



Responsible Investment Policy

W&W Group

Version 1.1



W&W Group

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1. Introduction

1.1 Entry into force and validity

This Responsible Investment Policy W&W Group 1.1 updates Responsible Investment Policy Version 1.0, which has been in force since 21 December 2022 and was adopted by resolution of the Management Board of Wüstenrot & Württembergische AG (W&W AG), the Division Board Insurance and the Executive Board Housing Division. In addition, the Responsible Investment Policy 1.0 was approved at the management meeting of W&W Asset Management GmbH (W&W AM).

It shall remain in force until it is reconfirmed or amended.

1.2 Objectives of the Responsible Investment Policy

Responsible conduct and social commitment have a long tradition at the W&W Group and are an integral part of our corporate culture. We want to conduct our business in an environmentally friendly, socially responsible and sustainable manner – for the benefit of present and future generations, for whom we feel a sense of responsibility. As part of the sustainable orientation of our investment business, environmental, social and corporate governance issues (ESG) are increasingly being incorporated into our analysis and decision-making processes and gradually developed further.

The basis for the investment decision-making processes of the W&W companies is the business strategy of the respective company with its risk strategy. Within the insurance division and for W&W AG, the future investment portfolio is determined in terms of composition and diversification as part of the strategic asset allocation (SAA). In the Housing division, Wüstenrot Bausparkasse AG (BSW) invests the liquidity surpluses resulting from its customer business primarily in securities. As the W&W Group is increasingly incorporating social and environmental considerations into its investment strategy, this Responsible Investment Policy has been developed. It is intended to represent the understanding of sustainability in capital investment – summarised in a separate policy. The Responsible Investment Policy thus supplements the existing investment guidelines of the W&W companies and provides an overview of the ESG incorporation strategies in capital investment. It is intended to ensure group-wide implementation of the principles of responsible/sustainable investment described in this policy and to promote sustainable capital investment throughout the W&W Group.

The Responsible Investment Policy was also developed as a means of implementing the six principles of responsible investment set out in the Principles for Responsible Investment (PRI). The PRI is an investor initiative in partnership with the financial initiative of the UN Environment Programme (UNEP) and the UN Global Compact. The initiative, supported by the United Nations, is an international investor network that has formulated six principles for responsible investment and aims to implement them. The aim is to understand the impact of sustainability for investors and to support signatories in incorporating these issues into their investment decision-making processes. In this way, signatories contribute to a more sustainable global financial system. The W&W Group signed the PRI in May 2020 in its role as *an asset owner*. In doing so, the W&W Group has publicly committed itself to complying with the six principles of responsible investment (see section 2.3.1 Investment principles).

The Responsible Investment Policy represents the status quo of our commitment to sustainable investment. In addition, we continuously analyse the market offering of sustainable investment alternatives, including within the framework of various projects.

1.3 Content of the Responsible Investment Policy

In accordance with the definitions of the PRI¹, the current version of the Responsible Investment Policy covers the following content:

- it represents an overall approach for responsible investment (which includes guidelines for environmental, social and governance factors)
- it contains an approach to engagement,
- it includes an approach to exclusions,
- it contains provisions on the selection, appointment and monitoring of external managers,
- it defines the term "responsible investment" and its relationship to investment objectives,
- it describes the governance structure in responsible investment, and
- it contains a section on external reporting in relation to responsible investment.

1.4 Scope of application of the Responsible Investment Policy

1.4.1 Direct portfolio vs. externally managed portfolio

The majority of the W&W Group's investments are managed by the W&W companies themselves (direct portfolio), but there are also investments in the investment portfolio that are independent investment vehicles (investment funds) and are managed by external managers.

As the investment management of the direct portfolio is the sole responsibility of the W&W companies, this policy is binding for the direct portfolio and for direct investments.

For fund investments, framework conditions and review processes (selection procedures, investor target agreements, side letters, investment guidelines, reporting, etc.) have been defined which regulate the individual steps (from the launch of a new fund to ongoing/regular monitoring) in detail and provide a framework for (cooperation with) the capital management company (KVG). The majority of our investment funds are subject to the participation and voting policy of the responsible KVG, which we support unreservedly. Transactions are generally carried out under the responsibility of the KVG. For this reason, this guideline does not apply to fund investments that are managed by external managers on our behalf. Nevertheless, ESG investment guidelines (such as ESG exclusion criteria) are generally set out in a side letter, making them binding on external managers. Detailed information on our engagement approach is provided in section 2.4.

