

Munich Re Group

Berenberg CSO Conference

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Munich Re approach to decarbonisation

Group Ambition 2025 and beyond

Today

2025

Long-term

— As per financial year 2022 —

Assets | Financed GHG emissions¹

No direct investment in listed companies with
 >15% revenue thermal coal²
 >10% revenue oil sands

Oil and gas companies³

- No new direct investment in pure-play oil and gas
- Net-zero commitment from integrated oil and gas companies required as of 2025⁴

No direct illiquid investments in new oil and gas fields, midstream oil infrastructure and oil-fired power plants⁵

Target

Thermal coal⁶
 –35% emissions

Oil and gas⁶
 –25% emissions

Total⁶
 –25% to –29% emissions

Target

Thermal coal
 Full exit by 2040

Total
 Net-zero by 2050

Achievement

Thermal coal
 –48% emissions

Oil and gas
 –29% emissions

Total
 –46% emissions

Liabilities | Insurance-related GHG emissions⁷

Thermal coal

No insurance for new coal mining, power plants, related infrastructure⁸

Oil and gas – exploration and production

No insurance for new and existing oil sand sites and related infrastructure⁹, arctic exposure and infrastructure¹⁰

No insurance for new oil and gas fields, midstream oil infrastructure and oil-fired power plants⁵

Target

Thermal coal
 –35% emissions¹¹

Oil and gas
 –5% emissions¹²

Target

Thermal coal
 Full exit by 2040
 (incl. treaty insurance)

Total
 Net-zero by 2050

Achievement

Coal-fired power plants
 –29% emissions
 Thermal coal mining
 –37% emissions

Oil and gas
 –40% emissions

Own Operations | GHG emissions from operational processes¹³

Munich headquarters net-zero emissions (via carbon removal certificates)

All other Group entities neutral emissions (via carbon avoidance certificates)

Target

Per employee
 –12% emissions

Target

Total
 Net-zero by 2030

Achievement

Per employee
 –22% emissions

All Greenhouse Gas (GHG) emissions are measured in CO₂-equivalent (CO₂e). Base year 2019 for all target and achievement numbers. Exceptions to policies can only be granted by a committee at Board level.

1 Scope 1 and 2.

2 Exceptions for companies with revenues in thermal coal between 15% and 30% are possible in individual cases, where an active engagement dialogue has been established with the company.

3 Direct investments in equities or corporate bonds from listed oil and gas companies.

4 For companies with highest relative and absolute emissions.

5 Applicable for contracts/projects exclusively covering the planning, financing, construction or operation which have not yet been under production (fields) or construction or operation (infrastructure and plants) as at 31 December 2022.

6 Listed equities, corporate bonds and - for total - direct real estate.

7 Applies to primary insurance, direct and facultative (re)insurance.

8 On single location standalone risks.

9 On single location standalone risks; for mixed coverage above a certain threshold.

10 For exclusive coverages; for mixed coverages above a certain threshold.

11 "Produced tonnes of thermal coal or MW capacity of insureds" used as proxy for emissions.

12 Operational property, scope 1-3 life-cycle emissions; utilising the expertise of HSB Solomon.

13 Scope 1, 2 and 3 (business travel, paper, water, waste)

Our Low-Carbon insurance solutions and ESG-focus investments aim to contribute positively to our ESG strategy

Low-Carbon Solutions

To qualify as low-carbon solutions in the environmental dimension, the solution must cover directly and exclusively, e.g.

- Generating, transmitting, storing, distributing or using renewable energy
- Increasing clean or climate-neutral mobility
- Establishing energy infrastructure required to enable the decarbonisation of energy systems
- Use of environmentally safe carbon capture and utilisation (CCU) and carbon capture and storage (CCS) technologies

This includes e.g. Green-Tech Solutions which aim to support the energy transition by absorbing the technical risks involved.

