UNEP-FI

PRINCIPLES FOR SUSTAINABLE INSURANCE

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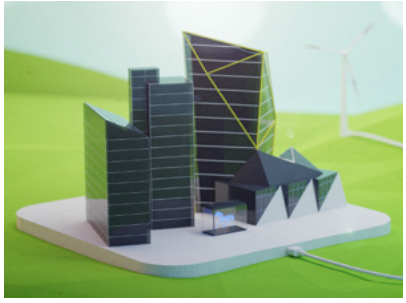
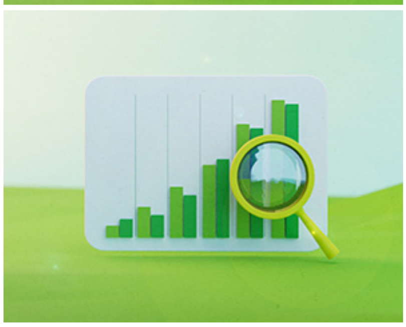
The Principles for Sustainable Insurance (PSI), developed by the United Nations Environment Programme Finance Initiative (UNEP FI), serve as the global framework for the insurance industry to address environmental, social, and governance (ESG) risks and opportunities. By officially joining the initiative on April 29, 2022, we have committed to managing our entire value chain in a responsible and forward-looking way.

At LVM, we are dedicated to shaping a sustainable future. Therefore, sustainability is an integral part of our corporate strategy. For us, it means taking long-term, comprehensive responsibility for both people and the environment. This commitment is reflected in our ecological, social, and business practices.

By signing the PSI, we have decided to actively support this initiative. We report annually on our progress in implementing the PSI principles. This document marks our third progress report, highlighting key activities undertaken in 2025, with references to our broader sustainability report.





Principle 1

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

Sustainability Strategy

Sustainability is an integral part of our LVM corporate strategy. To achieve our goals, we are pursuing seven key areas in our sustainability strategy. The founding of a dedicated sustainability division, along with sustainability representatives in different departments, has established a clear and organized framework for implementing this strategy.

We take a holistic approach to sustainability, aligning our efforts with the ESG criteria, which encompass environmental, social, and governance-related aspects. Our LVM Sustainability Guiding Principle is based on the following approach:

For LVM, sustainability means being a reliable partner and taking long-term and holistic responsibility for people and the environment.

Own Operations

In seven working groups (energy, resources & waste, procurement, green IT, LVM agencies, mobility, events) we aim to reduce CO_2 emissions and resource consumption associated with our business activities.

In 2025, preparations for the installation of twelve additional charging stations for electric passenger vehicles on the company's own premises were completed. The commissioning is planned for 2026. In addition, our vehicle fleet continued to be gradually converted to electric mobility. By the end of 2025, electric vehicles represented 51 percent of the LVM fleet.

Furthermore, LVM is establishing a comprehensive energy database to support the reduction of heat and electricity consumption and to increase the use of renewable heat. Based on an assessment of the carbon footprint of the various event formats at LVM, an implementation guide on sustainability factors is being developed for group-wide use in event planning and delivery.

Sustainable products

Social and ecological criteria will play an even greater role in product design and management in the future.

For example, we implemented several key measures during the reporting year in our motor vehicle insurance. These include protection against climate-related risks, special benefits and additional services for electric vehicles.

In the design of LVM's property insurance, the promotion of renewable energy, electric mobility, sustainable materials, and energy-efficient renovations is considered. This includes, among other measures, the enhancement of insurance cover for heat pumps under residential building insurance, with the aim of facilitating the energy-efficient refurbishment of buildings. Furthermore, climate change mitigation considerations are considered in the design of processes and workflows. This includes the option of conducting video-based claims inspections to reduce on-site assessments, as well as the use of a nationwide partner network of fire and water damage restoration specialists that carry out leak detection, moisture measurements, drying, and restoration work.

Sustainability also plays a central role in life insurance and financial services. In the area of life insurance, several measures have been implemented. These include an expanded fund selection within unit-linked pension insurance products, with the addition of funds that incorporate social and environmental characteristics, as well as the introduction of FutureNow as a corporate pension scheme. In addition to these products, we also offer our customers products with sustainability features in financial services.

