

# Corporate Responsibility

## Report 2013/2014



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"A sustainable and responsible approach is key for our core business."

Dr. Josep Santacreu, Chairman of the Board of Management, DKV Seguros y Reaseguros S.A., Spain Munich Re (Group)



Munich Re

Related topics

- » Management
- » Solutions
- » Commitment
- » Facts and figures

## Strategy and challenges

Corporate responsibility at Munich Re – Living up to our responsibility

**Munich Re consistently pursues its entrepreneurial guiding principle of turning risk into value. A responsible and forward-looking approach – our corporate responsibility – determines the way we deal with the risks and opportunities presented by the challenges of our time. We are therefore clearly committed to sustainable management, to the development of appropriate solutions and insurance products, to environmental protection, and to fulfilling our social responsibilities.**

The business model of insurance is built on the insurer's ability to always meet the obligations assumed under its contracts. Our clients' confidence in our financial and operational stability is hence the basis of our business. That is why our business model is more than ever inseparably tied to the know-how needed to assess risks and to long-term, responsible management.

### Corporate responsibility strategy

Our activities are based on a Group-wide corporate responsibility strategy, adopted by the Board of Management in March 2011 and an integral part of our Group's Core Principles since 2013. Its main objective is the integration of corporate responsibility aspects into our business, the protection of natural resources, and our social commitment.

The strategy also includes ongoing and open dialogue with our stakeholders: investors, clients, staff, NGOs and representatives from the world of science and politics. This exchange enables us to identify important social challenges and changes, for which we offer suitable business solutions or develop them for the future.

### Taking challenges head on, identifying potential

In dialogue with stakeholders, Munich Re has defined four key topic areas: climate change, increasing globalisation of the financial markets, demographic change, and access to financial solutions for lower-income sections of the population in emerging and developing countries. We aim to identify the key drivers, to understand new developments and to meet challenges with our core business – for instance, through innovative coverage concepts and new collaborations with national and international partners.

## Strategy and challenges

### Strategy

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### Challenges

- » Climate change
- » Globalised finance markets
- » Demographic change
- » Access to financial solutions

## Strategy



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Ladies and Gentlemen,

As an insurer and reinsurer, every day, we make what are often long-term commitments for our clients. Our ability to meet these commitments at any time is of utmost importance to us and assumes sustainable, forward-looking management of our affairs. This is the key to meeting the demands of our clients over the long term and thus also of our shareholders.

But as a Group with operations throughout the world, we also live up to our corporate responsibility by consistently and critically examining – and if necessary modifying – the impact of our business activities on society and the environment. As part of this process, we go beyond what the law requires and have undertaken to comply with more stringent standards. These include the UN Global Compact, the Principles for Responsible Investment (PRI), and the Principles for Sustainable Insurance (PSI). We are convinced that acting with a sense of responsibility is of paramount importance for all our activities.

The objective of our environmental management system is to achieve CO<sub>2</sub> neutrality across the entire Group by 2015. As far as our investments are concerned, by far the biggest part of these are in equities or corporate and government bonds with recognised sustainability standards. You will find further information on this subject and also links to our progress reports on the UNGC, PSI and PRI on this corporate responsibility portal.

It goes without saying that we also systematically incorporate sustainability criteria all along the value creation chain of our core business, insurance and reinsurance. This is a continuously challenging task. It does not appear to us that this objective is achieved, for instance, by making an across-the-board judgement of entire industrial sectors or particular forms of cover based on rigid rules. On the contrary, we define fundamental standards and thus create a framework to serve as a guide. This enables our staff, in a specific case, to take the relevant criteria into consideration in their decision-making.

We are firmly convinced that responsible actions on the part of the company and every single employee promote our business interests over the long term – for our customers, shareholders and staff, and also for the environment and society. Our corporate responsibility portal contains further information on this and on our social commitment.

Only companies that regard corporate responsibility as an integral component of their company strategy can enjoy long-term success in business. The positive feed-back which we receive from across the world to our approach is reflected in the relevant ratings and awards. They are at the same time acknowledgement of our work and an incentive for us.

I wish you a stimulating read.

Yours sincerely,



Dr. Nikolaus von Bomhard  
Chairman of the Board of Management

June 2014



Dr. Nikolaus von Bomhard  
Chairman of the Board of Management

## Strategy



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## Our guiding principles

**For Munich Re, a forward-looking and responsible approach is axiomatic. Corporate responsibility is therefore an essential component of our Group strategy and a standard that applies throughout the Group.**

Insurance and corporate responsibility are essentially the same in that they both signify a promise for the future. As insurers, our existence is dependent on the trust of our clients and investors. In order to keep our promises, we always have to bear in mind the medium- to long-term orientation of our strategy. For us, achieving sustainably profitable growth and fulfilling societal obligations are in no way contradictory.

A key aim of our business strategy is to create sustained value for our clients, shareholders, staff members and society as a whole. That is why corporate responsibility is an indispensable part of our Group strategy. For us, this means:

- We incorporate ecological, social and ethical aspects in our insurance business and asset management.
- We have active environmental management at our locations and are endeavouring to achieve climate neutrality.
- Munich Re fulfills its responsibility as a member of society (corporate citizen) through involvement in issues closely related to its core business and, at its locations, in social and cultural areas.

By consistently integrating corporate responsibility in the Group strategy, we are seeking to

- make a contribution to the profitable growth of the Munich Re Group,
- identify business risks and opportunities as early as possible,
- bring our expertise to bear on decision-making regarding global risks,
- further enhance Munich Re's reputation and image with all stakeholders,
- and increase the value of Munich Re's shares.

### Related topics

- » [Field of action](#)
- » [Objectives and measures](#)
- » [Milestones](#)
- » [Management](#)
- » [Solutions](#)
- » [Commitment](#)

### External links

- » [UN Global Compact](#)

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## Corporate responsibility at work

**With its five fields of action, our corporate responsibility strategy sets binding requirements for specific objectives in our Group-wide activities.**

These fields of action embrace the three core activities of our guiding principles, paired with targeted management and the corresponding reporting and communication with our stakeholders.

### Corporate Responsibility's fields of action



<sup>1</sup> CR = Corporate Responsibility  
<sup>2</sup> PSI = UN Principles for Sustainable Insurance (signed by Munich Re in 2012)  
<sup>3</sup> PRI = UN Principles for Responsible Investment (signed by Munich Re in 2006)

### Related topics

- » Strategy and challenges
- » Management
- » Solutions
- » Commitment
- » Facts and Figures

### External links

- » United Nations Global Compact
- » Principles for Responsible Investment (PRI)
- » Principles for Sustainable Insurance (PSI)
- » Corporate Responsibility at ERGO

### Strategy and governance – Binding requirements

In implementing CR in our structures and processes, we take the principles of the Global Compact as our guides. That is why we have added these principles to our Code of Conduct for all staff members. They cover the areas of human rights, labour standards, environmental protection and corruption prevention. The [Group Corporate Responsibility Committee](#) (GCRC) was created in 2013 to manage these activities throughout the Group. The open and continual dialogue with our stakeholders and the insights resulting from it give us important ideas and impetus to develop our corporate responsibility strategy further.

### Corporate responsibility in our core business – Setting standards

We are convinced that only through responsible, long-term action will we continue to succeed in putting our business concept into practice. The Principles for Sustainable Insurance (PSI), which we played an active role in formulating and signed in 2012, serve us as guides for anchoring environmental, social and governance (ESG) aspects more firmly in our core business. By taking ESG aspects into account along the entire value chain of our business, we add an important level to our risk management. Also in making investment decisions, we bear sustainability criteria in mind and have applied the Principles for Responsible Investment (PRI) since 2006.

