2025 Annual Report

ARAG Holding SE
Consolidated Financial Statements

Contents

Introduction 2

Overview of the Group 3

2025 at a glance 3

Who we are 6

What motivates us 10

What we offer 14

Group Management Report 19

I. Group Fundamentals 20

II. Economic and Sector Conditions 21

III. Business Performance 21

IV. Outlook, Opportunity and Risk Reports 29

V. Sustainability Report 38

Consolidated Financial Statements 138

I. Consolidated Balance Sheet 139

II. Consolidated Income Statement 143

III. Consolidated Cash Flow Statement 148

IV. Consolidated Statement of Changes in Equity 150

Notes to the Consolidated Financial Statements 152

V. General Disclosures 152

VI. Disclosures on Accounting Policies 152

VII. Basis of Consolidation and Consolidation Methods 161

VIII. Balance Sheet Disclosures – Assets 164

IX. Balance Sheet Disclosures – Equity and Liabilities 166

X. Income Statement Disclosures 167

XI. Other Disclosures 169

XII. Report on Post-Balance Sheet Events 171

Further Information 172

I. Independent Auditor's Report 173

II. Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Sustainability Report 177

III. Report of the Supervisory Board 181

IV. Credits 183

Introduction

2025 was a year of outstanding achievement and sustainable growth for the ARAG Group. ARAG's performance over this time was impressive. It reflects the strength of our business model, our firm customer focus, and the unwavering dedication of our employees.

ARAG once again recorded strong growth in premiums, which increased by 13.2 percent. Premium income amounted to more than €3.1 billion, meaning that we have met our growth target of €3 billion much earlier than planned.

Our legal insurance business is maintaining its leading position internationally and continues to generate strong growth. The health insurance business is also continuing to expand substantially, thus underlining its strategic importance to ARAG. The casualty and property insurance business is seeing steady growth too. This strong performance across the board is boosting our resilience and providing a solid platform for further expansion.

We considerably improved the real benchmark of our success, the underwriting result. Growth and profitability are not mutually exclusive at ARAG.

As in previous years, we are seeing strong demand for our products. In challenging economic and social times, ARAG is helping customers to increase their resilience. Legal insurance and health insurance are becoming increasingly important to them, and our products are positioned exactly where our customers need them.

These achievements would be impossible without the dedication of the entire ARAG team, whose hard work around the world underpins the continued growth of the Group. Our latest corporate culture analysis reveals that 92 percent of employees are fully aware of the impact of their work. We clearly have the right people working on the right tasks.

And so we can look ahead with optimism. Thanks to its corporate strategy, innovative strength, and solid market position, ARAG is well positioned to maintain its successful course. Our ambition remains the same: We focus on excellence in order to deliver for our customers and our partners.

"We focus on excellence in order to deliver for our customers and our partners."

Dr. Dr. h. c. Paul-Otto Faßbender
Chairman of the Supervisory Board of ARAG SE

Dr. Dr. h. c. Paul-Otto Faßbender

2025 at a glance

Key Figures

ARAG Holding SE key figures – consolidated financial statements

(€'000/%)	2025	2024	2023
Sales revenue			
Gross premiums written	3,158,762	2,789,564	2,373,772
Premiums earned net of reinsurance	3,044,224	2,749,116	2,352,907
Sales revenue of non-insurance companies	60,955	53,477	44,257
Expenses			
Claims incurred net of reinsurance	1,663,427	1,502,266	1,205,412
Insurance business operating expenses net of reinsurance	1,058,392	987,690	856,381
Net income overview			
Underwriting result net of reinsurance	104,766	96,117	137,632
Gains and losses on investments	157,114	161,504	121,490
of which included in underwriting result	69,860	64,876	59,140
Other net income/expense	–48,042	–55,724	–64,201
Profit/loss from ordinary activities	149,824	140,973	136,467
Net income for the year	88,735	75,923	86,179
Key ratios			
Claims ratio, net (basis: premiums earned)	54.6%	54.6%	51.2%
Cost ratio, net (basis: premiums earned)	34.8%	35.9%	36.4%
Technical provisions/net premiums earned	206.4%	211.2%	217.3%

ARAG grew across all of its segments and cemented its position as the leading legal insurer worldwide. Gross premium income rose by 13.2 percent. The Group significantly increased its profit before tax to €150 million. This new record was driven by strong net gains on investments (€157.1 million), ongoing high levels of growth in the health insurance business (18.4 percent), and continued increases in gross premiums written in the German (9.2 percent) and international (12.6 percent) legal insurance business.

Premium income/sales revenue:

↗ €3,220 million

2024: €2,843 million

Profit from ordinary activities:

↗ €150 million

2024: €141 million

Combined ratio:

↘ 89.4%

2024: 90.6%

ARAG *remains on its growth trajectory* thanks to strong premium growth, high earnings power, and a robust capital base

Underwriting result net of reinsurance:

↗ €105 million

2024: €96 million

Employees:

↗ 6,500

2024: 6,148

Total gross premium income:

↗ €3,159 million

2024: €2,790 million

Consolidated equity:

↗ €854 million

2024: €792 million

Consolidated net income:

↗ €89 million

2024: €76 million

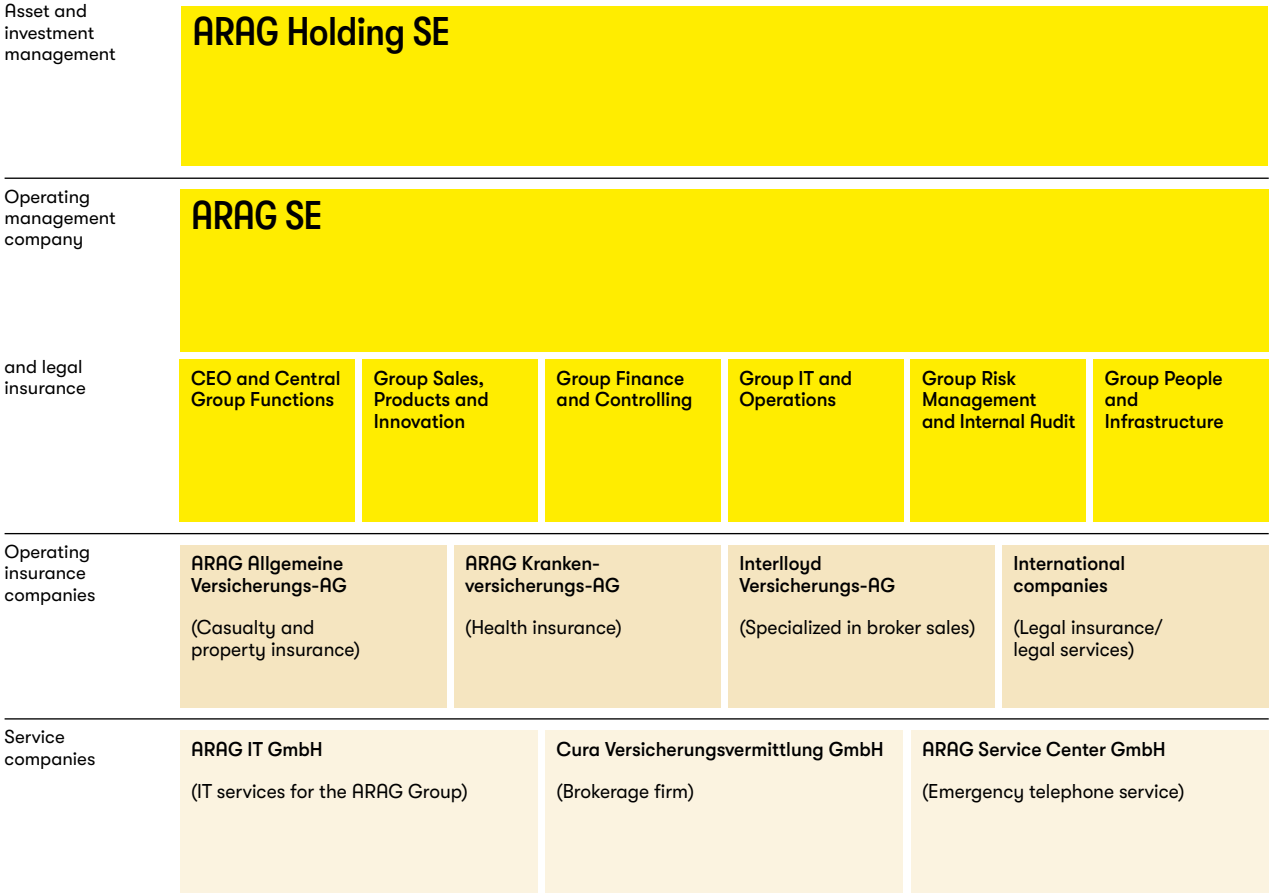
Who we are

ARAG is the innovative high-quality insurer – *international, independent, and family-owned*

Structure of the ARAG Group

The ARAG Group is the largest family enterprise in the German insurance industry and the leading legal insurer worldwide. When it was founded in 1935, the Company focused purely on legal insurance. Today, ARAG positions itself as an innovative and high-quality insurer that is international and independent. In addition to legal insurance, its portfolio in Germany includes effective, needs-based products and services covering health insurance and casualty and property insurance. The Company aims to generate growth across all insurance segments in Germany and to exploit the potential for expansion in the international legal insurance business.

ARAG SE is responsible for operational Group management and the legal insurance operating business at both domestic and international levels. The ARAG insurance and service companies are responsible for the other lines of business and the related operational management. ARAG Holding SE manages the assets and is the parent company of the Group from a company law perspective.



Insurance segments in the ARAG Group

Legal insurance

ARAG SE [1]

- Pivotal in shaping the legal insurance market since the Company was founded
- Innovative product concepts and services provide impetus for the market, worldwide
- Coverage offered in areas of insurance that are normally excluded by the market

€1,842 million
Gross premium income

↗ 2024: €1,653 million

Personal legal insurance and legal insurance for motorists, employees, homeowners and tenants, businesses, trades, self-employed professionals, and associations

Health insurance

ARAG Krankenversicherungs-AG [1]

- Large range of full-coverage and supplementary insurance
- New civil servant insurance business launched in 2023
- Fastest-growing segment in the ARAG Group

€886 million
Gross premium income

↗ 2024: €749 million

Private full-coverage health insurance, supplementary health insurance, long-term nursing care insurance, supplementary nursing care insurance, corporate health insurance, foreign travel health insurance

Casualty and property insurance

ARAG Allgemeine Versicherungs-AG [1]

- Attractive provider of property, liability, and accident insurance
- Modern, innovative product range
- Germany's largest sports insurer, providing cover for more than 21 million recreational sports participants and top-ranking athletes

€430 million
Gross premium income

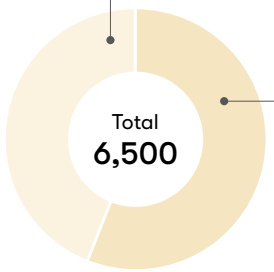
↗ 2024: €388 million

Liability insurance, home contents insurance, accident insurance, accident disability insurance, Top Special Service Package, building insurance, pet health insurance, business insurance, sports insurance

[1] Operating management company

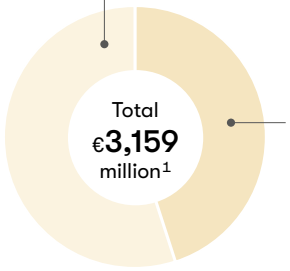
Strong *global presence*

The ARAG Group successfully went global with its legal insurance idea in 1962. It is now the leading legal insurer worldwide and operated in a total of 19 countries in 2025. International business accounted for 67 percent of gross premium income in the legal insurance segment in 2025.



Employees, Germany
2,854 (44%)

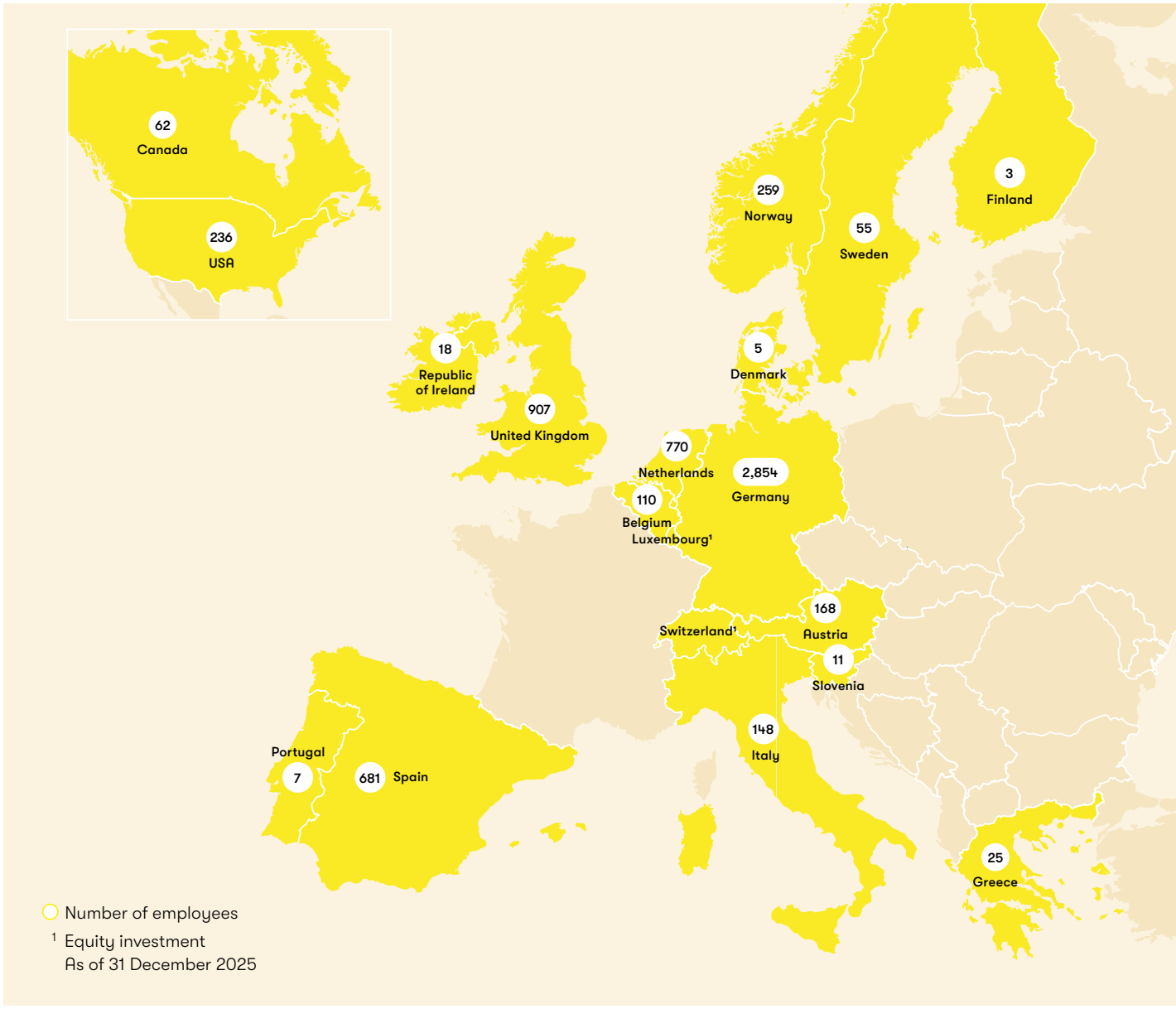
Employees, international
3,646 (56%)



Gross premium income, Germany
€1,750 million[1] (55%)

Gross premium income, international
€1,409 million[1] (45%)

[1] Since 2025, the business acquired from ARAG SE's head office has been classified as part of the international business



What motivates us

ARAG Essentials
These four tenets drive us:

Our founding principle

"Everyone should be able to assert their legal rights – irrespective of their financial situation."

Heinrich Faßbender, founder of ARAG

Our identity

ARAG is the innovative high-quality insurer – international, independent and family-owned.

Our ambition

We help our customers to achieve their goals.

Our values

Pioneering spirit thrives on **openness** and **foresight** – we employ our **drive** with **discipline** and **fairness.**

Actively *shaping change*

ARAG **5>30** is our long-term strategy for sustainable growth and stability in this time of far-reaching change. It is our roadmap for securing our future success and retaining our independence as a family enterprise.

Five areas of action with specific targets will be at the heart of all that we do between now and 2030:

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

Some of what we achieved in 2025:

Target for gross premium income met ahead of schedule
ARAG met its target of €3 billion in gross premium income in 2025, which was five years earlier than originally planned. The Group will continue to grow and increasingly focus on sustainable profitability.

Access to justice – our founding principle in action
Since early 2025, ARAG has supported the national work of the umbrella organization Law Clinics Deutschland e.V. and the regional work of various local law clinics. Under the guidance of qualified attorneys, law students offer free and unbureaucratic legal support to socially disadvantaged people. ARAG supports this contribution to social justice primarily by offering the students relevant training.

AI as a strategic tool across the Group
ARAG's AI Claims Engine (ACE) is an AI solution for handling legal insurance cases. Launched in 2024, it supports attorneys and claims handlers with features that make it easier to process large case files. ARAG added new features in 2025 and started to roll ACE out internationally. Also in 2025, ARAG launched the AI Adoption Platform with the aim of training employees throughout the Group on the use of AI.

Justly *sustainable*

Being a successful family enterprise, our plans and actions are consciously focused on the long term. The wellbeing of future generations is paramount. In order to make a clear contribution to sustainability that is tangible for internal and external stakeholders alike, we ensure that our activities are aligned with the principles of sustainable development.

The ARAG Group understands the importance of the sustainable transformation of the economy and society. We firmly believe that this can only be achieved on the basis of social and political stability. Our position as the leading legal insurer worldwide means that we can play a valuable part in supporting the societal change needed for this sustainable transformation.

We fulfill the obligation incumbent on us as an investor, risk carrier, and operator of our own sites to use all natural resources sustainably. By upholding our founding principle to ensure and protect the equality of all people before the law, we have been contributing to sustainable development – and especially to goal 16 of the United Nations' sustainable development goals (peace, justice, and strong institutions) – throughout our history.

Environment

- Greenhouse gas-neutral investment portfolio by 2050 through active portfolio management: 40 percent reduction in financed carbon emissions by 2030 relative to the 2023 base year. Investment is our main decarbonization lever.
- More green investments
- Integration of sustainable benefits, services, and pricing features throughout the product portfolio

Social

- Access to justice
  - Give customers access to justice at least two million times per year by 2030
  - ARAG DAY with free legal guidance, especially for people in particularly difficult situations; ongoing addition of new offices
  - Germany-wide partnership with law clinics boosts access to justice for vulnerable groups and supports student volunteering.
  - Progressively expand out-of-court conflict mediation services
- Protect children's rights, such as through a long-term partnership with UNICEF (Rights Respecting Schools program)
- Adhere to standards of human rights and equal opportunities; ESG-compliant transformation in underwriting and investment
- Equality and diversity: Progressively increase the number of women in managerial positions until a balanced gender ratio is achieved

Governance

- The ARAG Essentials set out the aims and principles for good and successful corporate governance.
- The ARAG Leadership Essentials translate the ARAG Essentials into leadership behavior.
- ARAG is aware of its role model function when it comes to complying with legal and regulatory provisions.

What we offer

Innovative products – *internationally recognized*

Our aim is to offer our customers quick, simple, and pragmatic assistance in obtaining protection. We see ourselves as a market innovator and regularly add innovative benefits and one-of-a-kind, needs-based services to our product portfolio.

In 2025, our innovative endeavors were focused on the legal insurance and the casualty and property insurance divisions. We are particularly proud of the following developments:

Innovations in the ARAG Top Special Service Package
The Premium version of the ARAG Top Special Service Package is setting a new benchmark: If it takes longer than 90 minutes for roadside assistance to arrive, then a delayed response bonus of €25 per person is awarded. Immediate assistance for accidents pays up to €10,000 per claim in the event of severe injuries. Furthermore, the new accident benefit offers up to €5,000 cover in the family rate scale for damaged items such as smartphones and child seats. Sustainable forms of transportation are eligible for an environmental discount when calculating the premium.

ARAG Italy – legal cover for exceptional circumstances
ARAG Tutela Legale Eventi Catastrofali offers companies cover of up to €25,000 per year for legal costs and appraiser fees after catastrophic events. Customers receive specialist legal support with their defense in criminal trials, with claims for damages, and with proceedings before administrative courts, such as applications for public grants or building permits for damaged buildings.

ARAG Netherlands – new legal insurance for business owners
In June 2025, ARAG Netherlands introduced a new insurance product called 'ARAG Recht voor Ondernemers' aimed at the self-employed and small and medium-sized enterprises. In addition to cover for legal cases that have already occurred, it also offers preventive legal services that no other competitor in the Dutch market provides: mediation for contractual disputes in most European countries, legal advice even where there is no specific dispute, and a document service for producing legally sound contracts to reduce the risk of disputes.

Our awards and seals of approval

As an international insurer offering high-quality insurance, we welcome independent tests to verify the high standards of our products and services. They spur us on to continually improve for our customers and we are of course delighted with the good results, which include the following:

Mindset: *digital*

Going digital offers unique opportunities for ARAG to achieve further growth, and we are shifting our mindset in order to make the most of them.

Digitalization as an opportunity
As a medium-sized insurer, we can leverage our advantages over large corporate groups in the digitalization process. We can fully play to our strengths in terms of innovation, speed, and smart capabilities. And we have the independence, flexibility, and means to utilize our scope for action.

Artificial intelligence has become the norm
There continued to be a high number of AI projects and ideas in the ARAG Group in 2025, both in Germany and internationally. Our vision is to use AI to further expand access to justice for our customers. We aim to be a pioneer in the use of AI in the legal insurance market and are therefore deploying AI in all areas of the Group.

The Group launched the AI Adoption Platform in 2025 to allow all employees across the Group to get involved in this transformation process. This educational and practical platform enables employees to familiarize themselves with artificial intelligence at their own pace, with hands-on elements that are tailored to their area of work and level of knowledge.

Progress in innovation thanks to artificial intelligence
Whether in contact with customers, in product development, or in day-to-day tasks, we are pushing AI in order to develop innovations, accelerate processes, and make better decisions. Here are three examples of how we are currently using AI:

AI Claims Engine (ACE):
The AI assistance system now supports the work of attorneys and claims handlers in the Netherlands, Spain, and Italy by summarizing and extracting the material facts of a case and by drafting letters. We use comparable previous cases to enhance the quality of the letters.

Research inside your claim:
This new AI service has been part of ACE since 2025. The service makes it easier for our employees to work with claims documents, clarify matters, and produce structured summaries of all documents. It enables them to familiarize themselves with complex cases more quickly, find important information, and even take over case files from colleagues.

ODIn 1.0:
Since 2025, ARAG has been using an AI platform that processes written correspondence in batches in order to optimize document and input management. The solution improves automated processing (higher ratio of fully automated processing) through better recognition rates and broader identification and capture of content-related correlations.

Customer *focus*

In this time of rapid and unpredictable change, people's needs, wishes, and expectations are evolving. And so too are we.

We combine peace of mind and individual freedom. All companies say they are customer centric but we are setting new standards, particularly when it comes to customer advice. We inquire about the customer's situation and their wishes, and use that information to draw up a tailored solution with the customer to provide them with protection. The ways in which we connect with customers also cater to different needs. In Germany, we use the following four channels:

ARAG Core Sales
(sales partners who work exclusively for ARAG)

ARAG Partner Sales
for brokers and non-exclusive agents

Direct business
online or by telephone

Sales partnerships
in collaboration with insurance companies, other businesses, associations

We are turning what has become a matter of course in many sectors into normality in the financial sector: the digital provision of advice and conclusion of new business.

We realize that few customers would consider taking out an insurance policy to be a shopping experience. Core Sales is working to change that.

Our services are designed to make taking out an insurance policy feel just as easy as buying consumer goods. For this reason, the advisory and conclusion stages are both paperless. Using our advisory app, our advisors explain products, modules, and deductible options to customers on a tablet. Signatures and a record of the meeting are also provided electronically. In this way, our products and the process combine to make taking out insurance a shopping experience.

We resolve problems conveniently for our customers as they decide how they want to communicate with us – personally or digitally, face-to-face, via instant messaging, by video call, or online.

The outcome?

More than **110,000** new customers in 2025, of whom over **13,000** came from the online business.

A great team

The ARAG Group is an attractive and dependable partner – for its employees too. We are aiming to grow in line with the increase in customer numbers and to offer even more as an employer.

We value diversity

49

In Germany alone, people from 49 nations work at ARAG. And by the way, we signed up to the Diversity Charter back in 2017.

We are hiring – even during times of crisis

444

new colleagues joined us in Germany in 2025.

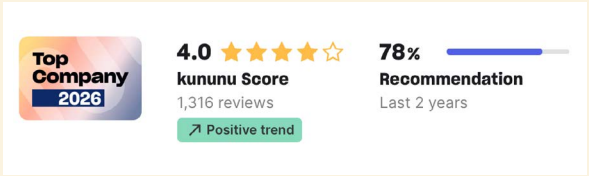
We are growing

6,148 → 6,500

employees at the end of 2024 → employees at the end of 2025

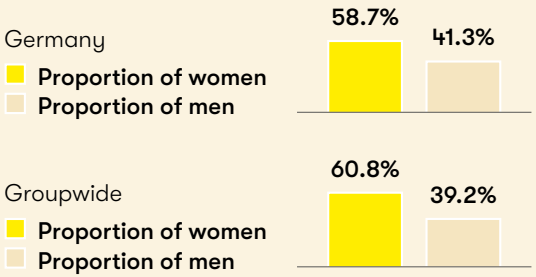
Everything revolves around our employees

This has been publicly acknowledged, e.g. on the review platform kununu[1]:



[1] March 31, 2026

We are working for equal opportunities



↗ Proportion of women at top management level (Germany): 32%

Our people like to stay with us for a long time

11.7 years[2]

Many people like working with ARAG so much that they work for us long term.

[2] Average years of service for the Group in 2025, permanent employees in Germany

Group Management Report

I. Group Fundamentals

Business model of the Group

The ARAG Group is the largest family enterprise in the German insurance industry and the leading legal insurer worldwide. Its Group companies operate in the health, property, liability, and accident insurance segments in Germany. Service companies and brokerage firms round off the ARAG Group's service offering and support the operating insurance companies. Including Germany, the Group operates in a total of 19 countries through branches, subsidiaries, and equity investments.

Territory

In addition to the Group headquarters in Düsseldorf and the offices in Munich, the ARAG Group maintains, through ARAG SE, branches in Austria, Belgium, Spain, Greece, Italy, the Netherlands, Portugal, Slovenia, and the United Kingdom. A branch of ARAG Allgemeine Versicherungs-AG, which is based in Germany, also operates legal insurance business in the Republic of Ireland. Another branch is maintained in Spain through Interlloyd Versicherungs-AG (which also operates in Germany) and is active in the casualty and property insurance business. The branches run their operating businesses in their local markets independently, taking into account the specific local circumstances in each case.

Legal insurance is also provided in the United States, the United Kingdom, Norway, Sweden, Denmark, and Finland. In each case, the business is operated through legally independent subsidiaries, under the unified management of ARAG SE in its role as parent company. In addition, the ARAG Group operates in Switzerland through an equity investment in a legal insurance associate. In Canada, ARAG acts as a broker for legal insurance business and legal-insurance-related special service package business, passing this business to local and international primary insurers. Some of this insurance is then ceded to ARAG SE under quota-share reinsurance treaties.

An equity investment was also held in a legal insurance company in Luxembourg in 2025.

II. Economic and Sector Conditions

Macroeconomic backdrop

The macroeconomic environment remained volatile in 2025. The economy languished in a prolonged period of stagnation, with structural weaknesses, high energy costs, and a low level of new investment all taking their toll. Pressure came from two directions. US trade policy in the form of protectionist import tariffs gave rise to geopolitical tensions that hampered economic growth, while industry – especially energy-intensive sectors – continued to suffer amid high energy costs and sluggish capital spending. Simultaneously, the skills shortage and demographic change throttled production capacity. Expansionary fiscal policy entailing investment in infrastructure and climate change mitigation was only able to offset the economic weakness to a limited extent. The mood in the economy remained muted, marked by uncertainty surrounding the outlook for global trade and the ability to navigate the structural challenges. Overall, global gross domestic product (GDP) grew by 2.6 percent in 2025 (2024: 2.9 percent) according to the German Council of Economic Experts.

Despite the job market recovering somewhat and moderate growth in real wages, consumer demand continued to be subdued and private capital spending saw little fresh impetus. Over the course of the year, the European Central Bank (ECB) continued its monetary easing and lowered the deposit facility interest rate to support the ailing economy. Germany's rate of inflation stabilized and, according to the German Council of Economic Experts, was on a par with the prior year at around 2.2 percent in 2025 and thus within the ECB's target range.

Insurance industry

The German insurance industry continued to be robust despite this difficult backdrop. Based on provisional information from the German Insurance Association (GDV), the volume of business in the insurance industry in Germany is expected to have remained stable in 2025. Across all insurance segments, a further premium increase of 7.4 percent overall is anticipated (2024: increase of 5.2 percent). In the private health insurance business, the GDV is forecasting a premium increase of 8.0 percent (2024: 4.2 percent), also thanks to premium adjustments. In direct casualty and property insurance business, the overall market is expected to have grown by 7.7 percent (2024: 8.2 percent). Once again, composite residential buildings insurance played a role in this trend with anticipated growth of 7.5 percent in 2025 (2024: 11.9 percent), primarily forged through renewed premium and index adjustments. Legal insurance is also expected to have grown, by 6.0 percent (2024: 5.3 percent), on the back of higher premiums in new business and sustained growth in existing business in 2025.

III. Business Performance

The business performance of the ARAG Group, broken down by net assets, financial position, and results of operations, is presented using the following KPIs, which have not been weighted. Premiums written and profit before tax are the most important KPIs.

Due to currency amounts being presented in thousands, the precise mathematical amounts may differ from those presented as a result of rounding differences. Those differences may affect totals and percentages.

Results of operations

Premiums

Gross premium income from insurance business rose once again in 2025, jumping by 13.2 percent from €2,789,564 thousand to €3,158,762 thousand. Including the service providers' activities, the total premiums and sales revenue in the Group amounted to €3,219,717 thousand (2024: €2,843,041 thousand). Demand for full-coverage health insurance and legal insurance remained high in the German insurance market. Following the acquisition of ARAG Legal Expenses Insurance Company Limited in the United Kingdom in 2024, the inward reinsurance business of ARAG SE's headquarters with primary insurers in the United Kingdom, Canada, the Republic of Ireland, and Australia was assigned to the international legal insurance business for the first time in 2025. As a result, business in Germany contracted by 2.9 percent year on year. Under the new structure, premium income of €254,829 thousand would actually have been allocated to international business in 2024. ARAG's gross premiums written in Germany amounted to €1,750,265 thousand (2024: €1,548,401 thousand). A consistently high level of new full-coverage health insurance business and the ongoing expansion of German legal insurance business, coupled with a low lapse rate, played a key role in the strong domestic growth.

In the German legal insurance market, income from gross premiums written in direct legal insurance business rose by 9.2 percent year on year. Premiums went up by €50,717 thousand to €600,069 thousand. This increase was chiefly derived from the net addition of 89,683 policies to the customer base.

In international legal insurance business, the increased growth of gross premiums was mainly due to the business activities of ARAG Legal Expenses Insurance Company Limited in the United Kingdom and the good performance of business with non-Group primary insurers in Canada. Gross premiums written rose from €1,103,748 thousand in 2024 to €1,242,340 thousand in 2025. There was also an increase in business in the Netherlands, Austria, and Spain. In Scandinavia, the stepping up of sales activity in legal insurance for real estate purchases saw sales revenue increase by 17.3 percent. The international markets with the highest sales revenue were the United Kingdom, the Netherlands, Spain, the United States, Italy, Austria, and Scandinavia. Thanks to its consistently good performance, ARAG is cementing its position as the leading legal insurer worldwide for the long term.

The Group's health insurance business once again surpassed its very strong prior-year growth of 17.4 percent, notching up 18.4 percent in 2025. This growth continued to be largely attributable to full-coverage health insurance. For the past three years, health insurance has been the ARAG Group segment with the highest sales revenue in Germany. The number of customers in this business went up by 20,187, with additional monthly premiums written of €11 thousand.

In the German market, business performance in the casualty and property insurance segment was again influenced by index or premium adjustments in buildings insurance. This business advanced by 5.4 percent. Outside Germany, the legal-insurance-related service business of ARAG Legal Expenses Insurance Company Limited in the United Kingdom is generating additional premiums. Special service package business grew in Spain, Italy, and Portugal. Gross premiums written in this segment advanced by a total of 10.9 percent year on year to €430,070 thousand.

The Group's portfolios comprised 14.0 million policies as of the reporting date (December 31, 2024: 13.8 million). These can be broken down into 9.7 million policies (December 31, 2024: 9.6 million) related to the international business and 4.3 million policies (December 31, 2024: 4.2 million) arising from domestic business. A further 21.8 million insured risks arise from German sports insurance business (property and casualty insurance segment), which are covered via 17 group policies – primarily with state sports associations.

Sales revenue

The sales revenue generated by non-insurance companies in the Group swelled by 14.0 percent, from €53,477 thousand to €60,955 thousand. This growth stemmed primarily from the further expansion of insurance contract brokerage to non-Group primary insurers in the United Kingdom and Canada as well as from the provision of legal services in the United Kingdom.

Amounts paid out for claims

Claims incurred increased from €1,502,266 thousand in 2024 to €1,663,427 thousand in 2025. This was due to the expansion of the volume of business and a rise in the frequency of claims. In buildings insurance and liability insurance, claims expenses rose due to the impact of inflation on attorney fees and the cost of tradespeople and the cost of materials. There were no major storm events in Germany in 2025. However, the expense for major claims without reinsurance cover rose. In the health insurance business, expenses for claims incurred grew in line with premiums, increasing by 18.7 percent to €479,769 thousand. The claims ratio remained virtually unchanged at 54.2 percent (2024: 54.1 percent). The Group claims ratio was the same as in the prior year at 54.6 percent.

Insurance business operating expenses

Insurance business operating expenses in the Group rose by 7.2 percent to €1,058,392 thousand in 2025 (2024: €987,690 thousand). The increase was the result of the enduring growth of existing business, which gives rise to expenses for commissions and profit sharing with partners in inward reinsurance business. The Group also continued to invest in its workforce and processes in order to support the strong growth. Collectively agreed pay rises contributed to insurance business operating expenses too. On the back of a strong rise in premiums, the cost ratio nevertheless decreased from 35.9 percent in 2024 to 34.8 percent in the reporting year. The Group's combined ratio improved to 89.4 percent in 2025 (2024: 90.6 percent).

Underwriting result

The ARAG Group's underwriting result improved sharply from €96,117 thousand in 2024 to €104,766 thousand in 2025 as a result of the growth and the more favorable claims trend. A sum of €14,181 thousand was added to the equalization provision (2024: €4,039 thousand). As in previous years, the core legal insurance business was by far the most profitable Group segment, generating an underwriting profit of €58,103 thousand (2024: €75,721 thousand). The underwriting result of the overall non-life insurance business (legal insurance and casualty and property insurance) was very good in 2025, amounting to a profit of €67,599 thousand (2024: €69,397 thousand). In the health insurance business, the underwriting result also improved considerably, from €26,720 thousand in 2024 to €37,167 thousand in 2025.

Gains and losses on investments

The Group's net gains on investments deteriorated significantly year on year. This was due to lower income from associates and a decline in income from land in connection with the billing of secondary costs. As in 2024, restructuring measures took place for private-equity and infrastructure funds, generating gains on disposals, albeit at a lower level than in the prior year. Ordinary income from institutional funds was largely reinvested in the funds in 2025. Overall gains and losses on investments – including the share of gains and losses contained in the underwriting account – amounted to net gains of €157,114 thousand (2024: €161,504 thousand). Of this total, €69,860 thousand was assigned to the underwriting result (2024: €64,876 thousand).

Other net income/expense

The net expense reported under other net income/expense improved from €55,724 thousand in 2024 to €48,042 thousand in 2025. The improvement was attributable to favorable movements in the exchange rates of the Canadian dollar and pound sterling against the euro, the expansion of intercompany charges for services in the Group, and the reversal of non-technical provisions. In addition, no interest was incurred for solvency capital raised on the capital markets as this had been repaid in full in 2024.

Profit/loss from ordinary activities

Overall, the significant improvement in the underwriting result – which more than made up for the decline in net gains on investments – in conjunction with the beneficial effects on other net income/expense provided a further boost to profit from ordinary activities. The latter rose sharply year on year, rising from €140,973 thousand to €149,824 thousand.

Net extraordinary income/expense

There was no extraordinary income or expense in either 2025 or 2024.

Tax expense

Income taxes amounted to an expense of €59,036 thousand (2024: €61,423 thousand). Together with miscellaneous taxes, the total tax expense came to €61,089 thousand (2024: €65,050 thousand).

Net income for the year
Considering the economic conditions and financial key performance indicators, the Company's overall business performance was very positive again in 2025.

After deduction of taxes, consolidated net income came to €88,735 thousand (2024: €75,923 thousand).

