

Annual Review 2023

baloise

Baloise Group Annual Review 2023

Reporting environment

About the reporting

Overview of Baloise's external reporting

The annual reporting procedures of the Baloise Group are based on relevant statutory and regulatory requirements and applicable standards and guidelines, particularly those issued by the International Accounting Standards Board and SIX Swiss Exchange, where the shares of Baloise Holding Ltd are listed. Published financial information for the comparative period may differ from the originally published figures due to the application of the new accounting standards IFRS 9 and IFRS 17.

The reporting for 2023 is based on the following documents:

Annual Report

The Annual Report forms the core of the reporting activities. It comprises the management review of the operating performance, the corporate governance report, the remuneration report, the report on non-financial matters and the financial report. The financial report includes the consolidated annual financial statements of the Baloise Group and the income statement of Baloise Holding Ltd.

Annual Review

The review of the financial year provides a holistic view of the added value generated by Baloise under its value creation approach. The approach is based on the integrated reporting framework (<IR> Framework) of the International Integrated Reporting Council (IIRC). As well as important financial key figures, it also contains comprehensive information on non-financial disclosure. The report outlines the value creation of Baloise across the six resources of the value creation approach (investors, employees, customers, partners, environment and society) and the four framework processes (IT, compliance, corporate governance and risk management).

Presentation for financial analysts

The presentation for financial analysts is specifically aimed at investors. It is made available only on our website and exclusively in English, and it provides detailed information on the financial performance of Baloise and its individual operating segments and strategic business units.

Continuous reporting

Baloise uses its website, **www.baloise.com**, to share updates on various initiatives and activities as well as background stories about the implementation of its strategy on an ongoing basis.

Reporting by national organisations

In some cases, Baloise's national organisations publish their own external reports in accordance with the statutory and regulatory requirements of the jurisdiction in which they operate. In Belgium and Germany, reports are also prepared on transparency on non-financial matters in accordance with EU requirements (Non-Financial Reporting Directive, NFRD).

All documents are available in electronic form on the following websites:

- Baloise Group
  www.baloise.com/annual-report
- Baloise in Belgium
  www.baloise.be/fr/a-propos-de-nous
- Baloise in Germany
  www.baloise.de/de/ueber-uns
- Baloise Switzerland
  www.baloise.com/financial-condition-report
  www.baloise.com/bank

About this report

We aspire to be more than just an insurance company. Our aim is to play an important part in people's lives. Our products have been enabling customers to live more carefree and more self-determined lives for 160 years. We assume risks that companies and individuals would not be able to afford on their own, thereby contributing to a more equitable society and a more resilient economy.

Our Simply Safe strategy, which is now in its second phase (season 2), pursues three core objectives:

- We want to be a top-notch employer,
- the provider of choice for our customers,
- and a reliable and attractive investment proposition for our investors.

The Baloise value creation approach (see page 21) also forms the basis for our sustainability strategy. It offers an integrated view of how we generate value across six resources (investors, employees, customers, partners, environment and society). This report aims to highlight the way in which Baloise creates value for all stakeholders and how we act responsibly. It covers the business strategy and business model and includes in-depth information about the activities of the Baloise Group in 2023. It also outlines the economic, social and environmental effects of Baloise's activities. The disclosures and the Baloise value creation approach are based on the integrated reporting framework (<IR> Framework) of the International Integrated Reporting Council (IIRC).

Since 2022, we have been preparing for the expansion of non-financial reporting requirements in Europe and Switzerland. The new transparency provisions of Art. 964a et seq. of the Swiss Code of Obligations (OR) are applicable in Switzerland from the 2023 financial year, while the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS) come into effect in the European Union (EU) from the 2024 financial year, replacing the Non-Financial Reporting Directive (NFRD). The information required under the provisions of the Swiss Code of Obligations concerning transparency on non-financial matters is contained in the Annual Report from page 275 onwards. In Germany and Belgium, we will publish reports under the CSRD for the 2024 financial year. At Group level, we will expand our reporting in the 2024 financial year to include reports on climate-related risks. From 2025, we are planning to publish a Group-level report that complies with the requirements of the CSRD and is prepared in accordance with the European Sustainability Reporting Standards (ESRS).

This report already contains a wealth of information designed to meet the future requirements at EU and Swiss level. This information is also referenced in accordance with the Global Reporting Initiative (GRI) on page 108.

Foreword

Dear shareholders,
dear reader,

Through their business model, insurance companies assume responsibility for current and future generations. The services we provide at Baloise help to make society more resilient. We have been shouldering responsibility on behalf of our customers, employees and investors for 160 years. The long-term nature of our business model also reflects the lasting impact of our services and the value we create for our stakeholders.

Our services not only contribute towards a more stable society, but also create scope for growth and innovation. Companies, especially SMEs, are able to plan their business better and take more risks because we assume the risks that they would not be able to manage on their own without great financial expense. With a broad range of solutions for personal and company pensions, our business model also plays an important role in strengthening social stability and preventing inequality within society.

Working with other stakeholders in society, insurance companies are also part of the solution when it comes to building resilience against future challenges and protecting against the greatest risks, both new and known. Earthquakes and a new pandemic are known risks, but no comprehensive private insurance currently exists to cover them. Cyber risks are new risks that could cause immense economic damage and which pose new dangers for all of us. At Baloise, we are prepared to help overcome these challenges and to share the responsibility.

In this report, we explain how we take responsibility for matters such as the environment, society, corporate governance and human rights. Next year, the report will be expanded to include reporting on climate-related risks and Baloise is also making preparations for the publication of a Group report from 2025 that complies with the requirements of the Corporate Sustainability Reporting Directive (CSRD).

Basel, March 2024



Dr Thomas von Planta
Chairman of the
Board of Directors



Michael Müller
Group CEO



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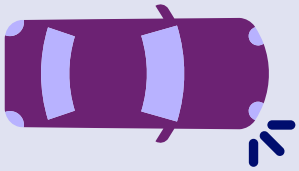
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At a glance



CHF 3,259.3 million
equity



92.0 %
combined ratio



6.5 %
new business margin in the life business

CHF **239.6** million
profit attributable to shareholders

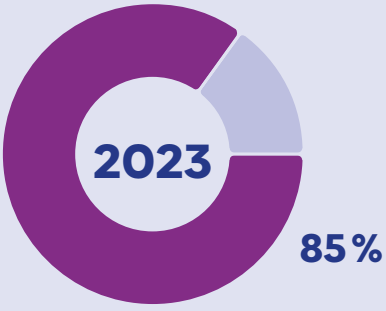
81 %
of employees responded positively to Baloise's employee satisfaction survey



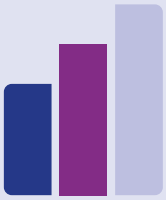
+54,000
additional customers

Asset Management	
Total assets under management	CHF 57.9 billion
Third-party assets under management	CHF 15.0 billion
Net new third-party assets	CHF 1.2 billion
Cost/income ratio	70.7 %
Employees	238

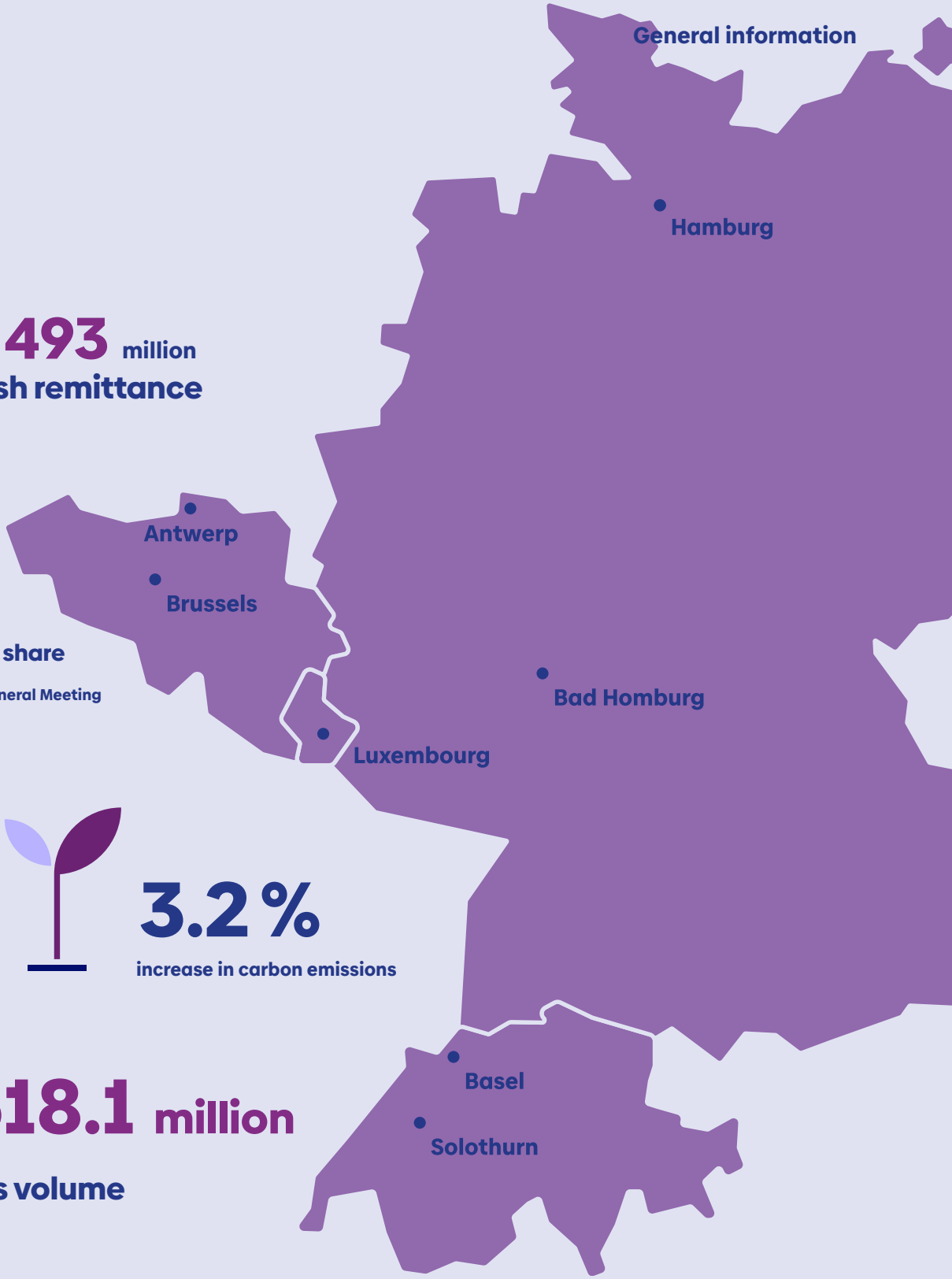
Bank	
Net new money custody account volume (market-adjusted)	CHF 281.0 million
Total assets	CHF 8,731.7 million
Wealth & pension advisory mandates	5,267
Return on equity	13.2 %
Employees	402



A-AAA MSCI ESG rating for rated insurance investments



CHF 493 million
cash remittance



Dividend of
CHF 7.70 per share
(proposal to the Annual General Meeting on 26 April 2024)

3.2 %
increase in carbon emissions

CHF 8,618.1 million
total business volume

	Switzerland	Germany	Belgium	Luxembourg
Business volume				
Life (CHFmillion)	2,513.4	499.8	482.0	152.8
Non-life (CHF million	1,468.7	816.5	1,589.7	154.6
Investment-type premiums (CHF million)	43.6	0.0	14.1	830.8
Employees	4,031[1]	1,532	1,775	682[2]
Combined ratio	98.4%	88.7%	85.8%	89.0%

1 including Asset Management and Bank.
2 including Liechtenstein [18] and FRIDAY [202].

A look back at the year
Baloise's highlights in 2023

January
2023

January

Michael Müller nominated as Group CEO
Baloise CEO Gert De Winter decided to step down as Group CEO at the end of June. The Board of Directors appointed Michael Müller (52) to replace him with effect from 1 July 2023.

Baloise successfully places its third green bond
We successfully place a nine-year senior green bond with a volume of CHF 175 million and a coupon of 2.20 per cent. The first green bond was issued in 2021, and this is now the third.

February

TRONITY electric vehicle solution joins the Baloise Mobility ecosystem
We are investing in the company TRONITY, thereby gaining a new partner for our Mobility ecosystem. TRONITY is a data-driven solution that provides electric vehicle users with transparent, comprehensive information about the costs associated with their vehicles as well as related services.

March

Baloise publishes second non-financial report
We again publish our Annual Review, in addition to the Annual Report, to show how we uphold our responsibility as a corporate citizen. The report forms the basis for our non-financial reporting and anticipates the future direction of disclosure requirements in Switzerland and the EU.

Christine Theodorovics to become CEO of Baloise in Luxembourg
Romain Braas, CEO of Baloise in Luxembourg, decided to retire at the end of September 2023. His successor will be Christine Theodorovics (54), a dual Swiss and Austrian national, who will take up her role on 1 June 2023.

April

Clemens Markstein to become CEO of Baloise in Switzerland
The Board of Directors of Baloise Holding Ltd appointed Clemens Markstein (52) as the new CEO of Baloise in Switzerland and a member of the Corporate Executive Committee of the Baloise Group. He will assume his post on 1 July 2023. Clemens Markstein succeeds Michael Müller, who is taking over as CEO of the Baloise Group from Gert De Winter.

October

Baloise adopts climate roadmap
We are committed to the targets of the Paris climate agreement and we support the efforts of the Swiss government and the European Union (EU) to reach net zero by 2050. We are drawing up a climate roadmap to set out how we intend to get there. The plan includes a 25 per cent reduction in operating emissions by 2030.

Baloise extends its partnership with Baloise Session
We are extending our involvement as the presenting sponsor of the Baloise Session festival by another four years until 2029. This underscores the strategic focus of Baloise's sponsorship activities in the field of music. We promote music in Switzerland, both as a sponsor of Baloise Session and as the promoter of our own one-off concerts and a special Switzerland-wide series of concerts.

December 2023

November

Baloise is recognised as one of the most innovative insurance companies in Switzerland
We win the people's choice award at the Swiss Insurance Innovation Awards for our 'Rapid Damage Cockpit (RDC)' project and secure second place with 'Parasurance'. Using our innovative RDC map, the Rapid Damage Cockpit project allows us to identify customers who may have been affected by a severe adverse weather event and automatically send them a form by email or text message in the immediate aftermath of the event. This form enables them to report any loss or damage they have suffered on the same day with just a few clicks.

June

Baloise awards the 24th Baloise Art Prize
The CHF 30,000 Baloise Art Prize has been part of Art Basel for more than 20 years. This year, the panel of judges comprising international experts awarded the prize to Sky Hopinka and Wai-Kin Sin. We will acquire works from both artists and donate them to two important European museums, MMK Frankfurt and MUDAM Luxembourg.

Business model

How does an insurance company work?

Insurance is essentially a way of sharing risk among lots of people. Insurance companies need a sufficiently large pool of customers in order to be able to offer their products, which can be divided into three areas: risk, savings and service. We cover risk in both the non-life and life insurance business. Non-life business essentially comprises property and liability insurance, while life insurance protects against the financial consequences of accident or death.

Where required, we supplement the element of risk protection in the life insurance business with services such as saving and pensions. An insurance company's balance sheet is a good way to obtain a better understanding of its business and how it adds value. The four key value drivers of insurance work hand in hand:

- Assets
- Technical non-life reserves
- Technical life reserves
- Equity.

We use the premiums paid by our customers to buy assets (investments) such as fixed-income securities, real estate and equities. We use the regular income from these investments to provide our customers with the safety and security that we have promised them. We offset the value of these promises on the equity and liabilities side of the balance sheet by setting aside technical reserves for our life and non-life business. We always have to keep sufficient equity available to ensure that we can honour the promises made to our customers at any time. The minimum amount of equity that we need is determined partly by our own calculations and partly by the requirements set by the regulatory authorities. This equity is provided to us by investors (shareholders). Because this equity is risk capital which – in the worst-case scenario – could be lost, our investors demand in return a level of compensation commensurate with the risk involved. This compensation is provided in the form of profits that are returned to investors via dividends, share buyback programmes or a rising share price. Consequently, this circular flow of funds between risk sellers (customers) and risk buyers (shareholders) only works if an insurance company can earn profits. It does so if it invests its assets as profitably as possible and if the insurance claims that occur do not exceed the amounts set aside by the insurer in its technical reserves. Shareholders will continue to provide the insurance company with equity if the ratio between the profit that it generates and the capital that it employs (return on equity) is adequate, compared with the market as a whole. These four drivers of value within the insurance business are explained in more detail in the sections that follow.

Non-life business

Non-life business essentially comprises property and liability insurance, such as motor vehicle and personal liability insurance. The profitability of this business consists of two components: the technical result and the Company's gains or losses on its investments. Based on the premium payments received from customers, it is calculated as follows:

Customers pay an annual premium. If a claim occurs, the insurance company uses part of the premium earned to cover costs that have already been incurred. Because the claim has still generally not been finally settled, however, a further portion of the premiums earned is used to set aside claims reserves for future insurance benefits and is channelled into investments that will yield a return. Then there are also insurance business operating expenses such as claims handling costs and staff expenses. If the claims paid, the expenses for insurance benefit payments and the insurance business operating expenses are lower than the premiums collected, the technical result is positive and the insurance company earns a gross profit. The better the insurance company's cost containment and the lower the risks or claims in its customer portfolio, the higher the gross profit will be. Technical profitability is measured in terms of the so-called combined ratio, which is one of the key performance indicators used in insurance. It is a relative figure that denotes the ratio between an insurer's costs plus the claims incurred, and its premium income. If its combined ratio is less than 100 per cent, an insurance company has generated a technical profit. In years when high levels of claims occur, an insurer's claims ratio may be above 100 per cent. In order to ensure that enough capital is still available to pay insurance benefits in such years, equity is required. The amount of capital needed here depends on risk-related and business-specific factors and on regulatory requirements. Gains or losses on investments are calculated as the investment yield on the equity provided by shareholders and on the technical reserves. The gains on investments and the technical result must be used to cover all taxes, borrowing costs and the minimum rate of return required by shareholders.

Life business

Life insurance enables policyholders to build wealth, make provision for their old age and protect themselves against risk (e.g. in the event of accident or death). These benefits are usually offered in combination, but pure risk life insurance and pure endowment insurance are also available. Risk insurance benefits are paid out if an unforeseen event – such as the policyholder's occupational disablement – occurs. In the case of endowment insurance, on the other hand, the event

that triggers the payment of benefits is the endowment date following a contractually agreed period. Endowment insurance policies are therefore used as savings vehicles – mostly as a form of retirement pension – which is why they are sometimes paid out as monthly annuities.

A distinction can be made between traditional life insurance and investment-type insurance policies. In traditional life insurance business , the premium can be broken down into the following three components that provide benefits for the customer:

- Risk component – benefits payable on death or disability
- Savings component – capital protection and guaranteed interest income
- Cost component – for various services such as processing annuities.

The premiums paid by customers for their life insurance policies are divided in the same way. The **savings component** protects and builds the customer's capital. It is invested in portfolios of different assets in order to ensure that the promise of a guaranteed return is kept and to achieve surpluses over and above the guaranteed returns. The **risk component** is used to create a technical reserve for claims – for example in the event of the policyholder's death. The cost component covers the costs incurred by the insurance company for administering the policy.

Depending on how successfully the insurance company invests the assets, how cost-efficient its operations are and the level of risk in the customer portfolio, the insurance company is left with a return after providing the services. This amount then goes into gross profit. The majority of the gross profit, often over 90 per cent (e.g. for occupational pension insurance schemes in Switzerland or individual life insurance in Germany), is generally transferred back to customers in the form of surpluses. The amount that remains is the profit for the period. This profit must be sufficient to adequately compensate the shareholders.

There are various forms of **investment-type insurance policy**, such as investment-linked life insurance and variable annuities. In contrast to traditional life business, the insurance company is merely responsible for the administration of these policies. If the premiums are invested in funds, customers often make the necessary investment decisions themselves. The insurance company receives commission for its asset administration services but is not involved in investing the insurance assets in the way that it is in the case of traditional life insurance policies offering guaranteed returns. Although modern life insurance policyholders therefore bear the investment risk, they can earn a far higher profit than they could from traditional life insurance that offers guaranteed returns. This is because customers benefit fully from any return on investments. This line of business is profitable for insurers because it can generate fees but the insurer only has to provide a small amount of risk-bearing capital.

Banking and insurance model in Switzerland

In Switzerland, we have been operating our combined banking and insurance model with Baloise Bank for more than 20 years. The model brings banking and insurance services together under one roof and, as a financial partner with a presence throughout Switzerland, enables us to offer our comprehensive advisory expertise. At every general agency in Switzerland, customers can meet with specialist financial advisors and receive comprehensive advice and solutions that cut across the boundaries of pensions, asset management and financing. We also benefit from this as a company, for example because our customers can reinvest capital sums paid out by life insurance or company pensions into our Baloise banking solutions. These banking solutions also include services such as asset management. The integration of banking and insurance has enabled us to greatly expand the asset management business in recent years.

Asset management & banking

The prudent management of investments is one of the most important capabilities that an insurer must possess. By successfully investing the premiums it receives, the insurance company ensures that it can meet its financial obligations towards its customers while making a contribution to its overall profitability. We ensure that our investments are widely diversified across several asset classes such as fixed-income securities, real estate and equities. Within each asset class, the focus is on high-quality investments that yield consistent returns. The Company's investments must be carefully matched with its obligations. So-called asset/liability management (ALM) is used for this purpose. This involves matching the cash flows from the Company's investments with those from its liabilities. We are increasingly offering our asset management services to third parties as a means of expanding this area of our business. We offer investment solutions in the areas of equities, bonds, alternative investments, real estate and multi assets. Customers benefit from the specific expertise and experience of Baloise Asset Management.

Strategy

Simply Safe: Season 2 – second year of the strategic phase

During the Simply Safe: Season 2 strategic phase, which runs from 2022 to 2025, we are building on the goals and successes of the last strategic phase while continuing to focus on our core stakeholders (customers, employees and shareholders). At the same time, we are prioritising the value creation model that underpins the sustainability strategy, which is an integral part of the corporate strategy and also includes our wider obligations to partners, society and the environment (see chapter 'The Baloise value creation model', page 20 onwards).

Simply Safe: Season 2 targets

With our 'Simply Safe' strategy we are pursuing the goal of further strengthening our core business and at the same time expanding our business model in order to meet changing customer needs for security and services in the digital age. This goes hand in hand with the strong conviction that only satisfied employees can inspire customers, who in turn form the basis for an attractive investment from an investor's perspective. Baloise has set itself the following goals for the second season of Simply Safe, which started in 2022, and will run until 2025:

- **Employees**: to be **one of the leading employers** in Europe
- **Customers**: to acquire **1.5 million new customers**
- **Shareholders**: to generate **CHF 2 billion in cash**.

In order to achieve the ambitious goals of Simply Safe: Season 2, four strategic directions were defined based on the findings from Season 1:

- **Focus:** focusing on the core insurance business
- **Reimagine**: improving the customer experience
- **Diversify:** moving into new business areas
- **Transform**: culture and sustainability as key drivers of the transformation.

With our strategy, we want to be more than just an insurance company. We want to play a significant role in people's lives.

Impact of our value creation

In the second year of the current strategic phase, we made the following contributions to our strategic targets:

- We are currently among the top 29 per cent of all employers in Europe (2022: top 36 per cent).
- We gained 54,000 new customers (2022: 173,000).
- We remitted cash of CHF 493 million (2022: CHF 471 million).

We made further progress towards our strategic targets. In terms of our employee target, we improved from being among the top 36 per cent of the best companies to work for in Europe to ranking among the top 29 per cent. We acquired 54,000 new customers in 2023. We are on track to meet our target of cash remittance of CHF 2 billion for the holding company; we remitted CHF 493 million in 2023, which was around 5 per cent more than in the prior year.

We regularly review our strategy and adjust it in line with changed conditions where necessary. In 2017, we began to establish the Home and Mobility ecosystems as part of our innovation strategy. Those innovation initiatives generated CHF 116 million in revenue in 2023. Last year, we announced that we were reviewing our entire portfolio. Following this review, and in light of the evolving macroeconomic environment, we have now decided to no longer focus on the ecosystem approach and to not carry out any further new investment in these business areas. By training our focus on integrated insurance and financial services and achieving operational excellence, we are ensuring that Baloise remains relevant for our customers, partners, investors and employees in the long term.

Attractive dividend policy continued

Thanks once again to the strong level of cash remittance, we were able to continue our attractive dividend policy in 2023. We have not reduced the dividend since 2003 and have in fact increased it 13 times during that period. For the 2023 financial year, we plan to raise the dividend again, enabling shareholders to participate directly in Baloise's success. A dividend increase of CHF 0.30 will be proposed at the Annual General Meeting on 28 April 2024, bringing the dividend to CHF 7.70.

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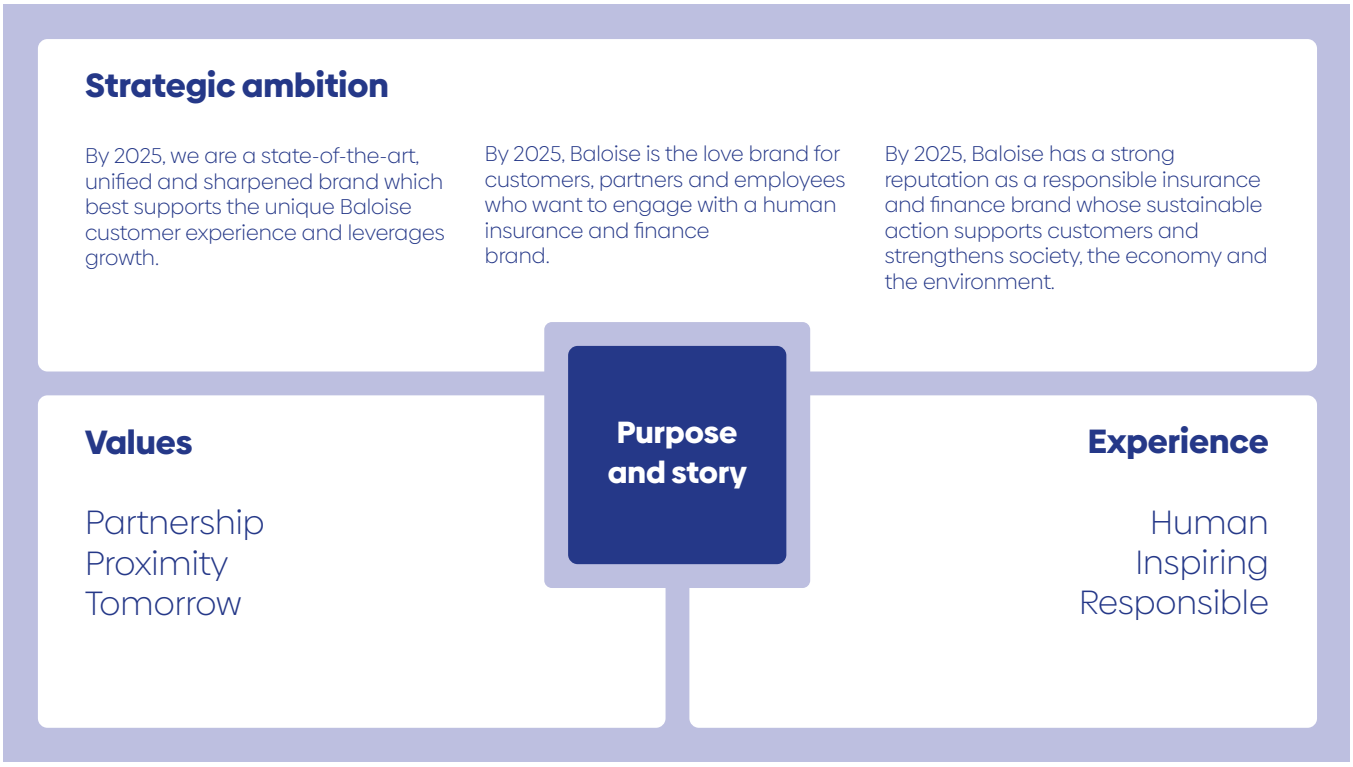
Brand

The first year after the rebranding

Our single brand will lead to a stronger identity.

The process of consolidating all the existing brands into a single Baloise brand that began in autumn 2022 is complete. The streamlining of the brand portfolio was a particular challenge in the Swiss market, where five brands (Basler Versicherungen, Bâloise Assurances, Basilese Assicurazione, Baloise Bank SoBa and Baloise Asset Management) had to be united under a single brand umbrella and communicated in a cohesive way. In Germany, the change from 'Basler' to 'Baloise' introduced a brand name that had not been used in this market before. Internally, the single brand identity has led to greater collaboration and synergies across national borders as the marketing and marketing communications teams have worked on marketing activities together. It has also strengthened the feeling of a shared identity between all employees. Building a brand and establishing its permanent position in the market is not something that happens overnight – it takes time. The new brand was introduced in all countries with the launch campaign 'Sometimes it works. Sometimes you learn'. The campaign slogan is the core message of a number of short scenarios that Baloise links to its (potential) customers' lives in an entertaining way. An action that doesn't initially appear to have had the desired outcome is turned into a positive. The focus is not on failure, but on having successfully learned something.

Our new identity connects the brand to the strategy and unlocks the full potential of a single brand as a driver of growth. The brand is the link between the customers and Baloise and its services. It communicates the brand promise and strengthens trust in the Company's services. This is where the brand purpose comes into play:



- At Baloise, we care. We develop insurance, financial and other intelligent service solutions with a human touch, because we want our employees, customers and partners to feel that they are in good hands.
- At Baloise, we inspire. We love what we do – and we love to go further. We explore new pathways, create new possibilities and seek out new solutions. As an inspiring partner, we encourage our employees, customers and partners to remove worry from their lives.
- At Baloise, we keep our promises. We listen to our customers and partners so that we can meet their needs. We act responsibly and take responsibility for our future, contribute to the society we live and work in.

