

# Materiality assessment – Explanations of relevant topics

## Topics with the greatest materiality

### Staff engagement

We want to promote the wellbeing, health and satisfaction of all our employees at every stage of their career. We offer a modern working environment and flexible work models. Our employees can also actively participate in processes, innovations and strategic projects. We train and develop our employees in accordance with Baloise requirements; this also includes strategic talent management and the development of future leaders. The staff development measures take place both in and away from the workplace. We create a working environment that encourages collaboration between employees in different departments and countries. This collaboration is based on values such as fairness, equality and partnership.

→ SDG 3, 4, 8

### Cyber-resilience and data security

For Baloise, this means handling sensitive data relating to stakeholders such as customers or employees in a secure and responsible way, with the aim of protecting their security and privacy and ensuring compliance with statutory requirements. This also includes ensuring business continuity in the event of a cyberattack and making sure employees are aware of these issues.

→ SDG 8, 9, 10, 12

### Responsible investment – combating climate change and contributing to society

This topic includes the scope and depth of the rules for responsible investment by Baloise Asset Management, including the ESG priorities (E = Environment, S = Social, G = Corporate Governance). Our guideline for responsible investment covers aspects such as the exclusion of certain investment areas, the factoring of climate and environmental aspects into investment decisions and active dialogue with investees. In addition to climate and environmental aspects, we also include social aspects such as respect for human rights and workers' rights.

→ SDG 1, 7, 8, 9, 10, 12, 13

### Interaction with customers and customer protection

We aim to build long-term relationships with our customers and to continuously improve these relationships; we use online and offline interactions to achieve this. Securing the loyalty of existing customers and attracting new ones through actively engaging with customers is important to us. We endeavour to offer products and services that meet the needs of our customers and to avoid providing misinformation or making sales based on misleading information.

→ SDG 1, 3, 4, 12

### Underwriting and product management – combating climate change and contributing to society

We take climate and environmental aspects into account in our decision-making processes for the selection of our customers and the design of our products. We also include social aspects such as respect for human rights and workers' rights.

→ SDG 1, 7, 8, 9, 10, 12, 13

## Other material topics

### Identification and mitigation of risk

This is about promoting risk awareness and identifying and assessing potential risks. It also covers the mitigation of risk, which includes the acceptance of risk. It covers sustainability risks and climate risks.

→ SDG 8, 13

### Business ethics and compliance

This includes internal and external audits and the internal control system as well as rules and measures to prevent money laundering, corruption and tax evasion. We also use it to describe activities of Baloise that go beyond the legal requirements and serve the needs of our stakeholders.

→ SDG 8, 10, 1

### **Contributing to society**

For Baloise, this means paying taxes, creating and maintaining jobs and paying out on claims arising from loss events. We also offer products and services that create added value for the environment and/or society. In addition, we embed social aspects such as respect for human rights and workers' rights across our entire value chain and support charitable organisations that tackle social challenges.

→ SDG 1, 3, 4, 8, 10, 13

### **Development of products and services**

We develop new products and services and optimise existing ones with the aim of meeting the present and future needs of our customers. These include products and services that contribute towards preventing damage from natural disasters or clearing up damage that has occurred.

→ SDG 1, 3, 7, 8, 9, 10, 12, 13

### **Innovation and digitalisation**

This aspect includes innovative processes in the areas of customer advice, provision of information, sales and marketing. In this way we create a corporate culture that is open to innovation and allows both employees and external third parties (such as universities or start-ups) to participate in the development of innovative ideas.

→ SDG 4, 9, 12, 17

### **Responsible partnerships**

We extend and deepen important partnerships in order to promote innovation and sustainable solutions and to meet current and future customer requirements. This includes carrying out assessments based on environmental, social and corporate governance criteria for suppliers, outsourcing partners, brokers and innovation partners in accordance with our code of conduct to create a responsible supply chain. It also includes the evaluation and selection of third party suppliers and a transparent process in the way that our suppliers set their prices.

→ SDG 9, 10, 12, 17

### **Supporting the local community**

This covers activities for charitable organisations in the areas of environment and society, support for voluntary activities, knowledge transfer and the sponsorship and funding of cultural development in the communities where we have offices.

→ SDG 1, 3, 4, 8, 10, 13

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