8 million (previous year: EUR 327.1 million) in investment funds for the account and risk of holders of life insurance policies (certificate-linked and unit-linked insurance policies) were measured at fair value. Investment certificates to collateralise the partial retirement reserves were no longer held at in the financial year(previous year: EUR 0.1 million).

DISCLOSURE PURSUANT TO SECTION 314 (1) NO. 18 HGB

The table below provides detailed information on the investment funds in which the VHV Group holds more than 10 % of the units issued.

Type of fund/ investment objective	Fair value EUR million	Hidden reserves EUR million	Hidden liabilities EUR million	Distribution in 2024 EUR million
Property funds	1,763.0	387.8	–	–
Mixed funds	4,218.7	72.8	–79.9	73.2

The return of units in the real estate fund can be postponed if there are extraordinary circumstances that make postponement appear necessary taking account of the investors' interests. In the case of the other funds, repurchase of the units can also be postponed if there are extraordinary circumstances or an insufficient liquidity situation.

LIABILITIES AND SHAREHOLDERS' EQUITY

RE A.I.2. OTHER RETAINED EARNINGS

The change in other retained earnings consists of the net profit for the year, the capital offsets as well as other consolidation entries made in the Group.

RE D.I. RESERVES FOR PENSIONS AND SIMILAR LIABILITIES

In accordance with section 246 (2) sentence 2 HGB, the assets from pledged reinsurance policies of EUR 85.5 million (previous year: EUR 84.1 million) (fair value) were offset against the settlement amount of the associated pension reserves before netting of EUR 264.5 million (previous year: EUR 243.6 million). The fair value of the offset reinsurance policies also corresponds to their acquisition cost. The income from the reinsurance policies was offset with interest expense from the pension obligations in the income statement. The amount offset was EUR 2.5 million (previous year: EUR 1.5 million). The fair value of the insurance policies covering pension liabilities is calculated from the technical reserve including surplus credit.

The difference between the valuation of the reserve for pensions at the ten-year average interest rate and at the seven-year average interest rate according to section 253 (6) sentence 1 HGB amounts to EUR −2.2 million (previous year: EUR 2.6 million).

RE D.III. OTHER RESERVES

Reserves for partial retirement were reported net of the investment certificates held to collateralise them.

	31.12.2024 EUR million	31.12.2023 EUR million
Settlement amount from partial retirement obligations	**0.5**	**0.6**
Acquisition costs of investment certificates	0.0	0.1
Difference in comparison to fair value	0.0	0.0
Fair value of investment certificates	**0.0**	**0.1**
Provision from partial retirement obligations	**0.5**	**0.5**

An insurance contract covering pension liabilities with a carrying amount of less than EUR 0.1 million on 31 December 2023 (previous year: EUR 0.1 million) and a payment obligation with a carrying amount of below EUR 0.1 million on 31 December 2023 (previous year: EUR 0.1 million) to a former employee with a guaranteed term until 1 February 2025 were recognised as a valuation unit (micro-hedge) securing an interest obligation of 2.0 % p.a. The effectiveness of the hedge was determined using the critical term-match method. As all value-determining factors match between the insurance policy covering pension liabilities and the payment obligation, the valuation unit is effective (perfect micro hedge). In connection with the valuation unit, other assets were netted against other reserves in the volume shown above.

RE F. OTHER LIABILITIES

As at the balance sheet closing date there were other liabilities with a residual term of more than five years totalling EUR 149.1 million (previous year: EUR 165.6 million).

RE F. III. LIABILITIES TO BANKS

Liabilities to banks are secured in the amount of EUR 41.5 million (previous year: EUR 41.5 million) through the pledging of shares and the assignment of receivables as security (collateral assignment).

RE G. DEFERRED INCOME

This balance sheet item primarily includes discounts from registered debentures in the amount of EUR 1.8 million (previous year: EUR 2.1 million), advance payments received of EUR 1.4 million (previous year: EUR 1.4 million) and deferrals for service contracts of EUR 3.1 million (previous year: EUR 2.9 million).

CONSOLIDATED INCOME STATEMENT

RE I.1.a) AND II.1.a) BOOKED GROSS INCOME

	Property-casualty insurance transactions EUR million	Life insurance transactions EUR million	Total EUR million
Direct-written insurance transactions	3,019.1	1,007.2	4,026.3
Insurance transactions assumed in reinsurance coverage	156.9	–	156.9
Total	**3,176.0**	**1,007.2**	**4,183.2**

Of the gross premiums written for direct-written insurance transactions, EUR 3,631.3 million were attributable to Germany (previous year: EUR 3,468.5 million) and EUR 395.2 million (previous year: EUR 347.6 million) to foreign countries (primarily member states of the EU).

RE I.2. TECHNICAL INTEREST INCOME FOR OWN ACCOUNT

Technical interest income was calculated using a standardised actuarial interest rate of 0.9 % for pension obligations incurred up to 2021 and 0.25 % for pension obligations incurred from 2022 onwards. The share for reinsurers was deducted from that.

RE I.4.A) EXPENSES FOR INSURANCE CLAIMS FOR OWN ACCOUNT

A run-off gain was generated in the amount of 10.1 % (previous year: 11.5 %) of net premiums earned in the financial year. This resulted primarily from motor vehicle insurance.

RE I.7. EXPENSES FOR INSURANCE OPERATIONS FOR OWN ACCOUNT

Transaction expenses in the amount of EUR 497.4 million (previous year: EUR 468.2 million) and management expenses in the amount of EUR 209.2 million (previous year: EUR 194.6 million) are included in this item.

RE II.10.B) DEPRECIATION ON INVESTMENTS

The depreciation on investments classified as non-current assets included extraordinary depreciation pursuant to section 253 (3) sentence 5 HGB (moderate lower of cost or market principle) in the amount of EUR 19.1 million (previous year: EUR 8.7 million). Of this, EUR 18.6 million (previous year: EUR 8.1 million) was attributable to private equity and infrastructure investments. Amortisation on participating interests amounted to EUR 0.2 million (previous year: EUR 0.4 million). Participations were written down by EUR 0.3 million (previous year: EUR 0.2 million).