### Environmental management – Applicable worldwide

We take a systematic approach to environmental protection. Since 2012, a Group-wide framework has been used to define objectives and guidelines for environmental management, regulate personal and organisational areas of responsibility and prescribe standards for implementation. We have already introduced environmental management systems at most of our sites. Munich Re is striving to achieve carbon neutrality for all its business operations. We made the entire reinsurance group and ERGO Germany carbon-neutral in 2012, and incorporated major locations of ERGO International in our carbon neutrality strategy in 2013. We are achieving carbon neutrality in three stages. Emissions from our business operations (i.e. from energy consumption, travel, paper, water and refuse) will be reduced by 10% in the period from 2009 to 2015, conventional power will be replaced – where possible and expedient – with green power and the remaining emissions will be compensated by purchasing emission certificates.

### Corporate citizenship – Taking responsibility

Munich Re's understanding of corporate responsibility has always involved assuming responsibility for the communities in which we live and work. Our concept of [corporate citizenship](#) provides the framework for linking our involvement in the form of donations, social sponsoring and corporate volunteering even more strongly with content that is important for business. In addition to our activities in the areas of the environment, natural catastrophes, demographic change and health, Munich Re supports education and science as well as social and cultural projects at its business locations.

### Reporting and communications – Creating transparency

By reporting both internally and externally on the various corporate responsibility activities, we provide our stakeholders with complete and timely information. In this context, our Corporate Responsibility Portal is a central medium through which we describe our strategy, objectives, measures and progress. Our aim is to steadily expand our dialogue with stakeholders through expert communications and topic-specific events and thus further enhance the quality of reporting.

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## Organisational positioning of Corporate Responsibility

**Corporate Responsibility has a central role in Munich Re's Group strategy and is part of the responsibility of Munich Re Group's Chairman of the Board of Management.**

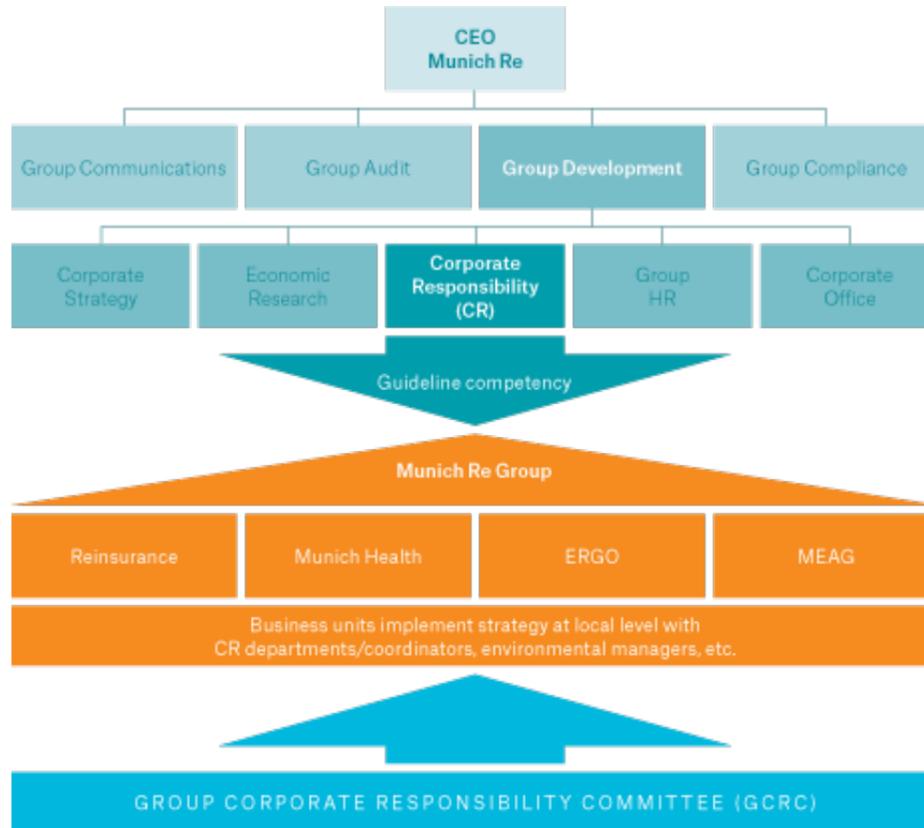
Starting in 2008, we concentrated Corporate Responsibility (CR) at our Munich headquarters in a unit dedicated specifically to this purpose. Organisationally, this department is subsumed under Group Development, the central division responsible for developing the Group strategy for the entire Munich Re Group.

Group Development reports directly to the Chairman of the Board of Management, who therefore receives information on our CR activities immediately and stipulates the appropriate objectives and measures. The CR department performs its tasks at Group level and in direct consultation with ERGO. The department is responsible for establishing guidelines for our core CR strategy activities. With a function mirroring that of Group CR, Corporate Responsibility at ERGO is likewise a dedicated department within Group Development and part of the Chairman of the Board of Management's area of responsibility.

The Group Corporate Responsibility Committee (GCRC) was created at the beginning of 2013 to handle the steering and coordination of CR activities throughout the Group.

### Related topics

» [Our guiding principles](#)



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## Mandatory requirements for the achievement of objectives

We have set mandatory objectives for our five areas of action with a view to implementing our corporate responsibility strategy across the entire Group. On this basis, we have defined measures and projects to reach these objectives.

### Current objectives and measures

The table below shows the main objectives and areas of action that we are currently pursuing, the resultant measures, the status of implementation in 2013 and the new objectives for 2014 and beyond.

#### Strategy and governance

Objective	Measure	Deadline	Status 2013
Implementation and adjustment of Group-wide corporate responsibility (CR) governance	Corporate responsibility (CR) integrated into the core principles of Munich Re	2013	Met
	UN Global Compact anchored in the Code of Conduct	2013	Met
Ensure that Munich Re (Group) fulfils its obligations by means of the CR strategy » <a href="#">United Nations Global Compact</a> » <a href="#">Principles for Responsible Investment (PRI)</a> » <a href="#">Principles for Sustainable Insurance (PSI)</a>	Review and update the Group-wide CR objectives and areas of action in order to further develop the strategy	Ongoing, every year	Met
	Internal CR 2012/13 Performance Report submitted to the Group Corporate Responsibility Committee (GCRC) and ratified » <a href="#">Group Corporate Responsibility Committee (GCRC)</a>	Ongoing, every year	Met

#### Corporate responsibility in business

Objectives	Measure	Deadline	Status 2013
Integration of ESG aspects <sup>1</sup> into core business (along the entire value chain) based on the Principles for Sustainable Insurance (PSI)	Establishment of the Group Corporate Responsibility Committee (GCRC) whose work includes addressing sensitive topics	2013	Met
	Continuation of the pilot projects already launched	2012 to 2013	Met
	Development of a framework for integrating ESG aspects into our core business, with focal points in the individual business fields	2014 to 2016	New objective, initial actions taken
Information to all staff about ESG aspects: integration of ESG aspects is part of our dialogue with clients and other stakeholders	Measures to increase awareness among selected employee groups	2012 to 2013	Met
	Expansion of dialogue on PSI with business partners	2013 and ongoing	Met and is being continuously implemented
Continuous implementation of the UN Principles for Responsible Investment (PRI)	Munich Re investments (administered by the Group's own asset manager, MEAG) in equities and bonds meet specific sustainability criteria	Ongoing	Met

<sup>1</sup> = ESG aspects (environmental, social and governance topics)

#### Environmental management

Objectives	Measure	Deadline	Status 2013
Developing and establishing the global environmental management system	Coverage of at least 75% of employees worldwide by the Group environmental management system	2013 to 2015	Met and is being continuously implemented
	Expansion of the environmental management network to smaller Munich Re (Group) units	2013 to 2015	Initial measures taken