'We are Baloise. We are the inspiring partner for your tomorrow'.

Brand values and brand experience

Our brand values are partnership, proximity and tomorrow. That's what we stand for and what we believe in.

We believe in partnership
That is why we treat our colleagues, customers and partners as equals. That is why we build our relationships on mutual trust. Because for us, business success begins with a strong partnership.

We believe in proximity
That is why we take care of our employees, customers and partners. That is why we behave like a reliable friend. Because for us, solutions by people for people start with proximity.

We believe in the future
That is why we act responsibly for the benefit of people today and with consideration for future generations. That is why we want to make a difference in the society we live and work in. Because for us, being an inspiring partner begins with optimism and confidence about the future.

The brand experience is extremely important in external communications, particularly in the campaign to launch the rebranding. It encapsulates the way we want to be perceived by our customers and partners: as human, responsible and inspiring.

Brand campaign with a focus on awareness

The brand management activities vary from country to country depending on the level of brand recognition in each market. In Luxembourg and Belgium, the Baloise brand is already relatively well established. The rebranding had little impact because the Baloise name was already known in these markets. Here, the challenge is to position the brand values more strongly to make Baloise the preferred choice for customers. In markets such as Germany and Switzerland, where the Baloise name was not used at all, or was used only in individual regions, the focus was firmly on name recognition. The Baloise brand has to be firmly established in the minds of customers before we can switch the emphasis to the brand values.

A strong brand underpins the strategy

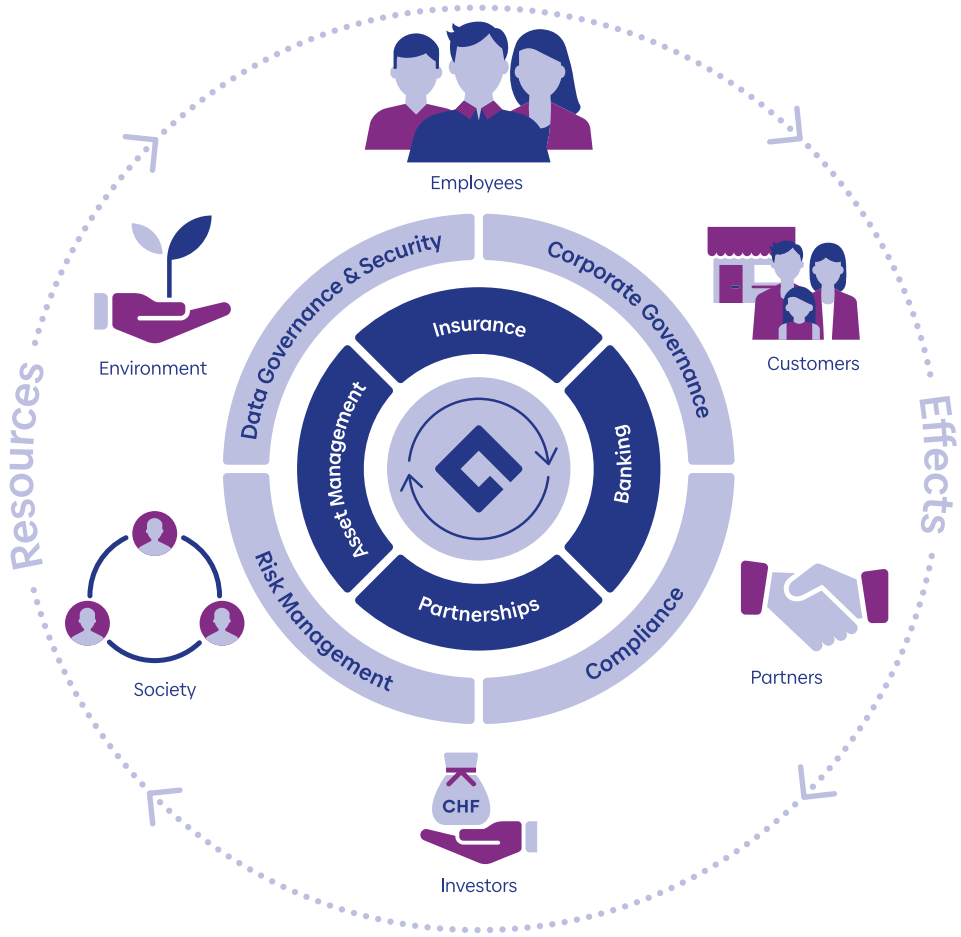
The new brand identity has four goals that will help us to successfully implement the strategy, and in particular Simply Safe: Season 2.

1. By focusing on the single brand, Baloise, we are reducing the complexity of the previous identity and its various brands. Processes will be simplified and visibility strengthened.
2. We are sending a clear signal concerning the transformation of Baloise. We are the inspiring partner for a shared tomorrow. The new positioning provides a clear direction for the future.
3. A strong brand will help us to stand out in the insurance and financial services market. And, last but not least, we will be able to attract new customers who will get to know us for the first time.

The single Baloise brand is a milestone and a clear signal both internally and externally. The new branding will help to bring the strategy to life and to communicate the values of Baloise and the people behind the brand more clearly to our customers.
www.baloise.ch/de/ueber-uns/wir-sind-baloise (only in German)

Baloise value creation model

Creating value – achieving sustainability



Definitions

Employees
Baloise employees at all Baloise sites
Customers
Private and business customers
Investors
Institutional and private investors and shareholders, who invest in Baloise
Society
The communities in which we operate at all Baloise sites, and the society of each country in which we operate
Environment
The direct natural environment at all Baloise sites and the global environment that we influence through our business decisions and activities
Partners
Innovation partners such as start-ups, outsourcing partners, suppliers, brokers and agents

Commitments

Employees
Greater wellbeing
Customers
Increased customer satisfaction
Investors
Attractive, reliable and responsible investment
Society
Valued member of society
Environment
Climate protection
Partners
Responsible and successful collaboration

The Baloise value creation model

Our commitment to corporate responsibility affects everything we do. We practise sustainable business management in accordance with the Baloise value creation model (see illustration on the left). This, in turn, is based on the integrated reporting framework of the International Integrated Reporting Council (IIRC), but is specifically aligned with our business model, the aspects that are important to us, and our corporate values.

Strategic integration through value creation model

Insurance companies grew out of the idea of risk sharing. The strength of a community sharing the insurance risk is that a community is more than the sum of its parts. No matter how careful an individual may be, he or she is still exposed to risks that can be better managed and mitigated by being spread – along with cost – across the community. Of course this only works if the community of insured persons is effectively and efficiently organised. This is precisely where we have seen our role ever since Baloise was founded in 1863: in ensuring the sustainable functioning of this community. Responsible and socially engaged behaviour is also an integral element of our Simply Safe strategy, alongside sustainable business management that takes account of our stakeholders.

At the core of the Baloise value creation model is our strategic direction. Our strategy is influenced by external factors such as climate change and changes in the geopolitical landscape. At the same time, our business activities and the actions we take have implications for our environment. Our value creation approach aims to respond to this double materiality. In our role as an insurance and pension provider with products and services across insurance, banking and asset management, we not only look after individuals but also protect companies, economies and communities and help them to function properly – every day of the year. Thanks to us, individuals and companies can take risks that they would not be able to manage on their own. We enable individuals to live more carefree lives and give companies the opportunity to do business sustainably. In this way, we also help to ensure economic and social stability as well as social security in the countries where we operate. We have to be able to offer our customers long-term security, which is why our actions are guided by long-term thinking. Through the key parameters of corporate governance, compliance, data governance and security, and risk management, we can make a lasting positive impact and, in so doing, create value for employees, customers, society, the environment, partners and investors. In the value creation model, which is based on the integrated reporting framework of the International Integrated Reporting Council (IIRC), these stakeholder groups and the environment are described as resources. The newly created value benefits the aforementioned resources and Baloise itself. It becomes fresh input for the ongoing value creation process, driving forward sustainable development.

www.baloise.com/sustainability
www.baloise.com/strategy
www.ifrs.org/issued-standards/ir-framework

Strategic integration through commitments in the area of sustainability

At the heart of our belief is sustainable value creation, with a promise not to create value for certain individuals at the expense of others. We have therefore made six commitments in the area of sustainability that cover all the resources in our value creation model. During the Simply Safe: Season 2 strategic phase, which runs until 2025, these six commitments will add to the three strategic goals relating to employees, customers and investors.

In 2023, we adopted our climate roadmap which cements our commitment to climate protection. As well as our existing climate-related activities, it sets out future objectives and explains the measures we will take to achieve them. More information on the objectives is contained in the 'Environmental information' chapter.

Sustainable development goals (SDGs)

Our value creation approach is aligned with the United Nations' sustainable development goals (SDGs). The SDGs contribute to the economic, social and environmental dimension of sustainable development and should be achieved by all UN member states by 2030. As a non-state actor, we want to make our own active contribution to this sustainable development. The goals that are important to us are reflected in the resources set out in our value creation model and thus in our commitments.

www.baloise.com/sdg
www.baloise.com/sustainability
www.baloise.com/csr

Stakeholder dialogue

We regularly discuss issues relating to the environment, society and corporate governance (ESG) with our stakeholders. Dialogue takes place within various associations and organisations, for example, or in the form of direct talks with our investors:

www.baloise.com/sustainability-ratings

Materiality

Materiality assessment approach

A structured and focused approach to sustainability is important to us. That is why we carried out a detailed materiality assessment for the key aspects in the area of sustainability and published it in 2022. This assessment is guided by the requirements of the Integrated Reporting Framework, the sector-specific requirements of the Sustainability Accounting Standards Board (SASB) and a dialogue with stakeholders based on our value creation model. As sustainability is a rapidly evolving area, the results of our materiality assessment are reviewed internally every year. Depending on the outcome, the assessment is repeated on an ad hoc basis or at least every four years. In 2024, we plan to update the materiality assessment to take account of the formal requirements of the Corporate Sustainability Reporting Directive (CSRD).
www.ifrs.org/issued-standards/ir-framework
www.sasb.org

Identification of material issues

We combine external and internal sources to identify material topics. The first step is to collect the topics from sources such as sector analyses, requirements in the market, regulations, standards and ESG ratings. In a second step, the topics identified are consolidated by internal specialists.

Comprehensive assessment of the material topics

The topics identified are assessed from four perspectives:

1. Departmental relevance – qualitative and quantitative assessment by departments within the Baloise internal sustainability network

2. Business relevance – quantitative assessment by the Baloise management

Materiality matrix

3. Relevance for stakeholders – quantitative assessment by the internal and external stakeholders in accordance with the Baloise value creation model

4. Impact on sustainable development – qualitative assessment by external experts in accordance with the Baloise value creation model

Finally, the quantitative and qualitative assessments are analysed and conclusions are drawn from the results to produce a materiality matrix for the whole Baloise Group.

Results of the materiality assessment

The positions of the sustainability-related topics that are material for Baloise are determined by combining the mean values of the responses of our stakeholders to the quantitative survey with the qualitative assessment of the impact of these topics by experts from various departments. The materiality matrix produced by the analysis is used as a strategic guide for implementation of sustainability aspects in our business and determines which topics will be included in the reporting.
www.baloise.com/sustainability

Conclusions from the 2022 materiality assessment

The topics rated as being of high or very high relevance for Baloise and its stakeholders and assessed by the expert surveys as having a strong impact on sustainable development coincide with the three strategic targets for customers, employees and investors. The analysis thus validates our three strategic targets for the Simply Safe: Season 2 strategic phase and extends them to include social aspects in various areas, as well as cyber resilience, data security, responsible investment, underwriting, product management, interaction with and protection of customers, the identification and mitigation of risk, business ethics and compliance, the development of products and services, and innovation and digitalisation. This affirms our strategic expansion of the three targets to include commitments derived from our value creation model.

Climate change, environmental matters of relevance to Baloise and respect for human rights are not treated as individual topic areas but as an integral part of the areas of 'Responsible investment', 'Underwriting and product management' and 'Employee engagement'. This more accurate positioning comes from the annual review of the materiality assessment.

Reducing the carbon footprint of our own business activities is regarded as an obvious step with relatively little impact on sustainable development. Our activities in the area of investment – with regard to the continuous development of our responsible investment policy – and the Group-wide integration of ESG criteria into the underwriting process and product management reflect these priorities. In the area of underwriting and product management, we are at the start of the integration process. We will gather experience as this progresses and make use of this experience as we continue to drive integration forward. Reducing our carbon footprint is part of doing business sustainably. It is generally accepted that this part of our business has a lesser impact on our commitment to climate change mitigation than the integration of climate and environmental criteria into investment and underwriting.

Social factors are extremely relevant to us as a provider of insurance and financial services. They include topics relating to employees and customers as well as social aspects in the areas of responsible investment, underwriting, partnerships, compliance and business ethics. The fact that social aspects are not only viewed through the lens of our CSR activities, but are in fact part of our core business, is illustrated by the integration of social criteria into our investment decisions through our responsible investment policy, the extension of these criteria through our active ownership strategy, the factoring of social criteria such as human rights and workers' rights into our underwriting decisions, and the progressive integration of these criteria into our supply chains. The results of the materiality assessment confirm that the key to further progress with regard to sustainability within Baloise also lies in these areas and that the focus should be on social aspects.

The topics in the area of corporate governance with the greatest relevance are the identification and mitigation of risk, business ethics and compliance, and cyber resilience and data security. This is consistent with our efforts with regard to the recommendations of the Task Force on Climate-Related Financial Disclosures, our strong corporate governance and compliance culture and the stepping up of activity in connection with our digital responsibility.
www.fsb-tcfd.org

Further information on the relevant aspects is available here: **www.baloise.com/materiality**

Sustainability governance

Corporate governance objectives

- Ensuring good and proper corporate management
- Implementing, and regularly reviewing, structures and processes to ensure the achievement of objectives
- Embedding strategically relevant topics such as sustainability in the business strategy, including control mechanisms
- Ensuring compliance with the Swiss Code of Best Practice for Corporate Governance issued by economiesuisse (umbrella organisation representing Swiss business)
- Promoting transparency and trust

Impact of corporate governance

- Integration of sustainability aspects in the corporate governance system
- Development of a shared strategic vision and paving the way for the strategy to be implemented at operational level
- Establishment and operational implementation of the strategic focus across the organisation
- Open and transparent communication that inspires confidence in our activities as a company and is reflected in sustainability ratings

At the heart of the organisation working on sustainability at Baloise is the Group-wide sustainability network that was created in 2019. Group-wide means that all national subsidiaries and Group functions, such as Compliance, Human Resources and Asset Management, are represented. This interdisciplinary structure means the network has the expertise it needs to perform its role. The network's tasks are strategic and consist of developing and steering the principle of how Baloise practises sustainability, and providing guidelines.

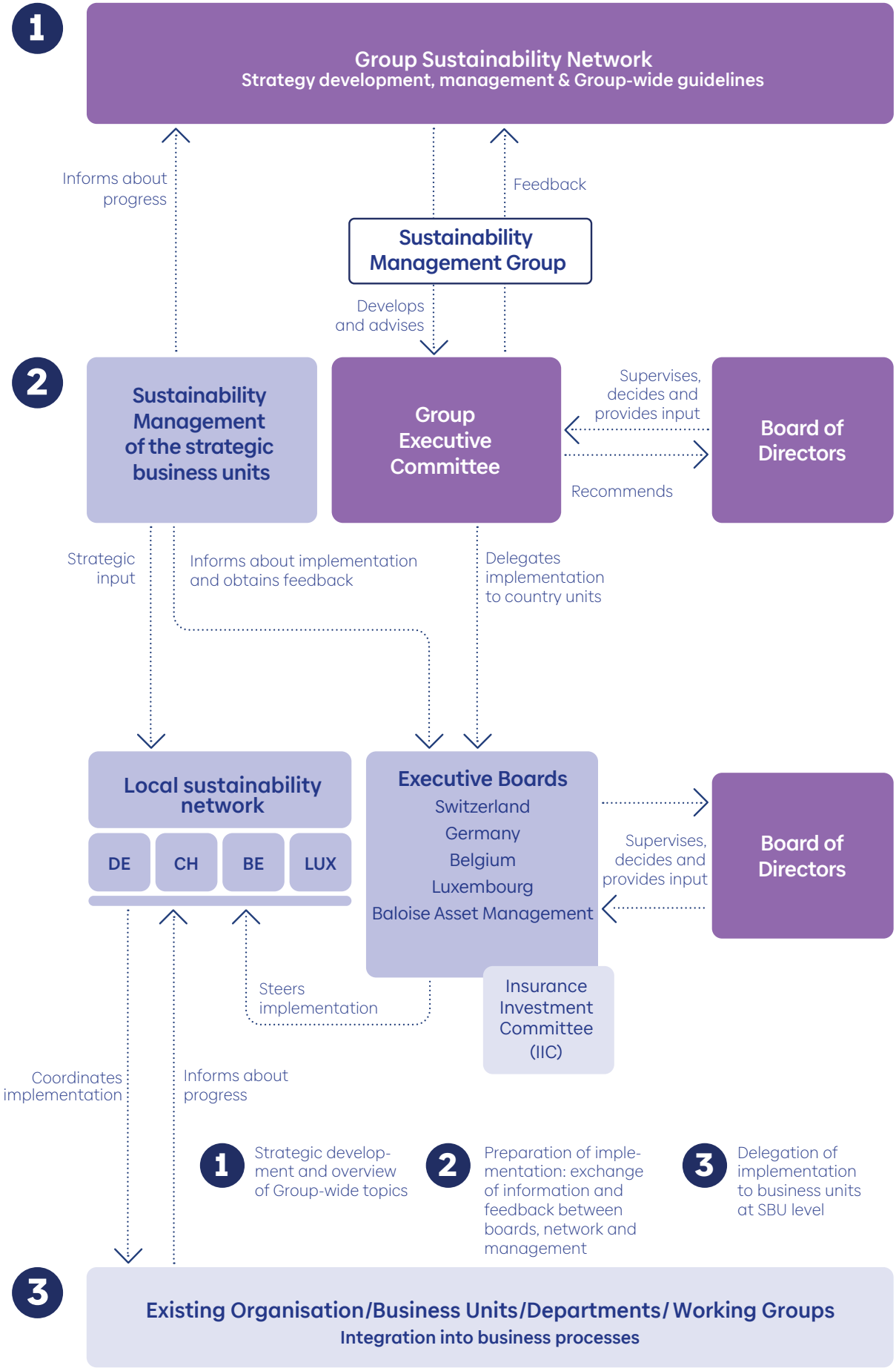
The network is in regular dialogue with the Corporate Executive Committee. Sustainability representatives from the national subsidiaries in Switzerland, Germany, Belgium and Luxembourg are part of the Group-wide sustainability network. The Corporate Executive Committee provides feedback on proposals to the Group-wide network and facilitates implementation. The Corporate Executive Committee is also the link between the sustainability network and the Board of Directors. The Board of Directors is responsible for developing the sustainability approach at Baloise, integrating it into the overall strategy and overseeing it. This includes climate-related matters.

Since 2022, the Board of Directors' Strategy and Governance Committee has been responsible for monitoring activities in the field of sustainable corporate governance. The Chairman of the Board of Directors chairs the Strategy and Governance Committee. The sustainability representatives of the national subsidiaries are the link to the local sustainability networks and the local Executive Committees, as well as the local Boards of Directors. The local networks focus on ensuring that sustainability is implemented in a manner appropriate to the local markets in every aspect. However, implementation is not the exclusive responsibility of the local networks. Together with the local departments, they coordinate which measures are implemented, as well as when and how they are implemented.

Alignment between the networks is essential for Group-wide implementation and is ensured by the sustainability representatives of the national subsidiaries and at Group level. The specified corporate governance model was adopted by the Corporate Executive Committee and the Board of Directors at the end of 2019.

Further governance structures are described in the relevant chapters, such as 'Responsible investment', 'Responsible underwriting' and 'Data governance & security'. Information on corporate governance can be found in the 2023 Annual Report, page 33 onwards.

The Board of Directors dealt with the topic of sustainable corporate governance nine times in 2023. It featured three times in discussions of the Board of Directors' Strategy and Governance Committee: once in connection with the setting of our net zero targets, once in connection with the ongoing integration of ESG aspects into our business processes and once in the planning for 2024. It was discussed twice by the Board of Directors' Investment and Risk Committee, in connection with the setting of our net zero targets and in relation to an update on responsible investment activities, and once by the Audit Committee, in a discussion of reporting regulations. It was also discussed on three occasions at meetings of the full Board of Directors: once in connection with the setting of our net zero targets, once during a general update on the subject and once in the planning for 2024.


1
Group Sustainability Network
Strategy development, management & Group-wide guidelines
Informs about progress
Feedback
Sustainability Management Group
Develops and advises
2
Sustainability Management of the strategic business units
Group Executive Committee
Supervises, decides and provides input
Recommends
Board of Directors
Strategic input
Informs about implementation and obtains feedback
Delegates implementation to country units
Local sustainability network
DE
CH
BE
LUX
Executive Boards
Switzerland
Germany
Belgium
Luxembourg
Baloise Asset Management
Supervises, decides and provides input
Board of Directors
Steers implementation
Insurance Investment Committee (IIC)
Coordinates implementation
Informs about progress
1 Strategic development and overview of Group-wide topics
2 Preparation of implementation: exchange of information and feedback between boards, network and management
3 Delegation of implementation to business units at SBU level
3
Existing Organisation/Business Units/Departments/ Working Groups
Integration into business processes

Risk management; a key pillar of our value creation

Risk management objectives

- Identification and measurement of key risks
- Compliance with all external requirements regarding risk management
- Carefully considered management of opportunities, taking account of the risks
- Involvement of our employees from different departments and operating segments in the risk management system
- Active communication about the risk situation
- Integration of sustainability risks and climate risks into the risk management system and in the investment and underwriting process

Impact of risk management

- Understanding current and future risks
- Ensuring stability and the proper functioning of business operations at Baloise
- Enhancing risk awareness at all levels of the organisational structure
- Providing transparency about risks taken
- Reducing sustainability and climate risks and contributing to society and environmental protection in positive ways

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

The Baloise Board of Directors exercises ultimate supervisory authority over the operational management of the Company and the Group and is thus responsible for managing risk and ensuring compliance with the relevant laws. It appoints the Strategy and Governance Committee to exercise this function, alongside the Audit Committee and the Investment and Risk Committee. The duties of the Strategy and Governance Committee include acting as the advisory committee for sustainability matters (see 'Sustainability governance' chapter, page 24 onwards)

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

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

- **Risk governance and risk culture**
  Standards that apply across the Group form the backbone of Baloise's risk strategy and define – in the form of a risk map – the fundamental risk issues, such as actuarial risk and market risk, as well as the operational risk arising from business activities. The detailed risk map can be found on pages 192 and 193 of the 2023 Financial Report. Risk awareness is encouraged and embedded throughout the organisation. One way in which we achieve this is by involving our employees from different departments and operating segments in the risk management system, for example in the assessment of risks and in the allocation of responsibility for risks.

- **Risk measurement**
  At Baloise, risk is identified and quantified in all business and financial processes according to common internal standards. This enables appropriate priorities to be set for our senior management in respect of the risks taken on.

- **Risk processes**
  Leadership, reporting and evaluation processes are supported by risk processes in order to ensure that the risk perspective is factored into all important business decisions.

- **Risk reporting**
  Risk reporting ensures that the current risk situation is presented transparently in our internal and external communications.

- **Risk management**
  Risks are managed and mitigated carefully in keeping with the defined risk tolerance. Upside potential is optimised with due consideration of the risks, resulting in sustainable value creation for Baloise's investors.

Sustainability risks – including climate risks – are identified along the risk map and integrated into the existing risk management processes and frameworks. This ensures that the results of our regular analyses and assessments are incorporated into our strategic risk management approach.

Risk management system and risk culture

The end-to-end risk management system and risk culture ensure that all material risks are identified, measured and adequately addressed. Risks that have been taken on are consciously managed and unwanted risks are actively reduced for us and for our stakeholders.

A key part of our risk management system is the identification and assessment of risks. Group-wide individual risks are plotted on the risk map according to their likelihood and their expected impact. A corporate database of specific risks – containing a detailed description of the risks concerned, their position on the risk map, early-warning indicators and their evaluation – is generated from this standardised process. Risks are documented together with the measures needed to mitigate them. Clear responsibilities are defined across all departments. Each risk is assigned to a risk owner (with overall responsibility) and to a separate risk controller (responsible for risk monitoring and control). Based on this database, which is regularly updated, it is possible to check whether the risks that have been taken on are within the limits of acceptable risk. This allows unwanted risks with possible negative consequences for us and our stakeholders to be identified at an early stage and mitigated in a targeted manner. Strategic decision-makers are brought into the risk assessment process, along with system managers, process managers and specialists, which creates risk awareness and a risk culture among our employees.

Compliance with regulatory obligations and disclosure requirements

By complying with regulatory obligations and disclosure requirements in risk management, we show that we are a reliable partner to regulatory authorities, customers, investors and society.

Baloise meets various regulatory obligations such as the Swiss Solvency Test (SST), Solvency II, the Own Risk and Solvency Assessment (ORSA) and the requirements for internal control systems. This helps it to monitor risk and provide regular reports on its risk and solvency situation to the regulators. Fulfilment of these requirements ensures that we reduce unwanted risks to the greatest possible extent and remain solvent even under adverse circumstances so that we can always meet our obligations to customers.

The calculation methods stipulated by the Swiss Solvency Test and the Solvency II guidelines provide the basis for the quantitative risk measurement of all business and financial market risks. This combination of quantitative risk measurement and analysis of specific risks as described above ensures that we have an adequate overview of the prevailing risk situation at all times. The overall risk situation is presented in the Own Risk and Solvency Assessment and discussed with the decision-makers as a basis for developing appropriate action plans.

The purpose of the internal control system is to ensure compliance with laws and regulations, the reliability of the financial reporting and the effectiveness of the business processes in order to support the Company in achieving its goals. In implementing the internal control system, we are pursuing a strategy of increasing risk awareness at all levels of the Company and focusing on the identification and management of key risks faced by the Company that could pose a threat to the proper functioning of business operations and thus to the success of the Company. Using the internal control system, we can identify risks for our stakeholders at an early stage and effectively mitigate them.

Disclosures made in the financial condition report (Baloise Group and its Swiss companies) and the Solvency and Financial Condition Report (European Economic Area) inform the market, investors and customers about the most important findings of the quantitative solvency measurement and thus the capital strength and the risks taken. This reporting also promotes market discipline and thus also the stability of the financial sector.

Our risk management team proactively participates in discussions with our partners, thereby contributing to society and to a better understanding of the future risks for the insurance industry. Baloise is a member of the Swiss Insurance Association (SIA), for example. We fulfil our responsibilities through our work with the association, and also in direct cooperation with the regulatory authorities, by providing support in the form of data, analyses and assessments for industry surveys about specific issues and for use in the ongoing development of the regulatory system.

Risk management

The ongoing optimisation of income through risk/return criteria as part of strategic risk management will secure the long-term stability of Baloise and be of benefit to our customers and investors.

Our risk models, which use quantitative methods to assess all business risks and financial market risks in all strategic units, form the basis for strategic discussions about risk appetite. Strategic risk management within the scope of the defined risk appetite offers a clear picture of the risks involved in opening up new business lines and of how to optimise the risk/return profile of existing business. In the area of investment, for example, we aim to achieve the highest possible expected return with the lowest possible risk. This will ensure long-term stability, benefiting both our customers and our investors.

What do we mean by sustainability and climate risks?

Baloise bases the classification of sustainability and climate risks on commonly used frameworks. Sustainability risks are classified as pertaining to the environmental, social or corporate governance (ESG) dimensions.

- 'Environmental' refers to all risks relating to the environment and climate change.
- 'Social' refers to trends and developments that affect the whole of society or certain population groups.
- 'Governance' covers all matters that relate to the way Baloise and its affiliated companies are run.

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

- **Physical risks**
  In the short term, physical climate risks arise in the form of natural disasters. But especially in the medium and long term, climate change will give rise to further risks arising from the increasing prevalence of natural phenomena such as hurricanes, floods, hailstorms and fires. Chronic risks with long-term effects, such as rising sea levels, represent potential emerging risks, especially as they are expected to have an adverse impact on investments and insured business in low-lying regions.
- **Transition risks**
  In the short term, changes in the expectations of stakeholders with regard to sustainability – and the resulting shift in demand for financial and insurance products – will create competition risks if we do not respond appropriately. Moreover, an unexpectedly strong fall in demand in respect of certain companies or sectors in which we have invested could lead to market risks (stranded assets). There is a risk in the medium term that these circumstances are not adequately factored into strategic decisions and that suitable adjustments are not made to our product range. It is also important to consider technological developments in connection with the transition to a lower-carbon economy. Risks could also arise for Baloise in the longer term if companies are increasingly held liable for the environmental damage they cause, for example due to pollution, endangering of biodiversity or breaches of environmental standards.

Integration and assessment of sustainability risks in the risk management process

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

To integrate sustainability aspects, we first identified various sustainability risk clusters (e.g. storm and flood disasters) and, working closely with the underwriting, investment and actuarial departments, used the findings to determine any potential or actual risks. We then added the material risks identified by means of this process to our Group-wide frameworks. These are evaluated as part of the Own Risk and Solvency Assessment along the risk map within the established risk categories used by insurance companies, banks and asset management companies, such as actuarial risk or credit risk and market risk. In addition, sustainability aspects that are of strategic relevance in terms of risk are addressed as a separate risk type in the context of the business strategy.

Although sustainability risks are predominantly evaluated on a qualitative basis in ORSA, we also have other established quantitative processes and methods, such as natural disaster analysis, that we regularly use in collaboration with our reinsurance brokers.

Within ORSA, we analyse sustainability and climate risks over a short-term horizon (around one year), a medium-term horizon (between one and five years) and a long-term horizon (more than five years). The assessment is integrated into the usual ORSA risk measurement processes. The resulting risk situation is discussed in detail with the Corporate Executive Committee and its committees – primarily the Risk Committee – and signed off by the Board of Directors.