RE III.3.C) DEPRECIATION ON INVESTMENTS

Depreciation on investments classified as non-current assets included extraordinary depreciation pursuant to section 277 (3) HGB in conjunction with section 253 (3) sentence 5 HGB (moderate lower of cost or market principle) in the amount of EUR 20.0 million (previous year: EUR 8.8 million). Of this figure, EUR 15.1 million related to private equity and infrastructure investments (previous year: EUR 8.5 million), EUR 3.0 million to land (previous year: EUR 0.0 million), EUR 1.5 million to loans to associated companies (previous year: EUR 0.0 million) and EUR 0.1 million (previous year: EUR 0.2 million) to shares in affiliated companies. Amortisation on participating interests amounted to EUR 0.2 million (previous year: EUR 0.1 million).

RE III.5. OTHER INCOME

Other income includes income from currency translation totalling EUR 12.5 million (previous year: EUR 22.9 million).

RE III.6. OTHER EXPENSES

Other expenses included scheduled goodwill amortisation of EUR 16.6 million. The item also contains the interest component included in the allocation to the pension, partial retirement and anniversary reserve in the amount of EUR 5.6 million (previous year: EUR 5.9 million) and expenses from the allocation of interest to other long-term reserves of EUR 0.4 million (previous year: EUR 0.1 million). Interest and similar expenses are reduced by interest to be offset from nettable assets totalling EUR 2.5 million (previous year: EUR 1.5 million). Expenses from currency translation in the amount of EUR 6.0 million (previous year: EUR 9.5 million) are included.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

ADDITIONAL INFORMATION

SUPERVISORY BOARD

Dr Achim Kann
Honorary Chairman,
Chairman of the Board of Directors (retired)
GLOBALE Rückversicherungs AG, Cologne;
Chairman of the Board of Directors (retired)
Frankona Rückversicherungs-AG, Munich

Dr Peter Lütke-Bornefeld
Honorary Chairman,
Chairman of the Board of Directors (retired)
General Reinsurance AG, Cologne

MEMBERS ELECTED BY THE MEMBERS' MEETING:

Uwe H. Reuter
Chairman,
Chairman of the Board of Directors (retired)
VHV a. G. and VHV Holding AG, Hanover;
Chairman of the Board of Directors PATRIZIA SE, Augsburg

Fritz-Klaus Lange, lawyer
Deputy Chairman,
Chairman of the Board of Directors (retired)
Gegenbauer Holding SE & Co. KG, Berlin;
Chairman of the Board of Directors (retired)
RGM Facility Management GmbH, Berlin/Dortmund

Dr Josef Adersberger (from 9 March 2024)
Managing Director of QAware GmbH, Munich;
Advisory Board of TWIP Venture Studio GmbH & Co. KG, Munich

Dr Thomas Birtel
Chairman of the Board of Directors (retired), STRABAG SE, Vienna/Austria;
Member of the Supervisory Board of Wienerberger AG, Vienna/Austria

Thomas Bürkle
Chairman of the Managing Board (retired) NORD/LB
Norddeutsche Landesbank Girozentrale, Hanover;
Senior Advisor Boston Consulting Group, Boston/USA

SUPERVISORY BOARD

Sarah Rössler
Former member of the Board of Directors of HUK-COBURG Versicherungsgruppe;
Chairman of the Supervisory Board of MLP SE, Wiesloch;
Chairman of the Supervisory Board of MLP Banking AG, Wiesloch

BOARD OF DIRECTORS

Thomas Voigt
Chairman
Hanover

Arndt Bickhoff
IT,
Hamburg

Frank Hilbert
Life Insurance
Hanover

Dr Sebastian Reddemann
Property-Casualty Insurance
Hanover

Ulrich Schneider
Investments,
Hanover

Sebastian Stark
Finance and Risk Management,
Hanover

LIST OF SHARE OWNERSHIP AS AT 31 DECEMBER 2024

COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Name of the company	Domicile of the company		Equity interest
Group parent			
VHV Vereinigte Hannoversche Versicherung a. G.	Hanover	Germany	
Subsidiaries			
digital broking GmbH	Hanover	Germany	100.00 %
Eilenriede V V GmbH	Hanover	Germany	100.00 %
Eilenriede 2. V V GmbH	Hanover	Germany	100.00 %
Eucon Digital GmbH	Münster	Germany	100.00 %
Eucon GmbH	Münster	Germany	90.00 %
Hannoversche Direktvertriebs-GmbH	Hanover	Germany	100.00 %
Hannoversche Lebensversicherung AG	Hanover	Germany	100.00 %
Hannoversche-Consult GmbH	Hanover	Germany	100.00 %
InterEurope AG European Law Service	Düsseldorf	Germany	100.00 %
InterEurope Beteiligung GmbH	Hanover	Germany	96.50 %
Pensionskasse der VHV-Versicherungen	Hanover	Germany	–
Securess Versicherungsmakler GmbH	Bochum	Germany	100.00 %
VAV Versicherungs-Aktiengesellschaft	Vienna	Austria	100.00 %
VHV Allgemeine Sigorta A.S.	Istanbul	Turkey	100.00 %
VHV Allgemeine Versicherung AG	Hanover	Germany	100.00 %
VHV Dienstleistungen GmbH	Hanover	Germany	100.00 %
VHV digital development GmbH	Hanover	Germany	100.00 %
VHV digital services AG	Hanover	Germany	100.00 %
VHV Holding SE	Hanover	Germany	100.00 %
VHV International SE	Hanover	Germany	100.00 %
VHV Italia Assicurazioni S.p.A. (formerly Assicuratrice Val Piave S.p.A.)	Belluno	Italy	91.13 %
VHV Reasürans A.S.	Istanbul	Turkey	100.00 %
VHV solutions GmbH	Hanover	Germany	100.00 %
VVH Versicherungsvermittlung Hannover GmbH	Hanover	Germany	100.00 %
WAVE Private Equity SICAV-RAIF	Luxembourg	Luxembourg	100.00 %
WAVE Management AG	Hanover	Germany	100.00 %

The pension fund of VHV-Versicherungen and WAVE Private Equity SICAV-RAIF are fully consolidated as special purpose entities in accordance with section 290 (2) no. 4 HGB.

