

DECLARATION OF PRINCIPLES

DECLARATION OF PRINCIPLES ON THE ACT ON
CORPORATE DUE DILIGENCE OBLIGATIONS IN SUPPLY CHAINS

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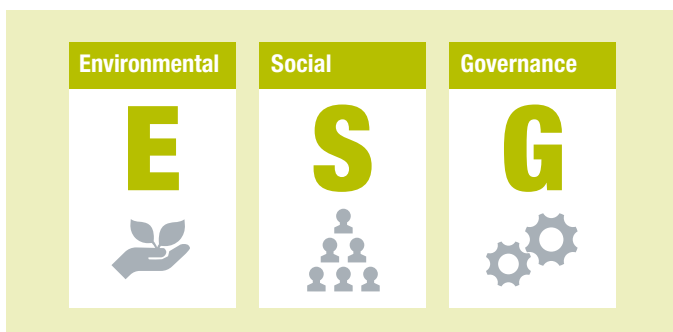
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DECLARATION

Based on the philosophy of mutual support and solidarity, the VHV Group assumes responsibility for the social and ecological challenges of our time. It therefore sees the reorganisation of the economy and society for a sustainable future as a central and corporate responsibility towards current and future generations.

For this reason, the VHV Group conducts its business activities under the aspect of sustainability and has drawn up an independent sustainability strategy for this purpose in 2021. It understands sustainability to mean long-term financial orientation and long-term hedging of risks, taking into account environmental and social concerns as well as proper and ethical corporate governance. The three ESG criteria for sustainable business are at the centre of the sustainability strategy:



The three criteria illustrate how broadly the topic of sustainability should be considered today. They range from equal opportunities for employees to product development and sustainable financing strategies.

The VHV Group understands social responsibility to mean fair and respectful cooperation, which demands and promotes diversity and equal opportunities, fair pay and healthy and safe working conditions, among other things. This responsibility is closely linked to the Code of Conduct for employees of the VHV Group, which manifests the standards of behaviour in interpersonal dealings and the Group-wide values.

The VHV Group regards respect for human and environmental rights as a fundamental component of social responsibility. Corporate due diligence to protect these rights encompasses our own business operations and all suppliers along the supply chain. The VHV Group does not accept or tolerate violations of human and environmental rights in any form. The VHV Group is therefore actively committed to the following protected legal positions and thus follows § 2 of the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG):

Prohibition of child labour
Prohibition of forced labour and all forms of slavery
Prohibition of discrimination
Appropriate remuneration for work performed
Protection of labour rights and occupational safety
Protection of the right to form a coalition or association and the right to collective bargaining
Lawful use of private and public security forces
Protection of land rights
Protection of environmental rights

With this policy statement on LkSG, the VHV Group makes a clear and unambiguous commitment to its understanding of values and its social responsibility. The VHV Group undertakes to observe the human rights and environmental due diligence obligations set out in LkSG in its own business operations and in its supply chain in an appropriate manner with the aim of preventing or minimising human rights or environmental risks or ending violations of human rights or environmental obligations.

THE MANAGEMENT BOARD

Thomas Voigt / Arndt Bickhoff / Frank Hilbert /
Dr Sebastian Reddemann / Ulrich Schneider / Sebastian Stark

IMPLEMENTATION

The VHV Group is an international company and considers human rights and environmental risks in a global context. In order to adequately comply with the human rights and environmental due diligence obligations set out in LkSG, the VHV Group identifies and assesses the associated risks across national borders. Its aim is to protect the legal positions described in LkSG in order to contribute to fair coexistence.

Prohibition of child labour



The VHV Group condemns all forms of child labour as defined by the core labour standard of the International Labour Organization of the United Nations (ILO). It does not tolerate any form of child trafficking, child prostitution or any other practices that violate the rights of children and jeopardise their freedom and development through harmful working conditions.

Prohibition of forced labour and all forms of slavery



The VHV Group rejects the use of forced labour, compulsory labour and slavery within the meaning of LkSG in its own business area and in its supply chain. This includes:

- Exercise of forced labour for political re-education
- Debt bondage, serfdom or human trafficking
- Sexual exploitation or humiliation



Prohibition of discrimination



The VHV Group does not tolerate discrimination or unequal treatment in the workplace, e.g. due to:

- National or ethnic origin
- Social background
- Health status
- Disability
- Sexual orientation
- Age
- Gender
- Political opinion
- Religion
- World view

Appropriate remuneration for work performed



The VHV Group upholds the principle of equal pay for work of equal value. This includes appropriate and timely remuneration that enables employees to secure their livelihood or maintain their livelihood. Remuneration must also correspond to at least the statutory minimum wage in the respective country and, where applicable, the legally guaranteed minimum wage or minimum standards in the respective economic sectors.

Protection of labour rights and occupational safety



The protection of employees is a top priority for the VHV Group. The VHV Group respects compliance with the applicable labour protection laws. Universally applicable safety standards ensure uniform observance of occupational safety with regard to location, workplace and the work equipment provided.