	International Group-wide network meeting of Munich Re environmental managers	2014	New measure
	Recertification and surveillance audits for the environmental management system in accordance with ISO 14001 at the following locations: Munich Re Munich, major German ERGO locations, D.A.S. UK and DKV Seguros, Spain	2013	Met
	Verification of the environmental data for the Group head office in Munich and publication of these data in the 2013 Annual Report	2013	Met
	Climate neutrality of the reinsurance group, Munich Health, ERGO Germany and selected ERGO international sites (financial year 2013)	2014	Met
Reduction of CO <sub>2</sub> emissions by 10% per employee from 2009 to 2015 (based on emissions in 2009)	Improvement of data quality for environmental reporting and systematically expanding reduction measures in individual units	2013 to 2015	Initial measures taken
Preparation of the new Group environmental management and climate strategy from 2015	Development of the new Group environmental management and climate strategy including measures, standards and timetable	2014 to 2015	New objective

### Corporate citizenship (CC)

Objectives	Measure	Deadline	Status 2013
Further development of the CC project portfolio	Continuation of the earthquake risk prevention project in northern India in cooperation with GeoHazards International (GHI)	2012 to 2014	Met, will be implemented until August 2014
	Establishment and implementation of a partnership with the Städtische Galerie in Lenbachhaus, Munich	2013 to 2016	Met and is being continuously implemented
	Supporting the Water Benefit Certificates (WBC) project for the development of an innovative financing mechanism for water projects in developing and emerging countries	Measure ongoing	Met and is being continuously implemented
Application of the CC concept to activities of Munich Re's International Organisation	Munich Re units in North America introduce the existing CC guidelines into their management systems and define local processes for them	Measure ongoing	Met and is being continuously implemented
Quality assurance of CC the project portfolio	Review of the implementation and management of ongoing CC projects	Ongoing	Met and is being continuously implemented
	Identification of additional CC projects according to the CC plan	Ongoing	Met and is being continuously implemented
Revision of the CC guidelines for donations, sponsorship and memberships	Creation and communication of amended Group-wide CC guidelines for donations, sponsorship and memberships	2013 to 2014	Met
Creation of a Group-wide corporate volunteering concept	Analysis of corporate volunteering options for Munich Re (Group) and development of a Group corporate volunteering concept	2013	Measure partially met, will be continuously implemented during 2014

### Reporting and communication

Objectives	Measure	Deadline	Status 2013
Annual participation and positioning in the key international SRI ratings and indices (such as the FTSE4Good or Dow Jones Sustainability Index)	Munich Re has been continually listed in the FTSE4Good and Dow Jones Sustainability Index since 2001	Measure ongoing	Met
	Sustainalytics rating: second place in the "Insurance" sector	2013	Met
Optimisation of CR reporting and communication	Improvement in reporting processes to ensure that the publication date for the CR	Measure ongoing	Met

portal can be brought forward in the long term

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Systematic expansion of stakeholder dialogue (e.g. with SRI investors, ratings agencies and NGOs)	Measure ongoing	Met
Creation of an annual systematic CR communication plan coordinated with Group Communications	Measure ongoing	Met
Intensification of CR communication including the involvement of all communication channels (including social media)	Measure ongoing	New objective, initial actions taken

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## Principles for Responsible Investment – Investing responsibly

**At Munich Re, responsible management has top priority, not least with a view to operating profitably. Our asset management therefore follows the United Nations Principles for Responsible Investment (PRI). We helped to draw up these principles and we were the first German company to sign them.**

A holistic investment strategy aligned with ESG ( environmental, social, governance) criteria also has a beneficial effect on risk and return. That is why, on 27 April 2006, we were one of the first signatories to the United Nations Principles for Responsible Investment (PRI), which we played a prominent role in drafting. Behind these principles is the view that investment decisions often take insufficient account of the need for sustainable development and thus the needs of future generations.



“I strongly believe that the integration of environmental, social and corporate governance (ESG) issues will become mainstream for the investment community. And PRI, with support from UNEP Finance Initiative and UN Global Compact, will be a catalyst and opinion leader for this development.”

Dr. Wolfgang Engshuber, Member of the Board of the investor-led Principles for Responsible Investment initiative

### Related topics

- » Objectives and measures
- » Our guiding principles
- » Challenges: Climate change
- » Solutions: Asset management

### External links

- » [UN: Principles for Responsible Investment](#)

### Principles and recommendations for action for investment decisions

Six principles are described more closely in a list of 35 recommendations for action. These enable institutional investors to take account of ecological and social aspects, together with topics of good corporate governance, in their investment decisions. Munich Re is committed to fulfilling the PRI in an appropriate and forward-looking manner.

The following examples show how Munich Re is putting the six UN principles into practice:

No.	Principle	Examples of measures
1	“We will incorporate ESG issues into investment analysis and decision-making processes.” <b>Sustainability ratio</b>	<ul style="list-style-type: none"> <li>– We apply the best-in-class approach to the investment process, which means that, taking all sectors into account, we select especially sustainable securities from the pool of investible equities and corporate bonds.</li> <li>– If two » <a href="#">risk-return profiles</a> are identical, we select the more sustainable issuer.</li> </ul>
2	“We will be active owners and incorporate ESG issues into our ownership policies and practices.” <b>Active investor</b>	<ul style="list-style-type: none"> <li>– We communicate our investment criteria openly and address these in dialogue with the companies we work with.</li> <li>– Our aim here is to motivate companies to improve their SRI rating or achieve a positive SRI rating for the first time. In this way, Munich Re also promotes issuers’ awareness of SRI.</li> </ul>
3	“We will seek appropriate disclosure on ESG issues by the entities in which we invest.” <b>Sustainability disclosure</b>	<ul style="list-style-type: none"> <li>– For the funds MEAG Nachhaltigkeit and MEAG FairReturn, we request information relevant to our sustainable investment criteria from the issuers.</li> <li>– We have taken sustainability criteria into account when purchasing real estate since 2007.</li> </ul>

4	<p>“We will promote acceptance and implementation of the Principles within the investment industry.”</p> <p><b>Patron of PRI</b></p>	<ul style="list-style-type: none"> <li>– We announce and stress our principles via publications in the financial press and by participating in presentations and conferences on sustainability. In January 2011, for instance, MEAG organised a workshop for institutional investors.</li> <li>– With individual funds and activities, we show how responsible management can be put into practice: <ul style="list-style-type: none"> <li>– RENT (Renewable Energies and New Technologies),</li> <li>– MEAG Nachhaltigkeit,</li> <li>– MEAG FairReturn.</li> </ul> </li> </ul>
5	<p>“We will work together to enhance our effectiveness in implementing the Principles.”</p> <p><b>Cooperation to realise the PRI</b></p>	<ul style="list-style-type: none"> <li>– Through its PRI membership, Munich Re contributes to the further development and propagation of the principles.</li> <li>– We are driving the exchange of experience forward with other PRI members in Germany and around the world.</li> </ul>
6	<p>“We will each report on our activities and progress towards implementing the Principles.”</p> <p><b>Reporting on activities and progress relevant to PRI</b></p>	<ul style="list-style-type: none"> <li>– We participate in UNEP’s annual PRI Reporting and Assessment Survey.</li> <li>– When reporting on PRI and our activities in this context, we make use of various communications channels (e.g. financial reports, SRI analyst meetings).</li> <li>– Munich Re participates in SRI ratings and takes account of the assessments in its corporate planning.</li> </ul>

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## Milestones of our corporate responsibility

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» Objectives and measures

**As an insurance and reinsurance group, we adopt an international and interdisciplinary approach with a view to finding solutions that are viable for the future. In this way, we make tomorrow's world insurable. We seek to achieve a balance between economic, ecological and social requirements.**

The following are examples of our corporate responsibility milestones.

