

New Reinsurance Company Ltd.'s 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 New Reinsurance Company Ltd.'s (NewRe) slavery and human trafficking statement for the financial year ending 31 December 2021. As part of the Munich Re¹ Group, NewRe applies the same principles Munich Re has signed up to and has adopted the Munich Re Statement for NewRe as follows.

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

NewRe is a Swiss reinsurer based in Zurich. In 1988, NewRe became part of the Munich Re Group, one of the leading reinsurers. During its long history, NewRe has constantly moved with the changing market environment and client needs. Whereas in the past NewRe focused mainly on traditional property and casualty reinsurance, it has become a leading underwriter of structured life and non-life reinsurance solutions in recent years. NewRe also offers weather derivatives and parametric trigger covers, and additionally specialises in variable annuity reinsurance and capital management solutions for life business.

NewRe procures many different goods and in particular services throughout the world. By purchasing at best total value in terms of quality, time and cost, while ensuring compliance at all times, the procurement activities seek to deliver a substantial and lasting contribution to the success of NewRe.

NewRe's policies in relation to slavery and human trafficking

At NewRe, our business model is based on responsible, sustainable, and forward-looking endeavours 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. This approach is embedded within our corporate governance, which considers economic, environmental, and social requirements as clearly defined elements of success. We are committed to Munich Re's declaration of principles on human rights (it can be found on the [Munich Re website](#)).

Therefore, we are committed to upholding human rights duty of care along the value chain and are equally committed to respecting internationally recognised human rights.

As part of the Munich Re Group and subsidiary of Munich Re who is a signatory to the UN Global Compact, we are committed to the following principles:

- To support and respect the protection of international human rights within our sphere of influence;

¹ Munich Re (Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München)

- To take precautions to ensure that we are not complicit in human rights abuses such as human trafficking;
- To uphold the 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 commitment to this standard and others specified by the Principles for Sustainable Insurance (PSI), and the Principles for Responsible Investment (PRI), we are 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

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

We have committed to observing our duty of care on human rights along our value chain, and to respect internationally recognised human rights. To this end, we developed the following processes for human rights compliance. These have been reviewed yearly since then:

- Commitment of the Board of Management to respect human rights
- Identifying and assessing human rights risks and impact
- Implementing measures and monitoring
- Reporting and communication
- Remedy and grievance mechanism

Assessment of human rights risks

Our management strives to prevent potential adverse impact on human rights arising from our business operations. To identify such impact, the following four dimensions have been defined: employees, procurement, our business and investment.

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

In addition to the ESG guidelines, we use a risk mapping tool for human rights. The tool considers the following topics when mapping risks by country: child labour and forced labour, human trafficking, discrimination based on gender, sexuality, race or religion, working conditions (wages, working hours, occupational health and safety, collective bargaining and freedom of association), threats to communities, restrictions on people's liberty or freedom, and international and domestic conflicts. On the subject of sector risks, the tool focuses on working conditions, child labour and forced labour, occupational health risks, and the sources of commodities.

Measures to manage human rights risks

a) Measures for each risk dimension

For each of the four risk dimensions which have been defined (employees, procurement, 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 offering adequate working conditions for our staff. This entails aspects such as 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 we do 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 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 – NewRe expects its business partners to likewise commit to those of our principles that explicitly cover human rights and labour standards.

NewRe, where appropriate, includes a corporate responsibility clause in supplier agreements. We obligate our suppliers to recognise the UN Global Compact. In 2021, compliance with UNGC criteria was anchored within the Munich Re Group including NewRe in approximately 80% of the framework agreements for reinsurance. 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, NewRe reserves the right of extraordinary termination for good cause.

Reinsurance

We have set out in underwriting guidelines how underwriters and client managers are to handle ESG risks in insurance business.

In our 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 departments comes to the conclusion that there is significant reputational risk, the issue is escalated to the Reputational Risk Committee of Munich Re.

Investment

We take a responsible investment approach by observing the Principles for Responsible Investment (PRI) and Munich Re's Group-wide Responsible Investment Guideline (RIG). Sensitive issues that could lead to reputational risks are dealt with in adherence to management and compliance processes as well as through the Reputational Risk Committee of Munich Re.

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 NewRe allows employees to report potential or actual human rights violations. Employees can access the portal by using the internal web. Employees can also report incidents to their direct managers or the Legal & Compliance department. This means that relevant information can be passed on safely, confidentially and, if desired, anonymously.

We encourage employees to use the platform to report possible violations involving corruption, financial sanctions, fraud, antitrust, regulatory framework, money laundering, tax compliance, sales compliance, insider trading and 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).

The Legal & Compliance department investigates a matter if we become aware of a possible human rights violation. The investigations to be initiated and the procedure 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 topics such as full equality, reporting of infringements, data protection and corruption.

We coordinate the implementation of the Principles for Sustainable Insurance (PSI) and the integration of ESG aspects in our business with Munich Re's corporate responsibility experts. With this in mind, we provide relevant training for managers, underwriters and client managers in the different departments.

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 Munich Re 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.
- In addition, Munich Re will analyse the existing internal processes for human rights compliance by 2023 in order to meet the legal requirements in the Group. Accordingly, a Group-wide project has been launched by the ESG Committee in November 2021 with the aim of reviewing our human rights due diligence process in 2022.
- The core-model built by Munich Re for digital supplier management which went live at the Munich headquarters in 2020 will be rolled out globally over the next three years, and will enable improved accessibility, acceptance and documentation of the UN Global Compact Principles throughout our global supply base in the reinsurance segment. Through use of the global core model and the associated standardised supplier onboarding/contracting process, UNGC coverage is expected to reach 95% in the medium term in the reinsurance segment within the Munich Re Group.
- Naturally, the human right to health continued to be a particular concern for NewRe in 2021. Our comprehensive hygiene concept helped to protect our staff against infection with SARS-CoV-2 through a variety of work-safety measures. Our plan included 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. NewRe made it possible for the vast majority of the workforce to work from home. Consequently, only a small number of employees worked in the office during the lockdown periods. Increased flexibility in working hours enabled parents to balance childcare, home schooling and work while observing all social distancing rules.

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