Comparison of business performance with the forecast
The comparison of business performance in 2025 with the forecasts made in the 2024 outlook and opportunity report shows that the forecast growth in gross premiums written was in fact exceeded. At 13.2 percent, the rate of increase in premiums was higher than the rate anticipated in the forecast in the 2024 annual report of around 10 percent.

In line with the prior-year forecast, the claims ratio remained at 54.6 percent as a result of inflationary effects on the legal insurance, casualty and property insurance, and health insurance businesses and a rise in the frequency of claims in the legal insurance business. A largely unchanged claims ratio had been forecast in 2024. As forecast in the prior year, claims incurred increased sharply in absolute terms as a result of growth.

Contrary to the forecast, the cost ratio (acquisition costs and administrative expenses) improved from 35.9 percent in 2024 to 34.8 percent in the reporting year. This decrease was due to higher growth and the associated economies of scale.

Gains and losses on investments were in line with the forecast. The hard-to-predict macroeconomic conditions did indeed give rise to exchange-rate-related write-downs. The restructuring of investments on the basis of fund-of-funds constructions had the anticipated stabilizing effects. All in all, gains and losses on investments deteriorated significantly compared with the prior year, which tallied with the forecast.

Contrary to the forecast, profit before tax was higher than in the prior year. A markedly lower profit had been assumed in the forecast.

Legal insurance
The legal insurance segment represents the ARAG Group's core business and is the most profitable insurance segment. Sustained increases in direct insurance business in Germany, together with the continuation of the growth trajectory in international markets, resulted in the segment's premium income rising by 11.5 percent compared with 2024 to €1,842,409 thousand. Previously, the German business had included inward reinsurance business of ARAG SE's headquarters from non-German Group and non-Group primary insurers, which was brokered by the Group's inhouse intermediaries. The amount stated for the segment's premiums in 2024 had therefore been €161,043 thousand higher. Since 2025, the inward reinsurance business from outside Germany has been assigned to international business as this business covers non-domestic risks. This business with non-Group primary insurers decreased by 18.6 percent year on year, from €62,541 thousand in 2024 to €50,918 thousand in 2025. In the international business, the markets in the United Kingdom, the Netherlands, Norway, the United States, Austria, and Spain provided particularly strong growth impetus, whereas the markets in Sweden and Greece contracted marginally.

Claims incurred in the whole of the legal insurance segment rose from €868,429 thousand to €967,384 thousand. The claims ratio for the segment went up from 53.3 percent to 55.0 percent. A rise in the frequency of claims in the German business and inflation in the international business led to the increase in claims incurred and in the claims ratio.

Economies of scale resulting from the strong growth meant that the cost ratio remained on a par with the prior year at 41.5 percent. The underwriting profit for the whole of the legal insurance segment declined from €75,721 thousand to €58,103 thousand as a result of expenses for claims incurred.

Net gains on investments in the legal insurance segment fell sharply from €104,702 thousand to €84,219 thousand in the reporting year due to a sharp decline in income from equity investments in affiliated companies that operate in different business lines, a rise in gains on disposal following the restructuring of private-equity and infrastructure investments, and a decline in income from associates and real estate rentals. Once again, ordinary income from institutional funds was largely reinvested.

Other net income/expense amounted to a net expense of €30,568 thousand. The year-on-year improvement (2024: €37,580 thousand) was mainly due to gains on currency translation and on the reversal of miscellaneous provisions.

The segment generated profit from ordinary activities of €111,754 thousand (2024: €142,843 thousand).

The Group's international legal insurance business recorded growth of 12.6 percent in the year under review. The prior-year figure was increased by €62,541 thousand due to the assignment of the headquarters' non-German inward reinsurance business. Gross premiums written amounted to €1,242,340 thousand, compared with €1,103,748 thousand in 2024. ARAG Insurance Company Inc. in the United States, HELP Forsikring AS in Norway, and ARAG Legal Expenses Insurance Company Limited in the United Kingdom accounted for a substantial proportion of the business volume in this segment.

Notable drivers of growth in the international legal insurance business were the entities in the United Kingdom with 33.1 percent and the United States with 5.9 percent, plus the branches in the Netherlands with 18.1 percent, Austria with 9.7 percent, Spain with 5.2 percent, and Belgium with 9.1 percent. In northern Europe, high premium growth of 17.3 percent was generated due to the expansion of major policies and the establishment of another branch of HELP Forsikring AS in Finland.

Claims incurred in the international legal insurance business rose in the reporting year. They were primarily impacted by inflation-induced increases in attorney fees. The claims ratio went up considerably, from 46.9 percent in 2024 to 47.5 percent in the reporting year.

The net cost ratio rose slightly to 42.6 percent in 2025 (2024: 42.3 percent) due to higher commissions as a result of profit sharing agreements.

The combined ratio in the international legal insurance business increased from 89.2 percent to 90.1 percent due to the claims trend and the rise in commissions.

A sum of €5,077 thousand had to be added to the equalization provision in 2025. In the prior year, it had been necessary to add €9,668 thousand. The underwriting result in the international legal insurance business came to €111,290 thousand following €108,221 thousand in 2024.

In uncertain and increasingly complex conditions, the legal insurance business in Germany benefited from a high level of demand from customers for products offering protection. New business remained very strong, and there was only a low level of lapses/cancellations in the portfolio. Premium income in the German direct business rose by 9.2 percent year on year in 2025, from €549,351 thousand to €600,069 thousand. This growth was attributable to 89,683 additional policies and to premium adjustments. Unlike in the prior year, the inward reinsurance business of ARAG SE's German headquarters from Group and non-Group primary insurers is now assigned to the international business. The figure for international business stated in the 2024 report was increased by €223,584 thousand to maintain comparability.

The claims ratio in the German legal insurance business went up from 66.2 percent in 2024 to 70.0 percent in 2025. The rise was attributable to a higher frequency of reported claims and an increase in the safety level due to fluctuations in the claims trend. However, claims incurred rose from €357,513 thousand in 2024 to €413,194 thousand in the year under review, not least due to the strong growth in business.

The net cost ratio declined to 39.3 percent as a result of lower administrative expenses in 2025 (2024: 40.1 percent).

No addition had to be made to the equalization provision in the reporting year. This had also been the case in the prior year as, due to the low level of volatility, the criteria for recognizing an equalization provision in the German legal insurance business were not met. The addition reported in the prior year (€24,662 thousand) was solely attributable to inward reinsurance business from outside Germany, which is now assigned to the international legal insurance business.

Overall, the German legal insurance business ended the year with an underwriting loss of €53,187 thousand, compared with a loss of €32,501 thousand in the prior year.

Casualty and property insurance

Overall, gross premiums written in the casualty and property segment went up by 10.9 percent year on year to €430,070 thousand (2024: €387,752 thousand). Besides the two casualty and property insurers ARAG Allgemeine Versicherungs-AG and Interlloyd Versicherungs-AG, this segment includes ARAG Legal Expenses Insurance Company Limited in the United Kingdom and ARAG SE with its branches in Spain, Italy, and Portugal. The German casualty and property insurance business recorded a rise in premium income of 5.4 percent (2024: 6.2 percent), mainly as a result of index and premium adjustments in residential buildings and home contents insurance. Premiums from the legal-insurance-related special service package business are allocated to the international casualty and property insurance segment. The premiums written for this business line increased to €166,156 thousand (2024: €137,415 thousand). The growth in this business line primarily stemmed from the United Kingdom (€15,659 thousand, landlord insurance), Spain (€11,700 thousand, travel insurance), and Portugal (€1,127 thousand, travel insurance).

Due to the absence of major storms and inclement weather and the increase in the discount rate for the benefit reserve for annuities, the claims ratio in the German business improved substantially to 56.8 percent (2024: 62.6 percent). In the travel assistance business and in the landlord consequential loss business, which is operated outside Germany, the number of claims declined despite the growth in business. The claims ratio in the international casualty and property insurance business decreased to 48.9 percent in 2025 following 59.8 percent in the reporting year. Taking account of the reinsurers' share, claims incurred in the casualty and property segment as a whole amounted to €216,274 thousand and were thus below the prior-year level of €229,562 thousand. The claims ratio here went down sharply from 61.6 percent to 53.8 percent.

The segment's cost ratio held steady at 41.1 percent. The underwriting result before the equalization provision improved significantly from a loss of €11,952 thousand in 2024 to a profit of €18,600 thousand in the reporting year. This was due to the decline in claims incurred. After an addition to the equalization provision amounting to €9,104 thousand (2024: reversal of €5,629 thousand), the underwriting profit amounted to €9,496 thousand (2024: underwriting loss of €6,323 thousand).

At €12,557 thousand, net gains on investments of were down slightly compared with the prior year (2024: €13,072 thousand). Ordinary income from institutional funds was largely reinvested, improving the valuation reserves. After deducting the net expense under other net income/expense of €3,142 thousand (2024: €2,785 thousand), the casualty and property insurance segment delivered a much improved profit from ordinary activities of €18,910 thousand (2024: €3,963 thousand).

Health insurance

Gross premium income in the health insurance segment once again rose significantly in 2025, advancing by 18.4 percent to a total of €886,282 thousand. As before, the growth was attributable to new full-coverage health insurance business but also, to a lesser extent, to premium adjustments. Premiums from new full-coverage health insurance business increased by 25.7 percent in total year on year, while premiums in the long-term nursing care insurance business rose by 15.8 percent. Price adjustments were moderate, at around 6 percent of monthly premiums written. The number of policyholders in the entire health insurance segment increased from 766,678 as of December 31, 2024 to 786,865 as of December 31, 2025. Health insurance thus remains the ARAG Group segment with the highest sales revenue in the German market.

Amounts paid out for claims rose by 18.7 percent to €479,769 thousand as a result of the growth in business and the associated rise in the number of claims. The addition to the actuarial reserve (including the change in the lapse provision) amounted to €289,795 thousand, a substantial increase compared with the equivalent figure of €219,211 thousand in 2024. Due to the strong growth, insurance business operating expenses climbed by 4.0 percent year on year to €164,038 thousand. The cost ratio decreased nonetheless from 21.1 percent in 2024 to 18.5 percent in 2025. The underwriting result in 2025, a profit of €37,167 thousand, exceeded the profit of €26,720 thousand in the prior year. Due to the rise in current income from institutional funds and the collection of interest receivables that had been written down in the prior year, gains and losses on investments improved from a net gain of €64,876 thousand in 2024 to a net gain of €69,860 thousand in the reporting year. Gains and losses on investments are assigned in full to the underwriting account. Policyholders' share of overall profits came to 77.9 percent (2024: 81.0 percent).

After taking into account the sundry income and expense items and the addition to the provision for bonuses and rebates, profit before tax increased significantly to €31,421 thousand (2024: €19,802 thousand). The health insurance segment thus once again contributed to the sound consolidated profit before tax.

Services and asset management

This segment brings together Group companies that provide services other than straightforward insurance business for the benefit of third parties. Their activities include services for the brokerage of insurance contracts outside the ARAG Group, IT services, and legal advice services in other countries. Group companies that render services within the Group are not visible in the consolidated financial statements because their services are eliminated and are included in the expenses of the receiving entities. The segment also consists of the holding companies, including ARAG Holding SE. The insurance brokerage firms in the Group – Cura Versicherungsvermittlung GmbH and CUR Versicherungsmakler GmbH – and the insurance agents for the UK and Canadian reinsurance business are also assigned to this segment.

The sales revenue generated by the non-insurance companies with third parties and with Group companies in the insurance business lines rose from €172,787 thousand in 2024 to €186,692 thousand in 2025. After adjustment for the sales revenue generated from business with Group companies in the insurance business lines, the remaining sales revenue generated from insurance brokerage and legal advice business with third parties came to €60,955 thousand (2024: €53,477 thousand). This increase was primarily attributable to higher sales revenue outside Germany. The service companies' gross profit improved from €3,953 thousand in 2024 to €5,846 thousand in the reporting year.

Financial position

The objective of the financial management system is to ensure that the Company holds adequate financial resources and manages its liquidity such that it is able to satisfy its obligations arising from the insurance business at all times and to exceed, rather than simply satisfy, the regulatory requirements concerning the capital adequacy of insurance entities.

In addition to current bank balances and cash on hand of €248,297 thousand (December 31, 2024: €296,175 thousand), the Company has investments at its disposal that can be sold on the capital and financial markets at short notice, thus ensuring that the Company is able to satisfy its payment obligations at all times. A high level of excess cash is also routinely generated through current business, which provides additional liquidity or increases the investment portfolio further (see the cash flow statement).

Net assets

The breakdown of investments by asset class was as follows:

Investments breakdown

(€'000/%)	Dec. 31, 2025		Dec. 31, 2024	
Land and buildings	160,324	2.3%	170,125	2.7%
Affiliated companies and equity investments	21,982	0.3%	22,689	0.4%
Lending to affiliated companies and equity investments	3,750	0.1%	3,750	0.1%
Equities and investment fund shares/units	2,290,592	33.1%	2,174,097	34.0%
Bearer bonds	3,372,929	48.7%	3,011,721	47.1%
Loans secured by mortgages or land charges and fixed-income receivables	0	0.0%	0	0.0%
Registered bonds	652,519	9.4%	563,519	8.8%
Promissory notes, loans	245,064	3.5%	301,331	4.7%
Sundry lending	36	0.0%	67	0.0%
Bank deposits	113,083	1.6%	85,910	1.3%
Other investments	0	0.0%	0	0.0%
Deposits with ceding insurers	63,769	0.9%	63,797	1.0%
Total	**6,924,048**	**100.0%**	**6,397,006**	**100.0%**

Further information on the changes in investments and the fair values as of the balance sheet date can be found in the breakdown of investments shown in the notes to the consolidated financial statements.

Overall, the Company continues to be able to satisfy all obligations under existing insurance contracts at all times.

Equity

Overall, the equity of the ARAG Group came to €853,573 thousand as of the reporting date (December 31, 2024: €791,918 thousand).

The Group has subscribed capital of €200,000 thousand, statutory reserves of €20,000 thousand, and other revenue reserves of €575,444 thousand. Equity also comprises currency translation differences of minus €4,944 thousand and the negative difference pursuant to section 309 (1) of the German Commercial Code (HGB, unrevised) of €36,000 thousand from the offsetting of goodwill from initial consolidation directly in equity.

The Group's net assets, financial position, and results of operations are strong and stable. The insurance companies in the Group usually generate a high level of earnings and have comfortable liquidity reserves to act as a cushion in any unexpected situations. Consolidated equity has been rising for many years.

Corporate governance declaration

Thanks to ARAG employees, sales partners, customers, and the Works Council

The members of the senior management of all Group companies thank all employees and sales partners for their hard work and dedication, and customers for the trust they have placed in the Group companies. They also extend their thanks to the employee representatives on the Works Councils and their committees for the close and constructive cooperation.

IV. Outlook, Opportunity and Risk Reports

Outlook and opportunity report

The macroeconomic environment continues to be shaped by geopolitical uncertainty in 2026. The developments in the Middle East could come to bear on the pace of global economic growth. In light of the volatile geopolitical situation, future economic conditions remain very difficult to predict.

Current geopolitical tensions could dampen global economic growth and feed into a renewed increase in inflation. If interest rates were to rise, the level of investment could be adversely affected. The international capital markets are also expected to see increased volatility in 2026, with potential knock-on effects on investment income. Europe also faces structural challenges, especially in connection with demographic change and declining productivity in the industrial sector.

In its annual report on the macroeconomic situation dated November 12, 2025, the German Council of Economic Experts predicts that Germany's GDP will rise slightly, by up to 1.0 percent, in 2026. It attributes this moderate recovery in part to calendar effects as well as to financial packages that have been agreed. Nervous international markets will continue to hold back the export industry. The rate of inflation should drop to around 2.1 percent in 2026; it is likely to have been 2.2 percent in 2025. German companies continue to face challenges such as the shortage of skilled workers, high energy prices, and the digital transformation. However, the increased focus on green technologies and innovation could boost competitiveness in the long term, keeping the economy stable overall.

The German Insurance Association (GDV) believes that premium income in Germany could rise by around 4.8 percent across all insurance segments in 2026. As the economic outlook entails a high level of volatility, legal insurance, in particular, can give customers and consumers peace of mind. The GDV anticipates growth of 6.0 percent in premium income in this segment in 2026. For the casualty and property insurance segment as a whole, the association is forecasting a substantial increase in premiums of 5.4 percent. In private health insurance, the experts are also projecting premium growth of 10.5 percent.

Digitalization continues to offer substantial opportunities. The integration of technologies such as artificial intelligence and machine learning mean that it is possible to set up much more efficient administrative channels and, above all, facilitate and develop customer contact, regardless of the time of day or where the parties are located. The huge volumes of data available to insurance companies allow them to perform even more precise risk assessments, offer more personalized policies, and improve their recognition of emerging trends.

The sustainable transformation of the economy and society remains one of the defining challenges for the insurance industry, along with digitalization. In terms of regulation, the insurance industry and the banking industry will play a pivotal role.

With its focus on legal insurance and health insurance, the ARAG Group is well positioned for the future in these times of major upheaval and far-reaching global turmoil. The ARAG 5>30 development program, which the Group launched at the end of 2022, specifies five key areas of action that set out the Group's strategic direction in the period up to 2030.

Despite the persistent – and intensifying – political and economic upheaval on both a global and a local level, the ARAG Group is confident about the future. Legal insurance, in particular, provides grounds for optimism.

Various studies have established that the influence of armed conflicts and the risk of rising inflation are increasingly unnerving people. The need for stability and protection is increasing as levels of trust and optimism continue to fall. This underscores the importance of insurance policies and boosts interest in them. The ARAG Group is thus expecting greater demand for insurance, particularly legal insurance.

In the area of legal insurance, the ARAG Group already has a comprehensive portfolio of legal protection solutions, which it consistently develops in order to continue meeting the particular needs of private customers and small and medium-sized businesses. However, restructuring will be necessary in the German legal insurance business this year, which will slow down growth but will slightly lower the combined claims ratio and cost ratio.

Property insurance in other areas of insurance will focus on strategic core segments in the private customers business. This includes sports insurance, where the Company provides needs-based insurance cover for organizations offering recreational and high-performance sports activities.

In the German health insurance business, the prospects are positive in anticipation of premium adjustments triggered by the demographic trend in Germany. Supplementary insurance and corporate health insurance are two areas with potential for further expanding the customer base.

The potential for growth is higher outside Germany because legal insurance has seen a lower level of market penetration in other countries to date. By entering into new agreements with organizations, further growth is anticipated in the Nordic countries and in the United States. The expansion of the territory – as recently with the opening of a branch in Finland – is also contributing in no small part to growth.

In the United Kingdom and Canada, insurance for litigation cost risk is widespread. The ARAG Group has been active in this business line since 2006 and has acquired outstanding expertise in that time. This business has a track record of helping to improve net income. It will be expanded in the future by making the funding of appraiser fees part of the business line. Until now, having to fund the appraiser fees represented an obstacle for attorneys who act as brokers for the insurance policies. Furthermore, the operation of legal-insurance-related insurance – which is established in the UK market – will be stepped up in addition to pure legal insurance.

The development of artificial intelligence and its introduction into day-to-day life will help to improve administrative processes and make them more efficient, allowing a greater focus on customer needs. The Group already deploys AI in claims and application processes and will continue to scale up these process improvements.

Under the ARAG 5>30 strategy program, the ARAG Group's underwriting result in the insurance business is projected to improve. This follows on from the sales revenue target of €3,000,000 thousand having already been achieved in 2025 instead of in 2030. The Group is also anticipating strong premium growth across the entire insurance business in 2026, albeit at a slower pace than in 2025. The ongoing growth process seen in direct business across all units and in inward reinsurance business at the headquarters in Düsseldorf and at the international branches in recent years will continue to play a key role.

The ARAG Group is highly internationalized thanks to its network of branches and equity investments. The Group will continue to diversify its business across markets by steadily expanding in all territories. This approach opens up a wide range of opportunities that would otherwise not be available in a single isolated market.

ARAG's excellent international diversification makes it more independent of the trends in individual national markets. Germany is ARAG's home market and continues to be extremely important to the Group. This applies in particular to the legal insurance business, which remains the ARAG Group's core business. The international structure of the ARAG Group is the logical business consequence of its former dependence on a single local market. It makes a virtue of the highly varied economic trends within Europe and around the globe for the benefit of its business. The legal insurance markets across Europe offer major growth potential. ARAG is focusing considerable effort on exploiting this potential with a view to achieving further growth in the Group while taking the particular features of the market in each country into account.

Being a family enterprise, ARAG's plans and actions are focused on the long term.

In view of the current opportunities and risks, the ARAG Group believes it has a growing basis on which to continue to operate successfully and profitably in the international insurance business.

The Group has budgeted for slightly less premium growth in 2026. It is set to be around 6 percent lower than at present. This premium growth will come on the back of the continual growth delivered by the Group's insurance companies in all local markets in Europe and the United States.

Expenses for claims incurred will rise sharply in absolute terms in 2026, due partly to the higher volume of business and partly to renewed inflationary trends. However, the claims ratio will improve slightly compared with 2025.

The cost ratio (administrative expenses) will also decline modestly thanks to growth and the effects of the digitalization and automation of administrative processes.

The underwriting result before the equalization provision is set to improve significantly compared with the reporting year due to growth and improvements in the claims trend and in process efficiency. The equalization provision is not expected to rise further, and therefore the underwriting result will be considerably higher overall than in 2025.

To further reduce the impact of volatile capital markets on the valuation of investments, the ARAG Group expanded the centrally administrated fund structure in 2025 that it had established in 2024 for private-equity and infrastructure investments. This harnesses the opportunities arising from trends in different regions and markets while mitigating any risks that occur by diversifying and spreading investments. Current income from investments will nevertheless decrease in 2026 compared with the reporting year, when it was influenced by a high level of income from fund restructuring. All in all therefore, gains and losses on investments will deteriorate significantly year on year.

Taking into account the discernible opportunities and risks, the ARAG Group forecasts that business performance will be good once again in 2026 with profit before tax on a par with 2025.

Risk report

Risk management system

Risk strategy The objective of pursuing a conservative risk and solvency policy, as specified in the business strategy, provides the framework for the structure of the risk strategy. The risk strategy sets out the risk profile of the Group companies and the structure of the individual risk exposures associated with the strategic business objectives. It also describes the tools for ensuring compliance with the prescribed risk-bearing capacity based on the risk appetite specified by the Management Board. Risks are therefore managed in the round, ensuring at all times that the overall risk profile is consistent with the risk strategy. Risks are quantified and risk-bearing capacity is measured in line with the statutory requirements of Solvency II.

Limit system The maximum permitted solvency capital requirement for the Group and its affiliated companies is determined on the basis of the risk appetite and the eligible own funds. Using this maximum requirement, the responsible management boards of the individual insurance companies set an overall limit that is then apportioned to the most important risks and sub-risks. The limit system is reviewed annually. The utilization of the limits is calculated during the year so that an assessment can then be made as to whether further risks can be assumed or if risks need to be reduced. A traffic light system is used, for both risk-bearing capacity and the limits at risk category level. The system enables ARAG to monitor changes in the utilization of limits and initiate corrective measures if necessary.

ORSA The own risk and solvency assessment (ORSA) process verifies that the changes in the most significant individual risks over the next four financial years will remain manageable, thereby ensuring that the ARAG Group continues to meet the objective of the conservative risk and solvency policy over the long term. To this end, the ORSA process determines ARAG's overall solvency requirement and own funds for each planning year, providing an indication of the future coverage requirement. The Management Board is responsible for the annual ORSA process and takes a lead role in ensuring it is carried out.

Independent risk control function The independent risk control function is responsible for implementing the risk management system. This function is carried out by the Group Risk Management Central Department. Group Risk Management is separate from the operational departments with profit-and-loss responsibility up to Management Board level. The Chief Risk Officer is a member of the Management Board of ARAG SE and bears responsibility for the implementation of the risk management system in all Group companies. The system is largely implemented in the form of a risk governance model, through which rules for implementing the risk-relevant processes in the Company are defined in groupwide policies and guidelines. By reporting regularly to the Company's Management Board, the independent risk control function also ensures comprehensive transparency with regard to the risk position and any changes to the risk position.

Operating decisions about whether or not to pursue opportunities and/or take on risk are made in the units with relevant responsibility.

Risk management process The risk management process comprises risk identification, risk analysis, risk assessment, risk management, risk monitoring, and risk reporting.

The aim of risk identification is to identify the emergence of new risks or changes in existing risks at an early stage and to assess them using a standard procedure. For example, risks arising in connection with the development of new markets or the launch of new products are identified, analyzed, measured, and submitted to the Management Board for decision using appropriate cross-functional review processes, such as the new-product process.

To ensure risks are assessed appropriately, the influencing factors determining the relevant exposure on the Solvency II balance sheet are analyzed. These influencing factors are validated to check that they are appropriate for the measurement of risk.

All identified risks are regularly measured. The key element in this process is the solvency capital requirement that is calculated for all downside risk. The purpose is to ensure that unexpected losses are covered. This requirement quantifies the loss from the risk exposures occurring within a specific holding period (one year) and with a specified level of probability (99.5 percent). In addition, a qualitative assessment is carried out in the ORSA process.

Operational management of risk is carried out by the managers and process owners in those departments where the risks occur. Risk management consists of implementing measures to reduce, mitigate, transfer, and diversify risks.

A key element of risk monitoring is examining changes in the risk profile over time, focusing on risk-bearing capacity and utilization of the limits. Risk monitoring takes into account the regulatory and internal requirements regarding minimum cover. The results from the

risk monitoring process and the associated recommendations for action are reported to the Management Board promptly and on a continual basis. Unexpected or extreme events can also affect a company's risk profile. Ad hoc reports are submitted if this is the case.

Internal control system The internal control system (ICS) refers to all control and monitoring mechanisms as well as other measures that help to support the effectiveness and profitability of business activities and to identify and minimize risk at an early stage. It also ensures compliance with the applicable laws and regulations, all regulatory requirements, and internal rules.

The ARAG Group structures its ICS in accordance with the 'three lines' model, which the Company has adopted:

First line: The first line of defense is formed by all employees and managers in operational roles who are responsible for identifying and evaluating the risks in their area as part of the risk control process.

Second line: The monitoring of the business and central units is carried out by various interdisciplinary functions (the Group Controlling, Group Legal and Compliance, Group Risk Management, Actuarial Function, and Central IT Steering Central Departments) that specify standards for the design and monitoring of controls and the handling of risk.

Third line: Under its remit as the internal auditor for the Group companies, the Group Internal Audit Central Department conducts internal audits of the functions in the first and second lines within the ARAG Group. The Group Internal Audit Central Department is also the internal auditor for the Group companies that have contractually appointed it to this role. Following the orders issued by the Management Board, the Group Internal Audit Central Department examines the operational and organizational structure as well as the ICS for all operating and business processes from a risk perspective.

Risk categories
Underwriting risk and market risk are of considerable significance for the Company, whereas counterparty default risk, liquidity risk, and operational risk are of lesser importance.

Underwriting risk in indemnity, liability, and accident insurance and in legal insurance
Underwriting risk is the risk of a loss arising from inadequate pricing or inadequate assumptions when determining underwriting liabilities. These losses result from various risk types, including:

- Premium/reserve risk: fluctuations in the timing, frequency, and severity of insured events and in the duration of claims settlement and the amount involved in relation to the premiums generated in an insurance period.
- Catastrophe risk and accumulation risk: significant uncertainties regarding pricing and assumptions in respect of the recognition of technical provisions for extreme or exceptional events.
- Lapse risk: adverse changes in the level or volatility of the rates of insurance policy lapses and terminations.

These risks are measured using an internal model. A simulation is used to forecast a level of loss that would only be expected every 200 years. A 1 in 200 year event indicates the one-year loss anticipated with a probability of 99.5 percent. Future claims and/or required additions to reserves are calculated for premium and reserve risk on the basis of historical claims. Losses are simulated in the same way for catastrophe risk and accumulation risk; such losses may arise from natural disasters, large claims caused by people, or accumulation losses in the legal insurance business. Lapse risk is calculated on the basis of past lapse rates. The actual underwriting risk arises from the aggregation of the individual risks, taking diversification effects into account. The methodology used for the internally modelled risks is regularly reviewed using backtesting and validation tests.

The ORSA process identified events that can have a material impact on non-life underwriting risk. Examples include accumulation risk resulting from attorneys driving up the number of legal cases, climate-related natural disasters, and the negative economic impact of geopolitical conflicts.

Measures implemented to restrict the risks include risk limits and various reinsurance programs in the individual Group companies.

Underwriting risk in health insurance Underwriting risk is the risk of a loss or adverse change in the value of insurance liabilities arising from inadequate pricing and inadequate assumptions when determining underwriting liabilities. These losses result from the following three risk components and their associated sub-risks:

1. Risk from health insurance policies that are operated on an actuarial basis comparable to that of indemnity insurance:
   - Premium/reserve risk: fluctuations in the timing, frequency, and severity of insured events and in the occurrence of claims settlement and the amount involved in relation to the premiums generated in an insurance period.
   - Lapse risk (operation on a basis similar to non-life insurance): changes in the level or volatility of the rates of insurance policy lapses, terminations, renewals, and surrenders.

2. Risk from health insurance policies that are operated on an actuarial basis comparable to that of life insurance:
   - Mortality risk: changes in the level, trend, or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities.
   - Longevity risk: changes in the level, trend, or volatility of mortality rates, where a decrease in the mortality rate leads to an increase in the value of insurance liabilities.
   - Disability-morbidity risk: changes in the level, trend, or volatility of disability, sickness, and morbidity rates.
   - Expense risk: changes in the level, trend, or volatility of the expenses incurred in servicing insurance or reinsurance contracts.
   - Lapse risk (operation on a basis similar to life insurance): changes in the level or volatility of the rates of insurance policy lapses, terminations, renewals, and surrenders.

3. Risk from health insurance policies under which claims are made as a result of catastrophes:
   - Mass accident risk: the risk of having many people in one location at the same time, causing mass accidental deaths, disabilities, and injuries with a high impact on the cost of medical treatment sought.
   - Accident concentration risk: the risk of having concentrated exposures due to densely populated locations, causing concentrations of accidental deaths, disabilities, and injuries in the event of the mass accident scenario described above.
   - Pandemic risk: the risk of having a large number of non-lethal disability and income protection claims and where victims are unlikely to recover as a result of a pandemic.

These risks are measured with the standard formula. Depending on the risk involved, prescribed factors or stress scenarios are used in order to determine their impact on changes in the fair value of the liabilities. One of the methods used by the Company to measure health underwriting liabilities is the inflation-neutral measurement method. The sub-risks determined in this way are aggregated into the three risk components for health insurance. The actual underwriting risk arises from the further aggregation of these three components, taking diversification effects into account.

The ORSA process identified events that can have a material impact on health underwriting risk. These include, for example, the consequences of climate change and the negative economic impact of the war in Ukraine.

The measures implemented to limit the risk include reinsurance and the use of the available opportunities to structure policyholder profit participation and adjust premiums to the extent permitted by law.

The consistency of the insurance business and the adequacy of the claims provisions at all times can be seen in the following disclosures on the changes in the claims ratio for the entire direct insurance business over the last ten financial years.

Changes in claims ratio

Financial year	**Claims ratio, gross, total**		**Profit/loss on settlements**
(%)	FY ratio	Financial statements	% of initial reserve
2025	**59.4**	**57.6**	**2.0**
2024	58.5	56.6	2.1
2023	54.9	50.8	4.1
2022	54.2	48.9	5.2
2021	56.1	51.8	4.0
2020	56.4	51.4	4.6
2019	56.2	52.4	3.5
2018	55.1	52.1	2.7
2017	56.0	52.4	3.1
2016	55.9	50.3	4.7

Market risk Market risk is the risk of loss due to adverse changes to market prices of assets, liabilities, and financial instruments. The risk arises directly or indirectly from the following sub-risks:

- Interest-rate risk: changes in the term structure or volatility of interest rates. For example, an assumed increase or decrease of 1 percentage point in the general level of interest rates would increase or decrease the fair value of the fixed-income securities by approximately €306,277 thousand.
- Equity risk: changes in the level or volatility of the market prices of equities. For example, an assumed fall in equities markets of 20 percent would cause a loss in fair value of €115,308 thousand.
- Property risk: changes in the level or volatility of the market prices of real estate.
- Currency risk: changes in the level or volatility of exchange rates.
- Spread risk: changes in the level or volatility of credit spreads over the risk-free interest-rate term structure.
- Migration/default risk: rating changes or changes in the extent of projected defaults.

The breakdown of interest-bearing investments by rating is as follows:

Rating class (direct investment and funds)

(Proportion [%] by fair value)	**Dec. 31, 2025**
AAA	27.2%
AA	17.6%
A	30.3%
BBB	18.8%
BB	3.1%
B	1.6%
CCC	0.4%
CC	0.0%
C	0.0%
D	0.0%
Not rated	1.1%

The breakdown of fixed-income securities is as follows (fair values): Of the fixed-income securities – including securities held indirectly through institutional funds – 32.9 percent are accounted for by financial services entities, 33.0 percent by public-sector bonds, and 34.1 percent by corporate bonds.

These risks are measured with the standard formula. New fair values of investments and liabilities are determined in the stress scenarios for interest rates, share prices, real estate prices, credit spreads, credit ratings/defaults, and exchange rates. The actual market risk arises from the aggregation of the sub-risks and concentration risk, taking diversification effects into account.

The ORSA process identified events that can have a material impact on market risk. They include corrections in the financial markets, the impact of climate change on investments, and negative changes in investments due to the escalation of geopolitical conflicts.

At strategic level, risk is limited by virtue of the fact that market risk limits are taken into account when determining the strategic asset allocation each year. An annual review of the asset/liability management (ALM) situation also ensures that these risk mitigation measures remain effective over the long term. Operational measures to mitigate risk are set out in the investment guidelines.

Counterparty default risk Counterparty default risk in the insurance business largely arises in connection with receivables from reinsurers, credit institutions, policyholders, and insurance brokers. It is the downside risk arising from the unexpected default or deterioration in the credit standing of counterparties and debtors during the next twelve months.

Counterparty default risk is measured with the standard formula. The risk of default on receivables from reinsurers and credit institutions is measured on the basis of the information available and proportionality considerations. The counterparties' individual credit ratings are explicitly used. To measure the risk of default on receivables from policyholders and insurance brokers, a constant factor is applied to the fair value of the relevant exposures on the Solvency II balance sheet.

The measures implemented to limit risk include requirements in respect of the selected reinsurers (such as a minimum rating) and an automated procedure for issuing reminders to recover receivables due from policyholders.

The amount of the receivables due from reinsurers, broken down by external ratings, can be found in the notes to the financial statements. As of the balance sheet date, receivables from policyholders more than 90 days past due amounted to €32,775 thousand (December 31, 2024: €27,531 thousand). The average default rate for these receivables over the last three years as of December 31, 2025 was 27.6 percent (December 31, 2024: 23.9 percent).

Liquidity risk Liquidity risk is the risk that insurance companies are unable to realize investments and other assets in order to settle their financial obligations when they fall due. Liquidity risk is therefore a derived risk: It is a type of investment risk (assets are not liquid) and a type of underwriting risk (insurance benefits due for payment may exceed available liquidity).

Liquidity risk is measured by calculating the monthly excess liquidity cover or liquidity shortfall on a rolling basis. Liquidity planning is updated constantly so that ARAG has early warning of whether it will require liquidity in the coming months. ALM is used to determine the liquidity requirement over the medium to long term.

Risk limitation measures include ALM and rolling liquidity planning.

Operational risk Operational risk is the risk arising from inadequate or failed internal processes or systems, employee misconduct, or unexpected external events that disrupt or even prevent business operations. Operational risk also encompasses legal risk and reputational risk but does not include risks arising from strategic decisions.

The Company uses the standard formula to determine the appropriate solvency capital requirement. Measurement for operational purposes is carried out using an expert assessment on the basis of two dimensions: probability of occurrence and impact. The probability of occurrence describes the likelihood that an operational risk will materialize within a defined period. The second dimension describes the potential impact of the occurrence of an operational risk and is measured in quantitative or qualitative terms. The gross and net values are recorded for each dimension. The gross values are the values before implementation of possible measures to mitigate the risk; the net values are the values after implementation of the chosen measures. Risk limitation measures are specified by the managers concerned on a case-by-case basis. When identifying and evaluating operational risks, the risk managers consider known loss events that are recorded in a loss database. This contains data on all loss events that have occurred and their actual impact. Consequently, the plausibility of subjective estimates can be tested.

The ORSA process identified events that can have a material impact on operational risk. They include cyberattacks, the unavailability of outsourced IT services, the failure of critical infrastructure, or risks of a legal nature. Mounting regulations and a potential resulting rise in bureaucracy may tie up resources in the operating business. Penetration (PEN) tests are carried out to prevent cyberattacks. The selection procedure for IT service providers involves due diligence, an extensive risk assessment, the definition of an exit strategy, and permanent monitoring. ARAG is a non-systemically important entity and has contingency plans in place to maintain operations in the event of critical infrastructure failures. To reduce risks of a legal nature, extensive legislative monitoring has been established in order to identify changes at the earliest opportunity. In addition, internal training is held on an ongoing basis to avoid violations of the law.