For alternative investments (AI), there is a separate 4-step review process to ensure that our existing ESG requirements for the respective investment are met. The process for this is defined in an internal business instruction on ESG criteria in capital investment.

Public funds are excluded from the scope of this policy.

1.4.2 W&W companies

In principle, the W&W Group consists of the (fully consolidated) W&W individual companies belonging to the currently valid IFRS consolidation group. This policy is binding for these companies. If individual sections of this policy have restrictions in their scope of validity, this is indicated in the relevant sections.

¹ Based on reporting indicators PG 1 (Reporting Framework 2026) and PGS 1 (Reporting Framework 2025) of PRI reporting. Further details on PRI reporting can be found in section 3.1 PRI reporting.

Wüstenrot Bausparkasse AG (BSW), which belongs to the Housing division, has a number of special features with regard to its investments in its capacity as a Bausparkasse. The BSW regulations are therefore considered separately in section 4.

1.4.3 Asset classes

Responsible investing and ESG guidelines play an important role in all investment decisions. The penetration varies across the different asset classes due to the products available on the market, their fungibility and other restrictions. However, work is being done in all asset classes to increase the proportion of sustainable investments. This is mainly done through defined ESG exclusion criteria, the application of ESG benchmarks and investment in Article 8 or Article 9 products in accordance with SFDR.

For mutual funds, the investment conditions of the respective fund apply, which can be found in the current sales prospectus. The respective capital management company is responsible for compliance with the investment conditions. The ESG exclusion criteria defined in section 2.3.3.1 are not applicable to real estate and mortgages/loans, as no information is available for these from our data provider ISS ESG.

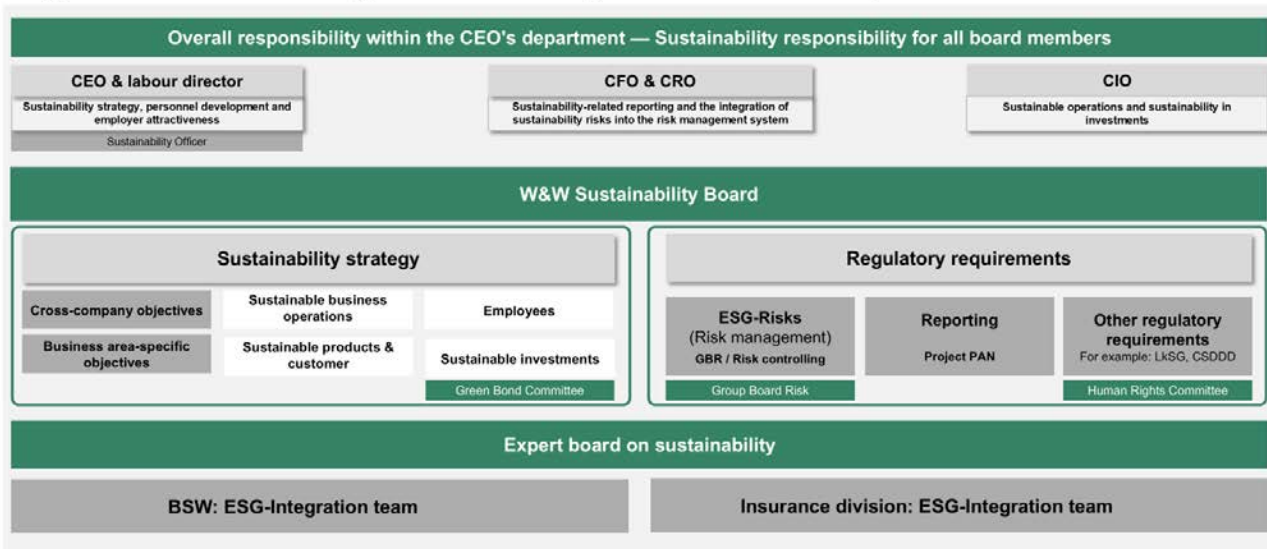
1.5 Responsibilities / Corporate governance