The integration of sustainability risks into existing risk management processes ensures that the results of regular analyses and assessments are incorporated into our stra-

tegic risk management approach and that this approach is adequate for dealing with these risks. In addition, general risk awareness is strengthened through the involvement of our employees from different departments and operating segments. This ongoing integration of sustainability risks and climate risks into our management of risk constitutes an important step in implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) (see page 31 TCFD references).

Inclusion of sustainability criteria in our investment and underwriting policy

By embedding sustainability criteria in our investment and underwriting policy as part of our strategy, the risks for our customers and investors are reduced and opportunities are identified so that a positive contribution to society and environmental protection can be achieved.

By integrating ESG factors into our investment process, we are making a positive contribution to the environment, society, investors and customers. This is being achieved as part of Baloise's responsible investment strategy, which incorporates the climate strategy and active ownership strategy applicable to asset management. We are reducing investment risks in the long term by investing in companies whose management of ESG risks is categorised as good. These companies are more resilient in times of crisis and, in particular, can minimise downside risks. This benefits the environment and society as a whole, as these companies reduce their negative impact or even generate a positive impact. Our customers and investors benefit indirectly from the positive impact on society as a whole and directly from the potential long-term positive effects of this investment strategy on the risk/return ratio.
www.baloise.com/sustainability

Our underwriting policy also increasingly takes account of sustainability criteria, especially in new insurance business with industrial and large corporate customers. In addition, we see ourself as a reliable partner for customers whose business model is currently undergoing a transformation. We have launched a process in product management that identifies market-specific opportunities in the field of sustainability that can then be addressed through products and services. This allows us to make a positive contribution to society and environmental protection through our core business (see chapter 'Responsible underwriting', page 102 onwards).

By embedding sustainability criteria in our investing and underwriting policy in this way, the environmental, social and corporate governance risks can be given equal consideration. Anti-corruption measures fall under compliance (Bribery and Corruption Policy), which is explained in the 'Compliance' chapter, while respect for human rights forms part of the Code of Conduct, which is discussed in the same chapter.

External view of capitalisation and risk management

Baloise's capitalisation is also highly rated from an external perspective. The Standard & Poor's rating of A+ with a stable outlook is evidence that our excellent capitalisation is also recognised by third parties. Standard & Poor's also takes a favourable view of our strategic risk management, risk culture and risk controls. These are aspects that have a positive impact on the security of our investors and our customers.
www.baloise.com/risk-management

Memberships and ratings

ESG ratings

Explanations of our current ESG ratings and indices are part of transparent sustainability communication.
www.baloise.com/sustainability-ratings

MSCI confirmed our ESG rating of AA in 2023, with a slightly higher score than last year. The rating recognises our ESG-related diligence through screening, ESG integration and active ownership in the area of responsible investment, and our leading corporate governance practices.

Our Sustainalytics rating rose slightly in 2023 from 20.4 to 20.8 (medium risk), which was due to a higher valuation of our exposure to risk in the areas of product management, data protection, data security and ESG integration in the investment process.
www.msci.com/our-solutions/esg-investing/esg-ratings

Baloise is not involved in any controversies in the environmental (E), social (S) or corporate governance (G) spheres. We will carry on using the information from our ESG ratings to continuously improve sustainability activities and the reporting on these in future.

Memberships

Collaboration with other companies, institutions and organisations is essential to drive sustainable development forward. That is why we support sustainable development goal (SDG) no. 17 of the United Nations (partnerships for achieving the goals). We regard partnerships as a fundamental requirement for the achievement of sustainability objectives.
www.baloise.com/sustainability-ratings

As a member of the Swiss Insurance Association (SIA), we work on standards relating to sustainability for the entire Swiss insurance sector, act jointly on matters relating to regulation and share expertise relating to the integration of ESG criteria into business processes. In 2023, we actively participated in the preparation of the SIA's industry reporting on sustainability topics, as we had done in previous years.
https://www.svv.ch/en/sustainability-2022

1994
Member of the Swiss Business Council for Sustainable Development (oebu)

2018
Signed the Principles for Responsible Investment (PRI)

2019
Member of the local network of the State Secretariat for International Finance (SIF) and Swiss Sustainable Finance (SSF)

2020
Signed the Principles for Sustainable Insurance UNEP FI PSI, supporter of the TCFD, included in the FTSE4Good Index series

2021
Joined the Swiss Climate Foundation and awarded accolade of 'Most Innovative Sustainability Insurer – Switzerland 2021'

Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

The Task Force on Climate-related Financial Disclosures (TCFD) is an initiative that was founded in December 2015 by the Financial Stability Board (FSB), an international body created by the G20 member states with the aim of promoting international financial stability. The TCFD's recommendations help investors, lenders and insurance companies like Baloise to identify the information that is needed in order to appropriately assess and evaluate climate-related risks and opportunities, and develop suitable measures to address them. We have been an official supporter of the TCFD's recommendations since 2020 and are progressively integrating them into our reporting processes. We plan to apply the TCFD framework in full in the 2024 reporting under the ordinance on climate disclosures that comes into force on 1 January 2024.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Overview and references to relevant information

Governance

Information on governance of climate-related risks and opportunities

- Sustainability governance from page 24
- Strategy from page 16
- Risk management from page 26
- Environment from page 48
- Responsible investment from page 96
- Responsible underwriting from page 102

Strategy

Information on the effective and potential climate-related risks and opportunities for business, strategy and financial planning, so far as material

- Business model, strategy and brand from page 14
- The Baloise value creation model from page 20
- Risk management from page 26
- Environment from page 48
- Responsible investment from page 96
- Responsible underwriting from page 102
- Customers from page 68

Risk management

Information on how we identify, assess and manage climate-related risks

- Risk management from page 26
- Responsible investment from page 96
- Responsible underwriting from page 102

Metrics and targets

Information on which metrics and targets are used to assess and manage relevant climate-related risks and opportunities, if material

- The Baloise value creation model from page 20
- Sustainability KPIs pages 54, 82 and 92

UNEP FI Principles for Sustainable Insurance (UNEP FI PSI)

The Principles for Sustainable Insurance (PSI) of the United Nations Environment Programme Finance Initiative (UNEP FI) serve as a global framework for the insurance industry to integrate environmental, social and governance aspects into business processes and identify the associated risks and opportunities. We signed up to these principles in 2020.

UNEP FINANCE INITIATIVE

PSI Principles for Sustainable Insurance

Overview and references to relevant information

Principle 1

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

- Business model, strategy and brand from page 14
- The Baloise value creation model from page 20
- Materiality from page 22
- Investors from page 34
- Employees from page 58
- Customers from page 68
- Partners from page 86
- Society from page 76
- Environment from page 48
- Responsible investment from page 96
- Responsible underwriting from page 102
- Risk management from page 26
- Data governance & security from page 104

Principle 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.

- Materiality from page 22
- Customers from page 68
- Partners from page 86
- Responsible investment from page 96
- Responsible underwriting from page 102

Principle 3

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

- Memberships and ratings
  from page 30
- Responsible investment
  from page 96
- Responsible underwriting
  from page 102

Principle 4

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

- Annual reports:
  www.baloise.com/annual-report
- Website:
  www.baloise.com/sustainability
- Blog posts and press releases:
  www.baloise.com/en/home/news-stories
- PRI transparency report for Baloise Asset Management
  www.baloise.com/pri-report

How we create value for our investors

Resource: Baloise's shareholders (institutional and private investors)
Commitment: Attractive, reliable and responsible investment

Elements of value creation

- A broadly diversified shareholder base, including institutional investors from Switzerland, the rest of Europe and the US (most with a long-term investment horizon)
- Open and transparent communication with all capital market participants
- 'ECCO' (Earnings, Cash, Capital, Optionality) values-based management system
- High operational profitability and good income diversification between the non-life, life and asset management & banking operating segments
- Strong balance sheet
- Corporate culture and value-based innovation strategy focused on the core business



Impact of value creation

- Attractive total shareholder return, comprising share price performance and the dividend paid, through reliable dividends based on the ECCO value drivers
- One of the most profitable non-life portfolios in Europe, a life insurance business that is well positioned to benefit from an improved interest rate environment, and steady and reliable contributions from asset management and banking
- Strong and well diversified operational cash generation and achievement of an attractive and reliable cash remittance to Baloise Holding
- High financial stability and flexibility
- Optionality thanks to corporate culture and innovation in or close to the core busines as a source of future value

Creating value for investors

As a European insurance company with Swiss roots, we have a robust and profitable business model. Its value generation is anchored in our value creation model, which is based on the six resources of employees, customers, partners, investors, the environment and society. Our commitment to our investors is that we will use the capital they make available to us efficiently and in their interests and thereby generate value. The strong operational profitability and good income diversification between the non-life, life and asset management & banking operating segments are important, not least because they also result in strong and well diversified cash generation. Our focus on cash generation enables us to pursue an attractive and reliable dividend policy for our shareholders. The strong balance sheet and high degree of financial flexibility are key factors in our ability to weather adverse market conditions and, at the same time, to benefit from promising growth opportunities. Our very strong capital base was acknowledged again in the reporting year by the ratings agency Standard & Poor's, which confirmed the very good credit rating of 'A +' with a stable outlook. Alongside the Group's conventional sources of funding, we have also issued three green bonds since 2021 with a commitment to invest the capital raised in green real estate projects. Around 60 per cent of the investment has already been used for new building and renovation projects, reducing total carbon emissions by 953 tonnes a year.

As a provider of insurance and pensions, a long-term perspective is at the heart of everything we do. Every day, we help companies, communities and economies to function effectively. Sustainability therefore plays a key role both in Baloise's value management and in the corporate strategy. This ties in with our firm conviction that motivated and satisfied employees are the key to happy customers, who in turn are what make our Company an attractive investment for shareholders.

Together with our efforts in the area of sustainable development, these factors make us not only an attractive and sustainable investment target but also a responsible one.

www.baloise.com/ratings
www.baloise.com/risk-management
www.baloise.com/investors
www.baloise.com/bonds

Our value creation system for our investors

We have a stable and broadly diversified base of providers of equity capital and borrowing. 100 per cent of Baloise shares are free float (shares that can be publicly traded). Institutional investors from Switzerland, the rest of Europe and the US, mostly with a long-term investment horizon, play an important role. We communicate openly and transparently with all capital market participants and thereby ensure that a solid basis of facts is available at all times to enable investors to make informed investment decisions.

We have developed the 'ECCO' value management system in order to offer our shareholders consistently high levels of added value and to achieve our financial objectives. The system is based on the four value drivers that are also key factors in our total shareholder return:

- **Earnings:** strong operational profitability and one of the most profitable non-life portfolios in Europe
- **Cash:** reliable and well diversified operational cash generation
- **Capital:** very strong balance sheet and high financial flexibility
- **Optionality:** good corporate culture and value-based innovation strategy focused on the core business

Strategy and objectives

Our Simply Safe strategy is based on an excellent track record over the past decade: one of the most profitable non-life portfolios in Europe, strong market positions, forward-looking capital management, state-of-the-art IT systems and an attractive dividend policy.

Our Simply Safe strategy builds on this to pursue the goal of further strengthening the core business while also developing the business model to take account of changing customer needs for security and services in the digital age. This ties in with our firm conviction that satisfied employees are the key to happy customers, who in turn are what make our Company an attractive investment for investors. For the second phase of the Simply Safe strategy, which began in 2022, Baloise has set itself the following goals to be achieved by 2025:

- **Employees:** be among the **leading employers** in Europe
- **Customers: attract 1.5 million new customers**
- **Shareholders: generate CHF 2 billion in cash**

To achieve the ambitious targets of Simply Safe: Season 2, four strategy areas have been defined based on the insights gained from Season 1:

- **Focus:** focusing on the core insurance business
- **Reimagine:** improving the customer experience
- **Diversify:** moving into new business areas
- **Transform:** harnessing the corporate culture, sustainability and agility as key drivers of the transformation

We want to be more than just an insurance company: we want to be an important part of people's lives. The 'Business model, strategy and brand' chapter contains more information on our corporate strategy.

Impact of our value creation

In the second year of the current strategy phase, we achieved the following contributions to the strategic targets:

- We are currently among the top 29 per cent of all employers in Europe (2022: top 36 per cent).
- We gained 54,000 new customers (2022: 173,000).
- We generated CHF 493 million in cash (2022: CHF 471 million).

We were able to make further progress towards our strategic progress towards our strategic goals. In terms of our employee target, we have improved from a position in the top 36 per cent of the best employers in Europe to the top 29 per cent. We gained 54,000 new customers last year. We are well on track with our goal of generating CHF 2 billion in cash for the holding company. At CHF 493 million, we were able to generate around 5 per cent more cash in 2023 than in the previous year.

We regularly review our strategy and adapt it to changing conditions if necessary. In the 2017 financial year, we started building ecosystems in the areas of home and mobility as part of our innovation strategy. We were able to generate sales of CHF 116 million from innovation initiatives for 2023. However, as part of the analysis of the overall portfolio announced last year and due to the changing macroeconomic environment, we have now decided to stop focussing on the ecosystem approach and to halt new investments in these business areas. By focussing more strongly on integrated financial and insurance services and operational excellence, we are ensuring that we remain a sustainably relevant company for our customers, partners, investors and employees.

General information

Continuation of the attractive dividend policy

Thanks to the strong levels of cash generated, we were able to continue our attractive dividend policy in 2023. The dividend has not been lowered since 2003; in fact we have increased it 13 times since then. We plan to raise it again for 2023, enabling shareholders to participate directly in Baloise's success. A dividend increase of CHF 0.30 will be proposed at the Annual General Meeting on 28 April 2024, bringing the dividend to CHF 7.70.

Key figures

CHF million	2023	2022	Change (%)
Business volume			
Gross premiums written Non-life	4,081.6	3,958.7	3.1
Gross premiums written Life	3,648.0	3,848.1	–5.2
Investment-type premiums	888.5	890.7	–0.2
Total business volume	**8,618.1**	**8,697.5**	**–0.9**
Insurance revenue			
Insurance revenue Non-life	4,013.0	3,936.5	1.9
Insurance revenue Life	1,399.4	1,403.1	–0.3
Total insurance revenue	**5,412.4**	**5,339.6**	**1.4**
Operating profit (loss)			
Consolidated profit/loss for the period before borrowing costs and taxes			
Non-life	134.0	99.4	34.8
Life	178.5	259.8	–31.3
Asset Management & Banking	82.3	64.4	27.8
Other activities	–50.4	–57.2	–11.9
Consolidated profit for the period	236.2	244.5	–3.4
Profit (attributable to the shareholders)	239.6	247.8	–3.3
Balance sheet			
Insurance contract liabilities	49,819.5	49,753.3	0.1
Contractual service margin (CSM)	4,864.8	5,391.8	–9.8
Equity	3,259.3	3,417.4	–4.6
Ratios (per cent)			
Return on equity (RoE)	7.4	6.7	–
Combined ratio Non-life	92.0	92.9	–
New business margin (NBM) Life	6.5	6.7	–
New life insurance business			
Value of new business (VNB)	177.4	200.9	–11.7
Present value new business premium (PVNBP)	2,748.6	3,015.0	–8.8
New business CSM	167.0	200.8	–16.8
Key figures on the Company's shares			
Shares issued (units)	45,800,000	45,800,000	0.0
Average number of shares outstanding	45,298,246	45,176,614	0.3
Basic earnings per share [1] (CHF)	5.29	5.49	–3.6
Diluted earnings per share [1] (CHF)	5.29	5.48	–3.5
Comprehensive equity per share [2] (CHF)	156.57	169.24	–7.5
Closing price (CHF)	131.80	142.70	–7.6
Market capitalisation (CHF million)	6,036.4	6,535.7	–7.6
Dividend per share [3] (CHF)	7.70	7.40	4.1

1 Calculation based on the profit for the period attributable to shareholders.
2 Calculation based on shareholders' equity (equity before non-controlling interests) and the contractual service margin (CSM) after taxes.
3 2023 based on the proposal submitted to the Annual General Meeting.

Baloise shares

Review of the 2023 trading year

The first half of the year was shaped by stubbornly high global inflation, forcing the central banks to hike interest rates. Over the course of the year, the anti-inflation measures began to bite and inflation rates came down significantly in all industrialised countries. This encouraging development prompted the central banks to revise their course and end the cycle of interest rate rises in autumn 2023. The stock markets responded positively to the change of course and delivered the shareholders a substantial year-end rally. The leading Swiss index, the SMI, ended the 2023 trading year up around 3 per cent, while Baloise shares ended the year around 8 per cent below their value at the start of the year. Baloise will remain a reliable dividend stock in 2024. The Board of Directors is proposing to increase the dividend for 2023 by over 4 per cent to CHF 7.70.

In 2022, the equity markets were caught in a downward spiral triggered by inflation fears and the expectation of a sudden interest rate hike, while the year that followed was one of two halves. The central banks initially stuck to a course of incrementally raising interest rates in order to lower inflation. The Swiss National Bank (SNB) raised the base rate in June to 1.75 per cent (1 January 2023: 1.00 per cent), while the US Federal Reserve and the European Central Bank (ECB) increased their base rates in July and September respectively by another 0.25 percentage points, reaching a range of 5.25 to 5.5 per cent in the US and 4.5 per cent in the eurozone (1 January 2023: 4.25 – 4.50 per cent and 2.5 per cent respectively).

Despite expectations of higher interest rates, sentiment at the start of 2023 was initially positive but was abruptly derailed by turbulence in the US banking sector. The emergency merger of Credit Suisse with UBS in March 2023 also added to increasingly negative sentiment, affecting the Swiss equity market in particular. The turbulence on the equity markets continued into the second half of the year, fuelled by persistently high inflation, fears of a recession and 'higher for longer' interest rate expectations.

In autumn 2023, however, there were signs that the anti-inflation measures, lower energy prices and the easing of material and supply shortages in most industrial nations were having an impact. In Germany, inflation (measured by the Harmonised Index of Consumer Prices) slowed from 9.6 per cent at the end of 2022 to 3.8 per cent at the end of December 2023. In Belgium, the inflation rate dropped from 10.2 per cent to 0.5 per cent. In Switzerland, higher prices for air travel, food and electricity in January and February 2023 pushed inflation up to 3.4 per cent. It then started steadily coming down, however, and at the end of December stood at 1.7 per cent. On the back of the widespread fall in inflation rates, most of the central banks announced that they were ending their cycle of interest rate rises. While the Fed signalled its hope of bringing down base rates with three cuts over 2024 after its December 2023 meeting, the European Central Bank and the Swiss central bank have not yet announced a specific pathway for lowering interest rates.

As expected, the equity markets responded positively to the forecast interest rate cuts, resulting in a year-end rally. However, the increasing strength of the Swiss franc meant that the Swiss equity market lagged behind most of the other equity markets.

Over 2023 as a whole, Baloise shares fell in value and were unable to outperform either the European insurance sector index STOXX Europe 600 Insurance Index (SXIP) or the Swiss Exchange Supersector Insurance Index (SMINNX). The shares reached their highest price in March at CHF 158.90 (closing price), and ended the year at CHF 131.80, around 8 per cent below their closing price at the end of 2022. In contrast, both

the SXIP (up 8.34 per cent) and the SMINNX ended the year positively (up 9.28 per cent).
www.baloise.com/baloise-share

* Baloise shares = shares in Baloise Holding Ltd

Dividends paid to shareholders

The Board of Directors of Baloise Holding Ltd will propose to the Annual General Meeting on 26 April 2024 that a cash dividend of CHF 7.70 per share be paid for the 2023 financial year. This corresponds to an increase of 4.1 per cent. Based on the year-end share price, this corresponds to an attractive dividend yield of 5.8 per cent.

Shareholder structure

The shares in Baloise Holding Ltd are widely held and their free float remains unchanged at 100 per cent. There were no material changes in the Company's shareholder base in 2023. Further information on Baloise's significant shareholders as at 31 December 2023 can be found in table 15 on page 267 of the 2023 Annual Report.

Year (CHF million)	Cash dividends	Share buy-backs	Total
2023	352.7[1]	–	352.7
2022	338.9	–	338.9
2021	320.6	–	320.6
2020	312.3	92.8	405.1
2019	312.3	190.0	502.3
Total	**1,636.8**	**282.8**	**1,919.6**

All figures stated as at 31 December.
1 Proposal to the Annual General Meeting on 26 April 2024.

Statistics on Baloise shares

	31.12.2023	31.12.2022 (restated)[1]	31.12.2021	31.12.2020	31.12.2019
Price at year-end (CHF)	131.80	142.70	149.10	157.50	175.00
High (CHF)	158.50	176.00	168.80	182.10	186.60
Low (CHF)	126.90	125.50	137.60	107.90	135.80
Market capitalisation (CHF million)	6,036.4	6,535.7	6,828.8	7,686.0	8,540.0
Basic earnings per share (CHF)	5.29	5.49	13.06	9.65	15.02
Diluted earnings per share (CHF)	5.29	5.48	13.05	9.63	14.99
Price/earnings (p/e) ratio[2]	24.91	25.99	11.42	16.32	11.65
Price/book (p/b) ratio[2]	1.84	1.89	0.92	1.02	1.20
Number of shares issued (units)	45,800,000	45,800,000	45,800,000	48,800,000	48,800,000
Minus the number of treasury shares (units)	386,340	545,636	648,730	3,750,453	3,238,607
Number of shares in circulation (units)	45,413,660	45,254,364	45,151,270	45,049,547	45,561,393
Average number of shares outstanding[3]	45,298,246	45,176,614	45,062,127	45,031,594	46,219,774
Dividend per share[4] (CHF)	7.70	7.40	7.00	6.40	6.40
Dividend payout ratio[4]	145.6	134.9	53.6	66.3	42.6
Dividend yield[4]	5.8	5.2	4.7	4.1	3.7

1 The comparative period 2022 has been adjusted to reflect the application of the new IFRS 9 and IFRS 17 accounting standards and therefore may differ from the figures originally published.
2 Calculation is based on the profit for the period attributable to shareholders and the equity attributable to shareholders.
3 Relevant for calculation of earnings per share (see page 180 of the Financial Report).
4 2023 based on the proposal submitted to the Annual General Meeting.

Baloise shares

Security Symbol	BALN
Nominal value	CHF 0.10
Security Number	1.241.051
ISIN	CH0012410517
Stock exchange	SIX Swiss Exchange
Security type	100% registered shares

Baloise strengthens its core business – higher cash remittance and growing dividend

The name Baloise has stood for customer relationships based on trust for more than 160 years. In 2023, we protected more than 10,000 customers from serious financial losses resulting from natural disasters in Switzerland. This weighed heavily on our business performance and lead to a spike in large claims. Our job as an insurance company is to be able to cope with even an exceptionally high volume of claims. That is our purpose and it is why we create strong foundations on which to operate our business. It is therefore important that these foundations remain solid over the long term. This is why we are channelling our efforts into strengthening our core business and improving our financial results. Going forward, we will concentrate even more on our core purpose of generating added value for investors, customers, partners and employees. To do so, we will refresh our strategy – especially where innovation is concerned. Following a review of our ecosystem strategy, we have decided not to invest any further in expanding this approach. We are narrowing our focus on the core business and keeping operational excellence at the forefront of what we do.

Annual financial results in brief

- **Profit attributable to shareholders** for 2023 amounted to CHF 239.6 million (2022: CHF 247.8 million). Year-on-year increases in contributions from Belgium and Germany largely offset a dip in profit in Switzerland. A high volume of natural disasters and major loss events had an extremely adverse impact of just over CHF 200 million on profit before taxes.
- In local currency terms, the **business volume** edged up by 0.8 per cent. In Swiss francs, the volume of business was down by 0.9 per cent at CHF 8,618.1 million owing to a lower volume of premiums in the traditional life insurance business and unfavourable currency effects (2022: CHF 8,697.5 million).
- In the **non-life business**, the volume of premiums rose by a very healthy 5.4 per cent in local currency terms to CHF 4,081.6 million (2022: CHF 3,958.7 million). In Swiss francs, the increase was just over 3.1 per cent.
- The **combined ratio** of the Group was 92.0 per cent (2022: 92.9 per cent).
- **Profit before borrowing costs and taxes (EBIT) in the non-life business** amounted to CHF 134.0 million (2022: CHF 99.4 million) as a result of the exceptionally high impact of claims.
- The level of **gross premiums in the life business** reflected the continuing trend towards partially autonomous occupational pension solutions. As a result, the volume of premiums in the traditional life insurance business fell by 5.2 per cent year on year to CHF 3,648.0 million (2022: CHF 3,848.1 million). Individual life insurance in Switzerland generated good growth of 1.5 per cent.
- The **new business margin** in the life business stood at 6.5 per cent in 2023 (2022: 6.7 per cent). The interest margin improved to 137 basis points (2022: 117 basis points) thanks to a rise in current income.

- **EBIT attributable to the life business** came to CHF 178.5 million, which was down on the strong prior-year figure (2022: CHF 259.8 million). The decline in EBIT was due to reductions in the contractual service margin (CSM) and a rise in costs.

- The recent **optimisation of a Belgian life insurance portfolio**, which is now in run-off, is expected to release an amount of cash in the mid-double-digit millions in 2024.

- The **asset management** business registered growth in third-party assets of 19.0 per cent or CHF 2.4 billion, of which CHF 1.2 billion was attributable to net new assets.

- EBIT for **Asset Management & Banking** rose to CHF 82.3 million (2022: CHF 64.4 million). This is attributable to a bigger contribution from the banking segment, where the increase in interest rates had a positive impact on business.

- Baloise maintained a very good level of **capitalisation**. Despite the repayment of a subordinated bond, lower interest rates resulting from negative macroeconomic effects and a stronger Swiss franc, we expect the SST ratio as at 1 January 2024 to be around 210 per cent (1 January 2023: 240 per cent). **Comprehensive equity** stood at CHF 7,170.9 million as at 31 December 2023 (30 June 2023: CHF 7,373.5 million). **Standard & Poor's** confirmed its **A+ rating** for the Baloise Group in August 2023.

- In 2023, **cash remittance** increased by 4.7 per cent to CHF 493 million (2022: CHF 471 million). The Board of Directors intends to propose to the Annual General Meeting that the **dividend be increased** by CHF 0.30 to CHF 7.70 per share.

- Baloise has reviewed its **ecosystem strategy** in respect of the Home and Mobility ecosystems and decided not to invest any further in expanding them. In future, we will concentrate more on insurance-related activities and on generating profits from our current portfolio of innovations.

Profit and business volume

Claims incurred place an exceptionally heavy burden on profit; business volume remains stable with growth in target segments

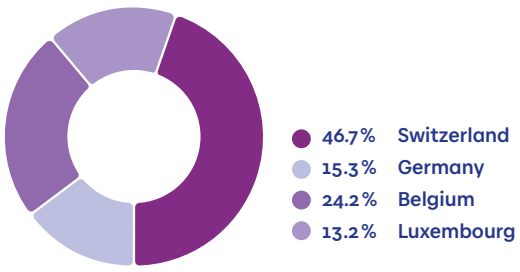
Profit attributable to shareholders for 2023 amounted to CHF 239.6 million, a year-on-year fall of 3.3 per cent (2022: CHF 247.8 million). Profit was impaired by increased costs and currency effects in 2023. Additionally, profit in the non-life business was adversely affected by substantially higher claims incurred as a result of natural disasters and major loss events. These influences are also reflected in the Group's **profit before borrowing costs and taxes (EBIT)**, which declined by 6.0 per cent compared with the prior year to CHF 344.4 million (2022: CHF 366.4 million). The biggest contribution to EBIT came from business in Switzerland at CHF 166.2 million. This figure was much lower than in the prior year due to the high level of claims incurred. The companies in Germany and Belgium, in particular, made a positive contribution to the Group's EBIT, however, generating much higher EBIT year on year of CHF 93.6 million and CHF 111.7 million respectively. This is testimony to the Group's **diversification and optimisation efforts** over the past few years. Thanks to these efforts, a Belgian run-off life insurance portfolio with reserves of around EUR 900 million was recently secured by means of a reinsurance solution. We expect this optimisation to result in the release of an amount of cash in the mid-double-digit millions in 2024.

The **Group's business volume** was slightly lower than in the prior year at CHF 8,618.1 million (2022: CHF 8,697.5 million). The decrease of 0.9 per cent was attributable to the life business, specifically the ongoing shift in occupational pensions towards partially autonomous solutions. In local currency terms, the rate of growth was modest at 0.8 per cent. Non-life business partly made up for this decline with solid growth of 3.1 per cent in Swiss francs or 5.4 per cent in local currency terms. The **volume of investment-type premiums** remained at the good level of the prior year.

Volume of business

CHF million	2023	2022	+/– %
Total business volume	**8,618.1**	**8,697.5**	**–0.9**
Gross premiums written Non-life	4,081.6	3,958.7	3.1
Gross premiums written Life	3,648.0	3,848.1	–5.2
Investment-type premiums	888.5	890.7	–0.2

Volume of business in 2023 (gross)
by strategic business unit*



* 0.6% Group business

Insurance business

Good growth in non-life business

Last year was exceptional in light of the very high volume of natural disaster claims and large claims incurred. Net of reinsurance, these claims were just over CHF 200 million higher than the average for previous years. Besides the high volume of natural disaster claims, which were primarily caused by storms in Switzerland, major individual loss events meant that Baloise incurred exceptionally high expenses for its customers.

Growth in the **volume of premiums** in this business was at the good level of 3.1 per cent in Swiss francs or 5.4 per cent in local currency terms. All business units contributed to this growth, which increased gross premiums written in the non-life business to CHF 4,081.6 million (2022: CHF 3,958.7 million). The increases in premiums that were introduced due to inflation also contributed to this healthy growth.

The Belgian unit registered the largest volume of non-life business with a total value of CHF 1,589.7 million. This amounted to growth of 3.3 per cent in Swiss francs or 6.8 per cent in local currency terms (2022: CHF 1,538.9 million).