Sustainable investments

Asset investment is our most significant lever for sustainable development. In pursuing responsible investment, we can promote the shift towards a more sustainable society, while avoiding risks and taking advantage of opportunities for generating returns. Back in 2017, we set our own exclusion criteria. By signing the United Nations Principles for Responsible Investment (UN PRI), we have committed to taking six environmental, social, and corporate governance aspects into account. Also, we joined the Net-Zero Asset Owner Alliance (NZAOA) in 2021, setting ourselves the goal of reducing the CO_2 emissions of our entire investment portfolio to net zero by 2050. Therefore, LVM has implemented a range of measures in its capital investment strategy that address climate-related concerns. These include:

- Investment exclusions
- Emission reduction requirements for external fund managers
- Criteria for the selection of fund managers and fund investments
- Implementation of an engagement program
- Sustainable investments aligned with the environmental objective of climate protection
- Risk management related to flooding and heavy rainfall

Responsible employer & contractual partner

We are constantly striving to expand support for our employees, agency owners, and their sales representatives to strengthen LVM's attractiveness as an employer and contractual partner. For the employees of the head office, this means strengthening our pioneering role, for example through targeted activities in New Work. In addition, we will expand our commitment to our sales force – as well as office staff – by offering enhanced training and development opportunities, promoting healthcare, and supporting the balance of family, work, and care responsibilities. Even though LVM is already well-positioned as a responsible employer and reliable partner, we want to develop further in this area. That is why we regularly ask our employees, trusted advisors, and their employees where to improve.

Diversity

LVM is diverse. We aim to make this diversity even more visible and become even more diverse in the future. This includes taking more perspectives into account in teams and decision-making processes or when communicating with applicants and customers. Taking more perspectives into account offers a variety of points of view – characterized by experience, drive, different origins, or different gender perspectives. Even though we at LVM have already taken some important steps in these areas, we know that we can do even better. Therefore, we introduced a diversity audit and launched a learning journey on the topic of Diversity, Equity, Inclusion, and Belonging.

Social engagement

We assume social and societal responsibility. For example, we support sports, cultural, and social institutions. In addition to new projects in environmental protection and nature conservation, we will increase our support for the integration of people with disabilities into society.

Governance

We are accountable and communicate transparently by regularly disclosing our progress in implementing the sustainability strategy. An important milestone for us was joining the Principles for Sustainable Insurance.

The overall responsibility for sustainability lies with the Board of Management. The sustainability strategy has been approved by both the Board of Management and the Supervisory Board, and its implementation is reported on regularly. The sustainability division, which is embedded within the department of the Chairman of the Board of Management, coordinates the implementation of the strategy and reports directly to him.

While the specialist departments are responsible for implementing sustainability measures, sustainability managers across departments support this process and ensure alignment with LVM's sustainability objectives.

Sustainability in risk management

LVM's risk management system takes sustainability risks into account when they may have a negative impact on the company. These risks can arise from environmental, social, or governance-related events or conditions and may lead to deviations from strategic or operational targets. Rather than being treated as a separate risk category, sustainability risks are considered a cross-cutting issue that can affect all existing risk categories.

Focus on customers' needs

Customer satisfaction is a key success factor at LVM. Our aim is to be among the insurers with the most satisfied customers. To this end, we continuously tailor our products, advice, and services to changing customer needs.
Close cooperation between our agencies, field sales representatives, and internal service teams enables personalized, competent, and efficient support. With more than 2,100 agencies, we ensure strong local accessibility. As signatories to the Code of Conduct of the German Insurance Industry, we also commit to high standards of qualification and reliability in customer advisory services.

Principle 2

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

Dialogue with customers
As part of our advisory process for insurance-based investment products, we have expanded the assessment of suitability to include a review of customers' sustainability preferences in accordance with current European regulatory requirements for distribution of insurance.

Engagement approach to investment
In our investment strategy, we have partly adopted an engagement-based approach – actively encouraging companies to operate more sustainably. We believe that constructive dialogue with the companies we invest in allows us to positively influence their behavior and promote long-term value creation.

As active investors, we advocate for and demand sustainable investment practices wherever possible. Engagement is a key lever for reducing portfolio emissions. To this end, we pursue targeted engagement with listed companies in our portfolio on climate-related issues, supported by our stewardship partner EOS at Federated Hermes.

Procurement
Our culture of trust is built on transparency, openness, and respectful interaction with employees, representatives, customers, and suppliers. A core element of this culture is our commitment to upholding internationally recognized human rights.