>€300m premium by low carbon solutions in 2022

ESG-Focus Investments

Munich Re uses economically sound investment opportunities to create potential for positive impact. These include investments in renewable energy, forests with certified management, certified buildings, and green bonds.

	31.12.2022 €m
Green bonds	2,326
Renewables	2,368
Certified real estate	2,633
Certified forestry management	1,537

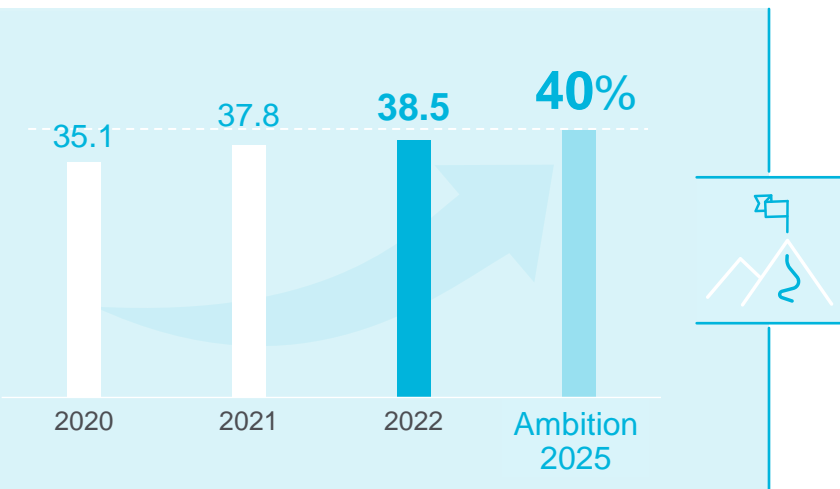
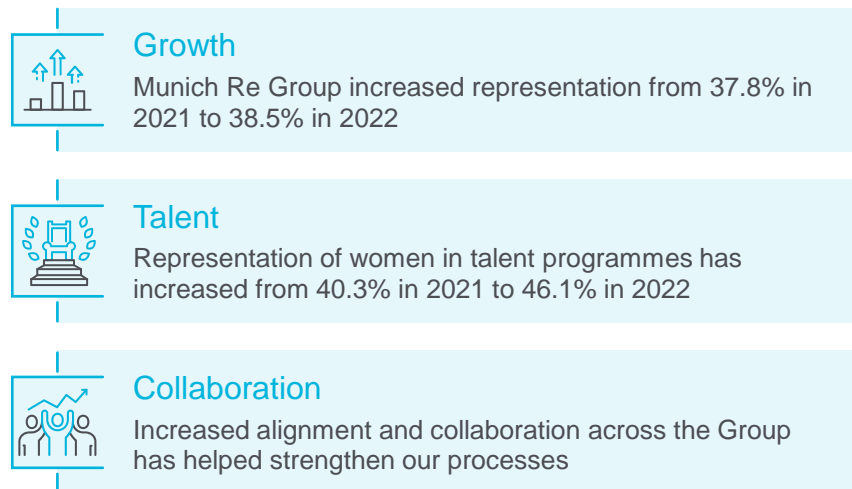
Investments (equity and debt) in renewable energy targeted to increase to €3bn by 2025

Gender ambition 2025

Approaching the targeted 40% women in leadership roles

Share of women at management level

Achievements in 2022

Three key areas of achievement are highlighted in light blue boxes, each with an icon and a brief description:

- Growth** (Icon: bar chart with upward arrows)

Munich Re Group increased representation from 37.8% in 2021 to 38.5% in 2022
- Talent** (Icon: graduation cap with laurel wreath)

Representation of women in talent programmes has increased from 40.3% in 2021 to 46.1% in 2022
- Collaboration** (Icon: three people with an upward arrow)

Increased alignment and collaboration across the Group has helped strengthen our processes

Further expansion of diversity, equity and inclusion engagement for the Group concerning additional dimensions of diversity will take place