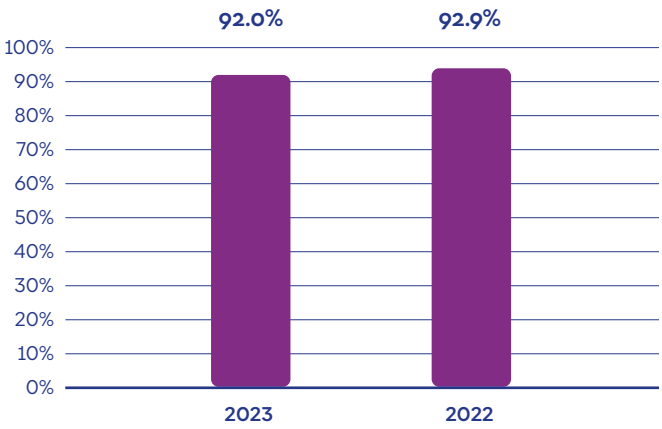
In Switzerland, Baloise expanded its non-life portfolio by 2.7 per cent to CHF 1,468.7 million (2022: CHF 1,430.8 million).

In Germany, premiums in non-life business grew by 2.9 per cent in Swiss francs or 6.4 per cent in local currency terms to CHF 816.5 million (2022: CHF 793.8 million).

Baloise generated the strongest growth in non-life business in Luxembourg, at 9.1 per cent in Swiss francs or 12.8 per cent in local currency terms. The total volume of premiums came to CHF 154.6 million for 2023 (2022: CHF 141.8 million).

Despite the considerable rise in large claims incurred, which took an exceptionally heavy toll on the **combined ratio** of just over 5 percentage points, this ratio improved by a modest 0.9 percentage points overall to 92.0 per cent. The reason for the improvement is that the prior year's ratio was adversely affected by the inflation-related strengthening of reserves by around CHF 120 million. Following a fall in inflation, CHF 79 million of this amount was reversed to income in 2023. The combined ratio also benefited from higher discounting effects than in 2022.

Development of combined ratio



Profit before interest and tax (EBIT) in the **non-life business** amounted to CHF 134.0 million (2022: CHF 99.4 million) as a result of these effects in 2023.

The **gains or losses on investments in the non-life segment** improved by approximately CHF 18 million year on year to a net gain of CHF 102.8 million. Current income climbed to CHF 196.8 million, a rise of CHF 41.5 million. This was partly offset by the effects of the much weaker euro and US dollar and the increased cost of currency hedging. The losses recognised in the income statement came to CHF 68.7 million, up by CHF 26.1 million on the prior year. This deterioration was mainly due to increases in the value of property in 2022 that were not repeated in 2023. The gains and losses recognised in other comprehensive income (OCI) amounted to a net gain of CHF 332.6 million and were heavily influenced by the uptrend in the mortgages and other loans asset class. Overall investment performance stood at 4.6 per cent, which was much higher than in the difficult prior year (2022: minus 9.5 per cent).

Growth in investment-type premiums and solid new business margin in the life business

The **business volume in the life business** (gross premiums written and investment-type premiums) fell by 4.3 per cent to CHF 4,536.5 million (2022: CHF 4,738.8 million) owing to the smaller volume of premiums written in the Swiss group life business and in the Belgian life business. In local currency terms, the decrease was 3.0 per cent.

As a result, **premiums in the life business** dropped by 5.2 per cent to CHF 3,648.0 million overall (2022: CHF 3,848.1 million), predominantly due to business in Switzerland and Belgium. Adjusted for currency effects, the decrease was 4.3 per cent. In the Swiss life business, we saw a reduction of 3.5 per cent to CHF 2,513.4 million that was attributable to a reduced volume of group life business (2022: CHF 2,603.3 million). In Germany, we registered slight growth in gross premiums of 1.1 per cent to CHF 499.8 million in local currency terms. In Belgium and Luxembourg, the volume of life business declined by 7.9 per cent to CHF 482.0 million and by 19.2 per cent to CHF 152.8 million respectively (in local currency terms). This was due to uncertainty surrounding Belgian tax legislation and geopolitical and macroeconomic impacts

Key figures for the national companies

Key figures for Switzerland

	2023	2022	+/– %
CHF million			
Business volume	4,025.7	4,068.8	–1.1
of which: Non-life	1,468.7	1,430.8	2.7
of which: Life [1]	2,557.0	2,638.0	–3.1
Combined ratio (per cent)	98.4	95.1	3.3
Profit before borrowing costs and taxes	166.2	289.6	–42.6

Key figures for Belgium

	2023	2022	+/– %
CHF million			
Business volume	2,085.7	2,100.9	–0.7
of which: Non-life	1,589.7	1,538.9	3.3
of which: Life [1]	496.0	562.0	–11.7
Combined ratio (per cent)	85.8	95.6	–9.8
Profit before borrowing costs and taxes	111.7	–7.2	n.a.

Key figures for Germany

	2023	2022	+/– %
CHF million			
Business volume	1,316.3	1,304.8	0.9
of which: Non-life	816.5	793.8	2.9
of which: Life [1]	499.8	511.0	–2.2
Combined ratio (per cent)	88.7	94.8	–6.1
Profit before borrowing costs and taxes	93.6	73.7	27.0

Key figures for Luxembourg

	2023	2022	+/– %
CHF million			
Business volume	1,138.3	1,169.6	–2.7
of which: Non-life	154.6	141.8	9.1
of which: Life [1]	983.6	1,027.8	–4.3
Combined ratio (per cent)	89.0	74.2	14.8
Profit before borrowing costs and taxes	18.2	14.4	26.4

1 Including investment-type premiums.

Assets held by Baloise

as at 31 December 2023	Non-life	Life	Asset Management & Banking	Total for the Group [1]
CHF million				
Investments for own account and at own risk	9,391.2	41,380.7	8,654.5	58,742.3
Asset portfolio for the account and at the risk of customers and third parties	–	15,667.4	–	16,252.8
Total recognised assets	**9,391.2**	**57,048.0**	**8,654.5**	**74,995.1**
Third-party assets				14,993.0

as at 31 December 2022	Non-life	Life	Asset Management & Banking	Total for the Group [1]
CHF million				
Investments for own account and at own risk	9,429.4	42,441.3	8,441.3	59,452.9
Asset portfolio for the account and at the risk of customers and third parties	–	14,864.8	–	15,429.4
Total recognised assets	**9,429.4**	**57,306.1**	**8,441.3**	**74,882.2**
Third-party assets				12,627.2

1 Including Group business and elimination.

that led to more risk-averse investment behaviour on the part of customers.

Investment-type premiums amounting to CHF 888.5 million were written in 2023. This equated to an increase of 2.6 per cent in local currency terms but a modest decrease of 0.2 per cent in Swiss francs. Our business unit in Luxembourg made the biggest contribution to investment-type premiums at CHF 830.8 million.

The **Perspectiva collective foundation** continued on its encouraging growth trajectory in 2023. It benefited from ongoing strong demand for partially autonomous pension solutions and the recovery of the global financial markets. As at the end of 2023, the Perspectiva collective foundation was looking after 4,903 companies with around 21,500 policyholders and had assets of CHF 1.6 billion. These numbers equate to an increase of 476 companies, 1,900 policyholders and assets of around CHF 200 million.

EBIT in the life business fell year on year to stand at CHF 178.5 million (2022: CHF 259.8 million). This was due to a decrease in the contractual service margin (CSM) on the back of adverse spread movements, currency effects and lower valuations of properties. These factors, combined with interest rate effects, resulted in a CHF 50 million reduction in the amount released from the CSM. Higher costs also took their toll on EBIT in the life insurance business.

Gains or losses on investments in the life segment amounted to a net gain of CHF 2,318.9 million. Despite falling investment volumes, current income increased to CHF 938 million (2022: CHF 924.8 million) thanks to further growth of private assets and a rise in reinvestment returns. Interest rates in Switzerland and Germany were down year on year at the end of 2023 and the equity markets performed well, with both these factors having a positive impact on the fair values of fixed-income securities and equities. This provided a significant boost for profits, which amounted to CHF 1,484.6 million in 2023. Furthermore, a positive item of CHF 122.9 million was recognised in other comprehensive income (OCI). Overall investment performance stood at 5.8 per cent, which was much higher than in the prior year (2022: minus 12.9 per cent).

The **new business margin** in the life business was down slightly year on year but remained solid at 6.5 per cent in 2023 (2022: 6.7 per cent). The new business margin is derived from the contractual service margin (CSM) for new business and is calculated relative to the present value of new business premiums.

The **interest margin**, which constitutes the difference between current income on the assets side and guarantees on the equity and liabilities side, improved to 137 basis points (2022: 117 basis points). The increase was mainly attributable to investment decisions where it was possible to capitalise on the higher level of interest rates.

Asset Management & Banking

Healthy growth in business with third parties

As at 31 December 2023, the total assets under management (AuM) of Baloise Asset Management stood at CHF 57.9 billion, a rise of 3.7 per cent compared with the end of the prior year (31 December 2022: CHF 55.8 billion). This growth was primarily attributable to the favourable trend in business with third parties.

There was further **growth in business with third parties**. Assets under management swelled from CHF 12.6 billion to CHF 15.0 billion, with net new assets contributing CHF 1.2 billion. Net new assets related to a number of items, including the capital increase carried out for the Baloise Swiss Property Fund and the continued growth of the asset management business of Baloise Bank Ltd and of the partially autonomous collective foundation Perspectiva.

The expanded **responsible investment (RI) strategy** has been in place since 1 January 2023. Further exclusions have been added, a best-in-class approach has been adopted and direct company engagement has been introduced to supplement the active ownership approach. The expanded RI strategy applies to liquid investments, for some of the private assets included in insurance investments and for the majority of our funds, including fund selection. The updating of the RI strategy took account of the EU Regulation on sustainability-related disclosures in the financial services sector (SFDR), the Swiss Financial Market Supervisory Authority (FINMA) Guidance 05/2021 on preventing and combating greenwashing, and the Asset Management Association Switzerland (AMAS) requirements for self-regulation of transparency and disclosure for sustainability-related collective assets. The strategy allows us to offer a broader range of sustainability-related investment options to those of our customers with a preference for sustainability-oriented investment solutions.

Investment components in 2023



- **52.8 % Fixed-interest securities**
- **16.2 % Investment property**
- **10.1 % Policy and other loans**
- **7.5 % Mortgage loans**
- **5.2 % Alternative financial investments**
- **3.5 % Shares and funds**
- **2.7 % Other short-term investments**
- **2.0 % Senior secured loans**

Proprietary investments broken down by category[1]

	31.12.2023	31.12.2022	+/– %
CHF million			
Fixed-interest securities	26,791.1	26,332.7	1.7
Senior secured loans	1,011.0	1,452.6	–30.4
Policy and other loans	5,126.1	4,398.0	16.6
Mortgage loans	3,807.5	3,953.0	–3.7
Investment property	8,236.7	8,483.0	–2.9
Shares and funds	1,774.7	3,120.8	–43.1
Alternative financial investments	2,641.0	2,693.9	–2.0
Other short-term investments	1,383.7	1,436.6	–3.7
Total	**50,771.8**	**51,870.7**	**–2.1**

1 Excluding investments for the account and at the risk of customers and third parties.

Capitalisation and cash remittance

Higher volume of cash and a rise in the dividend to CHF 7.70

The equity attributable to shareholders stood at CHF 3,250.0 million as at the end of 2023 (31 December 2022: CHF 3,405.2 million). The **contractual service margin (CSM)** after taxes came to CHF 3,921.0 million as at 31 December 2023 (31 December 2022: CHF 4,345.7 million). Comprehensive equity totalled CHF 7,170.9 million (31 December 2022: CHF 7,751.0 million) or CHF 157 per share. It comprises the sum of the contractual service margin after taxes and the proportion of equity attributable to shareholders.

Baloise's strong capital adequacy was once again confirmed by **Standard & Poor's** in August 2023, when it reaffirmed its **rating of A+** for the Baloise Group. S&P awarded this credit rating in recognition of Baloise's excellent capitalisation – which is comfortably above the AAA level according to the S&P capital model – as well as its high operational profitability, solid risk management and robust competitive position in its profitable core markets. The complete report is available at **www.baloise.com/ratings**.

In the **Swiss Solvency Test (SST)**, we expect a ratio of around 210 per cent as at 1 January 2024. The reduction was due to repayment of a subordinated bond, lower interest rates resulting from negative macroeconomic effects and a stronger Swiss franc.

Although Baloise incurred exceptionally high costs for claims in 2023, it maintained a good level of capitalisation. Moreover, it achieved a further improvement in **cash remittance**, which was unaffected by the accounting effects and rose by 5 per cent to CHF 493 million (2022: CHF 471 million). This shows that we are on track to reach our target for **cash** remitted of CHF 2 billion by 2025. At the upcoming Annual General Meeting, the Board of Directors of Baloise Holding Ltd will therefore propose that the **dividend** be increased by CHF 0.30 to CHF 7.70.

Outlook

No more new investment in ecosystems – presenting the upcoming strategic phase

On 20 September 2023, Baloise announced that it was undertaking a strategic review of its ecosystems in light of the changes in the business environment. The outcome of this review is that we are ending our ecosystem strategy. This means that we will no longer be pursuing the targets that we had communicated in this context: a valuation of CHF 1 billion for the innovation initiatives and a total contribution to revenue of CHF 350 million. We will also not be carrying out any further new investment in the expansion of the ecosystems.

CEO Michael Müller commented on this decision as follows: "Following our analysis of the overall portfolio and in view of the macroeconomic situation, we came to the conclusion that we need to strengthen our focus on our core business. This is where we see the best potential for growth and income. Where possible and as appropriate, we are bringing our partnerships in the former ecosystems closer to our core business and improving their profitability."

Meanwhile, we are retaining our strategic targets. We are well on track to achieve our cash target of CHF 2 billion (cumulative figure as at 31 December 2023: CHF 964 million). The employee target of being among the top 5 per cent of employers in Europe is very ambitious (31 December 2023: top 29 per cent), but we made clear progress last year (31 December 2022: top 36 per cent). The strategic target of attracting 1.5 million new customers is no longer achievable now that we have discontinued our ecosystem strategy (31 December 2023: 227,000). However, sustained profitable growth in our core business remains key to our future success, which is why we will step up our efforts.



Environmental information

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Sustainability KPIs – Environment 54

How we create value for the environment

Resource: Environment
Commitment: Climate protection

Elements of value creation

- Baloise climate roadmap with targets in the areas of operational, financed and insured emissions
- Disclosure of the carbon footprint since 1998
- Commitment to use natural resources in a responsible way and to reduce the carbon footprint of the business on an ongoing basis with ultimate responsibility resting with the Corporate Executive Committee and the Board of Directors
- Responsible investment that includes a climate policy and a real estate policy; focus topics in relation to the environment as part of our active ownership strategy
- 100 per cent demand for renewable energy within the energy mix we can control
- Becoming a partner of the Swiss Climate Foundation, with a seat on the advisory council since 2021



Impact of value creation

- Supporting the efforts of Switzerland and the European Union (EU) to reach net zero by 2050, through the climate roadmap
- Continuously reducing the absolute and relative carbon emissions of our business activities since 2000 by more than 75 per cent
- Raising awareness of environmental issues and educating staff about relevant topics
- Promoting certified carbon offset projects since 2020
- Promoting renewable energies through our own energy consumption, investments and insurance products
- Combating climate change through responsible investment including climate strategy and dialogue with companies on ESG issues, focusing on: the green transition, reducing carbon emissions, and biodiversity
- Climate change mitigation and promoting other environmental aspects by integrating ESG criteria into underwriting and product management
- Helping to combat climate change through the inclusion of environmental criteria when selecting suppliers and their products and services
- Financial support via the Swiss Climate Foundation for small and medium-sized enterprises that contribute to climate change mitigation

How we create value for the environment

We have had our own environmental mission statement since 1999. From the outset, it was important to embed sustainability throughout the Company and in all day-to-day business activities. The environmental mission statement became an integral element of the Baloise value creation model for sustainable development in 2018 and was thus incorporated into the Company's overall sustainability management. The environmental mission statement is part of our efforts to create value in relation to the environment. We commit to the achievement of the 2015 Paris Agreement and the UN's sustainable development goals (SDGs), and support them. Our particular focus is on no. 7 (affordable and clean energy), no. 9 (industry, innovation and infrastructure), no. 12 (responsible consumption and production) and, as a priority, no. 13 (climate action).

Climate roadmap

We are committed to the targets of the Paris climate agreement and support the efforts of Switzerland and the European Union (EU) to reach net zero by 2050. Since 2000, we have reduced our operational emissions by more than 75 per cent. In a further step, we want to reduce these emissions by a further 25 per cent by 2030 compared to 2022. In the year under review, the emissions of all scopes recorded in 2022 were reviewed and tested for plausibility on the basis of better and more reliable data. The corrected figures for 2022 and the figures for 2023 are contained in the sustainability KPIs table on page 54. Managing investments and insured

risks in accordance with climate criteria is an important lever in reducing the consequences of climate change. This requires large amounts of good quality data, which is not yet sufficiently available. For this reason, our first step will be to establish a reliable base of data which we will then use to determine reduction targets for our investment and insurance portfolios by 2025.

Principle
The environment is one of the most comprehensive resources in the Baloise value creation model. In managing this resource, our environmental policy focuses on promoting renewable energies and developing infrastructure in a way that adds value, and taking action to combat climate change. We focus on the responsible use of natural resources and the continuous reduction of CO_2 emissions within the Company and within our business activities. Our responsibility to the environment and to the associated idea of value creation relates to our own energy requirements but also extends to our investments, the procurement of products and services, and our underwriting policy

Organisation
The Corporate Executive Committee bears ultimate responsibility in environmental matters and thus for the impact of Baloise on climate change, and is supervised in this role by the Board of Directors. Each national organisation has a coordination unit that implements environmental measures. The asset management team at Baloise has the task of implementing responsible investment measures. The implementation of ESG criteria in Group-wide underwriting guidelines and product management is the responsibility of each national organisation. The integration of environmental aspects into the purchasing process is coordinated by Group Procurement and implemented in all national subsidiaries. The aspects mentioned above are discussed and coordinated centrally in the Group-wide sustainability network. The rest of the process is the same as for sustainability governance (see page 24 onwards).

Environmental footprint

The total energy and resource consumption revealed by the carbon footprint shows the amounts used by our large office buildings at all sites and at our computer centres and sales agencies in Switzerland. The figures reported thus relate to the energy and resources used by more than 85 per cent of the 8,020 people working for the Baloise Group. Both total consumption of heating and total electricity consumption (including external computer centres) have been reduced by 30 per cent over the last ten years through various energy-saving measures. With the objectives of the Paris Agreement in mind, a wide range of energy-saving measures have been analysed which will be implemented in each country over the coming years.

Continuous reduction of CO_2 emissions since 2000
Climate change is without doubt the challenge of the century. Since the 1997 Kyoto conference in Japan, we have been publishing key figures on energy and resource consumption and have been calculating our absolute and relative CO_2 emissions in accordance with the Greenhouse Gas Protocol Corporate Standard (GHG Protocol Corporate Standard) since 2022. Historically, our emissions data has been reported in accordance with the directives of the Association for Environmental Management and Sustain-ability in Financial Institutions (VfU). We also document the action we take each year in relation to the sustainable use of resources. The 2015 Paris Agreement, the successor to the Kyoto Protocol, has spurred us on in our ambition, and future measures will be based on the Paris objectives and the UN's sustainable development goals. Details of our CO_2 emissions are shown with the sustainability performance figures on page 54. The historical calculations of our emissions can still be seen in previous years' reports:
www.baloise.com/annual-report
www.baloise.com/oekobilanz_2019-2021
https://ghgprotocol.org
www.vfu.de

In addition to optimising our processes, cutting our emissions and offsetting our carbon footprint, the promotion of climate action-related innovation is a key priority for us. Since 2021, we have been investing the net annual amount from the CO_2 levy distribution through our membership of the Swiss Climate Foundation. The foundation uses these funds to support SMEs in Switzerland and Liechtenstein that develop innovative climate solutions or improve their energy efficiency. In 2023, the funding contribution amounted to around CHF 230,000.

Climate protection contribution 2023

Since 2020, we have been retroactively offsetting our CO_2 emissions in accordance with the GHG Protocol that cannot yet be avoided through savings and optimisations. For 2023, financial contributions were made to reduce around 11,000 tonnes of CO_2 by supporting three certified climate protection projects. The projects were audited and recognised for the modalities and procedures of the following standards:

- Verified Carbon Standard (VCS)
- The Climate, Community & Biodiversity Alliance (CCB Standards)
- ISO 14064-2, validated by TUEV NORD.

www.baloise.com/co2-klimaschutzbeitrag-swiss-climate (only in German)

Environmental measures: Climate-friendly office buildings and working

As we are an insurance company, our operations are not fundamentally energy-intensive by comparison with a manufacturing company, for example. At our sites, we predominantly require energy for electricity and heating.

We apply the latest building standards and renovation methods to ensure that our office buildings are climate-friendly, and operate them in as resource-efficient a manner as possible. We now get all our electricity from 100 per cent renewable sources in Switzerland, Germany, Belgium and Luxembourg in the buildings where we control our own electricity mix.

All sites also have centralised recycling stations for paper, aluminium, PET and other waste. These replace the individual waste containers at individual workstations. All employees in Luxembourg, Germany and Belgium and at Group headquarters in Switzerland have been given reusable drinks bottles.

Switzerland: New Group headquarters and various optimisation measures

The construction of the new headquarters in Baloise Park complies with the standards for sustainable construction in Switzerland (SNBS) and so comfortably exceeds the legal requirements. District heating already covers 100 per cent of the heating needs of the office in Basel. In the staff restaurant, our suppliers provide meat only from free range or free roaming animals.

We have been producing electricity from our own photovoltaic system since 2014, covering around 0.5 per cent of the demand at the Group headquarters in Basel. The current system occupies the whole of the available roof area that is suitable for PV systems and is designed to last 25 years. In 2023, the photovoltaic system on the roof of our Group headquarters in Basel produced 18,802 kWh (2022: 20,877 kWh) solar energy. This is equivalent to the energy requirement of more than four average four-person households per year.

The energy-saving measures we implemented in response to the appeal by the Swiss Federal Council on 1 October 2022 had a significant impact on our heating energy compared with 2021 and 2019. By reducing the room temperature in our offices in Baloise Park, we reduced our energy use by 12 per cent in the last quarter of 2022 relative to 2019. This is a saving of more than 100,000 kWh in district heating, equivalent to the consumption levels of approximately 30 four-person households. These figures are even more impressive when compared against 2021, but the offices were used a lot less during that year due to COVID-19 measures, so a comparison with 2021 is not very meaningful.

We also implemented the following technical measures at the existing building at Baloise Park in 2022 in cooperation with AUE Basel-Stadt (Office for Environmental Protection and Energy), which were agreed in a roadmap:

- New speed regulators on ventilator motors
- Replacement of drives with frequency converters
- Replacement of motors for office ventilation systems
- Retrofitting of 2,000 lights with LED technology
- Adjustment of target values for humidity in computer centres and offices.

This will save an estimated 50,000 kWh per year in electricity. At our agencies in Switzerland, we have also switched to flex office arrangements at various new premises or when offices have been modernised, thus optimising running costs and consumption.

Luxembourg: 'Wooden', our new office building

We have moved into our new office building in Leudelingen, Luxembourg, the first in the country to be made entirely of wood. The wood used in the building, which has been given the name Wooden, is sourced exclusively from sustainably managed forests in Luxembourg. The building is equipped with a photovoltaic system and has been given a BREEAM Excellent rating. In addition to its structural qualities, Wooden will also be the second building in Luxembourg to take part in the WELL Building Standard® certification process. This signifies that particular emphasis is given to the wellbeing of people in the planning and realisation of the building. The new office building is easier to get to by public transport. All lights are LED and most are controlled by movement detectors. As part of the national waste management plan and the national plan for sustainable development, we are working with 'SuperDrecksKëscht® fir Betriber', an initiative that supports companies and other organisations in implementing environmentally friendly waste management and waste avoidance strategies.

Germany: Optimisation measures in the vehicle fleet and buildings

We continued to roll out our company car scheme for senior office-based managers in 2023, switching from diesel to electric cars (around 18 per cent of those eligible for a company car). At Baloise in Germany, we decided against a transitional arrangement that would have included hybrid vehicles. We carried out a survey among sales force employees in 2023 to

help us develop measures to speed up the implementation process and to increase awareness and acceptance.

A 99 kWp photovoltaic system that generates around 87,000 kWh/year, depending on the weather, was brought on stream at the Bad Homburg office. This is primarily intended to cover the building's baseload.

Our commitment to sustainable development in Germany was recognised by the public again in 2023, and we won an award for our sustainability report for the third year in succession. In the Zielke ranking of sustainability reports carried out by Zielke Research Consult GmbH, Baloise in Germany achieved fourth place out of 50 insurance companies – another substantial increase in our score compared with the previous year.

Belgium: From electric cars to greenfield site

We began transitioning the company car fleet from petrol and diesel to electric vehicles in 2023. All new company cars added to the fleet since July 2023 have been electric. Under Belgian tax law, company car fleets will have to be completely electric by 2028, so we are increasing the number of charging stations at all our company sites. All buildings, including those that are leased, are run solely on energy from renewable sources. We are also installing solar panels on our buildings in Antwerp and will also collect and use rainwater there, as we do at the office in Brussels. We have also raised awareness about our business travel. We are reducing the number of short-haul flights and using public transport wherever possible. We also encourage employees who commute to switch to more sustainable transport alternatives. During the annual Sustainable Transport Week campaign we encourage staff to travel by train, bus or bike . In 2023, we participated for the first time in No Mow May, both on the Company's own premises and by encouraging employees to join in at home, rewarding those who did so.

Employees and the public

We support organisations that focus on environmental protection and climate action, both by providing funding and by allowing our employees to volunteer. The environment and the services of natural ecosystems are a cornerstone of the future, long-term success and continued existence of our Company.
www.baloise.com/csr

We also focus on raising the awareness of our staff and providing them with background knowledge and information on various topics relating to sustainable development, including what they can do at home. In Luxembourg, for example, we work with our partner OUNI (operator of Luxembourg's first packaging-free grocery store) to educate our employees on environmentally responsible behaviour. In Germany, the Green Team is on hand to offer tips and advice to help employees adopt a sustainable and eco-friendly lifestyle at work and at home. This provides a forum for staff to share their knowledge and ideas with others. In Switzerland, the second Sustainability Day was held for trainees from all the Swiss offices in 2022. The trainees worked on their own environment projects and presented their results at an internal conference in May 2023. The aim was to provide them with information about combating climate change, and to link and apply this knowledge to the Baloise business model.

Employees are aware of our ecological targets and the most important initiatives for achieving them. They are kept regularly informed about the implementation of the environmental mission statement and encouraged to suggest measures of their own. To encourage our employees to choose climate-friendly forms of transport, further measures have been introduced:

- Since November 2021, only electric vehicles are available to senior managers in Germany as a company car. The cash alternative is also still available.
- A bike leasing service has been introduced for employees in Belgium and Germany.
- Employees and customers can charge their electric cars in Basel and Zurich (Switzerland) using solar power.
- An internal electric car fleet including charging station at the head office of Baloise's banking business (Solothurn, Switzerland) is available to all employees.
- Loss adjusters in Switzerland have been provided with electric bikes to get them from A to B.
- The use of public transport is encouraged through subsidised tickets in all national units.
- In Luxembourg, electric cars are freely available to employees at work.

We work hand in hand with other companies, organisations and public authorities across all countries in which we are active to find solutions to environmental problems. In Luxembourg, we teamed up with etika, an association for alternative financing that provides us with advice on sustainability issues, raising employee awareness and developing sustainable products. We particularly encourage the sharing of information within the sector through membership of insurance associations such as the Swiss Insurance Association (SIA), the German Insurance Association (GDV), Assuralia in Belgium and the Association of Insurance and Reinsurance Companies (ACA) in Luxembourg. We maintain an open dialogue with the public and regularly report on environmental projects and what has been achieved.

Innovative, environmentally friendly products and services

When it comes to sustainability innovations, Baloise focuses on the Home and Mobility ecosystems. Alternative solutions that have a less harmful impact on the climate and environment are especially relevant for our customers in the areas of transport and the home. For example, we offer our customers insurance for electric vehicles, solar panels and other products that help to protect the climate.
www.baloise.com/sustainability-innovations

Green transport
We provide comprehensive protection for our customers' electric vehicles and accessories through our Electra supplementary cover. If the charging point is damaged or stolen, for example, Electra covers the costs incurred. The same goes for the charging accessories. Our Electra supplementary cover also provides protection if the charging card or charging app is misused or if the battery is damaged.
www.baloise.ch/elektroauto-versicherung

The Drive Electric product is designed to support our customers after they have bought a car in order to ease them through the transition to an electric or plug-in hybrid vehicle. Customers who take out this insurance, which is offered in partnership with Enovos and diego, receive a free charging card that can be used at 180,000 charging points throughout Europe. Customers can also benefit from the personal support of an expert who will guide them through the process of selecting and installing a private charging point at home, and through all the dealings with public authorities (such as applying for government grants).
www.baloise.lu/electric-car

We promote the use of 'SMART repair' for damaged vehicles. Thanks to our partner network of workshops, we can offer eco-friendly repairs of the highest quality. This not only reduces greenhouse gases, but also conserves resources.
www.baloise.be/fr/contact-service/premiumplus

Customers of Insurtech FRIDAY contribute to combating climate change
Since October 2018, FRIDAY customers have been able to make their own contribution to combating climate change by offsetting the CO_2 emitted by their cars. FRIDAY (Baloise's online and mobile insurer in Germany) offset 3,767 tonnes of CO_2 between April 2022 and March 2023, contributing more than EUR 45,000 to finance climate action projects through its FRIDAY+ECO product, developed in collaboration with the respected climate action organisation myclimate. The climate change mitigation projects selected for the offset meet the highest standards (Gold Standard, CDM, Plan Vivo).
www.friday.de

Promotion of renewable energy
We offer our private and business customers insurance products for photovoltaic systems and more climate-friendly heating systems. It is important to us to offer the right protection for every system. In this way, we are encouraging greater use of energy from renewable sources and offering our customers the protection they really need.
www.baloise.ch/blog-06-22
www.baloise.de/GAP-Versicherung

Responsible core business

Responsible investment
Our responsible investment policies set out the rules for the integration of environmental, social and corporate governance criteria into investment decisions. These criteria also apply to self-managed assets of external customers (see the 'Responsible investment' chapter from page 96 onwards).