SUBSIDIARIES NOT INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS DUE TO IMMATERIALITY OR UNDUE DELAYS

Name of the company	Domicile of the company		Equity interest
Adveq Opportunity II Zweite GmbH	Frankfurt am Main	Germany	51.72 %
Aftermarket Intelligence Consulting (Shanghai) Co., Ltd.	Shanghai	China	90.00 %
Aurelis Consulting Sp. z o.o.	Warsaw	Poland	60.00 %
Elvaston Capital Fund II GmbH & Co. geschlossene Investment-KG	Berlin	Germany	89.60 %
Ernst Stibl GesmbH	Lunz am See	Austria	80.00 %
Eucon Americas LLC	Atlanta	USA	100.00 %
Eucon Canada Ltd.	Toronto	Canada	100.00 %
Eucon LATAM S. de R.L. DE C.V.	Mexico City	Mexico	99.99 %
Ferrum Holding GmbH & Co. geschlossene Investment-KG	Düsseldorf	Germany	86.87 %
Fieldwork Quality S.L.	Madrid	Spain	100.00 %
GiPA Argentina SA	Buenos Aires	Argentina	99.00 %
GiPA China Ltd.	Shanghai	China	100.00 %
GiPA dynamic SAS	Paris	France	72.44 %
GiPA GmbH	Langenfeld	Germany	100.00 %
GiPA Ibérica S.L.	Madrid	Spain	100.00 %
GiPA Italia S.r.l.	Milan	Italy	100.00 %
GiPA LLC*	Moscow	Russia	99.00 %
GiPA SAS	Paris	France	99.99 %
GiPA UK Ltd.	London	United Kingdom	100.00 %
Grupo Interprofesional de Productos Automóviles S.A. de C.V.	Naucalpan de Juárez	Mexico	90.00 %
Grupo Interprofissional de Produtos e Servicos Automotivos Gipa do Brasil Ltda.	Sao Caetano do Sul	Brazil	99.90 %
IRS Quality SARL	Rennes	France	100.00 %
Ourui (Shanghai) Automotive Consulting and Service Co. Ltd.	Shanghai	China	95.00 %
Securess Mehrfachagentur GmbH	Bochum	Germany	100.00 %
VHV Informatyka Sp. z o.o.	Warsaw	Poland	100.00 %

* The company is dormant.

JOINT VENTURES AND ASSOCIATED COMPANIES ACCOUNTED FOR AT EQUITY

Name of the company	Domicile of the company		Equity interest
Deutsche Rückversicherung Schweiz AG	Zurich	Switzerland	23.75 %
Hand schafft Wert GmbH	Münster	Germany	50.00 %
Neue Rechtsschutz-Versicherungsgesellschaft AG	Mannheim	Germany	34.02 %
Olimpia Cauzioni e Rischi Tecnologici S.r.L. (formerly Olimpia Managing General Agent S.r.L.)	Rome	Italy	50.00 %
Trustlog GmbH	Hamburg	Germany	50.00 %

OTHER ASSOCIATED COMPANIES

Name of the company	Domicile of the company		Equity interest
Adveq Europe IV B Erste GmbH	Frankfurt am Main	Germany	37.88 %
Centrum Badań Marketingowych INDICATOR Sp. z o.o.	Warsaw	Poland	49.60 %

OTHER PARTICIPATIONS

Name of the company	Domicile of the company		Equity interest	Equity in EUR'000	Net profit for the year in EUR'000
BCA AG	Oberursel (Taunus)	Germany	9.99 %	8,626	–1,078
Caruso GmbH	Ismaning	Germany	0.56 %	2,689	–1,411
Deutsche Makler Akademie (DMA) GmbH	Bayreuth	Germany	2.86 %	654	55
ESB GmbH	Coburg	Germany	18.32 %	343,925	41,156
EXTREMUS Versicherungs-Aktiengesellschaft	Cologne	Germany	1.00 %	62,760	1,013
GDV Dienstleistungs-GmbH	Hamburg	Germany	1.91 %	33,341	2,474
Hannover Marketing und Tourismus GmbH	Hanover	Germany	1.53 %	560	–301
KTI Kraftfahrzeugtechnisches Institut und Karosseriewerkstätte GmbH & Co. KG	Lohfelden	Germany	7.08 %	938	343
Protektor Lebensversicherungs-AG	Berlin	Germany	1.74 %	7,950	95
Roland Partner Beteiligungsverwaltung GmbH	Cologne	Germany	12.57 %	838	–8
Telebelluno S.r.l.	Belluno	Italy	0.10 %	2,012	–308
"TopReport" Schadenbesichtigungs GmbH	Vienna	Austria	12.50 %	283	0
Ufficio Centrale Italiano di Assistenza Assicurativa Automobilsti in Circolazione Internazionale U.C.I. Soc.Cons.A R.L.	Milan	Italy	0.04 %	3,875	2,086
VDG - Versicherungswirtschaftlicher Datendienst GmbH	Dortmund	Germany	8.55 %	1,177	113
VST Gesellschaft für Versicherungsstatistik mbH i.L.	Hanover	Germany	9.09 %	537	–

The figures relate to the most recent financial year for which annual financial statements are available.
Financial statements in foreign currency were translated to euro using the middle spot exchange rate on the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

The liabilities under surety bonds issued for loan and surety insurance amounted to EUR 14,109.7 million as at 31 December 2024 (previous year: EUR 13,632.5 million).

In accordance with sections 221 et seq. of the VAG, HL is a member of the guarantee fund for life insurance companies. On the basis of the Guarantee Fund Financing Ordinance (Life), the guarantee fund levies annual contributions of a maximum of 0.2 ‰ of the total net technical reserves, until guarantee assets of 1.0 ‰ of total net technical reserves are created As in the previous years, there are no future obligations arising from this for HL as the target amount has been reached.

The guarantee fund can also charge special premiums in the amount of an additional 1.0 ‰ of the total net technical reserves; this corresponded to an obligation of EUR 7.4 million (previous year: EUR 7.7 million).

In addition, HL has undertaken to provide funds to the guarantee fund or alternatively to the company Protektor Lebensversicherungs-AG if the funds in the guarantee fund are not sufficient in the event of necessary restructuring. The obligation amounts to 1.0 % of the total net technical reserves, taking into account the premiums already paid to the guarantee fund at this time. Including the aforementioned payment obligations from the payment of premiums to the guarantee fund, the total obligation as at 31 December 2024 is EUR 66.3 million (previous year: EUR 69.7 million).

VHV Allgemeine has issued a letter of comfort in favour of its wholly-owned subsidiary VHV Re. This will ensure that VHV Re can fulfil its contractual obligations. In light of VHV Re's equity base and business development, we consider it extremely unlikely that the letter of comfort will be utilised as things stand.

