

Munich Re's Statement on the Australian Modern Slavery Act

This statement is made pursuant to Part II, section 14 of the Australian Modern Slavery Act 2018 and constitutes Munich Re's joint Modern Slavery statement for the financial year ending 31 December 2022 for the following entities:

- Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München ("MR AG") (ABN: 90 009 763 526)

And its wholly owned subsidiaries:

- Munich Holdings of Australasia Pty Limited ("MHA") (ABN: 80 000 159 651)
- Munich Reinsurance Company of Australasia Limited ("MRA") (ABN: 51 004 804 013)
- Great Lakes Insurance SE ("GLISE") (ABN: 18 964 580 576)

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

MR AG is the ultimate parent of the Munich Re Group which operates from more than 50 locations around the world. Munich Re (Group) is one of the world's leading risk carriers and provides both insurance and reinsurance under one roof. This enables the Group to cover large stretches of the value chain in the risk market. The majority of the reinsurance units operate under the uniform brand of Munich Re. The majority of Munich Re's investments are managed by Munich ERGO Asset Management GmbH ("MEAG"), which also offers its expertise to private and institutional investors outside the Group.

In reinsurance, we operate in life, health and property-casualty business. Under reinsurance, we also include specialised primary insurance activities that are handled by the reinsurance organisation and business from managing general agencies (MGAs). Munich Re does business with over 4,000 corporate clients from more than 160+ countries. We write our business in direct collaboration with primary insurers, but also via brokers and within the framework of strategic partnerships.

In addition to traditional reinsurance business, we participate in insurance pools, public-private partnerships, business in specialist niche segments, and also as a primary insurer.

MR AG writes non-life reinsurance business in Australia primarily through its Australian Branch ("MRAU"). Life reinsurance business is conducted via MRA. GLISE maintains an Australian branch, Great Lakes Australia ("GLA"), offering primary insurance. MRAU, and GLA are authorised by the Australian Prudential Regulation Authority (APRA) to operate as general insurers in Australia. MRA is authorised by APRA to operate as a life insurer in Australia. MHA acts as a holding company for MRA and employs all staff in Australia.

As a globally operating organisation, Munich Re procures many different goods and services throughout the world. By purchasing at best total value in terms of quality, time and cost, while ensuring compliance, the procurement functions throughout the Group seek to deliver a substantial and lasting contribution to the success of Munich Re.

All "Munich Re" processes and rules described below apply to Munich Re AG including its branches and representative offices and including the affiliated companies as mentioned above.

Munich Re's policies in relation to slavery and human trafficking

At Munich Re, 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 MR AG has confirmed this commitment by clearly stating [Munich Re's Declaration of Principles on Respecting and Protecting Human Rights](#).

The Policy Statement is our public commitment to respect human rights. It also contains information about our human rights' due diligence process and risk management, details of the responsibilities within the group, and the expectations to our employees and suppliers. It can be found on the [Munich Re website](#).

Therefore, Munich Re 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; and
- 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), Munich Re have implemented a due diligence process that covers our commitment to the following guidelines:

- 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

With our due diligence processes to prevent and mitigate human rights abuses, we strive to comply with the requirements of these standards and guidelines as well as the requirements of the German Supply Chain Due Diligence Act.

Munich Re's risk management processes in relation to slavery and human trafficking in its business and supply chains

Our corporate due diligence requirements are set out in various guidelines, codes and work instructions. The processes include the following components:

- A risk management system with clearly defined processes and responsibilities:
 - Regularly conducting risk analyses
 - Embedding preventive and remedial measures in our business units
 - Monitoring and reviewing the effectiveness of measures

- Grievance mechanism (Whistleblowing management system)
- Documentation and reporting

In the event of increasing risks or concrete evidence of potential human rights violations, such risks or violations are either revealed in the course of our monitoring or supplied to us via our whistleblowing channels. We carefully review the facts and initiate the preventive or remedial measures needed in order to avoid, end or mitigate the violation in question. In line with governance processes, depending on the extent of the breach, corporate bodies responsible for assessing ESG risks are involved in the decision. These are the Reputational Risk Committee and the ESG Management team as a working committee of the ESG Committee.