Strategic risk Strategic risk arises from strategic business decisions, including business decisions that have not been adapted in line with changes in the economic environment. Such changes include political decisions such as the introduction of a citizens' health insurance scheme and the shortage of skilled workers. Failing to adapt the business model in line with a changed competitive environment (the establishment of new fintechs, insurtechs, and legaltechs and competing business models) may also have a negative impact on existing and new business, as can the increasing use of artificial intelligence by competitors.

In line with the specific nature of the individual risks, individual management measures are put in place as part of the ORSA and are monitored on an ongoing basis.

Overall risk position

The regulatory minimum capital requirement in accordance with the provisions of the German Insurance Supervision Act (VAG) is met in full. Moreover, the eligible own funds are higher than the solvency capital requirements calculated in accordance with VAG.

Over a planning period of three or four years, the risks were assessed for the individual companies using various scenarios (rising combined ratio, impact of climate change on investments and on the underwriting business, high medical inflation, slump in new business). The impact on investments was also quantified in line with the 2025 stress test defined by the European Insurance and Occupational Pensions Authority (EIOPA). The results indicate that the solvency capital requirement is expected to be sufficiently covered for the next few years at Group level.

The overall risk position does not currently point to any trends that could jeopardize the continued existence of the Group as a going concern or cause a significant negative impact on net assets, financial position, or results of operations.

V. Sustainability Report

Contents

1 General disclosures 39
1.1 Basis for preparation 39
1.2 Corporate governance 41
1.3 Strategy 46
1.4 Impact, risk, and opportunity management 55

2 Environmental information 62
2.1 Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) 62
2.2 Climate change 81
2.2.1 Own operations 81
2.2.2 Insurance products 84
2.2.3 Investments 87
2.3 Key Figures 92

3 Social information 101
3.1 Own workforce 101
3.1.1 Policies in relation to ARAG's own workforce 102
3.1.2 Actions 108
3.1.3 Targets and metrics 110
3.1.4 Metrics 111
3.2 Workers in the value chain (investments) 116
3.2.1 Policies 116
3.2.2 Actions 117
3.2.3 Targets 118
3.3 Consumers and end-users (insurance products) 118
3.3.1 Policies 119
3.3.2 Actions 122
3.3.3 Targets 124

4 Governance information 124
4.1 Corporate culture and corporate governance policies 124
4.2 Management of relationships with suppliers 129
4.3 Political influence and lobbying activities 130

5 Tables 132

The Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Sustainability Report can be found at the end of the annual report under 'Further Information'.

1 General disclosures

1.1 Basis for preparation

Regulatory background of the sustainability report
ARAG's consolidated sustainability report for the reporting date December 31, 2024 was the first to be produced in full compliance with Delegated Regulation (EU) 2023/2772, known as the European Sustainability Reporting Standards (ESRS). As the Federal Republic of Germany had still not transposed Directive (EU) 2022/2464 (Corporate Sustainability Reporting Directive [CSRD]) into national law by the end of 2025, ARAG must continue to apply the CSR Directive. The Group sustainability report was prepared on a consolidated basis in accordance with the requirements of section 341j (4) of the German Commercial Code (HGB) in conjunction with sections 315b and 315c HGB regarding consolidated non-financial statements. ARAG has again decided to publish this report as a consolidated non-financial statement for 2025 that voluntarily and fully applies ESRS as its framework in accordance with section 315c (3) HGB in conjunction with section 289d HGB as part of the group management report. Furthermore, the report fulfills the provisions of Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) of the European Parliament and of the Council. The consolidated sustainability report was reviewed on a voluntary basis in accordance with ISAE 3000 (Revised) by the independent auditors under a limited assurance engagement. The corresponding unqualified assurance report is included in this annual report.

The following declaration is made in fulfillment of the reporting obligations pursuant to the German Commercial Code (HGB): No material risks associated with our own operations, business relationships, products, and services were identified that are very likely to have severe negative impacts on non-financial aspects as defined by section 289c HGB. The policies described in this report apply equally to all Group subsidiaries unless stated otherwise in this report.

For details of the policies, the measures implemented, and the results achieved, please refer to the thematic standards.

Basis of consolidation of the sustainability report
ARAG Holding SE, Düsseldorf, produces a consolidated sustainability report as the ARAG Group's parent company. The scope of consolidation is the same as for financial reporting. In financial reporting, consolidation options are exercised so that non-material subsidiaries are not consolidated. The assessment of materiality for sustainability reporting takes non-financial as well as financial criteria into account. With regard to the subsidiaries not included in the consolidated financial statements, see chapter VIII 'Basis of Consolidation and Consolidation Methods' in the group management report.

The reporting period covers the year from January 1 to December 31, 2025.

Through its consolidated reporting, ARAG also fulfills the reporting obligations of its subsidiaries, which in their own management reports refer to the exemption and to the overarching sustainability report. A list of subsidiaries included in and exempt from sustainability reporting can be found in chapter VIII. 'Basis of Consolidation and Consolidation Methods' of the Group Management Report. The Irish subsidiary, ARAG Legal Protection Limited Ireland, has been excluded from the consolidation of included subsidiaries and thus from the annual consolidated sustainability reporting.

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

While ESRS does not explicitly define the term 'own operations' of a company, it does define the upstream and downstream value chain. Consequently, a distinction is made between own operations and the upstream and downstream value chain.

The Group reports consistently on its own investments and ensures that this is done in accordance with its management approach and its procedures. These investments are considered part of the downstream value chain, including investments over which financial control is exercised. The review of the Group's own operations is limited exclusively to operations that are necessary for the insurance business; nevertheless, nothing was excluded from the materiality assessment as a result of this distinction. For the purposes of disclosure, the impacts, risks, and opportunities are assigned on the basis of the aforementioned interpretation.

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

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

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

Time horizons
ARAG's reporting is based on the following short-, medium-, and long-term time horizons:
- Short-term: up to one year, the same as for financial reporting
- Medium-term: more than one year up to five years
- Long-term: more than five years

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

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

Changes to comparative information due to errors in the comparative period
The comparative disclosures in this report have been adjusted due to a mathematical error in the metrics for gross GHG emissions in 2024. Further information can be found in the 'Metrics' sub-section of the 'Environmental information' chapter.

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

1.2 Corporate governance

System of governance
Corporate governance at ARAG Holding SE follows the legal requirements of the two-tier system, under which the management and supervisory functions are performed by two separate bodies, the Management Board as the management body and the Supervisory Board as the supervisory body. The rules of procedure are updated as required and adapted to the Group's circumstances. The areas of responsibility as defined by the rules of procedure are presented below.

As of December 31, 2025, the Management Board of ARAG Holding SE had three members with the following responsibilities:
- Dr. Dr. h. c. Paul-Otto Faßbender: Chairman of the Management Board; Equity Investments/Group Audit/Legal/Compliance
- Klaus Heiermann: Brand and Communications/Risk Management and Sustainability Management
- Dr. Sven Wolf: Data Security/Finance/Accounting and Tax/HR

As of December 31, 2025, the Supervisory Board, which is responsible for appointing and monitoring the Company's Management Board, had the following members:
- Professor Dr. Tobias Bürgers (Chairman)
- Gerd Peskes (Deputy Chairman)
- Professor Emeritus Dr. Brigitte Grass

Workers' representatives and other employees are not members of the Supervisory Board.

The Management Board is responsible for sustainability, with member of the Management Board Klaus Heiermann assuming overall responsibility. He is supported by the 'Chief Sustainability Officer and Corporate Responsibility' Department. The Chief Sustainability Officer is the head of the department and thus has an advisory role.

The members of both boards have management experience and many years' appropriate theoretical and practical expertise and knowledge of the insurance sector and of ARAG's business model, and thus meet the 'Requirements for persons who effectively run the undertaking or assume responsibility for other key tasks' in accordance with section 24 of the German Insurance Supervision Act (VAG). These overarching criteria and the areas of responsibility enable the Management Board to meet the requirements for the appropriate management of the specific sustainability-related impacts, risks, and opportunities that may arise for ARAG. These can be assigned to the relevant departments. For example, the employee-related impacts are assigned to the Human Resources Department and the climate-related impacts and risks to the Risk Management and Sustainability Management Department. The impacts, risks, and opportunities that are material for ARAG are presented in the 'Material impacts, risks, and opportunities and their interaction with strategy and business model' section.

The members of the Supervisory Board must have the necessary knowledge, skills, and experience to be able to perform their monitoring role. They must always have the expertise needed to adequately monitor and oversee the Management Board of the ARAG Group and to actively support the Company's growth. Each member must therefore understand the Company's business and be able to assess the relevant risks. They must also be familiar with the main statutory requirements applicable to the Company. The individual members of the Supervisory Board are not required to have specialist knowledge. However, they must be capable of identifying when they need to take advice and of obtaining this advice. In any case, the expertise of the Supervisory Board as a whole must cover investments, underwriting, financial reporting, human resources, auditing, and sustainability.

A fundamental understanding of the departments can be ensured by linking the specialist knowledge and expertise of the individual business units with the associated impacts, risks, and opportunities – and this applies to the Supervisory Board too. Having the necessary professional suitability entails undertaking continuing professional development. Before the Annual General Meeting appoints someone to the Supervisory Board, both the potential Supervisory Board member and the Supervisory Board that proposed the candidate are expected to make sure that the potential member is sufficiently qualified.

In addition, both bodies can call upon internal and external expertise in order to assess and manage material impacts, risks, and opportunities. The 'Chief Sustainability Officer and Corporate Responsibility' Department and the associated advisory role of the Chief Sustainability Officer have an important part to play in this regard.

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

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

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

Impacts, risks, and opportunities are identified and evaluated as part of the materiality assessment. It provides the basis for defining the key impacts, risks, and opportunities, which are reviewed as a whole and approved by the Management Board. The results are then presented to the Supervisory Board at a Supervisory Board meeting. No special controls or procedures have been implemented in this context. Instead, review and approval follow the principles of the Company-wide internal management and control systems. Further information can be found in the 'Risk management and internal controls over sustainability reporting' section.

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

The Management Board as a whole is responsible for meeting the targets set in the sustainability strategy. ARAG has not established any committees.

The Management Board member responsible for sustainability regularly attends the meetings of the Supervisory Board, at which he informs Supervisory Board members about forthcoming regulatory obligations, current developments, target achievement, and the handling of these topics in sustainability management in the insurance industry. Ad hoc training is provided for board members, for example on changes to the regulatory environment.

The Chief Sustainability Officer heads up the department responsible for sustainability and reports directly to the Management Board member responsible for sustainability. The Chief Sustainability Officer regularly updates the Management Board on the implementation of the sustainability strategy and the regulatory requirements, and coordinates groupwide sustainability-related activities.

Composition of administrative, management, and supervisory bodies

	2025	2024
Number of Management Board members (executive) (headcount)	3	3
Number of Supervisory Board members (headcount)	3	3
Percentage of independent members on the Supervisory Board	100%	100%

Diversity on the Management Board

	2025	2024
Percentage of female Management Board members	0%	0%
Percentage of male Management Board members	100%	100%
Gender split on the Management Board	0%	0%

Diversity on the Supervisory Board

	2025	2024
Percentage of female Supervisory Board members	33.3%	33.3%
Percentage of male Supervisory Board members	66.7%	66.7%
Gender split on the Supervisory Board	50.0%	50.0%

Topical disclosure requirements

Overall responsibility for the material aspects of corporate governance lies with the Management Board. This includes the approval and ongoing development of material company-wide guidelines, such as the Compliance Guideline and the Integrity Guideline, the code of conduct, and the purchasing policy.

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

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

The purpose of the materiality assessment, which must be updated annually, is to identify and assess the ARAG Group's material impacts, risks, and opportunities, which are disclosed in the sustainability report. Every year, the materiality assessment's findings, including the sustainability matters identified as not material, are presented to the Management Board as a whole by the relevant Management Board member, Klaus Heiermann, and confirmed by the board. The results of other risk analyses, for example pursuant to the Supply Chain Due Diligence Act (LkSG) and analyses in connection with investments, are also presented to the Management Board. Where required, the Management Board can approve appropriate action to manage the identified impacts, risks, and opportunities. Mr. Heiermann also presents the results to the Supervisory Board. The results of the materiality assessment, including the material impacts, risks, and opportunities, are presented in their entirety to the Management Board and the Supervisory Board. The list can be found under 'Material impacts, risks, and opportunities and their interaction with strategy and business model'.

Furthermore, the Management Board – primarily the member with responsibility for risk management and sustainability management – continuously monitors regulatory and market-related developments, and ensures that all relevant information about sustainability-related impacts, risks, and opportunities and the implementation of due diligence are communicated to the Supervisory Board. As a company that takes the long view, ARAG attaches great importance to forward-looking risk management that also factors in emerging impacts and risks. These include risks caused by climate change. ARAG considers sustainability risks to be part of existing risk categories. Risks are identified,

analyzed, and assessed as part of the existing risk management process, and managed by the relevant process owners. Efforts are made to ensure that the risk strategy is consistent with the corporate strategy, and that compromises are taken into account in this context too. ARAG also takes sustainability risks into account in its own risk and solvency assessment (ORSA). The Management Board is responsible for the annual ORSA process and takes a lead role in ensuring it is carried out. As part of its regular reviews, it decides whether and how to prioritize the impacts, risks, and opportunities.

The Chief Sustainability Officer reports on overall progress with implementing the sustainability strategy, on the targets, and on the outcome of actions adopted to the relevant Management Board member on an ad hoc basis and during regular operational meetings.

Integration of sustainability-related performance in incentive schemes

The remuneration of the Management Board comprises a fixed basic salary and a variable element set as a percentage of the basic salary. The aim of setting an appropriate basic salary is to prevent the variable component from creating incentives that conflict with the interests of the Company. No share plans or share option programs are offered anywhere in the Group. To ensure that remuneration is attractive and in line with the market, the variable component for members of the Management Board is limited to a maximum of 60 percent of the basic salary where targets are achieved in full and is split into a short-term and a long-term component. In the case of insurance companies and ARAG Holding SE, the long-term component equates to 60 percent of the variable remuneration and is deferred; it also takes into account a potential downward adjustment as a result of exposure to current or future risks. The variable remuneration targets are based on objective Group and company metrics drawn from strategic planning and on individual targets for each member of the respective governing body. The weighting of the targets is defined beforehand.

In line with practice at ARAG Holding SE, the remuneration components for the members of the Management Boards of the ARAG Group's material operating insurance companies are linked to the implementation of the ARAG sustainability strategy, to ensuring compliance, and to effective risk management. This affects 20 percent of annual short-term incentives (STI) in the remuneration system. The sustainability strategy covers the following areas: product and performance, underwriting, customer satisfaction, diversity, compliance, and leadership and values. There is also a close link to the sustainability targets of the ARAG 5>30 Group strategy, which focuses on access to justice.

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

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

Remuneration falls under the remit of Group People Experience. It systematically reviews the Group's remuneration and incentive structures, taking account of ARAG Holding SE's overall objectives. In respect of the individual companies, Group People Experience acts on behalf of the Management Board. The international branches and subsidiaries can also specify additional remuneration rules that are specific to their market.

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

Due diligence declaration:

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

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

Risk management and internal controls over sustainability reporting

The ARAG Group has established an internal control system (ICS) for sustainability reporting. The ICS has a consistent structure throughout the Group, ensuring that the connected systems and reports in the Group can be verified. The following disclosures thus relate to the groupwide ICS, which is also used for the purposes of sustainability reporting. The ICS is designed to establish and maintain compliance with an organizational framework that ensures that statutory and regulatory requirements are implemented. The ICS follows the 'three lines of defence' model, which organizes the risks and internal controls of the reporting process. The focus here is on avoiding errors in the way information is presented and disclosed in the reporting process. The groupwide risk management approaches are applied consistently in the assessment of the risks and in their prioritization, for which ARAG uses a combination of quantitative and qualitative assessment methods.

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

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

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

The approval of the Management Board is given by way of the sustainability report's inclusion in the management report.

1.3 Strategy

ARAG understands the importance of the sustainable transformation of the economy and society. ARAG firmly believes that this comprehensive transformation process will be a success if it is transparent and verifiable, provides rights that can be enforced, and allows everyone to actively participate. As one of the leading legal insurers worldwide, ARAG can make a valuable contribution to supporting and purposefully driving forward societal change and sustainable transformation.

Business model

The ARAG Group operates in the fields of legal insurance, casualty and property insurance, and health insurance. It focuses on insurance products and services aimed at both private and business customers. Internationally, ARAG is targeting potential growth areas in the legal insurance sector. This involves the development and sale of insurance products, as well as claims settlement, in 18 countries. Germany is the most important market by gross premium income. Other important markets are the UK, the Netherlands, and Spain.

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

ARAG supports consumers in safeguarding and asserting their rights in the areas of work, the home, physical and mental health, education and participation, equal treatment, and privacy, whether analog or digital. In addition, legal insurance can support consumers in legal proceedings relating to environmental offenses. The key customer groups and insurance products mentioned are reflected in the impacts identified as material for consumers and end-users. Further information on the affected customer groups can be found under 'Consumers and end-users'. There were no material changes related to ARAG's products or customers in 2025.

Headcount of employees by geographical area

	2025	2024
EEA countries	5,189	4,881
Non-EEA countries	1,236	1,195
Total number of employees	**6,425**	**6,076**

Sustainability strategy

For over 90 years, ARAG has acted as a risk carrier providing access to justice. This business model promotes equal opportunities for all citizens and strengthens their rights at a time of social and economic change. In line with its sustainability strategy, ARAG focuses on the following ambitions:

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

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

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

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

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

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

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

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

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

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

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

"As a family enterprise, the wellbeing of future generations in European and global society is important to us. Based on these values, ARAG acts in a sustainable manner and embraces its corporate social responsibility."[1]

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

SDG 16 (Peace, justice, and strong institutions), which calls for the strengthening of the rule of law and universal access to justice, offers the broadest approach for ARAG. Thanks to its founding principle, ARAG has the greatest relevance in this area, both nationally and internationally. SDG 5 (Gender equality) and SDG 8 (Decent work and economic growth) also directly overlap with ARAG products such as protection from discrimination and legal insurance for employment. SDG 13 (Climate action) directly affects insurance companies as investors and risk carriers, with asset management, risk management, underwriting, product management, and claims management of relevance here. SDG 12 (Responsible consumption and production) has the potential to have a considerable bearing on ARAG's business model if environmental rights are defined as consumer rights and insurance products encourage sustainable consumption. SDG 3 (Good health and well-being) is central to the health insurance business, while SDG 17 (Partnership for the goals) addresses the principle of good citizenship and calls on companies to voluntarily demonstrate corporate social responsibility, as ARAG does by supporting UNICEF's Rights Respecting Schools program and the 'bildung.digital' program of the German Children and Youth Foundation (DKJS).

In the environmental arena, ARAG is committed to using natural resources sustainably as an investor, risk carrier, and operator of its own sites. With regard to investment, ARAG is guided by the targets of the Paris Agreement and endeavors to reduce negative impacts on the environment and society through its investment strategy. The Company is integrating a sustainability check into its product development process and monitors customer compliance with the ESG standards as part of the underwriting process. Further information on this can be found under 'Consumers and end-users'.

As an investor, ARAG ideally aims to limit global warming to 1.5°C in the long term and is striving to make its insurance investment portfolio greenhouse gas-neutral by 2050.

In addition to the ambition outlined above, ARAG is pursuing the target of reducing the financed Scope 1 and 2 emissions linked to shares and corporate bonds in the investment portfolio by 40 percent compared with the base year. This target is to be achieved through active portfolio maintenance and comprehensive negative screening in the case of both liquid and illiquid investments. ARAG is also increasingly focusing on sustainable investment. For further information, see the 'Targets for investment' section.

[1] Extract from the ARAG Essentials corporate guideline.

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

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

ARAG is subject to comprehensive regulation when it comes to governance. The ARAG Essentials and Leadership Essentials translate the corporate principles into leadership behavior, and adherence to these principles is a component of management remuneration. Compliance with regulatory requirements is of great importance and is checked annually. For further information, see the 'Corporate culture and corporate governance policies' chapter.

The protection of human rights is a central pillar of ARAG's business model as a legal insurer, but protection is only effective where the rule of law and its structures support this fundamental consensus. ARAG has established a process for monitoring human rights in order to limit the risk of human rights violations. The bulk of the Company's purchasing activities relate to highly specialized consultancy and other services, and to some extent to common office purchases from regional suppliers. Furthermore, ARAG's purchasing policy is designed to ensure that all bids meet legal requirements. It specifies minimum legal requirements, for example with regard to health & safety and minimum wage.

Direct suppliers and own operations are assessed as part of the annual risk analysis under LkSG. A prevention and remediation plan designed to protect the Company from risks in the supply chain has also been developed. A complaints system in line with LkSG was added to the ARAG website too. It allows anyone to openly or anonymously report breaches of human rights or of environmental obligations. Further information can be found in the 'Management of relationships with suppliers' section.

As part of its due diligence process, ARAG conducts assessments of new suppliers to verify whether they are included on sanctions lists issued by the U.S. Office of Foreign Assets Control, the EU, or the United Nations.

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

Value chain
As an insurance company, ARAG provides insurance cover through its product offering. Consequently, all sales revenue generated can be assigned to the insurance sector. Its own operations include the development of insurance products that meet customer demand. Accordingly, ARAG's value chain comprises the following three areas: upstream value chain, own operations, and downstream value chain.

Upstream value chain: The upstream value chain primarily includes suppliers and service providers. The services they render are currently categorized into 21 product groups, which include IT, Data Privacy Framework and communications, facilities management, travel and events, financial services, and professional services such as external claims handlers and auditors. The sourcing of services is the responsibility of Group Procurement. The upstream value chain includes reinsurance and the talent market. The activities of the upstream value chain support the main processes of the Company's own operations. Where required, each foreign subsidiary avails itself of the products and services.

Own operations: Own operations cover all processes relating to management, the core business, and support that are carried out by employees, are needed for insurance and asset management processes, and serve to link the upstream and downstream value chain. The employees are considered the most important input in relation to the impacts, while the insurance products offered represent the most important output. Sales are an essential part of the Company's business activities, especially in relation to customer satisfaction.

Downstream value chain: Insurance for private and corporate customers includes the insurance products themselves and the existing channels for insurance product brokerage. ARAG gains access to its customers via established sales channels and through its international companies, as well as via its website and its external communications. The customer portfolio is similar across the Group and, in the case of foreign subsidiaries, applies to private and corporate customers respectively. ARAG's investments also fall into this category. Investments are diversified across a number of asset classes and mainly comprise bonds, real estate, shares, and alternative investments, primarily investments in private equity and infrastructure. In its investment process, ARAG attaches great importance to broad diversification across a wide range of sectors and with regard to the geographical distribution of the investments.

Interests and views of stakeholders

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

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

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

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

ARAG has also created an internal channel for its main market, Germany, through which employees can submit suggestions regarding a wide range of operational matters. This includes suggestions regarding day-to-day operations and regarding the development of the Group and of products and strategies. These suggestions can have links to sustainability matters that are relevant to ARAG. The suggestions are reviewed by a committee and, in the event of a positive outcome, implemented by the relevant functions.

Views and interests of workers in the value chain
The workers in the value chain mainly include the workforce of companies in which ARAG invests. ARAG recognizes the importance of this and has established appropriate processes to protect human rights, in particular. Any affected persons can report incidents via the established channels, including the LkSG complaints procedure and the mailbox of the human rights officer. Interests, views, and rights are factored into ARAG's investment strategy through a variety of criteria. Further information on these criteria can be found in the 'Workers in the value chain' chapter.

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

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

This exchange of views and experiences gives ARAG an insight into customer expectations and needs, which it then uses to optimize products, services, and internal processes. No changes were made to the Group's strategies as a result of the interactions with stakeholders.

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

The materiality assessment identified a range of impacts on people and the environment, as well as financial risks and opportunities in own operations and in the upstream and downstream value chains. The following overview lists all impacts, risks, and opportunities identified as material in the course of the materiality assessment. The materiality assessment covers ARAG's entire value chain. The material impacts and risks relate to the five topics E1 – Climate change, S1 – Own workforce, S2 – Workers in the value chain, S4 – Consumers and end-users, and G1 – Corporate governance, and can be assigned to the dimensions 'insurance activities', 'own operations', and 'investments'. The impacts and risks relate to most of the business activities in the Federal Republic of Germany and are mainly located in the Company's own operations and the downstream value chain.

The table below shows whether the impacts are considered positive or negative. No current material risks or financial impacts were identified that affect ARAG's financial position, financial performance, or cash flows.

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

A description of each impact, risk, and opportunity can be found in the table below. None of the identified impacts, risks, and opportunities are entity-specific. More detailed information and notes on each topic can be found in the relevant sections in this report.

Material impacts, risks, and opportunities

Impact/risk/opportunity	Part of the value chain	Applicable standard in ESRS	Positive/negative	Description of the IROs	Time horizon (short-term, medium-term, long-term)
Impact	Own operations	E1 – Climate change	Actual, negative	ARAG contributes to energy consumption through its business.	Short-term
				ARAG's business generates carbon emissions that have a negative impact on climate change.	Long-term
	Insurance activities	E1 – Climate change	Actual, negative	By offering insurance products, ARAG contributes to the generation of emissions.	Medium-term
Risk	Insurance activities	E1 – Climate change	n/a	By covering loss or damage from climate-related risks, ARAG contributes to climate change adaptation through its insurance products. As extreme weather (hail, storms, floods, etc.) becomes more frequent as a result of climate change, there is a risk of higher overall loss events, which might not be reinsured.	Medium-term
				The medium- to long-term forecast is for a gross increase in risks from climate change and that risk mitigation techniques will become disproportionately more expensive. The risk from natural disasters is set to increase and drive the cost of risk mitigation techniques. There is no indication for the years ahead that purchasing sufficient reinsurance cover will not be possible.	Medium-term
				Fall in new business and increase in lapses due to inflation.	Medium-term
Impact	Investment	E1 – Climate change	Actual, negative	Negative contribution to climate change due to investment in companies that generate emissions.	Short-, medium-, and long-term
Risk	Investment	E1 – Climate change	n/a	Issuers with high ESG risks that could lead to financial losses.	Medium-term
Impact	Own operations	S1 – Own workforce	Actual, positive	Improvement of working conditions (working time/flexible working, pay [at least to pay-scale standards], work-life balance) has a positive effect on the workforce and boosts staff retention.	Medium-term
				The rules on workers' participation rights, which go beyond the statutory requirements, have a positive impact on the opportunities for codetermination in day-to-day work.	Medium-term
				The rules on health and safety, which go beyond the statutory requirements, have a positive impact on matters of employee health.	Medium-term
				Actions to combat discrimination in the workplace and promote diversity and gender equality have a positive impact on employees.	Medium-term
				Extensive opportunities for training and further education promote the development of employees' skills and leadership qualities, which also has a positive effect on employees.	Medium-term
			Potential, negative	ARAG holds a wide range of personal data on employees. A data leak could expose this personal data.	Short-term
Risk	Own operations	S1 – Own workforce	n/a	A lack of suitably qualified employees could endanger the Company's long-term viability. This could result in relative inefficiencies and above-average costs for attracting talented individuals.	Medium-term
Impact	Investment	S2 – Workers in the value chain	Potential, negative	Investment in companies or sectors could have a negative impact on a range of social aspects for workers in the value chain.	Short-, medium-, and long-term

→

→ Material impacts, risks, and opportunities

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

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

In accordance with the transitional provisions of Delegated Regulation (EU) 2025/1416 ('quick fix'), ARAG is making use of the option to not disclose the anticipated financial effects of the Company's material opportunities on its financial position, financial performance, and cash flows over the short, medium, and long term, including the reasonably expected time horizons for those effects.

As part of the ongoing strategic management of sustainability topics and the delivery of the materiality assessment, ARAG ensures that, among other things, the business model and strategic decisions are reviewed against sustainability matters, and that action is taken accordingly. This contributes to the Company's resilience against material impacts and risks. In the course of the ORSA, which is part of risk management, a detailed analysis of ARAG's risk profile is carried out every year.

The physical risks associated with climate change primarily have an impact on loss or damage relating to property insurance. Actions taken in product development to manage this include adjusting the products' scope of services and increasing product diversification. The transition risks associated with climate change primarily have an impact on the market value of investments. To manage this, ARAG is striving to make its insurance investment portfolio greenhouse gas-neutral by 2050. The multitude of options for managing loss or damage and the increasing availability of climate data for investments is creating adequate capacity for dealing with these risks. The risks associated with climate change are also addressed in scenario analyses.

A data protection and IT security policy are in place to counter the risk of unauthorized access to personal data during a cyberattack. Mandatory training, awareness campaigns, and the ongoing refinement of technical measures protect data to the fullest possible extent.

The impacts of the skills shortage are managed through targeted actions such as an adequate remuneration structure and enhanced employer branding. The wide range of actions taken is indicative of ARAG's ability to mitigate risk on a long-term basis.

As a legal insurer, compliance with laws and regulations is very important to ARAG. The high value that ARAG places on compliance and the provision of relevant training minimize the risk of violations of the law.

The assessment of the risk profile in the ORSA based on the aforementioned actions shows that the capacity to assume risk is maintained across the entire business planning period. Further information on the analysis of physical and transition risks can be found in the 'Impact, risk, and opportunity management' chapter.

1.4 Impact, risk, and opportunity management

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

General information on the materiality analysis

ARAG carried out a materiality assessment to identify the material topics that provide the content for sustainability reporting. As part of the process, sustainability matters from the topic-specific standards underwent a double materiality assessment. The materiality assessment is updated every year.

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

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

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

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

Description of the materiality assessment process

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

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

In a third step, the identified impacts, risks, and opportunities are assessed during workshops in the internal departments affected by the specific topics. The identified impacts, risks, and opportunities are only categorized by their materiality; they are not prioritized any further. The views and interests were incorporated into the materiality assessment with regard to the sustainability matters that affect them. Impacts were assessed based on their scale, scope, and, in the case of negative impacts, on the basis of whether they could be remedied. Where these are potential impacts, the likelihood of occurrence is also assessed. As far as potential negative impacts on human rights are concerned, their severity is a more important factor than the likelihood of occurrence. A scale from one to five was used to determine this. An impact was deemed material if it exceeded a threshold of two.

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

Approval by the Management Board

The findings of the materiality assessment are discussed and evaluated in an overarching workshop with experts on reporting, strategy, and risk to ensure a consistent and appropriate outcome. Given the nature of ARAG's business model, no further consultations were held with affected stakeholders or external experts.

The result of the materiality assessment is presented to the Management Board for discussion and approval, including those topics identified as material as well as those identified as not material. The purpose of approval is to ensure that no material topics are omitted during the materiality assessment.

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

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

Update of the materiality assessment in 2025
The results of the materiality assessment are updated every year. Workshops with relevant departments examined whether there were any changes to the materiality assessment's input parameters that could impact on the assessment of impacts, risks, and opportunities. This included an analysis of business activities, the product portfolio, investments, and sustainability-related risks. ARAG also factored insights from the market and its first reporting season into the update of the materiality assessment. Particular attention was paid to defining positive impacts in order to comply with the latest technical guidance. The update resulted in adjustments following the clarification of the definition of positive impacts, but beyond that there were no material changes to the impacts, risks, and opportunities.

The next full materiality assessment will be conducted in 2027. A full assessment is conducted every three years.

Overall, there were no material changes in the results of the materiality assessment.

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

Deriving disclosable content
On conclusion of the materiality assessment, the identified material impacts, risks, and opportunities were assigned to the topics, sub-topics, and sub-sub-topics. These were then assigned to the individual disclosure requirements in ESRS based on the technical guidance. A list of the disclosure requirements contained in this sustainability report can be found at the end of the report.

Climate change
The climate change reporting standard covers the sustainability matters 'climate change mitigation', 'climate change adaptation', and 'energy'. The carbon footprint is used to identify the impacts, primarily from GHG emissions, that are associated with these matters. The carbon footprint is calculated in accordance with the Greenhouse Gas Protocol (GHG Protocol). At ARAG, GHG emissions are generated primarily in investments, which account for the largest proportion of total emissions. Emissions are also generated in its own operations, chiefly by the buildings held for own use and by its vehicle fleet. They are made measurable and comparable by converting the various emissions generated into verified and standardized CO_2 equivalents (CO_2eq). This made it possible to determine the actual and potential impacts of GHG emissions on climate change and to evaluate them in workshops.

The ORSA process is generally used to identify and assess risks. Sustainability risks are not presented as a separate risk category, but rather as risk drivers within the existing risk categories. As part of identifying climate-related risks, an analysis is performed to

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

Climate change could have a negative impact on the ARAG Group's assets, primarily due to a potential loss in the market value of investments. The financial impacts of physical risks and transition risks on assets were assessed using the Fragmented World scenario, also known as 'Too little, too late'. A key driver in this scenario is the carbon price. This is relevant for companies as they have to pay it, which reduces their profits accordingly. Lower profits impact on share value and/or on the credit rating of issuers of interest-bearing securities, and thus potentially reduce their market value. Investments are re-evaluated using a software tool from MSCI, which is regularly updated and expanded.

The Fragmented World scenario assumes delayed and divergent climate policies worldwide, leading to high physical risks and transition risks. Countries with net zero targets only partially achieve them (80 percent of the target), while the other countries continue with their current policies. The increase in emissions causes global warming to rise by around 2.4°C, leading to severe physical risks. An effective climate policy and climate-friendly technologies are not implemented until 2030 and have very different effects in each country, leading to high transition risks. Pressure on the market value of investments would result primarily from negative financial consequences – due to the physical and transition effects of climate change – for those issuers in whose securities ARAG has invested. This scenario was applied to a portfolio of shares, corporate bonds, covered bonds, and government bonds. Risks and opportunities in the portfolio are measured using a forward-looking and return-based method. The result is the Climate Value-at-Risk (Climate VaR) metric. Climate VaR is an estimate of the present value of an issuer's future climate-related costs and profits in a specific scenario, and is given as a percentage of the issuer's current valuation. The metric reflects costs and profits up to 2100 with the aim of capturing the full breadth of potential climate-related costs. Climate costs result from loss or damage to the company caused by physical climate events (e.g. storms, heat waves, floods, forest fires) and from the company's transition to carbon neutrality. The Fragmented World scenario considers the two costs and risks. As of June 30, 2025, there was no significant change in the market value of shares and bonds due to physical risks and transition risks.

Using this scenario, the physical and transition risks in investments were calculated for time horizons of 5–10, 11–14, and 15–30 years. This is the most extreme of the NGFS scenarios and is thus suitable for quantifying the two risks. Despite this worst-case scenario, the market risk limit and the coverage ratio in the business policy are not exceeded, and there is no need for additional action.

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

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

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

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

The re-evaluation of technical provisions is based on data from the Climate Impact Explorer and from a study by Munich Re (2020), an article by Kunz, Mohr & Punge (2018), and the European Severe Weather Database (ESWD). The market value of technical provisions would rise due to the increase in expected future loss or damage. The expected claims incurred were adjusted in order to assess the impact of flooding and hailstorms. Overall, the scenario analyses clearly show that higher losses due to extreme weather events have a significant impact on the technical provisions of property insurance companies.

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

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

The short-, medium-, and long-term time horizons follow the definition of the supervisory authority: a period of 5–10 years is selected for the short term, 11–14 years for the medium term, and 15–30 years for the long term. This takes into account the long-term nature of the risks. The objective here is to identify risks at an early stage and derive any potential need for action. The strategic planning horizon is less than five years. Within this timeframe, operational risk is managed through capital allocation plans and, among other things, is based on the duration of fixed-income securities. The focus here is on acute risks.

ARAG uses MSCI's Implied Temperature Rise (ITR) to determine whether assets are compatible with the transition to a climate-neutral economy. The ITR provides a company's implied temperature increase, which is calculated based on a carbon budget allocated according to the company's sector and size, and on the action it has taken to reduce carbon emissions. The achievement of its own targets is also taken into account. Investments with an ITR above 4°C are excluded from direct investments and self-managed institutional pension and fixed-income funds. Given the target of reducing greenhouse gas emissions in investments, it can be assumed that this will have a corresponding positive impact on the risk profile identified in the scenario analysis. For further information, see the 'Actions in investment' and 'Targets in investment' sections.

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

Furthermore, the consequences of climate change and the action taken across the insurance industry to mitigate climate change could lead to changes that may also entail adjustments to the strategy in the long-term. No immediate need for adjusting the strategy with regard to investments and business activity was identified in the scenario analyses.

Further environment-related sustainability topics

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

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

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

As an insurance company, ARAG primarily provides insurance products. Consequently, its **own operations** are essentially not dependent on marine resources or other natural resources, and is not active in geographical regions in which it could have an impact on bodies of water. No significant impacts, risks, and opportunities were identified in relation to biodiversity, mainly because ARAG does not have sites in or near key biodiversity areas or river catchment areas. The sites are also not material with regard to pollution, and no corrective action was taken. As an insurance company, ARAG is not dependent on biodiversity or on ecosystem services. Furthermore, no significant volumes of waste are generated, which is why these topics are deemed not material from the perspective of own operations.

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

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

No consultations were held with affected communities.