This company is a member of the registered association "Verkehrsopferhilfe e. V.".

Due to this membership, VHV Allgemeine is obligated to provide this association with the necessary resources to fulfil its purpose proportionate to its share in the premium revenues generated by the member companies from direct-written motor vehicle liability insurance transactions in the respective calendar year before last.

In the case of the pension benefits, reinsurance policies written for the purpose of safeguarding against insolvency were pledged in favour of beneficiaries in the amount of EUR 85.5 million (previous year: EUR 84.1 million). The investment fund shares held to collateralise the partial retirement obligations were sold in full during the financial year. The investment fund shares from the previous year's portfolio in the amount of EUR 0.1 million were pledged in favour of the employees. The risk of utilisation from the contingent liabilities listed above is considered extremely low on account of VHV Holding's good credit rating.

The payment obligations in connection with approved mortgage, land charge and annuity charge receivables totalled EUR 26.1 million (previous year: EUR 40,0 million).

OEX Capital GmbH, Olsberg, has a put option on the sale of 10 % of the shares in Eucon GmbH to VHV Holding. The put option may be exercised (i) within two months of the date of adoption of the company's annual financial statements for the 2025 financial year, but no later than 1 June of the year following the relevant financial year and then again in the same period after every fifth subsequent financial year, or (ii) within two months for reasons of dissent.

LBL GmbH, Munich, has a put option on the sale of 3.5 % of the shares in InterEurope to VHV Holding. The put option can be exercised (i) at any time after the occurrence of a good leaver event or (ii) within two months of the date of adoption of the company's annual financial statements for the 2026 financial year but no later than 1 June of the year following the relevant financial year and then again in the same period after each subsequent financial year.

The Group's other financial obligations totalled a maximum of EUR 1,223.5 million (previous year: EUR 1,438.5 million) and are described below:

There were outstanding payment obligations from investments in the PE/IE segment and participating interests totalling EUR 1,078.3 million (previous year: EUR 1,263.6 million).

There were payment obligations for real estate totalling 74.8 million (previous year: EUR 68.3 million).

There were future payment obligations of EUR 70.4 million (previous year: EUR 56.6 million) arising from leases, license agreements, maintenance and rental agreements, some of which are long-term in nature.

There are no other contingent liabilities that are not already apparent from the balance sheet and the notes. Also, there are no further guarantees or obligations arising from bills of exchange.

ANNUAL AVERAGE NUMBER OF EMPLOYEES

The average number of employees of the companies included in the consolidated financial statements in the 2024 financial year was 4,387 (previous year: 4,244), of which 4,015 (previous year: 3,908) were in Germany and 372 (previous year: 335) internationally. There were also 69 (previous year: 66) apprenticeship contracts in Germany on average for the year.

Consolidated personnel expenses amounted to EUR 414.0 million in 2024 (previous year: EUR 367.3 million). Of this figure, EUR 327.4 million (previous year: EUR 301.8 million) was attributable to wages and salaries, EUR 55.3 million to social security costs (previous year: EUR 46.7 million) and EUR 15.1 million to pensions (previous year: EUR 18.8 million).

TOTAL REMUNERATION OF THE SUPERVISORY BOARD AND BOARD OF DIRECTORS

The total remuneration amounted to EUR 2.1 million for members of the Supervisory Board (previous year: EUR 1.2 million), EUR 7.7 million for members of the Board of Directors (previous year: EUR 7.3 million) EUR 2.9 million for former members of the Board of Directors and/or their surviving dependents (previous year: EUR 3.1 million).

The pension reserve set aside for former members of the Board of Directors and their surviving dependents amounted to EUR 56.5 million as at the balance sheet closing date (previous year: EUR 56.9 million).

AUDITORS' FEES

The fees paid to the auditors of the consolidated financial statements attributable to the year 2024 comprised:

Expenses for the audit of the annual financial statements in the amount of EUR 1.4 million (previous year: EUR 1.4 million), other attestation services of EUR 0.2 million (previous year: EUR 0.2 million) and other services of EUR 0.02 million (previous year: EUR 0.02 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

DISCLOSURE PURSUANT TO SECTION 314 (22A) HGB

Under the law for ensuring a global minimum taxation for corporate groups (Minimum Taxation Act – MinStG) of 21 December 2023 (Federal Law Gazette 2023 I No. 397), effective from 28 December 2023, the regulations principally apply for the first time to fiscal years beginning after 30 December 2023 (see section 101 MinStG).

As a multinational corporate group with consolidated revenues of more than EUR 750 million, the VHV Group is therefore affected by the global minimum taxation regulations implemented in Germany by the Minimum Tax Act (MinStG). The ultimate parent company and Group parent within the meaning of the MinStG is VHV.

Business units have currently been identified in at least 19 countries, of which 15 countries have implemented global minimum taxation regulations (see the following list, the extent to which the national supplementary taxes will be assessed as qualified national supplementary taxes – QDMTT – has not yet been finalised)

Number	Country	Initial application of Pillar 2
1	Germany	01.01.2024 (DMTT/IIR)/from 2025 UTPR
2	Italy	01.01.2024 (DMTT/IIR)/from 2025 UTPR
3	France	01.01.2024 (DMTT/IIR)/from 2025 UTPR
4	Austria	01.01.2024 (DMTT/IIR)/from 2025 UTPR
5	Turkey	01.01.2024 (DMTT/IIR)/from 2025 UTPR
6	Luxembourg	01.01.2024 (DMTT/IIR)/from 2025 UTPR
7	Poland	as of 2025 (DMTT/IIR/UTPR), option to apply the regulations as of 2024
8	Belgium	01.01.2024 (DMTT/IIR)/from 2025 UTPR
9	Portugal	01.01.2024 (DMTT/IIR)/from 2025 UTPR
10	Spain	Implementation deadline missed; draft law: 01/01/24 (DMTT/IIR)/from 2025 UTPR
11	United Kingdom	01.01.2024 (DMTT/IIR)/from 2025 UTPR
12	Netherlands	01.01.2024 (DMTT)
13	China	N.A.
14	Canada	01.01.2024 (DMTT/IIR); draft law for introduction of UPTR from 2025
15	USA	N.A. (CAM-T)
16	Russia	N.A.
17	Mexico	Intention to implement IIR/UTPR
18	Argentina	N.A.
19	Brazil	Introduction of a DMTT from 2025

Under section 274 (3) HGB, differences arising from the application of the MinStG and comparable foreign laws cannot be taken into account when calculating deferred taxes.