Responsible underwriting
We also began including environmental, social and corporate governance criteria in our underwriting guidelines in 2022. That means we can not only offer our customers products and services that promote sustainable development, but also optimise the risks within the community of policyholders (see the 'Responsible underwriting' chapter from page 102 onwards).

Carbon footprint
Our carbon footprint was reviewed, expanded and restructured in 2022. It is now based on the internationally recognised Greenhouse Gas Protocol Corporate Standard (GHG Protocol Corporate Standard). Data collection software was introduced to centralise and automate the consolidation and extrapolation of the data and the calculation of the emissions. This is essential to ensure the most complete possible reporting of our environmental performance indicators (see 'Key figures', page 37).

Adjustments to our carbon footprint for 2022

The way in which our CO_2 emissions are calculated was revised in 2022. Due to adjustments to the units used for the emissions factors, the key figures for all scopes of our carbon footprint have changed:

- Scope 1 rose from 3,659 tCO_2e to 4,738 tCO_2e. This increase is predominantly due to adjustments in the calculation of emissions from our vehicle fleet. Since some offices supplied their data in kilometres and others in litres, adjustments had to be made to the composition of the formulas for the calculation.
- Scope 2 rose from 729 tCO_2e to 1,004 tCO_2e. This discrepancy is due to the emissions factors being adjusted and mainly affected the information on district heating.
- Scope 3 fell from 7,485 tCO_2e to 4,983 tCO_2e due to updated formulae and emissions factor units.

Overall, this resulted in a reduction from 11,873 tCO_2e to 10,275 tCO_2e across all scopes in 2022.

The carbon footprint includes our measured, collected and estimated direct and indirect environmental key figures. The emissions are measured in metric tonnes of carbon dioxide equivalent (tCO_2e). Direct emissions are produced from sources that we can co ntrol ourselves, while indirect emissions are the result of our activities but are generated by sources that belong to other companies or are controlled by other companies. The organisational limits for the calculation of operational emissions were determined in accordance with the operational control principle. This control includes the ability of Baloise to introduce and implement operational strategies. The carbon footprint for Baloise thus covers our sites in Switzerland, Belgium, Germany and Luxembourg.

Scope 1 emissions include the use of fuel to heat buildings, the electricity generated from renewable sources at our sites, the Company's own vehicle fleet and the loss of coolant at our sites.

Scope 2 emissions cover the use of purchased electricity and district heating at the sites. This scope also includes the electricity consumption of electric cars used for company business. Scope 2 emissions were calculated using the location-based method.

Scope 3 emissions currently include paper and water consumption, the electricity consumption at the data centres we use, fuel-related and energy-related emissions, energy used by our employees working from home, the refuse we generate, and business travel and commuting by our employees.

Other categories are either not relevant to us or the quality of the available data is not yet adequate.

We use emissions factors provided by Swiss Climate AG, a consultancy firm operating in the areas of CO_2 management, sustainability and energy, to calculate the emissions across all scopes. Swiss Climate AG has experience in determining science-based emissions factors and has these independently audited.
www.swissclimate.ch

Sustainability KPIs – Environment

Environment

	Unit	2023	Relative	2022	Relative	Reference
CO_2 emissions						Page 52
Total emissions	tonnes CO_2 equivalent	11,066.7	1,379.9 kg/employee[3]	10,724.7	1,336.4 kg/employee[3]	
Scope 1 emissions	tonnes CO_2 equivalent	4,078.3	–	4,738.3	–	
Scope 2 emissions	tonnes CO_2 equivalent	631.9	–	1,003.9	–	
Scope 3 emissions	tonnes CO_2 equivalent	6,356.0	–	4,982.5	–	
Change in operational emissions	%	3.2	–	–	–	
Energy						Page 49
Energy reference area[1]	EBF m^2	142,193.6		186,017.0		
Share produced from renewable sources[2]	%	100		100		
Electricity consumption	kWh	16,279,426.3	2,029.9 kWh/employee	18,109,629.1	2,256.7 kWh/employee	
Heating consumption	kWh	11,077,839.8	77.9 kWh/m^2	12,176,424.9	65.5 kWh/m^2	
Water consumption	m^3	38,743.6	22.0 l/employee/day	32,424.2	18.4 l/employee/day	
Paper						Page 50
Total paper consumption	tonnes	335.8	44.0 kg/employee	335.2	44.0 kg/employee	
Recycled	%	51.6	–	45.0	–	
Chlorine-free-bleached	%	17.0	–	25.8	–	
External printed matter	%	24.2		22.3		
Photocopy paper consumption	million A4 sheets	25.6	3,186.0 sheets A4/employee	23.2	2,884.3 sheets A4/employee	
Business travel						Page 51
Total business travel	million km	26.1	3,249.5 km/employee	24.1	3,006.5 km/employee	
Air	%	8.2	–	6.2	–	
Car	%	69.3	–	76.1	–	
Public transport	%	22.5	–	17.6	–	
Refuse						Page 50
Total amount of refuse	tonnes	510.1	63.6 kg/employee	400.4	49.9 kg/employee	
Paper	%	35.1	–	45.9	–	
Other recycled materials	%	3.9	–	4.6	–	
Special waste	%	0.2	–	0.2	–	
Misc. waste/refuse	%	60.8	–	49.3	–	

1 Including the insurance branch offices in Switzerland.
2 At locations for which Baloise can choose the electricity mix.
3 Including the total number of employees in the Baloise Group.

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Social information

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Sustainability KPIs – Social 82

How we create value for our employees

Resource: Employees
Commitment: Greater wellbeing at work

Elements of value creation

- Modern and future-oriented working models
- Fair and competitive basic salaries as well as attractive profit-sharing programmes and employee retention schemes
- A work environment that promotes good health
- A learning organisation that gives employees a say in the further development of their professional skill set
- A culture of curiosity, integrity and constructive criticism as the foundation for the creation of a comprehensive network within Baloise
- Modern corporate executive development focusing on areas such as reflection and self-organisation
- Promotion of diversity and strategic staff development planning
- Open innovation process for all employees

Impact of value creation

- Healthy and financially secure employees
- Strong sense of loyalty in the workforce, resulting in long average periods of employment at the Company
- Opportunity to establish an extensive network and, as a result, to work in different positions over time
- Increasing the employability of Baloise employees
- Collaboration between employees enables us to respond quickly and flexibly to a changing business environment and customer requirements
- Modern leadership with flat hierarchies and coaching role for managers
- Improved customer experience thanks to employees with skill sets that are focused on future needs, working in diverse teams
- Innovative solutions for our customers, supported by employees with a high level of personal responsibility



Strategic relevance of capable and motivated employees

Employees support implementation of the strategy

Our success relies on skilled and customer-focused employees working with dedication and commitment in areas that contribute to the implementation of our strategy. That's why we want to be and remain an employer of choice.

We have set ourselves a very ambitious employee-related target for Season 2 of our Simply Safe strategy: we want to be clearly perceived by our employees as one of the top employers in Europe by 2025. Specifically, we are aiming to be among the top 5 per cent of employers for employee satisfaction. The new target is considerably more ambitious than in the first strategy period, particularly since we now also include employers from outside the financial sector in the ranking.

This is also reflected in our ranking position. We began the new strategy period among the top 36 per cent of employers in Europe and were able to maintain this starting position in 2022 in what was a challenging environment. In 2023, our survey results even improved slightly. Set against a general decline in employee satisfaction in Europe, we thus ended 2023 in the top 29 per cent of employers, 7 percentage points higher than the previous year.

Continuity of measuring methodology

In 2023, we retained the new measuring method that was introduced at the start of Season 2.

- All employees are surveyed twice yearly.
- A more extensive survey is carried out every two years, which meant one was due at the end of 2023.
- The questionnaire consists of questions that apply to the whole Group and others tailored to specific business units.
- There are also numerous opportunities for employees to add comments, which are analysed with the help of artificial intelligence (AI).
- Transparency and dialogue are important to us. For that reason, the results of the surveys are broken down by team and made accessible to all employees, not just to managers.

Employee satisfaction survey (November 2023)

	2023	2022
Per cent		
Response rate	**77**	**75**
Committed and satisfied employees[1]	**81**	**79**
Women	82	78
Men	80	79

1 Employee happiness at work measures the average responses of our employees to the question 'How much do you like working at Baloise?' on a scale from 0 to 100 ('not at all like' to 'totally like'). For this purpose, the answers of all employees are recorded on a 5-point scale and converted on a linear basis to a scale of 0 to 100. Employees who ticked a positive answer (4 or 5) to the satisfaction question are categorised as 'committed and satisfied'.

In absolute terms, the results of our employee survey in 2023 remained stable or improved slightly. This was an extremely encouraging result given the persistently challenging economic and geopolitical environment in Europe. Compared to the steadily downward trend in employee satisfaction, we were thus able to significantly improve our ranking against a European benchmark.

Company-wide and team-specific measures

Moving our employee satisfaction levels closer towards our target remains a major challenge, so we have developed numerous improvement measures based on the results of the more comprehensive survey that took place as scheduled at the end of 2023. There is a particular focus on team-specific measures, as the findings of the employee survey are made available at the level of the smallest possible unit (mostly team level). For the first time, this year's survey included questions about the Baloise Code – a code of conduct developed by the employees themselves. **www.baloise.com/code**

In addition, the most important areas where action is needed were defined for all business units and specific measures were developed. These will now be gradually rolled out. Examples include increasing the reliability of our IT systems and introducing new ways of working in certain departments. We are working together to ensure that our employees value us as a leading employer, even in an environment that is likely to remain challenging for the foreseeable future.

Our employee key figures at a glance

	2023	2022
Employees, total	8,020	8,025
Average age in years	43.9	43.8
Average years of service	12.4	12.5
Staff turnover (per cent)	7.1	7.4
Percentage of employees with access to the share programme	44.2	43.9
Personnel expenses (CHF million)	1,024.5	968.6

Distribution of employees by gender

	2023	Per cent	2022	Per cent
Female	3,582	44.7	3,553	44.3
Male	4,437	55.3	4,467	55.7
Not specified	1	0.01	5	0.06

Age distribution

		Number	Per cent
Over 56	Female	577	7.2
	Male	913	11.4
	Sub-total over 56	**1,490**	**18.6**
46 to 56	Female	1,060	13.2
	Male	1,286	16.0
	Not specified	1	0.01
	Sub-total 46 to 56	**2,347**	**29.3**
35 to 45	Female	922	11.5
	Male	1,161	14.5
	Sub-total 35 to 45	**2,083**	**26.0**
Below 35	Female	1,023	12.8
	Male	1,077	13.4
	Sub-total below 35	**2,100**	**26.2**
Total		**8,020**	**100**

Distribution of full and part-time

Employment status	Gender	Number	Per cent
Full-time	Female	2,108	26.3
	Male	3,907	48.7
	Not specified	1	0.01
	Sub-total full-time	**6,016**	**75.0**
Part-time	Female	1,474	18.4
	Male	530	6.6
	Sub-total part-time	**2,004**	**25.0**
Total		**8,020**	**100**

Trainees and apprentices

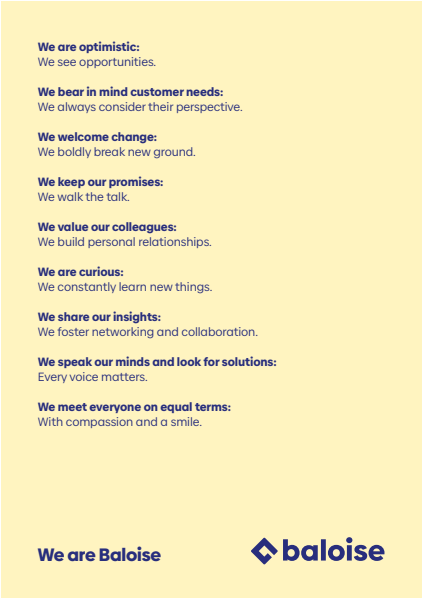
	2023	2022
Switzerland	242	257
Germany	53	52
FRIDAY	6	5
Luxembourg	4	4
Liechtenstein	–	1
Total	**305**	**319**

In Switzerland, 54.4 per cent of our apprentices secured a job at Baloise after completing their training.

Risks and risk management methods with regard to employee-related matters

As a top-ranked employer and holder of the Friendly Work Space award, we are addressing the shortage of skilled workers by making ourselves better known and thereby more attractive in the job market. For existing employees, we offer an interesting working environment with wide scope for personal initiative and decision-making coupled with regular opportunities for continuing professional development and upskilling. We also collect and monitor various key figures on the skilled worker shortage, and keep a close eye on the average cost of recruitment (including advertising, executive search, etc.). In Belgium, for example, this is around EUR 3,785 and in Luxembourg around EUR 3,380 per hire, which is slightly below the European average.

Our Code of Conduct



The Baloise Code is our Code of Conduct and was developed by employees, for employees. It has been guiding our activities for more than six years now. In 2023, the Code was updated and questions about it were included in the employee survey for the first time. It is applied across the Group.

Staff retention

Recovery and leisure time

As a responsible employer, the health of our employees is very important to us. Our working conditions ensure they enjoy a good work-life balance. There were no breaches of the legally stipulated rest times between two working days or shifts in any part of the Group in 2023. Nor was any legal action brought against us in relation to working hours.

Switzerland

Flexibility regarding place and time of work

- Flexitime
- Flex office
- Working from home and remote working: The office is our primary place of work. Of course employees can also work from home or from elsewhere – normally for around 40 per cent of their working week or, depending on the work situation, up to a maximum of 60 per cent (for a full-time employee).

Individual working models

- There are numerous opportunities for part-time working (e.g. option for 80 per cent of hours for almost all office-based full-time positions)
- Job sharing
- Pre-retirement part-time employment
- Option to choose between different notice periods

Opportunities for sabbaticals

- Maternity leave that is more generous than the statutory minimum
- Unpaid leave

You can find out what other benefits we offer our employees in Switzerland and what we stand for as an employer here: **https://jobs.baloise.com/en**

Germany

Flexibility regarding place and time of work

- 38 hours on a full-time basis with flexible working hours without core hours
- Home working and remote working (up to 60 per cent of contracted hours)
- Flexitime with time off for accumulated hours

Individual working models

- Numerous opportunities for part-time work for all employees

Opportunities for sabbaticals

- 30 days' annual leave
- Opportunity for special leave and conversion of salary into additional leave

Belgium

Flexibility regarding place and time of work
- Flexitime for all employees
- Working from home and remote working: employees can work a maximum of three days a week from home

Individual working models
- Numerous opportunities for part-time work for all employees
- Special 100 per cent working hours models: option to work a full week over four days or two weeks over nine days (by working longer hours on the individual working days)
- Hours reduced by 20 per cent or 50 per cent for employees aged over 55 (compensation from the employment office)
- Parent days for all employees with school-age children: half a day of unpaid leave per week

Opportunities for sabbaticals
- Parental leave: for employees with children under the age of 12 (compensation from the national employment office)

Luxembourg

Flexibility regarding place and time of work
- Flexitime for all employees
- Working from home

Individual working models
- Numerous opportunities for part-time work for all employees

Opportunities for sabbaticals
- Option to buy additional leave through a reduction in annual salary

Learning and development



baloise

Own it

- Taking ownership
- Focusing on results



baloise

Learn

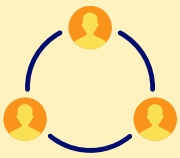
- Living curiosity
- Developing through reflection
- Promoting development of others
- Building digital literacy



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Connect

- Living integrity & trust
- Leveraging diversity through dialogue



baloise

Collaborate

- Establishing meaning
- Collaborating effectively

The ten Baloise competencies are divided into four topic areas and provide information on the skills we as a Company particularly want to promote.

To deliver maximum performance now and in the future and to achieve our strategic goals, we are focusing on ten overarching competencies divided into four topic blocks. The competencies are equally relevant to all employees and are the subject of ongoing dialogue as well as being discussed at development meetings.

We create a learning environment that encourages and enables employees with and without a formal leadership role to develop the skills and mindsets necessary to take on new challenges and realise their full potential. We do this to ensure that we, as an employer, can sustainably attract and retain employees with the necessary skills and are therefore able to achieve our business goals and our transformation.

In 2023, the focus was on further developing our most important training content, strengthening a more self-determined and more individual approach to learning and development and creating the basis for efficient scaling.



Baloise Campus – Group-wide leadership programmes

We support staff in leadership roles on an ongoing basis by encouraging dialogue and reflection on the subject of leadership and developing the necessary skill sets. As part of our core programme for the development of executives – the Baloise Campus – we provide four different programmes that deal with various challenges facing senior managers.

The programmes in 2023 were as follows:

- 71 participants on the Early Leadership Programme (ELP) with a total of 248 training days
- 32 participants on the Programme for Experienced Practitioners (PEP) with a total of 224 training days
- 30 participants on the Advanced Leadership Programme (ALP) with a total of 240 training days
- 9 participants on the Senior Leadership Programme (SLP) with a total of 72 training days.

Of the 145 participants (total of 784 training days), 46 per cent (67) were female and 54 per cent (78) male.

The programmes promote an intensive, process-based learning journey and are designed to support managers either in tackling their own practical challenges (ELP and PEP) or with projects on matters of Group-wide strategic relevance through collaboration with senior managers and Transformation Leaders within Baloise (ALP and SLP).

Strengthening transformation and leadership capabilities

We continue to work on establishing an understanding of leadership as action and not merely as function, which encompasses the various forms of leadership be they hierarchical or distributed. We also aim to strengthen our transformation and leadership capabilities and to create the basis for scaling. With this in mind, we expanded our existing offering that covered subjects such as decision-making, coaching, team coaching, resilience, feedback and much more to include a Group-wide offering that deals with navigating and managing change. This was the main focus in 2023. In total, around 280 participants took part in workshops delivered by an internal network of catalysts and trainers as well as external coaches.

We also strengthened our collaborative approach to learning by adding circle learning formats, where our employees work with three to five other colleagues on a certain subject to progress their development. The employees benefit from the experience and knowledge of their colleagues to help them achieve their individual learning goal, and this regular exchange also expands their network and promotes collaboration.

Learning communities

We are continuously building and reinforcing learning communities at various levels. We offer a platform on which learning multipliers can share their knowledge and improve their skills to stay one step ahead in the development of high-quality training courses. In 2023, the focus was on the design and implementation of virtual courses and the creation of appealing e-learning courses. 193 employees from all units got involved in these learning communities and produced 214 e-learning courses. We have also developed a governance structure that enables us to provide learning content via a Group-wide network of multipliers and facilitators. Our aim is to use the existing courses and create new ones that meet the immediate needs of all business units, thereby making use of synergies and achieving cost savings.

Additional local activities and events

At local level, we systematically support the onboarding of our managers into new leadership positions (Switzerland, Belgium and Luxembourg). Further support is provided in the form of individual coaching or by supporting the development of teams in connection with the transformation of Baloise via our internal network of coaches or external partners.

Internal agile coaches support the ongoing transformation journey in Germany, Belgium, parts of Switzerland and Luxembourg, helping managers to practise agile working methods, reflect the agile mindset and improve processes in their teams. This is all in addition to specific Group-wide workshops aimed at strengthening agile competencies.

Baloise in Germany held its first learning week with more than 180 attendees. The focus was on different learning

options based on our Baloise competencies (films, workshops, networking events, etc.). We also introduced various learning formats to introduce employees to generative AI-based software such as ChatGPT (Germany and Switzerland).

Health and safety

As a responsible employer, we strive to protect and promote the health of our employees and various initiatives are run in our national units with this aim in mind. The figure in brackets indicates the number of participating employees.

Switzerland
- Recertified as a 'Friendly Work Space'
- Corporate health management for all employees
- Case management: individual support and counselling to help employees cope with difficult situations and crises in their personal lives (220 cases, 94 of which were from the prior year)
- Ergonomic consultations (88)
- Discounted massages at head office in Basel
- Voluntary flu vaccinations for all employees (347)
- Average of five hours per person for health, safety and emergency training, e.g. courses on first aid for mental health, breath training, etc.
- Gym membership
- Weights rooms and relaxation rooms at head office

Germany
- Mental health campaign
- Healthy leadership through the transformation (16)
- Sleep yourself healthy – basic and advanced seminars (109)
- Stress management and self-care in Sales (32)
- Mental health – recognition and intervention (18)
- Staying strong in difficult situations (32)
- Inner Axis Breathwork (30)
- Back course at Zentrum am Michel, Hamburg (15)
- Mesana band – health monitoring at home (70)
- Mental health hotline
- Trinktimer app
- Meditation app
- Brainlight massage chair
- Massage in Hamburg and Bad Homburg
- Flu vaccination offered to all employees

Belgium
- B-Fit check-up (219)
- B-Balanced programme (74)
- Breathing exercises workshop (171)
- Workshop on recognising stress signals within your team (89)
- Participation in a study on absenteeism and possible management interventions (13)
- Flu vaccination programme for all internal and external employees (410)
- Every employee can consult an occupational health specialist if they have a health problem which they suspect may be due to their work.
- All first aiders take part in a one-day supplementary training course every year. For members of the fire service team, this is one day every two years. The union workplace representatives also receive supplementary training every year.

Luxembourg
- Vaccination campaign (55)
- Two programmes for health and wellbeing (131)
- Emergency training: once a year
- Health courses: total of 37 hours in 2023

Diversity and inclusion

We are more than 8,000 employees in five countries, so collaborating across borders and embracing differences is important. For us, diversity and inclusion means utilising our diverse strengths and personalities while remaining mutually respectful and accepting of each other.

The following measures from across the Group are examples of our approach:
- Our offices are accessible and additional assistance measures are provided on a case-by-case basis.
- We place great emphasis on non-discrimination in the Code of Conduct, in recruitment and in the benefits we provide.

Diversity

Below we have listed a few specific initiatives implemented by Baloise in Switzerland. These are representative of the work on diversity and inclusion carried out in the other countries. We try to approach the topic of diversity as broadly as possible with our initiatives in Switzerland. For example, we regularly take part in the external 50+ jobs fair. We also promote our LGBTQ network, which was set up by employees for employees. And we would also like to make our leadership teams more diverse. Our aim is to fill 40 per cent of all positions in the management team with people who meet at least one diversity criterion – age, gender or mother tongue. Women already make up one-third of all promotions and new hires each year. We encourage part-time working in all positions, including the sales force: almost all our full-time vacancies are advertised with an option to work 80 per

cent of full-time hours. Almost a quarter of employees now work part-time. Last year, we launched a series of workshops across the Group to teach employees about unconscious bias (distorted perceptions that can lead to discrimination).

Diversity should be lived and experienced within the Baloise Group – but also measured with hard figures. That's why we carried out a pay-gap analysis in 2021. The analysis did not find any relevant unexplainable gender-specific differences in salary. We also participate in the diversity benchmarking of the University of St. Gallen, which measures different aspects of diversity – for example gender and age, but also nationality and language – and allows us to compare them with other companies. Ultimately, all these initiatives and measurements are part of the reason why we are regularly awarded the Friendly Work Space accolade.
www.baloise.com/diversity



Inclusion

As a responsible employer, we are committed to the health of our employees and to the integration of people with special needs. Only with an inclusive and healthy working environment can we enjoy long-term success as a company. We firmly believe that everyone should have the opportunity to participate in the labour market and realise their potential professionally. To achieve this goal, we partner with the Federal Disability Insurance (IV) to offer a number of places each year to help get people with disabilities back into work. We have provided more than 70 IV training places since 2012. They are specifically designed for people who, for health reasons, have difficulty gaining a foothold in the labour market. With targeted support and individual care, we help them to reintegrate successfully into working life.

Each year, we also offer special training places to give young people with special needs an opportunity to secure a vocational apprenticeship. Through adapted training plans and close collaboration with an internal specialist, we ensure that they too can gain the skills and expertise they need.

Corporate Social Responsibility

We continued our various corporate social responsibility activities in 2023. Below, we list a few examples of the areas in which we as a company are active – with the energetic support of our employees.

Community and good causes

- Every year for the past ten years, Baloise in Belgium has organised the Baloise for Life event during the Christmas period. We raise money for charitable organisations by putting on various activities for employees and the employees suggest which charities the money should go to.
- Baloise in Germany organises a Christmas concert in Hamburg's St. Michael's church for current and former employees and their families every year. The money raised goes to charity.
- Almost 50 colleagues from Baloise in Germany took part in Volunteer Day on 12 October. We helped out at a total of six childcare centres in Bad Homburg, Hamburg and Bremen, doing jobs that the regular staff rarely have time for.

Environmental protection and climate action

- Baloise in Belgium organised an internal 'sustainable transport week' and encouraged employees to travel sustainably during this period. A free bike checkup was organised for all employees who cycled to work.
- In June, Baloise employees in Switzerland partnered with BirdLife Switzerland to build dozens of nesting boxes and carried stones out into the fields in order to create new habitats for the little owl.

Education

- Baloise digital scouts in Switzerland have been working to raise awareness of digitalisation issues in society since 2017. With the aid of brochures, talks, workshops and exhibition stands on cyber security, smart home and media literacy, they educate and inform employees, parents, schoolchildren and pensioners. Free of charge, of course.
- Baloise in Switzerland supports the Future Skills Forum event where stakeholders come together to discuss the skills that companies will need to equip their employees for the future.

For more information on our Corporate Social Responsibility activities, see **www.baloise.com/csr**

Social partnership and participation

Switzerland

- All employees are covered by formalised employee representation structures.
- The collective labour agreement applies to more than 3,600 employees.
- There are a number of associations with strategies to promote representation and participation of target groups, such as Female Leadership, women@sales, parents@baloise, the LGBTQ network JUMP! and the Diversity Board.
- There were no demonstrations or rallies in 2023.

Employee commission in Switzerland

Our employee commission represents the interests of office-based members of staff (including apprentices) and the customer advisors of the insurance sales force vis-à-vis the Corporate Executive Committee. The employee commission has the right to prompt and comprehensive information concerning all matters where this is required in order for it to properly perform its role.

The employee commission has participation rights with regard to the following matters in particular:

- Questions of health and safety and the protection of workers
- The transfer of the business to a third party
- Large-scale redundancies
- Affiliation with an occupational pension provider

The employee commission in Switzerland also has the right to a say on wage policy, holiday entitlement and the way in which holiday is taken, and working hours. The details are set out in the employee participation regulations.

The members of the employee commission carry out their commission-related duties in working hours where necessary. The chair of the employee commission is released from his or her professional duties for 50 per cent of his or her contracted hours.

Germany

- 97 per cent of employees are covered by the collective pay agreement for the insurance sector.
- There are a number of associations with strategies to promote representation and participation of target groups, such as FemaleXChange, the LGBTQ network JUMP! and the Diversity Board.
- There were no demonstrations or rallies in 2023.

Works councils in Germany

The local works councils in Germany are elected by the employees every four years at all locations. A General Works Council is formed from the local works councils. The local works councils look after the interests of the employees at their location in relation to personnel measures such as hiring, dismissals, transfers, training, etc. The General Works Council deals with company-wide matters such as the introduction of or changes to software systems or fundamental structural changes in the Company. Both bodies have a variety of tasks, including:

- monitoring the implementation of laws, regulations, collective agreements and company agreements;
- ensuring that men and women are treated equally;
- facilitating the integration of severely disabled people;
- promoting the employment of older workers;
- promoting workplace health and safety and environmental protection measures.

Employee representatives have co-determination rights in relation to the following matters in particular: personnel measures, a number of social issues (such as those relating to working hours, annual leave principles, introduction of software, social institutions, group work and remote working) and changes in business operations.

Belgium

- All employees are covered by formalised employee representation structures.
- There are 17 signed collective pay agreements.
- Every four years, 'social elections' are held in which employees can stand for election to one of Baloise's three advisory committees. The next elections will take place on 16 May 2024. All employees are eligible to vote.
- There are a number of associations with strategies to promote representation and participation of target groups, such as Women in Finance, Women on Board and the Young Talents Programme.
- There were no demonstrations or rallies in 2023.

Employee commission in Belgium

The employee commission in Belgium is organised along similar lines to that in Switzerland. It represents the interests of more than 1,500 employees in office-based and sales force roles. As a commission, it has the right to advise Baloise as an employer and to access information on the use of social control. It also has access to information on employment relationships and on the commercial and financial situation of the Company. The employee commission in Belgium also looks after the wellbeing of our employees,

for example in matters such as workplace ergonomics. Most of the commission members hold full-time positions in addition to their seat on the commission, and do not wish to be released from their duties. They believe it is important to work alongside their colleagues. However, the employee commission is given the time it needs to perform its role.

Luxembourg

- 100 per cent of the workforce is covered by formalised employee representation structures, 70 per cent by structures relating to working conditions.
- There is one signed collective pay agreement.
- One person is appointed as an equal opportunities officer and there is a group for employee engagement and satisfaction.
- There were no demonstrations or rallies in 2023.

The interests of all Baloise employees in Luxembourg are represented by two employee commissions, one for Baloise Assurances Luxembourg SA and a second for the staff of Baloise Vie Luxembourg SA. The employee commissions in Luxembourg enjoy regular, open and constructive dialogue with the Executive Committee. They meet to discuss issues such as finance, personnel and professional development.

Based on the number of employees (more than 150), the employee commission of Baloise Assurances Luxembourg SA has specific co-determination rights that are enshrined in law. By mutual consent between the employer and the employee representatives, these are decisions relating to:

1. the introduction or application of technical systems to monitor the behaviour and performance of employees at their workstations;
2. the introduction or amendment of measures to protect the health and safety of employees and to prevent occupational illnesses;
3. the specification or amendment of general selection criteria for recruitment;
4. promotions, transfers, dismissals and, if applicable, the priority criteria for inclusion in early retirement programmes for salaried staff;
5. the creation and implementation of professional development programmes or collective bargaining measures;
6. the specification or amendment of general criteria for employee assessment;
7. the creation or amendment of internal regulations, taking account of any collective agreed regulations that may apply;
8. the granting of remuneration to employees;
9. the introduction or amendment of a specific Work@ home policy at company level.