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

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

2 Environmental information

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

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

For ARAG, this includes both investing activities and underwriting activities. The underwriting activities are only relevant to non-life and reinsurance business. The Taxonomy Regulation specifies the following six environmental objectives:
1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

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

Insurance
Gross premiums considered taxonomy eligible relate to certain non-life insurance activities from specific lines of business (LoBs) under Solvency II that provide cover for specific, climate-related hazards:
- LoB 1: medical expense insurance
- LoB 2: income protection insurance
- LoB 3: workers' compensation insurance
- LoB 4: motor liability insurance
- LoB 5: other motor insurance
- LoB 6: marine, aviation and transport insurance
- LoB 7: fire and other damage to property insurance
- LoB 11: assistance

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

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

Components of home contents insurance and residential buildings insurance, in particular, were identified as taxonomy-aligned. The reporting for 2025 identified an additional insurance product as aligned, compared with 2024. Of the absolute premiums amounting to

€2,280.9 million (2024: €2,046.4 million), taxonomy-aligned non-life insurance and reinsurance business accounted for €31.3 million in 2025 (2024: €18.9 million), of which €2.2 million (2024: €1.1 million) was reinsured. The proportion of premiums was therefore 1.4 percent (2024: 0.9 percent) and 0.1 percent (2024: 0.1 percent) respectively. The absolute premiums in the taxonomy-non-eligible non-life insurance and reinsurance business amounted to €2,057.4 million (2024: €1,858.5 million) and thus to a proportion of 90.3 percent (2024: 90.8 percent) of premiums. The fulfillment of the criteria is briefly outlined below.

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

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

Among other things, the product development process incorporates market observations, customer surveys, and the monitoring of the regulatory environment. Accordingly, a full review is also undertaken to determine the extent to which sustainability aspects and/or new or evolving climate-related risks should be included in future generations of products. Adjustments are agreed in close cooperation with ARAG's Chief Sustainability Officer. Climate change is driving the cost and frequency of climate-related loss events.

Thanks to their business model, insurance companies have access to a significant volume of relevant claims data that is not available to the authorities and other public bodies to the same extent. In order to derive the greatest benefit from this data, including for the protection of the general public, ARAG shares anonymized data with the authorities.

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

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

Insurance activities should also include suitable measures to provide minimum safeguards in respect of human rights, corruption, taxation, and fair competition. ARAG has implemented processes aimed at meeting these requirements. Potential risks are identified and preventive measures defined and monitored, where necessary, as part of a due diligence process. The Compliance Guideline and the compliance function ensure overall compliance. Adherence to the guideline is mandatory for all Management Board members and employees of ARAG SE, its branches, and its subsidiaries. Where subsidiaries are stock corporations, they are required to adopt their own compliance frameworks, tailored to their business model and based on this Compliance Guideline. They must also ensure that their framework is adhered to and review it regularly. In doing so, all relevant national legal and regulatory requirements, including any location-specific requirements, must be taken into account.

As a legal insurer, ARAG currently has only a small proportion of products associated with climate risks. Nevertheless, sustainability matters are actively reviewed and integrated during the product development process. This involves continually checking the extent to which climate risks influence the products and whether the risks need to be taken into account. The policy is agreed with ARAG's Chief Sustainability Officer as part of the product development process. Among other things, this involves looking at the taxonomy eligibility criteria. Feedback from Sales and from customers is also factored into the development process with the aim of creating an even more customer-oriented offering. Nevertheless, there are currently no targets for taxonomy alignment.

Taxonomy eligibility and taxonomy alignment both increased by 0.5 percentage points year on year. This is attributable to premium income that includes frost as an insured risk and was thus deemed Taxonomy eligible. Taxonomy alignment remains low compared with the overall portfolio, mainly because, as a legal insurer, ARAG's legal insurance business accounts for a significant proportion of gross premiums written. As this income is neither taxonomy eligible nor taxonomy-aligned, it is used only in the metrics' denominator. The following metrics apply to the insurance business in 2024 and 2025.

The underwriting KPI for non-life insurance and reinsurance undertakings

		Substantial contribution to climate change adaptation			Do No Significant Harm (DNSH)					
Economic activities (1)		**Absolute premiums, 2025 (2)**	**Proportion of premiums, 2025 (3)**	**Proportion of premiums, 2024 (4)**	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
		(€ million)	(%)	(%)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1.	**Non-life insurance and reinsurance underwriting taxonomy-aligned activities (environmentally sustainable)**	31.3	1.4	0.9	Y	Y	Y	Y	Y	Y
A.1.1	Of which reinsured	2.2	0.1	0.1	Y	Y	Y	Y	Y	Y
A.1.2.	Of which stemming from reinsurance activity	0.0	0	0	Y	Y	Y	Y	Y	Y
A.1.2.1	Of which reinsured (retrocession)	0.0	0	0	Y	Y	Y	Y	Y	Y
A.2.	**Non-life and reinsurance underwriting taxonomy eligible but not environmentally sustainable, activities (not taxonomy-aligned activities)**	190.2	8.3	8.3						
B.	**Non-life and reinsurance underwriting taxonomy-non-eligible activities**	2,057.4	90.3	90.8						
Total (A.1 + A.2 + B)		**2,279.0**	**100.0**	**100.0**						

Investments
There is growing public interest in sustainable investments, and they are closely associated with the Taxonomy Regulation. The aim is to increase the volume of financing of taxonomy-aligned economic activities overall, although no explicit targets are set for this. The taxonomy eligibility and taxonomy alignment of investments is disclosed below. ARAG is reporting the EU taxonomy metrics for 2025 in accordance with the current version of the Regulation, and will take the changes adopted on January 8, 2026 into account for the first time in the 2026 reporting period.

Calculation base
The calculation of the KPIs is usually based on total assets. For all assets that fall within the scope, the carrying amounts from the consolidated financial statements prepared in accordance with HGB are used. The basis of consolidation used for ARAG Holding SE is the one defined in the consolidated financial statements, which matches the companies consolidated for regulatory purposes. In a change from last year, ARAG Legal Protection Ltd, Republic of Ireland, is excluded as it is not material from a financial and a sustainability perspective. This does not affect the metrics.

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

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

Use of mandatory published information (liquid assets)
The KPIs disclosed are based on the data published by investee companies. The calculation is based on the most recent data and KPIs available from the counterparties. No estimates are made in this context.

The published data of the individual counterparties that is required for assessing liquid assets in the public markets segment was obtained from a data provider and used. Where data was not available, other associated data providers or relevant publications were used. Only data available by February 20, 2026 was used. In the case of investments in investment funds, a review of the individual investments within the funds and the issuers behind them – where such information was available – was carried out and the availability of data on taxonomy alignment checked.

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

Establishing the taxonomy alignment of investments in real estate and infrastructure

Obtaining data for non-liquid assets, which at ARAG include real estate (direct investments, loans, equity investments/funds) and infrastructure investments (equity investments/funds), is still difficult and incomplete. ARAG's own analyses and external data procurement via partners (including external asset managers), counterparties, co-investors (in the case of investments via fund and investment vehicles), trade associations/initiatives (German Investment Funds Association [BVI], German Alternative Investment Association [BAI], Principles for Responsible Investment [PRI], Encore, German Property Federation [ZIA], etc.), and public data sources are all included. Each asset manager and portfolio manager was asked about the availability of relevant information.

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

Disclosures under Article 8 of the EU taxonomy

In accordance with Annex X of the EU taxonomy, the following tables show the proportion of investments by insurance and reinsurance undertakings that are used to fund taxonomy-aligned or not taxonomy-aligned economic activities. The tables provide a clear overview of the exposures that make up the denominator and numerator upon which the relevant KPIs of the Taxonomy Regulation are based. This highlights the proportion of investments that are directed at, or associated with, the funding of taxonomy-aligned economic activities in relation to the insurance or reinsurance company's total investments.

The trend in taxonomy-aligned investments is primarily shaped by two factors. First, shifts toward NFRD-relevant assets, chiefly financial assets, led to a rise in the disclosed taxonomy-aligned volume. Second, the reported metrics increased overall as a result of improved data quality and availability.

The proportion of investments by ARAG in 2025 that are directed at, or associated with, the funding of taxonomy-aligned economic activities in relation to the total investments

Description	Percentage-based metric	Description	Absolute metric
	(%)		(€ million)
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based:	5.5	Turnover-based:	313.3
CapEx-based:	7.5	CapEx-based:	430.0
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities:		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities:	
Coverage ratio:	82.8	Coverage:	5,734.1
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI:	0.0	The value in monetary amounts of derivatives:	0.0
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	21.7	For non-financial undertakings:	1,243.0
For financial undertakings:	8.0	For financial undertakings:	457.6
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	16.6	For non-financial undertakings:	949.9
For financial undertakings:	6.7	For financial undertakings:	382.0
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	16.3	For non-financial undertakings:	936.3
For financial undertakings:	27.4	For financial undertakings:	1,569.1
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:[1]	26.7	Value of exposures to other counterparties and assets:[1]	1,528.2
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders:[2]	100.0	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders:[2]	5,734.1

→

→ The proportion of investments by ARAG in 2025 that are directed at, or associated with, the funding of taxonomy-aligned economic activities in relation to the total investments

Description	Percentage-based metric	Description	Absolute metric
	(%)		(€ million)
The value of all the investments that are funding economic activities that are not taxonomy eligible relative to the value of total assets covered by the KPI:[2]		Value of all the investments that are funding economic activities that are not taxonomy eligible:[2]	
Sales revenue-based:	50.7	Sales revenue-based:	2,908.8
CapEx-based:	45.7	CapEx-based:	2,619.6
The value of all the investments that are funding taxonomy eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI:[2]		Value of all the investments that are funding taxonomy eligible economic activities, but not taxonomy-aligned:[2]	
Sales revenue-based:	11.2	Sales revenue-based:	644.5
CapEx-based:	10.7	CapEx-based:	611.1
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings – sales revenue-based:	2.2	For non-financial undertakings – sales revenue-based:	123.5
For non-financial undertakings – CapEx-based:	3.7	For non-financial undertakings – CapEx-based:	212.5
For financial undertakings – sales revenue-based:	1.0	For financial undertakings – sales revenue-based:	59.6
For financial undertakings – CapEx-based:	1.5	For financial undertakings – CapEx-based:	87.4
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, taxonomy-aligned economic activities:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, taxonomy-aligned economic activities:	
Sales revenue-based:	5.5	Sales revenue-based:	313.3
CapEx-based:	7.5	CapEx-based:	430.0
The proportion of taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:		Value of of taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	
Sales revenue-based:	2.3	Sales revenue-based:	130.3
CapEx-based:	2.3	CapEx-based:	130.1

[1] In Article 5 (3) of the Delegated Regulation of June 27, 2023, exposures to other counterparties became '(...) other counterparties and assets' (cf. Annex 5 [12] and [13]).
[2] Annex X to the Disclosures Delegated Act (DDA) does not call for a separate disclosure of sales revenue-based and CapEx-based metrics at these points. Based on the calculation logic, these metrics would be expected to be disclosed on the basis of sales revenue and CapEx too.

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

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

→

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

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

[1] In Article 5 (3) of the Delegated Regulation of June 27, 2023, exposures to other counterparties became '(...) other counterparties and assets' (cf. Annex 5 [12] and [13]).
[2] Annex X to the Disclosures Delegated Act (DDA) does not call for a separate disclosure of sales revenue-based and CapEx-based metrics at these points. Based on the calculation logic, these metrics would be expected to be disclosed on the basis of sales revenue and CapEx too.

Breakdown of the numerator of the KPI per environmental objective (2025)

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

Environmental objective	Percentage-based metric	Breakdown	Percentage-based metric
1. Climate change mitigation[1]			
Sales revenue:	5.4	Transitional activities (sales revenue):	0.3
CapEx:	7.4	Transitional activities (CapEx):	0.5
		Enabling activities (sales revenue):	1.5
		Enabling activities (CapEx):	2.6
2. Climate change adaptation[1]			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
3. The sustainable use and protection of water and marine resources[1]			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
4. The transition to a circular economy[1]			
Sales revenue:	0.1	Enabling activities (sales revenue):	0.0
CapEx:	0.1	Enabling activities (CapEx):	0.0
5. Pollution prevention and control[1]			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0
6. The protection and restoration of biodiversity and ecosystems[1]			
Sales revenue:	0.0	Enabling activities (sales revenue):	0.0
CapEx:	0.0	Enabling activities (CapEx):	0.0

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

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

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

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

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

Investments in economic activities in nuclear energy and fossil gas

As of December 31, 2025, ARAG's investments included few investments in nuclear energy and fossil gas. Up-to-date information on exposures in relation to activities in nuclear energy and fossil gas is provided in accordance with Annex III of Delegated Regulation (EU) 2022/1214.

Template 1 – Nuclear and fossil gas related activities

Row		2025
	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Template 1 – Nuclear and fossil gas related activities

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

Template 2 – Taxonomy-aligned economic activities (denominator) (2025)

			Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
			CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities		Amount in million €	%	Amount in million €	%	Amount in million €	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.1	0.0	0.1	0.0	0.0	0.0
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	3.9	0.1	3.9	0.1	0.0	0.0
		(CapEx)	2.0	0.0	2.0	0.0	0.0	0.0
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	5.5	0.1	5.5	0.1	0.0	0.0
		(CapEx)	7.7	0.1	7.7	0.1	0.0	0.0
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.1	0.0	0.1	0.0	0.0	0.0
		(CapEx)	1.7	0.0	1.7	0.0	0.0	0.0
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.1	0.0	0.1	0.0	0.0	0.0
		(CapEx)	0.5	0.0	0.5	0.0	0.0	0.0
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0
		(CapEx)	0.2	0.0	0.2	0.0	0.0	0.0
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	(Sales revenue)	303.6	5.3	302.4	5.3	1.2	0.0
		(CapEx)	417.9	7.3	416.0	7.3	1.9	0.0
8.	Total applicable KPI	(Sales revenue)	313.3	5.5	312.1	5.4	1.2	0.0
		(CapEx)	430.0	7.5	428.1	7.5	1.9	0.0

CCM = climate change mitigation; CCA = climate change adaptation

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

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

CCM = climate change mitigation; CCA = climate change adaptation

Template 3 – Taxonomy-aligned economic activities (numerator) (2025)

			Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
			CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities		Amount in million €	%	Amount in million €	%	Amount in million €	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.1	0.1	0.1	0.1	0.0	0.0
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	3.9	1.2	3.9	1.2	0.0	0.0
		(CapEx)	2.0	0.5	2.0	0.5	0.0	0.0
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	5.5	1.8	5.5	1.8	0.0	0.0
		(CapEx)	7.7	1.8	7.7	1.8	0.0	0.0
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.1	0.0	0.1	0.0	0.0	0.0
		(CapEx)	1.7	0.4	1.7	0.4	0.0	0.0
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.1	0.0	0.1	0.0	0.0	0.0
		(CapEx)	0.5	0.1	0.5	0.1	0.0	0.0
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0
		(CapEx)	0.2	0.1	0.2	0.1	0.0	0.0
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	(Sales revenue)	303.6	96.9	302.4	96.5	1.2	0.4
		(CapEx)	417.9	97.2	416.0	96.7	1.9	0.5
8.	Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	(Sales revenue)	313.3	100.0	312.1	99.6	1.2	0.4
		(CapEx)	430.0	100.0	428.1	99.6	1.9	0.5

CCM = climate change mitigation; CCA = climate change adaptation

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

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

CCM = climate change mitigation; CCA = climate change adaptation

Template 4 – Taxonomy eligible but not taxonomy-aligned economic activities (2025)

			Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
			CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
Row	Economic activities		Amount in million €	%	Amount in million €	%	Amount in million €	%
1.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.1	0.0	0.1	0.0	0.0	0.0
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0
2.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.2	0.0	0.2	0.0	0.0	0.0
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0
3.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0
		(CapEx)	0.0	0.0	0.0	0.0	0.0	0.0
4.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	1.2	0.0	1.2	0.0	0.0	0.0
		(CapEx)	0.2	0.0	0.0	0.0	0.2	0.0
5.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	3.9	0.1	2.4	0.0	1.5	0.0
		(CapEx)	2.6	0.0	2.6	0.0	0.0	0.0
6.	Amount and proportion of taxonomy eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0	0.0	0.0	0.0	0.0
		(CapEx)	2.0	0.0	2.0	0.0	0.0	0.0
7.	Amount and proportion of other taxonomy eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	(Sales revenue)	639.1	11.2	619.8	10.8	19.2	0.3
		(CapEx)	606.3	10.6	606.3	10.6	0.0	0.0
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	(Sales revenue)	644.5	11.2	623.7	10.9	20.7	0.4
		(CapEx)	611.1	10.7	610.9	10.7	0.2	0.0

CCM = climate change mitigation; CCA = climate change adaptation

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

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

CCM = climate change mitigation; CCA = climate change adaptation

Template 5 – Taxonomy-non-eligible economic activities (2025)

Row	Economic activities		Amount in million €	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0
		(CapEx)	0.0	0.0
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	1.5	0.0
		(CapEx)	3.6	0.1
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	2.7	0.1
		(CapEx)	0.8	0.0
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0
		(CapEx)	0.0	0.0
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.0	0.0
		(CapEx)	0.0	0.0
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	(Sales revenue)	0.4	0.0
		(CapEx)	0.0	0.0
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	(Sales revenue)	2,904.2	50.4
		(CapEx)	2,615.1	45.6
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	(Sales revenue)	2,908.8	50.5
		(CapEx)	2,619.6	45.7

CCM = climate change mitigation; CCA = climate change adaptation

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

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

CCM = climate change mitigation; CCA = climate change adaptation

2.2 Climate change

Transition plan for climate change mitigation
ARAG and its Group companies do not currently have a transition plan. At present, no decision has been made as to whether – and if so, when – a transition plan will be drawn up.

2.2.1 Own operations

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

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

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

2.2.1.1 Policies

Sustainability strategy
ARAG endeavors to make a positive contribution to climate action, and given its influence on the environment as an insurance company, ARAG defined a sustainability strategy in 2022 that is binding across the Group and for all departments.

Among other things, the strategy covers the management of material sustainability matters in own operations and is based on the United Nations' 17 SDGs and the Global Compact. ARAG's sustainability strategy is centered around several key areas of action.

It addresses the following impacts:

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

With regard to its own operations, ARAG focuses on its sites where sustainable business practices are being implemented. Emissions from buildings rented out to third parties (Sports Offices, Sales Directorates, Main Branch Offices) are recorded individually depending on location, the consumption figures are disclosed for each, and the carbon emissions calculated on this basis.

The **real estate in the portfolio** leased to ARAG companies is assigned to own operations and disclosed under heading 'B. I. land, land rights, and buildings'. These buildings serve as administrative offices and currently represent significant sources of carbon emissions. Consequently, a proportion of real estate investments is closely linked to ARAG's own operations.

Modernizing this real estate can therefore make a considerable contribution to decarbonization. In the future, sustainability criteria will increasingly feature alongside the original criteria in the decision-making process, both for existing and for new-build properties. The overarching aim is to actively shape the energy transition by replacing fossil fuels with renewable energy sources and implementing energy-saving measures. This should reduce climate-related financial risks in property investments.

All investments submitted for a decision must meet the exclusion criteria set for direct investments in real estate; the other sustainability criteria have a positive influence on the overall rating. The policy on using sustainability criteria in investment defines how sustainability matters related to this real estate should be managed. Further information can be found in the 'Policies' sub-section of the 'Investment' section.

Over the next three years, ARAG will largely switch to digital policy documents, information sheets, and correspondence in its **customer communications**. There will be exceptions where the law requires communications to be in paper form. The department dedicated to inhouse environmental measures focuses on reducing GHG emissions in order to achieve the ambitions set.

ARAG's sustainability strategy for its own operations relies on the environmentally friendly design of processes. The sustainability matters 'climate action' and 'energy' are addressed accordingly. The sustainability strategy does not explicitly address climate action, energy efficiency, and the use of renewable energies.

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

ARAG has a company car policy, which was last updated in July 2024. Its purpose is to promote the use of electric vehicles at ARAG. Accordingly, the plan is for all new vehicles ordered to be fully electric, likely from 2027 onward. The policy defines clear rules and processes for using, maintaining, and procuring vehicles in order to optimize costs, increase safety, and reduce the vehicle fleet's environmental impact. The objective is to convert the fleet to fully electric cars. The company car policy applies to all ARAG Group companies in Germany.

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

The Group Central Service Solutions Department handles the entire fleet administration process, from the procurement and management of company vehicles to monitoring compliance with the company car policy. The policy defines the principles of procurement. The principles relate to the procedures and requirements of the procurement process itself, as well as to compliance with other applicable internal guidance such as the Integrity Guideline and the data protection management policy. Overall responsibility lies with the Management Board as a whole. The company car policy is published on the intranet.

The Tax and Purchasing Central Department is tasked with implementing the purchasing policy and ensuring that all of the Group's purchasing activities comply with it. It is responsible for purchasing all necessary goods and services.

Local rules apply to all purchasing processes at international subsidiaries; under no circumstances may these conflict with the principles of the groupwide purchasing policy.

The **travel policy** is developed and updated in collaboration with the Central Services and Group Procurement Central Department. The policy calls for sustainability matters to be considered in business travel, for example avoiding journeys where virtual meetings are possible and restricting the use of more emission-intensive modes of transportation. Responsibility for implementing the travel policy lies with the local subsidiaries.

2.2.1.2 Actions

ARAG made considerable progress with decarbonization in 2022 by switching to green electricity at its main administrative sites. This represents a key lever for significantly reducing carbon emissions. However, since this lever's potential has largely been exhausted, ARAG has identified further decarbonization options. They include improving energy efficiency with the help of an energy audit every four years, promoting sustainable travel, and implementing innovative technologies that reduce the carbon footprint. The ability

to deliver on this will depend on the availability and allocation of financial resources. No separate budgets have been set for these actions.

Electrification of the vehicle fleet
The following actions are being taken to promote the use of electric company vehicles from 2027 onward:

ARAG is offering a subsidy for drivers to install their own home charging points. Options for home-charging billing without the need for a dedicated wall-mounted charger are also being examined in detail and are expected to be introduced by the end of Q1 2026. More than 40 charging points have been installed at the ARAG Tower to allow drivers to charge electric and hybrid vehicles at their place of work.

While electric vehicles accounted for 0.54 percent of the entire vehicle fleet in 2018, this increased to 14.2 percent in 2024. In 2025, the proportion of all-electric vehicles in the vehicle fleet was 19.3 percent. It is not currently possible to quantify the reduction in GHG emissions achieved so far.

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

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

Installation of German Energy Conservation Ordinance (EnEV) kits
By installing electronically operated vents in buildings held for own use that allow for the four smoke extraction shafts of the passenger lifts to be shut tightly, it is possible to keep more heat inside the building in winter and reduce the amount of energy spent on heating. The vents also help to reduce the heat load in summer. This is achieved through temperature-dependent venting of the shaft, which provides further energy savings and increased energy efficiency. Furthermore, if CO_2 levels are high, the vents can be opened and closed to bring in fresh air.

The calculations based on defined average values show that there is considerable potential for savings. However, this is a theoretical calculation as the total heating costs cannot be compared and the actual temperatures in this area cannot be determined precisely. The savings on heating costs can be calculated by assuming an average external temperature of 10°C and an internal temperature of 21°C. By installing four EnEV kits, two for the innermost lifts and two for the outer twin shafts, annual savings of more than 590,000 kWh and a reduction of around 168 tonnes of CO_2 are achievable. The carbon reduction data is based on the manufacturer's specifications for the EnEV kits and on cumulative values, such as those resulting from the reduction in heating costs. It is not currently possible to quantify the reduction in emissions achieved so far. The installation of the EnEV kits began in mid-2024 and was completed by mid-2025.

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

Sustainable commuting
More sustainable employee commuting is encouraged by offering a subsidy of up to €50 toward local public transportation and by raising awareness of climate-friendly travel options. ARAG is thus also focusing on climate action and the efficient use of resources. The Company is striving for climate-friendly employee mobility and wants to encourage everyone to adapt their behavior in the face of climate change. While 115 season tickets for local public transportation were issued to the workforce in Germany in 2022, within two years that number had increased almost five-fold. This initiative was launched in May 2023. In 2025, 943 season tickets for local public transportation were issued to the workforce in Germany. The reduction in greenhouse gas emissions is not currently quantified.

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

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

In addition to the financial criteria and those connected to building services, property type, and location, and the associated project, rental, legal, and tax risks, ARAG also factors sustainability criteria into the decision-making process, for both existing real estate and new builds. This involves exclusion criteria and positive screening in relation to the following characteristics.

Negative list:
- Energy-efficiency classes
- Use of tropical woods and exotic natural stone
- Exclusion of social groups (luxury redevelopments)
- Soil sealing of forests and of agricultural land

Positive screening:
- Certification by the German Sustainable Building Council (DGNB)
- Taxonomy alignment
- Level of prefabrication and proof that components can be separated
- Proof that the building materials used can be reused
- Support for car-free transportation

Every investment submitted for a decision must meet the exclusion criteria; the other sustainability criteria have a positive influence on the overall rating.

2.2.1.3 Targets

ARAG has not defined any measurable, results-oriented targets for its own operations due to the small proportion of the overall carbon footprint that they account for. However, the effectiveness of the policies and actions is ensured through the annual process of calculating the carbon footprint.

2.2.2 Insurance products

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

Climate action was identified as material by the materiality assessment. The identified impacts, risks, and opportunities are defined as follows:
- Negative impacts in connection with emissions facilitated by offering casualty and property insurance.
- By covering loss or damage from climate-related risks, ARAG contributes to climate change adaptation through its insurance products. As extreme weather (hail, storms,

floods, etc.) becomes more frequent as a result of climate change, there is a risk of higher overall loss events, which might not be reinsured.
- The medium- to long-term forecast is for a gross increase in risks from climate change and that risk mitigation techniques will become disproportionately more expensive. The risk from natural disasters is set to increase and drive the cost of risk mitigation techniques. There is no indication for the years ahead that purchasing sufficient reinsurance cover will not be possible. However, the reinsurance market is expected to reduce its capacity.

The policies, actions, and targets implemented to manage the impacts are presented below.

2.2.2.1 Policies

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

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

The design of the sustainability strategy is the responsibility of the individual departments. At the overarching level, the sustainability function is responsible for the implementation of, and compliance with, the strategy.

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

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

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

2.2.2.2 Actions

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

Group Sales, Products and Innovation is responsible for the transparency of product information. The product development process is the responsibility of the Sales & Product Application Management Department, which is part of Group Sales, Products and Innovation. The Sustainability function is also involved. All of the Group's insurance companies in Germany are covered. Mechanisms used by ARAG include monitoring processes and legal checks to ensure compliance with key laws and regulations in Germany and abroad, as well as stringent approval processes in product development.

Expansion of the product development process

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

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

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

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

Discounts

Nevertheless, ARAG's new products already include related incentives such as discounts. ARAG's Top Special Service Package offers discounts for customers with electric cars and for those who use a season ticket for public transportation. With the ARAG Recht & Gewerbe all-round cover product, customers can be placed in a higher no-claims category if they belong to a sustainability network or hold a certification. Small-business customers can also be placed in a higher category if they meet at least two criteria from a sustainability catalog, such as promoting and using green transportation, using green electricity or a photovoltaic system, or voluntarily offsetting carbon emissions. The same applies to ARAG Aktiv legal expenses insurance for the self-employed, a product that offers customers a discount on the price if they meet certain sustainability criteria.

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

Supporting the use of renewable energy

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

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

2.2.2.3 Targets

To date, ARAG has not defined any measurable, results-oriented targets for its insurance products in relation to climate change mitigation and climate change adaptation. This is because ARAG's main focus is on the legal insurance business, which – by definition – is taxonomy-non-eligible. Nevertheless, the effectiveness of these policies and actions is monitored by means of the aforementioned processes.

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

2.2.3 Investments

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

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

2.2.3.1 Policies

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

The policy on using sustainability criteria in investment adds greater detail to ARAG's sustainability strategy with regard to managing investments. The policy applies to all ARAG companies except ARAG USA and HELP Forsikring. The policy is reviewed annually and adapted where necessary, with overall responsibility falling to the relevant member of the Management Board. The latest version of the policy was signed off by the Management Board in November 2025.

The negative impacts on society and the environment are minimized through a contribution to climate change mitigation, while the risks arising from climate change are proactively addressed in the portfolio. The materiality assessment identified material, climate-related impacts and risks for ARAG.

ARAG manages its investments with an eye on sustainability out of a sense of responsibility toward its stakeholders. It is integrating sustainability criteria into its investment decisions, broadening its sustainable portfolio, and aiming to contribute to the transformation of the economy by taking an entity-specific approach.

The policy on consideration of sustainability criteria in investment addresses the following impacts, risks, and opportunities:

- Negative contribution to climate change due to investment in companies that generate emissions.
- Issuers with high ESG risks that could lead to financial losses.

The aforementioned policy adds greater detail to ARAG's strategy with regard to sustainability matters in investments. ARAG aims to make its investment portfolio of insurance assets greenhouse gas-neutral by 2050. The overarching ambition is to limit global warming in the long term, ideally to 1.5°C. To date, there are no defined methods for pursuing and achieving this ambition. An update of the strategy is planned, taking into account future developments, particularly in the regulatory sphere, and other factors. The strategy was set in consultation with the Management Board.

The approach described in the aforementioned policy is structured according to the type of investment.

Liquid investments

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

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

Alternative investments

When it comes to alternative investments such as private equity funds, infrastructure funds, and real estate funds, ARAG focuses on selecting sustainability-oriented asset managers, irrespective of whether alternative investments are held directly or via institutional fund structures. To this end, a sustainability criterion is used in the assessment. The selection process for sustainability-oriented asset managers focuses on the existence of a clear and appropriate ESG strategy, which primarily means the existence and application of a meaningful ESG policy, a regular, documented monitoring system, and transparent reporting to investors.

For information on buildings rented out to third parties and disclosed as investments, see the 'Own operations' chapter. This real estate is under ARAG's operational control and management, and the related emissions are assigned to Scope 1 and Scope 2.

2.2.3.2 Actions

There are two relevant decarbonization levers in relation to the business portfolio. The first focuses on the customers' transformation (passive lever), the second on the active adaptation of the business portfolio, for example the targeted expansion of new business with low-emission customers (active lever). Neither lever is dependent on the availability and allocation of resources. One of ARAG's main active levers for achieving its climate targets is the implementation of a negative list that includes environmental aspects by taking environmental metrics into account in investment decisions and the selection of asset managers.

Information on the quantification of the actions can be found in the 'Targets' section below.

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

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

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

Companies on the negative list are subject to an investment freeze, with sales still possible, but purchases not. If companies are no longer on the negative list, the investment freeze ends. Issuers whose business activities involve controversial weapons or are linked to child labor must be removed from the portfolio. Furthermore, ARAG undertakes to reduce the affected existing portfolios over a transitional period to December 31, 2030.

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

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

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

Taking these two metrics into account internally avoids categorically excluding specific sectors and industries that currently have high carbon emissions but will have an important role to play in decarbonization. This also places a stronger focus on the topic of transition. The evaluation of new investments using the ITR and the EPS quartile applies exclusively to investments in corporate bonds, with the exception of bonds from credit institutions. Government bonds and pfandbriefs/covered bonds are exempt from this rule and can be acquired in line with the requirements of strategic asset allocation (percentage-based target variable per asset class) and the exclusion lists. Actions relating to direct investment are ongoing and do not follow a time horizon.

Criteria for liquid institutional funds

As a rule, the carbon footprint of liquid institutional funds is reviewed at the portfolio level every year, or at least every two years. Fund managers are instructed to match ARAG's target for reducing carbon emissions in their portfolios within the specified timeframe. Progress with achieving targets is reported semi-annually during the investment committee meetings. In addition, further requirements relating to new investment are defined for internally managed institutional funds. Similar to the approach for direct investments, both the ITR and the EPS quartile are factored into new investments in internally managed institutional fixed-income funds. The same target values and limits apply as for direct investment.

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

Integration into asset manager selection

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

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

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

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

2.2.3.3 Targets

The policy on using sustainability criteria in investment adds greater detail to ARAG's sustainability strategy with regard to managing investments. The strategic goals for the Group are defined as follows:

The financed Scope 1 and 2 emissions linked to shares and corporate bonds (including pfandbriefs/covered bonds) in the investment portfolio are to be reduced by a further 40 percent by 2030 compared with the base year 2023. The benchmark figure in 2023 was 215,000 tCO_2eq and is derived from the calculation of the emission values for the portfolio as of December 31, 2023 without normalization.

The base value is an averaged and rounded figure derived from calculations carried out at two different points in time. Should the investment portfolio remain unchanged, this equates to a rounded figure for absolute emissions of 130,000 tCO_2eq in 2030. The benchmark figure is based on the portfolio as of December 31, 2023 and the associated emission values. A base year of 2023 was chosen due to the adequate data coverage and data quality. Furthermore, 2023 was no longer influenced by potentially material disruptions from the COVID-19 pandemic.

The absolute financed emissions for which targets were defined have risen by around 12 percent since 2023, which can be explained primarily by the growth in investment. In the asset classes for which targets were defined, this equated to around 28 percent on the basis of their book value. Financed emissions linked to equities and corporate bonds (in relation to Scope 1 and Scope 2 emissions) fell by around 9 percent year on year in 2025, while the book value rose by around 9 percent. Even factoring in the growth in the investment portfolio, this trend is not in line with the original plan for financed emissions for which targets were defined. It should be noted, however, that the chosen investment strategies are designed, among other things, to finance transformation processes. For example, the ITR is applied as a criterion for new investments. In light of this, an initial rise in financed emissions as a result of the portfolio realignment is generally to be expected.

The target for 2030 was defined using the expert judgement method and is neither science-based nor compatible with the 1.5°C target of the Paris Agreement. No reference target in accordance with ESRS 1–4 AR 26 et seq. is reported as no suitable reference pathway has been identified at this time.

The target for reducing financed emissions only covers Scope 3 emissions and includes around 9 percent of emissions in Scope 3, category 15. The reduction targets for investments are aligned with the GHG emission reduction targets detailed in the 'Metrics for Scope 1, 2, and 3 emissions' section to ensure that they do not differ with regard to calculation method and underlying Scope.

These interim targets are to be achieved by applying a negative list, through investment criteria for new investment in fixed-income securities and emission reduction targets for liquid institutional funds, and by taking ESG aspects into account when selecting asset managers. ARAG was able to realize the emission reductions achieved to date through the aforementioned actions and through the passive decarbonization lever. It is not currently possible to break down the emission reductions by action and lever, and to attribute it accordingly. The passive lever's available reduction options are determined by the performance of the issuers and of the market, over which ARAG has no influence.

Progress is monitored by the relevant department and the relevant member of the Management Board. The level of achievement is reviewed at least once a year and determined in detail in line with scientific progress and data availability. ARAG obtains the data from external providers. As there is not yet sufficient data for all investments, and no standard approach to measurement, ARAG will gradually integrate additional relevant asset classes into the sustainability strategy over the coming years. While the actions mentioned are, in principle, suitable for gradually reducing emissions in the future as well, they cannot be reliably quantified at present due to the lack of available data.

Furthermore, ARAG does not support, through its investments, those seeking to raise capital who contravene standards of human rights, decent working conditions, or equal opportunities or those who cannot document any steps they have taken to transform their activities in line with ESG considerations. In order to review its investment decisions, ARAG uses exclusion lists (issuer-specific and country-specific) and integrated ESG approaches with a focus on transition risks. For further information, see the 'Workers in the value chain' chapter.

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

Stakeholders were not involved in defining the targets. There are no plans to introduce new technologies for defining targets for investments.

2.3 Key Figures

The following table shows ARAG's energy consumption and mix in the reporting year and the prior year:

Energy consumption and mix

	2025	2024
(1) Fuel consumption from coal and coal products (MWh)	0.0	0.0
(2) Fuel consumption from crude oil and petroleum products (MWh)	3,469.6	3,858.3
(3) Fuel consumption from natural gas (MWh)	153.0	744.2
(4) Fuel consumption from other fossil sources (MWh)	0.0	0.0
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	9,470.5	10,608.5
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	**13,093.1**	**15,210.9**
Share of fossil sources in total energy consumption (%)	56.1%	58.4%
(7) Consumption from nuclear sources (MWh)	686.0	937.9
Share of consumption from nuclear sources in total energy consumption (MWh)	2.9%	3.6%
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	184.6	102.0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	9,203.2	9,364.4
(10) The consumption of self-generated non-fuel renewable energy (MWh)	180.2	425.0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	**9,568.0**	**9,891.4**
Share of renewable sources in total energy consumption (%)	41.0%	38.0%
Total energy consumption (MWh) (calculated as the sum of lines 6, 7, and 11)	**23,347.1**	**26,040.2**

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

Energy consumption metrics are generally calculated using energy consumption data. ARAG uses estimates if this data is unavailable. Estimates are always required if the relevant consumption data is only partially available, or not available at all, at the time of preparing the sustainability report. This may apply in particular to the fourth quarter or the last month of a year, depending on the billing cycle in question. Estimates are primarily used for electricity consumption.