For the financial year 2024, the current tax expense resulting from the global minimum tax amounts to EUR 0.

The analyses currently show that the VHV Group can significantly reduce compliance costs and the potential tax burden in Germany initially by making extensive use of simplification rules (so-called “safe harbours” in accordance with Sections 79 to 81 and 84 to 87 and 89 MinStG) and, if necessary, by exercising specific options. In particular, the VHV Group applies the so-called CbCR safe harbour pursuant to Sections 84 et seq. of the German Minimum Tax Act (MinStG). For the foreign entities, it is currently assumed that the effective tax rates determined as part of the effective tax rate test in accordance with the German CbCR safe harbour regulations can be used as the basis for determining a potential national supplementary tax abroad. All countries in which VHV operates and which have implemented the Pillar 2 rules nationally also provide for a CbCR safe harbour at national level, which the VHV Group could apply in each case.

Special features arise in accordance with the respective national Pillar 2 rules due to the categorisation of WAVE Private Equity S.A. SICAV-RAIF, Luxembourg, as a foreign investment entity. This concerns, for example, the requirement for a separate determination of the effective tax rate pursuant to Section 72 MinStG, the audit of options pursuant to Sections 73 and 74 MinStG with effects on the fund’s distribution policy and their treatment in accordance with the Austrian Pillar 2-Regelungen.

REPORT ON EVENTS AFTER THE BALANCE SHEET CLOSING DATE

There were no significant events after the end of the 2024 financial year.

Hanover, 19 March 2025

THE BOARD OF DIRECTORS

Voigt	Bickhoff	Hilbert
Dr Reddemann	Schneider	Stark

INDEPENDENT AUDITOR'S REPORT

To VHV Vereinigte Hannoversche Versicherung a. G.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of VHV Vereinigte Hannoversche Versicherung a.G., Hanover, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year from 1 January 2024 to 31 December 2024, and notes to the consolidated financial statements, including the recognition and measurement policies presented therein. In addition, we have audited the group management report of VHV Vereinigte Hannoversche Versicherung a. G. for the financial year from 1 January 2024 to 31 December 2024.

In accordance with the German legal requirements, we have not audited the content of the group non-financial statement contained in the “Non-financial statement” section of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law applicable to insurance companies and give a true and fair view of the assets, liabilities and financial position of the Group as at 31 December 2024 and of its financial performance for the financial year from 1 January 2024 to 31 December 2024 in compliance with German legally required accounting principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group’s position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the group management report does not cover the content of the group non-financial statement referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB [“Handelsgesetzbuch”: German Commercial Code], we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and the EU Audit Regulation (No 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s responsibilities for the audit of the consolidated financial statements and of the group management report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Art. 10 (2) f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Art. 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

Below, we describe what we consider to be the key audit matters:

DETERMINATION OF EXPECTED PERMANENT IMPAIRMENT OF OTHER INVESTMENTS CLASSIFIED AS NON-CURRENT ASSETS

Reasons why the matter was determined to be a key audit matter

Investments classified as non-current assets are written down to the lower net realisable value if impairment is expected to be permanent. The Board of Directors must exercise judgement to determine if and to what extent these investments are considered to be permanently impaired.

Significant hidden liabilities exist, in particular, with regard to shares in investment assets, bearer bonds and other loans presented under other investments. In light of this, there is a risk for the consolidated financial statements that expected permanent impairment of the aforementioned investments is not identified or that judgement is not exercised appropriately and that the required write-downs to the lower realisable value are not made or not made in the right amount. We therefore consider the determination of expected permanent impairment of the investments classified as non-current assets to be a key audit matter.

Auditor's response
Taking the aforementioned risks into account, we essentially performed our audit of the determination of expected permanent impairment of investments classified as non-current assets as follows:

- We examined the processes implemented to determine expected permanent impairment and its amount. In this respect, we assessed whether the implemented processes were designed appropriately to identify, in compliance with the IDW's professional standards, expected permanent impairment and its amount and whether they were applied systematically.
- For shares in investment assets with hidden liabilities, in particular special annuity funds, we used a risk-based sample to determine that the required analysis at the level of the individual securities and the assessment of the permanence and amount of any potential impairment were appropriately performed and that any required impairment losses were recognised in the amount required in view of the expected permanent impairment.
- For fixed-interest investments with hidden liabilities, in particular bearer bonds, registered debentures and promissory note loans, we performed substantive audit procedures and assessed, on the basis of evaluations and analyses prepared by the executive directors, whether their evaluation of the non-permanence of any impairment was appropriate.
- In this respect, we examined whether any bad debts or significant deteriorations of credit ratings of issuers had arisen with regard to these investments. For this purpose, we assessed the appropriateness of the default risk estimates provided to us.
- In addition, we obtained further estimates from persons responsible for this matter regarding the credit ratings of issuers of these investments.

Our audit procedures did not lead to any reservations regarding the determination of expected permanent impairment for investments classified as non-current assets.

Reference to related disclosures:
The disclosures on the determination of expected permanent impairment of investments classified as non-current assets are included in the "Accounting, valuation and calculation methods" section of the notes to the consolidated financial statements.

VALUATION OF THE GROSS ACTUARIAL RESERVE

Reasons why the matter was determined to be a key audit matter
The gross actuarial reserve is predominantly calculated on the basis of the prospective method in accordance with Sec. 341f HGB and Sec. 25 RechVersV ["Versicherungsunternehmens-Rechnungslegungsverordnung": German Insurance Companies Accounts Regulations] (cash value of future benefits less cash value of future premiums). The gross actuarial reserve is calculated according to the tariff.

For the calculation of the gross actuarial reserve, requirements of German commercial law and supervisory law requirements as well as derived assumptions specific to the entity are to be taken into account. These primarily include assumptions on biometrics (e.g., mortality/longevity, occupational disability), on the exercise of policy holder options (cancellation and lump sum options), on costs and on interest on insurance obligations. These are based firstly on the tariff calculation bases of the premium calculation and secondly on current calculation bases. The latter can arise from legal provisions, such as the reference interest rate in accordance with DeckRV ["Deckungsrückstellungsverordnung": German Actuarial Reserve Ordinance] or from publications by the German Association of Actuaries (DAV), such as a more up-to-date mortality table for longevity risks. Entity-specific assumptions are also included, such as the probability of cancellation and lump sum options or biometric assumptions that deviate from the tables published by DAV.