1.5.1 Internal corporate governance

1.5.1.1 Organisational anchoring of the topic of sustainability in the W&W Group

Governance Sustainability

Organisational anchoring of sustainability in the W&W Group



As of: 2 July 2025

The topic of sustainability is firmly anchored in the organisational structure of the W&W Group. To emphasise its strategic importance, responsibility and strategic accountability have been assigned to the Group Development department, which is part of the CEO's department at W&W AG, since April 2020. Internal and external reporting is carried out in close coordination with the Communications department. The respective departments are responsible for the individual sustainability topics and their implementation. The departments receive support in meeting minimum regulatory requirements and implementing sustainability measures applicable to the entire Group as part of the Group-wide "PAN" project.

Responsibility for sustainability lies with all members of the W&W Group's Executive Board, with overall responsibility for the strategic orientation with regard to sustainability residing with the CEO. The CIO is responsible for sustainable investments, while the CFO/CRO is responsible for sustainability-related reporting and the integration of sustainability risks into the risk management system.

For cross-business coordination, a Sustainability Board consisting of members of the Executive Board and executives was established in 2020 as an internal committee, which is organised by the Group Development Department. The members of the board are made up of representatives from the four strategic dimensions defined in the sustainability strategy. In addition to W&W AG and the Housing division and Insurance division, this also includes those responsible for group-wide issues in the area of capital investments.

In addition, the position of Sustainability Officer was filled for the first time in the first half of 2022 in the CEO's department as the central point of contact for sustainability issues in the W&W Group. In addition, BSW and the Insurance division appointed their own sustainability coordinators for the business segments.

The Group company Wüstenrot Haus- und Städtebau GmbH has integrated sustainability into its business strategy, taking into account the specific features of its business model. A dedicated sustainability officer has been appointed.

Accordingly, sustainability is also part of the W&W Group's integrated strategy process, in which the key elements of the business strategy and all other strategies are regularly discussed by the Management Board. In line with the IT and risk strategy, the sustainability strategy was integrated into the strategy process from 2022 onwards. As part of this, selected qualitative and quantitative performance indicators from the area of sustainability were implemented, which are monitored as part of the target/actual comparison of the strategy process.

1.5.1.2 Responsibilities

The responsibilities for capital investment in the Insurance division and at W&W AG (regardless of sustainability issues) are described in the work instructions for Strategic Asset Allocation (SAA) and Tactical Asset Allocation (TAA), which are drawn up by the respective market/investment units.

1.5.2 External corporate governance

1.5.2.1 Selection process for external managers

For fund investments, checks and processes (selection procedure, investor target agreement, side letter, investment guidelines, reporting, etc.) have been defined which regulate the individual steps (from the launch of a new fund to on-going/regular monitoring) in detail and provide a framework for (cooperation with) the KVG.

1.5.2.2 Performance assessment and monitoring of external managers

The performance of asset managers is assessed on the basis of quantitative and qualitative criteria. The asset manager provides a detailed overview of the investment results compared to the targets in regular meetings or regular reports.

1.5.2.3 Fulfilment of our ESG incorporation approach

The signed side letters and the investor target agreements ensure that the external managers we commission always take the defined exclusion criteria into account in their investments (see section 2.3.3.1).

For alternative investments (AI), there is a separate 4-step review process to ensure that our existing ESG requirements for the respective investment are met. The process for this is defined in an internal business instruction on ESG criteria in capital investments.

Mutual funds are excluded from the scope of this policy.

Furthermore, the majority of our selected third-party providers of listed equity, fixed income and real estate funds are signatories to the Principles for Responsible Investments (PRI). In individual cases, we also accept equivalent ESG labels in lieu of signing the PRI.

1.5.2.4 Contractual commitment, remuneration and review of the cooperation

The agreements with the external asset managers are concluded for an indefinite period. Both parties have the right to terminate the agreement with reasonable notice. The external asset managers generally receive a fixed remuneration based on basis points of the managed (fund) assets. Variable remuneration components are only agreed to a limited extent. Regular exchanges are held with the external asset managers, during which the strategic aspects of the cooperation are reviewed, including the cost structure and portfolio turnover costs.