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

An energy audit in accordance with DIN EN 16247-1 is carried out every four years to systematically analyze a company's energy consumption and energy efficiency, and to identify potential savings. The energy audit was conducted in 2025. Energy consumption is disclosed for buildings held for ARAG's own use as well as for buildings rented out to third parties. This covers the consumption of electricity, water, and heating. The principle of always using the best possible data source applies to these buildings too. Where possible, actual data is collected in the same way as for buildings held for own use. As no information or readings are available for electricity consumed by tenants, this is estimated using a flat rate per square meter of residential or office space. Currently, a figure of 60 kWh/m² is used for both office and residential space.

Year-on-year changes in the energy consumption and mix
Total energy consumption fell by 10 percent from 26,040.2 MWh in 2024 to 23,347.1 MWh in 2025. This is mainly attributable to a decrease in the total consumption of fossil energy.

Two factors were instrumental in this. First, fuel consumption from crude oil and petroleum products was reduced as a result of the ongoing electrification of the vehicle fleet. Second, the proportion of green electricity was further increased, resulting in lower consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources. In addition, the actions described in the 'Actions' section have also helped to reduce the consumption of renewable energy within our own operations.

A discrepancy also arises from a change in the classification of a heating system. In 2024, it was recorded as operated by ARAG and allocated to the Scope 1 emissions, i.e. to row (3) in the table above. In 2025, the heating system was reclassified as not operated by ARAG and allocated to the Scope 2 emissions, i.e. to row (5) in the table above. The comparative disclosures were not adjusted as the reclassification does not change the total consumption figure in row (6).

Gross Scopes 1, 2, 3 and Total GHG emissions
ARAG uses a technical solution to calculate emissions under Scopes 1, 2, and 3.

	Retrospective				Milestones and target years			
	Base year	2024	2025	Change (%)	2030	2035	2055	Annual % target / base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions (tCO_2eq)	–	1,492.0	1,200.1	– 24.3	–	–	–	–
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	–	0.0	0.0	0.0	–	–	–	–
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2eq)	–	4,777.4	4,979.4	4.1	–	–	–	–
Gross market-based Scope 2 GHG emissions (tCO_2eq)	–	3,974.1	3,535.9	– 12.4	–	–	–	–
Significant Scope 3 GHG emissions								
Total gross indirect (Scope 3) GHG emissions (tCO_2eq)	–	2,469,177.8	2,689,427.9	8.2	–	–	–	–
1. Purchased goods and services	–	2,517.1	2,779.9	9.5	–	–	–	–
[Optional sub-category; Cloud computing and data center services]	–	0.0	0.0	0.0	–	–	–	–
2. Capital goods	–	0.0	0.0	0.0	–	–	–	–
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	–	2,026.2	1,501.1	– 35.0	–	–	–	–
4. Upstream transportation and distribution	–	0.0	0.0	0.0	–	–	–	–
5. Waste generated in operations	–	82.3	85.6	3.9	–	–	–	–
6. Business travel	–	2,794.9	2,809.3	0.5	–	–	–	–
7. Employee commuting	–	4,286.9	6,171.0	30.5	–	–	–	–
8. Upstream leased assets	–	0.0	0.0	0.0	–	–	–	–
9. Downstream transportation	–	0.0	0.0	0.0	–	–	–	–
10. Processing of sold products	–	0.0	0.0	0.0	–	–	–	–
11. Use of sold products	–	0.0	0.0	0.0	–	–	–	–
12. End-of-life treatment of sold products	–	0.0	0.0	0.0	–	–	–	–
13. Downstream leased assets	–	0.0	0.0	0.0	–	–	–	–
14. Franchises	–	0.0	0.0	0.0	–	–	–	–
15. Investments	–	2,457,470.6	2,676,081.0	8.2	–	–	–	–
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2eq)	–	2,475,447.1	2,695,607.4	8.2	–	–	–	–
Total GHG emissions (market-based) (tCO_2eq)	–	2,474,643.9	2,694,163.9	8.1	–	–	–	–

Changes to comparative information due to errors in the comparative period

The original and the adjusted values for the comparative period are as follows:

	2024 original	2024 adjusted	Absolute difference	Difference in %
Location-based Scope 2 GHG emissions (tCO_2eq)	3,352.9	4,777.4	1,424.5	42.5%
Market-based Scope 2 GHG emissions (tCO_2eq)	4,483.7	3,974.1	– 509.6	– 11.4%
Fuel and energy-related activities in Scope 3.3 (not included in Scope 1 or Scope 2)	2,177.3	2,026.2	– 151.1	– 6.9%
Total gross indirect (Scope 3) GHG emissions (tCO_2eq)	2,469,328.9	2,469,177.8	– 151.1	0.0%
Total GHG emissions (location-based) (tCO_2eq)	2,474,173.7	2,475,447.1	1,273.4	0.1%
Total GHG emissions (market-based) (tCO_2eq)	2,475,304.6	2,474,643.9	– 660.7	0.0%

Due to the incorrect input of data relating to purchased energy and the electric vehicle fleet, there was an error in the calculation of Scope 2 emissions. This had a knock-on effect on Scope 3.3, the totals for Scope 3, and the total GHG emissions in the table on GHG emissions. The error in the Scope 2 emissions was 42.5 percent (location-based) and 11.4 percent (market-based). Measured against total emissions, the error was 0.1 percent (location-based) and 0.0 percent (market-based). ARAG is continually working on its reporting processes in order to increase the quality of reporting and to avoid further errors.

Scope 1 and 2 emissions

Scope 1 and 2 emissions are calculated on the basis of energy consumption. In the same way as for energy consumption, Scope 1 and 2 emissions encompass the entire basis of consolidation and the buildings rented out to third parties. The energy consumption figures are translated using the relevant emission factors.

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

The proportion of market-based Scope 2 emissions linked to bundled instruments in the form of Renewable Energy Certificates (REC) is 39.60 percent (2024: 35.2 percent). The proportion of contractual instruments not bundled with energy attributes that are used for the sale and purchase of energy is 39.54 percent (2024: 35.16 percent).

Only energy performance certificates are used for ARAG's property portfolio. Of the emissions presented here, 1,200.1 tCO_2eq (2024: 1,492 tCO_2eq) of Scope 1 emissions, 4,979.4 tCO_2eq (2024: 4,483.7 tCO_2eq) of market-based Scope 2 emissions, and 3,535.9 tCO_2eq (2024: 3,352.9 tCO_2eq) of location-based Scope 2 emissions originate within entities included in the financial basis of consolidation.

Scope 3 emissions

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

- Purchased goods and services (category 1)
- Fuel and energy-related activities (category 3)

- Waste generated in operations (category 5)
- Business travel (category 6)
- Employee commuting (category 7)
- Financed emissions (category 15)

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

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

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

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

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

Gross GHG emissions in **category 15 'Financed emissions'** are one of ARAG's significant Scope 3 categories. Financed emissions are calculated using the PCAF standard.[1] PCAF is a global standard for insurance companies and financial institutions for measuring the carbon emissions of their investment and loan portfolios.

Information relating to estimates used to calculate greenhouse gas emissions
Due to limited availability of consumption and activity data, location-specific estimates were used to calculate the emissions for specific emission categories in Scopes 1 to 3. The individual estimates are explained in more detail below.

Where consumption data was unavailable in the food and beverage segment, calculations were mainly based on assumptions regarding average consumption per employee and the specific number of employees.

Where data was unavailable for the volume of waste generated in operations, projections were made using standard values per unit of floor space. Emissions from purchased goods and services were calculated using assumptions regarding material, weight, number of units, and order volumes.

A key methodological approach was to allocate or estimate energy and water consumption based on floor space. In several countries, including Denmark, Norway, Canada, and Sweden, only total consumption figures at building level were available. In these cases, energy consumption, water consumption, and waste volumes were apportioned and calculated per unit of used office space. At the sites in Slovenia, Belgium, and Portugal, and for buildings rented out to third parties in Spain and Germany, missing data was replaced with estimates based on floor space. Comparative and prior-year data was used in several instances. Prior-year data was used to some extent in Slovenia and the Netherlands, while Sweden, Denmark, and Finland also drew on additional comparative data from Norway.

[1] PCAF (2022), The Global GHG Accounting and Reporting Standard, Part A: Financed Emissions (Second Edition).

In Italy, missing water consumption data for parts of the year was added using a linear extrapolation method to create a full set of data for the year. In Austria, only incomplete primary data was available due to an office relocation, so emissions from external data centers were estimated based on prior-year data, and from business travel based on empirical values.

In Norway and Canada, only partial data for business travel in personal and rental vehicles was available. Emissions were therefore calculated based on country-specific assumptions regarding both the distances traveled and the proportion of internal combustion, hybrid, and electric vehicles used. Emissions from internal combustion engines in Spain and from rail travel in the United Kingdom were estimated based on expenditure. The calculation for rail travel in Italy was based on reported travel data and on standardized emission factors. Commuting by employees in Belgium was calculated based on the number of employees, the assumed number of days spent in the office, and average emission factors per employee per day.

Changes to emission metrics in the reporting year

The increase in overall GHG emissions is primarily due to higher Scope 3 GHG emissions.

A fall of 27 percent in gross market-based Scope 2 GHG emissions can be attributed to efficiency gains in energy consumption and to the further expansion, and thus higher proportion, of green electricity. In addition, electricity consumption overall was reduced. The change in reported Scope 2 emissions is partially the result of an adjustment to the comparative disclosures.

Material reductions in GHG emissions are also evident in certain Scope 3 categories. The emissions in category 3 'Fuel and energy-related activities' were reduced by 45 percent. This was driven in part by lower electricity consumption, by optimized emission factors in the upstream value chain, and by an update of the district heating factor. In addition, structural decarbonization measures in the international subsidiaries in the Scope 1 categories led to a 24.3 percent reduction, which is also reflected in the decrease in category 3 emissions.

This is contrasted by countervailing trends in the individual areas of Scope 3 emissions. In category 1 'Purchased goods and services', emissions climbed by 9.5 percent, primarily as a result of higher emissions from an externally acquired data center in Spain. Emissions in category 7 'Employee commuting' climbed by 30 percent year on year. However, this is the result of extending the system boundaries of the definition of 'employee'. In contrast to the definition in the 'Social information' section, this definition includes additional employee types such as self-employed people.

Emissions in category 15 'Investments' also edged higher, thus representing a material factor influencing the overall trend in emissions. The increase is primarily attributable to volume. Further information can be found in the 'Targets' sub-section of the 'Investment' section.

Biogenic emissions

Total biogenic emissions amounted to 443.3 tCO_2eq (2024: 550.4 tCO_2eq) in 2025, of which 2.4 tCO_2eq (2024: 0.4 tCO_2eq) were attributable to Scope 1, 93.9 tCO_2eq (2024: 296.6 tCO_2eq) to Scope 2, and 347.0 tCO_2eq (2024: 253.4 tCO_2eq) to Scope 3. In the data on Scope 2 emissions, the proportion accounted for by biomass is not separated from that accounted for by biogenic CO_2. GHG emissions other than CO_2 are excluded.

The change of around 107 tCO_2eq in 2025 compared with 2024 is primarily attributable to a fall in biogenic Scope 2 emissions and a rise in Scope 3 emissions. Most of the decrease in Scope 2 emissions is the result of significantly expanded capture of electricity consumption with supplier-specific emission factors for buildings rented out to third parties in Germany. The rise in Scope 3 emissions is the result of updated emission factors for categories 3.5 'Waste generated in operations' and 3.6 'Business travel', and an increase in biogenic emissions in category 3.1 'Purchased goods and services'.

The figures in the following table relate to financed emissions:

Greenhouse gas emissions by asset class

2025	Assets covered (carrying amount)	Coverage	Scope 1 and 2 emissions	Scope 3 category 15	Total emissions	Emission intensity	DQS Scope 1&2	DQS Scope 3
	(€'000)	(%)	(tCO_2eq)[1]	(tCO_2eq)	(tCO_2eq)	(tCO_2/€ million)	weighted	weighted
Asset class								
Listed shares & corporate bonds	3,583,568	97.7%	217,998	1,953,819	2,171,817	606.0	1.6	3.7
Unlisted shares & corporate bonds	698,524	97.2%	23,511	99,932	123,443	176.7	2.3	4.0
Government bonds	1,264,755	93.9%	243,256	137,565	380,821	301.1	3.6	4.0
Total	**5,546,847**	**96.7%**	**484,764**	**2,191,317**	**2,676,081**	**482.5**	**2.1**	**3.8**
Other investments (carrying amount in €'000)	1,189,083							

[1] For government bond emissions excluding LULUCF.

2024	Assets covered (carrying amount)	Coverage	Scope 1 and 2 emissions	Scope 3 category 15	Total emissions	Emission intensity	DQS Scope 1&2	DQS Scope 3
	(€'000)	(%)	(tCO_2eq)[1]	(tCO_2eq)	(tCO_2eq)	(tCO_2/€ million)	weighted	weighted
Asset class								
Listed shares & corporate bonds	3,330,440	98.1%	239,877	1,751,445	1,991,322	597.9	2.2	4.0
Unlisted shares & corporate bonds	615,539	100.0%	25,758	95,120	120,878	196.4	2.4	4.0
Government bonds	1,259,605	93.0%	245,323	99,947	345,270	274.1	3.7	4.0
Total	**5,205,584**	**97.1%**	**510,958**	**1,946,512**	**2,457,471**	**472.1**	**2.5**	**4.0**
Other investments (carrying amount in €'000)	1,033,945							

[1] For government bond emissions excluding LULUCF.

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

The standard for calculating financed emissions provides a methodology for certain asset classes, while others are not covered. ARAG only calculates and discloses emissions for asset classes for which there is a methodology. Asset classes for which there is currently no methodology include, in particular, investments in funds and securitized products. These are reported under 'Other investments'. With regard to the financing of listed and unlisted companies, emissions are calculated for shares, bonds, and credits. In the public sector, it is primarily government bonds and sub-sovereign bonds that are part of the emission inventory.

Alongside the availability of a calculation methodology, data availability also plays an important role in calculating financed emissions. Data of the highest quality is used where available, published directly by the business partners, for example. This data is usually 1–2 years out of date. Primary data is preferred, but is often not available, in which case estimates are used. Where no published information is available, the data is derived for that customer based on sector-specific and/or country-specific average values.

As not all underlying data is of the same quality, the weighted PCAF Data Quality Score (DQS) is determined and disclosed for each asset class. Using the PCAF standard, data sources are rated on a scale of 1 to 5, with published data being rated higher than estimated values. For example, data published by companies is rated as DQS 2, while sector averages are rated as DQS 4.

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

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

Measuring target achievement

Uncertainties regarding emissions, including financed emissions, result from the use of estimates and projections, and from potential changes in the composition of ARAG's portfolio. However, taking the actions described, particularly those relating to the levers, can nevertheless help to reduce emissions from the investment portfolio.

The following categories are deemed not significant:

Overview of categories deemed not significant

Category		Reason for non-significance
2.	Capital goods	No upstream emissions from the production of capital goods were purchased or acquired in 2025. Accordingly, this category is not relevant for ARAG.
4.	Upstream transportation and distribution	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
8.	Upstream leased assets	ARAG already discloses emissions from the use of assets that were leased in the reporting year (generally rented buildings) under Scope 1 and 2 emissions. Accordingly, this category is not relevant for ARAG.
9.	Downstream transportation	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
10.	Processing of sold products	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
11.	Use of sold products	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
12.	End-of-life treatment of sold products	As an insurance company, ARAG provides services, not physical products. Accordingly, this category is not relevant for ARAG.
13.	Downstream rented/leased assets	ARAG already discloses emissions from the use of assets that were leased to other companies in 2025 (generally buildings rented to third parties) under Scope 1 and 2 emissions. Accordingly, this category is not relevant for ARAG.
14.	Franchises	As an insurance company, ARAG does not act as a franchisor. Accordingly, this category is not relevant for ARAG.

Overall, around 6 percent of Scope 1 and around 33 percent of Scope 2 emissions were extrapolated using estimates and assumptions. The proportion of Scope 3 emissions calculated using primary data was 33.5 percent in 2025 (2024: 11.3 percent), while 66.5 percent was calculated using secondary data (2024: 88.7 percent).

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

Greenhouse gas intensity

GHG intensity per net revenue	2025	2024
Total GHG emissions (location-based) per net revenue ($tCO_2eq/€$)	0.0	0.0
Total GHG emissions (market-based) per net revenue ($tCO_2eq/€$)	0.0	0.0

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

Internal carbon pricing:
ARAG does not use an internal carbon pricing system.

3 Social information

3.1 Own workforce

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

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

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

- Improvement of working conditions (working time/flexible working, pay [at least to pay-scale standards], work-life balance) has a positive effect on employees and boosts staff retention.
- The rules on workers' participation rights, which go beyond the statutory requirements, have a positive impact on the opportunities for codetermination in day-to-day work.
- The rules on health and safety, which go beyond the statutory requirements, can have a positive impact on matters of employee health.
- Actions to combat discrimination in the workplace and promote diversity and gender equality can have a positive impact on employees.
- Extensive opportunities for training and further education promote the development of employees' skills and leadership qualities.
- ARAG holds a wide range of personal data on employees. A data leak could expose this personal data.
- A lack of suitably qualified employees could endanger the Company's long-term viability. This could result in relative inefficiencies and above-average costs for attracting talented individuals.

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

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

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

For the purposes of the sustainability statement, the employee definition includes permanent employees with a fixed-term or open-ended contract, student interns, and temporary staff. Trainees and interns are not included due to their status as undergoing training. This differentiation matches the employee definition in the management report.

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

The material impacts identified by ARAG affect all employees in the Group. In contrast, non-employees are employed by a third-party and provide services to ARAG mainly in the area of information technology. Due to their status, non-employees do not have access to ARAG's actions and procedures and are thus not affected by their impacts.

The material impacts are closely correlated to the ARAG 5>30 Group strategy, which states that diversity should be promoted at ARAG. The Company did not identify any material opportunities related to its own workforce. Consequently, there are none that are solely relevant to certain groups of employees.

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

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

The following qualitative impacts mainly apply to the ARAG Group's subsidiaries in Germany. The ARAG Group's international subsidiaries are required to adopt their own set of rules in line with national regulations, unless further details are provided in the following report. The metrics below cover the ARAG Group's national and international units.

3.1.1 Policies in relation to ARAG's own workforce

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

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

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

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

The **policy on remote working abroad** expands the options of the existing company agreement on remote working by enabling work to be performed from any location. Under this policy, all ARAG Group employees in Germany have the option to work remotely from one of 22 countries across Europe for up to ten days a year. The policy aims to further increase employees' geographical flexibility and their satisfaction.

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

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

In 2025, the list of approved countries was updated as part of the annual risk assessment of the policy on working remotely from abroad. No changes were made to the other aforementioned guidelines or policies.

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

When it comes to embedding actions relating to the human rights strategy, ARAG is guided by the results of the risk analysis of its business. Employees must acknowledge ARAG's expectations in the context of the ARAG Essentials. These expectations are supported by specific processes in purchasing, HR, and compliance. Training programs on the topics of equal opportunities and protection from discrimination are provided to raise awareness among managers with HR responsibilities. In line with International Labour Organization (ILO) standards and the UN Guiding Principles, ARAG has also developed processes and guidelines for suppliers to enforce respect for human rights in the value chain, including the issues of human trafficking, forced labor, and child labor.

Compliance with the human rights strategy is extremely important to ARAG. In the event of violations, ARAG takes appropriate action to uncover breaches and remedy them.

Violations are not tolerated; they are robustly pursued and can have legal consequences, including the termination of employment contracts or business relationships. In the event of a breach of duties relating to human rights or the environment, ARAG takes immediate and appropriate remedial action. The Company also ensures that the actions taken in its own operations in Germany, and usually also abroad, bring an end to the violations.

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

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

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

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

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

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

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

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

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

Processes for engaging with employees

Codetermination

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

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

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

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

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

Employee surveys

Voluntary, anonymous employee surveys are also conducted regularly, for example the international corporate culture analysis every two years. ARAG attaches great importance to getting employees on board when making any changes to the corporate culture. In September 2025, the global workforce took part in a fourth employee survey on the corporate culture. More than 3,700 employees answered questions relating to the corporate culture, with a response rate of 61 percent in Germany and 56 percent internationally. The analysis painted a very positive picture overall, confirming the strong and thriving corporate culture throughout the Group. The survey again included questions on employee satisfaction and the willingness of employees to recommend the Company. The results reflect the strong connection that employees have to the Company, with 96 percent of respondents stating that they enjoy working at ARAG. The employee Net Promoter Score (eNPS), which measures how likely ARAG employees are to recommend the Company as an employer, was 30. Despite these very positive figures, ARAG has identified shortcomings in some areas, for example with regard to the flow of information between departments and units. The Group will investigate the causes in order to improve the exchange of information.[1]

[1] Extract from the results of ARAG's internal corporate culture analysis for 2025.

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

Workplace accident prevention
ARAG has put a comprehensive accident prevention plan in place consisting of several key elements. A **risk assessment** is carried out in relation to the task or on an ad hoc basis. It analyses, assesses, and documents potential hazards and physical and mental stress. It is updated annually or as required, for example in the event of changes to work processes.

As a further means of preventing accidents at work, ARAG has also established an **emergency management system**, which sets out the existing first-aid arrangements, the emergency measures in the event of fires or accidents, including the provision of care by trained first-aiders, and the supply of first-aid equipment. ARAG has more trained first aiders and fire safety officers who undergo regular refresher training than are required by law. A digital first-responder alert system ensures that medical assistance arrives quickly at the scene. In addition, evacuation drills are carried out every year.

Organizational safeguards include an established working time policy, regular safety training, and the appointment of health and safety officers. Furthermore, health and safety meetings are held every quarter. Employees undergo annual, mandatory training on ARAG's digital learning platform, Learn2Develop, where they learn about hazards, safe behavior, emergency procedures, and workplace ergonomics.

A permanently employed occupational safety specialist and an external company physician have been appointed to support ARAG's workforce with safety-related and health-related matters. As part of its corporate health management program, **ARAGcare**, the Company has a return-to-work and disability management (BEM) scheme in place and runs regular initiatives aimed at promoting wellbeing.

ARAG carries out regular, joint inspections of workplaces aimed at continuous improvement and management, and has its health and safety measures reviewed by company physicians, occupational safety specialists, and members of the Works Council.

As an insurance company, ARAG's materiality assessment did not identify any material impacts relating to CO_2 reduction and the transition to cleaner, climate-neutral activities that result in restructuring, job losses, job creation, or similar. Nevertheless, all employees are involved in steps to minimize carbon emissions, such as reducing the volume of printouts or taking up options for a lower-emission commute to work.

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

A number of decentralized institutions have been established across the Company where the workforce can report concerns, specify requirements, and submit grievances. These include the works councils, the representative committee for employees with severe disabilities, and the workplace representatives. In line with the Works Constitution Act, the works councils represent the interests of all employees. In addition, the representative committee for employees with severe disabilities champions the interests of these employees and offers them advice on a variety of matters, such as integration in the workplace. The workplace representatives are another port of call for employees seeking advice on topics connected to the Integrity Guideline. They enable employees to confidentially reflect on issues they have experienced and problems that have arisen. They also offer confidential advice and support with establishing the facts and taking the next steps. The workplace representatives act as a neutral party. There were three workplace

representatives at the Düsseldorf site in 2025, plus one at the site in Munich. ARAG boosts the availability of, and access to, workplace representatives by allowing the role to be performed during working hours, by prioritizing this role over a representative's regular responsibilities, and by enabling the representative to call on external support with handling cases. The workplace representatives also have direct access to senior management and can be contacted via a number of channels, including email, telephone, and an anonymous whistleblowing tool. The workplace representatives provide holiday cover for each other, thus ensuring that at least one of them is available at all times. The representative committee for employees with severe disabilities and the workplace representatives are independent, and are not under the control of the Company when carrying out their duties. Where issues reported to a representative are handled solely by the representative, the management of the case is not monitored or followed up on. Only if Group Human Resources, Compliance, or another department is involved is the responsibility for managing the case shared with, or transferred entirely to, one of these departments.

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

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

The internal and external channel for reporting criminal offences, irregularities, violations of legal provisions and internal regulations, and information on potentially dishonest behavior was set up in cooperation with a service provider. This reporting channel also covers violations that are punishable by a fine, provided that the regulation that has been breached serves to protect life, health, or the rights of employees or their representative bodies. Although lawmakers have not explicitly stipulated the establishment of an anonymous reporting channel, the Company believes it is essential to offer such a communication option. This serves to alleviate any concerns that anyone thinking of submitting a report might have. The reporting channel is published on the intranet and on the ARAG website, and is open to third parties. This means that reports from former employees and service providers, for example, can also be submitted. In this case, communication is exclusively via workplace representatives, who are obliged to maintain confidentiality. The information received is treated confidentially and, if so requested by the whistleblower, forwarded anonymously to the competent authorities for the purpose of clarifying and remedying any irregularities. Additionally, employees can leave confidential messages in compliance mailboxes. Information forwarded to Group Human Resources is received by the Senior Vice Presidents, who process it in collaboration with the relevant People Business Partner. Where required, the Labor Law Department is also involved. The platform has also been introduced in units outside Germany, including Spain, Portugal, Italy, Austria, Belgium, Slovenia, Norway, Denmark, Sweden, Finland, the Netherlands, Greece, the Republic of Ireland, and the United Kingdom. All other units have set up compliance mailboxes to facilitate confidential whistleblowing by the workforce, taking account of any relevant local legislation.

In addition to the whistleblowing portal, which can be accessed via the intranet and the ARAG website, there is the option to contact the workplace representatives, the Works Council, and the relevant employees in the Legal and Compliance Central Department confidentially and directly via dedicated email addresses, by telephone, or in person.

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

3.1.2 Actions

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

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

ARAG Leadership Essentials
The ARAG Leadership Essentials were introduced in 2022 and, together with the ARAG Essentials, contain the guidelines on which our corporate culture is based. The ARAG Leadership Essentials set out the Group's vision of management and collaboration at ARAG and provide direction for senior managers in their actions and their personal development, and the development of their teams. The Leadership Essentials provide the framework for the development of managers and talented employees, and underpin the hiring processes, for example. They are also integrated into the onboarding of new colleagues and form the basis for internal management training.

Women in leadership positions
In addition to defining the leadership requirements for the Group's managerial staff, the Company also supports the careers of its female employees and aims for a higher proportion of women at top management level. ARAG is pursuing the long-term goal of increasing the proportion of women in leadership positions until a gender balance has been achieved. To this end, the Company focuses on identifying high-potential female staff in its succession planning, for example. The process of succession planning and identifying high-potential staff takes place every year. Group Human Resources conducts structured interviews with all Senior Vice Presidents and with executives who report directly to Management Board members and have line-management responsibilities, asking a wide range of questions about potential successors and high-potential candidates in each department. Diversity criteria such as gender are also covered. The process concludes with departmental discussions of candidates, attended by the relevant Management Board member, their Senior Vice President/direct reports, and Group Human Resources. Those identified are presented and discussed in order to establish greater transparency and create a pool of potential candidates, while decisions on possible appointments and development steps are also on the agenda. The pool of candidates serves as the basis for the appointment to new management roles.

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

Employee retention
A lack of suitably qualified employees could endanger the Company's long-term viability. This could result in relative inefficiencies and above-average costs for attracting talented individuals. ARAG has taken appropriate steps to minimize this risk. Actions related to the risk of employee turnover primarily include dedicated dialogue formats on the topic of employee retention in the departments. These formats are used to identify highly-skilled employees whose retention within the Company is deemed particularly important.

At the same time, an assessment is made of how difficult it would be to replace them. The individuals in this group of employees are tracked. People Business Partners liaise with the departments in this regard, and targeted action is taken as required.

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

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

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

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

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

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

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

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

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

Mandatory online training sessions are in place to reduce or avoid material negative impacts on the workforce related to data protection (GDPR), the prevention of money laundering, and safety at work. Employees usually have one calendar year to complete the mandatory training, but the deadline may be longer depending on the topic. All employees are informed in good time as soon as it is necessary to complete the training again, and they receive another reminder via the intranet and an automated email shortly before the deadline.

3.1.3 Targets and metrics

The materiality assessment found that actions to combat discrimination and promote diversity and gender equality in the workplace have a positive impact on employees. ARAG is thus pursuing the long-term goal of achieving a gender balance at the top management levels. In accordance with the requirements of sections 76 (4) and 111 (5) of the German Stock Corporation Act, targets are set every two years for the proportion of women on the Supervisory Board, the Management Board, and the two levels immediately below the Management Board on June 30 of a given year. The achievement of the current targets is reviewed at the same time. The review of target achievement in 2025 and the definition of new targets to be met by June 30, 2027 were completed in the reporting year. The targets are based on actual proportions and known changes, and were set by the relevant departments or functions and approved by the relevant committees. The employees were not directly involved in this process.

Information about the latest actual proportions and the new targets set in accordance with the aforementioned legal requirements can be found in the management report of the annual report.

A target of 33 percent for the proportion of female managers had been set for the first management level below the Management Board in the period to June 30, 2025. The actual proportion was 32 percent, so the target was narrowly missed. A new target of 35 percent was adopted for the period to June 30, 2027.

At the second management level below the Management Board, the female-manager target of 39 percent for the period to June 30, 2025 was exceeded as the proportion achieved was 40 percent. The current proportion of 40 percent matches the new target for the period to June 30, 2027.

ARAG has not currently set any targets related to the other impacts identified as material. Furthermore, there is no direct, quantitative effectiveness check of the policies and actions described above. Instead, employee satisfaction in general is assessed as part of the corporate culture survey conducted every two years. This represents an indirect effectiveness check of the policies and actions.

3.1.4 Metrics

Unless stated otherwise, the following quantitative metrics are as of December 31, 2025. They cover both domestic and international subsidiaries within the reporting scope in accordance with the disclosures about the basis of consolidation of the sustainability report. Given the reference date and the reporting scope, the metrics differ from the disclosures in the notes to the consolidated financial statements.

Characteristics of the Company's employees

Number of employees by gender

Gender	2025	2024
Male	2,525	2,405
Female	3,900	3,671
Other	0	0
Not reported	0	0
Total employees	**6,425**	**6,076**

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

	2025	2024
Germany	2,854	2,661
United Kingdom	936	906
Netherlands	832	803
Spain	675	647

Characteristics of the Company's employees

2025	Female	Male	Other	Not disclosed	Total
Number of employees	3,900	2,525	0	0	6,425
Number of permanent employees	3,679	2,383	0	0	6,062
Number of temporary employees	221	141	0	0	362
Number of non-guaranteed hours employees	0	1	0	0	1

2024	Female	Male	Other	Not disclosed	Total
Number of employees	3,671	2,405	0	0	6,076
Number of permanent employees	3,474	2,297	0	0	5,771
Number of temporary employees	195	109	0	0	304
Number of non-guaranteed hours employees	1	0	0	0	1

[1] Gender as specified by the employee themselves.

ARAG defines its employees as active or passive, and discloses their number as a headcount. The following are not included in the figure for the total workforce: members of the Management Board/Managing Directors, apprentices, interns, and those in early retirement or in passive pre-retirement part-time employment. This definition applies to all of the following metrics. The figures for employees are based on year-end values as of December 31, 2025. The figures for employees for 2024 are based on the prior-year values as of December 31, 2024.

Employee turnover

	2025	2024
Total employee turnover	612	585
Rate of employee turnover	9.5%	9.6%

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

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

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

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

Characteristics of non-employee workers

Overview of non-employee workers

	2025	2024
Number of non-employee workers in the Company	116	160

Non-employee workers includes contract labor. This metric was determined as of December 31, 2025 by submitting questions to the relevant departments.

Collective bargaining coverage and social dialogue

Coverage at a glance – collective bargaining and social dialogue

(December 31, 2025)	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA[1]	Employees – Non-EEA[2]	Workplace representation (EEA only)[1]
0–19%			
20–39%			
40–59%			
60–79%	Germany		
80–100%	Spain, Netherlands	United Kingdom	Spain, Germany, Netherlands

(December 31, 2024)	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA[1]	Employees – Non-EEA[2]	Workplace representation (EEA only)[1]
0–19%			
20–39%			
40–59%			
60–79%	Germany		
80–100%	Spain, Netherlands	United Kingdom	Spain, Germany, Netherlands

[1] For countries with >50 employees representing >10 percent of total employees.
[2] Estimate for regions with >50 employees representing >10 percent of total employees.

For the year ended December 31, 2025, 75.2 percent of employees in the ARAG Group were covered by collective bargaining (December 31, 2024: 74.3 percent).

Furthermore, 86.9 percent had an employee representative (December 31, 2024: 85.6 percent). In addition to the national employee representatives, there is also the Works Council of the Societas Europaea (ARAG SE), where representatives of ARAG subsidiaries in EEA countries meet twice a year at the headquarters in Düsseldorf to discuss employee matters at European level. Works councils and similar bodies exist in many European countries. In Norway, representation depends on the union that the individual employee belongs to. There is no employee representation in the USA, Canada, Greece, Portugal, or Slovenia.

Diversity metrics

Disclosures about the top management level

	2025	2024
Number of employees at top management level	26	29
Number of female employees at top management level	6	7
Number of male employees at top management level	20	22
Proportion of female employees at top management level	23.1%	24.1%
Proportion of male employees at top management level	76.9%	75.9%

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

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

Breakdown of employees by age group

	2025	2024
Breakdown of employees by age group: aged under 30	19.3%	18.0%
Breakdown of employees by age group: aged 30–50	54.0%	54.4%
Breakdown of employees by age group: aged over 50	26.9%	27.6%

Adequate wages

All employees are paid according to applicable reference values or collective agreements. The minimum wage according to law or the collective agreement is factored in when assessing this metric. If no minimum wage has been set, national standard values are used in accordance with ESRS, such as the median wage or the gross average wage of the country. This is the case in Norway, Sweden, Denmark, and Finland.

Social protection

All ARAG employees are covered by social protection enshrined in law, protecting them against loss of income due to major life events. Information about social protection was requested from each country in which ARAG operates.

Persons with disabilities

Proportion of persons with disabilities

	2025	2024
Percentage of persons with disabilities within the own workforce	3.6%	3.8%

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

In Germany, as an employer pursuant to section 154 of the German Social Code, Book IX (SGB IX), ARAG must fill at least 5 percent of its jobs with people with severe disabilities or equivalent status. Compliance with this quota is checked annually. This quota was not met by all German subsidiaries in 2025. ARAG is not subject to any other political obligations with regard to inclusion.

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

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

Metrics for training and skills development

Regular performance and career development reviews

	2025	2024
Percentage of employees that participated in regular performance and career development reviews	90.4%	88.5%
Percentage of employees that participated in regular performance and career development reviews (male)	91.8%	89.3%
Percentage of employees that participated in regular performance and career development reviews (female)	89.5%	87.9%

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

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

Countries that do not use IT solutions to track these assessments, such as Austria, Slovenia, and Canada, determine the number of completed appraisals by asking the relevant line managers either directly or in the context of the annual bonus payments. Norway, Sweden, Finland, and Denmark take an entirely trust-based approach. Managers at HELP receive comprehensive training to ensure that they can carry out their people management tasks properly, including the regular performance and career development reviews. These four countries deliberately refrain from tracking the number of appraisals held as this would contradict their management approach. As the office in Greece is only small, no performance and career development reviews in accordance with ESRS are carried out here. Instead, the focus is on regular communication between managers and employees. Greece is therefore reported as having a share of 0 percent.

Training hours

	2025	2024
Average number of training hours per employee	18	19
Average number of training hours per employee (male)	18	17
Average number of training hours per employee (female)	18	20

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

For technical reasons, the average number of training hours per employee in Belgium cannot currently be recorded. For this reason, the disclosure for 2025 is zero hours.

Health and safety

Health and safety metrics

	2025	2024
Percentage of people in ARAG's own workforce who are covered by the Company's health and safety management system based on legal requirements, recognized standards, or guidelines	100.0%	100.0%
Number of recordable workplace accidents	27	19
Employees	26	19
Non-employee workers	1	0
Rate of recordable workplace accidents (workplace accidents per one million hours worked)	8.6	2.1
Employees	2.8	2.1
Non-employee workers	5.8	0
In relation to the Company's employees, the number of days lost to work-related injuries or deaths resulting from workplace accidents, to work-related ill health, and to deaths resulting from illness	577	421

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

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

Work-life balance metrics

Family-related leave

	2025	2024
Percentage of employees entitled to take family-related leave	99.4%	99.5%
Percentage of entitled employees that took family-related leave	7.7%	7.2%
Percentage of entitled employees that took family-related leave (male)	1.6%	1.4%
Percentage of entitled employees that took family-related leave (female)	6.1%	5.8%

ARAG employees are entitled to take family-related leave in line with statutory provisions. Reasons include maternity leave, parental leave, or carers' leave from work. The reported number of employees who took family-related leave is based on the number of employees as of December 31, 2025.