In particular, insurance companies also have to consider interest rate obligations to policy holders when creating the gross actuarial reserve, unless the current or expected income from the entity's assets is sufficient to cover these obligations ("additional interest rate reserves" or "interest rate increases"). These are reported as part of the gross actuarial reserve.

When calculating the additional interest rate reserve and interest rate increases, the executive directors exercise some of the options afforded by the BaFin ["Bundesanstalt für Finanzdienstleistungsaufsicht": German Federal Financial Supervisory Authority] circular "Notes on calculation of the additional interest rate reserve for the new portfolio and allocation to interest rate increases for the old portfolio" from 5 October 2016 (VA 26-FR 3208-2015/0001). In this context, the Board of Directors recognises probabilities of cancellation and lump sum options, the determination of which involves judgement and estimation. In addition, biometric calculation bases with reduced security margins are used that are based on developments in the Group's portfolio observable over several years and that also include room for judgement.

Some of the sub-portfolios were migrated to a new portfolio management system in the reporting year. There is a risk here of insurance contracts and the related portfolio data being transferred incompletely or incorrectly.

We consider the valuation of the gross actuarial reserve to be a key audit matter because it accounts for a significant share of total liabilities and shareholders' equity and because of the judgement and estimates used to calculate the probabilities of cancellation and lump sum options for the additional interest rate reserve or interest rate increases and in the more up-to-date biometric calculation bases.

Auditor's response
Taking the aforementioned risks into account, we essentially performed the audit of the gross actuarial reserve as follows:

- We performed a walkthrough of the processes for calculating the actuarial reserve and assessed the design and operating effectiveness of the material controls in these processes. The tested controls ensure the complete and correct recognition of the insurance portfolio and its correct valuation.
- By reconciling the portfolio management systems with the general ledger, we checked whether the procedures ensure the completeness and correctness of the portfolio.
- We then analysed the actuarial reserve via a projection based on the sources of profit over the past years and the current portfolio development and compared this analysis with the values in the balance sheet. In addition, we examined the development of the actuarial reserve via metric and time series analyses.
- Moreover, we recalculated the standard actuarial reserve and the additional interest rate reserve/interest rate increases for sub-portfolios or contracts selected on the basis of risk and compared the results to the calculations of the executive directors. To assess the traceability of the probabilities of cancellation and lump sum options as well as the more up-to-date entity-specific biometric assumptions (relief) for the calculation of the additional interest rate reserve and interest rate increases, we evaluated the derivation on the basis of historical and current portfolio development, sources of profit and the Board of Directors' expectations of policy holders' future behaviour. In our assessment of the appropriateness of the calculation bases used, we also made particular use of the recommendations and publications of DAV and BaFin. In this context, we carried out a detailed review of the explanatory report and the appropriateness report of the assigned actuary and the results of the annual forecast calculation in accordance with BaFin requirements to determine whether all risks were accounted for in the valuation of the actuarial reserve with regard to the appropriateness of the calculation bases and the ability to satisfy insurance policies in the long term.
- We verified that the control and reconciliation procedures for data migration are appropriate and suitable for ensuring the complete and correct migration of the portfolio data.

We used in-house specialists with actuarial knowledge in our audit. Our audit procedures did not lead to any reservations regarding the valuation of the gross actuarial reserve.

Reference to related disclosures
The disclosures on the principles for the valuation of the gross actuarial reserve and the probabilities of cancellation and lump sum options and biometric assumptions contained therein are included in the "Accounting, valuation and calculation methods" section of the notes to the consolidated financial statements.

VALUATION OF THE GROSS RESERVE FOR PARTIAL LOSSES FOR INSURANCE CLAIMS NOT YET PROCESSED IN DIRECT-WRITTEN INSURANCE TRANSACTIONS

Reasons why the matter was determined to be a key audit matter
The gross reserve for insurance claims not yet processed in direct-written insurance transactions reported in the consolidated financial statements is primarily divided into gross reserves for partial losses for known claims and incurred but not reported (IBNR) claims, the valuation of which is guided by the provisions of Sec. 341g HGB.

The gross reserve for partial losses for known claims is valued individually per claim at the amount of the expected expenditure and is based on the knowledge and information as at the closing date and the history of similar claims.

The gross reserve for partial losses for IBNR claims is predominantly determined using actuarial procedures on the basis of historical data (claim numbers and claim averages), the current portfolio development and observations of claim reports in the financial year.

The expected expenses for insurance claims for both reserves for partial losses are estimated in accordance with the principle of prudence under Sec. 341e (1) Sentence 1 HGB.

Due to the required estimates and assumptions, there are uncertainties in the valuation of the two gross reserves for partial losses and thus room for discretion. This particularly relates to the gross reserve for partial losses for known claims in the liability segments due to the relatively long settlement period and the gross reserve for partial losses for IBNR claims. There is therefore a risk that the gross reserve for insurance claims not yet processed as a whole and in the individual insurance segments (especially in the liability segments) is not sufficient. In addition, the gross reserve for insurance claims not yet processed makes up a relatively large share of total liabilities and shareholders' equity. This is therefore a key audit matter.

Due to the low degree of judgement, the key audit matter does not relate to the annuity reserves included in gross reserves for insurance claims not yet processed and reserves for loss adjustment expenses.