Assessment of human rights risks

With the help of a structured risk analysis, we check which business units or activities could be exposed to an increased risk of human rights violations or environmental harm. In terms of investment, procurement and human resources, these processes have already been implemented. In terms of underwriting, we currently strengthen the already existing risk analysis processes, in order to be able to identify risks of human rights violations even better in the future. In addition, risk analyses are carried out on an ad hoc basis in response to significant changes in the risk situation, such as expansions into new business areas or product offerings, or if we become aware of related breaches of duty on the part of our indirect suppliers.

The risk analysis is based among others on a country-and-sector list that we compile and regularly update, drawing on a range of databases to do so. We also use this to screen new and existing business relationships where relevant and, if necessary, initiate preventive or remedial measures.

Measures to manage human rights risks

We maintain a list of companies with which, due to confirmed and substantial human rights violations, we choose not to do business. The list is currently being rolled out across business areas and is reviewed and updated at regular intervals.

Additionally we have defined four risk dimensions for possible human rights violations: employees, procurement, our insurance business and investment management. We have implemented tools to guide our decision-making in line with conscientious management practices for each dimension.

Employees

As an employer, we are committed to complying with international human rights standards and creating adequate working conditions for our staff like transparent remuneration conditions, an extensive company health management framework with a wide range of healthcare options, comprehensive employee assistance programmes, as well as flexible working conditions and working-time models. 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

Our goal in procurement, when making decisions and taking action, is to comply with our principles and thus assume corporate responsibility along the entire supply chain. Avoiding ESG risks is pivotal in our procurement of goods and services. We had previously required our suppliers to accept the principles of the UN Global Compact. Now we have made our expectations in terms of respecting human rights even clearer, by adopting a Group-wide Code of Conduct for suppliers. The risk analysis process that we are currently introducing will allow us in future to even better identify potential human rights breaches, and to mitigate or avoid them accordingly.

(Re-) Insurance

Munich Re has defined in underwriting guidelines how underwriters and client advisors should deal with ESG risks in insurance transactions. In the insurance business, seven sensitive topics or sectors have been identified where social aspects, including human rights, should be considered in the risk assessment. Binding guidelines or best practice recommendations relevant to human rights have also been developed. For example, the exclusion of anti-personnel mines and cluster munitions (controversial weapons) is mandatory in both primary insurance and reinsurance. If the review of a potential transaction by the Corporate Underwriting and Sustainability departments concludes that a transaction entails significant reputational risks, such cases need to be submitted to the Reputational Risk Committee (RRC). A strengthened risk analysis process is currently being developed, in addition to the existing specifications for taking ESG aspects into account, to support underwriters to identify risks of human rights violations.

GLISE operates an agency model for accessing insurance business but recognises delegated authority can present greater risk due to the operational separation of such arrangements. GLISE includes contractual obligations on agents to not commit any criminal activity. It also expressly instructs agents to exercise care and skill in sub-delegating or performing their duties. The need for personnel to have professional qualification and experience is part of this duty, which is accepted to reduce the likelihood of working conditions that could constitute an offence. Our Agency function conducts due diligence of compliance related matters when onboarding (re)insurance business. Our dedicated Agency Audit function also includes the topic of Modern Slavery to the scope of audits.

Investment

In our investments, government bonds and notes from quasi-governmental institutions rated CCC under the MSCI ESG system are excluded due to high risks related to socio-economic or political factors. These MSCI government ratings also take human rights into account. Our Group-wide Responsible Investment Guideline (RIG) was updated in the year 2022 with a strengthened focus on respecting human rights.

As responsible investors, we also support the international conventions related to controversial weapons and exclude any direct investment in equities or bonds from companies active in those sectors.

Monitoring

Monitoring systems help us examine the effectiveness of our measures. We strive to continually improve our processes of due diligence and expand our screening of risks. For the monitoring in (re-)insurance business and investment, we use renowned external ESG databases to subject sensitive projects to a review (also with regard to human rights criteria where applicable). The active tender process of GLISE is periodically reviewed at contract renewal, where a supplier's ethics and risk of modern slavery and human trafficking offences are part of GLISE's overall consideration to conduct business. The review of the Corporate Responsibility clause in Munich Re's procurement contracts and the contractually guaranteed possibility of termination in the event of violations is carried out by our Compliance Department.