Remuneration metrics

Pay gap and total remuneration

	2025	2024
Gender pay gap	18.5%	20.4%
Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual)	24.8	26.5

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

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

Incidents, complaints, and severe human rights impacts

Reported incidents

	2025	2024
Total number of incidents of discrimination, including harassment, reported in the reporting period	7	2
Number of complaints filed through channels for the undertaking's workforce to raise concerns (including grievance mechanisms) and, where applicable, to the National Contact Points for the OECD Guidelines for Multinational Enterprises related to the matters defined in paragraph 2 of this Standard, excluding those already reported in (a) above	2	0
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints disclosed above, and a reconciliation of such monetary amounts disclosed with the most relevant amount presented in the financial statements	€0	€0
Number of severe human rights incidents connected to the undertaking's workforce in the reporting period, including an indication of how many of these are cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, or OECD Guidelines for Multinational Enterprises. If no such incidents have occurred, the undertaking's shall state this	0	0
Total amount of fines, penalties, and compensation for damages for the incidents described above, and a reconciliation of the monetary amounts disclosed to the most relevant amount in the financial statements	€0	€0

3.2 Workers in the value chain (investments)

Material impacts related to value chain workers

During the materiality assessment, ARAG identified a potential negative impact in relation to workers in the value chain as material. This impact results from investments in companies operating in sectors linked to incidents relating to secure employment, adequate wages, health and safety, gender equality, the employment and inclusion of persons with disabilities, diversity, child labor, and forced labor. This impact can affect workers in companies in which ARAG has invested, and therefore includes companies that operate in ARAG's downstream value chain. Due to the diversification of investments, the impact is not limited to a specific geographical area, sector of industry, or activity. Accordingly, the materiality assessment made no distinction as to whether employees with certain characteristics might be more at risk.

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

3.2.1 Policies

ARAG wants to be perceived as a responsible company in its asset management activities too, and therefore factors environmental and social criteria into its investment decisions. Accordingly, the policy on using sustainability criteria in investment prescribes a negative screening filter that rejects investments in individual issuers and countries on the basis of certain standards, values, and sales revenue. The policy is based on international

frameworks such as the International Labour Organization (ILO) standards, including in respect of child labor and forced labor. The negative screening filter provides the basis for dealing with potential negative impacts. Its purpose is to ensure that investments are only made in companies and countries that meet social criteria, thus potentially reducing negative impacts on workers. The list of negative criteria is updated at least once a year and incorporated into the portfolio management systems. ARAG thus ensures that the investment process is monitored on the basis of current data. Companies on the negative list are subject to an investment freeze. Sales are generally still permitted, but further purchases are excluded using business limits. If companies are no longer on the negative list, the investment freeze ends. The employees of investee companies are not taken into account. Overall responsibility lies with the relevant member of the Management Board. There were two active boundary violations in 2025 with regard to the negative list and country exclusion list. One was a violation of ARAG's internal negative list, the other a violation of the investment management company's exclusion list.

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

The policy on using sustainability criteria in investment addresses the impact 'Investment in companies or sectors could have a negative impact on a range of social aspects for workers in the value chain'.

For disclosures relating to the supplier code of conduct, see the 'Management of relationships with suppliers' section.

3.2.2 Actions

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

- Breaches of International Labour Organization (ILO) standards, including in respect of child labor and forced labor
- Human rights abuses

The principles of the United Nations Global Compact are applied in the assessment for the standards-based exclusion of companies from the investment universe. The United Nations Global Compact establishes minimum social and environmental standards. Issuers whose business activities involve controversial weapons and/or child labor must be removed from the portfolio. Furthermore, ARAG undertakes to reduce the affected existing portfolios over a transitional period by December 31, 2030.

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

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

- Corruption: Corruption Perceptions Index (CPI)
- Democracy and human rights: Freedom House Index
- Peace status: Global Peace Index status
- MSCI Government ESG Rating
- Sanction status

A strict ban applies, which means that any relevant securities in the portfolio are sold and no new investments may be made. If there is insufficient information regarding environmental, social, and governance (ESG) matters in a country, then no investment is permitted in this country.

The Freedom House Index, in particular, takes account of social aspects relating to workers in the value chain. The Freedom House Index is an annual global report that assesses the level of political rights and civil liberties in countries and selected territories. It examines the extent to which people in a country are actually able to exercise fundamental rights and freedoms, with the assessment based on the principles of the Universal Declaration of Human Rights and taking into account both state and non-state influences. In terms of methodology, the index is based on a points system with 25 indicators, ten on political rights and 15 on civil liberties, each of which is scored on a scale of 0–4. The maximum total scores are 40 points for political rights and 60 points for civil liberties, with the combined score determining whether a country is classified as 'free', 'partly free', or 'not free'. The assessments are compiled by analysts and external experts based on various sources, such as media reports, scientific analyses, and NGO reports, and are discussed as part of a multi-stage review process, with particular emphasis placed on the actual implementation of rights in practice.

Compliance with the exclusion lists for liquid institutional funds are monitored primarily by the investment management company. The process carried out by the investment management company matches the internal process at ARAG and comprises both an ex-ante and an ex-post review. An automated ex-post review is also carried out for institutional funds in ARAG's portfolio system. In the event of a violation, the portfolio manager and ARAG as the investor are informed. The portfolio manager is requested to sell the affected position as soon as possible. The negative list and the country exclusion list are applied directly to ARAG's fungible investments (direct investments and liquid institutional funds). The exclusion lists were produced by ARAG internally without the involvement of workers in the value chain.

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

The actions described have no end date and are therefore to be considered ongoing as part of the investment management process. As the actions have a direct link to the identified impact, they are generally suitable for delivering the aforementioned policies. No separate resources are allocated to the implementation of the actions. The effectiveness of these actions with regard to workers in the value chain is not monitored, and no additional actions have been carried out.

3.2.3 Targets

Due to its modest influence as an insurance company, ARAG has not set any measurable, results-oriented, and time-bound targets related to workers in the value chain.

3.3 Consumers and end-users (insurance products)

Material impacts related to consumers and end-users

During the materiality assessment, ARAG identified two material positive impacts, one negative impact, and a material risk related to consumers and end-users. By including legal insurance benefits in almost all of its products, ARAG helps customers to assert their rights. These benefits, together with the health insurance benefits on offer, entail the following impacts, risks, and opportunities:

- Possible negative impacts on policyholders due to the potential loss of sensitive customer data
- Contribution to the health and safety of policyholders
- Contribution to legal insurance cover for policyholders
- The processing of sensitive personal data involves the risk of unauthorized access to this data, potentially damaging ARAG's reputation and leading to fines.

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

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

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

The third category includes people who find themselves in difficult circumstances, such as unemployment, and require access to legal protection.

3.3.1 Policies

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

Sustainability strategy
ARAG has a positive impact on consumers and end-users by offering legal insurance and health insurance, thus helping to level the playing field and ensure broad access to justice. The overarching purpose of the sustainability strategy is to manage the impacts on consumers and end-users. The Management Board as a whole is responsible for meeting the targets set in the sustainability strategy. Further information on the targets can be found in sub-chapter 3.3.3 'Targets'.

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

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

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

Data Protection Guideline
For ARAG, digitalization is a customer-focused program of development that is supported by new technological possibilities. The Company is forging ahead with a digital by default approach. The idea is to take a digital first approach for processes and to only use analog processes where they offer an advantage for the customer. As a result of increasing digitalization, and with this approach in mind, ARAG is focusing more and more on data protection and on protection against cyber risks. It is therefore of the utmost importance to ARAG that it safeguards the confidentiality and security of the data it processes in order to maintain the trust of stakeholders, customers, business partners, and employees.

ARAG's comprehensive data protection management is based on the ARAG Information Security Guidelines, the ARAG Information Security Standard, the ARAG Data Protection Guideline, and the ARAG Data Protection Management Policy. These rules are binding for all of the Company's employees. They are reviewed annually and updated as required, and can be accessed via the intranet. Each ARAG Group company is responsible for implementing the data protection requirements.

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

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

To date, no incidents have been reported relating to non-respect of the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises.

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

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

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

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

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

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

ARAG is committed to international guiding principles and the LkSG. This includes actions to respect and uphold human rights, and meeting the Company's obligations to review environmental risks and human rights risks. These risks affect own operations as well as ARAG's direct suppliers that fall within the scope of the LkSG. An effective complaints system serves as an early warning system for reporting risks and violations. Violations can also be reported openly or anonymously via a tool on the website in order to avoid or limit loss or damage. ARAG ensures that the complaints system is easy to find for customers too. Procedural rules are also in place to protect anyone who lodges a complaint from negative consequences.

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

Insurance activities also include suitable measures to ensure that minimum safeguards are in place in respect of human rights, corruption, bribery, and fair competition. ARAG has implemented processes aimed at meeting these requirements. Potential risks are identified and preventive measures defined and monitored, where necessary, as part of a due diligence process. The Compliance Guideline and the compliance function ensure overall compliance. Further information on processes related to minimum safeguards can be found in the 'Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)' chapter.

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

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

- The full personal details of the policyholder and, where appropriate, of other insured persons, and details about the type of property and the address of the insured property
- The contract number or claims number
- A description of the matter
- What the desired outcome is
- Where contact with ARAG is made on behalf of someone else, authorization from this person is required.

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

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

The effectiveness of the complaints system is reviewed regularly and on an ad hoc basis. This process involves mutual monitoring by various hierarchies, including the human rights officer. Further information on the complaints management process can be found in the 'Governance information' chapter.

3.3.2 Actions

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

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

During ARAG Day, people across the world are granted access to justice, especially those who have difficulty obtaining legal assistance due to financial or social obstacles. The ARAG Day is scheduled to take place annually, and was held in September in 2025. Legal systems are crucial, as they provide the foundations needed to manage the comprehensive restructuring of national economies and societies. The ARAG Day emphasizes the Company's commitment to protecting and promoting reliable legal structures in times of change.

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

Actions in health insurance
A range of actions, including preventive action, was taken in relation to health insurance and access to healthcare. The services are provided by strategic partners and can only be offered for as long as the partnership is active. These services, which are offered voluntarily, are available to ARAG customers who have taken out private full-coverage health insurance (Basic, Standard, and Emergency rate scales are not included).

ARAG's Roodie app acts as a digital health guide for users and assists them in the search for the health services they need.

If required, customers can receive recommendations for doctors and hospitals within 48 hours, including an appointment booking service. Online consultations are also possible.

Extensive support is provided for pregnant women and parents. This includes, for example, midwife referrals and online courses on preparing for birth, postnatal recovery, baby massage, and breastfeeding advice. Special courses for fathers-to-be are also available.

Therapy places can be arranged quickly in the event of mental health issues, and treatment can begin within ten days. Alternatively, patients can take advantage of online psychotherapy sessions. In addition, online programs designed to promote mental well-being are available and can be accessed instantly. These include audio and video exercises designed to better understand the condition, alleviate symptoms, and improve quality of life. An aftercare program helps to ensure that the benefits of treatment are maintained in the long term following an inpatient stay. In addition, there is a partnership with a group of hospitals specializing in psychiatry, psychosomatics, and psychotherapy.

Personalized health coaching is also offered, with a qualified coach on hand to provide support with severe conditions such as type II diabetes, cardiovascular disease, and chronic pain. Furthermore, online nutritional advice is available that features personalized support from dietitians for conditions such as obesity, diabetes, and allergies.

A dedicated app can help with pain management by providing personalized exercises that help to prevent and relieve pain.

Patients with prostate cancer can turn to a special therapy app offering 3D pelvic exercises, tips for everyday life, and information on the disease and its treatment. A strategic partner can assist with referrals for expert psycho-oncological support. Within seven days, customers will be given an appointment with experienced psycho-oncologists who are certified by the German Cancer Society.

With regard to oral health, users in southern Germany can arrange prompt dental appointments. The support provided includes searching for a dentist, referrals to specialists, and obtaining a second opinion. No-obligation quotations for dental prostheses are available via a strategic partner. Customers can also benefit from attractive discounts on high-quality hearing aids that cover a range of hearing needs.

The actions described above help to boost customer satisfaction and facilitate access to the healthcare system, and thus make a positive contribution to healthcare insurance services.

Responsibility for the aforementioned actions lies with the Service Management Department.

Actions to address data protection

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

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

General and departmental training and information are designed to raise employees' awareness of data protection and thereby continuously improve the level of data protection. The Chief Information Security Officer is responsible for highlighting data protection issues and does so by providing individual advice and training for employees. This is complemented by measures to make employees aware of the issues, mandatory staff training, and the use of internal channels to communicate the latest information on an ongoing basis. ARAG repeats the basic data protection training for its employees every two to three years, and new employees must complete this as soon as they join the Company. In 2025, ARAG provided tailored inhouse training for employees working in data protection.

3.3.3 Targets

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

4 Governance information

4.1 Corporate culture and corporate governance policies

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

Further information about the development and advancement of the corporate culture can be found in the 'Workers in the value chain' chapter.

ARAG's insurance companies have a **Compliance Guideline**, which details the compliance management system in the ARAG organization and defines mandatory values and the levels of behavior expected from all employees. All of the ARAG Group's German insurance companies, including holding companies, adopt their own compliance guidelines. Each international branch must comply with the compliance guideline applicable in its country. The German and international companies adopt their own relevant rules based on the Compliance Guideline and must ensure that they meet all national legal requirements in full.

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

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

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

The mandatory training sessions in Germany on compliance and integrity (including on conflicts of interest, competition law, protection of whistleblowers), for example, create a common understanding of lawfulness and ethics among all employees. In addition, at-risk employees receive specific training on money laundering prevention. Data protection is an integral element of regular, separate training, for which the Chief Information Security Officer is responsible. ARAG does not specifically categorize employees in terms of corruption risks. Generally, there is a residual risk of corruption and bribery in all areas of the Company and among all employees. Training on corruption and bribery is therefore mandatory for all employees, irrespective of their function.

In the context of preventing money laundering, employees who deal with matters relevant to money laundering are considered to be at risk; this includes the People Service & Payroll Department, for example, which is responsible for issuing advances to employees, and the relevant department within Sales, which is responsible for issuing advances to brokers. Consequently, money laundering training is not mandatory for all employees of German companies, but only for those companies subject to the German Money Laundering Act.

Where concerns arise as a result of internal or external reports, the procedure for maintaining confidentiality and the anonymity of the whistleblower, as described in S1 – Own workforce, applies. If there are concerns about unlawful behavior, the Compliance function can initiate its own investigative measures and/or commission external parties to conduct an investigation. The Chief Compliance Officer promptly informs senior management and the supervisory bodies about material insights from investigations and about material compliance risks and reputational risks. A compliance risk or reputational risk is considered material if it has the potential to negatively impact on the Company's financial position or commercial or financial performance. The findings of the investigations are also presented in the annual compliance report and communicated to the committees of the Management Board and Supervisory Board. In its report, the Compliance function also sets out whether notifications were received through the whistleblowing system and what measures were taken as a result.

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

The internal and external channel for reporting criminal offences, irregularities, violations of legal provisions and internal regulations, and information on potentially dishonest behavior was set up in cooperation with a service provider. Although lawmakers have not explicitly stipulated that the reporting channel must be anonymous, the Company believes it is essential to offer such a communication option. The aim is to alleviate any concerns that potential whistleblowers might have. The reporting channel is published on the intranet and on the ARAG website, and is open to third parties. Further information can be found in the 'Workers in the value chain' and 'Consumers and end-users' chapters. This means that reports from former employees and service providers, for example, can also be submitted. In this case, communication is exclusively via workplace representatives.

All information received is treated confidentially and, if so requested by the whistleblower and legally possible, forwarded anonymously to the competent authorities for the purpose of clarifying and remedying any irregularities. Additionally, employees can leave confidential messages in compliance mailboxes.

The Compliance function provided the workplace representatives with training on the whistleblowing process and on how the whistleblowing platform works.

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

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

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

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

The Compliance function introduced mandatory compliance training and money laundering training (only mandatory for employees of ARAG SE, Cura GmbH, and CUR GmbH) in Germany. This training has been integrated into the onboarding process. Sessions cover conflicts of interest, corruption and bribery, antitrust law, information security, financial sanctions, and the German Whistleblower Protection Act. If required, additional learning modules are used to supplement the compliance training.

To date, no mandatory refresher courses have been offered once training modules have been completed. However, the plan for 2026 is to set an expiry date for the end of 2026 and to introduce a two-year cycle for compulsory participation in the training.

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

Target groups are only broken down in relation to money laundering training. As ARAG SE offers employee loans and advances on sales in relevant amounts, the Company falls within the scope of the German Money Laundering Act. Cura GmbH and its subsidiary CUR GmbH are both considered to be obliged entities as they broker products within the scope of the German Money Laundering Act (life insurance, accident insurance, and capital deposit products from other insurers).

As this is a specific area, money laundering training is only mandatory for the employees of these two companies. Employees of other German ARAG companies are free to complete the money laundering training on a voluntary basis.

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

Policies for the prevention and detection of corruption and bribery

The Compliance Guideline is the primary source of guidance on preventing allegations of and incidents of corruption and bribery. An intrinsic element of this is the principle of transactions and process steps being verified by a second person. Awareness of this topic among employees in Germany is also raised during the mandatory compliance training.

For all employees in Germany, the guidance on corruption and bribery is integrated and communicated through, for example, staggered approval processes (Authorization Guideline), appropriateness assessments for third-party inducements, and processes for sponsorship and inducements in sales partnerships and partner sales. For example, approval by the relevant manager must be obtained using the inducement form designed for this purpose before accepting an inducement with a value exceeding the minimum threshold.

The manager assesses the reason for, and overall circumstances surrounding, the granting of an inducement in order to identify any potential conflicts of interest, and in each case determines whether the specific inducement is appropriate. If the manager believes it might be inappropriate, the Group Legal and Compliance Central Department is consulted.

In addition, the process defined in the Related Parties Guideline ensures that any transactions of partners in the Company, including with related parties, are conducted at arm's-length market rates. To this end, standardized questionnaires are sent out annually to the governing bodies in Germany (supervisory boards, management boards, advisory boards, managing directors) and to managers in units outside Germany who are authorized to represent the Company externally. The answers are then collated and analyzed, and any material events are reported.

In addition, the Compliance function conducts an annual groupwide risk analysis. One element of the risk analysis has respondents assess potential corruption and bribery risks in terms of their likelihood of occurrence and the extent of potential damage (gross risks), taking into account existing countermeasures (net risks). Where risks of corruption or bribery are particularly relevant, the Compliance function uses this information for compliance planning in preparation for future compliance audits.

Furthermore, ARAG Krankenversicherungs-AG and all units outside Germany report to the Group Legal and Compliance Central Department about material incidents, including corruption and bribery, as part of monthly legal & compliance reporting. It is also possible to report relevant incidents as and when they occur.

Should any specific incidents of corruption or bribery come to light, they are addressed in the compliance report and actions to prevent future incidents are added to the compliance plan.

The Internal Audit function also carries out regular assessments within individual Group companies as part of its review of business processes, with a particular focus on fraud risks, but also on corruption and bribery where there is a corresponding risk exposure.

Incidents can be identified with the help of internal or external reports. A standard process for handling such reports is defined in the Whistleblowing Directive. Where reports are received via the whistleblowing portal or made to a workplace representative, the representative will initially investigate the matter, in consultation with the whistleblower where appropriate. If the workplace representative concludes that the report may involve legally relevant misconduct, the representative forwards it in confidence to the Chief Compliance Officer or one of their deputies. The Chief Compliance Officer then decides whether an investigation should be conducted by the Group Legal and Compliance Central Department or whether a third party bound by professional confidentiality (such as an external law firm or an auditor) should be engaged to ensure an independent investigation and review.

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

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

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

Compliance training covers:

- Managing conflicts of interest (corruption and bribery)
- Fair competition and antitrust law
- Aspects of IT security
- Financial sanctions
- The German Whistleblower Protection Act

Training comprises short videos and brief comprehension tasks.

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

Relevant metrics related to corruption and bribery are presented below:

Prevention and detection of corruption and bribery

	2025	2024
Percentage of functions-at-risk covered by training programs	70.5%	59.1%

The metric for the percentage of at-risk functions covered by training programs is calculated as the ratio of the number of individuals who have completed compliance training to the total number of employees in the ARAG Group. All employees of the ARAG Group are classified as at-risk functions and must therefore attend compliance training – once, every two years, or when they join the Company. The rise in this figure is partly due to the large number of new hires and the associated mandatory training sessions. In addition, more employees will have attended training sessions as part of the two-year cycle.

Incidents of corruption or bribery

	2025	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws	€0	€0

As no cases of corruption or bribery have come to light in recent years, no additional actions or specific targets have been defined in this area.

4.2 Management of relationships with suppliers

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

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

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

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

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

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

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

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

4.3 Political influence and lobbying activities

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

In Germany, ARAG primarily calls for the deregulation of the legal market. The focus here is on laws of particular relevance to legal insurers, such as the German Act on Out-of-Court Legal Services (RDG) and the German Federal Lawyers Code (BRAO). In 2025, the Company did not exert any direct influence – i.e. not through the structures of the trade associations – on legislative processes, for example by participating in hearings.

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

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

As of December 31, 2025, the Management Board of ARAG Holding SE had three members. None of the three individuals held a comparable position in the two years prior to their appointment. The résumés of the members of the management and administrative bodies are published on the Company website.

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

Financial and in-kind contributions made directly and indirectly in 2025

Type of recipient / beneficiary	Financial contributions	In-kind contributions	Country
Political parties	€73,737	€9,675	Germany

Financial and in-kind contributions made directly and indirectly in 2024

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

As ARAG makes a decision regarding a contribution on a case-by-case basis, the amount of the donations can vary. The figures for contributions are the actual amounts paid.

5 Tables

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

Sustainability topic		Paragraph
E1-GOV-3	Integration of sustainability-related performance in incentive schemes	1.2
E1-1	Transition plan for climate change mitigation	2.2
E1-2	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3
E1-2	Policies related to climate change mitigation and adaptation	2.2
E1-3	Actions and resources in relation to climate change policies	2.2
E1-4	Targets related to climate change mitigation and adaptation	2.2
E1-5	Energy consumption and mix	2.3
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	2.3
E1-8	Internal carbon pricing	2.3
S1-SBM-2	Interests and views of stakeholders	1.3
S1-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3
S1-1	Policies related to own workforce	3.1
S1-2	Processes for engaging with own workers and workers' representatives about impacts	3.1
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	3.1
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	3.1
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.1
S1-6	Characteristics of the Company's employees	3.1
S1-7	Characteristics of non-employee workers	3.1
S1-8	Collective bargaining coverage and social dialogue	3.1
S1-9	Diversity metrics	3.1
S1-10	Adequate wages	3.1
S1-11	Social security	3.1
S1-12	Persons with disabilities	3.1
S1-13	Metrics for training and skills development	3.1
S1-14	Health and safety metrics	3.1
S1-15	Work-life balance metrics	3.1
S1-16	Compensation metrics (pay gap and total compensation)	3.1
S1-17	Incidents, complaints, and severe human rights impacts	3.1

→

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

Sustainability topic		Paragraph
S2-SBM-2	Interests and views of stakeholders	1.3
S2-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3
S2-1	Policies related to value chain workers	3.2
S2-2	Processes for engaging with value chain workers about impacts	3.2
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	3.2
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	3.2
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.2
S4-SBM-2	Interests and views of stakeholders	1.3
S4-SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	1.3
S4-1	Policies related to consumers and end-users	3.3
S4-2	Processes for engaging with consumers and end-users about impacts	3.3
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3.3
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3.3
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3.3
G1-GOV-1	The role of the administrative, management, and supervisory bodies	1.2
G1-1	Corporate culture and corporate governance policies	4.1
G1-2	Management of relationships with suppliers	4.2
G1-3	Prevention and detection of corruption and bribery	4.1
G1-4	Confirmed incidents of corruption or bribery	4.1
G1-5	Political influence and lobbying activities	4.3

Datapoints from other EU legislation

Disclosure requirement and related datapoint		Reference to other EU legislation		Assessment of materiality	If yes: see chapter
ESRS 2 GOV-1	Board's gender diversity, paragraph 21 (d)	**SFDR reference**	Indicator number 13 Table #1 of Annex I	material	1.2
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	material	1.2
	Percentage of board members who are independent, paragraph 21 (e)	**Benchmark Regulation reference**	Delegated Regulation (EU) 2020/1816, Annex II	material	1.2
ESRS 2 GOV-4	Statement on due diligence, paragraph 30	**SFDR reference**	Indicator number 10 Table #3 of Annex I	material	1.2
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities, paragraph 40 (d) i	**SFDR reference**	Indicator number 4 Table #1 of Annex I	not material	--
		Pillar 3 reference	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	not material	--
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	not material	--
	Involvement in activities related to chemical production, paragraph 40 (d) ii	**SFDR reference**	Indicator number 9 Table #2 of Annex I	not material	--
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	not material	--
	Involvement in activities related to controversial weapons, paragraph 40 (d) iii	**SFDR reference**	Indicator number 14 Table #1 of Annex I	not material	--
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	not material	--
	Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv	**Benchmark Regulation reference**	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	not material	--
ESRS E1-1	Transition plan to reach climate neutrality by 2050, paragraph 14	**Climate Law reference**	Regulation (EU) 2021/1119, Article 2(1)	material	2.2
	Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)	**Pillar 3 reference**	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	material	2.2
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	material	2.3
ESRS E1-4	GHG emission reduction targets, paragraph 34	**SFDR reference**	Indicator number 4 Table #2 of Annex I	material	2.2.1.3
		Pillar 3 reference	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	material	2.2.2.3
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Article 6	material	2.2.3.3
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	**SFDR reference**	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex I	material	2.3
	Energy consumption and mix, paragraph 37	**SFDR reference**	Indicator number 5 Table #1 of Annex I	material	2.3
	Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	**SFDR reference**	Indicator number 6 Table #1 of Annex I	not material	--

→

→ Datapoints from other EU legislation

Disclosure requirement and related datapoint		References (SFDR, Pillar 3, Benchmark Regulation, Climate Law)		Assessment of materiality	If yes: see chapter
ESRS E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions, paragraph 44	**SFDR reference**	Indicators number 1 and 2 Table #1 of Annex I	material	2.3
		Pillar 3 reference	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	material	2.3
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	material	2.3
	Gross GHG emissions intensity, paragraphs 53 to 55	**SFDR reference**	Indicator number 3 Table #1 of Annex I	material	2.3
		Pillar 3 reference	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	material	2.3
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1818, Article 8(1)	material	2.3
ESRS E1-7	GHG removals and carbon credits, paragraph 56	**Climate Law reference**	Regulation (EU) 2021/1119, Article 2(1)	not material	--
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	**Benchmark Regulation reference**	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	material	phased-in
	Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)	**Pillar 3 reference**	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.	material	phased-in
	Location of significant assets at material physical risk, paragraph 66 (c)			material	phased-in
	Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)	**Pillar 3 reference**	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property – Energy efficiency of the collateral	material	phased-in
	Degree of exposure of the portfolio to climate-related opportunities, paragraph 69	**Benchmark Regulation reference**	Delegated Regulation (EU) 2020/1818, Annex II	material	phased-in
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil, paragraph 28	**SFDR reference**	Indicator number 8 Table #1 of Annex I; Indicator number 2 Table #2 of Annex I; Indicator number 1 Table #2 of Annex I; Indicator number 3 Table #2 of Annex I	not material	--
ESRS E3-1	Water and marine resources, paragraph 9	**SFDR reference**	Indicator number 7 Table #2 of Annex I	not material	--
	Dedicated policy, paragraph 13	**SFDR reference**	Indicator number 8 Table #2 of Annex I	not material	--
	Sustainable oceans and seas, paragraph 14	**SFDR reference**	Indicator number 12 Table #2 of Annex I	not material	--
ESRS E3-4	Total water recycled and reused, paragraph 28 (c)	**SFDR reference**	Indicator number 6.2 Table #2 of Annex I	not material	--
	Total water consumption in m^3 per net revenue in own operations, paragraph 29	**SFDR reference**	Indicator number 6.1 Table #2 of Annex I	not material	--
ESRS 2 SBM-3 – E4	Paragraph 16 (a) i	**SFDR reference**	Indicator number 7 Table #1 of Annex I	not material	--
	Paragraph 16 (b)	**SFDR reference**	Indicator number 10 Table #2 of Annex I	not material	--
	Paragraph 16 (c)	**SFDR reference**	Indicator number 14 Table #2 of Annex I	not material	--

→

→ Datapoints from other EU legislation

Disclosure requirement and related datapoint		References (SFDR, Pillar 3, Benchmark Regulation, Climate Law)		Assessment of materiality	If yes: see chapter
ESRS E4-2	Sustainable land/agriculture practices or policies, paragraph 24 (b)	**SFDR reference**	Indicator number 11 Table #2 of Annex I	not material	--
	Sustainable oceans/seas practices or policies, paragraph 24 (c)	**SFDR reference**	Indicator number 12 Table #2 of Annex I	not material	--
	Policies to address deforestation, paragraph 24 (d)	**SFDR reference**	Indicator number 15 Table #2 of Annex I	not material	--
ESRS E5-5	Non-recycled waste, paragraph 37 (d)	**SFDR reference**	Indicator number 13 Table #2 of Annex I	not material	--
	Hazardous waste and radioactive waste, paragraph 39	**SFDR reference**	Indicator number 9 Table #1 of Annex I	not material	--
ESRS 2 SBM-3 – S1	Risk of incidents of forced labor, paragraph 14 (f)	**SFDR reference**	Indicator number 13 Table #3 of Annex I	not material	--
	Risk of incidents of child labor, paragraph 14 (g)	**SFDR reference**	Indicator number 12 Table #3 of Annex I	not material	--
ESRS S1-1	Human rights policy commitments, paragraph 20	**SFDR reference**	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	material	3.1.1
	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21	**Benchmark Regulation reference**	Delegated Regulation (EU) 2020/1816, Annex II	material	3.1.1
	Processes and measures for preventing trafficking in human beings, paragraph 22	**SFDR reference**	Indicator number 11 Table #3 of Annex I	material	3.1.1
	Workplace accident prevention policy or management system, paragraph 23	**SFDR reference**	Indicator number 1 Table #3 of Annex I	material	3.1.1
ESRS S1-3	Grievance/complaints handling mechanisms, paragraph 32 (c)	**SFDR reference**	Indicator number 5 Table #3 of Annex I	material	3.1.1
ESRS S1-14	Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	**SFDR reference**	Indicator number 2 Table #3 of Annex I	material	3.1.3
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	material	3.1.3
	Number of days lost to injuries, accidents, fatalities, or illness, paragraph 88 (e)	**SFDR reference**	Indicator number 3 Table #3 of Annex I	material	3.1.3
ESRS S1-16	Unadjusted gender pay gap, paragraph 97 (a)	**SFDR reference**	Indicator number 12 Table #1 of Annex I	material	3.1.3
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	material	3.1.3
	Excessive CEO pay ratio, paragraph 97 (b)	**SFDR reference**	Indicator number 8 Table #3 of Annex I	material	3.1.3
ESRS S1-17	Incidents of discrimination, paragraph 103 (a)	**SFDR reference**	Indicator number 7 Table #3 of Annex I	material	3.1.3
	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines, paragraph 104 (a)	**SFDR reference**	Indicator number 10 Table #1 and Indicator number 14 Table #3 of Annex I	material	3.1.3
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	material	3.1.3
ESRS 2- SBM3 – S2	Significant risk of child labor or forced labor in the value chain, paragraph 11 (b)	**SFDR reference**	Indicators number 12 and n. 13 Table #3 of Annex I	material	1.3

→

→ Datapoints from other EU legislation

Disclosure requirement and related datapoint		References (SFDR, Pillar 3, Benchmark Regulation, Climate Law)		Assessment of materiality	If yes: see chapter
ESRS S2-1	Human rights policy commitments, paragraph 17	**SFDR reference**	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	material	3.2.1
	Policies related to value chain workers, paragraph 18	**SFDR reference**	Indicators number 11 and 4 Table #3 of Annex I	material	3.2.1
	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines, paragraph 19	**SFDR reference**	Indicator number 10 Table #1 of Annex I	material	3.2.1
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	material	3.2.1
	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19	**Benchmark Regulation reference**	Delegated Regulation (EU) 2020/1816, Annex II	material	3.2.1
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	**SFDR reference**	Indicator number 14 Table #3 of Annex I	material	3.2.2
	Human rights policy commitments, paragraph 16	**SFDR reference**	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	material	3.2.2
	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines, paragraph 17	**SFDR reference**	Indicator number 10 Table #1 of Annex I	material	3.2.2
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	material	3.2.2
ESRS S3-4	Human rights issues and incidents, paragraph 36	**SFDR reference**	Indicator number 14 Table #3 of Annex I	not material	--
ESRS S4-1	Policies related to consumers and end-users, paragraph 16	**SFDR reference**	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I	material	3.3
	Non-respect of UNGPs on Business and Human Rights, ILO principles, and OECD guidelines, paragraph 17	**SFDR reference**	Indicator number 10 Table #1 of Annex I	material	3.3
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	material	3.3
ESRS S4-4	Human rights issues and incidents, paragraph 35	**SFDR reference**	Indicator number 14 Table #3 of Annex I	material	3.3
ESRS G1-1	United Nations Convention against Corruption, paragraph 10 (b)	**SFDR reference**	Indicator number 15 Table #3 of Annex I	material	3.3
	Protection of whistleblowers, paragraph 10 (d)	**SFDR reference**	Indicator number 6 Table #3 of Annex I	material	3.3
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	**SFDR reference**	Indicator number 17 Table #3 of Annex I	material	4.1
		Benchmark Regulation reference	Delegated Regulation (EU) 2020/1816, Annex II	material	4.1
	Standards of anti-corruption and anti-bribery, paragraph 24 (b)	**SFDR reference**	Indicator number 16 Table #3 of Annex I	material	4.1

Consolidated Financial Statements

I. Consolidated Balance Sheet

Consolidated balance sheet as of December 31 – assets

(€)	Dec. 31, 2025	Dec. 31, 2024
A. Intangible assets		
I. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	11,003,810.37	11,654,956.12
II. Goodwill	37,865,698.90	46,265,210.19
	48,869,509.27	**57,920,166.31**
B. Investments		
I. Land, land rights and buildings, including buildings on third-party land	160,323,812.15	170,124,683.83
II. Investments in affiliated companies and equity investments		
1. Shares in affiliated companies	1,492,285.38	1,492,284.38
2. Investments in associates	17,694,424.43	18,427,813.36
3. Equity investments	2,795,548.11	2,768,880.10
4. Lending to long-term investees and investors	3,750,000.00	3,750,000.00
	25,732,257.92	26,438,977.84
III. Miscellaneous investments		
1. Equities, investment fund shares/units, and other variable-yield securities	2,290,592,384.62	2,174,097,479.04
2. Bearer bonds and other fixed-income securities	3,372,929,077.51	3,011,720,737.97
3. Loans secured by mortgages or land charges and fixed-income receivables	0.00	1.00
4. Miscellaneous lending		
a) Registered bonds	652,518,584.42	563,518,584.42
b) Promissory notes and loans	245,063,671.36	301,331,216.33
c) Sundry lending	35,676.32	66,962.09
	897,617,932.10	864,916,762.84
5. Bank deposits	113,083,395.49	85,909,886.31
	6,674,222,789.72	6,136,644,867.16
IV. Deposits with ceding insurers	63,769,146.96	63,797,203.47
	6,924,048,006.75	**6,397,005,732.30**

→

→ Consolidated balance sheet as of December 31 – assets

(€)	Dec. 31, 2025	Dec. 31, 2024
C. Receivables		
I. Receivables from direct insurance business		
1. from policyholders	88,277,572.51	76,553,346.37
2. from insurance brokers	252,340,867.24	173,983,012.66
of which from affiliated companies: €0.00 (Dec. 31, 2024: €74.34)		
	340,618,439.75	250,536,359.03
II. Receivables from reinsurance business	70,722,579.51	67,500,203.89
of which from other long-term investees and investors: €63,726.07 (Dec. 31, 2024: €57,621.78)		
III. Miscellaneous receivables	65,454,151.29	63,984,027.66
of which from affiliated companies: €949,276.84 (Dec. 31, 2024: €832,328.71)		
of which from other long-term investees and investors: €229,704.17 (Dec. 31, 2024: €198,069.62)		
	476,795,170.55	**382,020,590.58**
D. Miscellaneous assets		
I. Property and equipment and inventories	32,609,983.29	28,382,773.14
II. Current bank balances, checks and cash on hand	248,297,181.20	296,175,163.21
III. Other assets	24,219,257.64	26,608,013.11
	305,126,422.13	**351,165,949.46**
E. Prepaid expenses and accrued income		
I. Accrued interest and rent	51,960,083.98	40,973,842.68
II. Miscellaneous prepaid expenses and accrued income	25,920,992.86	22,435,015.36
	77,881,076.84	**63,408,858.04**
F. Deferred tax assets	**688,846.26**	**1,428,092.53**
G. Excess of plan assets over pension liabilities	**430,682.35**	**533,428.50**
Total assets	**7,833,839,714.15**	**7,253,482,817.72**