Governance

Structures at Board and Management level

Supervisory Board



Audit Committee

Monitoring ESG risks



Praesidium and Sustainability Committee

Regularly addresses sustainability-related issues

ESG Committee



Members

- Group CEO¹
- Group CFO
- Reinsurance CEO
- ERGO CEO
- Chief Investment Officer
- Head of Economics, Sustainability and Public Affairs (non-voting)

ESG Management Team



Members

- Head of Economics, Sustainability and Public Affairs¹
- Head of Sustainability
- Chief Underwriting Officer Reinsurance
- Chief Underwriting Officer ERGO
- Head of Strategic Asset Allocation Group
- Head of Corporate Underwriting Reinsurance
- Head of Financial and Regulatory Reporting



Tasks

Overall responsibility for ESG-related strategic decisions



Tasks

Ensuring group-wide ESG strategy implementation

Group Sustainability Department

Supporting ESG Management Team/Committee, and business units

Insurance

Topic experts and ESG teams of business fields

Investment

ESG teams at Group Investment Management and MEAG

Central functions

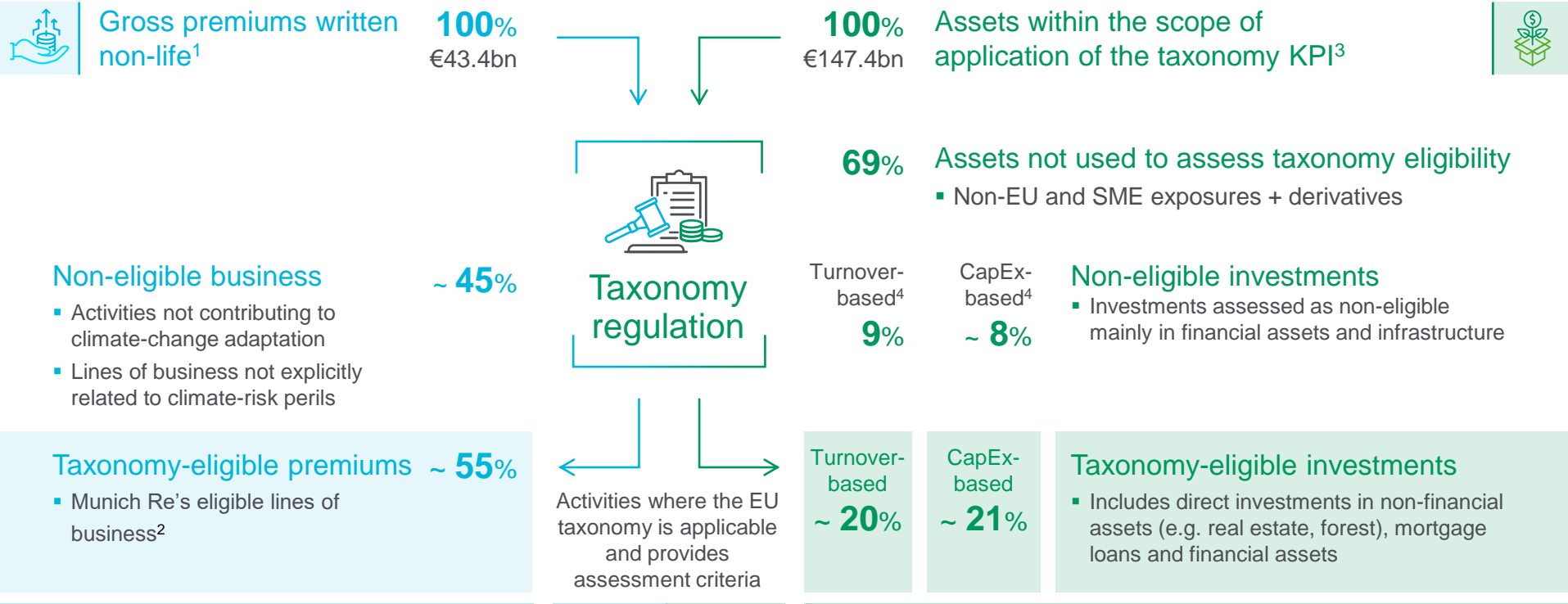
Including HR, Risk Management, Legal and Compliance, Services, Communication, Reporting, etc.