1.6 Distinctions from other guidelines

The Responsible Investment Policy was derived from the sustainability strategy of the W&W Group, the strategic asset allocation of W&W AG and the Insurance division, the special ESG regulations of the Housing division, the principles of responsible investment of the PRI Association and the ESG considerations already implemented in the W&W Group. It supplements existing guidelines of W&W companies, such as the internal capital investment guidelines (iKA), the guidelines for capital investment risk management and the annually determined strategic asset allocation.

This policy refers in several places to internal guidelines of the W&W Group and its individual companies. For a comprehensive basis for decision-making on capital investment activities, these guidelines must also be taken into account in the relevant places.

1.7 Updates

This policy will be reviewed and updated regularly. In particular, changes in the following areas will be taken into account:

- legal or regulatory frameworks relating to ESG issues,
- changes in the scope of the various ESG incorporation approaches,
- changes in the ESG incorporation approach,
- changes in asset allocation with regard to ESG integration.

In the case of minor changes (editorial changes) and changes that are already covered by other Management Board resolutions (e.g. the decision template on strategic asset allocation), it is not necessary for the Management Board, the Division Boards or the management board meetings of the respective business areas to pass a new resolution.

2. Principles and implementation of the Responsible Investment Policy

2.1 Definitions

For us, sustainability means acting in such a way that both current and future generations can enjoy conditions worth living in. That is why we focus on environmental aspects, good corporate governance and social responsibility in our investments – in line with ESG requirements.

The acronym ESG stands for Environment, Social and Governance.

The PRI defines responsible investment as an approach to investing that incorporates environmental, social and governance (ESG) factors into investment decisions in order to achieve better risk management and generate sustainable, long-term returns.

We consider sustainability in capital investment to be a key value-adding factor for the entire W&W Group, as it

- is an increasingly important decision-making criterion for our customers
- represents a comparable quality criterion on the market,
- contributes to our sustainability strategy, our investment principles and our investment objectives (see sections 2.2, 2.3.1, 2.3.2).

The definitions of the following key terms are largely based on those of the PRI Association:

ESG incorporation: The assessment, review and incorporation of ESG factors in existing investment practices through a combination of three ESG consideration strategies: integration, screening and thematic investing.

Screening: The application of filters to lists of potential securities, issuers, investments or sectors to include or exclude investments based on investor preferences, such as ethics and values.

Negative screening: Exclusion of certain sectors or companies due to their poor ESG performance compared to competitors or based on specific ESG criteria (e.g. avoidance of certain products, services or business practices).

Thematic investing: Identifying and allocating capital to assets associated with specific environmental or social outcomes/impacts, such as wind farms, solar parks or energy-efficient real estate.

Green bonds: Green bonds are bonds that currently mostly comply with the Green Bond Principles (GBP) of the International Capital Markets Association (ICMA). The GBP ensure that an investment in a green bond is used to finance projects that are clearly environmentally sustainable. In addition to the ICMA's GBP, there are other recognised global standards for green bonds. Green bonds generally focus on the United Nations' climate and environment-related Sustainable Development Goals (SDGs).

2.2 Sustainability strategy of the W&W Group

Responsible conduct and social commitment have a long tradition at the W&W Group and are a core component of its strategic orientation. To underpin its sustainability positioning, the W&W Group has had a sustainability strategy in place since 2021, which is being developed under the leadership of the Group Development unit. Sustainability goals relating to the business areas have also been incorporated into the business strategies of the Group companies Wüstenrot Bausparkasse AG and Württembergische Versicherung AG. In order to continuously develop the topic of sustainability, the Group-wide sustainability strategy is revised annually.

The W&W Group's sustainability strategy is based on ESG criteria and covers several key topics. One of these key topics is "sustainable investment".

2.3 Strategic asset allocation (SAA)

The aspects of sustainable capital investment are taken into account and documented in the Insurance division and at W&W AG in the annual capital investment process of strategic asset allocation (SAA). As part of the SAA process, the investment objectives of the respective company are defined, taking into account a wide range of framework conditions. In addition to traditional and very important aspects such as the profitability and security of the portfolio, sustainability aspects are also increasingly becoming the focus of market considerations. Based on qualitative (recommendations) and quantitative (portfolio simulations) results, extensive simulations are carried out to optimise the entire investment portfolio.