Protection of the right to form a coalition or association and the right to collective bargaining



The VHV Group respects the right to freedom of association and thus the right of employees to form a trade union, to join a trade union and the right to strike and collective bargaining.

Lawful use of private and public security forces



When deploying security services, the VHV Group ensures that they respect human rights and do not act unlawfully. This includes the prohibition of torture and unlawful humiliating treatment as well as the right to the integrity of life and limb and the maintenance of freedom of association and organise.

Protection of land rights



The VHV Group condemns all forms of illegal and human rights violating land seizures. This includes forced evictions as well as the seizure of land, forests and water for personal gain, which deprives people or communities of their livelihoods.

Protection of environmental rights



The VHV Group is committed to protecting environmental rights and does not tolerate any violations of environmental rights in its own company or in its own supply chain.



The VHV Group determines the risks associated with the above-mentioned legal positions for its own business area and its direct suppliers by means of appropriate risk analyses in order to identify and minimise, as far as possible, any violations of human rights or environmental rights. To this end, the VHV Group has appropriately expanded its existing Group-wide risk management system. The VHV Group attaches great importance to risk management. The risk management methods are continuously developed and improved. Risk management serves to ensure the appropriate risk-bearing capacity and thus the long-term and sustainable existence of the VHV Group and the individual insurance companies. The main objectives of risk management are:

- Consistent establishment of the risk culture within the VHV Group
- Supporting and safeguarding the business strategy
- Creation of transparency for all material risks and appropriate risk management
- Fulfilment of legal and regulatory requirements for risk management

If the VHV Group identifies a risk as part of the risk analysis, it establishes appropriate preventive measures. If it determines that a violation of a human rights-related or environmental obligation has already occurred or is imminent in its own business area or at a direct supplier, it immediately takes appropriate remedial measures.

As an overarching preventive measure, the VHV Group is guided by internationally recognised goals, values, principles and standards. In its thoughts and actions, the VHV Group is guided in particular by:

International Human Rights Charter of the United Nations (UN)

UN Guiding Principles on Business and Human Rights

Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work

Principles of the UN Global Compact

Principles for Sustainable Insurance (PSI)

Principles for Responsible Investment (PRI)

UN Sustainable Development Goals (SDGs)

In order to adequately observe the human rights and environmental due diligence obligations, the VHV Group specifies and supplements the above-mentioned guidelines and standards in guidelines for:

- Rules and principles of behaviour for employees
- Appropriate organisation of the employee remuneration system
- Rules and principles of conduct for dealing with external service providers
- Compliance management system
- Data protection management system
- Sustainability management system
- Environmental management system
- Prevention of money laundering
- Financial sanctions and embargoes



The following sub-chapters describe the procedure for appropriate risk management in relation to human rights and environmental risks in order to comply with due diligence obligations.

RISK ANALYSIS

The risk analysis is carried out on an annual basis and on an ad hoc basis for the company's own business activities and its direct suppliers. Indirect suppliers are subject to ad hoc audits. The risk analysis in the company's own business area and for direct suppliers is initially carried out in an abstract manner using industry- and country-specific risk assessments. If suspicions arise from the abstract analysis, they are specified and prioritised based on the following points along the legal positions of LkSG:

Type and scope of the business activity affected
Probability of occurrence of the risk
Severity of the loss in terms of extent, number of persons affected and irreversibility
Influence of the VHV Group and its direct suppliers
Contribution of the VHV Group to individual risks and risk areas

In addition to the risk analysis and preventive measures, information from stakeholders or reports via the complaints procedure are also taken into account. The complaints procedure enables individuals to report human rights and environmental risks and breaches of human rights or environmental obligations that have arisen as a result of the VHV Group's business activities in its own business area or those of a direct supplier.

Within the VHV Group division, responsibility for the implementation and monitoring of risk management has been defined by the appointment of an independent Human Rights Officer. The Management Board of the VHV Group informs itself regularly, at least once a year, about the work of the Human Rights Officer.

The results of the analysis of human rights and environmental risks and impacts are incorporated into the corporate decision-making processes. In addition, the risk analysis forms the basis for deriving appropriate preventive and remedial measures as well as the continuous development and improvement of the existing risk management system.

PREVENTIVE AND REMEDIAL MEASURES

If the VHV Group identifies an increased risk of a violation of human or environmental rights as part of its risk analysis, suitable preventive measures are taken to reduce the risk. These preventive measures include for the own business area:

- Implementation of the human rights strategy set out in the declaration of principles in the relevant business activities
- Development and implementation of suitable procurement strategies and purchasing practices
- Carrying out training courses in the relevant business areas
- Implementation of risk-based control measures

The following preventive measures are established for direct suppliers:

- Consideration of human rights and environmental expectations when selecting a direct supplier
- Contractual assurance from a direct supplier that it complies with the human rights and environmental expectations required by the VHV Group and addresses them appropriately along the supply chain
- Carrying out training and further education to enforce the contractual assurances of the direct supplier
- Agreement of appropriate contractual control mechanisms and their risk-based implementation

The VHV Group reviews the effectiveness of the preventive measures annually and on an ad hoc basis if a significant change or significant expansion of the risk situation in its own business area or at its direct supplier is to be expected.