Auditor's response:
Taking the aforementioned risks into account, we essentially performed our audit of the gross reserve for partial losses for insurance claims not yet processed as follows:

- We examined the procedures for processing claims and calculating the gross reserve for insurance claims not yet processed by tracking the processing of individual claims from the claim report to recognition in the consolidated financial statements. In this regard, we tested and assessed the appropriateness and operating effectiveness of the material internal controls implemented within these processes to ensure measurement is carried out correctly.
- In addition, we assessed the underlying procedures and methods used in the valuation of the gross reserve for partial losses for known and IBNR claims to determine whether they are suitable for ensuring that the reserve is calculated in a sufficient amount. We also verified whether the inputs underlying the estimate were transparently derived and whether the resulting gross reserve for partial losses was transparently calculated.
- Furthermore, by way of a deliberately sample of individual known claims for various insurance segments (especially the liability segments) and types on the basis of the claim file, we mainly examined whether the respective reserves were sufficient at the balance sheet closing date given the information and knowledge available.
- With regard to whether the gross reserve for insurance claims not yet processed as a whole is sufficient, we carried out our own claim projections for the three largest insurance segments and types on the basis of mathematical-statistical methods. We compared our best estimate with the recognised gross reserve for insurance claims not yet processed.
- Furthermore, we assessed whether the gross reserves for partial losses for insurance claims not yet processed in previous years was sufficient according to current knowledge to cover the actual claims incurred and thus to obtain indications of the appropriateness of past estimates ("target/actual comparison").
- The subject of the audit of the calculation of the gross reserve for partial losses for IBNR claims was the transparent derivation of the parameters used by the executive directors to estimate the reserve for late claims in the financial year (especially the number of claims and average amount claimed).

INDEPENDENT AUDITOR'S REPORT

We used in-house specialists with actuarial knowledge in our audit.

Our audit procedures did not lead to any reservations regarding the valuation of the gross reserve for insurance claims not yet processed.

Reference to related disclosures:
The disclosures on the valuation of the gross reserve for partial losses for insurance claims not yet processed are included in the "Accounting, valuation and calculation methods" section of the notes to the consolidated financial statements.

Other information
The Supervisory Board is responsible for the report of the Supervisory Board. In all other respects, the executive directors are responsible for the other information. The other information comprises the abovementioned group non-financial statement and also further parts to be included in the group annual report, of which we obtained a copy prior to issuing this auditor's report, in particular:

- The Board of Directors' report on business performance,
- The group structure presented before the preface to the annual report,
- The key performance indicators, the list of abbreviations and the glossary, and
- The report of the Supervisory Board,

But not the consolidated financial statements, not the management report disclosures whose content is audited and not our auditor's report thereon.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the executive directors and the Supervisory Board for the consolidated financial statements and the group management report
The executive directors are responsible for the preparation of consolidated financial statements that comply, in all material respects, with the requirements of German law commercial applicable to insurance companies, and that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German legally required accounting principles. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control and of such arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with the applicable German legal requirements.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the work performed for the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

INDEPENDENT AUDITOR'S REPORT

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further information pursuant to Art. 10 of the EU Audit Regulation

We were elected as group auditor by the members' meeting on 19 June 2024. We were engaged by the Supervisory Board on 13 August 2024. We have been the group auditor of VHV Vereinigte Hannoversche Versicherung a. G. without interruption since financial year 2018.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Art. 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to group entities the following services that are not disclosed in the consolidated financial statements or in the group management report:

- Voluntary financial statement audits,
- Review of the group non-financial statement,
- Fiduciary services and
- Attestation services for statutory reports to third parties.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Matthias Zeitler.

Hanover, 27 March 2025

EY GMBH & CO. KG WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT

Zeitler	Offizier
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE GROUP SUSTAINABILITY STATEMENT

To VHV Vereinigte Hannoversche Versicherung a. G., Hannover

Assurance conclusion
We have performed a limited assurance engagement on the non-financial statement (group sustainability statement) of VHV Vereinigte Hannoversche Versicherung a.G., Hannover for the fiscal year from 1 January 2024 to 31 December 2024 included in the management report. The group sustainability statement was prepared to comply with the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Art. 8 of Regulation (EU) 2020/852 as well as Secs. 315b and 315c HGB ["Handelsgesetzbuch": German Commercial Code] for group non-financial statements.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the accompanying group sustainability statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Art. 8 of Regulation (EU) 2020/852 as well as Secs. 315b and 315c HGB for group non-financial statements and the elaborative criteria presented by the Company's executive directors. This assurance conclusion also means that nothing has come to our attention that causes us to believe

- that the accompanying group sustainability statement does not comply, in all material respects, with European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify information to be reported in the group sustainability statement (materiality assessment) is not consistent, in all material respects, with the description provided in the group sustainability statement, and
- that the disclosures identified by 2020/852/EU Taxonomy Regulation in the group sustainability statement do not comply, in all material respects, with Art. 8 of Regulation (EU) 2020/852.

Basis for the conclusion
We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "Responsibilities of the auditor for the assurance work on the group sustainability statement" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our firm applies IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the executive directors and the supervisory board for the group sustainability statement
The executive directors are responsible for the preparation of the group sustainability statement in accordance with the requirements of the CSRD and the relevant German legal and other European requirements and with the elaborative criteria presented by the Company's executive directors, and for designing, implementing and maintaining such internal control as the executive directors consider necessary to enable the preparation of a group sustainability statement, in accordance with these requirements, that is free from material misstatement, whether due to fraud (i.e., fraudulent group sustainability statement) or error.

These responsibilities of the executive directors include the implementation and maintenance of the materiality assessment process, the selection and application of appropriate methods to prepare the group sustainability statement as well as making assumptions and estimates about and determining forward-looking information on individual sustainability-related disclosures.

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE GROUP SUSTAINABILITY STATEMENT

The supervisory board is responsible for overseeing the process for the preparation of the group sustainability statement.

Inherent limitations in preparing the group sustainability statement
The CSRD and the relevant German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no comprehensive authoritative interpretations have been published to date. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of any measurement or evaluation of sustainability matters made on the basis of these interpretations is uncertain.

These inherent limitations also apply to the assurance work on the group sustainability statement.

Responsibilities of the auditor for the assurance work on the group sustainability statement
Our objectives are to express a limited assurance conclusion, based on our assurance engagement, about whether any matters have come to our attention that cause us to believe that the group sustainability statement is not prepared, in all material respects, in accordance with the CSRD, the relevant German legal and other European requirements and the elaborative criteria presented by the Company's executive directors, and to issue an assurance report that includes our conclusion on the group sustainability statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- Obtain an understanding of the process to prepare the group sustainability statement, including the materiality assessment process carried out by the Company to identify the information to be reported in the group sustainability statement.
- Identify disclosures that are likely to be materially misstated due to fraud or error, design and perform procedures to address such disclosures and obtain limited assurance to support our conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Furthermore, the risk of not detecting a material misstatement in information from the value chain originating from sources outside of the Company's control (information from the value chain) is usually higher than the risk of not detecting a material misstatement in information originating from sources within the Company's control, as both the Company's executive directors and we as auditors usually have limited direct access to the sources of information from the value chain.
- Evaluate the forward-looking information, including the reasonableness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the work performed by the auditor

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability information. The nature, timing and extent of the procedures selected depend on our professional judgment.