When preparing the SAA, all relevant internal guidelines of the W&W Group for the Insurance division and W&W AG must be observed, including this Responsible Investment Policy.

W&W Asset Management GmbH is the centre of excellence for sustainable investments for W&W AG and the Insurance division of the W&W Group. It has over 20 years of experience in investment management and risk controlling, and its investment activities for the W&W Group are guided by the following objectives, among others:

- To increasingly incorporate sustainability aspects into the investments made and our product range and to systematically integrate ESG criteria into investments across all asset classes.
- to pursue external and internal sustainability reporting in a qualitative, quantitative and consistent manner and to create transparency,
- Ensuring and optimising the market-independent monitoring of sustainability criteria in capital investments.
- Ensuring ongoing impetus and exchange on sustainability issues in capital investments within the W&W Group.
- acting as a central point of contact for our clients and the Sustainability Board on matters relating to sustainability in capital investment.

The investment managers at W&W Asset Management GmbH receive training on these topics. In addition to regular internal training courses, more comprehensive training courses are also held on specific occasions and topics (e.g. on the content of the CESGA – *Certified Environmental, Social and Governance Analyst*). Individual participation in webinars is also possible.

As W&W Asset Management GmbH (W&W AM) is responsible for the investment management of the Insurance division and W&W AG, the SAA does not apply to the Housing division, which includes Wüstenrot Bausparkasse AG (BSW) in particular. For details of the special features of BSW's investments, see section 4.

2.3.1 Investment principles

By signing the Principles for Responsible Investment (PRI) in May 2020, we as the W&W Group are underlining the sustainable orientation of our investment business. Environmental, social and corporate governance issues (ESG) are being increasingly incorporated into our analysis and decision-making processes and are being successively developed further.

By signing the PRI, the W&W Group commits to the following six principles of responsible investment and publicly pledges to introduce and implement them:

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote the acceptance and implementation of the Principles within the investment industry.

5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

2.3.2 Investment objectives

As a capital provider/investor, we know that, together with other large capital pools, we can exert a significant influence on the successful structural change towards a more climate-friendly and low-emission economy and society. We are aware of this significance and, with this in mind, pursue an active approach to reducing harmful emissions in our investment portfolios. In doing so, we are striving to achieve the net zero target for investments (primarily in listed equity and fixed income) by 2050. In addition, this active approach aims to promote climate-friendly technologies and their widespread use in a sustainable manner.

The W&W Group already finances energy-efficient real estate and contributes to the energy transition with its investments by investing specifically in renewable energies. In order to meet its sustainability goals in its core business more effectively, the W&W Group intends to generate the funds required for financing energy-efficient real estate and renewable energies in future by issuing green bonds and green covered bonds. In 2023, Wüstenrot Bausparkasse AG issued its first green German covered bond ("Grüner Pfandbrief").

We want to increasingly incorporate social and environmental concerns into our investment strategy alongside economic considerations. To this end, the following goals and measures were defined in our Group sustainability strategy in 2026:

- (1) Continuous reduction of CO₂-emissions towards the net zero target for capital investments by 2050

Actions:

- Regular screening of portfolios and
- implementation of actions tailored to the respective portfolio to reduce CO₂-emissions.

- (2) Continuous reduction of CO₂-emissions from investment properties to net zero by 2050

Actions:

- Creation of climate protection roadmaps for investment properties and
- implementation of actions tailored to the respective portfolio to reduce CO₂-emissions.

As a measure in connection with the goal of "continuously reducing the CO₂-emissions of capital investments to net zero by 2050," the W&W Group has established the measurement and ongoing reduction of the so-called "relative carbon footprint" (RCF). The RCF is a metric used to compare the Scope 1 and Scope 2 emissions in CO₂-equivalents of the companies in which the W&W Group invests with the volume invested in euros. The RCF is expressed in tonnes of CO₂-equivalents per million euros invested. The W&W Group has set targets for reducing the RCF. The ongoing reduction of the RCF in the coming years is to be achieved through targets for capital investment. The long-term net zero target in the strategic planning horizon is broken down into specific reduction targets for the next three years.

