

ERGO Group AG Statement on the UK Modern Slavery Act

This statement is made pursuant to section 54 (1) of the UK Modern Slavery Act 2015 and constitutes ERGO Group AG's (including its German subsidiaries) slavery and human trafficking statement for the financial year ending 31 December 2021.

The organisation's structure, its business and its supply chains

ERGO is one of the major insurance groups in Germany and Europe. With operations in 26 countries, the ERGO Group offers a comprehensive spectrum of insurance, provision and services. In the financial year 2021, ERGO recorded a total premium income of 19 billion euros. It operates in all lines of primary insurance, with over 37,000 employees and sales agents throughout the world. At the end of 2021, the ERGO Group's investments amounted to 141 billion euros. They are mainly managed by MEAG (MUNICH ERGO Asset Management GmbH) as the joint asset manager of Munich Re and ERGO which also makes its competence available to private and institutional investors.

ERGO Group procures many different goods and services throughout the world. Buying at best total value in terms of quality, time and costs, while ensuring compliance, the procurement functions throughout the Group seek to make a substantial and lasting contribution to the success of ERGO Group.

Group policies in relation to human rights

Our business model is based on responsible, sustainable and forward-looking action over the long term. We regard the protection of human rights as a particular obligation, one that we strive to meet in line with internationally accepted human rights principles. It is part and parcel of our approach to corporate governance, which embeds economic, environmental and social requirements into our definition of success. The Board of Management of Munich Re, the parent company of ERGO Group, has confirmed this commitment by clearly stating Munich Re's declaration of principles on human rights (it can be found on the Munich Re website).

Therefore, our Group is committed to upholding human rights duty of care along the value chain and to respecting internationally recognised human rights. In signing the UN Global Compact, we have committed ourselves to the following principles:

- to support and respect the protection of international human rights within our sphere of influence
- to take precautions to ensure that the Group is not complicit in human rights abuses such as human trafficking
- to uphold freedom of association and the effective recognition of the right to collective bargaining
- to avoid any forms of forced and compulsory labour and child labour
- to aim to provide employment and workplaces that are free from discrimination.

In addition to our commitments to this standard and others specified by the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI), our Group is committed to respecting human rights as defined in the following human rights-specific principles:

- UN Guiding Principles on Business and Human Rights
- International Bill of Human Rights, consisting of the:

- Universal Declaration of Human Rights
- International Covenant on Civil and Political Rights
- International Covenant on Economic, Social and Cultural Rights
- ILO Declaration on Fundamental Principles and Rights at Work

Assessment of human rights risks

ERGO Group's management strives to prevent potential adverse impact on human rights arising from its business operations. To identify such impact, the following four dimensions have been defined: employees, procurement, our core business of insurance and investment.

As regards our insurance business and investment, we systematically take environmental, social and governance (ESG) criteria (including the observance of human rights) into account as part of the risk assessment and decision-making processes, which are regulated by specific guidelines.

Measures to manage human rights risks

a) Measures for each risk dimension

For each of the four risk dimensions we have defined (employees, procurement, our insurance business and investment management), we have implemented tools to guide our decision-making in line with conscientious management practices.

Employees

As an employer, we are committed to complying with international human rights standards and creating adequate working conditions for our staff such as transparent remuneration conditions, flexible working conditions and working-time models. Our Group-wide Diversity Policy sets down the most important principles in this action field and forms the basis for overarching and comprehensive diversity management.

Our Code of Conduct as a set of binding rules for all our staff members explicitly states that Munich Re does not tolerate any kind of discrimination in respect of employment and occupation and upholds the freedom of association and the effective recognition of the right to collective bargaining.

Procurement

In our procurement decisions and activities, we aim to adhere to compliance principles and thus assume corporate responsibility along the value chain. Environmental, social and governance (ESG) criteria play an important role for us in the procurement of goods and services.

We have established appropriate procurement principles for working with our suppliers. Based on the principles of the UN Global Compact, our procurement principles help protect human rights, prohibit forced labour and child labour and uphold both freedom of association and the right to collective bargaining. Furthermore, they forbid corruption and enforce environmental protection. Accordingly – and as a requirement for cooperation – ERGO Group expects its business partners to likewise commit to those of our principles that explicitly cover human rights and labour standards. In addition to this, we will build a global core model for digital supplier management and will go live with a solution at ERGO Group by the end of 2022.

Procurement departments at ERGO Group are responsible for including relevant corporate responsibility clauses in supplier agreements. We obligate our suppliers to recognise the UN Global Compact. Should an infringement occur during the term of contract with one of our suppliers, we will actively seek dialogue with our contracting parties in an effort to remedy any deviations from our guidelines. If this does not prove successful, ERGO Group reserves the right of extraordinary termination for good cause.