### ► 2013

#### **Munich Re conducts its first Socially Responsible Investment (SRI) Day in Munich**

After conducting numerous Investor Relations SRI roadshows in European financial centres, Munich Re presents for the first time its Corporate Responsibility strategy and its implementation, along with its experts and top managers, at the Group's headquarters in Munich.

#### **Group-wide carbon neutrality**

At the beginning of 2013, the reinsurance group and ERGO Germany fulfil their carbon-neutrality objectives for the 2012 financial year.

#### **Expansion of the environmental management system**

In 2013, the environmental management system is extended to include more than 75% of global staff for the first time, thus providing a basis for the nearly Group-wide collection of environmental data.

#### **MEAG acquires 32 wind farms in France**

Together with GE Energy Financial Services and EDF Energies Nouvelles, MEAG acquires 32 operational wind farms in France with a total installed capacity of 321.4 MW as part of the Renewable Energies and New Technologies (RENT) investment programme, which is intended to have a volume of €2.5bn.

#### **Guarantee cover for LED modules**

Together with a US manufacturer of LED modules, Munich Re gives the manufacturers' customers a five-year guarantee on the luminous intensity and colour stability of the LED modules. Under the agreement between the two companies, Munich Re assumes a portion of the financial risk entailed in the guarantee.

#### **ERGO creates new client-focused division**

ERGO introduces a metric for measuring client satisfaction and plans to set up a separate division to handle all of the company's client-centric services and processes.

#### **ERGO life insurances in China**

ERGO China Life offers life insurances on the Chinese market, concentrating on the economically attractive province of Shandong, which with around 97 million inhabitants is considered to be the country's third-largest domestic insurance market.

#### **Aid for the Philippines**

The Munich Re Foundation finances part of the immediate aid measures to supply drinking water and urgently needed medicines and medical equipment to the SOS Kinderdorf in the major Philippine city of Tacloban.

#### **Munich Re cooperates with the Lenbachhaus art gallery in Munich**

As part of its corporate citizenship activities, Munich Re is entering into a partnership with the Lenbachhaus municipal art gallery in Munich from 2013 to 2015.

#### **MEAG uses ESG country rating for investment decisions**

Since the third quarter of 2013, MEAG has been using an ESG (environmental, social and **governance**) rating of countries to assess their sustainability performance. In cases where countries fail to satisfy the criteria we have defined, MEAG refrains from investing in their government bonds or the bonds of quasi-governmental organisations.

### ► 2012

#### **Board of Management launches Group-wide Corporate Responsibility Committee**

At the end of 2012, the Group Committee ratifies a Group-wide Corporate Responsibility Committee. It will be in charge of further developing the corporate responsibility strategy in the coming years and addressing sensitive business issues.

#### **Strengthening of compliance organisation**

Compliance is restructured so that it reports directly to the CEO and its tasks are given more weight.

#### **Higher investments as part of the "RENT" programme**

On Munich Re's behalf, MEAG acquires three wind farms connected to the grid in the UK. The investment in the low three-digit million range is part of the RENT programme (Renewable Energies and New Technologies) with an envisaged volume of €2.5bn.

#### **New insurance solution for LED modules**

Munich Re introduces ground-breaking insurance coverage in collaboration with the US LED module manufacturer Xicato. Xicato gives its customers a five-year warranty on the brightness and colour retention of its LED modules, which is much longer than the one-year warranty typically available on the market.

#### **Munich Re offers serial loss cover for offshore wind power systems**

The cover provides that Munich Re will pay for the repair or replacement of defective turbines or individual components if there is serial damage affecting a number of elements – such as the gearbox, the rotor or the tower. Munich Re will also cover the substantial costs involved in deploying the special vessels required.

#### **First performance guarantee cover for solar thermal power**

For the first time, Munich Re insures performance guarantees for solar thermal power plants. This cover gives US manufacturer SkyFuel the advantage that it can remove the long-term, technical guarantee risk from its balance sheet and use the capital thus made available for purposes such as investment.

#### **Honours for insurance manager of the year**

Nikolaus von Bomhard, Chairman of Munich Re's Board of Management, is chosen as the 2012 Insurance Leader of the Year by St. John's University's School of Risk Management in New York. (The prestigious award was presented to him on 16 January 2013).

#### **Voluntary commitment to increase quota of women**

Munich Re is one of the DAX 30 companies that have undertaken to increase the quota of women in management positions by 2020. Munich Re's quota will then have increased to 25%.

#### **Principles for Sustainable Insurance (PSI) signed**

The final version of the PSI is signed at the Rio+20 UN Conference on Sustainable Development in June. From the outset, Munich Re was closely involved in drafting the mandatory guidelines.

#### **New Chief Compliance Officer at ERGO**

Stefanie Held is the new Chief Compliance Officer at ERGO. A trained lawyer, she is developing the group's compliance organisation and reports directly to CEO Dr. Torsten Oletzky.

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### ► 2011

#### **New investments as part of the "RENT" project**

Under its RENT (Renewable Energies and New Technologies) project, Munich Re invests primarily in wind farms and solar parks. These include transactions in Spain and Italy totalling €500,000.

#### **Global consultation meetings on sustainability in the insurance sector**

Seven global consultations begin in March to discuss the Principles of Sustainable Insurance (PSI) under the UN environmental programme's financial initiative. Munich Re plays an active part in this process. The European consultation meeting is hosted by Munich Re in autumn 2011.

#### **New CR strategy adopted**

Munich Re adopts a new Group-wide CR strategy, in which CR is firmly established as an integral part of our entrepreneurial action.

#### **Munich Re's carbon neutrality in Munich maintained in 2010**

After significantly reducing its greenhouse gas emissions at its Munich site back in 2009, the Company builds on this success in 2010 and beyond. We purchase emission allowances to offset the remaining small proportion of emissions.

#### **Wolfgang Engshuber, new PRI Chairman**

Dr. Wolfgang Engshuber, outgoing Chief Administrative Officer of Munich Re of America, is appointed Chairman of the investor-led Principles for Responsible Investment initiative from January 2011 till December 2012.

#### **Munich Re in Munich and ERGO recertified**

The environmental management systems of Munich Re (Munich) and ERGO (Germany)'s main office sites are again successfully re-certified this year.

#### **UN debate on disaster prevention**

In February, Thomas Loster, Chairman of the Munich Re Foundation, gives a presentation on the Group's expertise in the field of disaster prevention at the invitation of the United Nations in New York, highlighting the strengths of insurance-based solutions.

#### **New renewable energy covers**

Munich Re offers the first ever cover for manufacturers' warranties in the field of renewable energy, including wind and photovoltaic systems. The reinsurer also

► **2010**

**Wind energy investment**

Munich Re acquires 40 wind turbines in a total of 11 wind farms with an overall output of 73 megawatts. In the next few years, some €2.5bn are to be invested in renewable energy and new technologies under Munich Re's RENT (Renewable Energy and New Technologies) programme.

**6. International Microinsurance Conference in Manila**

The Munich Re Foundation and other partners, including the Microinsurance Network, the German Gesellschaft für Internationale Zusammenarbeit (GIZ) and Germany's Federal Ministry for Economic Cooperation and Development (BMZ), invite participants from 50 countries to the 6th International Microinsurance Conference in Manila. The fact that this is the largest ever microinsurance conference, with 520 attendees, shows the importance of microinsurance globally and its huge growth potential.

**Weather events insurance in the Philippines**

A new insurance product co-developed by Munich Re (reinsurance) offers cover against extreme weather events, such as severe typhoons, to cooperatives in the Philippines and their low-income members for the first time.

**Cover for PV modules in the USA**

Munich Re now covers performance guarantees on photovoltaic modules in the USA. The new cover applies to concentrating photovoltaic (CPV) systems produced by US manufacturer SolFocus, and is the first ever performance guarantee cover for CPV systems.

**New insurance solution for oil catastrophes**

Munich Re insures oil companies against liability risks relating to unsuccessful oil drilling operations, also tightening up safety standards.