2.3.3 ESG incorporation approach

Investments are regularly reviewed from a sustainability perspective. In line with the W&W Group's responsibility, we clearly exclude certain investments through the application of screening criteria (sections 2.3.3.1 and 2.3.3.2) and attach importance to responsible/sustainable investments, e.g. through targeted and increased investments in renewable

energies and green bonds/sustainable bonds, in order to make a further contribution to the financing of climate-friendly projects (thematic investing, section 2.3.3.3).

2.3.3.1 Negative screening

Scope of application: Exclusion criteria are generally implemented and monitored across the Group in direct holdings and indirect investments, provided these are managed by a company in the W&W Group. This therefore excludes mutual funds, real estate (excluding issuers listed in ISS ESG) and mortgages/loans (excluding issuers listed in ISS ESG).

For special funds (e.g. segregated mandates), the restrictions are set out in a side letter or in the investor target agreement. For alternative investments (AI), there is a separate 4-step review process to ensure that our existing ESG requirements for the respective investment are met. The process for this is defined in an internal business instruction on ESG criteria in capital investments.

Approach: We work with the external service provider ISS ESG to analyse our investment portfolios (in particular for corporates and sovereigns). In the course of this, specific environmental and social risks as well as risks relating to corporate governance (ESG risks) are also taken into account in the investment, insofar as these risks are related to the investment portfolio and its management. Exclusion criteria for our portfolios have been established on the basis of this analysis.

The currently valid exclusion criteria are published on the W&W Asset Management GmbH website on the Sustainability subpage (<https://www.ww-ag.com/de/asset-management#a101191>).

Implementation: These exclusions are monitored across the group in close cooperation with W&W Asset Management GmbH, which monitors the holdings of restricted areas/issuers. W&W Asset Management GmbH also works with the external provider ISS ESG. Using the data provided by this data provider, so-called blacklists (exclusion lists) are created for capital investments according to defined criteria.

The defined exclusions are regularly reviewed by the responsible market and back-office units. New exclusion criteria and changes to existing exclusion criteria require a corresponding resolution. The process for this is defined in an internal business instruction on ESG criteria in capital investments.

2.3.3.2 Screening according to governance criteria

Scope of application: The governance review is carried out for the Insurance division, W&W AG and W&W Asset Management GmbH for new investments in all asset classes. At Württembergische Lebensversicherung AG (WL), the review is only carried out for the guarantee assets. WL also carries out regular portfolio reviews. This is a prerequisite for further review of a classification as "taking environmental or social characteristics into account" in accordance with SFDR.

Approach: We pay attention to good corporate governance when implementing our sustainability goals and investment decisions.

We use information from the external data provider ISS ESG to review the majority of companies. ISS ESG systematically records various criteria that are required for assessing good corporate governance in accordance with the regulatory requirements of Art. 8 (1) SFDR. Examples of governance criteria include, in particular, sound management structures, compliance with tax regulations and legally compliant employment contracts. The final assessment takes the form of a rating process, whereby companies with poor corporate governance are identified and excluded in an established investment and monitoring process.

Equivalent procedures are applied to the remaining portion of these investments.

Implementation: For the majority of investments (~80%), our external data provider checks coverage based on categories defined by us. For the remainder, the categories are checked against internally defined rules. In the case of alternative investments, confirmation of compliance with the governance criteria is obtained from the respective manager at the time of investment.

The process for this is defined in an internal business instruction on ESG criteria in capital investment.

2.3.3.3 Thematic investing

Scope: The scope of the section on thematic investing is not limited to selected asset classes or companies of the W&W Group. However, thematic investments are predominantly made in the asset classes of alternative investments, fixed income, private equity, infrastructure and real estate.

Approach and implementation: Targeted investments in green bonds, renewable energies and energy-efficient real estate are intended to generate attractive returns as well as measurable, positive effects on the environment or society (e.g. a reduction in CO₂-emissions).