Consolidated balance sheet as of December 31 – equity and liabilities

(€)	Dec. 31, 2025	Dec. 31, 2024
A. Equity		
I. Subscribed capital	200,000,000.00	200,000,000.00
II. Revenue reserves		
1. Statutory reserves	20,000,000.00	18,838,988.00
2. Other revenue reserves	575,444,317.25	511,549,623.45
3. Currency translation differences	– 4,943,694.41	11,819,036.64
4. Difference pursuant to section 309 (1) HGB	– 35,999,890.82	– 35,999,890.82
	554,500,732.02	506,207,757.27
III. Net income attributable to the Group		
1. Consolidated net income of the controlling interests	87,757,811.45	75,055,705.80
IV. Non-controlling interests		
1. in the capital	10,336,590.85	9,787,687.34
2. in the net income	977,402.01	867,284.82
	11,313,992.86	10,654,972.16
	853,572,536.33	**791,918,435.23**
B. Technical provisions		
I. Unearned premiums		
1. Gross amount	532,442,571.58	443,087,479.93
2. less: portion for outward reinsurance business	– 20,959,278.94	– 527,898.27
	511,483,292.64	442,559,581.66
II. Actuarial reserve		
1. Gross amount	3,040,422,841.13	2,751,630,471.67
2. less: portion for outward reinsurance business	0.00	0.00
	3,040,422,841.13	2,751,630,471.67
III. Provision for outstanding claims		
1. Gross amount	2,327,027,610.87	2,199,368,982.67
2. less: portion for outward reinsurance business	– 34,977,397.82	– 39,326,351.38
	2,292,050,213.05	2,160,042,631.29
IV. Provision for performance-based and non-performance-based bonuses and rebates	253,281,637.94	280,851,340.29
V. Equalization provision and similar provisions	179,717,987.00	165,536,695.97
VI. Miscellaneous technical provisions		
1. Gross amount	6,274,847.80	5,286,265.29
2. less: portion for outward reinsurance business	0.00	0.00
	6,274,847.80	5,286,265.29
	6,283,230,819.56	**5,805,906,986.17**

→

→ Consolidated balance sheet as of December 31 – equity and liabilities

(€)	Dec. 31, 2025	Dec. 31, 2024
C. Other provisions		
I. Provisions for pensions and other post-employment benefits	275,711,836.49	285,493,567.10
II. Provisions for taxes	12,412,243.88	19,693,965.96
III. Miscellaneous provisions	166,546,161.09	154,825,106.87
	454,670,241.46	**460,012,639.93**
D. Deposits received from reinsurers	**2,720,470.35**	**2,863,307.20**
E. Other liabilities		
I. Liabilities from direct insurance business to		
1. policyholders	47,038,363.50	43,031,144.10
2. insurance brokers	63,817,126.62	55,544,534.44
of which to affiliated companies: €14.87 (Dec. 31, 2024: €14.87)		
	110,855,490.12	98,575,678.54
II. Liabilities from reinsurance business	17,023,812.60	2,322,644.56
III. Miscellaneous liabilities	103,783,937.55	90,754,616.28
of which tax liabilities: €40,426,059.17 (Dec. 31, 2024: €34,151,567.48)		
of which social security liabilities: €3,258,040.97 (Dec. 31, 2024: €3,607,380.21)		
of which to affiliated companies: €490,343.06 (Dec. 31, 2024: €397,165.89)		
	231,663,240.27	**191,652,939.38**
F. Deferred income and accrued expenses	**7,982,406.18**	**1,128,509.81**
Total equity and liabilities	**7,833,839,714.15**	**7,253,482,817.72**

II. Consolidated Income Statement

Consolidated income statement for the period from January 1 to December 31

(€)	2025	2024
I. Underwriting account for casualty and property insurance		
1. Premiums earned net of reinsurance		
a) Gross premiums written	2,272,479,300.87	2,040,851,022.07
b) Reinsurance premiums ceded	– 36,759,534.93	– 15,266,234.34
	2,235,719,765.94	2,025,584,787.73
c) Change in gross unearned premiums	– 96,767,532.94	– 23,376,825.39
d) Change in reinsurers' share of gross unearned premiums	20,826,096.41	– 424,021.55
	– 75,941,436.53	– 23,800,846.94
	2,159,778,329.41	**2,001,783,940.79**
2. Technical interest income net of reinsurance	477,634.00	126,604.00
3. Miscellaneous underwriting income net of reinsurance	2,339,040.00	2,295,858.87
4. Claims incurred net of reinsurance		
a) Payments for claims		
aa) Gross amount	1,052,411,133.25	983,071,393.71
bb) Reinsurers' share	– 9,782,096.73	– 7,183,005.40
	1,042,629,036.52	975,888,388.31
b) Change in provision for outstanding claims		
aa) Gross amount	136,691,360.91	127,144,696.06
bb) Reinsurers' share	4,338,164.37	– 5,041,625.30
	141,029,525.28	122,103,070.76
	1,183,658,561.80	**1,097,991,459.07**
5. Change in sundry net technical provisions		
a) Miscellaneous net technical provisions	– 135,068.98	– 140,299.12
	– 135,068.98	**– 140,299.12**
6. Expenses for performance-based and non-performance-based bonuses and rebates net of reinsurance	128,000.00	500,000.00
7. Insurance business operating expenses net of reinsurance		
a) Gross insurance business operating expenses	895,440,872.68	831,501,573.73
b) less: commissions received and profit sharing received from outward reinsurance business	– 1,087,302.61	– 1,537,328.25
	894,353,570.07	**829,964,245.48**
8. Miscellaneous underwriting expenses net of reinsurance	2,539,399.86	2,174,444.25
9. Subtotal	**81,780,402.70**	**73,435,955.74**
10. Change in the equalization provision and similar provisions	– 14,181,291.03	– 4,038,704.97
11. Casualty and property insurance underwriting result net of reinsurance	**67,599,111.67**	**69,397,250.77**

→

→ Consolidated income statement for the period from January 1 to December 31

(€)	2025	2024
II. Underwriting account for health insurance		
1. Premiums earned net of reinsurance		
a) Gross premiums written	886,282,290.11	748,712,730.53
b) Reinsurance premiums ceded	– 361,539.08	– 319,727.32
	885,920,751.03	748,393,003.21
c) Change in gross unearned premiums	– 1,475,035.77	– 1,060,953.41
d) Change in reinsurers' share of gross unearned premiums	0.00	0.00
	– 1,475,035.77	– 1,060,953.41
	884,445,715.26	**747,332,049.80**
2. Premiums from the gross provision for bonuses and rebates	31,603,240.23	13,265,951.95
3. Income from investments		
a) Income from other investments		
aa) Income from land, land rights and buildings, including buildings on third-party land	5,410,668.24	4,375,966.10
bb) Income from other investments	61,769,864.97	59,266,095.56
	67,180,533.21	63,642,061.66
b) Income from reversals of write-downs	682,342.23	2,422,723.60
c) Gains on the disposal of investments	19,288,123.75	21,983,503.85
	87,150,999.19	**88,048,289.11**
4. Miscellaneous underwriting income net of reinsurance	38,276,983.78	33,807,960.49
5. Claims incurred net of reinsurance		
a) Payments for claims		
aa) Gross amount	465,945,480.42	381,068,265.76
bb) Reinsurers' share	0.00	0.00
	465,945,480.42	381,068,265.76
b) Change in provision for outstanding claims		
aa) Gross amount	13,823,441.27	23,206,243.12
bb) Reinsurers' share	0.00	0.00
	13,823,441.27	23,206,243.12
	479,768,921.69	**404,274,508.88**

→

→ Consolidated income statement for the period from January 1 to December 31

(€)	2025	2024
6. Change in sundry net technical provisions		
a) Actuarial reserve		
aa) Gross amount	– 288,793,674.46	– 218,751,014.18
bb) Reinsurers' share	0.00	0.00
	– 288,793,674.46	– 218,751,014.18
b) Miscellaneous net technical provisions	– 1,001,560.00	– 460,250.00
	– 289,795,234.46	**– 219,211,264.18**
7. Expenses for performance-based and non-performance-based bonuses and rebates net of reinsurance	44,556,497.03	46,761,304.76
8. Insurance business operating expenses net of reinsurance		
a) Front-end fees	147,748,809.59	144,213,215.98
b) Administrative expenses	16,289,337.28	13,512,904.22
	164,038,146.87	157,726,120.20
c) less: commissions received and profit sharing received from outward reinsurance business	0.00	0.00
	164,038,146.87	**157,726,120.20**
9. Expenses for investments		
a) Expenses for the management of investments, interest expense and similar charges and other expenses for investments	8,996,299.26	7,022,133.51
b) Depreciation, amortization and write-downs of investments	6,810,425.39	8,698,382.27
of which write-downs: €5,564,482.34 (2024: €7,483,481.77)		
c) Losses on the disposal of investments	1,484,272.86	7,451,520.21
	17,290,997.51	**23,172,035.99**
10. Miscellaneous underwriting expenses net of reinsurance	8,860,226.26	4,589,010.89
11. Health insurance underwriting result net of reinsurance	**37,166,914.64**	**26,720,006.45**

→

→ Consolidated income statement for the period from January 1 to December 31

(€)	2025	2024
III. Non-underwriting account		
1. Underwriting result net of reinsurance		
a) in casualty and property insurance	67,599,111.67	69,397,250.77
b) in health insurance	37,166,914.64	26,720,006.45
	104,766,026.31	**96,117,257.22**
2. Income from investments, unless listed under II. 3.		
a) Income from equity investments	1,081,498.63	991,274.61
of which from affiliated companies: €352,353.00 (2024: €357,324.00)		
b) Income from associates	7,537,905.13	9,201,951.81
c) Income from other investments		
of which from affiliated companies: €87,200.46 (2024: €90,398.43)		
aa) Income from land, land rights and buildings, including buildings on third-party land	18,321,610.07	21,913,899.27
bb) Income from other investments	62,905,947.54	64,669,955.30
	81,227,557.61	86,583,854.57
d) Income from reversals of write-downs	6,229,262.75	4,674,515.70
e) Gains on the disposal of investments	24,881,827.06	27,980,661.38
	120,958,051.18	**129,432,258.07**
3. Expenses for investments, unless listed under II. 9.		
a) Expenses for the management of investments, interest expense and similar charges and other expenses for investments	20,305,560.24	21,932,015.32
b) Depreciation, amortization and write-downs of investments	9,900,066.86	8,749,562.66
of which write-downs: €5,586,922.18 (2024: €4,392,461.36)		
c) Losses on the disposal of investments	3,021,185.53	1,996,622.83
	33,226,812.63	**32,678,200.81**
	87,731,238.55	**96,754,057.26**
4. Technical interest income	– 477,634.00	– 126,604.00
5. Market fees for goods and services provided by non-insurance companies	60,955,491.81	53,476,994.36
6. Cost of goods and services provided by non-insurance companies to generate market fees	55,109,545.33	49,524,344.10
7. Other income	72,429,519.09	54,342,073.09

→

→ Consolidated income statement for the period from January 1 to December 31

(€)		2025	2024
8.	Other expenses	120,471,356.64	110,066,200.60
	of which write-downs on goodwill arising on consolidation: €5,693,566.94 (2024: €5,774,692.41)		
9.	**Non-underwriting result**	**45,057,713.48**	**44,855,976.01**
10.	**Profit/loss from ordinary activities**	**149,823,739.79**	**140,973,233.23**
11.	Extraordinary income	0.00	0.00
12.	Extraordinary expenses	0.00	0.00
		0.00	**0.00**
13.	**Profit before tax**	**149,823,739.79**	**140,973,233.23**
14.	Income taxes	59,035,946.42	61,422,557.69
	of which resulting from the change in recognized deferred taxes: tax expense of €740,660.40 (2024: tax expense of €9,328,103.29)		
15.	Miscellaneous taxes	2,052,579.91	3,627,684.92
		61,088,526.33	**65,050,242.61**
16.	**Net income for the year**	**88,735,213.46**	**75,922,990.62**
17.	of which non-controlling interests	– 977,402.01	– 867,284.82

III. Consolidated Cash Flow Statement

Cash flow statement

(€)	2025	2024
Cash flows from operating activities		
Profit for the period	88,735,213	75,922,991
Increase (+) / decrease (–) in technical provisions, net	477,323,833	692,975,044
Increase (–) / decrease (+) in deposits with ceding insurers and in receivables from reinsurance business	– 3,194,319	– 17,041,557
Increase (+) / decrease (–) in deposits from reinsurers and liabilities from reinsurance business	14,558,331	2,281,980
Increase (–) / decrease (+) in receivables from direct insurance business	– 90,082,081	– 125,160,103
Increase (+) / decrease (–) in liabilities from direct insurance business	12,279,812	10,766,451
Increase (–) / decrease (+) in miscellaneous receivables	– 10,834,487	– 20,720,497
Increase (+) / decrease (–) in miscellaneous liabilities	14,698,216	15,982,203
Change in miscellaneous balance sheet items not related to investing or financing activities	– 556,050,529	– 527,047,416
Other non-cash income and expenses, and adjustment of the profit / loss for the period	59,410,836	11,321,926
Gain (–) / loss (+) on the disposal of investments, property and equipment, and intangible assets	– 39,426,460	– 40,510,757
Expenses for / income from extraordinary items	0	0
Current income tax expense / income	58,295,286	52,094,454
Cash receipts from extraordinary items	0	0
Cash payments for extraordinary items	0	0
Income taxes paid	– 50,851,195	– 58,410,179
Cash flows from operating activities	**– 25,137,543**	**72,454,539**
Cash flows from investing activities		
Proceeds from disposal of consolidated entities	0	0
Proceeds from disposal of property and equipment	282,344	93,836
Proceeds from disposal of intangible assets	479,072	827,135
Payments to acquire property and equipment	– 10,663,755	– 9,241,575
Payments to acquire intangible assets	– 2,838,100	– 50,608,993
Proceeds from disposal of investments related to fund-linked life insurance	0	0
Payments to acquire investments related to fund-linked life insurance	0	0
Cash receipts from extraordinary items	0	0
Cash payments for extraordinary items	0	0
Cash flows from investing activities	**– 12,740,439**	**– 58,929,597**

→

→ Cash flow statement

(€)	2025	2024
Cash flows from financing activities		
Proceeds from capital contributions by shareholders	0	0
Cash payments to shareholders from the redemption of shares	0	0
Cash receipts from extraordinary items	0	0
Cash payments for extraordinary items	0	0
Dividends paid	– 10,000,000	– 10,000,000
Proceeds (+) / cash payments (–) related to miscellaneous financing activities	0	– 30,000,000
Cash flows from financing activities	**– 10,000,000**	**– 40,000,000**
Net change in cash and cash equivalents	– 47,877,982	– 26,475,059
Effect on cash and cash equivalents of exchange-rate movements and remeasurements	0	0
Effect on cash and cash equivalents of changes in the basis of consolidation	0	0
Cash and cash equivalents at beginning of period	296,175,163	322,650,222
Cash and cash equivalents at end of period	**248,297,181**	**296,175,163**

Cash and cash equivalents corresponds to the 'Current bank balances, checks and cash on hand' balance sheet item. Cash and cash equivalents of €12,981 thousand are subject to restrictions on use (December 31, 2024: €2,244 thousand).

IV. Consolidated Statement of Changes in Equity

Consolidated statement of changes in equity

	Equity attributable to parent entity											
	Subscribed capital				Reserves							
	Subscribed capital	Treasury shares	Uncalled unpaid contributions	Total	Capital reserves			Revenue reserves				Total
(€)	Ordinary shares				Pursuant to sec. 272 (2) nos. 1–3 HGB	Pursuant to sec. 272 (2) no. 4 HGB	Total	Statutory reserves	Reserves provided for by the articles of incorporation	Other revenue reserves	Total	
Balance as of Jan. 1, 2025	**200,000,000**	**0**	**0**	**200,000,000**	**0**	**0**	**0**	**18,838,988**	**0**	**475,549,733**	**494,388,721**	**494,388,721**
Transfers to/withdrawals from reserves				0			0	1,161,012		63,894,694	65,055,706	65,055,706
Distribution				0			0				0	0
Currency translation				0			0				0	0
Miscellaneous changes				0			0			0	0	0
Changes in the basis of consolidation				0			0			0	0	0
Consolidated net income				0			0				0	0
Balance as of Dec. 31, 2025	**200,000,000**	**0**	**0**	**200,000,000**	**0**	**0**	**0**	**20,000,000**	**0**	**539,444,427**	**559,444,427**	**559,444,427**

Equity attributable to parent entity				Non-controlling interests				Consolidated equity
Currency translation differences	Retained profits brought forward	Consolidated net income attributable to the parent entity	Total	Non-controlling interests before currency translation differences	Currency translation differences attributable to non-controlling interests	Profit or loss attributable to non-controlling interests	Total	Total
11,819,037	**0**	**75,055,706**	**781,263,463**	**9,759,793**	**27,895**	**867,285**	**10,654,972**	**791,918,435**
		– 65,055,706	0	689,958	0	– 689,958	0	0
		– 10,000,000	– 10,000,000			– 177,326	– 177,326	– 10,177,326
– 16,762,731			– 16,762,731		0		0	– 16,762,731
			0	– 141,055			– 141,055	– 141,055
			0	0			0	0
		87,757,811	87,757,811			977,402	977,402	88,735,213
– 4,943,694	**0**	**87,757,811**	**842,258,543**	**10,308,696**	**27,895**	**977,402**	**11,313,993**	**853,572,536**

Notes to the Financial Statements

V. General Disclosures

ARAG Holding SE is entered in the commercial register of the Düsseldorf local court under the number HRB 66673. Its registered office is ARAG Platz 1, 40472 Düsseldorf, Germany.

The Company prepared these consolidated financial statements for 2025 in accordance with the requirements of the German Commercial Code (HGB) for large corporations. When preparing the financial statements, it also took into account the supplementary provisions applicable to corporations and the additional provisions applicable to insurance companies, the German Insurance Supervision Act (VAG), and the German Regulation on the Accounting of Insurance Undertakings (RechVersV).

Due to currency amounts being presented in thousands, the precise mathematical amounts may differ from those presented as a result of rounding differences. Those differences may affect totals and percentages.

The consolidated financial statements are presented on the basis of financial statement forms 1 and 4 pursuant to section 58 (1) RechVersV. The forms are supplemented to reflect Group-specific characteristics and items relating to non-insurance business.

In accordance with section 291 (1) HGB, these consolidated financial statements exempt those Group companies that are obliged to prepare consolidated financial statements under section 290 HGB from that obligation.

VI. Disclosures on Accounting Policies

The single-entity financial statements of the entities included in the consolidated financial statements are nearly all prepared in accordance with the same accounting policies used by the ARAG Group. The following accounting principles and valuation requirements arising from the pertinent legislation are applied.

With the exception of associates, the financial statements of Group companies that are not prepared in accordance with the requirements of HGB and RechVersV are reconciled with regard to recognition, presentation, and valuation and brought into line with German accounting standards.

The accounting policies of the associate based in Switzerland differ in detail from German accounting principles. The Swiss associate prepares its financial statements in accordance with the Swiss Code of Obligations (OR). The financial statements are not reconciled because of the largely similar accounting policies, which apply the same principles as those of HGB.

Accounting policies

Intangible assets
Purchased intangible assets are recognized at cost on the balance sheet and reduced by straight-line amortization according to their estimated useful life.

No internally generated intangible assets were recognized on the balance sheet.

Goodwill
Goodwill results partly from accounting for subsidiaries in consolidated financial statements and partly from the subgroup of an entity included in the consolidated financial statements. Initial consolidation of HELP Forsikring AS in 2013 gave rise to goodwill. The useful life was originally set at 15 years because the goodwill was defined as in-force business.

For the goodwill arising from initial consolidation of a service company in Canada in 2021, an estimated useful life of five years was set. This goodwill had thus been fully amortized as of December 31, 2025.

In 2024, additional goodwill had arisen as a result of the initial consolidation of four companies in the United Kingdom that became part of the ARAG Group following an acquisition. This goodwill is treated as part of the newly consolidated entities and denominated in pound sterling (£). Over its useful life of ten years, which was determined in accordance with prudent business practice, this goodwill will give rise to exchange-rate differences that will be recognized in the income statement. It is amortized using the straight-line method.

Land and buildings
Land, land rights and buildings, including buildings on third-party land, are valued at cost less straight-line depreciation and amortization. The useful life of buildings is estimated to be in the range of 40 to 50 years.

Investments in affiliated companies and equity investments
Investments in affiliated companies and equity investments are valued at cost, written down accordingly where permanent impairment has occurred.

Lending to affiliated companies and other long-term investees and investors is recognized at cost, which is generally the same as the nominal amount. The cost is reduced by scheduled principal repayments over the term of the loan.

Investments in associates
Investments in associates are valued at their carrying amount at the time the shares were acquired or at the time of initial consolidation, plus or minus the pro rata amount of changes in equity in subsequent years. Goodwill arising on the consolidation of associates using the equity method no longer exists as this goodwill has already been fully amortized.

Equities, investment fund shares/units, and other variable-yield securities
Securities that have been classified as current assets are valued following the strict principle of lower of cost or market value. If the reasons for a write-down cease to apply, the write-down is reversed to the lower of cost or fair value.

If investments are classified for permanent use in business operations, short-term fluctuations in the market price do not result in changes to the carrying amount due to application of the discretionary principle of lower of cost or market value. Only long-term changes in fair value are recognized.

The fund value is calculated by looking through to the individual components of the fund. Criteria for reviewing long-term changes in the value of fixed-income securities are their credit rating and nominal amount. Comparisons with historical valuation parameters are used for equities. For shares in affiliated companies, in infrastructure investments, and in real estate investments, expert appraisals are obtained from the investment management companies based on the net asset value (NAV) for the quarter prior to the reporting date.

Bearer bonds and other fixed-income securities
Contrary to the principle set forth in section 341b (2) HGB and unless stated otherwise, bearer bonds and other fixed-income securities are treated as fixed assets and therefore the discretionary principle of lower of cost or market value is used. The strict principle of lower of cost or market value is applied to securities without a rating. A write-down to less than the nominal value is considered permanent if there has been a material deterioration in the issuer's credit rating. An indicator of this is if the credit rating has been downgraded by two or more notches since acquisition. If contractually defined payments are in default, permanent impairment can be assumed. Changes in the value of securities denominated in foreign currency as a result of changes in the euro exchange rate are considered permanent. The write-down to fair value is determined using the maturity-dependent probability of default in conjunction with the loss given default. The fair value is used for subsequent measurement until such time as the reason for the write-down no longer applies. If securities are acquired above or below par and held to maturity, the difference between this amount and the nominal value forms a component of cost. It is posted together with the security but treated separately. The difference (a premium or a discount) is amortized over the term of the bearer bond using the effective interest method.

Loans secured by mortgages or land charges and fixed-income receivables, and other investments
Loans secured by mortgages or land charges and fixed-income receivables, and other investments are accounted for at fair value.

Registered bonds; lending to long-term investees and investors
Registered bonds are accounted for at their nominal or redemption amount. Any premiums to be accrued and discounts to be deferred are separately reclassified to income using the straight-line method over the term to maturity. Any zero-coupon registered bonds are recognized at the lower of amortized cost or fair value.

Promissory notes and loans, and sundry lending
Promissory notes, loans, and sundry lending items are recognized at cost unless permanently impaired. Premiums and discounts are amortized over the term using the effective interest method.

The structured products held in the portfolio of direct investments in registered bonds and promissory notes are simply structured products pursuant to the pronouncement IDW AcP HFA 22 issued by the Main Technical Committee of the Institute of Public Auditors in Germany (IDW).

Bank deposits
Bank deposits are recognized at their nominal amount.

Deposits with ceding insurers
Deposits with ceding insurers are recognized at the nominal value of the collateral furnished to cedants.

Receivables from policyholders in direct insurance business
Receivables from direct insurance business are generally recognized at their nominal amount. Where necessary, non-recoverable receivables from policyholders are written down or are reduced by specific allowances or by a general allowance on the basis of exceeding a predefined due date.

Receivables from insurance brokers in direct insurance business
Receivables from insurance brokers are reduced by specific allowances and, where applicable, a general allowance in the amount of the likely default. This item includes receivables from after-the-event (ATE) business in the United Kingdom. They are not yet due and do not arise until the related court proceedings – for which the litigation costs have been insured under the insurance contract – have been concluded. A premium only arises

if the policyholder wins the proceedings. The recoverability of the receivables from ATE business is hedged by recognizing an accrual for the full amount in the provision for unearned premiums.

Receivables from reinsurance business
Receivables from reinsurance business are recognized at the amount of the outstanding balances.

Miscellaneous receivables
Miscellaneous receivables are generally recognized at their nominal amount.

Property and equipment and inventories
Property and equipment is recognized at cost and depreciated on a straight-line basis over the standard operating useful life.

Inventories are determined by carrying out regular physical inventory checks. They are valued at cost and reduced by appropriate write-downs to account for storage risk and impaired marketability.

Current bank balances, checks and cash on hand
Bank balances repayable on demand, checks, and cash on hand are recognized at cost. This equates to the nominal amount. Balances are documented in the form of bank statements and cash records. Payment orders that have been issued but not executed as of the reporting date are deducted from the balances for the purposes of the carrying amounts reported on the balance sheet. Bank balances dominated in foreign currency are translated using the middle spot rate as of the reporting date, disregarding both historical cost convention and the realization principle, provided the balances have maturities of no more than one year. Items denominated in foreign currency with longer maturities are valued using the transaction exchange rate or the middle spot rate as of the reporting date where the resulting value is lower than the cost.

Other assets
Other assets are recognized at their nominal amount, which equates to their cost.

Prepaid expenses and accrued income
Prepaid expenses and accrued income are recognized at nominal value and mainly consist of accrued rights to interest that are not yet due in respect of the income period before the balance sheet date and of cash payments expensed after the balance sheet date.

Deferred tax assets and liabilities
If differences arise between the carrying amounts in the HGB financial statements and those in the tax base and these differences are expected to reverse in subsequent years, taxes are recognized in respect of these differences at the time the differences reverse using the entity-specific tax rate. Deferred taxes are calculated by netting the deferred tax assets with the deferred tax liabilities.

Deferred tax assets include the likely tax benefit in subsequent financial years based on the income tax rates expected to apply when differences reverse. If differences arise between the carrying amounts in the HGB consolidated financial statements and those in the tax base as a result of consolidation adjustments and these differences are expected to reverse in subsequent years, deferred taxes are recognized in respect of these differences using separate entity-specific tax rates. This also includes differences for which the timing of the reversal is not yet precisely known or depends on action by the entity concerned, and differences that would only reverse in the event of any liquidation. Deferred tax assets are not recognized in respect of tax loss carryforwards.

When the tax rate was calculated for Germany, the gradual reduction in the rate of corporate income tax from 2028 stipulated by the German Act for an Immediate Tax Investment Program to Strengthen Germany as a Business Location of July 18, 2025 (reduction from 15 percent to 10 percent in annual steps of 1 percentage point) was taken into account. This reduction has no impact as the excess of deferred tax assets over

deferred tax liabilities that exists in Germany is not recognized because the option available under section 274 (1) sentence 2 HGB has not been exercised. The calculation of deferred taxes was based on a tax rate of between 26.2 percent and 31.2 percent for German tax matters, 22.5 percent for Portuguese tax matters, and 23.0 percent for Austrian tax matters.

The recognized deferred taxes arise from the differences between the HGB financial statements and the tax base. They relate to the following items:

Balance sheet items

	Deferred taxes	
(€'000)	**Dec. 31, 2025**	**Dec. 31, 2024**
Intangible assets	0	0
Investments	2,364	2,773
Receivables	– 484	– 411
Miscellaneous assets	0	0
Prepaid expenses and accrued income	0	0
Technical provisions	– 1,603	– 1,450
Other provisions	412	516
Other liabilities	0	0
Deferred income and accrued expenses	0	0
Loss carryforwards	0	0
Total	**689**	**1,428**

Excess of plan assets over pension liabilities
The excess of plan assets over pension liabilities is the asset balance of pension obligations at present value and the fair value of the securities held to cover these liabilities.

Equity
The Company's share capital is reported as subscribed capital. The revenue reserves comprise the statutory reserves and the other revenue reserves. The revenue reserves also contain currency translation differences, which include differences from the translation of financial statements denominated in currencies other than the euro, because different exchange rates are used to translate amounts recognized for the period and amounts recognized as of the reporting date. Equity is presented separately for the Group's controlling interests (majority shareholders) and its non-controlling interests (minority shareholders). The net income attributable to the Group reported in equity only comprises the majority shareholders' share of net income. The minority shareholders' share is reported separately under non-controlling interests.

Unearned premiums
Gross unearned premiums for direct insurance business are calculated pro rata on the basis of the premiums and lapses/cancellations posted, less the installment surcharges. This includes insurance premiums written but not yet earned from ATE business from the United Kingdom. An accrual is recognized for these in the full amount until the related court proceedings – for which litigation costs are insured – have been concluded.

The reinsurers' share of the unearned premiums is determined in accordance with the contractual agreements.

Based on instructions issued by the German tax authorities in 1974, the non-transferable income components are deducted from the unearned premiums in direct insurance business and inward reinsurance business at German Group companies as this reflects common accounting practice in Germany and its application is required by the principles for ensuring proper accounting.

Actuarial reserve
The actuarial reserve for health insurance is calculated individually for each insurance policy in accordance with actuarial principles defined in the technical basis of calculation, applying the underlying data from the insurance policy in question. Moreover, the actuarial reserve also contains transfer amounts received as a result of additions and the transfer amounts still to be surrendered owing to lapses as of the balance sheet date. The average discount rate is 1.92 percent.

The components of premiums from anticipated premium-free children's accident insurance policies are added to the children's accident actuarial reserves. The calculation is carried out using mathematical principles in accordance with the underwriting business plan.

Provision for outstanding claims
The provision for outstanding claims in relation to direct insurance business is recognized separately by event year for claims reported in the financial year concerned and for claims that have occurred up to the balance sheet date but have not yet been reported. The provision for outstanding claims is generally determined individually and measured according to specific requirements.

If there is a high number of open claims with similar risks, group-based valuation approaches are used if individual valuation would be difficult or involve a disproportionate amount of effort.

For ATE business in the United Kingdom, no provisions are recognized on the basis of individual valuations as this is objectively impossible given the nature of the business. Instead, the obligations from anticipated claims are estimated for a portfolio as a whole on the basis of past experience in accordance with prudent business practice.

General provisions are recognized for claims incurred but not reported and reopened claims on the basis of empirical values.

The benefit reserve for annuities contained in the provision for outstanding claims is calculated individually using actuarial principles and in accordance with the Regulation on the Principles Underlying the Calculation of the Premium Reserve (DeckRV), taking the expenses required for settlement into account.

Claim settlement payments yet to be made were recognized separately when measuring the provision for outstanding claims. This provision is valued in accordance with prudent business practice, taking into account the ongoing need to satisfy the obligations under insurance contracts. Valuation is based on values as of the balance sheet date.

The claims provisions for inward reinsurance business are recognized in accordance with the information provided by the primary insurer. If the information from the primary insurer is clearly insufficient, additional reserves are recognized. They are estimated using actuarial forecasting methods.

The portions relating to outward reinsurance business are calculated in accordance with the stipulations in the reinsurance treaties.

Provisions for performance-based and non-performance-based bonuses and rebates
Provisions for performance-based and non-performance-based bonuses and rebates are recognized pursuant to section 341e (2) no. 2 HGB.

Equalization provision
The equalization provision for the direct insurance and inward reinsurance business is recognized and valued in accordance with section 341h HGB in conjunction with section 29 RechVersV. The calculation is carried out separately for the direct insurance business and for the inward reinsurance business, in each case broken down by class of insurance and Group entity.

Miscellaneous technical provisions
Miscellaneous technical provisions are recognized in the required settlement amount determined in accordance with prudent business practice. Miscellaneous technical provisions with a maturity of more than one year are discounted using the discount rate published by Deutsche Bundesbank for their term to maturity.

The lapse provision (reported under miscellaneous technical provisions) for discontinuation and reduction of risk in direct insurance business was calculated using a lapse rate based on empirical values in the year under review.

Following the annual review, a provision for anticipated losses as required by section 341e (2) no. 3 HGB had to be recognized in 2025. The provision required for 2025 came to €329 thousand (December 31, 2024: €38 thousand).

The provision recognized for premium waivers relates to rate scales under which the obligation to pay the premiums is waived for up to five years, e.g. in the event of unemployment. The provision offsets the expenses that are likely to be incurred (claims, costs, commissions) during the period of unemployment. The expected duration of the waiver of premiums is estimated on the basis of internal statistical analysis. The provision for assistance for victims of traffic accidents is, where available, recognized on the basis of the share specified by the German Road Casualty Support Organization, otherwise on the basis of empirical values.

Provisions for pensions and other post-employment benefits
Provisions for pensions and other post-employment benefits are calculated using actuarial principles in accordance with the projected unit credit (PUC) method on the basis of the Heubeck 2018 G mortality tables.

For organizational units in other countries, local mortality tables are used that accurately reflect life expectancy outside Germany.

In addition to current circumstances, future trends in salaries, pensions, and staff turnover are taken into account. The discount rate used is the average interest rate for the past ten years published by Deutsche Bundesbank in accordance with the Regulation on the Discounting of Provisions (RückAbzinsV) for an assumed residual maturity of 15 years. In 2024 and 2025, a discount rate was applied for the valuation as of December 31 based on the average for the past ten years. This rate as of the reporting date was 2.05 percent (December 31, 2024: 1.90 percent). The interest rate used was forecast at the end of the year using market data as of October 1, 2025 and was determined in accordance with RückAbzinsV. The estimation differences are only minor and do not give rise to a materially different assessment.

As of December 31, 2025, the difference between the application of the ten-year average and the seven-year average (2.21 percent) caused an increase in the provision for pensions and other post-employment benefits of €5,311 thousand (December 31, 2024: €1,757 thousand).

The following actuarial parameters were used to calculate the obligations: pension age: earliest possible age under the German Pension Age Reform Act (RVAGAnpG); annual increase in salaries: 2.50 percent (December 31, 2024: 2.50 percent); annual increase in pension benefits: 2.10 percent (December 31, 2024: 2.10 percent). The level of staff turnover taken into account reflects the generally observable age-dependent average for the industry and has only a minor impact on the settlement value.

The option pursuant to section 28 (1) of the Introductory Act to the German Commercial Code (EGHGB), which permits provisions for pensions and other post-employment benefits not to be recognized for legacy entitlements, has not been exercised.

Securities intended to cover defined benefit obligations are offset, at fair value, against the present value of the obligation.

Provisions for taxes
Provisions for taxes are recognized in the anticipated settlement amount determined in accordance with prudent business practice.

Miscellaneous provisions
The miscellaneous provisions are generally recognized in the amount that is necessary to settle the obligation according to prudent business practice. Their residual maturity is generally less than one year.

Miscellaneous provisions with a maturity of more than one year are discounted using the discount rate published by Deutsche Bundesbank for their term to maturity.

Specific accounting policies are applied to the following key miscellaneous provisions:

Provisions for early retirement obligations
Provisions for early retirement obligations are recognized for those persons with whom individual contractual agreements have been reached. The provisions were calculated in accordance with actuarial principles on the basis of the Heubeck 2018 G mortality tables, applying a discount rate of 2.21 percent (seven-year average; 2024: 1.97 percent) and future salary increases of 2.5 percent per year.

Provision in accordance with the pre-retirement part-time employment agreement
In 2025, a provision in accordance with the pre-retirement part-time employment agreement for the private insurance industry was recognized – in line with the relevant IDW accounting principle – using a maturity-matched discount rate of 2.21 percent (2024: 1.97 percent). Credit balances on employee working hours account models are protected against insolvency in accordance with the German Pre-Retirement Part-Time Employment Act (AltTZG) by means of a fixed liability guarantee from a German commercial bank.

Long-service provision
A long-service provision was recognized in the year under review for long-service awards to be paid to employees. The provision was calculated using the PUC method taking into account death rates pursuant to the Heubeck 2018 G mortality tables and applying a discount rate of 2.21 percent (seven-year average; 2024: 1.97 percent) in accordance with section 253 (2) HGB. The calculation also included staff turnover at an average rate of 1.5 percent and salary increases at a rate of 2.5 percent. The earliest possible pension age under RVAGAnpG was selected as the final age.

In Italy, there are obligations to pay medical expenses for employees leaving the Company upon reaching retirement age, obligations for additional pension benefits for long-serving employees, and obligations to convert severance payments into pension entitlements. The obligations were measured on the basis of actuarial principles using the life expectancy taken from gender-specific table A62, staff turnover until the age of 65 of 3.0 percent, and a discount rate of 2.2 percent (2024: 2.0 percent).

Deposits from reinsurers
Deposits received from reinsurers are accounted for at the nominal value of the collateral received. Their residual maturity is less than one year.

Other liabilities
The liabilities from direct insurance business and the liabilities from reinsurance business are valued at their nominal amount in euros. Liabilities denominated in foreign currency are translated using the exchange rate on the date of the transaction. They are translated again as of the reporting date using the closing rate. If the liabilities have a term of more than one year, they are only reported at the amount translated using the closing rate if this is required under the imparity principle. All non-interest-bearing liabilities are valued at the higher of their nominal amount or settlement value. Miscellaneous liabilities are recognized at their settlement value.

Liabilities of Group companies that prepare their single-entity financial statements in a currency other than the euro are translated using the middle spot rate as of the reporting date, disregarding both the historical cost convention and the realization principle.

Deferred income and accrued expenses
Deferred income and accrued expenses are recognized at their settlement value.

