



Munich, 17 July 2007

Updated Munich Reinsurance Company's environmental statement for the Munich site for 2006

Munich Reinsurance Company

As a professional reinsurer, Munich Reinsurance Company ("Munich Re") operates worldwide in all classes of insurance. It is the parent company of the Munich Re Group, whose business encompasses reinsurance, primary insurance and asset management. Founded in 1880, Munich Re is one of the oldest reinsurance companies. Reinsurers are risk carriers: they assume the risks covered by primary insurers. Today, Munich Re is one of the largest reinsurers worldwide: 5,000 insurance companies in around 160 countries rely on its expertise and financial strength. Of the gross premiums totalling €17.8bn written in 2006, around 65% came from property-casualty and 35% from life and health business. We reinsure major risks such as oil rigs, satellites, and natural catastrophes, as well as risks arising from the use of genetic engineering and information technology or from the management of companies.

Munich Re in Munich

This environmental statement relates to Munich Re's head office in Munich, where we operate predominantly from our own, as well as from a small number of leased properties. Around 3,600 people are employed at our Munich site. The buildings accommodate not only offices and conference rooms but also infrastructure installations like kitchens, dining rooms, and cafés, computer centres, building automation systems, our international training centre, and underground car parks.

Environmental indicators

Compared with the environmental impact of a manufacturing firm, a financial service provider like Munich Re has a minor direct impact. Nevertheless, we are working hard to reduce our consumption of resources and our emissions. The use of an environmental database has contributed to continually improving data accuracy over the last few years. The following tables provide an overview of the environmentally relevant figures and developments at our Munich site.

Environmental indicators 2004–2006

	2006	2005	2004
Power consumption (kWh per person per year)	6,489	6,527	6,456
Heating (kWh per m ² per year)	144	164	149
Water consumption (litres per person per day)	103	95	94
Copying paper (sheets per person per day)	36	35	38
<i>Of which recycled paper (%)</i>	48	55	58
Business trips (km per person)	10,975	10,659	11,179
CO ₂ emissions excluding RFI (kg per person per day)	24.4	25.0	25.1
CO ₂ emissions including RFI (kg per person per day (1))	36.8	37.2	37.1
Waste from business operations (kg per person per day)	0.8	0.9	0.8

Absolute figures 2004–2006

	Unit	2006	2005	2004
Staff at the Munich site		3,595	3,492	3,331
Working days		250	250	250
Building area (net)	m ²	166,333	168,364	166,605
<i>Of which heated</i>	m ²	89,638	90,972	89,974
Energy				
Electricity	kWh	23,328,792	22,792,041	21,503,851
Emergency diesel (not for heating)	kWh	185,301	24,000	40,320
Gas	kWh	290,425	307,000	195,350
District heating	kWh	12,602,000	14,575,250	13,240,422
Electricity supplied by photovoltaic cells at the Munich site (output)	kWh	41,840	34,258	37,882
Business travel				
Rail	km	779,480	622,775	1,110,489
Car	km	1,033,484	1,022,445	2,211,049
Air (short-haul)	km	2,860,613	3,380,102	2,139,501
Air (long-haul)	km	34,781,591	32,194,775	31,773,375
<i>Total</i>	km	39,455,168	37,220,097	37,234,414
Paper				
Printing and copying paper	Sheets	32,450,500	30,985,000	32,003,075
<i>Of which recycled paper</i>	Sheets	15,532,500	17,067,500	18,725,000
Printed advertising material/public.	t	122	154	166
<i>Of which recycled paper</i>	t	6	12	8
Water				
Drinking water	m ³	90,462	81,800	77,180
Rain water	m ³	1,855	1,550	1,351
Groundwater and surface water	m ³	0	0	0
Waste				
For recycling	t	740	750	700
For disposal	t	0	13	1
CO₂ Emissions				
From energy consumption	t	14,999.6	15,233.3	14,222.0
From business trips excluding RFI	t	6,935.2	6,621.0	6,640.1
From business trips including RFI (1)	t	18,099.1	17,269.6	16,634.7
<i>Total including RFI</i>	t	33,098.7	32,502.9	30,856.7

(1) The Radiative Forcing Index (RFI) has been applied to take account of the higher greenhouse impact of air travel. Currently, CO₂ emissions from air travel must be multiplied by an RFI of 2.7.