(1) Green bonds (ICMA GBP and other standards)

In fixed-income investments, which traditionally make up the largest portion of our investments, sustainability is becoming increasingly important in the form of green bonds (ICMA GBP and other standards). We strive to take this form of investment into account when making new and reinvestments in order to make a further contribution to the financing of climate-friendly projects. In addition, new market developments, such as the increased issuance of social bonds, are being monitored and reviewed for integration in our portfolios.

(2) Renewable energies

In addition to the four-stage review process, we also pursue an active approach to sustainability. Within this framework, renewable energies are an integral part of the strategic investment process.

(3) Properties with environmental characteristics

The climate performance of the real estate portfolio plays an important role for the W&W Group. For acquisition projects, a risk assessment is carried out from an ESG perspective and in terms of the impact on the overall portfolio in terms of sustainability. Climate aspects are also taken into account when assessing the real estate portfolio for value creation potential. When assessing alternatives for the utilisation of previously owner-occupied sites, considerations such as grey energy savings and thus CO₂ are also taken into account.

2.4 Engagement

2.4.1 Statement on engagement

As signatories to the UN PRI, the W&W Group – and thus also W&W Asset Management GmbH – support the active further development of the six principles for responsible investment, as does LBBW Asset Management Investmentgesellschaft mbH (LBBW AM), our largest capital management company (KVG). For the majority of our investment funds, the KVG has a participation and voting policy that we unreservedly endorse. The KVG represents and implements the W&W Group's commitment. The analysis and monitoring of the commitment is carried out by a team of experts at the KVG. Our values with regard to ESG are reflected accordingly and explicitly in this participation and voting policy.

2.4.2 Voting policy

In line with the ESG integration that has been implemented, the KVG takes non-financial criteria such as the environment, social aspects and responsible corporate governance into account when exercising shareholder rights and in the investment process.

The KVG's voting policy is based on the current analysis guidelines for annual general meetings (ALHV) of the German Investment Funds Association (BVI) and the German corporate governance Code (DCGK). Following the adopted reform, the Code places particular emphasis on sustainable corporate governance. Management should systematically identify and assess the opportunities and risks for the company associated with social and environmental factors, as well as the ecological and social impacts of the company's activities, and also take ecological and social goals into account in the company's strategy and planning.

For foreign markets, the KVG follows the international voting guidelines of IVOX Glass Lewis.

2.4.3 Participation policy

Regular corporate dialogues between KVG and corporate bodies play an important role in the qualified assessment of companies and in constructive exchange. Relevant ESG risks are addressed and attempts are made to work towards a sustainable solution. These engagements thus contribute to minimising risks and improving or ensuring long-term investment success. A distinction is made between individual, collective and service provider engagement, which is applied depending on the specific case.

Details on the participation and voting policy and the regular reports on this can be found at the following link:

<https://www.lbbw-am.de/ueber-uns/corporate-governance/mitwirkungs-und-abstimmungspolitik>

In addition, regular updates (by telephone and/or personal) are agreed with the responsible persons at the KVG.

2.5 Dealing with sustainability risks

Sustainability risks arise from events in the areas of climate, environment, social affairs, politics, corporate governance and compliance that could have a negative impact on the W&W Group's net assets, financial position or results of operations in the individual risk areas.

Sustainability risks can result, for example, from climate-related risks arising from extreme weather events or long-term changes in climatic and ecological conditions (physical risks) or from the transition to a low-carbon economy (transitional risks) and can also lead to reputational risks. Sustainability risks are divided into two categories according to their impact:

Outside-in: Sustainability risks that affect the W&W Group from outside (e.g. more frequent natural disasters as a result of climate change) and have a direct or indirect negative impact on its net assets, financial position and results of operations.

Inside-out: Sustainability risks caused by the W&W Group that can have a negative impact on the external environment, society, politics and the economy.

In accordance with the Disclosure Regulation (SFDR), financial market participants must provide information at company and product level on how they deal with sustainability risks and the adverse effects of their investments on sustainability aspects. The W&W Group implements this with its SFDR-regulated companies Württembergische Lebensversicherung AG, Allgemeine Rentenanstalt Pensionskasse AG, Pensionskasse der Württembergischen VVaG, W&W Asset Management GmbH and W&W Asset Management Ireland DAC, among others, with the reporting described in section 3.3.