Grievance mechanism

The compliance whistleblowing portal of Munich Re allows employees, clients, suppliers and other business partners to report potential or alleged human rights violations. Whistleblowers can access the portal by using the internal web or the publicly accessible Munich Re website. Employees can also report incidents to their direct managers or the Compliance Officer. Accordingly, relevant information can be shared securely, confidentially and, on request, anonymously – globally and around the clock. Evidence of potential human rights violations that reaches us via other channels is handled using the same principles and processes.

The Compliance department investigates a matter if we become aware of a possible human rights violation. The investigations to be initiated and the procedures are defined and set out in an internal set of rules. Every possible case of misconduct is investigated and clarified. If we learn of human rights violations in an existing contractual relationship, we enter into dialogue with the relevant stakeholders.

Raising awareness: training and capacity building on slavery and human trafficking

In order to raise staff awareness and 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 regularly. This training course includes information on equal treatment, reporting of infringements, data protection and corruption.

The "ESG Basics", a new Group-wide ESG awareness-raising measure, is 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.

In the reinsurance sector, our sustainability experts coordinate the implementation of the Principles for Sustainable Insurance (PSI) and the integration of ESG aspects in our reinsurance business. With this in mind, these experts provide relevant training for managers, underwriters and client managers in the different divisional units. In addition, a network of ESG coordinators was established in the reinsurance segment.

Employees responsible for human rights issues within the Group regularly attend external seminars and webinars in order to deepen their knowledge. Munich Re is also an active member of the Peer Learning Group of the German Global Compact Network.

Process of consultation

MR AG maintains a series of measures to ensure consistency across the Munich Re Group. The majority of Munich Re Group investments are managed centrally by MEAG. Our Corporate Underwriting department conducts regular audits to ensure that all applicable rules and guidelines in (re-)insurance business are adhered to in entities worldwide. The group-wide Human Resources and Procurement Policies of Munich Re constitute a binding set of rules for entities worldwide. With the help of Group-wide reporting lines and control principles, compliance with these binding rules is ensured by local units. MR AG has engaged with senior leaders from the subsidiary reporting entities, MHA, MRA and GLISE outlining the Munich Re Group approach for identifying and assessing modern slavery risks and these senior leaders have reviewed this statement prior to its publication.

Progress in the financial year 2022

We will continue to work on the implementation of human and labour rights aspects and to consider our obligations under the Australian Modern Slavery Act 2018. Our goal is to continuously improve our compliance-related processes and expand our risk assessment.

In May 2022, the ESG Committee resolved to further refine the Group's human-rights-related risk management. To fulfil due diligence obligations, Munich Re is currently setting up Group-wide processes to even better identify, analyze and assess potential risks to human rights, and to implement suitable measures to avoid and mitigate such risks.

- An updated policy statement was adopted by the Executive Board.
- Our Group-wide Responsible Investment Guideline (RIG) was updated in the year 2022 with a strengthened focus on respecting human rights.
- In late 2022, the function of a dedicated human rights officer was introduced in Munich Re Group, to monitor risk management to fulfil our due diligence obligations with regard to human rights and environmental aspects under the German Supply Chain Due Diligence Act (LkSG).

- In 2022 we strengthened our due diligence processes in procurement and human resources in accordance with the LkSG. These processes include, in addition to risk analysis, preventative measures, remedial measures in case of a human rights violation, and an appropriate monitoring system.
- A Group Guideline, regulating the implementation of the German Supply Chain Due Diligence Act, the necessary processes, measures and responsibilities, was rolled-out at the end of 2022. We have created a set of regulations for our suppliers and employees, which express our expectations with regard to respecting human rights and upholding environmental standards even more clearly. By implementing these measures, we fulfil the requirements of the German Supply Chain Due Diligence Act.
- In addition, we will also adapt our due diligence process in the insurance and reinsurance business in the course of 2023. The process has already been developed and piloted and is specifically tailored around strengthened identification of human rights risks.

Our goal is to continuously improve our compliance-related processes and expand our risk assessment. Our risk management processes and risk analysis are reviewed on an annual basis.

This Statement has been approved by the Board of Management of MR AG on 24 May 2023.



Dr. Joachim Wenning
Chairman of the Board of Management
Munich Re

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Münchener Rückversicherungs-Gesellschaft
Königinstrasse 107, 80802 München, Germany

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