Procurement and disposal

When purchasing materials and services we consider not only economic and technical aspects, but also environmental concerns such as production methods, service life and recyclability. Environmental aspects are weighted at 10% in our decisions on where to procure supplies and services. We inform our suppliers and service providers of our ISO14 001 and EMAS certifications, and ask them to pass on the corresponding requirements to their own suppliers.

Apart from IT equipment, paper continues to be one of our most important working materials. The amount of printing and copying paper used by each staff member remained fairly constant in 2006, whilst the share of recycled paper decreased. The introduction of a new printing system should help to reverse this development in 2007 and beyond. For external and in-house publications, a total of 122 tonnes of paper was printed in 2006.

Our purchasing requirements (e.g. for office supplies) are designed to minimise waste from the outset. Waste separation begins at the workplace, where paper, compostable waste, and residual waste is separated on the spot. Both measures helped to keep waste volume at a low level also in 2006.

Water and energy consumption

Power consumption per person and heating per heated square metre decreased in 2006 compared to the previous year. Heating requirements even fell by more than 10%, mostly because of the milder weather in 2006. However, due to the higher temperatures, more water evaporated through the cooling towers, resulting in higher water consumption.

CO₂ emissions

The carbon dioxide emissions result from energy consumption at the Munich site, and staff business travel. There was a slight increase in kilometres traveled per person in 2006 compared to the previous year. Consequently, CO₂ emissions from business travel rose slightly, while emissions from energy consumption decreased. Overall emissions per person per day were lower than in the previous years. We are developing a carbon neutrality strategy as part of our 2007–2009 environmental programme. In this context, we will explore various measures to reduce CO₂ emissions such as increasing energy efficiency, purchasing green power, promoting renewable energies and buying emission credits.

Environmental programme

After completing the 2004–2006 environmental programme, we set up a new one for 2007–2009. It aims at implementing our guiding principles for sustainability in the fields of insurance, asset management and operational ecology. The environmental programme is based on a comprehensive evaluation of environmental aspects. The following table provides an overview of the measures included in the 2007–2009 environmental programme.

Objective	Measures (examples)	Deadline
Reinsurance		
Develop products with a view to environmental and sustainability issues	Starting points, for example, in the fields of environmental liability, renewable energies, Kyoto mechanisms, microinsurance	Ongoing
Develop and enhance sustainability risk assessment and risk management capability	Conduct an analysis of the status quo and work out suitable measures in close coordination with the relevant divisional units	12/09
Raise client awareness and provide consultancy services	Communicate market-specific results of sustainability projects to clients	Ongoing
Asset management		
Implement the UN Principles for Responsible Investment (PRI)	Integration of sustainability criteria in all asset classes	Ongoing
	Implement a country sustainability rating and bond rating	6/07
	Update sustainability criteria for the acquisition of shareholdings	12/08
	Screen shareholdings with a view to sustainability performance and potential risks arising therefrom	9/07
	Report on PRI implementation annually in the sustainability report	Ongoing
Integrate environmental criteria in post-merger integration (PMI) processes	Analyse impact of PMI on environmental management system status	6/08
Take impact of climate change into account in asset allocation and asset-liability management	Analyse impact of climate change on different classes of business	As the occasion arises
	Look into investment strategies to reduce climate change risks in asset allocation and asset-liability management	6/07
Implement environmental considerations in managing real estate used by third parties	Check whether measures can be taken to improve the quality of real estate in environmental terms beyond legal requirements, and whether this is economically viable	12/09
Operational ecology		
Reduce CO ₂ emissions	Develop a carbon neutrality strategy	6/07
	Implement the carbon neutrality (including a 10% cut in CO ₂ emissions per staff member by 2012 compared to the 2006 base year.	12/09
Energy-saving measures	Verify energy savings from restoration projects, heat recovery, energy-saving concept for office computers	12/07
Apply environmental criteria in procurement processes	Heighten chief procurement officers' awareness of environmental criteria	9/08
	Include environmental criteria in new internet purchasing portal to screen potential suppliers	9/08
Reduce paper consumption	Look into possibilities of limiting paper-selection options in copy rooms	12/07
	Check whether in-house training documents can be distributed electronically via the intranet rather than using paper handouts	12/07
Purchase company cars with lower environmental impact	Explore available alternatives (e.g. hybrid cars)	12/08
Promote use of public transport for commuting to the workplace	Explore introduction of commuter ticket scheme	6/07