3. Reporting

The W&W Group aims to pursue external and internal sustainability reporting in a qualitative, quantitative and consistent manner and to create transparency (see section 2.3.1 Investment principles). In addition, we have committed ourselves to the PRI Principles for Responsible Investment to report on our activities and progress in implementing the principles.

3.1 PRI reporting

In accordance with the sixth principle of responsible investment set out in the Principles for Responsible Investment, we have committed ourselves to reporting regularly on our activities and progress in implementing the six PRI principles.

This is done in an annual Transparency Report, which is available on the PRI website (<https://www.unpri.org/>). The report is also publicly available on the W&W AG website (<https://www.ww-ag.com/en/about-us/sustainability/reports>).

The report (also known as "PRI reporting") consists of a quantitative and a qualitative section. It is an export of the responses to the PRI indicators for the respective reporting cycle. It contains the responses to the mandatory indicators as well as the responses to the voluntary indicators that the signatory has agreed to publish. The information in the PRI reporting is presented exactly as it was reported.

3.2 Group Sustainability Report

Since the 2024 financial year, the W&W Group has been publishing its group sustainability report using the European Sustainability Reporting Standards (ESRS) as the relevant framework.

The report is publicly available on the W&W AG website (<https://www.ww-ag.com/en/about-us/sustainability/reports>).

The disclosures pursuant to Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (EU Taxonomy Regulation) are also included in the group sustainability report. This information describes how and to what extent the activities of the W&W Group are linked to economic activities that can be classified as environmentally sustainable economic activities.

3.3 Other reports and disclosure requirements

The report on disclosure in accordance with Articles 3, 4 and 5 of Regulation (EU) 2019/2088 of Württembergische Lebensversicherung AG, Allgemeine Rentenanstalt Pensionskasse AG and Pensionskasse der Württembergischen VVaG is publicly available on the Württembergische website (<https://www.wuerttembergische.de/ueber-uns/nachhaltigkeit/>). It contains information on how the aforementioned W&W companies deal with sustainability risks and the adverse effects of investments on sustainability aspects.

4. Wüstenrot Bausparkasse AG

The W&W Group also includes Wüstenrot Bausparkasse AG (BSW), which belongs to the Housing division. BSW invests its liquidity surpluses from customer business primarily in securities. This is done in compliance with the guidelines and limits applicable to BSW, as well as with legal requirements. As a Bausparkasse it is subject to the Act on Savings and Loan Associations (BauSparkG) in Germany and may therefore only engage in certain investments (Section 4 BauSparkG). It therefore has a very limited investment universe.

For these reasons, BSW currently is currently only active in the fixed income asset class. In doing so, it adheres to the ESG exclusion criteria defined for the W&W Group (see section 2.3.3.1). In addition, ESG-relevant metrics are explicitly taken into account by the responsible back-office units as part of the credit analysis process for issuers available for investment. This ensures that the W&W Group's ESG approach, in compliance with the legal requirements of the BauSparkG for capital investment, also applies to BSW and the Housing division.

The process and responsibilities for BSW's capital investments are regulated in particular in BSW's Trading Framework.

W&W Group Glossary

AI	Alternative investments
BSW	Wüstenrot Bausparkasse AG
CEO	Chief Executive Officer (Chairman of the Board)
CFO	Chief Financial Officer
CIO	Chief Investment Officer
CRO	Chief Risk Officer
ESG	Environmental, Social, Governance
ESRS	European Sustainability Reporting Standards
GBP	Green Bond Principle
ICMA	International Capital Market Association
IFRS	International Financial Reporting Standards
iKA	Internal Capital Allocation Guideline
ISS ESG	Sustainability research and data provider of sustainability data
KVG	Capital management company / asset management company
PRI	Principles for Responsible Investment
SAA	Strategic asset allocation
SDGs	United Nations Sustainable Development Goals
SFDR	Sustainable Finance Disclosure Regulation (EU) 2019/2088
TAA	Tactical asset allocation
WL	Württembergische Lebensversicherung AG
W&W AG	Wüstenrot & Württembergische AG
W&W AM	W&W Asset Management GmbH