Insurance

ERGO has set out in underwriting guidelines, how underwriters are to handle ESG risks in insurance business.

In the insurance business, sensitive business issues or sectors have been identified in which social aspects, including human rights, are taken into account in the risk assessment. Mandatory guidelines and best practices relevant to human rights, among others, have been developed for these issues. For example, the exclusion of anti-personnel mines and cluster munitions (banned weapons) is mandatory. If the assessment of a potential transaction by our Underwriting, Integrated Risk Management or Sustainability Departments comes to the conclusion that there is significant reputational risk, the issue is escalated to the Reputation and Integrity Committee at ERGO.

Investment

We take a responsible investment approach by observing the Principles for Responsible Investment (PRI) and our Group-wide Responsible Investment Guidelines (RIG). Sensitive issues that could lead to reputational risks are dealt with in adherence to management and compliance processes as well as through specific Reputational Risk Committees (RRCs).

Within the framework of responsible investment, government bonds and bonds of government-related institutions with an MSCI ESG rating of “CCC” are generally excluded, as they exhibit high risks with regard to socio-economic and political factors and also to their use of natural resources. Among other things, the MSCI Government Ratings take human rights into account.

As a responsible investor, the international conventions relating to anti-personnel mines and cluster munitions (banned weapons) are supported and investments in shares and bonds of companies who are active in these areas are excluded. When making direct infrastructure investments, we assess new investments within the due diligence process using a catalogue of ESG criteria (including, for example, climate, biodiversity and human rights).

b) General measures

The compliance whistleblowing portal of ERGO Group allows employees, clients, suppliers and other business partners to report potential or actual human rights violations. Whistleblowers can access the portal by using the internal web or the publicly accessible company website. Employees can also report incidents to their direct managers, the Compliance Officer or the independent external ombudsman. This means that relevant information can be passed on safely, confidentially and, if desired, anonymously, worldwide and around the clock.

The platform can be used to report possible violations involving corruption, financial sanctions, fraud, antitrust, regulatory framework, money laundering, tax compliance, sales compliance, insider trading, data protection and also those related to human rights or personnel (e.g. gender discrimination, sexual harassment, diversity or violations of the principle of equal treatment).

Raising awareness: Training and capacity building on human rights

In order to raise staff awareness, familiarise them with the key compliance rules and help them understand the importance of following these rules at work at all times, employees re-certify their knowledge of the Code of Conduct every three years. This training course includes information on topics such as the German General Act on Equal Treatment, reporting of infringements, data protection and corruption.

Progress in the financial year 2021

We will continue to work on the implementation of human and labour rights aspects and to consider our obligations under the UK Modern Slavery Act 2015.

- In 2021, we developed “ESG Basics”, a new Group-wide ESG awareness-raising measure aimed at all employees. It includes the ESG criteria relevant to our business success, such as climate and environmental aspects, social criteria such as working conditions and human rights, and compliance and governance requirements. Further, we plan to continue to provide customised ESG training formats for our employees in the core insurance business, for example, to provide our underwriters with the best possible support when underwriting risks.
- The core model for digital supplier management will be rolled out globally over the next three years and will enable us to improve accessibility, acceptance and documentation of the UN Global Compact Principles throughout our global supply base.
- The human right to health was obviously still a particular concern for the Group in 2021. Our comprehensive hygiene concept protected staff against infection with SARS-CoV-2 through a variety of work-safety measures. The regionally implemented plans included e.g. strict rules for behaviour in office buildings (including meeting rooms, restrooms, cafeterias and canteens), mandatory wearing of mouth and nose protection, guidance for unavoidable business travel including quarantine rules and many more measures. This hygiene concept was continuously adapted to the current pandemic situation across all locations worldwide. ERGO Group made it possible for a large part of the workforce to work from home. Increased flexibility in working hours has enabled parents to balance childcare, home schooling and work while following all social distancing rules.
- In addition, the Act on Corporate Due Diligence in Supply Chains (Supply Chain Due Diligence Act - Lieferkettensorgfaltspflichtengesetz - LkSG), passed by the German Bundestag in June 2021, obliges German companies with more than 3,000 employees to comply with human rights and environmental due diligence requirements in an appropriate manner in their supply chains by the financial year 2023. For the relevant areas, we will analyse the existing internal processes for human rights compliance by 2023 in order to meet the legal requirements. Accordingly, a Group-wide project has been launched.

Düsseldorf, 30 June 2022



Dr. Markus Rieß
Chairman of the Board of Management
ERGO Group