Fair value disclosures pursuant to section 54 RechVersV

Fair values of land, land rights and buildings, including buildings on third-party land
All land with buildings is valued using the income capitalization approach on the basis of the market rents calculated as of the reporting date. Valuation reports are prepared internally and by third parties to determine the fair values. These reports satisfy the requirements of section 55 (3) RechVersV. Each year, new valuation reports are prepared or the existing reports are revised internally based on updated underlying data. In line with the recommendation of the German Insurance Association (GDV), the internal adjustment is carried out using the simplified income capitalization approach.

Fair values for investments in affiliated companies and equity investments
The shares in affiliated companies and equity investments are generally valued using the income capitalization approach.

In the case of companies that predominantly perform services for the ARAG Group or hold investments in the course of investment management, the pro rata NAV is used as the fair value.

If equity investments and shares are acquired close to the reporting date, the carrying amount is used as the fair value.

Fair values for equities, investment fund shares/units, bearer bonds, and other fixed-income securities
The fair value of publicly traded investment fund shares/units is based on the quoted market price as of the reporting date.

For institutional investment fund shares/units, the fair value is determined in a fund look-through. Equities within the funds are recognized at their quoted market price, whereas fixed-income securities within the funds are recognized at their market value. The fair value of publicly traded investment fund shares/units is based on the quoted market price as of the reporting date.

Shares/units in infrastructure funds, real estate funds, and private-equity funds are recognized at their reported NAVs.

The fair values of fixed-income securities are determined using their quoted market prices and the valuation method for this balance sheet line item described above.

Fair values of miscellaneous investments
The market values of securities that are not exchange-traded (registered bonds, promissory notes) are calculated on the basis of the swap curve. This involves determining the discount rate on the swap curve corresponding to the maturity of the security being valued. Any spreads resulting from the structure of the individual security (maturity, collateral, credit rating, etc.) are taken into account as appropriate. The remaining investments are recognized at quoted market price or market value.

Fair values broken down by asset class
The fair values broken down by asset class are shown under ‘Balance Sheet Disclosures – Assets’ in the notes to the financial statements.

VII. Basis of Consolidation and Consolidation Methods

Basis of consolidation

As of December 31, 2025, 37 entities were included in the consolidated financial statements pursuant to section 301 (1) HGB (December 31, 2024: 37). A total of nine entities (December 31, 2024: ten) were not included in the consolidated financial statements pursuant to section 296 (1) no. 2 HGB because they were deemed to be of minor significance to the presentation of the Group's net assets, financial position, and results of operations. One Group company was consolidated as an associate pursuant to section 311 HGB. As of December 31, 2025, the basis of consolidation excluding associates comprised seven insurance companies (December 31, 2024: seven), two service companies in the field of information technology and business organization (December 31, 2024: two), two real-estate management companies (December 31, 2024: two), three investment vehicles (December 31, 2024: three), 17 other service companies (December 31, 2024: 17), and six holding and asset management companies (including the parent company, ARAG Holding SE; December 31, 2024: six).

The following companies are included in the consolidated financial statements:

Name of company (%)	Shareholding
AFI Verwaltungs-Gesellschaft mbH, Düsseldorf	100.00
ALIN 1 Verwaltungs-GmbH, Düsseldorf	100.00
ALIN 2 Verwaltungs-GmbH, Düsseldorf	100.00
ALIN 4 Verwaltungs-GmbH, Düsseldorf	94.01
ALIN 1 GmbH & Co. KG, Düsseldorf	100.00
ALIN 2 GmbH & Co. KG, Düsseldorf	100.00
ALIN 4 GmbH & Co. KG, Düsseldorf	94.01
ARAG 2000 Beteiligungs-Gesellschaft mbH & Co. KG, Düsseldorf	100.00
ARAG 2000 Grundstücksgesellschaft eGbR, Düsseldorf	94.90
ARAG Allgemeine Versicherungs-AG, Düsseldorf	100.00
ARAG Digital Services AS, Oslo/Norway	100.00
ARAG Gesundheits-Services GmbH, Düsseldorf	94.01
ARAG Holding SE, Düsseldorf, Group parent company	100.00
ARAG Insurance Company Inc., Des Moines, Iowa/USA	100.00
ARAG International Holding GmbH, Düsseldorf	100.00
ARAG IT GmbH, Düsseldorf	100.00
ARAG Krankenversicherungs-AG, Munich	94.01
ARAG Law Limited, Caerphilly/United Kingdom	100.00
ARAG Legal Expenses Insurance Company Limited, Caerphilly/United Kingdom	100.00
ARAG Legal Services B.V., Leusden/Netherlands	100.00
ARAG Legal Solutions Inc., Toronto/Canada	100.00
ARAG Liegenschaftsverwaltungs- und Beratungs-Gesellschaft mbH, Düsseldorf	100.00
ARAG Liegenschaftsverwaltungs- und Beratungs-GmbH & Co. Immobilien KG, Düsseldorf	100.00
ARAG LLC, Des Moines, Iowa/USA	100.00
ARAG North America Inc., Des Moines, Iowa/USA	100.00
ARAG plc, Caerphilly/United Kingdom	100.00
ARAG NORDIC AS, Oslo/Norway	100.00
ARAG SE, Düsseldorf	100.00
ARAG Service Center GmbH, Düsseldorf	100.00
ARAG Services Limited, Caerphilly/United Kingdom	100.00
ARAG Services LLC, Des Moines, Iowa/USA	100.00
ARAG UK Holdings Limited, Caerphilly/United Kingdom	100.00
CUR Versicherungsmakler GmbH, Düsseldorf	100.00
Cura Versicherungsvermittlung GmbH, Düsseldorf	100.00
HELP Forsikring AS, Oslo/Norway	100.00
Interlloyd Versicherungs-AG, Düsseldorf	100.00
SolFin GmbH, Düsseldorf	84.79

The following company is included as an associate:

Name of company (%)	Shareholding
AXA-ARAG Rechtsschutzversicherungsgesellschaft, Zurich/Switzerland	29.17

The following entities are not included in the consolidated financial statements in accordance with section 296 (2) HGB:

Name of company (€'000/%)	Shareholding	Equity	Net income/loss for the year
Agencia de Seguros ARAG S. A., Barcelona/Spain[1]	100.00%	218	45
ARAG Services Australia Pty Ltd, Sydney/Australia[1]	100.00%	466	– 686
ARAG Services Spain & Portugal S. L., Barcelona/Spain[1]	100.00%	664	6
ARAG – France S. A. R. L. Assistance et Règlement de Sinistres Automobiles et Généraux, Versailles/France	100.00%	19	0
ARAG Legal Protection Ltd, Dublin/Republic of Ireland	100.00%	787	204
Justix GmbH, Düsseldorf	100.00%	893	5
Prinzregent Vermögensverwaltungs-GmbH, Düsseldorf	100.00%	35	0
VIF Gesellschaft für Versicherungsvermittlung mit beschränkter Haftung, Düsseldorf	100.00%	195	163

[1] Figures from the financial statements as of December 31, 2024.

Procedures of consolidation

The consolidated financial statements are prepared on the basis of the single-entity financial statements of the Group companies. The financial year covered the period January 1 to December 31, 2025 and was identical to the financial year of the consolidated companies.

Up to and including 2010, initial consolidation of subsidiaries in consolidated financial statements was based on the carrying amount method; the revaluation method used in subsequent years involved subtracting the fair value of the Group's share in the equity at the time of initial consolidation from the cost of the equity investments in the consolidated subsidiaries. If no interim financial statements were available at the time of integration into the Group, this calculation was carried out on the basis of the first set of annual financial statements following the integration. To subtract the equity attributable to the Group at the time of initial consolidation from the cost, the recognized and unrecognized assets and liabilities of the relevant subsidiaries were initially carried over to the acquisition balance sheet at fair value if there was any scope for revaluation. Where there was no further scope for revaluation, the excess of the purchase price over the net assets acquired was recognized as goodwill and amortized over its estimated useful life. This useful life is estimated on an individual basis but is not permitted to exceed 15 years. Where goodwill was allocated to a subsidiary that conducts its business outside the eurozone, that goodwill was translated into the foreign currency using the closing rate on the date of initial consolidation. If a future benefit from goodwill is no longer expected, the remaining amount is written off. No write-offs were recognized in the reporting year.

In the case of subsidiaries that were already included in the consolidated financial statements in 1989 in accordance with section 27 EGHGB or in cases where negative goodwill had arisen on acquisition that had affected the financial statements of the parent company in previous years, there was an offsetting against revenue reserves in earlier years (goodwill arising on consolidation). Goodwill amounts on initial consolidation have not been offset against revenue reserves since 2010 because this is no longer permitted under section 301 (3) HGB and German accounting standard (GAS) 23 nos. 84 and 91. This offsetting no longer had any impact as of December 31, 2025. On deconsolidation of a subsidiary, the proceeds from the disposal are offset against the consolidated (residual) carrying amounts of the assets and liabilities attributable to that subsidiary, including any goodwill that has not already been offset. The share of non-controlling interests in the deconsolidated entity is derecognized in consolidated equity. A subsidiary is deconsolidated when the majority shareholders of the Group cease to have control pursuant to section 290 (2) HGB over the subsidiary.

The investment in the associate is recognized at the proportion of equity attributable to the Group pursuant to section 312 HGB. On initial application, the equity method is based on the values at the time of acquisition or at the time of preparation of the first annual

financial statements after the acquisition because interim financial statements are not available. The different valuation of the assets and liabilities in the associate's financial statements compared with the valuation under commercial law is not adjusted for the purpose of applying the equity method because the impact is not material.

Intercompany profit that is required to be eliminated is deducted from the carrying amounts of the affected assets and recognized in the income statement, provided that, overall, the amounts concerned are material to presenting a true and fair view of the net assets, financial position, and results of operations. Group companies' receivables from, and liabilities to, other Group companies are offset against each other. Intragroup reinsurance arrangements are eliminated. Consolidated entities' sales revenue from the provision of goods and services to other consolidated entities is offset against the associated expenses incurred by the providing entity because the reallocation of secondary costs among the consolidated insurance companies means that the offset expenses for the provision of goods and services are already assigned to the correct functional area. Mark-ups included in the offset amounts remain in other net income/expense.

Consolidated insurance companies' brokerage services provided to other consolidated insurance companies are performed on the basis of arm's-length terms and conditions that are typical in the market. Commission resulting from brokerage and income from goods and services provided by other Group companies to Group insurance companies are consolidated at the level of the providing entity by offsetting the income against the related expenses.

Currency translation

Balance sheets prepared in foreign currencies are translated into euros using the modified closing-rate method. In this method, assets and liabilities (but not equity items) are translated at the middle spot rate on the balance sheet date. Amounts on the income statement that are recognized for the period are translated at an average of the month-end exchange rates in the reporting year. An amount of €16,763 thousand, representing the proportion attributable to the Group of the difference between the equity items translated at the historical exchange rate and the equity items translated at the closing rate, was deducted from revenue reserves directly in equity (currency translation differences). Currency translation differences that arise as part of the consolidation of intragroup balances are derecognized through the income statement. Intercompany profits are not affected by exchange rates.

Transactions denominated in foreign currency in single-entity financial statements are translated at the spot rate on the date of the transaction. In this case, income and expenses are translated at the same exchange rate used for the balance sheet items concerned. The quoted market price or market value for shares in affiliated companies and equity investments denominated in foreign currency is determined by using the middle spot rate on the reporting date; all other assets are valued using the lower of the exchange rate on the date of payment or the exchange rate on the balance sheet date. In the single-entity financial statements, the sundry assets and liabilities with a residual maturity of up to one year are translated using the middle spot rate on the balance sheet date, disregarding the historical cost convention and the realization principle.

VIII. Balance Sheet Disclosures – Assets

Changes in asset items A., B., I. to III. in the reporting year

(€'000)	Carrying amount Dec. 31, 2024	Currency translation differences	Additions/ disposals in the basis of consolidation	Additions	Disposals	Reclassifications	Reversals of write-downs	Write-downs	Carrying amount Dec. 31, 2025	Fair value pursuant to sec. 54 RechVersV	Hidden reserve/ undisclosed liability Dec. 31, 2025
A. Intangible assets											
1. Purchased concessions, industrial and similar rights and assets, and licenses in such rights and assets	11,655	– 7	0	2,788	0	0	0	3,432	11,004		
2. Goodwill	46,265	– 2,137	0	50	479	0	0	5,834	37,866		
Total for A.	**57,920**	**– 2,144**	**0**	**2,838**	**479**	**0**	**0**	**9,266**	**48,870**		
B. I. Land, land rights and buildings, including buildings on third-party land	**170,125**	**– 78**	**0**	**411**	**770**	**0**	**29**	**9,393**	**160,324**	**324,025**	**163,701**
II. Investments in affiliated companies and equity investments											
1. Shares in affiliated companies	1,492	0	0	0	0	907	0	907	1,492	1,704	212
2. Equity investments	2,769	0	0	928	0	– 907	6	0	2,796	2,809	13
3. Investments in associates	18,428	209	0	7,679	8,622	0	0	0	17,694	87,398	69,704
4. Lending to long-term investees and investors	3,750	0	0	0	0	0	0	0	3,750	3,750	0
Total for B. II.	**26,439**	**209**	**0**	**8,607**	**8,622**	**0**	**6**	**907**	**25,732**	**95,661**	**69,929**
III. Miscellaneous investments											
1. Equities, investment fund shares/units, and other variable-yield securities	2,174,097	– 2,688	0	419,885	297,898	0	190	2,994	2,290,592	2,646,528	355,935
2. Bearer bonds and other fixed-income securities	3,011,721	– 28,184	0	743,107	356,985	0	6,687	3,417	3,372,929	3,265,658	– 107,271
3. Loans secured by mortgages or land charges and fixed-income receivables	0	0	0	0	0	0	0	0	0	0	0
4. Miscellaneous lending											
a) Registered bonds	563,519	0	0	145,000	56,000	0	0	0	652,519	624,906	– 27,613
b) Promissory notes and loans	301,331	0	0	59	56,327	0	0	0	245,064	234,971	– 10,093
c) Sundry lending	67	0	0	6	37	0	0	0	36	36	0
5. Bank deposits	85,910	– 891	0	28,064	0	0	0	0	113,083	113,083	0
Total for B. III.	**6,136,645**	**– 31,763**	**0**	**1,336,122**	**767,247**	**0**	**6,877**	**6,411**	**6,674,223**	**6,885,181**	**210,959**
Total for B.	**6,333,209**	**– 31,632**	**0**	**1,345,140**	**776,639**	**0**	**6,912**	**16,710**	**6,860,279**	**7,304,867**	**444,588**
Total	**6,391,129**	**– 33,775**	**0**	**1,347,978**	**777,118**	**0**	**6,912**	**25,977**	**6,909,148**	**7,304,867**	**444,588**

Land and buildings

Write-downs of €3,834 thousand (2024: €443 thousand) were recognized on land in the year under review owing to anticipated permanent asset impairment.

Reversals of write-downs of €29 thousand were recognized in the reporting year (2024: €2,119 thousand) due to the reason for the lower carrying amount no longer applying.

Land and buildings with a carrying amount of €102,711 thousand (December 31, 2024: €119,593 thousand) were used for the Company's own business operations.

Investments in affiliated companies and equity investments

Write-downs of €907 thousand were recognized in the reporting year (2024: €1,866 thousand). Reversals of write-downs of €6 thousand were recognized in the reporting year (2024: €2 thousand) due to the reason for the original write-downs no longer applying.

Equities, investment fund shares/units, and other variable-yield securities

The portfolio of investments contains the following investment funds of which more than 10.0 percent is held by the Company:

Disclosures pursuant to section 285 no. 26 HGB

Fund (€'000)	Type of fund	Investment objective	Carrying amount Dec. 31, 2025	Market value Dec. 31, 2025	Difference	Dividend in 2025
ARRE	Mixed fund	Increased income	659,271	767,750	108,479	2,941
ALLTRI	Mixed fund	Increased income	150,359	204,756	54,397	810
AKR	Mixed fund	Increased income	694,583	831,766	137,183	3,005
Universal Invest AI – KV	Mixed fund	Increased income	410,491	417,555	7,064	0
Universal Invest AI – SE	Mixed fund	Increased income	145,650	148,546	2,896	0
Universal Invest AI – AA	Mixed fund	Increased income	23,455	23,875	420	0
Total			**2,083,809**	**2,394,248**	**310,439**	**6,756**

Disclosures pursuant to section 314 no. 10 HGB

The carrying amount of the bearer bonds and other fixed-income securities was €3,372,929 thousand, which was €107,271 thousand less than their fair value of €3,265,658 thousand. For the registered bonds too, the carrying amount of €642,519 thousand exceeded the fair value of €624,906 thousand by €27,613 thousand. The carrying amount of the promissory notes and loans of €245,064 thousand was lower than their fair value of €234,971 thousand by €10,093 thousand.

Receivables from reinsurance business

The balance of €70,723 thousand (December 31, 2024: €67,500 thousand) arose from current business. The amounts recognized are the outstanding balances.

This item contains receivables of €5,542 thousand due from reinsurers in connection with outward reinsurance business (December 31, 2024: €1,489 thousand). The breakdown of the receivables is as follows:

Rating class

(€'000)	Dec. 31, 2025
AAA	40
AA+	334
AA–	1,720
A+	428
A	47
A–	258
Not rated	2,715

Miscellaneous receivables

All items under miscellaneous receivables are due within one year.

Prepaid expenses and accrued income

Prepaid expenses and accrued income mainly consist of accrued rights to interest in the income period before the balance sheet date.

This item also contains premiums pursuant to section 341c (2) sentence 2 HGB of €590 thousand (December 31, 2024: €895 thousand).

IX. Balance Sheet Disclosures – Equity and Liabilities

Equity

Consolidated equity is presented in detail in the consolidated statement of changes in equity. The parent company plans to appropriate an amount of €20,000 thousand from the profits generated in 2025, to be paid as a dividend to the shareholders. In principle, amounts equivalent to net deferred tax assets and assets intended to cover defined benefit obligations, where such assets are valued at a fair value that exceeds cost, are prohibited from being distributed as a dividend under section 268 (8) HGB. Furthermore, section 253 (6) HGB specifies that the difference arising from the measurement of obligations for pensions and other post-employment benefits using the ten-year market discount rate average compared with that based on the seven-year market discount rate average can only be distributed as a dividend from freely available reserves. As these matters are not relevant, or are only partially relevant, to the single-entity financial statements of the parent company ARAG Holding SE and, furthermore, these consolidated financial statements do not serve as the basis for the measurement of any dividend distribution, there is no need to disclose any amounts subject to a restriction on distribution, even though there are circumstances that give rise to a prohibition, in principle, on the distribution of certain amounts as a dividend. In any case, there are sufficient freely available reserves at Group level to satisfy the requirements in full. The articles of incorporation do not include any restrictions on the use of profits.

Technical provisions

Provision for outstanding claims

The provision for outstanding claims, including the portion of the provision for settlement expenses, amounted to €2,292,050 thousand as of December 31, 2025 (December 31, 2024: €2,160,043 thousand). The increase in the provision for outstanding claims gave rise to an expense of €154,853 thousand (2024: €145,309 thousand).

Equalization provision
In accordance with the calculation requirements specified in RechVersV, there was an addition to the equalization provision in a total amount of €14,181 thousand on the basis of the trends in claims and premiums (2024: €4,039 thousand). As a result, the equalization provision amounted to €179,718 thousand as of the balance sheet date (December 31, 2024: €165,537 thousand).

Other provisions

Provisions for pensions and other post-employment benefits
Since 2010, this item has also included the offsetting of pension benefit entitlements under reinsurance in accordance with section 246 (2) sentence 2 HGB. These entitlements constitute plan assets. The breakdown of this item as of December 31, 2025 was therefore as follows:

Defined benefit obligations

(€'000)	Dec. 31, 2025	Dec. 31, 2024
Amount required to settle the vested entitlements	304,890	312,971
of which offsetable against pension insurance assets	1,521	1,592
of which offsetable against securities	27,657	25,885
Remaining amount	**275,712**	**285,494**

The settlement value includes a shortfall in pension funds used to cover pension commitments to employees. The shortfall was caused by the long period of low interest rates and amounted to €128 thousand as of December 31, 2025 (December 31, 2024: €151 thousand). This shortfall has been determined in accordance with actuarial principles and reported as a pension obligation.

Provisions for taxes
Provisions for taxes of €12,412 thousand (December 31, 2024: €19,694 thousand) had to be recognized for tax-related obligations, the reason for or amount of which was not yet known.

Deferred income and accrued expenses

Deferred income and accrued expenses contained discounts on registered bonds pursuant to section 341c (2) sentence 1 HGB of €121 thousand (December 31, 2024: €182 thousand).

X. Income Statement Disclosures

Because the Group also has non-insurance lines of business, the line items 'Market fees for goods and services provided by non-insurance companies' and 'Cost of goods and services provided by non-insurance companies to generate market fees' have been added to the income statement.

Source of insurance business by premiums written
Of the gross premiums written, a sum of €2,766,079 thousand was attributable to direct insurance business (2024: €2,409,400 thousand) and €392,683 thousand to inward reinsurance business (2024: €380,164 thousand). Premiums from direct insurance business consisted of €1,750,221 thousand from Germany (2024: €1,548,356 thousand), €607,655 thousand from other member states of the European Community and other countries that have signed up to the Agreement on the European Economic Area (EEA) (2024: €548,592 thousand), and €408,202 thousand from non-EEA countries (2024: €312,453 thousand).

The ARAG Group did not operate any insurance business outside Europe, North America, or Australia in 2025.

Interest from discounting

Interest income of €73 thousand (2024: €9 thousand) and interest expenses of €269 thousand (2024: €255 thousand) arose from the discounting of provisions with a maturity of more than one year.

Additions to the provision for bonuses and rebates

Expenses for bonuses and rebates net of reinsurance

(€'000)	2025	2024
Expenses for performance-based bonuses and rebates	44,557	46,698
Expenses for non-performance-based bonuses and rebates	128	564
Total expenses	**44,685**	**47,261**

Net extraordinary income/expense

No extraordinary income or expenses arose in 2025.

Income taxes

The income taxes reported in the income statement included the following: expense of €62,970 thousand (2024: expense of €44,841 thousand) related to the year under review and income of €4,675 thousand (2024: expense of €7,254 thousand) related to prior years.

At 39.4 percent, the seemingly high income tax rate in relation to profit before tax was attributable to a range of factors. Firstly, the Group operates in a number of countries. Each entity is taxable in its home country based on the taxable income determined according to local regulations. Depending on the loss carryback rules in each country, entities that incur losses may only receive a reduced tax credit or no tax credit at all. Losses are not offset across jurisdictions. The income components of all the entities and permanent establishments included in the consolidation are aggregated within the Group's profit before tax, regardless of the actual applicable jurisdiction. This tends to lead to a higher tax rate as incurred losses actually serve to reduce profit before tax.

Furthermore, tax law in virtually all the countries in which the ARAG Group operates provides for add-ons and deductions that are separate from the financial statements, but that are applied to the profit reported in the tax base in order to determine the actual basis for the assessment of tax. In this process, the tax assessment may disregard (expense and/or income) elements of the consolidated profit before tax. The consolidated tax expense is also affected to a limited extent by the change in the balance of deferred taxes caused by differences between the valuation of assets and liabilities in the HGB financial statements and that in the tax base. This is because the option provided in section 274 (1) sentence 2 HGB to recognize deferred tax assets at the level of the single-entity financial statements is not applied. Lastly, the consolidated tax expense also includes tax refunds and retrospective tax payments for previous years that are unrelated to profit before tax for the reporting period.

In the reporting year, an expense amounting to €757 thousand (2024: expense of €344 thousand) arose from consolidation effects as a result of the change in net deferred taxes, mainly from the revaluation of land at Group level.

The aggregate net deferred tax liability from the different sets of single-entity financial statements arises as a result of variations in the valuations for tax purposes of land, shares in affiliated companies, miscellaneous receivables, technical provisions, the provision for pensions and other post-employment benefits, and miscellaneous provisions. The main deferred tax liabilities arise from variations in the recognition for tax purposes of the equalization provisions in Austria that are recognized only for tax purposes. Deferred taxes are recognized in the single-entity financial statements only if there is not a net asset balance on the balance sheet. The income statement therefore does not include the full change in deferred taxes.

XI. Other Disclosures

Miscellaneous financial commitments and contingent liabilities pursuant to sections 251 and 285 no. 3a HGB

As of the reporting date, the Group had financial commitments that had to be reported in accordance with section 285 no. 3a HGB. Their breakdown was as follows as of December 31, 2025:

Other disclosures – unpaid contributions

(€'000)	Dec. 31, 2025
Foyer-ARAG S.A., Leudelange/Luxembourg	25
Private-equity and infrastructure funds (investment funds)	20,895
ACF V Growth GmbH & Co. KG	136
AXA LBO FUND V Core FCPR	22
AXA LBO FUND V Supplement	8
MEAG Infrastructure Debt Fund S.C.S. SICAV-FIS II	2,711
RREEF Pan European Infrastructure Feeder GmbH & Co. KG	366
Total obligation to pay in capital	**24,163**

The unpaid contributions have not been called up. They are not expected to be called up in the short term. It would be reasonable to expect obligations to pay in capital to be called up by the investment funds (infrastructure funds and private-equity funds) and the MEAG infrastructure fund over a period ranging from a few weeks to three years.

Collateral was pledged to secure the obligations arising from two quota share reinsurance treaties with two Canadian primary insurers. Securities with a fair value of €58,289 thousand (C$ 93.8 million; December 31, 2024: C$ 107.5 million) and two bank accounts with a total credit balance equivalent to €12,982 thousand (December 31, 2024: €2,245 thousand) were pledged to the two primary insurers and are not available to cover any underwriting risk other than the underwriting risk for which they are designated as collateral.

To fulfill a rental agreement for an office building in Bristol, the Group is liable to the owner of the building for a nominal amount of £26.9 million (December 31, 2024: £23.4 million). The rental agreement's remaining term runs until December 31, 2028, with an option to extend the agreement until December 31, 2038.

There is a contingent liability of €200 thousand in connection with guarantees. Under the guarantees, the Group takes on the obligations of a third party in the event of a default. The probability of being held liable under these guarantees is low.

Rental and leasing agreements with varying terms for premises, vehicles, and office equipment as well as for the hardware and software used in a data center that have been entered into outside the insurance business give rise to total annual obligations that are of a standard magnitude for the industry.

The Group is a member of the protection fund for providers of substitutive private health insurance. This protection fund can collect special contributions up to a maximum of 2 percent of the total net technical provisions for health insurance, which amounted to €6,906 thousand as of the reporting date (December 31, 2024: €6,350 thousand).

Staff costs

Staff costs

(€'000)	2025	2024
Wages and salaries	430,787	392,734
Social security and other employee benefit expenses	76,522	67,439
Pension and other post-employment benefit expenses	28,188	18,882
Total expenses	**535,497**	**479,056**

Employees

The average number of employees in 2025 was 6,312 (2024: 5,903).

This figure is for all of the Group's fully consolidated entities together. Within that total, the insurance companies employed 4,823 people (2024: 4,515). The average number of people employed by all of the administrative entities and service companies was 1,560 (2024: 1,464).

At the end of 2025, the ARAG Group had 2,854 employees in Germany (December 31, 2024: 2,661). A further 3,646 people were employed outside Germany (December 31, 2024: 3,487).

Supervisory Board and Management Board remuneration

In the year under review, the parent company's Supervisory Board received remuneration of €385 thousand (2024: €385 thousand) from all Group companies. The remuneration for members of the Management Board came to €1,458 thousand in 2025 (2024: €1,394 thousand). This figure comprises all remuneration paid to members of the Management Board in return for the responsibilities undertaken in the parent company and in the Group companies. No expenses were incurred for remuneration for former members of the Management Board or their surviving dependants. There are no current pensions or vested pension entitlements for former members of the Management Board or their surviving dependants.

Auditor's fees

The consolidated entities incurred expenses of €1,075 thousand for audit services performed by the auditor of the consolidated financial statements for 2025. This figure includes the auditor's fees for the parent company and the consolidated Group companies. €174 thousand were spent on other assurance services. Fees of €62 thousand for other services were also agreed. These amounts do not include VAT. As the Company is not entitled to offset input VAT because its revenue from insurance services is tax exempt, the VAT is also recognized as an expense.

Governing bodies of the Company

The members of the Company's governing bodies are as follows:

Supervisory Board

Professor Dr. Tobias Bürgers	Chairman (Deputy Chairman until June 11, 2025); Attorney, Munich
Gerd Peskes	Deputy Chairman (Chairman until June 11, 2025); Wirtschaftsprüfer (German Public Auditor), Essen
Professor Emeritus Dr. Brigitte Grass	University professor, Cologne

Management Board

Dr. Dr. h. c. Paul-Otto Faßbender	Chairman of the Management Board, Düsseldorf
Klaus Heiermann	Cologne
Dr. Sven Wolf	Krefeld

XII. Report on Post-Balance Sheet Events

In 2026, the way in which ARAG SE and Foyer S.A. cooperate in the Luxembourg market was changed. The aim was to reduce the level of complexity from a corporate-law and regulatory perspective. Going forward, Foyer S.A. is fully responsible under corporate law for the legal insurance operating business while ARAG SE continues to be involved in the Foyer Group's legal insurance business in Luxembourg through a long-term quota-share reinsurance treaty. In connection with this, ARAG SE sold its entire 10 percent equity investment in Foyer-ARAG S.A. to Foyer S.A. A long-term 10 percent quota-share reinsurance treaty was concluded in respect of the legal insurance risks at the same time.

Düsseldorf, April 30, 2026

ARAG Holding SE

The Management Board

Dr. Dr. h. c. Paul-Otto Faßbender
(Chairman)

Klaus Heiermann

Dr. Sven Wolf

Further Information

I. Independent Auditor's Report

To ARAG Holding SE, Düsseldorf

Audit Opinions

We have audited the consolidated financial statements of ARAG Holding SE, Düsseldorf, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of profit or loss, consolidated statement of changes in equity, and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2025 and the notes to the consolidated financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the group management report of ARAG Holding SE for the financial year from January 1 to December 31, 2025. In accordance with the German legal requirements, we have not audited the content of the non-financial group statement pursuant to § 315b to 315c HGB.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the requirements of German commercial law and give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2025 and of its financial performance for the financial year from January 1 through December 31, 2025 in compliance with German Legally Required Accounting Principles, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the non-financial statement referred to above.

Pursuant to § 322 paragraph 3, sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements, and on the group management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the non-financial group statement pursuant to § 315b to 315c HGB as an unaudited part of the group management report.

The other information comprises further all remaining parts of the annual report – excluding further cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements, and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

- otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with the requirements of German commercial law, and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the group management report, that as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements, and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.

- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with German Legally Required Accounting Principles.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Düsseldorf, April 30, 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christian Sack
Wirtschaftsprüfer
(German Public Auditor)

ppa. Ansgar Zientek
Wirtschaftsprüfer
(German Public Auditor)

II. Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Sustainability Report

To ARAG Holding SE, Duesseldorf

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability report of ARAG Holding SE, Duesseldorf, (hereinafter the "Company") included in section "Sustainability Report" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025 (hereinafter the "Group Sustainability Report"). The Group Sustainability Report has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Report is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852,, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

- that the accompanying Group Sustainability Report does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Report (hereinafter the "materiality assessment") is not, in all material respects, in accordance with the description set out in section "Description of the processes to identify and assess material impacts, risks, and opportunities" of the Group Sustainability Report, or

- that the disclosures set out in section "Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the Group Sustainability Report do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Report" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German

professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Report

The executive directors are responsible for the preparation of the Group Sustainability Report in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Report in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Report) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Report, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Report.

Inherent Limitations in the Preparation of the Group Sustainability Report

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the executive directors have disclosed their interpretations of such wording and terms particularly in section “General disclosures” of the Group Sustainability Report. The executive directors are responsible for the defensibility of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Report.

German Public Auditor’s Responsibilities for the Assurance Engagement on the Group Sustainability Report

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Report has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Report.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process to prepare the Group Sustainability Report, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Report.

- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.

- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

- evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Report.

- inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Report about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Report, and about the internal controls relating to this process.

- evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Report.

- evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.

- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Report.
- considered the presentation of the information in the Group Sustainability Report.
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Report.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Düsseldorf, 30 April 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Christian Sack
Wirtschaftsprüfer
(German public auditor)

Kristina Stiefel
Wirtschaftsprüferin
(German public auditor)

III. Report of the Supervisory Board

In the year under review, the Supervisory Board carried out the tasks required of it by law, the articles of incorporation, and rules of procedure and continually monitored and advised the Management Board with regard to its running of the Company. The Management Board provided the Supervisory Board with regular, timely, and comprehensive written and oral reports on the economic situation and the performance of the Company and its subsidiaries, business policy going forward, corporate planning, the risk situation, risk management, and significant individual transactions. The Management Board explained variances between the actual course of business and plans and targets individually, and these were noted by the Supervisory Board. Where management action required the approval of the Supervisory Board by law or other regulations, the Supervisory Board received detailed written information on the matter from the Management Board. The Supervisory Board discussed these reports extensively at its meetings, deliberated on them with the Management Board, and made the necessary decisions. The Supervisory Board was involved in decisions of fundamental importance to the Company.

The Supervisory Board held five ordinary meetings last year, at which it was able to satisfy itself that the Management Board was running the Company properly and appropriately.

The Supervisory Board also received detailed information between meetings on plans and developments of particular importance or urgency to the Company. At the meetings, the Management Board agreed the Company's strategic direction with the Supervisory Board. Progress on implementing the strategy was regularly discussed in the meetings.

The main topics deliberated on during the Supervisory Board meetings included up-to-date reports on the general performance of the international branches and Group companies, monitoring to ensure adequate IT security (including cybersecurity), the sustainability strategy of the first-tier and second-tier subsidiaries, and the general capital market environment. The status of integration following the acquisition made by ARAG SE in the UK legal insurance market was also discussed. A further area of focus was reputation analysis and deliberations on customer satisfaction in the operating companies. The Supervisory Board also discussed the change of auditor.

Furthermore, the Supervisory Board regularly received explanations regarding risk reporting from the Management Board and discussed the risk strategy and the corporate strategy.

Finally, the Supervisory Board held its regular discussion on the appropriateness of the Management Board's remuneration. The planning for the professional development of the Management Board and the Supervisory Board was also covered at the meetings.

No special monitoring measures were required last year. The Supervisory Board believes that the Management Board manages the business lawfully, properly, and appropriately. In particular, the Management Board fulfills its duty of care regarding the Company's continued existence and long-term profitability.

The Supervisory Board reviewed the Company's single-entity financial statements, the consolidated financial statements, and the group management report. It approved these at its meeting on May 5, 2026, at which the auditor was present for a time. To perform its review, the Supervisory Board exercised its powers pursuant to section 111 (2) of the German Stock Corporation Act (AktG) including, but not limited to, inspecting the books and papers of the Company. The review was conducted on the basis of the regular written and oral reports from the Management Board about the business situation and all major transactions and on the basis of the commercial-law accounting regulations.

The scope of the review of all financial statements also covered the accounting options exercised by the Management Board. The findings of the review were as follows:

The Management Board's financial reporting complies with the legal requirements and the provisions in the articles of incorporation. The management report is consistent with the financial statements.

The accounting policy decisions that were made on a discretionary basis were exercised for the benefit of the Company and the Group and took shareholders' interests into account to an appropriate degree. On behalf of the Supervisory Board, PricewaterhouseCoopers GmbH, Wirtschaftsprüfungsgesellschaft (PwC), Frankfurt am Main, audited the Company's single-entity financial statements and the consolidated financial statements for the year ended December 31, 2025, including the bookkeeping system and the group management report, and issued an unqualified opinion. The auditor's report was presented to the Supervisory Board on time. Having studied the report and on the basis of its own final review, the Supervisory Board agrees with the auditor's opinion. It has no comments to make about the auditor's report. There are no objections to be raised on the basis of the concluding findings of the review of the financial statements, group management report, and auditor's report. The Supervisory Board also discussed the non-financial statement prepared by the Management Board for ARAG Holding SE and the Group for the period ended December 31, 2025. An auditing firm reviewed this statement to provide the Supervisory Board with limited assurance and expressed an unmodified conclusion. At the meetings, the Management Board explained the documents in detail; the representatives of the auditing firm reported on the main findings of their review and answered additional questions from the members of the Supervisory Board. The Supervisory Board did not express any reservations on completion of its own review.

Düsseldorf, May 5, 2026

ARAG Holding SE

The Supervisory Board

Professor Dr. Tobias Bürgers
(Chairman)

Gerd Peskes
(Deputy Chairman)

Professor Emeritus
Dr. Brigitte Grass

IV. Credits

Publisher
ARAG Corporate Communications/Marketing
ARAG Platz 1
40472 Düsseldorf
Germany
medien@ARAG.de

Editors
Dr. Christine Helbig
ARAG Corporate Communications/Marketing

Concept, design, and layout
HGB Hamburger Geschäftsberichte GmbH & Co. KG

Thanks
We would like to thank our colleagues and partners for their invaluable support in preparing this report.

Note
Figures in this report are rounded, which may give rise to differences of ± one unit (currency, percent) in some computations.

You can find the latest information about the Group and our products on our website **www.ARAG.com**.

Parent Company of the ARAG Group
ARAG Holding SE ARAG Platz 1 · 40472 Düsseldorf · Germany · www.ARAG.com