**Relaunch of corporate responsibility portal**

Munich Re develops a new concept for its CR web presence and the related internal and external reporting on this topic. This also involves extending the scope of CR reporting to up to 60% of employees.

**Earthquake disaster in Haiti, floods in Pakistan**

Munich Re companies and their employees collectively donate more than €250,000 to victims of the earthquake in Haiti and flooding in Pakistan.

**ISO 14001 certification renewed**

The implementation and quality of the environmental management system at our Munich headquarters are again successfully certified.

**Carbon neutrality at our Munich site**

As resolved in 2007, we are able to make our Munich site » carbon neutral. We set the goal of achieving carbon neutrality for the whole reinsurance group by 2012.

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► **2009**

**Founding of Dii GmbH for generating power in the desert**

In response to a Munich Re initiative, thirteen partners including Munich Re set up the Desertec Industrial Initiative planning entity (Dii). Its long-term goal: solar and wind power generation in the desert.

**Submission of the first COP**

In our Communication on Progress (COP), the obligatory report to be submitted by companies that have signed the UN Global Compact, we publish information on our CR targets and their achievement.

**ERGO life insurers tested by the German technical inspection agency TÜV**

ERGO's two major life insurers Hamburg-Mannheimer and Victoria have their service quality tested by TÜV Süd for the first time and are rated "good".

**EU GreenBuilding Award for MEAG buildings**

Three new MEAG buildings feature in the list of official EU GreenBuilding Programme partners in 2009: the Cologne Oval Offices, the Westgate in Cologne and the Sonnencarree in Munich.

**MEAG launches FairReturn investment fund**

This mixed fund, geared specifically to foundations, is managed according to sustainability criteria. The investment objectives are a positive performance in line with the capital markets and the achievement of plannable earnings.

**World's first microinsurance against floods**

In collaboration with various partners, Munich Re devises a microinsurance product for the inhabitants of the Indonesian capital of Jakarta, providing them with cover against the economic consequences of flood.

**Signet Solar – New insurance solution for photovoltaic modules**

Together with industrial insurance broker Marsh and photovoltaic producer Signet Solar, Munich Re launches a new insurance solution to cover the risk of a performance deterioration in photovoltaic modules.

### **Expansion of Munich Re's compliance system**

After the introduction of an ombudsman function at Munich Reinsurance Company in 2008, the ombudsman's brief is extended to the whole Group with effect from 1 May 2009. Anti-fraud management is significantly strengthened by way of this Group-wide whistle-blowing system.

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### ▶ **2008**

#### **ERGO adopts CR guiding principles**

ERGO's Board of Management endorses the corporate responsibility guiding principles adopted by the Munich Re Board of Management in 2006, taking them as the basis for ERGO's own CR activities.

#### **ERGO implements its own code of conduct**

On the basis of Munich Re's Code of Conduct, ERGO defines its understanding of legally impeccable behaviour, based on ethical principles, at all employee levels.

#### **Research partnership with the London School of Economics (LSE)**

Munich Re supports the multi-year research programme of the Centre for Climate Change Economics and Policy (CCCEP) at the LSE. Its goal is to analyse – at the interface between climate research and economics – the risks and opportunities for the insurance industry.

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### ▶ **2007**

#### **Joining Global Compact**

Munich Re commits itself to complying with the UN Principles for Corporate Responsibility (UN Global Compact).

#### **Corporate Climate Centre established**

All Munich Re's climate change activities are pooled in one centre of competence. This comprises a network of staff from across Munich Re's fields of business.

#### **Announcement of climate neutrality target for Munich Re**

A resolution is taken to make the Munich site climate neutral by 2009 and the whole reinsurance group by 2010.

#### **MEAG introduces code of conduct**

MEAG defines its understanding of legally impeccable behaviour, based on ethical principles, at all employee levels, taking Munich Re's Code of Conduct as a basis.

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### ▶ **2006**

#### **Commitment to sustainable and responsible corporate management**

In its mission statement, Munich Re commits itself to transparency, sustainability and social responsibility. Corporate responsibility becomes an integral part of Munich Re's Group strategy.

#### **Consolidation of corporate responsibility management**

As a sign of the great importance Munich Re assigns to this sector, the CR management function is located within the Group Development Division, which reports directly to Munich Re's CEO.

#### **Implementation of a code of conduct**

Munich Re sets out its definition of legally impeccable behaviour, based on ethical principles, at all employee levels.

#### **Commitment to PRI and their establishment**

Munich Re becomes the first German company to sign the UN Principles for Responsible Investment (PRI), which it plays a prominent role in helping to establish.

#### **Implementation of anti-fraud management**

The main elements and principles of a Group-wide anti-fraud system are laid down.

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### ▶ **2001 to 2005**

2005

#### **125 years of handling risk**

Munich Re celebrates its 125th anniversary and sets up the Munich Re Foundation. The latter's mission is to minimise risks for people throughout the world, particularly in developing and emerging countries, through prevention and education projects.

#### **Establishment of the Dr. Hans-Jürgen Schinzler Foundation**

Open to all current and former Munich Re employees worldwide, the foundation aims to support staff in their voluntary work in various areas of society.

#### **GIG – Sustainability criteria for investments**

Munich Re's globally binding General Investment Guidelines (GIG) specify that our investments in shares, corporate bonds, bank bonds and government bonds must meet certain sustainability requirements.

2004

#### **renewables 2004 conference**

Munich Re takes part in the International Conference for Renewable Energies (renewables 2004). The conference outlines the path towards global development of renewable energies.

#### **Tsunami aid**

Munich Re responds to the tsunami catastrophe in Thailand with both monetary and non-monetary donations.

2003

#### **Launching of MEAG Nachhaltigkeit mutual fund**

Besides considering the traditional criteria for investments in shares or bonds – return, risk and liquidity – this fund also considers specific sustainability aspects.

#### **Creation of a company medical centre**

A central company medical centre for individual consultancy and treatment of employees is set up. The prophylactic healthcare services it provides include check-ups and influenza vaccinations.

#### **Successful EMAS recertification and introduction of ISO 14001**

Munich Re sets more standards: successful EMAS recertification and first-time certification to DIN EN [ISO 14001](#), for environmental management systems, thus making Munich Re's standards comparable at international level.

#### **Certification of Victoria Krankenversicherung AG**

Victoria Krankenversicherung AG in Düsseldorf is certified to EMAS and to DIN EN ISO 14001. In addition, the UK headquarters of D.A.S. is certified to DIN EN ISO 14001, a first for a legal protection insurer.

2002

#### **German Corporate Governance Code**

On 6 December, Munich Re's Board of Management and Supervisory Board publish their first declaration of conformity with the recommendations of the Government Commission for a [German Corporate Governance Code](#).

2001

#### **First environmental statement**

Munich Re publishes its first environmental statement under the title "Perspectives".

#### **Sustainability indices**

Munich Re is included and henceforward listed in the two most important global sustainability indices, the Dow Jones Sustainability Index and the FTSE4Good.

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### ▶ 1973 to 2000

2000

#### **Establishment of an ISO 14001 environmental management system**

Munich Re establishes an environmental management system according to ISO 14001 at its headquarters in Munich. As from 2008, the Munich and Milan offices use only green electricity.

1999

#### **UNEP FI (United Nations Environment Programme Finance Initiative)**

Munich Re becomes an active partner in the financial initiative of the UN environment programme.

1998

#### **Participation in the Environmental Pact of Bavaria**

The participants in the Environmental Pact of Bavaria undertake to save resources and use environmentally sound technologies. The aim is to achieve sustainable economic growth.

#### **EMAS (Eco-Management and Audit Scheme) certification for Victoria Versicherung AG**

ERGO company Victoria becomes the first European insurer to be certified to EMAS at its various sites.