Objective	Measures (examples)	Deadline
Overriding elements		
Operationalise the guiding principles for sustainability in the organisational units of the Munich Re Group	Anchor the guiding principles for sustainability in operative and central divisions in the 2007 balanced scorecard process	3/08
Expand certified environmental management to the Group companies	Explore expansion of certified environmental management system	Annually
Implement sustainability management in the Group companies	Prepare concept	6/08
Train and raise awareness	Implement and evaluate sustainability module in training programme for insurance specialists	6/08
	Look into possibilities of integrating sustainability and environmental aspects into graduate trainee programmes and other training programmes offered by Munich Re	6/07
	"Tip of the Month" communicated to staff via the intranet	12/07
Communication	Publish sustainability report	8/07
	Develop new forms of reporting on sustainability and environmental protection, taking account of existing ones	6/07
	Gradually set up a Group-wide system for reporting	12/08
	Discuss other communication activities besides the sustainability report in consultation with the senior management/Chairman of the Board	12/08
	Launch intranet site on sustainability management on MR Web International	12/07

A small number of measures from the 2004–2006 environmental programme remained uncompleted. They were included in the new programme for 2007–2009, or will be continued outside the programme.

For more detailed information, for example on product ecology, please see the Socially Responsible Investment (SRI) Report No. 3 on our website.

Environmental management

Munich Re's environmental management system for the Munich site has been certified since December 2000. In December 2006, an independent accredited environmental verifier again inspected the system and gave it a very positive assessment: it continues to meet the requirements of ISO14 001:2004 and the EMAS regulation.

Due to an internal reorganisation, the Environmental Management Unit responsible for designing and implementing the environmental management system was merged with the Group's Sustainability Management, which is part of Group Development. In connection with this change, Dr. Nikolaus von Bomhard, Chairman of Munich Re's Board of Management, assumed responsibility for environmental issues at Board level.

On 1 January 2007, Jürgen Fischer, Head of Sustainability Management, took over the role of Environmental Officer from Prof. Peter Höppe. The Environmental Officer performs varied duties within Munich Re's environmental management system. This includes coordinating the way the company presents itself to target groups regarding environmental protection and sustainable development issues, advising the Board of Management on strategic sustainability issues, and reporting regularly to the Board on environmental protection performance and the application and effectiveness of the environmental management system.

In his 2006 audit report, the accredited environmental verifier not only commented positively on the high technical standards achieved in environmental protection and safety at work, but particularly praised the fact that environmental protection and sustainability issues were now part of Group Development and that the Chairman of the Board of Management had assumed responsibility for these issues at Board level.

Communication

This 2006 update of the environmental statement for our Munich site complements the consolidated 2005 environmental statement published in June 2006. The next consolidated environmental statement will be published in June 2009 as part of our 2008 sustainability reporting.

More information about the environmental management system and sustainability management at Munich Re is available on the internet at www.munichre.com >> Corporate >> Sustainability. Here you can also find our SRI report specially addressed to sustainability analysts.

Please do not hesitate to contact us if you need additional information. Simply send your questions or comments to sustainability@munichre.com.

If you need a printed copy of our environmental statement, please let us know.

We are currently working on our sustainability reporting, and will establish an online portal on our website for this purpose. Publication is planned for August 2007.

Validation

The environmental policy, environmental objectives, environmental programme, environmental management system, and environmental audit implemented by Munich Reinsurance Company, 80802 Munich, comply with the requirements of Regulation (EC) 761/2001 (as amended by EC No. 196/2006, published in the EU Official Journal L 32/6 on 4 February 2006).

The data and information in this environmental statement are reliable. They provide a fair and true picture of the environmental relevance of all activities at the site.

The next consolidated environmental statement will be published as at June 2009. The environmental statement will be updated in the spring of 2008.

Braunschweig, 17 July 2007



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