European Forum

The European Forum was created by agreement between Baloise and the national employee representatives as an opportunity for the representatives to meet regularly with the Corporate Executive Committee and senior management and discuss current issues of relevance to the Group as a whole.

Careers website:
www.baloise.com/jobs

Careers blog:
www.baloise.com/karriereblog

Facebook:
www.facebook.com/baloisech

YouTube:
www.youtube.com/baloisegroup

Instagram:
www.instagram.com/baloisejobs

LinkedIn:
www.linkedin.com/company/baloisech

How we create value for our customers

Resource: Private and business customers of Baloise
Commitment: Increased customer satisfaction

Elements of value creation

- Simplifying our product portfolio
- Collaborating with partners in the ecosystems (e.g. Mobility and Home) to provide a fully integrated offering
- Providing support to founders of new businesses that goes beyond their insurance needs
- Promoting finance4women in Switzerland to help women take control of their finances
- Measuring the Net Promoter Score (NPS) and customer satisfaction at regular intervals through dialogue on preferred communication channels
- Providing continuing professional development for customer advisers in the form of courses, tests on specific topics and training in the rules of conduct and procedures of Baloise's internal advisory approach
- Ensuring the quality of Baloise's advisory approach through periodic spot checks and customer surveys
- Automating marketing processes and providing platforms for customers to create a more convenient overview of contracts and add-ons that offer customer-specific added value

Impact of value creation

- Improved basis for the digitalisation of our product portfolio and greater convenience for our customers and partners thanks to the reduction of complexity
- Practical and innovative products and services for customers that go beyond the established financial services portfolio and provide added value
- Founders of new businesses can concentrate on their business idea while we provide support for various other aspects of their business activity
- Improved financial literacy among young women, which has a positive socio-political impact
- NPS results, satisfaction measurements and other dialogue outcomes inform our customer service approach, the customer journey, our internal understanding of customer benefits and our cooperation with brokers
- Certified advisory quality
- Use of a mix of online and offline channels and excellent, innovative digital solutions to optimise communication and offer customers simplified dialogue formats
- Simplified product overview and interaction between us and our customers lead to improved service quality



How we create value for our customers

Customer focus is central to Baloise's strategy. We want to be more than just a traditional insurance company and aim to be an important part of people's lives. This aspiration requires us to take account of the wider social environment in which our customers live. One of the ways in which we seek to achieve this goal is by collaborating closely with selected partners in what we call 'ecosystems'. What we mean by 'ecosystem' is a platform centred around a core topic. Customers can use this platform to find services relating to that topic area which go beyond the financial services previously offered by Baloise and which are positioned upstream, downstream or completely independently of the insurance product itself. To be able to satisfy our customers' needs, we reassess these on a regular basis and support our customers closely via their preferred communication channels. Moreover, it is of paramount importance to us to be there for our customers when they need us most, i.e. in the event of a claim.

Simplification of our product portfolio

A simplified product portfolio is essential for digitalisation and will make it easier for our customers and partners to interact with us. The wide variety of products creates complexity across the whole value chain, for example in claims handling, customer service and IT. This complexity is

a significant cost driver and impairs our ability to respond quickly and appropriately.

Product simplification is one of the most important initiatives of our 'Focus on the core business' strategy. We use common product inventory lists and KPIs across the Group to follow all the guidelines.

We have reduced the number of products by 9 per cent since 2019. This figure does not include the migration of acquired portfolios into existing Baloise products. For example, in Belgium 141 non-life products were migrated from the source platforms of Fidea & Athora into 25 products on Baloise's target platforms (existing products). The reduction in the number of products helps us to simplify our product portfolio, but is by no means the main driver. We are pushing ahead with product and process refinements, such as straight-through processing (STP). For example, the Group-wide STP ratio in the motor vehicle insurance business is now 90 per cent of all new quotes, and the figure for the private real estate business is over 95 per cent. With such high volumes in the private customer business, the simplification of our product portfolio is urgently needed if we are to remain competitive.

Ecosystems for a fully integrated service offering that creates added value

The world is changing and so are we. We believe that in the long term, one strong service partner cannot know everything and do everything, but many providers working together in strong partnerships can complement and support one another. And we believe that will benefit everyone. We are bringing together services and new solutions for our customers so that we can offer them more from under one roof in future.

Mobility ecosystem

Within the field of mobility, we aim to create a world where we can get from A to B more safely, more smartly and more sustainably. That is why we are building an ecosystem that links up transport solutions across Europe and thereby creates the greatest possible social value. We are helping to create a community of innovative start-ups in the area of mobility that will be able to unlock their full potential with the support of the ecosystem – for themselves and for their customers.

The Mobility ecosystem was further expanded in 2023 with the investment in TRONITY, a young company that already has customers in 44 countries. TRONITY specialises in electric vehicles, providing drivers with data that helps them to improve their driving and increase the car's battery range. The solution also includes a digital logbook, a charging route optimised to individual driving data and a battery diagnostics check. True to the principle 'Your car. Your data', customers are at the heart of the company's activities. TRONITY and its data community are making a valuable contribution to the important transition to electric vehicles. The use of proprietary data creates added value for society as a whole.

Another company and new addition to the Baloise Mobility portfolio is DUKE. DUKE is a digital car rental service that includes vehicle delivery and collection to and from the customer's doorstep. The company's goal is to reinvent car rental by offering customers a superior level of convenience at the same cost as a traditional car rental service. When they receive the keys, customers are also given a short briefing and the condition of the vehicle is recorded before and after use. A service that is highly appreciated by customers.

The rising costs of car use continue to be a positive driver for the business model of GoMore. GoMore provides a car rental service (carsharing) that enables its members to share private cars, many of which can be leased on favourable terms through GoMore. The growth in new customers is huge: in six European countries more than 3.5 million GoMore members are already helping to make the idea of 'shared' mobility a reality, and vehicle use has more than doubled. Insurance from Baloise which is integrated into the digital process offers peace of mind and gives users of the GoMore marketplace more confidence in the service.

In addition to our partnerships with and investments in innovative companies, we also develop innovative new concepts in-house that contribute significantly to the success of Baloise. Parcandi was established as a spin-off from Baloise. It enables property owners to rent out their parking spaces simply and flexibly. Motorists looking for somewhere to park account for 40 per cent of urban traffic and are responsible for a corresponding share of CO_2 emissions. Parcandi reduces these figures significantly. It also frees up public parking spaces to be used for other purposes and improves the quality of life in towns and cities. With more than 80,000 bookings in 2023, Parcandi is on a strong growth trajectory. Customers appreciate how easy the app is to use and the fact that they can always find parking when they need it.

Home ecosystem

Our customers expect simple, fully integrated solutions. The Home ecosystem provides a framework within which to develop innovative offerings with added value for customers and to build new customer relationships. Through our partnerships and investments in start-ups, we can offer a broad range of home-based services and meet people's individual needs at the different stages of their life.

Examples include our subsidiary MOVU, a removals service with integrated removals insurance, and the long-term equity investment in Houzy, a digital platform for homeowners for which Baloise is the exclusive insurance partner. Baloise provides a home insurance check on Houzy which shows customers what insurance products they would need as potential property buyers or homeowners. It also gives users

an initial indication of likely premium costs and offers them the option to contact Baloise for advice. Baloise customers benefit from access to exclusive deals within our ecosystem.

We are expanding the Home ecosystem with the aim of improving our current position in the market with innovative products and services. Thanks to the partnership with the property transaction platform Brixel, our customers are supported in the process of buying or selling property with digital and face-to-face services.

Mortgage platforms already play an important role in the European market, and this trend is now emerging in Switzerland, too. Mortgage holders are becoming more digitally savvy and the market is becoming considerably more transparent. Customers are increasingly demanding provider-independent solutions. As a strategic response to this market development and an addition to our own mortgage range, we have established a strategic partnership with UBS key4 mortgages. Customers now have the option of receiving an additional offer to finance the purchase of their new home. The complex needs of our customers are now covered even more comprehensively.

We aim to use these trust-based touchpoints with our customers to offer them even more comprehensive advice in future.

Founders' portal: support beyond insurance

Tens of thousands of new businesses are founded in Switzerland every year. We set up our founders' portal (**www.baloise.ch/gruender-portal**) to support entrepreneurs who are starting their own business. It contains helpful articles on relevant subjects along with practical checklists and templates for download. Entrepreneurs can draw inspiration from the stories and experience of successful business owners. We share the costs with partners such as Fasoon, Hostpoint and Swiss21.org and offer access, free of charge, to a website construction tool and accounting software. Customers can also use the portal to seek advice and information on a specific subject from a Baloise expert.

We held online events again in 2023 on subjects such as recruitment in an age of skills shortages and best practice in social media. We also offered customers in western Switzerland and in Ticino the opportunity to register for a limited number of free coaching sessions with Swisspreneur. As part of our partnership with Fasoon we organised a digital meet & greet in 2023, where participants could pick the brains of entrepreneurs from three successful Swiss companies. All these offers and more are intended to help business owners to concentrate fully on what matters most: realising their business idea.

finance4women: new routes to financial self-determination

Through our finance4women project, we are giving women in Switzerland knowledge, insights and background on their pension situation in a readily understandable, inspiring form. We show them how they can actively manage their pension situation, find their way through the maze of investment options and provide financial security for their nearest and dearest.

At the heart of the project is a search-engine optimised, very broad collection of topics in three languages on the Baloise website (**www.baloise.ch/finance4women**). It is based on the subjects most searched for on Google and other search engines, and is continuously updated. The main focus is on the communication of information with practical tips – and without any direct sales intent. But knowledge alone is not enough. The topic must be packaged in an appealing way to generate interest. This requires innovative measures to increase visibility, such as eye-catching poster campaigns or social media influencer campaigns. These are supported by native ads, social media campaigns, competitions, a newsletter and internal Baloise events tailored to the target group. With this information resource, which is aimed at young women, we are addressing an important socio-political issue and thus investing in the future. The project is not only improving financial understanding among young women, but is also changing the way that Baloise is perceived. Following the rebranding, we are positioning ourselves as a pioneer and trustworthy partner in the financial sector. The project is also helping to strengthen the brand image of Baloise as a trailblazer for equality and financial literacy. The finance4women project was nominated for the Swiss Insurance Innovation Award 2023.

The opinion of our customers is important

To measure its Net Promoter Score (NPS) and customer satisfaction metrics, Baloise actively asks end customers (private and business customers) and brokers about their experience with Baloise. Feedback is requested automatically and immediately every time a customer has been in contact with Baloise.

The NPS programme helps us to see the world through the eyes of our customers. Our strategic business planning approach uses internal key performance indicators for monitoring and improvement purposes. This strengthens Baloise's customer-oriented culture. Our approach is based on three core principles:

1. **Dialogue**
   The NPS is a data-driven dialogue. The programme that we use to record customers' experiences enables us to analyse data and respond appropriately to our customers' feedback, which leads to lasting improvements in the customer relationship and the customer experience.

2. **Responding to data**
   We use the insights we gain into our customers' thoughts and opinions and translate them into actionable data that provides the basis for strategic decisions and their practical implementation in our operations. We discuss our progress with ongoing initiatives and set priorities for new initiatives aimed at improving the customer experience.

3. **Promoting change**
   An internal core team made up of members from different national markets was created to collate experiences relating to customer focus. This allows us to use the NPS internally in order to bring customer experiences to the forefront of our attention across the Company and to generate excitement about the opportunities that we unlock by gaining insights into these experiences. The local management teams at all of our sites receive regular updates on progress made regarding the loyalty of our customers and brokers and the quality of their experience. This information is then used as a basis for decisions on, and the implementation of, strategic and operational adjustments. By promoting close collaboration between all national units, subject matter experts and senior management, we strengthen Baloise's customer-oriented culture.
   We operate in various different markets and adapt our loyalty assessments to market-specific conditions. In Switzerland and Luxembourg, for example, end customers and brokers are surveyed after various types of contact with Baloise, whereas surveys in Belgium and Germany are mostly focused on brokers.

If large fluctuations in the customer experience scores of the tNPS (transactional Net Promoter Score) are noticed, this is documented and analysed. For example, the tNPS fell by several points in one customer service unit and the subsequent investigation found that the high workload on employees had led to a delay in response times, which resulted in greater dissatisfaction among customers. No independent organisation was asked to measure satisfaction in 2023, but feedback from customers was collected via reviews on Google, TrustPilot and Comparis, as well as directly.

Customer satisfaction

Feedback – positive or negative – helps us to optimise our services. That is why we ask our customers for their opinion after various interactions.

In **Switzerland**, we ask new customers to rate their satisfaction with our customer onboarding process. Feedback is also requested at the end of a claims process and after contact with customer services or with a customer adviser.

In **Luxembourg**, we ask new customers to rate their satisfaction with the customer onboarding process. Feedback is also requested at the end of the claims process for standard products and claims.

In **Germany,** customers are asked about the claims handling process for motor vehicle and property insurance products.

In **Belgium**, we ask customers about the claims handling process for fire and buildings insurance.

In **Switzerland**, the handling of negative customer feedback has been taken into account when determining the variable remuneration of sales and marketing staff since 2021. This creates a stronger incentive to provide high-quality advice and customer support. In other departments, too, the strategic team targets are formulated using the Net Promoter Score (NPS). The NPS Board Switzerland is an interdisciplinary and self-organised unit that concentrates on the results of the NPS surveys and the measures to be derived from them to optimise processes. Last year, the Board successfully introduced a number of initiatives which are based on hypotheses and are aimed at implementing optimisation measures. The focus of the project team is on both internal processes and customer communications.

In **Luxembourg**, our focus in 2023 was on optimising internal processes. We tackled the biggest pain points identified from customer feedback. A new interdisciplinary team analyses the main causes and implements effective solutions for continuous improvement, such as for the customer journey in the claims handling process. As part of a proactive customer retention initiative, we are reaching out to dissatisfied customers with the aim of resolving problems promptly, improving the customer experience and gaining a clearer understanding of what happened. Our priority in 2024 will be to ensure that customer journeys and internal processes meet customer requirements.

In **Belgium**, a clear strategy was implemented in 2023 which was fully focused on a multifaceted market offering supported by a unique operating model. The market offering focuses on profitable areas where we are growing and are able to create an extraordinary Baloise experience. To ensure that we succeed here, we have strengthened our focus on brokers as the most important sales channel, are offering market standards and simplified products that deliver a stress-free experience and are intensifying our tailored broker approach. We are improving the customer and partner experience through use of the NPS programme and by pushing ahead with digitalisation. We help our brokers to create an efficient customer journey by concentrating on the digitalisation of administrative processes and STP (straight-through processing). For example, we have introduced a fully digital, customer-oriented customer journey for motor vehicle and property claims. We are also simplifying the digital sales process with a new lead generator for our private customers that has an integrated report generating function.

In **Germany**, satisfaction surveys were once again completed by end customers and – in line with the strategy – by brokers and sales partners. The findings help us to assess our performance and rate ourselves against the competition. In addition, broker satisfaction surveys were conducted at the application and policy issuing touchpoint in 2023 to improve processes for corporate customers.

Advisory quality is key

When it comes to advising customers, we apply the principle of lifelong learning to ensure that customers always get to enjoy the benefits of new concepts and solutions. Cicero certification (Swiss quality seal for advisory standards) requires customer advisers in Switzerland to undergo continuing professional development, and Baloise offers a huge range of training and education options for this purpose. Every customer adviser is obliged to act in accordance with the internal procedures and rules of conduct. Quality assurance spot checks and customer surveys are conducted at regular intervals. In total, 787 Baloise customer advisers hold Cicero certification, 76 of whom gained it for the first time in 2023. **www.cicero.ch**

During their basic training, advisers also have to pass regular tests on specific subjects, which ensure that they have the expertise they need to be able to provide competent advice, especially in heavily advice-focused business lines. As sustainability is becoming an increasingly important aspect of customer advice, we are currently developing content and deciding how the topic should be incorporated into future customer adviser training. Under the IDD (Insurance Distribution Directive), insurance brokers in Germany have been legally required since August 2022 to incorporate the sustainability preferences of their customers into their advice.

Omnichannel approach – using all channels to support our customers

The key to a seamless customer experience lies in the integration of physical and digital sales and communication channels. Whenever possible, we aim to communicate with our customers through their preferred channel. A strong insurance sales force that acts as an important point of contact for customers and their individual needs is essential to this approach. It is complemented by our telephone-based advisory service Baloise Direct Line (BDL). In addition to these traditional channels, we use a variety of digital channels such as email, video consultations, our website, the myBaloise customer portal, social media and IT solutions such as the Baloise Bank messaging service. Our goal is to make it as easy as possible for customers to reach out to us and interact with Baloise.

E-banking is now the norm for regular banking transactions. And no wonder, since e-banking is fast and secure. More and more of us are using smartphone apps for this, so that we can do our banking conveniently from home or when we are out and about. The advantages are obvious. We can access our accounts whenever we want, wherever we are and access via the app is even more secure. Baloise Bank is updating its e-banking service in line with technological advancements so that it can offer customers an even better service.

We introduced four new lead generators for retail products in Belgium in 2023. This gave us a presence at the place where the customer journey often starts: online. The end-to-end experience starts with online ads and a web-based price calculation. The sale is then made in the broker's office. This approach has enabled us to establish a link between our customers' online behaviour and our primary sales channel, the independent insurance brokers. This omnichannel experience between Baloise, our customers and the brokers is made possible by marketing automation and CRM technology. We support the broker network with POS material and provide brokers with training on handling online customer leads. This creates a seamless multi-channel customer experience and has doubled the number of online leads within a year.

Customer engagement – personalised and individual contact

We continued our focus on personalised and individual communication with our customers in 2023. Advanced marketing automation software is at the core of our successful customer communication. The software enables us to create a wide variety of customer journeys, from awareness measures to cross-selling and upselling. The aim is that recipients should automatically receive information that is relevant to them at the right time. The customer advisors also benefit from the automated campaigns, which allow them to respond quickly to an event such as a change of address.

In 2023, we also laid important foundations for future data-driven campaigns. Our specialist 'Data Driven Campaigns' project team worked tirelessly on the development and implementation of data-based measures. We also established the 'Marketing Automation' project team, made up of experts from Data Analytics & Market Insights and IT, and campaign and marketing automation managers from Customer Engagement. This team played a key role in the continuous improvement of our marketing automation platform, ensuring its smooth operation and using the results produced to optimise existing measures and develop new ones.

A particular highlight of 2023 was the introduction of our personalised onboarding video for new customers. The video contains personalised video and audio elements, such as the name of the recipient and an individual audio message. The aim of this initiative was to introduce our new customers to Baloise in a warm and friendly way that represents the Baloise values.

In summer 2021, Baloise in Germany introduced a customer relationship management portal from software provider BSI in the private customers business. This software provides a 360° view of customers and shows the contract relationship in detail. It gives customer advisors better information on which to base their advice and enables them to process customer requests in a much more service-oriented way. In 2023, the service portal was extended to include customer relationship management in the life insurance business, replacing the email processing application. The customer management team in the life business now uses the BSI tool to process all emails. At the same time, the 360° view of customers and all of their contracts was extended across all segments. The successful launch creates another significant contribution to combining excellent products and outstanding service for our customers and sales partners.

Two innovation prizes for Baloise

In November 2023, we won second place and the people's choice award at the ceremony for the Swiss Insurance Innovation Awards. Two further Baloise projects were also nominated for the innovation award, once again confirming us as one of Switzerland's most innovative insurance companies.

Our parametric holiday insurance Parasurance took silver. With parametric insurance, the insured person does not have to actively report a claim. Instead, Baloise automatically contacts the customer as soon as certain parameters defined in the insurance conditions are exceeded. Parasurance is thus not just a new product – it represents a paradigm shift in the insurance landscape. The insurer proactively contacts customers to inform them when a loss event has occurred, which means our customers no longer have to report claims for these products or go through a lengthy claims handling process. We do this for them.

Baloise includes three parametric types of cover in its holiday insurance. These new modules – offering cover for bad weather, delayed flights or delayed baggage – supplement the existing holiday insurance that covers cancellation costs, lost baggage and hire car insurance. Baloise is offering the new types of cover, which can also be purchased individually, in partnership with KASKO and the start-ups Wetterheld and Blink Parametric.

The Rapid Damage Cockpit project won the people's choice award. This project helps us to support customers as quickly as possible after an emotionally upsetting event. Using our innovative RDC map, we identify customers affected by a severe adverse weather event and automatically send them a form by email or text message in the immediate aftermath of the event. This form enables them to report any loss or damage they have suffered on the same day with just a few clicks, so they have one less thing to worry about.

The finance4women and Automation of E2E customer processes projects were also nominated for the innovation prize. Our new Automation Competence Center focuses on automating business processes as well as automating individual tasks and digitalising whole customer journeys from end to end. This simplifies insurance for our customers, relieves our employees of the burden of repetitive tasks and enables IT to focus on large-scale projects. This means we can unlock efficiency gains that benefit customers, employees and Baloise equally.

Repair instead of replace

Switzerland

Customers whose cars are insured with Baloise have the option to have damage to their vehicle repaired by one of Baloise's partner workshops. Our partners are selected on the basis of very strict criteria and are among the most innovative companies in their sector. They use the Smart Repair process, which incorporates a variety of methods to repair minor damage on vehicles. Dents or scratches on the bodywork are easily fixed. This modern repair method produces significantly fewer harmful and environmentally damaging emissions. Our partner workshops are highly professional and knowledgeable. Customers who choose a repair in Baloise's partner network of workshops enjoy exclusive benefits such as reduced premiums or excess, a free replacement vehicle while their car is being repaired and a collect-and-return service within the area served by the partner workshop. If a damaged windscreen is repaired instead of being replaced, the excess is waived.

Luxembourg

The average cost of a glass damage claim in Luxembourg has gone up by 26 per cent since 2020. We are trying to reduce these costs with the 'Repair instead of replace' initiative, and the optimisation of the partnership with Carglass is an important step in this direction. At present, almost half our customers with glass damage go to the brand workshops, which tend to replace the glass rather than repair the damage (in part due to a perceived better quality of customer service). Our aim is thus to encourage customers to use Carglass instead of the brand workshops, and to develop a cost-cutting plan with Carglass. 'Repair instead of replace' will be an important part of this.

Belgium

Customers in Belgium who choose to have their car repaired in Baloise's partner network of workshops enjoy exclusive benefits such as reduced excess, a free replacement vehicle while their car is being repaired, a collect-and-return service for the damaged vehicle, a safety check and a three-year guarantee. If a damaged windscreen is repaired rather than replaced, the excess is waived – even if the repair is carried out by a workshop that is not part of our partner network.

Germany

The repair of accident damage to our customers' vehicles is all the more sustainable the more parts of the vehicle are repaired rather than replaced. This is the guiding principle of our partner workshops. The aim is therefore to bring more customers from the brand workshops to partner workshops in order to be more sustainable on the road together. With 'Workshop Service Premium', Baloise takes over the choice of partner workshop. Customers in Germany who have their vehicle repaired in Baloise's partner network benefit from exclusive advantages such as a free replacement vehicle during the repair, a pick-up and delivery service for the damaged vehicle and free cleaning of the interior and exterior of the accident vehicle.

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How we create value for society

Resource: Society
Commitment: Valued member of society

Elements of value creation

- Compliance with approval requirements, relevant legal provisions and fundamental rights (such as human rights), including monitoring by regulatory authorities
- Baloise business model, which protects customers from falling into financial distress through financial support when a claim arises, pension benefits and solutions for individual saving
- Inclusion of ESG criteria in the investment process since 2018, with the later addition of a climate strategy, an active ownership strategy and a real estate strategy
- Inclusion of ESG criteria in our underwriting guidelines, including human rights and employment rights
- Payment of taxes and support (financial and non-financial) for charitable and environmental organisations (CSR)
- Sponsorship for sport, culture and art



Impact of value creation

- Maintaining a stable risk-sharing community as well as prosperity and a welfare safety net for society, while preventing potential social inequality as a result of financial circumstances
- Minimising risk in the investment process and in the underwriting process for insurance products, and supporting companies that factor ESG criteria into their decision-making. Engaging in dialogue with companies on ESG matters such as human rights, biodiversity and anti-corruption measures
- Increasing the public sector's ability to invest for the public good through financial contributions
- Supporting community and good causes, environmental protection and climate action, healthcare, education and research, innovation and safety, while also encouraging voluntary work and the community work of employees
- Promoting cultural diversity (including support for young artists)

How we create value for society

We see our Company as part of the sustainable development of a stable society and a healthy environment and we therefore believe we have a responsibility to society in our role as a corporate citizen. We conduct our business activities in accordance with the relevant legal provisions and in compliance with the basic rights enshrined in the constitution of the Swiss Confederation, such as human rights (see also page 89 in the 'Compliance culture creates value' chapter). The approval requirement enshrined in Swiss financial markets legislation, which demands an assurance of proper business conduct, stipulates among other things that the approved institutions and their key decision-making bodies must comply with all applicable laws (statutes, regulations, etc.) and have an organisation that ensures such compliance. The Swiss Financial Market Supervisory Authority (FINMA) monitors compliance with this approval requirement, which must be fulfilled at all times.

Our business model plays an important part in maintaining society's prosperity. Our products and services enable companies and private individuals to take risks that they would not be able to manage on their own without great financial expense. Companies can develop and grow sustainably, and private individuals can enjoy greater financial security. This also prevents potential inequalities based on financial opportunities and contributes to an equitable society. We fulfil our responsibility to society by sharing risks and costs and operating our business in a forward-looking and innovative way. This means weighing up the positive and negative consequences of our decisions and actions on fundamental issues for our business, society and the environment.

The claims and benefits paid to our customers reflect the contribution that they do not have to pay themselves or, in extreme cases, would have to come from the public purse. These payments therefore help to make the economy more resilient. In the non-life business, they include claims paid under products such as contents insurance, liability insurance and motor vehicle insurance, and particularly natural disaster insurance. In the life business, they include annuities and benefits paid out from life insurance policies.

Claims and benefits paid

CHF million	2023	2022 (adjusted due to IFRS 17 transition)
Non-life	2,530.9	2,531.3
Life	4,473.6	4,606.9
Total	**7,004.5**	**7,138.2**

The payments recognised mainly comprise claims payments including claims handling costs in the non-life segment and insurance benefits paid including investment components and surrenders in the life segment.

Responsible investment for society

We take our role in society as a responsible custodian of assets seriously, which is why the asset management team is continuously developing its responsible investment strategy. The advanced responsible investment strategy has governed the majority of investments since 1 January 2023. Baloise Asset Management uses the data provided by MSCI Ltd. to integrate ESG criteria into the investment process. Exclusions are applied and the best-in-class approach is used to create the investment universe. Alongside issues relating to climate, the environment and proper corporate governance, social issues such as health and safety, people development and human rights play an important role in assessing sustainability. The relevant data is supplied to the portfolio managers for ESG integration.

We also pursue an active ownership approach. The objective of our active ownership strategy is to generate a long-term positive risk-return ratio and mitigate risk for customers. We also aim to use the funds entrusted to us and the financial strength this gives us to persuade the management of our portfolio companies to address ESG-related risks and exploit the opportunities.

As part of our active ownership strategy, we engage in collaborative dialogue with companies or with the public sector through our membership of various industry associations (such as Principles for Sustainable Insurance (PSI), Swiss Insurance Association (SIA), Asset Management Association Switzerland (AMAS) and Swiss Sustainable Finance (SSF)) to discuss specific or general ESG topics. Our advanced responsible investment strategy now also includes direct engagement activities, which involves entering into constructive dialogue with companies in which we are invested in order to address specific ESG matters. Direct engagement is used, for example, in the event of serious violations of minimum standards of conduct in areas such as human rights, employment, the environment and anti-corruption.

We published our second active ownership review in 2023: **www.baloise.com/policy-active-ownership**

For more information on our responsible investment strategy, see page 96 in the 'Responsible investment' chapter.

ESG criteria in our underwriting policy

We began applying social criteria in addition to environmental and corporate governance criteria in our underwriting guidelines in 2022. This means that we will no longer insure certain economic activities or that existing customers in these areas will be allowed a transition period. In addition to risks such as climate change, bribery and corruption, risks that have a direct impact on social conditions will also be taken into account. These risks can be divided into non-sustainable practices, human rights and employment rights, product quality and safety, and healthcare.

For further information on the integration of ESG criteria into our underwriting policy, see page 102 onwards in the 'Responsible underwriting' chapter.

Our social responsibility

Corporate social responsibility is the part of our approach to sustainability that focuses on society and the environment in our value creation model. We have also been a committed advocate of voluntary work for many years and encourage employees in all parts of the Baloise Group to engage in voluntary activities. In 2015, we became a signatory to the declaration by economiesuisse (the umbrella organisation representing Swiss business) and the Swiss Employers' Association. The declaration requires companies to offer flexible working conditions and working time models that enable employees to participate in voluntary work. Baloise not only encourages its employees to engage in voluntary activities by holding annual events but also meets its own responsibility to society as a commercial organisation. Four of our employees in Switzerland are currently members of cantonal parliaments, and many others are involved in politics at local level. Furthermore, Baloise creates and preserves jobs that add value and pays taxes from its profits that help to fund the public sector. The majority of the taxes are payable in Switzerland.

Taxes paid

CHF million	2023	2022 (restated)
Taxes paid	35.9	75.6

See 2023 Annual Report, page 84 'Consolidated cash flow statement'

The profits we generate enable us to be an active partner in many areas of society. Baloise runs a number of charitable projects and initiatives in its national subsidiaries, which can be roughly divided into the following categories:

1. **Community and good causes**
2. **Environmental protection and climate action**
3. **Healthcare**
4. **Education and research**
5. **Innovation and safety**

Our national companies decide which projects they wish to be involved in within the scope of the Baloise CSR Charter.
www.baloise.com/csr-charta

Baloise and its employees made total charitable donations of more than CHF 760,000 in 2023, which equates to around CHF 95 per employee. This sum includes only financial donations that were given to organisations that serve the common good or a charitable purpose or which promote environmental protection. It does not include donations of goods, expenses incurred for the organisation of volunteer workers, support for events staged for the common good, or financial support for organisations and events that serve an educational purpose.