In conducting our limited assurance engagement, we:
- Evaluated the overall suitability of the criteria presented by the executive directors in the group sustainability statement.
- Made inquiries of the executive directors and relevant employees involved in the preparation of the group sustainability statement about the preparation process, including the materiality assessment process carried out by the Company to identify the information to be reported in the group sustainability statement, and about the internal controls over this process.
- Evaluated the methods used by the executive directors to prepare the group sustainability statement.
- Evaluated the reasonableness of the estimates made by the executive directors and related explanations. If the executive directors estimate the value chain information to be reported in accordance with ESRS when they are unable to obtain such information from the value chain after making reasonable efforts to do so, our assurance engagement is limited to evaluating whether the executive directors made such estimates in accordance with ESRS and evaluating the reasonableness of such estimates and does not extend to determining value chain information that the executive directors were unable to obtain.

- Performed analytical procedures and inquiries regarding selected items of information in the group sustainability statement.
- Assessed the presentation of the information in the group sustainability statement.
- CO_2 compensation certificates were recognized for their existence, but not for their effectiveness.
- Assessed the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the related disclosures in the group sustainability statement.

RESTRICTION OF USE

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the assurance report is intended solely to inform the Company about the result of the assurance engagement. As a result, it may not be suitable for another purpose than the aforementioned. Accordingly, the assurance report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company alone. We do not accept any responsibility to third parties. Our assurance conclusion is not modified in this respect.

GENERAL ENGAGEMENT TERMS AND LIABILITY

The "General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften [German Public Auditors and Public Audit Firms]" dated 1 January 2024, which are attached to this report, are applicable to this engagement and also govern our relations with third parties in the context of this engagement (ey-idw-aab-en-2024.pdf).

In addition, please refer to the liability provisions contained there in no. 9 and to the exclusion of liability towards third parties. We accept no responsibility, liability or other obligations towards third parties unless we have concluded a written agreement to the contrary with the respective third party or liability cannot effectively be precluded.

We make express reference to the fact that we will not update the assurance report to reflect events or circumstances arising after it was issued, unless required to do so by law. It is the sole responsibility of anyone taking note of the summarized result of our work contained in this report to decide whether and in what way this result is useful or suitable for their purposes and to supplement, verify or update it by means of their own review procedures.

Hanover, 27 March 2025

**EY GMBH & CO. KG
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT**

Zeitler Wirtschaftsprüfer [German Public Auditor]	Offizier Wirtschaftsprüfer [German Public Auditor]

REPORT OF THE SUPERVISORY BOARD VHV VEREINIGTE HANNOVERSCHE VERSICHERUNG a. G. / GROUP

In the 2024 financial year, the Supervisory Board performed the tasks incumbent upon it in accordance with the law and the articles of association and monitored and advised the management on an ongoing basis.

The Board of Directors reported to the Supervisory Board on a regular basis, promptly and comprehensively regarding performance, the position of the affiliates and of the participating interests, basic issues of company governance, corporate planning, the risk situation, and regarding the Group's intended business policy. The Chairman of the Supervisory Board was in constant contact with the Chairman of the Board of Directors, and was reported to continuously and immediately regarding all transactions of particular importance in the Group. He engaged in regular work discussions with the Chairman of the Board of Directors in the interests of a constant exchange of information and opinions between the Supervisory Board and the Board of Directors.

The Supervisory Board met four times in the past financial year. Key policy issues, individual issues, the strategies of the affiliates, the economic situation including the risk situation and risk management and the development of the project to modernise the IT application systems in the property-casualty, life and finance segments were the subject matter of these meetings.

MAJOR FOCAL ISSUES

Development of the Group

At the meetings, the Board of Directors reported on an ongoing basis on the performance of investments and the technical performance of the insurance companies and the performance of the other affiliated companies of VHV a. G. The developments in the major segments of property-casualty insurance transactions and in life insurance in Germany and abroad were explained by the Board of Directors, as was the development of the internal productivity and quality parameters. The meetings also discussed the considerations of the Board of Directors regarding merger, partnership and acquisition efforts.

Given the ongoing consequences of the geopolitical, demographic, technological and economic shifts which are having a major impact on the insurance industry, discussion were carried out on the possible effects on the VHV Group's business segments as a result.

Other key issues

- International strategic field of activities and VHV International
- Transfer under company law of the insurance companies domiciled abroad to VHV International SE
- Control and profit and loss transfer agreement of VHV International SE
- Strategic field of activities for insurance-related services and VHV digital services
- Status of the VHV Group's financial situation
- Strategic field of activities for motor vehicles 2040
- Status of IT and digitalisation projects
- Adjustment of business distribution plan
- Key qualitative and quantitative points in corporate planning for 2025

WORK OF THE COMMITTEES

Of the committees formed by the members of the Supervisory Board, the IT/Digitalisation Committee and the Audit Committee met on three occasions, while the Human Resources and Nomination Committee and the Risk Committee each met twice. The Supervisory Board was informed about the results of the meetings.

CHANGES TO THE SUPERVISORY BOARD

Dr Josef Adersberger was appointed by the court on 9 March 2024 and elected to the Supervisory Board by the Annual General Meeting on 19 June 2024. We wish Dr Adersberger every success in his new role and look forward to working with him.

AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements and consolidated management report for the financial year 1 January to 31 December 2024, including the accounts, were audited by EY GmbH & Co. KG Wirtschaftsprüfungsgesellschaft and were issued with an unrestricted audit opinion. The Audit Committee of the Supervisory Board of VHV a. G. discussed and reviewed the consolidated financial statements and consolidated management report for 2024 including the non-financial statement, together with the Board of Directors and the auditor. No reservations were raised. The Committee reported the results to the Supervisory Board. The consolidated financial statements prepared by the Board of Directors for the year ended 31 December 2024 have been approved by the Supervisory Board.

Hanover, 23 April 2025

THE SUPERVISORY BOARD

Reuter Chairman	Lange Deputy Chairman	Dr Birtel
Bürkle	Rössler	Dr Adersberger

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