To prevent, mitigate, or address potential human rights and environmental risks in our supply chain, we have implemented a risk management process in line with the requirements of the German Supply Chain Due Diligence Act (LkSG). This process includes a range of due diligence obligations, supported by clearly defined internal responsibilities and procedures. It covers key human rights and environmental concerns, such as the prohibition of child and forced labor and the protection of freedom of association.

We also recognize our responsibility for the environmental impact of our procurement activities. To this end, we have significantly expanded the database regarding the ecological footprint of our procurement in areas such as IT products, vehicles, construction materials, paper, food, marketing materials, and services. This was a crucial step toward identifying targeted measures based on the current state. In dialogue with our suppliers, we have observed a growing awareness of the importance of sustainable procurement.

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.

LVM is involved through memberships, especially in associations. Significant memberships of LVM in ESG-related associations and organizations are:

- **German Insurance Association (www.gdv.de)**
  The German Insurance Association (GDV) is the central organization of private insurers in Germany. It represents their interests towards parliament, government, and the public on a national and European level. The GDV hosts numerous working groups in which LVM experts are engaged. For example, we are represented in the Own Operations working group. This working group is concerned with the development of a guideline for dealing with emissions and their accounting.

- **German Sustainability Network, V.E.R.S. Leipzig GmbH (www.gsn-fsi.de)**
  As an industry initiative, the German Sustainability Network offers the insurance industry a platform for discussing, working, and developing issues relating to sustainability. Here, LVM is also represented as a member.

- **Net-Zero Asset Owner Alliance (www.unepfi.org/net-zero-alliance)**
  By joining the NZAOA, initiated and supported by the UN, LVM has reaffirmed its commitment to responsible investing and the goals of the Paris Climate Agreement. Members of NZAOA are 83 international institutional investors managing assets worth a total of approximately €10.5 trillion (as of December 11, 2022). The initiative focuses on redirecting capital and investment flows to transform the real economy to achieve the internationally agreed climate targets.

- **Berufsbildungswerk der Deutschen Versicherungswirtschaft e. V. (www.bwv.de)**
  LVM is a member of the Berufsbildungswerk der Deutschen Versicherungswirtschaft e. V., Regionalverband Münster. In this position we support the activities of the Berufsbildungswerk. LVM employees work as speakers on specialist topics and are members of the examination boards. Moreover, LVM provides the association with business facilities.

- **North Westphalia Chamber of Industry and Commerce (www.ihk.de/nordwestfalen/nachhaltigkeit/)**
  The North Westphalia Chamber of Industry and Commerce (IHK) has recognized that the effects of climate change, the progressive loss of biodiversity, and the growing consumption of resources are causing medium- and long-term adverse conditions for business in the IHK district. As a result, a committee for corporate sustainability was appointed. LVM is represented in this committee by one member. The task of the committee is to draft a target picture that outlines a future-proof and sustainable regional economy. In addition to the regular adjustment of the target picture, the committee proposes interim steps with suitable measures and focal points for action. It drafts key point papers for the plenary assembly and exanges with other committees of the plenary assembly. The committee is organized into further subgroups, for example the Social Sustainability Working Group, in which LVM is represented, too.

- **Climate City Münster – EU project „100 Climate-Neutral and Smart Cities"**
  As one of 100 cities, Münster is developing a Climate City Agreement with the city society as part of the EU project „100 Climate-Neutral and Smart Cities." Citizens, companies, associations, and initiatives: Everyone can contribute on Münster's path to climate neutrality. LVM is also supporting this effort. By achieving its own goals for reducing CO_2 emissions, LVM is also minimizing emissions in the urban atmosphere.

Principle 4

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

Helfen verbindet Menschen
Helping in an uncomplicated way where help is needed – this is the goal of „LVM Helfen verbindet Menschen e. V.". Since 2002, „LVM Helfen verbindet Menschen e. V." is a non-profit association whose mission is to promote social civic engagement. Its three main areas of focus are the promotion of voluntary work, situational disaster relief, and the promotion of large-scale projects.

Transparency is a central part of our sustainability strategy. We attach great importance to openly communicating our sustainability goals and progress and ensuring that this information is accessible to the public. Since 2017, LVM has published an annual sustainability report outlining our key performance indicators, initiatives, and projects related to our sustainability efforts. The Sustainability Report 2025 was prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD).

Further information on compliance with the Principles for Sustainable Insurance and the achievement of our sustainability targets can be found in the Sustainability Report 2025, our homepage, and the UN PRI Transparency Report.

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