Once again, employees at all our offices took part in voluntary activities for the benefit of society and/or the environment in 2023. Employees were allowed to carry out some of these activities during working hours.
www.baloise.com/csr

In Switzerland, the groundwork was laid in 2022 for collaboration with the **www.spendenbuch.ch** portal – Switzerland's first nationwide platform for donations in kind. Baloise provides the portal with products that have been involved in insurance claims and can no longer be sold directly. The products are all in perfect condition and completely usable. Often, the only reason they cannot be sold in retail outlets is that their packaging is damaged or missing. All products are inspected by Baloise before being donated to spendenbuch.ch and they are provided free of charge, provided that all legal requirements and reservations are satisfied. The donations portal gives charitable organisations, in particular, straightforward and predictable access to donated goods of all kinds. All donations are passed on directly and without any deductions to the recipient organisation. As well as making a valuable contribution to charitable organisations in Switzerland, we are conserving resources through this initiative by enabling fully functioning products to be used that would otherwise be thrown away.

Baloise conducts regular reputation assessments to measure public awareness of our social engagement activities. CSR activities only add value for other Baloise stakeholder groups if they are widely recognised. In 2023, we partnered with reputation management institute Reptrak© to carry out surveys in Belgium, Germany and Switzerland. The average score across all three countries is slightly lower than in 2022, at 67.4 points (on a scale where 60 to 70 is average). Demands on the Company have increased due to the social challenges, and this is reflected in the results. The three attributes of the 'citizenship' driver across all three countries achieved the following average scores for the year:

- Has a positive impact on society: 68.5 points (2022: 69 points)
- Supports good causes: 67.4 points (2022: 67.7 points)
- Cares about the environment: 66.4 points (2022: 66.5 points).

The results show that communication is even more important at a time of major social challenges, as corporate citizenship activities only have a positive external benefit if the public is aware of them. 'Citizenship' is an important driver in terms of overall reputation and has a significant impact on the way Baloise is perceived by the public.

Sponsorship activities

We help to promote the cultural diversity of society through our sponsorship activities. The primary focus of our activity in **Switzerland** is on music. From international stars to cult bands and young talent – whether on the main stage, in a legendary concert venue or in a staff canteen temporarily converted into a concert hall, Baloise brings music to concertgoers, customers and employees. Because music moves us, motivates us and brings people together.

Our sponsorship strategy 'Baloise – We Music' encompasses four platforms in Switzerland. We are the presenting sponsor of the boutique music festival 'Baloise Session' and organisers of the 'Baloise Exclusive', a dedicated concert evening for 1,500 guests that we put on as part of the Baloise Session. To bring music to other parts of the country, we have our 'Baloise on Tour' concert series. And our wide-ranging commitment to music is rounded off by 'Baloise Only', a concert for our employees at the Company's headquarters in Basel. Across these four platforms, we communicate with more than 20,000 concert visitors a year on a more emotional level and contribute to musical diversity in Switzerland.

In **Belgium**, we are a major sponsor of sports, especially cycling. Flanders-Baloise, Baloise Wallonie Bruxelles Ladies and Baloise Trek Lions are three professional cycling teams that compete under the Baloise name. They concentrate on the Benelux races of the pro tour and on the international calendar of the continental professional cycling teams in Europe. The teams have a clear vision.They are committed to the development of young, local talent and offer the profes-

sional support required. We also sponsor the Baloise Belgium Tour and the Baloise Ladies Tour, two international multi-stage cycling events that take place in Belgium.

We are also a key partner of the Belgian football teams KAA Gent and Standard Liège. For the next two years, Baloise will be the named partner of the Baloise Antwerp 10 Miles, Belgium's biggest running event that attracts more than 30,000 participants and a large media presence. In 2023 we were announced as the title sponsor of the Baloise Namur Marathon, a rapidly growing running event in Wallonia.

In the area of arts and culture, Baloise encourages cultural dialogue among the public through the Noordstarfonds in Belgium. The Noordstarfonds is a non-profit organisation run by Baloise in Belgium that was established in the middle of the 20th century to promote art, culture and the Dutch language among the Flemish population. This charitable organisation has its own concert hall, the Handelsbeurs, in Ghent. The Noordstarfonds currently focuses on promoting various music genres and creating a bridge between these genres. In 2023, we introduced 'Baloise On Stage', a cultural programme that brings together established popular musicians with talented young artists.

In **Luxembourg**, we signed a three-year partnership with the organisers of the Škoda Tour de Luxembourg in 2020 to promote cycling – a very popular sport in the Grand Duchy – at national and European level. Baloise Luxembourg was thus one of the major partners of the Škoda Tour de Luxembourg and the sponsor of the yellow jersey for the winner of the overall classification. We are also a proud supporter of the Fédération Luxembourgeoise d'Athlétisme (F. L. A.), which has been organising and promoting athletics in the Grand Duchy since 1928. It coordinates the work of the athletes and their clubs and promotes related sporting activities. Since 2018, we have been one of the main sponsors of the Rockhal, the country's largest concert hall.

In **Germany**, we have been a platinum partner of the Bad Homburg Open, a WTA grass-court tennis tournament, since 2022. The main aim of the sponsorship is to increase the visibility of our new brand identity, but it also provides a great opportunity to enjoy high-calibre women's tennis in a wonderful setting with business and sales partners, customers and employees. As an official warm-up tournament for Wimbledon, the Bad Homburg Open has a special charm.

Weblinks to the activities of the national companies

- **Switzerland**
  www.baloise.ch/de/ueber-uns/engagement
- **Belgium**
  www.baloise.be/nl/over-ons/csr-en-sponsoring
- **Luxembourg**
  www.baloise.lu/unsere-verantwortung
- **Germany**
  www.basler.de/de/ueber-uns/nachhaltigkeit

Our commitment to art

Our art collection is an important part of the Baloise corporate culture. Works from the collection are on permanent display and exhibitions are held at Art Forum Baloise Park. The collection also sends pieces out on temporary loan to museums. Our website at **www.baloiseart.com** provides an in-depth insight into our commitment to art, which we pursue with a passion.

Corporate collecting – engrained in the culture at Baloise

The principal objective of our collecting activity is to enrich our lives and contribute to the Baloise corporate culture, so selected works are always on display at Baloise Park in foyers, corridors, meeting rooms, offices and in reception rooms that are open to the public. Since 2023, individual pieces from our collection have also been displayed at the locations of our national subsidiaries in Luxembourg and Belgium.

Baloise Art Prize

We have been committed to providing access to successful careers in insurance and banking through our training and development programmes for more than 30 years. Our support for contemporary art also forms part of this approach. Through acquisitions for our own collection and the awarding of the annual Baloise Art Prize, we are supporting the development of young and emerging artistic talent.

The Baloise Art Prize celebrates its 25-year anniversary in 2024. An exhibition at the Art Forum Baloise Park that runs until the end of May 2024 will showcase works from selected prizewinners. More information is available on the website.

The coveted Baloise Art Prize was once again presented to two talented, up-and-coming artists in 2023: Wai-Kin Sin (*1991) and Sky Hopinka (*1984). Interviews with the winners can be viewed at **www.baloiseart.com**.

The panel of judges explained their decision as follows: Various characters take shape gradually and insistently on the green screen in the exhibition space, but what we see goes far beyond classical representation. Several fields of research overlap in **Sin Wai Kin**'s portraits, ranging from the spectres of femininity or masculinity to the diverse embodiments of the printed matter of art history and their respective staging. These video works enlist a diversity of metaphors to demonstrate the binary in the form of surreal narratives that transcend the normative processes of constructing identity, desire and objectification. A compelling blend of performance, moving image, cultural history and theatricality characterises these intense productions.

As well as donating the prize money, we buy works by the award winners and donate them to two important museums in Europe. The work of Wai-Kin Sin was gifted to the collection of the MUDAM, Musée d'Art Moderne Grand Duc Jean, Luxembourg.

'Just a Soul Responding' is a four-channel film by by **Sky Hopinka**, an artist and filmmaker based in Hudson, New York. It starts with the classical motif of the road movie – driving through the landscapes of the United States. The poetic montage of filmed images, short texts by the artist and recorded music in the tradition of experimental film addresses the trauma of the inexorable loss of indigenous tradition and the spiritual significance of natural environs. In his film collages, the artist, himself a native American of the Ho-Chunk Nation of Wisconsin and a descendent of the Pechanga Band of Luiseno Indians, succeeds in subtly invoking time-honoured traditional ways of life threatened with annihilation by the onslaught of modern civilisation.

Sky Hopinka's work was donated to the collection of the MMK Frankfurt.

Art at the Baloise Park complex

Works from our collection are displayed on the upper floors of the Baloise head office in specially provided spaces – the 'etagères'. As part of our commitment to support the next generation, we also provide exhibition space for young curators within our publicly accessible Art Forum on the ground floor. Twice a year, under the guidance of the exhibition organiser Frédérique Hutter, they are given the opportunity to put their newly acquired expertise into practice by curating an exhibition on a given theme. They have to include at least one work from the Baloise collection in their exhibition. Baloise puts its expertise in the areas of art handling, documentation, publicity and communication at the disposal of the young curators.

Acquisitions for the art collection

The art commission comprises seven employees from various parts of the Company who are knowledgeable and passionate about art, and one external art expert. Since 2022, the art commission has focused its attention on emerging artists, preferably those based in Baloise's core markets. The decisive factor for inclusion in the collection is the persuasive quality of the work, which should also reflect our corporate values.

In 2023, works by Clara Brörmann, Ritsart Gobyn and Thé van Bergen (Belgium), the artistic duo Martine Feipel & Jean Bechameil (Luxembourg), Florian Bühler (Switzerland) and the performance artist Maya Golyshkina were acquired for our collection.

www.baloiseart.com



Shoe tree and bellows, 2023
Florian Bühler
Oil on canvas, 60.2 x 90.2 x 4.2 cm
With the kind permission of the artist



Wendepunktbild 4, 2020
Clara Brörmann
Oil, acrylic, ink on canvas, 180 x 130 x 7 cm
With the kind permission of the artist

Sustainability KPIs – Social

Social

	Unit	2023	2022	Reference
Employment and retention				Page 59
Number of employees		8,020	8,025	
Part-time employees	%	25.0	24.1	
Staff turnover	%	7.1	7.4	
Duration of employment	years	12.4	12.5	
Proportion of employees with access to the share programme	%	44.2	43.9	
Average employee satisfaction [1]	out of 100 points	77	76	
Proportion of engaged and happy employees [2]	%	81	79	
Health and safety				
Friendly Work Space (certification in Switzerland)	out of a possible 5 points	4.83	4.83	
Training and development				Page 60
Proportion of trainees in the workforce	%	3.8	4.0	
Number of apprentices, trainees, interns and working students		305	319	
Philanthropy				
Total donations by the Baloise Group	CHF thousand	660.2	652.4	Page 78
Number of employees engaging in voluntary work		1,033	770	
Diversity and inclusion				Page 59
Proportion of women in the workforce	absolute	3,582	3,553	
	%	44.7	44.3	
Age distribution of employees				
under 35	%	26.2	26.6	
35 to 45	%	26.0	25.4	
45 to 56	%	29.3	30.3	
over 56	%	18.6	17.7	
Average age	years	43.9	43.8	
Responsible investment				Page 96
Total AGMs at which Baloise Asset Management voted [3]	number	25	25	
Total agenda items on which Baloise Asset Management voted [3]	number	13	13	
Votes against the management's recommendations at the AGMs [3]	number	59	42	
Distribution of ESG ratings across Baloise insurance investments [4]				Page 99
A-AAA	%	85	80	
B-BBB	%	15	20	

1 Employee happiness at work measures the average responses of our employees to the question 'How much do you like working at Baloise?' on a scale from 0 to 100 ('not at all like' to 'totally like'). For this purpose, the answers of all employees are recorded on a 5-point scale and converted on a linear basis to a scale of 0 to 100.
2 Employees who ticked a positive answer (4 or 5) to the satisfaction question are categorised as 'Committed and satisfied'.
3 See **www.baloise.com/corporate-governance**.
4 See chapter 'Responsible investment' from page 96 onwards.

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Governance information

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How we create value for our partners

Resource: Baloise's partners
Commitment: Responsible and successful collaboration

Elements of value creation

- Establishing and expanding an intelligent network of partners (innovation partners, start-ups, outsourcing partners, suppliers, brokers and agents)
- Measuring the Net Promoter Score (NPS) and the satisfaction of brokers with Baloise at regular intervals
- 'We believe in partnership' is one of the three principles underpinning our brand values, which provide us with guidance on how we should act
- Maintaining a dialogue with suppliers on the subject of sustainability, including the imposition of the vendor code of conduct
- Signing up to the Principles for Responsible Investment (PRI) in 2018 and the Principles for Sustainable Insurance (UNEP FI PSI) in 2020 and supporting the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2020
- Becoming a partner of the Swiss Climate Foundation with a seat on the advisory council

Impact of value creation

- Knowledge is shared among the partners in Baloise's network, which increases their collective success
- NPS results, satisfaction measurements and other dialogue outcomes inform our collaboration with brokers
- Collaboration with suppliers to ensure sustainability along the supply chain
- Promotion of the implementation of global principles and industry-specific standards
- Provision of, and support for, innovative sustainability solutions that contribute to the green transformation of the economy and a sustainable lifestyle



How we create value for our partners

As part of our value creation process, we draw on a network of partners that help us to implement our business model and value creation model even more effectively. Our links with different partners, such as innovation partners, start-ups, outsourcing partners, suppliers, brokers and agents, form a network that unlocks synergies, promotes knowledge transfer and thus creates added value for everyone involved by increasing collective success. This pooling of expertise enables Baloise to offer its customers new, innovative products that are tailored to their needs.

First and foremost are the partnerships in our core business that create value for our stakeholders, especially our customers. We see ourselves not just as a business but as an organisation that, along with its partners, has a responsibility to promote awareness of social, environmental and corporate governance aspects in society and the wider business community. We therefore form partnerships outside our core areas of activity.

Partnerships in our core business

One of the strands of the strategy in our core business is to team up with strong partners, the focus being on creating added value for customers, developing new solutions and raising efficiency. In doing so, we try to offer customers access to services where this will provide the greatest benefit and, at the same time, will result in value-adding synergies for our partners and for us. The most evident example of this is our business model of operating as an insurer and bank in Switzerland, where we are able to offer banking, insurance and asset management services from a single source thanks to close collaboration. In the insurance business, we have forged long-standing partnerships under which our services are embedded into the partner's own product range. For example, we work with Ford Motor Company SA (Ford importer for Switzerland) to sell motor vehicle insurance products under the 'Ford Autoversicherung' brand at the approximately 200 official Ford outlets in Switzerland. This exclusive partnership between Ford Motor Company

and Baloise dates back to 2005. Since July 2023, the official dealerships have been able to easily integrate the insurance premiums into customers' monthly lease instalments. We also have a long-term partnership with Touring Club Switzerland (TCS) and many other providers of services that complement our own product range. In addition, we work with a whole host of partners in our business customer activities, allowing us to offer a broad spectrum of products and services for SMEs. We have stepped up our long-standing partnership with the founders' portal Fasoon, which means we can now act as the exclusive insurance partner for people starting up a business. Furthermore, we have launched a strategic industry partnership with the SME-oriented procurement portal Gryps, which will help us to continue signing up new business customers in the years ahead.

www.baloise.ch/de/ueber-uns/partner/kooperation

In Germany, we worked with brokers in the pension business to develop Baloise Best Invest, a new unit-linked policy. This resulted in Baloise Germany notching up its greatest ever success for pension business in sales of life insurance through brokers in 2023. The collaborative approach to product development also created a tangible benefit for customers, especially in terms of value for money. This was also the conclusion reached by the expert panels of judges at the publications 'Mein Geld' and 'Versicherungsmagazin', who singled us out for the German Insurance Award (for innovation in life insurance) and for the Innovation Prize respectively.

www.baloise.de/de/ueber-uns/partner

Broker satisfaction

In Belgium and Germany, brokers who work with us are asked about their satisfaction at least once a year as part of the NPS programme. The survey is being expanded in Belgium, with the satisfaction KPIs being extended. This means that we are continuing with the NPS programme using a number of measures of broker satisfaction. The NPS is measured every quarter, complemented by annual benchmarking of competitors. In Germany, not only brokers but also tied agents are surveyed annually about their satisfaction and on an ad hoc basis concerning specific matters. In one of the most respected NPS/broker surveys in the German market, Baloise is ranked second for property insurance sales. A satisfaction survey is also carried out in Switzerland to ascertain brokers' views.

Corporate management partnerships

We pursue a sustainable approach as regards purchasing goods and using resources. Our code of conduct for vendors therefore requires the services provided by third parties to be based on principles of sustainability. The code was revised in 2022. Since 2023, ESG criteria have formed an integral part of the entire procurement process, from the request for tenders to the selection of suppliers and drafting of contracts. The partnerships with our suppliers, some of which have been in place for many years, are very important, which is why we are helping existing suppliers to implement the vendor code of conduct. We also work with them to find effective solutions to any problems that may arise in the supply chain. The Group-wide purchasing function is rolling out the new purchasing guidelines in Switzerland as part of a pilot project that is mainly focused on suppliers from which we order in large volumes. By the end of 2023, 32 per cent of suppliers had accepted our new purchasing guidelines. We are in discussions with, or waiting for a response from, 58 per cent of suppliers; 10 per cent have rejected them. The reason for rejecting our purchasing guidelines is that these suppliers have their own guidelines that are the same as or more extensive than ours.

www.baloise.com/vendor-code-of-conduct

Partnerships with organisations

Principles for Sustainable Insurance

By signing up to the Principles for Sustainable Insurance (PSI, see also page 32), we have undertaken to promote principles of sustainability in society. This global framework also helps us to establish and maintain partnerships. At Baloise, we benefit from the cooperation between the United Nations (UN) and the insurance industry, particularly when it comes to addressing the risks and opportunities in connection with environmental, social and corporate governance matters.

Swiss Climate Foundation

The Swiss Climate Foundation has been supporting SMEs in Switzerland and the Principality of Liechtenstein for 15 years. During this time, more than CHF 37 million has been invested in climate change mitigation. We joined the foundation in 2021 and each year plough the net amount from the CO_2 levy redistribution into the foundation. We have two seats on the foundation's advisory board, giving us a say on how investments are allocated. In 2023, Baloise's funding contribution amounted to around CHF 230,000 (2022: CHF 340,000).

Baloise Bank foundation

The foundation was established in 1987 and promotes trade and industry in the Swiss canton of Solothurn. It's InnoPrix, which is endowed with prize money of CHF 25,000, is awarded annually to innovative projects. Since 2009, applications for the award have also been accepted from the neighbouring cantons of Aargau, Baselland and Bern. In recent years, the coveted accolade has increasingly gone to companies that support sustainability in business and society. The winner of the 2023 InnoPrix was the sustainable energy company Apex AG, which is based in Däniken, Solothurn.

Compliance culture creates value

Compliance targets

- Organisational measures to ensure compliance with laws, standards and instructions
- Raising of employee awareness through communication on instructions, regular training and concerted action in the event of violations
- Multiple channels – including anonymous whistleblowing channel for employees and outside parties – are available for reporting suspected violations
- Group-wide cooperation based on the Baloise compliance framework
- Ultimate responsibility rests with the Corporate Executive Committee and the Board of Directors

Impact of compliance

- Risks relating to data protection, money laundering, antitrust law, corruption, insider trading and other compliance issues are systematically monitored and minimised through internal control mechanisms
- Establishment of a compliance culture that promotes and strengthens ethical conduct
- Promotion of a sense of responsibility in employees to secure their support in cases of suspected violations
- Creation of a shared Group-wide understanding of compliance
- Regular and ad hoc assessment of compliance risks and development of appropriate measures

Compliance culture creates value

Within a company's day-to-day operations, compliance refers to all organisational measures designed to ensure that laws, standards and instructions are respected. It covers all strategies required to ensure the proper conduct of a company, which includes adhering to laws and standards issued by regulatory authorities – especially FINMA – and having internal company policies and directives in place. This encompasses areas such as data protection, money laundering and corruption. Compliance plays a key role in creating sustainable value for stakeholder groups such as customers, partners, employees and shareholders. A distinctive aspect of our compliance culture is that a basic attitude of self-responsibility has been created to ensure that employees fully understand the guidelines and are able to operate within the set framework.

Compliance requirements in a regulated company are strict and becoming ever stricter. New regulations and tighter controls by regulatory authorities present a challenge for the entire organisation.

Our aim is to establish and promote a strong compliance culture and standards of ethical behaviour within Baloise. Raising awareness among our employees with regard to compliance plays a central role here. We issue directives and provide regular training (every one to three years) to cover topics such as data protection, combating of money laundering, competition law, bribery and corruption. In 2023, 3,756 employees in Switzerland completed compliance training. The participants and the degree to which the training is completed is monitored in the internal training system. At the same time, a rigorous approach in the event of violations is important in order to increase employees' awareness of ethical behaviour. One serious, and thus internally notifiable, fraud case arose in 2023. Suspected violations can be reported via a number of channels, including an anonymous whistleblower platform that is also open to external parties. Clearly defined, Group-wide rules are in place that govern how reports and cases are to be dealt with. There are also clear rules and approval processes governing the granting and acceptance of gifts and non-cash benefits set out in internal directives and in the Baloise Code of Conduct.

Within the compliance framework, Group Compliance works with the local compliance managers to develop Group-wide policies and minimum standards in accordance with a risk-based approach. In this way, we create an understanding of compliance that is shared across the whole Baloise Group. This includes, among other things, strategic tasks, advice and support, control and monitoring, and reporting at local level and from a Group perspective. The Compliance function is responsible for the early identification of new compliance risks in respect of matters such as new regulation, new business areas or new partners. New compliance matters are added to the compliance standards as required. New sustainability-related topics are incorporated into the existing compliance framework and handled accordingly. Additional standards may be agreed in future if required for a specific topic.

Compliance supports the Executive Committee in the performance of its organisational due diligence by specifically advising, developing operational parameters and identifying compliance risks periodically and on an ad hoc basis. Compliance is the central point of contact for employees' questions and reports relating to compliance matters defined in the Code of Conduct. Group Compliance assesses and reviews the local compliance plans and the implementation of the standards by means of appropriate controls. Compliance monitors important legal developments and

provides information about the status of the implementation of and adherence to the internal and external legal and regulatory provisions. Existing compliance risks are also identified, assessed and monitored. Every six months, reports on all the above matters are submitted to the local Executive Committees and, in consolidated form, to the Corporate Executive Committee and the Audit Committee of the Board of Directors.

Anti-corruption measures

We make a distinction between active and passive bribery. With regard to active bribery, employees must not promise any gifts or hospitality with the aim of inducing holders of public office or individuals bound by a duty of allegiance to violate their obligations towards their organisation or company or to exercise their discretionary powers in favour of Baloise.

With regard to passive bribery, employees must not let themselves be induced to make certain decisions or behave in a certain way by accepting gifts or hospitality. The fundamental rule is that gifts and hospitality must not be accepted if this might influence employees' specific decisions or their behaviour.

The individual market-specific companies in Belgium, Germany, Luxembourg and Switzerland must appoint anti-corruption and anti-bribery officers. Each company has internal instructions in place that reflect local law. Regular training ensures that employees are familiar with anti-corruption regulations and are informed of any changes to the legal situation.

Annual compliance reporting makes it possible to monitor compliance with these rules and to intervene where necessary. No incidents of corruption were reported in the reporting year. In the underwriting guidelines, bribery and corruption were also identified as a risk that we take into account when excluding various business activities (see also page 102).

Respect for human rights

Respect for human rights and for employee rights is very important to us in our business activities and under our investment and underwriting strategy. With insurance operations in Europe, we expressly acknowledge the global values and laws pertaining to human rights. Our objectives and approach with regard to human rights are set out in our Group-wide Respect for Human Rights Policy.
www.baloise.com/policy-human-rights

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

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

We have also signed up to the UN Principles for Sustainable Insurance (PSI) and the UN Principles for Responsible Investment (PRI).

Organisation and compliance

Our approach reflects the business activities that we carry out as:

- a provider of insurance and financial services (underwriting guidelines);
- an employer (Code of Conduct);
- a buyer (purchasing guidelines).

We have appropriate policies and processes in place in this context. Annual risk analyses are conducted, and the risk in connection with respect for human rights is assessed annually as part of the compliance reporting. If material risks are identified within the Baloise organisation or in the supply chain, suitable measures must be taken in response, whether this be taking steps to ensure compliance or terminating a supplier relationship. An independent function in the Company (Compliance, Internal Audit) oversees implementation of the measures. Our independent system for reporting violations is also available for reporting human rights concerns.

Further information:
www.baloise.com/compliance
www.baloise.com/code-of-conduct
www.baloise.com/privacy-policy
www.baloise.com/policy-bribery-corruption
https://baloise.integrityplatform.org
www.baloise.com/sustainability (compliance standards and investment policies)

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Sustainability KPIs – governance

Governance [1]

	Unit	2023	2022	Reference, corporate governance report
Board of Directors [2]				
Independence	%	100	100	Page 36
Average term in post	years	5.0	3.6	Page 36
Diversity on the Board of Directors [2]				
Number of women on the Board of Directors		3	4	Page 36
Proportion of women on the Board of Directors	%	33.3	40.0	Page 36
Average age of the members of the Board of Directors		59	58	Page 35
Remuneration				
Total remuneration of CEO	CHF thousand	1,686.6 [3]	2,140.3	Page 64

1 See **www.baloise.com/corporate-governance**.
2 The cut-off date for calculating the key figures is 31 December 2023. Claudia Dill left the Board of Directors on 31 October 2023.
3 Michael Müller took over as Chairman of the Executive Board on 1 July 2023.

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Responsible underwriting 102

Data governance & security 104

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Financial calendar and contacts 114

Responsible investment

Elements of value creation

- Developing our responsible investment policies on an ongoing basis and adapting to changing external parameters. A large part of the insurance portfolio and the majority of our funds are categorised as sustainable under articles 8/9 of the Sustainable Finance Disclosure Regulation (SFDR) or according to FINMA.
- Starting work on the inclusion of ESG considerations across the whole value chain of our property management in Switzerland
- Undertaking collaborative dialogue with companies and public policy engagement through our memberships of various industry associations (such as PRI, SSV, AMAS, SSF)
- Implementing the ESG training plan with external and internal training courses for our employees in Asset Management
- New active ownership disclosures. Active ownership includes exercising voting rights and engaging in active dialogue with companies in which we invest.
- Signing the Principles of Responsible Investment (PRI) in 2018

Impact of value creation

- Assumption of responsibility for sustainable development and the shaping of our responsible approach to risks and resources
- Starting to give greater consideration to sustainability aspects in our property portfolio, with the aim of making a clear contribution to reducing the CO_2 emissions of buildings
- Providing employees in Asset Management with a broad range of basic knowledge with regard to responsible investing and our policies
- Continuous improvement of our communication and transparency in relation to responsible investment
- Contribution to the fight against climate change by reducing the negative impacts on the environment and society
- Agreement on and compliance with fundamental principles for the integration of ESG into our investment process and the associated reporting on our progress

A sustainable approach in investment

The asset management team is getting behind the Baloise Group's sustainability strategy. We are taking responsibility for investment strategies in relation to both the investment of insurance assets of the Group and the investment of assets from external customers such as pension funds. Our efforts in the area of responsible investment build on our sustainability activities. We are an insurance group that was founded on the idea of community-based risk sharing and attaches particular importance to taking responsibility and putting sustainable development at the heart of everything we do.

The concept of sustainable development and the insurance and financial services industries share some important characteristics, for example the need to act with a long-term focus and to manage risks and resources responsibly. In addition to protecting our own business activity in the long term and thereby securing the jobs of our employees, we aim to actively help to shape the transformation of society in our role as a corporate citizen. Our responsible investment approach addresses sustainability risks and factors and integrates them into the investment process. Environmental and social characteristics as defined in the Sustainable Finance Disclosure Regulation (SFDR)[1] are also considered. This approach is documented in our responsible investment policies. We remain true to our values by acting in accordance with the responsible investment policy.

Highlights from 2023

We took another step forward in the area of responsible investment in 2023. Our advanced responsible investment (RI) strategy came into effect on 1 January 2023 for liquid assets, for some private insurance assets and for the majority of our funds, including fund selection. The development of the advanced RI strategy took account of the SFDR, FINMA Guidance 05/2021 on preventing and combating greenwashing

1 SFDR: Sustainable Finance Disclosure Regulation (EU) 2019/2088.

and the requirements introduced by AMAS for self-regulation of transparency and disclosure for sustainability-related collective assets. The advanced RI strategy allows us to offer a wide range of sustainability-related investment options to customers in Switzerland and the European Union who have sustainability preferences.

We are also making steady progress in terms of transparency and disclosure. We participated in the Climate Disclosure Project (CDP) again in 2023, increasing our transparency around climate risks and emissions data and publishing the most important climate-related data for the insurance portfolio. We also published our second active ownership review in 2023.
www.baloise.com/active-ownership-review

Another important activity in 2023 was providing continuing professional development on the topic of responsible investment to our employees in Asset Management. The focus was on communicating a broad range of basic knowledge, but the training also included information on the new responsible investment strategy. A plan for external ESG training was also implemented to complement the internal offering.