Remuneration system for members of the Board of Management

Relative share		Component	Performance criteria	Target corridor	Evaluation	Payment (form, time)	Further components	
Fixed remuneration	~ 49%	Basic remuneration	<ul style="list-style-type: none"> Function Responsibility Length of service on Board 	-	-	Cash remuneration, monthly	Shareholding obligation (Share Ownership Guidelines)	
	~ 1%	Regular fringe benefits/remuneration in kind		As of 1 January 2021, no employer-financed pension scheme for new members of the Board of Management and members of the Board of Management who were members of the Board before 2021 and decided within the scope of their voting rights to switch to the new system			<ul style="list-style-type: none"> 100% of annual gross basic remuneration during the period of service on the BoM 5-year build-up phase or 2 years if service on the BoM commenced before 2019 obligation to provide proof 	
Variable remuneration (100% evaluation)	~ 15%	Annual bonus (AB)	IFRS consolidated result	Scaling 0–100%/100–200% 0% = T - (2*X) 100% = T 200% = T + X T = Target in €m X = Deviation in €m (T and X determined annually)	Achievement of annual target	Overall performance assessment for AB + MYB (bonus/malus aspects) Adjustment of target achievement by Supervisory Board, taking into account individual and collective management performance	Cash remuneration, in the year after the one-year plan term	Assessment of appropriateness of total remuneration
	~ 35% (thereof ~ 28% TSR, ~ 7% ESG)	Multi-year bonus (MYB) Term: 4 years	80% Total Shareholder Return (TSR) of Munich Re shares in comparison with a defined peer group (Peer group: Allianz, AXA, Generali, Hannover Re, SCOR, Swiss Re, Zurich Insurance Group)	Linear scaling 0–200% 0% = lowest TSR in peer group 200% = highest TSR in peer group	Performance of Munich Re shares in comparison with peer group	<ul style="list-style-type: none"> Loading/reduction of up to 10 pp based on ESG criteria Loading/reduction of up to 10 pp based on success and performance criteria (including situation, performance and future prospects of the Company) 	Cash remuneration, in the year after the four-year plan term	<ul style="list-style-type: none"> in comparison with the market → DAX30 companies within the Company → upper management and staff overall (also over time)
			20% ESG-Target(s)	Scaling 0–200% 100% = Target	Achievement of multi-year target(s)			Malus/Clawback → retention and compensation of variable remuneration possible
	No subsequent adjustment of target values/comparative parameters for annual and multi-year bonus							Remuneration for seats held on other boards → to be paid over to Company
							Severance payment cap → two years' remuneration, no more than remaining term of the Board member's contract if that term is shorter	
100%		Target overall remuneration (total remuneration for 100% evaluation of the variable remuneration components)					In the event of post-contractual non-competition agreement → severance payments are taken into account in compensation for the period of competitive restriction	

The defined **maximum remuneration** for the BoM function groups **Chair (€9.5m)** and **ordinary member (€7.0m)** limits the **overall remuneration (including irregular/event-related fringe benefits, e.g. removal costs, compensation for bonuses forfeited at previous employers)** allocable to a financial year.

Disclosure of taxonomy-eligible investments and liabilities



Figures as at 31.12.2022, Munich Re Group. ¹ Only non-life premiums are relevant for taxonomy reporting. ² LoBs: workers' compensation; marine, aviation and transport; other than MTPL motor; fire and other damage to property. ³ Taxonomy regulation excludes government exposure, as well as other assets (e.g. receivables on reinsurance business, DTAs and cash) from numerator and denominator. ⁴ In addition, assets from financial investee undertakings not used to assess taxonomy-eligibility are excluded from the eligibility assessment (~ 2%, both Turnover- and CapEx-based).

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