1990

#### **"Victorianer helfen" ("Victorians help") is founded after German reunification to provide development assistance in eastern Germany.**

The association begins by providing assistance for the village of Mechterstädt in Thuringia.

1973

#### **Munich Re warns of the consequences of climate change for the first time**

In a publication on flooding, Munich Re addresses the increasing concentration of carbon-dioxide and the related climate change for the first time, and proposes analyses for determining how far climate change could alter the pattern of weather-related natural catastrophes.

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## In direct contact

**Munich Re has always valued an open and ongoing dialogue with its stakeholders. Transparent communication with our stakeholders is the basis for mutual trust. At the same time, this exchange enables us to identify important social challenges and changes at an early stage so that we can then offer or develop suitable business solutions for the future.**

The many and varied expectations of our stakeholders provide Munich Re with useful input. Our aim is to generate value for both sides through dialogue. In particular, we seek to identify social developments and trends at an early stage through this dialogue so that we can take account of them, for example, on the solution side, in innovative risk coverage and specific products.



### Meeting multifaceted challenges

Munich Re meets its stakeholders' requirements with openness and transparency. The diagram and the following summary show the stakeholder groups with which Munich Re conducts a regular and active exchange as well as the media it uses and the form it employs to achieve this.

### Continuing the dialogue

We want to continually improve our Group-wide corporate responsibility processes and activities. The various expectations of our target groups, which we discuss with them on a regular basis, constitute an important source of information for us.

#### ► Capital market communication – Transparent and comprehensive

**Munich Re cultivates an ongoing dialogue with private and institutional investors, analysts and rating agencies. This dialogue is part of our corporate strategy, designed to achieve a sustainable increase in value.**

- Shareholders and others involved in the capital markets want detailed, up-to-date information about our Group and the (re)insurance sector. In one-on-one meetings, expert interviews, road shows and on the internet, we provide important and detailed information on the opportunities and risks of our business, both in general terms and specifically for SRI.
- In addition to our Annual Report, we publish a wide range of information for all investors, such as presentations given during our analyst and investor events and the quarterly financial report.
- All press and analysts' conferences are broadcast live online via livestream, as is Munich Re's Annual General Meeting, in which as a rule more than 4,000 shareholders take part in person. Many shareholders watch the meeting and vote online.
- There is a team of in-house experts available to answer enquiries that come in on the shareholder hotline or by e-mail. Additionally, the service pages of our internet-based shareholder portal offer our registered shareholders a wide range of background information and services on Munich Re's shares.

#### ► Our client management – Needs-based and solution-oriented

**Munich Re has differently structured client bases in reinsurance, primary insurance and asset management. Our central objective in all our fields of business is to be a reliable, solution-oriented partner for our clients.**

- In reinsurance, we operate around the globe with over 4,000 insurers from more than 160 countries.
- At the heart of this activity are solution-oriented approaches, frequently in cooperation with clients – as in the case of the Desertec desert power project or innovative risk covers for the generation of renewable energy ([» Solutions](#)).
- Munich Re also promotes intensive dialogue with clients through numerous international client seminars and also through a large number of client and market events both in Munich and throughout the entire company. Especially

### Related topics

» [Materiality analysis](#)

strong client ties are forged with promising young employees from our major client companies by the Munich Re Scholarship Programme.

- At our client portal (connect.munichre), we offer our clients exclusive, useful risk assessment tools, important publications and policies, and also a secure data transfer facility using ultra-modern technology. This service range is complemented by innovative topic apps using new information channels.
- Neutral third parties and specialised market research institutes (such as Flaspöhler for reinsurance) regularly conduct and review the results of client opinions and comments regarding our Group. These results are then taken into account in our strategic planning.

Clear client focus is also a priority for our primary insurer ERGO, which has some 40 million clients, mainly private policyholders.

- At the heart of the ERGO philosophy are clear and up-to-date communications, structured, user-friendly feedback management (such as a free hotline) certified to ISO 9001, and speedy, efficient assistance and claims handling in the event of loss.
- ERGO is consistently living up to its slogan "To insure is to understand" with needs-based advice, clear communications and tailor-made products that recognise and respond to customers' personal concerns. ( [» ERGO: Clear text initiative](#)).
- As a means of reinforcing dialogue with customers, the [» ERGO customer report](#) has been published in PDF form every year since 2011. The report examines customers' questions and expectations in detail.
- A [» Customer Advocate](#) ensures that customer perspectives and complaints are taken into account in product design and procedural issues.
- Our ERGO customers have a variety of sales channels to choose from: independent agents, direct sales staff, brokers and strong corporate partners in Germany and abroad.
- Every client can take part in the ERGO Customer Workshop (ERGO Open Innovation Platform) by assessing on-going projects, ideas and developments and contributing suggestions via anonymised surveys on the internet platform. The objective is to obtain opinions on a range of topics, for example products or services. All staff members have access to the findings so they can inform themselves about customer feedback with a view to providing even better individual advice.

Munich Health is a separate business domain within Munich Re, in which we pool our global health expertise in primary insurance, reinsurance and risk management. All stakeholders in the various local markets benefit from this concentration on the global health markets and the experience gathered along the way.

- Munich Health services the needs of insurance companies in more than 40 countries and primary insurance clients in over 100 countries.
- By offering various solutions and services, Munich Health supports insurers in local markets. To analyse health risks, for example, Munich Health provides its reinsurance clients with modern programmes and tools for standardising the assessment of medical risks.
- A showcase example of innovative [» Public Private Partnership](#) is provided by the successful cooperation with the regional health insurer Daman National Health Insurance in Abu Dhabi. This health insurer uses our many years' expertise in disease management in an innovative service concept tailored to regional conditions, benefiting the local insureds.
- In the Near East, Munich Health, has succeeded in a very short space of time in extending its reach from the United Arab Emirates to include Saudi Arabia, Qatar and Oman by using intelligent concepts for the use of shared infrastructure and processes. It is now possible for large segments of the population to access suitable and affordable medical care.
- Every two years, DKV Seguros, our Spanish Munich Health subsidiary, conducts a survey among its target client groups in order to identify new needs and recent changes. Its annual customer report informs each stakeholder group in full about current topics and new, sustainable primary insurance solutions.

MEAG, the asset manager of Munich Re and ERGO, is one of the most important asset management companies in Europe.

- MEAG is a professional partner to external institutional investors and private investors in need of asset management services. It also offers socially responsible investments (SRI) in the form of funds: MEAG FairReturn and MEAG Nachhaltigkeit ([» MEAG Fonds](#)).
- MEAG provides extensive information to its investors using monthly fund reports, market forecasts and publication of the fund prices and performance on each trading day at [» meag.com](#).
- In public lectures, panel discussions and round table discussions MEAG regularly contributes its position with regard to the principles for responsible investment (PRI) and thus to the regular exchange, also within the financial sector.

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#### ► Dialogue with our staff – An open partnership

**With their dedication and wide range of experience, Munich Re's employees make a vital contribution to the success of the whole Group. We therefore encourage an open and cooperative dialogue with our staff.**

- We conduct an ongoing dialogue with staff around the world at all levels. Regular feedback is standard for the Group. The extensive Intranet services at business-field, regional and local levels provide staff with a rich supply of

information, also supporting employee communication and a wide range of discussion forums and cross-cutting symposiums.

- In addition, staff surveys conducted in various forms and at different levels give staff the opportunity to express their opinions. In 2012, Munich Re introduced Global Leadership Monitoring – more than 10,000 employees provided feedback on the leadership behaviour of their managers. This process promotes dialogue between employees and managers.
- We also offer employees a number of internal communication channels, through which we regularly report on current topics related to the Group and to our staff. Examples include the on-line magazine "go ahead" for Reinsurance and Munich Health, and the staff magazines "ERGO.magazin" and "MEAG.COM".
- Staff representative bodies also play a central role in achieving a constructive dialogue. At the top-most level, the employee representatives in the Supervisory Board of Munich Reinsurance Company and other companies make an important contribution to the overarching dialogue. In keeping with local requirements, staff associations and employee delegates represent staff interests in a large number of forums.