Our approach to responsible investment in 2023

Until the end of 2022, the general RI strategy consisted of exclusions, active ownership elements and the integration of criteria relating to the environment, society and corporate governance (ESG) into the investment process. It still applies to some private assets and bonds that were added to the insurance portfolio prior to 1 January 2023 ('grandfathering')[2]. A small proportion of the funds still apply the general strategy. On 1 January 2023, we began implementing an advanced responsible investment (RI) strategy. This involves general exclusions, wider exclusions, a best-in-class approach, ESG integration and an active ownership strategy. Both responsible investment strategies address the most important principal adverse impacts of investment decisions on sustainability factors.

Our advanced RI strategy is based on four strategic pillars:

1. **Exclusion:** We use systematic exclusions to avoid direct investments that fall within the immediate scope of the responsible investment policy and are exposed to material sustainability risks according to defined criteria. Exclusions are based on an assessment by MSCI Research LLC, a subsidiary of MSCI Inc., a leading global provider of investment decision support tools and services for the investment community. They are applied according to a defined threshold. An absolute exclusion applies for companies whose business activities or practices are linked to controversial weapons. As part of our climate strategy, we also exclude companies involved in coal (at least 10 per cent of their total revenue), producers of unconventional oil and gas (at least 5 per cent of their total revenue) and producers of oil and gas (at least 30 per cent of their total revenue). We also exclude producers of tobacco (at least 5 per cent of their total revenue) and companies that are in serious violation of the principles of the UN Global Compact (UNGC) and the guidelines of the Organisation for Economic Co-operation and Development (OECD) for multinational enterprises.

2. **Best-in-class:** The second pillar of the advanced RI strategy is the application of a best-in-class approach. Under this approach, the portfolio is designed to perform better than its benchmark with regard to sustainability by avoiding the worst bonds in the peer group. As part of the defined strategy, the worst 20 per cent of issuers within the respective sectors or peer group are excluded, based on the MSCI ESG universe. We use the best-in-class approach both for companies and for government bonds.

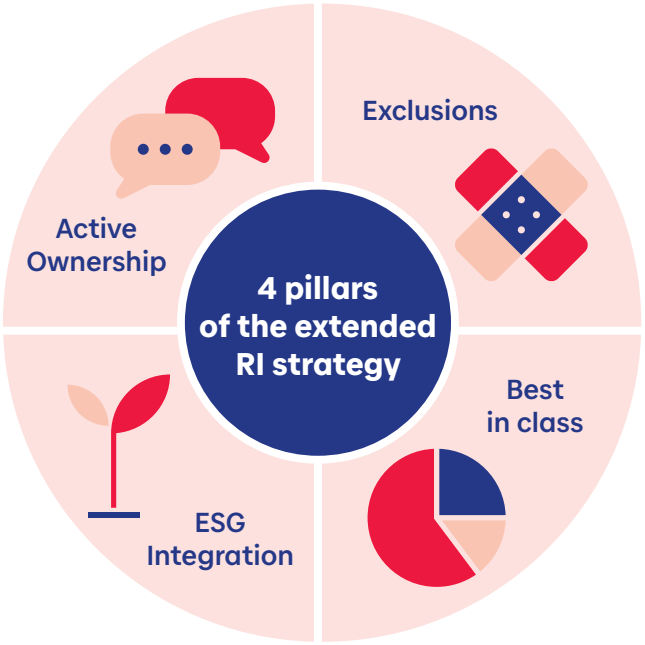
3. **ESG integration:** The investment teams incorporate sustainability risks into the investment analysis to reduce potential negative financial impact or reputational damage from sustainability risks. The portfolio management team is provided with dedicated environmental, social and governance (ESG) data. All investment teams have access to the ESG database of MSCI ESG Research LLC.

2 The relevant bond positions can only be held if they comply with the general strategy. A review is carried out at least once a year to see whether grandfathering should be continued for these positions.

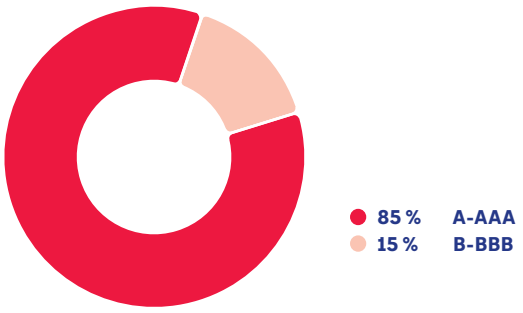
4. **Active ownership:** Active ownership is an integral part of our approach to responsible investment. The active ownership strategy consists of the following four pillars:
   4.1. **Proxy voting:** We exercise the voting rights of listed Swiss equities in the actively managed insurance portfolio in accordance with the principles of a good and ethical corporate governance approach. Additional sustainability criteria are also an integral element of the proxy voting instruction, which was extended in 2023 to include additional ESG criteria. Proxy voting is an important tool for meeting our responsibility as an investor. Proxy voting at AGMs allows us to exert influence on a company's governance and policies, particularly with regard to sustainability, ethical standards and corporate governance. This ensures that our investments meet social and environmental criteria, as well as financial criteria, and encourages companies to act responsibly.
   4.2. **Direct corporate dialogue:** Direct company engagement involves entering into constructive dialogue with companies in which we are invested in order to address specific sustainability-related matters. Under the advanced RI strategy, direct engagement is used in the following cases:
   - Deterioration of the MSCI ESG rating (final industry-adjusted company score) of a company after inclusion in the portfolio so that the investment no longer meets the requirements of the best-in-class approach
   - Serious breaches of minimum standards of conduct in areas such as human rights, employment, the environment and anti-corruption, defined as 'red flag' by MSCI.

   The primary aim of direct engagement is to help rectify the cause of the deterioration in the MSCI ESG rating or the failure to respect the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.
   4.3. **Collaborative corporate dialogue**: As well as engaging directly with companies, we also join groups of like-minded shareholders who are concerned with the same sustainability issues, in a process known as collaborative engagement. Collaborative discussions with companies can be conducted through participation in initiatives such as Climate Action 100+ or the PRI cooperation platform.
   4.4. **Public policy engagement:** We also work with public authorities on ESG topics in certain policies. This takes place through our active involvement in various associations of which we are members:
   - PRI (Principles for Responsible Investment), an initiative supported by the United Nations that focuses on responsible investment practices
   - SIA (Swiss Insurance Association), the association of Swiss insurers
   - AMAS (Asset Management Association Switzerland), an association representing the interests of the asset management sector in Switzerland
   - SSF (Swiss Sustainable Finance), an organisation devoted to the promotion of sustainability in the Swiss financial sector.

These memberships provide support on specific or broader ESG topics such as reducing CO_2 emissions, decarbonising the economy and protecting biodiversity. The focus areas also help to guide us in the selection of possible collaborative corporate discussions as part of our active ownership strategy.



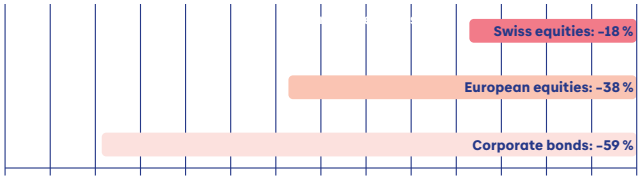
Distribution of the ESG ratings of our insurance investments



Source: Baloise Asset Management/MSCI, December 2023, equities and bonds with MSCI ESG rating, covered by the RI strategy; without weighting. As at 31 December 2023, the insurance portfolio included one position (0.02%) with an MSCI ESG rating of CCC.

The insurance portfolio relative to the CO_2 benchmark

(weighted average tonnes of CO_2/$M revenue)



Source: Baloise Asset Management, MSCI/data basis as at 31 December 2023: Swiss equities relative to SPI, European equities relative to MSCI EMU large-cap equities and corporate bonds relative to the Bloomberg Global Aggregate Index. The evaluation includes scope 1 + 2 of all securities covered by the RI strategy. Note: the benchmarks for our equities investments were changed in 2023.

The Baloise Asset Management climate strategy is an integral element of our responsible investment strategy. Under the climate strategy, we contribute to combating climate change by reducing the negative impact on society and the environment, while the risks arising in connection with climate change are managed prudently in the portfolio. We use the data provided by MSCI Ltd. for this.
www.baloise.com/am-climate-strategy

Four pillars of the Baloise Asset Management climate strategy

Exclusion

Reduction of physical and transition risk



ESG integration

Incorporation of ESG, including climate risks, into portfolio management



Commitment

Collaborative business dialogue, including climate-related topics



Transparency

Reporting on climate issues for investments



Additions to the responsible investment strategy in 2023

In 2023, we focused on the implementation of the advanced RI strategy. Building on the general responsible investment strategy, an advanced responsible investment strategy was developed for liquid direct investments, investments in target funds and for some of the private assets, which covers the following:

- Additional exclusions for companies and target funds relating to compliance with international standards, such as the UN Global Compact, and revenue from tobacco, conventional oil and gas and conventional weapons
- Additional exclusions for government bonds in the areas of human rights and climate
- A best-in-class approach based on the ESG (environmental, social and corporate governance) performance of companies and government issuers. Under this approach, the portfolio is designed to perform better than its benchmark with regard to sustainability by avoiding the worst bonds in the peer group. As part of the defined strategy, the worst 20 per cent of issuers or target funds within the respective sectors or peer group are excluded, based on the MSCI ESG universe.
- Direct corporate dialogue as an extension of the active ownership activities. We seek constructive dialogue with companies through our direct engagement activities, with the aim of addressing specific sustainability issues. The Baloise departments involved analyse the individual engagement opportunities based on data supplied by MSCI ESG Research LLC and publicly accessible documentation.
- Addressing principal adverse impacts as required under the Sustainable Finance Disclosure Regulation.

Based on these changes, updated Baloise responsible investment policies for insurance assets and for external customers and investment funds were published, along with the updated active ownership policy.
www.baloise.com/policy-insurance-funds
www.baloise.com/policy-third-party-assets
www.baloise.com/policy-active-ownership

Responsible real estate management

We are one of the biggest property owners in Switzerland. According to the Federal Office for the Environment (BAFU), buildings are responsible for around a quarter of all greenhouse gases emitted in Switzerland. As a responsible investor, we recognise that we have an obligation to help to reduce CO_2 emissions from real estate in accordance with the global climate strategy. We aim to make our property portfolio in Switzerland more sustainable and to improve the expected risk-return profile. ESG considerations play an important role across the whole real estate value chain. This begins with the planning and development of building projects or the acquisition of portfolio properties and continues through to operational management and renovation, demolition or divestment. At the core of the value chain is a resilient property portfolio in which lifecycle costs are reduced through proactive planning and action. We are working to systematically integrate the relevant sustainability-related areas. A first step towards this is the new policy that was introduced on 1 January 2023. It describes how the Baloise real estate team should implement a forward-looking environmental and energy policy for the properties held directly by the Swiss insurance units. In 2023, work began on the integration of an energy management system (EMS) in order to have real energy consumption values available throughout the Group.

For further details, see the Baloise responsible investment policy for real estate.
www.baloise.com/richtlinie-immobilien (only in German)

The next steps

Going forward, we will continue to press ahead with the development of our responsible investment strategy. We will also continue implementing the requirements of the Sustainable Finance Disclosure Regulation (Regulation (EU) No. 2019/2088). The collection and evaluation of climate-related data for financial assets will also play an important role. Over the course of 2024, we will continue to develop the climate roadmap we previously announced. The transparency requirements for financed emissions will also be expanded in connection with Baloise's TCFD (Taskforce for Climate Related Financial Disclosure) reporting. TCFD offers a framework for companies to report on the financial impacts of climate change on their business activities. The implementation of the expanded active ownership activities will also be a priority. A new active ownership review is planned. A further focus will be on the strategic development of our advanced RI strategy. We are keeping a very close eye on regulatory developments in the EU and Switzerland so that we can align our activities accordingly

Responsible underwriting

Objectives of responsible underwriting
- To be a reliable partner for customers whose business model is currently undergoing a transformation
- To implement the Principles for Sustainable Insurance (UNEP FI PSI) **www.unepfi.org/insurance/insurance**
- To manage potential ESG-related losses and risks for Baloise
- To make use of opportunities

Impact of responsible underwriting
- Integration of ESG criteria into the underwriting guidelines and dialogue on this subject with our customers
- Support for the transition of the real economy to sustainable business models
- Expanded risk perspective though identification and mitigation of ESG risks, and adaptation
- Further development of our core business to ensure it remains viable in future

Sustainability criteria in the underwriting policy

Through our products and services, we can influence the behaviour of the companies and individuals whose activities we support and help them to become more sustainable. We see ourselves as a reliable insurance partner to customers whose business model is currently undergoing this transition. We aim to work with them as partners, understand the challenges they face with regard to sustainable development, and support them.

In August 2020, we signed up to the Principles for Sustainable Insurance (PSI), which include the gradual integration of sustainability aspects into our underwriting guidelines. The process described shows how we are actively working to live up to our commitment.

The integration of sustainability aspects into our underwriting guidelines is a risk management instrument that can be used to support the transition of the real economy to sustainable business models, to minimise potential losses and to optimise risks for Baloise. We actively manage critical ESG risks in our underwriting policy. Where they exist, we mitigate them and where they could arise, we avoid them. This view of risk is complemented by the exploitation of opportunities. For example, we are committed to encouraging the use of renewable energy sources through our insurance solutions.

Managing identified risks

Through Group-wide collaboration between the non-life, life and group life insurance businesses, as well as the risk management and sustainability teams, we have identified the economic activities that represent high risks in connection with the following areas:
- Climate change
- Environmental damage including air or water pollution
- Protected species and areas
- Biodiversity
- Non-sustainable practices
- Human rights and employment rights
- Product quality and safety
- Bribery and corruption
- Healthcare

These risks are not only a reputational risk but also a financial risk for us, as they affect customer behaviour, climate-related major loss events, the valuation of investments and the disruption of business operations for us and our customers. The identified economic activities are assessed for the above risks once they exceed a certain threshold. The use of a threshold ensures that the customer relationships that are relevant in an ESG context are assessed (see ‘Risk management’ chapter from page 26 onwards).

Assessment process

Since 2022, an assessment process has been in place for actuarial sustainability risk management that includes the evaluation of risks based on exclusions and sensitive areas. The assessment process involves both the relevant departments and our sustainability experts. When a request for a quotation is received, the economic activity is examined by the department on the basis of the defined exclusions and sensitive areas. Part of this review is automated and part is done manually. If the activity to be insured is a defined exclusion or a sensitive area, the department makes an assessment of the risk. This assessment considers the nature of the requested insurance benefit, the requested insurance volume, the company's revenue and details of its activity. If the revenue and insurance volumes exceed a defined threshold, a review must be carried out within the UW ESG boards of the relevant national units that are involved in the decision-making process. These decisions are documented. The decision-making bodies of the national units are made up of senior managers from the insurance and risk management departments and sustainability experts. Recorded training sessions are available internally, which are designed to promote assessment expertise in the departments. The sustainability experts of the national units also have a software solution to help them assess ESG risks in companies (see 'Risk management' chapter from page 26 onwards).

Transition and exclusions

In 2022, we began integrating environmental, social and corporate governance criteria into our underwriting guidelines. This means that certain economic activities are subject to an ESG assessment as a condition of Baloise continuing to provide insurance, or that existing customers in these defined risk areas continue to receive insurance cover during a transition period. The plan for structured dialogue with existing customers and their transition phase is still being developed. So far, no accounts have been terminated as a result of this assessment (or the transition periods are still ongoing) and the relevant processes are currently being finalised.

Certain sections within the value chain of the following economic activities, such as production, manufacture and extraction, are excluded:

- Fossil fuels
- Tobacco products
- Infrastructure and dam construction with critical impact on protected areas in non-OECD countries
- Controversial weapons
- Fast fashion

The above exclusions are consistent with our responsible investment policy. Other economic activities may also be subjected to an ESG assessment involving the department concerned, sustainability experts and external data.

During the transition phase, the development of a sustainable business model will be discussed and agreed with existing customers in the above areas so that we can continue to insure them. It is important to engage in this dialogue in order to understand the individual business model in the context of the relevant industry and determine how it fits in with the underwriting guidelines. Unless otherwise contractually agreed, the transition phase is three years. An important criterion that we consider in this phase is the development of a transparent disclosure process, including objectives and progress towards achieving them. We also look at commitments entered into, such as recognised disclosure standards or industry practices in relation to sustainability. This is another important criterion as it enables us to gauge the progress of our customers towards having a sustainable business model.

Group-wide results of the ESG assessments in underwriting in Germany, Belgium, Luxembourg and Switzerland

	2023		2022	
	Non-life	Life	Non-life	Life
Rejection of request following assessment by a sustainability manager and/or the UW ESG Advisory Group	5	1	5	1
Acceptance of request following assessment by a sustainability manager and/or the UW ESG Advisory Group	32	6	70	17
Total requests	**37**	**7**	**75**	**18**

The above figures refer exclusively to new business. In Germany, Life business refers only to private customers, who are not subject to this assessment. The reduction in numbers is due to the additional experience acquired since ESG criteria were first implemented in 2022.

Data governance & security

Objectives of information security and data protection

- Effective information security and guaranteeing data protection
- Combination of people, processes and technology
- Group-wide discussion and education, together with training and professional development of employees, on the topics of data protection and information security, advanced analytics, machine learning and artificial intelligence
- Deployment of efficient technologies with ever more intelligent automation
- Adherence to key data protection principles, including regular review of the principles
- Early detection and identification of, and rapid and efficient response to, cyber attacks; regular resilience checks
- Implementation of data governance across the Group
- Group-wide crisis team for cyber risks

Impact of information security and data protection

- Protection of Baloise's information and data from misuse, unintentional disclosure, destruction, alteration and interference at all times
- Foundation for the continued functioning of Baloise operations and of our value-creating activities
- Transfer of knowledge regarding important topics for the future and their application
- Balance between security, data protection, risk-based measures and user-friendliness
- Strengthening trust between Baloise and our customers, partners and employees with regard to the protection and use of data
- Appropriate security culture and an understanding of individual responsibility in relation to data protection and information security
- Supporting mechanisms for enforcing the rules and procedures, and for identifying threats
- Continuous strengthening of cyber resilience
- Ability to react immediately, appropriately and effectively in the event of a crisis

Information security policy and the independence of the CISO role

In 2023, a number of adjustments were made to the information security policy, including the further strengthening of the independence of the CISO role. The Chief Information Security Officer (CISO) is now required, together with the Chief Risk Officer (CRO), to report twice yearly to the Investment and Risk Committee of the Board of Directors and to the Group Risk Committee. This strengthens the independence of the IT function, because the reporting no longer has to be done jointly with the Chief Technology Officer (CTO) as was previously the case. This ensures comprehensive monitoring and governance at management level.

Continuous improvement

We are continuing our Journey to the Cloud (J2C) as part of the Simply Safe strategy. This is a two-stage process, going first to the private cloud and then to the public cloud. We are partnering on the project once again with IT service provider HCL Technologies, which operates our Journey to the Cloud infrastructure and is working on its further development. Other key topics for Simply Safe: Season 2 included the [...] of systems, vulnerability management and the protection of backup data. Implementation formed part of the Simply Safe: Season 2 strategy.

The ongoing implementation of the privileged access management (PAM) solution was another key focus area. Version 1.5 was implemented in 2023, ensuring compliance with the PAM guideline. The next PAM project, PAM 2.0, is about to be launched. This will strengthen the link between identity management and access management, improving governance.

Privileged Access Management
Privileged Access Management (PAM) is a security mechanism that protects the special rights of users who have greater access than standard users. It includes the careful management and protection of privileged accounts whose compromise would present a risk for the security of the Company's systems and confidential data.

Journey to the Cloud (J2C)
Our Journey to the Cloud involves relocating IT infrastructure to the private and public cloud to make it more efficient, secure and cost-effective. This includes migrating applications and data to the cloud, implementing security measures and training IT employees in the new technologies. Merging development and operations helps to improve the collaboration and efficiency of our IT department.

Cyber security and cyber resilience

Additional security measures were introduced in 2023 to combat the rising incidence of corporate cyber attacks. The introduction of red teaming attacks and close collaboration with Bug Bounty Switzerland (Swiss ecosystem for collaboration between ethical hackers and security researchers) generated some important findings. These cyber security tests are an integral component of the security strategy and have helped to strengthen the Group's ability to fend off potential threats. The cooperation with external partners provides a comprehensive approach for ensuring that information is kept secure.

We made our cyber resilience activities a key priority in 2023, particularly in connection with the Journey to the Cloud project. In the first half of 2023, a gap analysis was carried out to look at digital operational resilience (DORA). Specific measures were developed to address the gaps identified. These gaps will be closed in 2024 and DORA compliance will be achieved by the end of 2024.

Red teaming
Red teaming is a proactive security strategy where external or internal security experts play the role of attackers. The objective is to exploit weaknesses and security vulnerabilities to test a system's defence mechanisms. This approach gives companies a realistic picture of their security infrastructure and enables them to identify potential attack routes.
Tasks of the red team:

1. To simulate realistic attack scenarios as a means of identifying security vulnerabilities that could be overlooked in conventional tests.
2. To use external red teaming services to obtain independent and objective assessments of the security situation.
3. To identify weaknesses in order to improve response capabilities and implement preventive measures.

Identity & Access Management
Identity & Access Management (IAM) is a transparent and efficient organisational structure that ensures the organisation's employees are given the necessary permissions and system access promptly, effectively and, above all, securely so that sensitive company information is protected in accordance with internal and external requirements. In addition to the administration of identities and permissions, it also includes all associated responsibilities, rules and processes.

DORA
The Digital Operational Resilience Act is an EU regulation that entered into force in January 2023. It aims to improve the digital operational resilience of EU financial enterprises and their third-party information and communication service providers and to establish a standardised EU-wide regulatory framework. Companies and organisations covered by the regulation have 24 months within which to implement and meet its requirements.

Data protection and compliance

The Swiss Data Protection Act came into force in 2023, bringing Switzerland into line with the General Data Protection Regulation (GDPR) of the European Union (EU). This had important implications for our data protection practices.

The implementation of data governance in the national units was another key focus in 2023. The creation of a Group-wide policy for adjustment to local circumstances, the establishment of a data organisation and the implementation of GDPR requirements – including deadlines for erasure and data protection audits – illustrate the efforts being made to pursue a comprehensive data strategy. A data ethics charter was published and a specific governance model for Microsoft GenAI solutions was established.

More than 20 advanced analytics applications, including solutions for fraud detection and risk consolidation, were successfully implemented. This also entailed the transposition of a fraud solution from Switzerland to Belgium and the implementation of risk-position consolidation from Belgium to Germany. An intensive, Group-wide collaboration for the use of large language models (LLM) such as ChatGPT is currently ongoing.

Certification

We are currently working on the development of an information security management system (ISMS). When completed, we will seek certification under ISO 27001 and SOC 2 to guarantee the highest security standards.

IT infrastructure and security

We are tackling the dismantling of legacy systems (outdated computer software that is still in use) as we transition to state-of-the-art solutions which will make us more efficient and more resilient. The backup protection provided by the data management software Cohesity is a key element to ensure that the backup data is protected against even severe attacks and that we are not vulnerable to blackmail.

Ensuring IT security across the whole value chain, at partners, providers, etc. remains another key focus area. Regular risk assessments and the definition of exit strategies for providers are important elements of these activities. End-to-end IT security will be the main focus of information security in the next three to five years, with a view to increased outsourcing.

Data protection breaches and crisis management team exercise

Fortunately, there have been no major data breaches since 2022. We were able to use the experience gained to stabilise our IT situation. We are now well prepared in terms of both data breaches and general security incidents. This also became clear during the annual crisis management team exercise, which was carried out across the whole Group for the first time in Baloise's history. All local crisis management teams of the national units were activated and were able to rehearse their coordinated response. Particular emphasis was given to crisis communication in the event of an incident. We are continuously improving, and are therefore confident and well prepared for the future.

In the event of a cyber attack, the following procedure comes into play: the Detection team identifies anomalies which are then analysed by the Security Operations Center (SOC) and the Cyber Security Incident Response team responds accordingly. If the situation cannot be controlled, the crisis management teams take over.

Employee development and training

The planned training programme to promote data literacy among middle and senior management was successfully implemented in 2023, as was the plan for a data culture programme for other employees. Internal Open X Days fostered data literacy through presentations and discussion of data-specific content. The AI executive bootcamp in September, held in partnership with the Boston Consulting Group (BCG), honed awareness of artificial intelligence and emphasised the importance of improving the digital literacy of the workforce.

Local business intelligence communities and an international data science community were established, the latter of which will also be responsible for supporting our analytics platform. A retrospective pulse check revealed a great deal of potential for 2024. The creation of the central AI Circle unit focused in particular on GenAI and how it can be used within the organisation.

Raising employee awareness of information security issues was also a key focus area this year. A special training programme that sends out regular phishing emails to employees allows them to practise identifying suspicious emails. More than 240,000 training emails were sent in 2023, of which 1.8 per cent were not recognised as suspicious. Although this figure is an encouraging improvement on last year, there remains a need for ongoing awareness measures to improve security competence within the organisation.

Manpower in IT

The IT security department has 30 employees, out of a total of 900 IT employees across the Group.

Through continuous efforts to drive up security standards, incorporate new technologies and promote a data-driven culture, we were able to strengthen the resilience of Baloise and thereby achieve one of our main objectives for 2023.

www.baloise.com/it-security

Global Reporting Initiative (GRI): reference table

The table below lists the aspects of the Global Reporting Initiative (GRI) that we cover in our reporting.

GRI standards	Information	Reference
The organization and its reporting practices		
GRI 2: General Disclosures 2021	2-1: Organizational details	Annual Review page 10-11, 112
	2-2: Entities included in the organization's sustainability reporting	Annual Review page 112
	2-3: Reporting period, frequency and contact point	Annual Review page 114
Activities and workers		
GRI 2: General Disclosures 2021	2-6: Activities, value chain and other business relationships	Annual Review page 10-11, 14-15, 20-21
	2-7: Employees	Annual Review page 59-61, 82
Governance		
GRI 2: General Disclosures 2021	2-9: Governance structure and composition	Annual Review page 24-25; Annual Report page 33-51
	2-10: Nomination and selection of the highest governance body	Annual Report page 39
	2-11: Chair of the highest governance body	Annual Report page 37, 42
	2-12: Role of the highest governance body in overseeing the management of impacts	Annual Review page 24-25, 88-89
	2-13: Delegation of responsibility for managing impacts	Annual Review page 24-25
	2-14: Role of the highest governance body in sustainability reporting	Annual Review page 24-25
	2-15: Conflicts of interest	Annual Report page 41
	2-19: Remuneration policies	Annual Report page 53-76
	2-20: Process to determine remuneration	Annual Report page 53-76
Strategy, policies and practices		
GRI 2: General Disclosures 2021	2-22: Statement on sustainable development strategy	Annual Review page 6
	2-27: Compliance with laws and regulations	Annual Review page 88-89
	2-28: Membership associations	Annual Review page 30
Stakeholder engagement		
GRI 2: General Disclosures 2021	2-29: Approach to stakeholder engagement	Annual Review page 16, 20-23
GRI 3: Materiality analysis and list of material topics		
GRI 3: Material Topics 2021	3-1: Process to determine material topics	Annual Review page 22-23
	3-2: List of material topics	Annual Review page 22
Risk management		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 26-29
Successful business development		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 22-23
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	Annual Review page 37; Annual Report page 79-85
	201-3: Defined benefit plan obligations and other retirement plans	Annual Report page 53-76

GRI standards	Information	Reference
Good corporate governance and corporate culture		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 24-25
	205-2: Communication and training about anti-corruption policies and procedures	Annual Review page 88-89
	205-3: Confirmed incidents of corruption and actions taken	Annual Review page 88-89
GRI 206: Anti-competitive Behavior 2016	206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annual Review page 88-89
Customer orientation		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 68-74
Corporate governance		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 24-25
Product and service offering to promote responsible customer behaviour		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 68-74
Consideration of ESG criteria in underwriting		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 102-103
Own indicator	ESG assessments in underwriting	Annual Review page 103
Integration of ESG in investment management		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 97-101
Own indicator	ESG ratings of our insurance investments	Annual Review page 99
Decarbonisation		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 48-53
GRI 302: Energy 2016	302-1: Energy consumption within the organization	Annual Review page 54
	302-2: Energy consumption outside of the organization	Annual Review page 54
	302-3: Energy intensity	Annual Review page 54
	302-4: Reduction of energy consumption	Annual Review page 54
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions	Annual Review page 54
	305-2: Energy indirect (Scope 2) GHG emissions	Annual Review page 54
	305-3: Other indirect (Scope 3) GHG emissions	Annual Review page 54
	305-5: Reduction of GHG emissions	Annual Review page 54
Employee engagement and development		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 68-74
GRI 403: Occupational Health and Safety 2018	403-6: Promotion of worker health	Annual Review page 63-64, 82
	403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Annual Review page 63-64
GRI 404: Training and Education 2016	404-2: Programs for upgrading employee skills and transition assistance programs	Annual Review page 61-63
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	Annual Review page 63-64; Annual Report page 38
	405-2: Ratio of basic salary and remuneration of women to men	Annual Review page 63-64
Own indicator	Employee satisfaction	Annual Review page 59
Responsible investment		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 96-101
	Total number of investments by industry and asset class	Presentation for investors & analysts, page 31
	Description of the approach to integrating ESG factors into investment management processes and strategies	Annual Review page 99-101

GRI standards	Information	Reference
Promotion of sustainable development		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 22-23, 34, 48, 96
Data protection		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 104-107
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Annual Review page 106 (none in 2023)
Comprehensive risk management		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 26-29
Social commitment		
GRI 3: Material Topics 2021	3-3: Management of material topics	Annual Review page 76-79
Own indicator	Community engagement	Annual Review page 78-79, 82

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Financial calendar and contacts

26 April 2024
Annual General Meeting
Baloise Holding Ltd

12 September 2024
Half-year financial results
Publication of the 2024 half-year report
Conference call for analysts and the media

12 September 2024
Investor Update

20 November 2024
Q3 interim statement

25 March 2025
Annual financial results
Publication of the 2024 annual report and annual review
Media conference
Conference call for analysts

25 April 2025
Annual General Meeting
Baloise Holding Ltd

www.baloise.com/calendar

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