If a suspected case arises during a risk assessment or as a result of a report via the complaints procedure, the situation is carefully and consistently investigated. If violations are substantiated, the VHV Group immediately initiates corrective measures, which are immediately followed by preventive measures to prevent further violations. If the

causes lie in the behaviour of its employees, the measures are taken at the level of personnel law. If violations are identified at direct suppliers of the VHV Group, it reserves the right to impose various consequences. Depending on the severity of the violation, these range from a demand to remedy the violation immediately to contractual steps and termination of the business relationship. In addition, the VHV Group always demands the constructive cooperation of its suppliers to clarify the matter.

COMPLAINTS PROCEDURE

The VHV Group has established a complaints procedure that enables not only employees of the VHV Group, but any group of people, to report concrete evidence and suspicions. Its publicly accessible rules of procedure describe the process and explain to potential whistleblowers what measures are taken to protect against retaliation. The VHV Group does not tolerate or accept any form of retaliation against whistleblowers. All reports received are processed in a confidential manner and as part of a transparent and comprehensible process for the whistleblower.

The content of the notifications in connection with the VHV Group and its supply chain may include, for example:

- Concrete violations of human and environmental rights
- Impending violations of human and environmental rights
- General information on risks to human and environmental rights

The information received through the complaints procedure is used to recognise potentially detrimental effects at an early stage, to prevent violations and, if necessary, to take remedial action.

REPORTING



The VHV Group documents the fulfilment of the due diligence obligations of LkSG within the company on an ongoing basis. The VHV Group publishes an annual report on the fulfilment of its

due diligence obligations in the previous financial year and makes it publicly available free of charge on its website no later than four months after the end of the financial year for a period of seven years.

GLOSSARY

17 Sustainable Development Goals of the UN Agenda 2030	The 17 Sustainable Development Goals with their 169 sub-goals are the core of the UN's 2030 Agenda. They take into account the economic, social and environmental dimensions of sustainable development in a balanced way and, for the first time, bring together poverty reduction and sustainable development in one agenda.
ILO	The International Labour Organization is a specialised agency of the United Nations tasked with promoting social justice and human and labour rights.
LkSG	The Supply Chain Due Diligence Act is the German supply chain law. This German federal law governs the economic activities of companies based in the Federal Republic of Germany – usually with 3,000 or more domestic employees – by imposing human rights due diligence obligations on them, which they must observe within their supply chains.
PRI	The UN Principles for Responsible Investment represent an investor initiative founded in 2006 in partnership with the financial initiative of the UN Environment Programme (UNEP) and the UN Global Compact.
PSI	The UN Principles for Sustainable Insurance (PSI) serve as a guideline for insurers to take sustainability criteria into account in their core business.
SDG	The 17 Sustainable Development Goals (SDGs) are political goals of the United Nations (UN) that are intended to ensure sustainable development at a global economic, social and environmental level.
UN	The United Nations is an intergovernmental association of 193 states and, as a global international organisation, is a fully recognised subject of international law.

LIST OF ABBREVIATIONS

ILO International Labour Organization
LkSG *Lieferkettensorgfaltspflichtengesetz*
(Act on Corporate Due Diligence
Obligations in Supply Chains)

PRI Principles for Responsible Investment
PSI Principles for Sustainable Insurance
SDG Sustainable Development Goals
UN United Nations

LIST OF CONTROLLED ENTITIES OF THE VHV GROUP

The scope of the declaration of principles includes all controlled entities of the VHV Group.
As at 31 December 2022, these were as follows:

Company name	Location
VHV Vereinigte Hannoversche Versicherung a.G.	Hanover, Germany
VHV Holding AG	Hanover, Germany
VHV Allgemeine Versicherung AG	Hanover, Germany
Hannoversche Lebensversicherung AG	Hanover, Germany
Pensionskasse der VHV-Versicherungen	Hanover, Germany
VHV solutions GmbH	Hanover, Germany
VHV digital development GmbH	Hanover, Germany
VHV digital services AG	Hanover, Germany
WAVE Management AG	Hanover, Germany
digital broking GmbH	Hanover, Germany
Eucon GmbH	Münster, Germany
Hannoversche Direktvertriebs-GmbH	Hanover, Germany
Hannoversche-Consult GmbH	Hanover, Germany
InterEurope Beteiligung GmbH	Hanover, Germany
Securess Versicherungsmakler GmbH	Essen, Germany
Securess Mehrfachagentur GmbH	Essen, Germany
VAV Versicherungs-Aktiengesellschaft	Vienna, Austria
VHV Dienstleistungen GmbH	Hanover, Germany
VHV Informatyka Sp.z o.o,	Warsaw, Poland
VHV Reasürans A.Ş.	Istanbul, Turkey
VVH Versicherungsvermittlung Hannover GmbH	Hanover, Germany
Hand schafft Wert GmbH	Münster, Germany
Trustlog GmbH	Hamburg, Germany
Olimpia Managing General Agent S.r.l.	Rome, Italy