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► **NGOs, associations and policy makers – Open for other people's knowledge**

**Munich Re is also in contact with important stakeholder groups with whom we have no direct business relationship. In such cases, we value the exchange of expertise and knowledge on current or emerging global questions and insurance topics, and on economic and social developments worldwide.**

- Munich Re is also involved in a frank exchange with numerous non-governmental organisations (NGOs) on topics which currently impact on our work.
- Through our Corporate Responsibility, Group Legal, Corporate Climate Centre and other departments, we are in constant contact at a national and international level with a large number of interest groups, NGOs, UN institutions, public administrations and the scientific community.
- Working with a whole range of different political institutions and national governments, Munich Re is providing advice on current topics relating to climate change, making its contribution in the form of the expertise of the Corporate Climate Centre (for example as part of the Dii GmbH desert power initiative in North Africa).
- Munich Re is an active member in many insurance industry initiatives and associations. Among other activities, the company is involved in various bodies and committees of the German Insurance Association.

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► **Society – A networked partnership**

**The Munich Re Group aims to actively contribute the comprehensive knowledge it has gained over many years to discussions concerning the challenges facing our society today.**

- Our experts from the Munich Re Foundation and the Corporate Climate Centre (CCC) maintain an intensive dialogue around the world with research scientists, associations and other organisations as well as maintaining an involvement in many national and international research and development projects, for example the Global Earthquake Model (GEM), the Global Climate Forum and the United Nations Environment Programme Finance Initiative (UNEP FI). In the course of this involvement, Munich Re makes its extensive knowledge and financial resources available to the relevant organisations and scientists.
- Each year, the Munich Re Foundation organises public dialogue forums to discuss the areas in which it works. Here participants have the opportunity to exchange views with experts from politics, science and the media. Leading experts from science, politics and the community are regular guests at these events.
- Since August 2012, Munich Re has been cooperating with GeoHazards International in a project for earthquake and landslide catastrophe prevention in India. The purpose of the project is to reduce the high earthquake and landslide risk in Aizawl, to support the national and local authorities with recommendations and suggested courses of action and to create an awareness of the risk both among political decision makers and the population in general. In addition to frequent partnering with various German and American universities, we have also worked with the London School of Economics and Political Science (LSE) on a programme which will be completed in mid-2014 to establish means to make the economic consequences of climate change quantifiable.
- In 2013, Munich Re became the first insurance company to join acatech, the German Academy of Science and Engineering.
- Munich Re cooperates with government institutions, associations and companies, for example with the Gesellschaft für Internationale Zusammenarbeit (GIZ) (Society for International Cooperation) within the framework of public-private partnerships in developing countries. Such projects help give the poorer segments of the world's population access to adequate insurance protection through innovative financial solutions ( [» Reinsurance: Microinsurance](#)).
- The Munich Re Foundation organises the International Microinsurance Conference every year – a forum for microinsurance experts from around the world. The conference offers representatives of the insurance industry, regulatory authorities, development organisations and research institutes a platform for discussing both classical and novel ways of providing insurance for the lowest income groups at a reasonable cost.
- Munich Re uses its various foundations (the Munich Re Foundation, Schinzler

Foundation, ERGO Foundation, Integralia Foundation Spain) to become involved in charitable and social work; these foundations also contribute to the cultural life by sponsoring initiatives and projects at Munich Re's business locations. In Munich, for example, Munich Re has entered into a commitment to work with the Städtische Galerie in Lenbachhaus.

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## Strategy



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## Relevant topics for Munich Re

**Munich Re understands corporate responsibility as a corporate mindset and a response to a dynamic environment shaped by a large number of different and constantly changing expectations and challenges. The dialogue with our stakeholders is one of the factors that enable us to improve the way we approach our strategic decisions and view our business orientation from different angles.**

In the face of far-reaching challenges worldwide that have a significant impact on the future of the insurance industry, we are endeavouring to intensify dialogue with our stakeholders. We can broaden our understanding of the dimensions of these challenges by increasingly incorporating the assessments and perspectives of those stakeholders.

At present, Munich Re and the experts we consult consider the following four major topics to be of significance for our business model: climate change, increasing globalisation and vulnerability of the financial markets, demographic change and access to financial solutions. The importance of these major topics for financial service providers and insurers has been widely demonstrated and confirmed in recent years. We bring our multi-faceted and proven expertise into play here, wherever feasible and welcome, and contribute to the resolution of global problems with our innovative products and defined insurance covers.

### The input of our stakeholders and experts

We regularly discuss with selected experts what new forms, trends and additional issues are materialising in these four major areas and which are of importance for our corporate responsibility perspective. The comprehensive trend analysis we undertake within the company every five years also acts as a further framework of reference for us. Specialists from our Risk Management Department and from cross-disciplinary panels are also involved in this process. At the present time, we are also examining additional topics within the company, for example digitalisation and cyber risks, and their long term significance for Munich Re.

### Related topics

» [Stakeholder dialogue](#)

## Challenges



Climate change

Globalised finance markets

Demographic change

Access to financial solutions

## Putting knowledge to use, devising solutions

**Increased flooding, heatwaves, droughts and severe storms: the impact of climate change can be felt around the world. Munich Re offers knowledge for understanding climate risks better and making the consequences calculable.**

Climate change cannot be stopped, only weakened or slowed. It is highly probable that it will even accelerate in the next ten years. Direct effects of climate change are extreme weather events, which will cause increasing fatalities and severe material damage, destroying infrastructure but above all also giving rise to crop losses in agriculture. Emerging and developing countries are particularly affected – countries whose contribution to climate change has been only minor.

In the second half of this century, we are threatened by enormous damage from climate change that may possibly fuel itself. In order to avoid this scenario and at least slow the pace of climate change, it will be essential to reduce the emissions of greenhouse gases substantially. The most effective way would be the adoption of an ambitious international climate policy by all countries if possible.

Although no progress is being made in the negotiations for a global climate agreement at a political level, Munich Re is taking action. Our insurance solutions help to cushion the effects of climate change and to smooth the way towards a sustainable and climate-neutral future.

Munich Re advocates effective and binding rules on CO<sub>2</sub> emissions not only internationally but also within Munich Re itself: business operations throughout our Group are to be made carbon-neutral by 2015, based on our internal environmental management system, which enables us to continually improve our ecological footprint and CO<sub>2</sub> emission performance.



**"Climate change is one of the greatest risks facing humankind this century. Through a part of its core business, the insurance industry is directly affected and therefore assumes a leading role in devising solutions for climate protection and adaptation to the inevitable changes."**

Professor Peter Höppe, Head of Munich Re's Geo Risks Research/Corporate Climate Centre

### Our approach: Expertise and research

In the financial and insurance sector, Munich Re is a pioneer in analysing the consequences of climate change. Back in 2008, Munich Re pooled all the specialist knowledge on climate change it had gathered over four decades in the [Corporate Climate Centre \(CCC\)](#). In this network, staff members from all parts of the Group not only research the consequences of climate change but also devise pioneering concepts and product solutions. At Munich Re, Dr. Torsten Jeworrek, Reinsurance CEO, is responsible for all insurance-specific matters relating to climate change. He is supported in this task by Professor Peter Höppe, Head of Geo Risks Research/Corporate Climate Centre, as well as by all members of the Board of Management, departmental managers and staff at the various units involved with products and questions relating to climate change.

Our experts maintain a close dialogue with scientists, associations and research organisations all over the world. Members of the CCC, for instance, have contributed in recent years to the report of the Intergovernmental Panel on Climate Change (IPCC), a work involving a total of approximately 2,500 research scientists and 450 principal authors over a period of six years. A partnership with the London School of Economics and Political Science (LSE), which comes to an end in mid-2014, is exploring and researching the economic effects of climate change. Through our involvement with acatech, the German National Academy of Science and Engineering, we aim to promote the advancement of innovative technologies and solutions at a national level using our risk expertise.

### Related topics

- » Solutions
- » Insurance concepts for renewable energies
- » Desert power
- » Environmental management
- » Climate protection
- » SystemAgro
- » Ecological insurance solutions
- » Investment programme RENT
- » Membership and partnership

### munichre.com

- » Risk report: Climate change (PDF, 1.6 MB)
- » Focus topic Climate change
- » NATHAN Risk Suite
- » Topics Online: 40 years of Geo Risk Research
- » Topics Online: Keeping an overview of all risks

### External links

- » MCII (Munich Climate Insurance Initiative)
- » Dii
- » IPCC

## Concrete, forward-looking solutions

In these efforts, we are continuously developing solutions for climate protection.

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### Our strategy consists of three components:

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#### ▶ Risk assessment

As a result of decades of observing and recording damage caused by natural catastrophes, we are able to provide well-founded hazard assessments. For example, our NATHAN Risk Suite is a globally unique service for precisely determining locations at risk from climate change worldwide.

#### ▶ Business potentials

We are also attempting to constantly leverage business opportunities by promoting climate-neutral technologies through investments and innovative insurance concepts. This is achieved on the one hand by coverage concepts which we have developed specially for the wind, solar and geothermal sectors and which create the planning certainty needed for investments in climate-friendly technologies. We also cover losses caused by climate change and offer effective adaptation in the form of new products, such as cover against crop failures or policies protecting the holder against flood damage.

#### ▶ Asset management

For its own part, Munich Re is investing in renewable energies and new technologies as part of its RENT investment project, e.g. in solar parks in Spain and Italy, or in wind parks in Germany, France, Great Britain and Sweden. A further ground-breaking project is the generation of solar and wind energy in the desert by the Dii GmbH industrial initiative, launched by us in 2009 together with the [Desertec Foundation](#) and other international companies.



#### Striving to benefit humanity

Munich Re plays an active role in a range of national and international climate-protection organisations, such as the United Nations Environmental Program, the Environmental Pact of Bavaria and, as a board member, the Global Climate Forum, previously known as the European Climate Forum. In this way, we share our expertise at different levels with other companies, political decision-makers and the public.

In 2005, Munich Re also initiated the [Munich Climate Insurance Initiative \(MCII\)](#). Comprising insurance, climate and economic experts and NGOs, the MCII prepares risk-transfer solutions for developing and emerging countries within the framework of the World Climate Conference (UNFCCC).

**You can find more detailed information on how we are responding to the challenges of advancing climate change under the heading**

**"Solutions" and particularly in the articles on "Insurance concepts for renewable energies", "Desert power", "Environmental management", "Climate protection", "SystemAgro", "Green insurance solutions" and "The RENT investment programme".**

**There is also further information in the summary to be found in "Memberships and partnerships".**

## Challenges



Climate change

Globalised finance markets

Demographic change

Access to financial solutions

## Stability through risk transfer

**Economic losses caused by the forces of nature impact not only economic output but also other economic factors such as public finances and the foreign trade of the countries affected. In the event of natural catastrophes, Munich Re provides support as a reliable (re)insurance partner for the rapid and sustainable recovery of economies and capital markets.**

Political, institutional and economic parameters are crucial in determining how quickly a country can recover from natural catastrophes and what long-term damage it will suffer after such events. These parameters also include the development status of the insurance market.

Risk transfer increases the ability of national economies to recover from disasters, since insurers and reinsurers act as "shock absorbers". They help by providing prompt payments for immediate financial relief which in turn limit economic losses, for example because damaged infrastructure or industrial plants can be reconstructed without delay. Through rapid claims settlement and payouts, we smooth the way for sustainable economic development, also for developing and emerging countries.



**"Natural catastrophes can imperil entire economies. As a global reinsurer we can restrict the scale of the damage so that economic development can soon recover."**

Dr Michael Menhart  
Head of Munich Re Economic Research

### Related topics

- » Risk management
- » Sustainability and Munich Re shares
- » Managing investments
- » NATHAN
- » Responsible investment strategies
- » Investment programme RENT
- » Opportunities report (Munich Re Group Annual Report 2013) (PDF, 418 KB)

### Sustainability increases stability

A sustainable investment strategy is particularly important if we are to be a reliable partner to our clients in difficult times when losses caused by natural catastrophes and their adverse effects on global financial markets increase. Only if this strategy is basically geared to our liabilities in insurance business can we be sure of being able to meet all obligations to our clients, even in uncertain times. Through sustainable management of our business, we aim to create value as a strong partner, support our clients and economies, and assist them in the achievement of sustainable growth. In line with our General Investment Guidelines (GIG), the major portion of our investments therefore meet sustainable investment criteria. We also define our own sustainability criteria for investments in the asset classes of real estate, infrastructure, renewable energies and forestry.

### Sustainable investment decisions

On this basis, Munich Re's asset manager MEAG has made investments in infrastructure, renewable energies and new technologies in various ground-breaking projects. These include investments in solar parks in Spain and Italy, wind farms in Germany, France, Britain and Sweden, and also a combined-cycle power plant in Britain and the German natural gas grid. By the end of the 2013 financial year, these investments had reached a total of €1.5bn. In the coming years, Munich Re aims to invest up to €4bn in infrastructure, renewable energies and new technologies.

**You will find more detailed information on how we are reacting to the challenges associated with the increasing globalisation of the financial markets in the articles**

- "Risk management",
  - "Sustainability and Munich Re shares",
  - "Investment management",
  - "Responsible investment management strategies",
  - "NATHAN", and
  - "The RENT investment programme",
- and also in the opportunities report of the 2013 Munich Re Group Annual Report 2013 (pages 131 to 134).**

## Challenges

Climate change

Globalised finance markets

Demographic change

3 questions for Dr. Reiner Klingholz,  
Berlin Institute

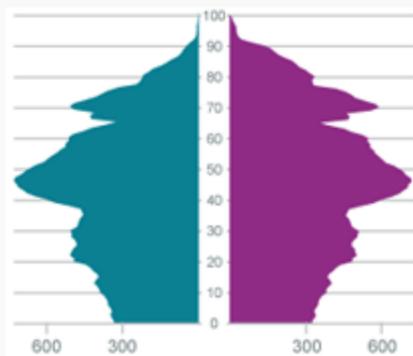
Access to financial solutions

## The challenges posed by demographic change

**Worldwide population growth, increasing life expectancy as a result of changes in working conditions and better medical care, and greater prosperity in many countries: demographic change is altering our society and confronting the insurance industry with new challenges, given the higher burden placed on social security systems. Munich Re is drawing on its extensive specialist knowledge and meeting this challenge with customised products in the various fields of its business.**

Munich Re is keeping a close eye on the current changes in healthcare and social security systems in many countries. » [Demographic change](#) has wide-ranging implications for pension and healthcare provision – and therefore impacts directly on Munich Re's business.

As dietary habits and lifestyles change in industrialised and emerging countries, so the number of persons afflicted by diseases related to affluence also rises. The increased incidence of cancer and cardiovascular disease, for example, is leading to rapid growth in the cost of treatment and nursing. Munich Re is responding to this development with the combined specialist knowledge of Munich Health. The approaches taken in this field of business range from preventive measures and a wide variety of private insurance covers to medical care and advice to governments and public authorities on healthcare systems.



**Images of change**

Given the increase in life expectancy and the falling birth rate, the population structure in Germany will change dramatically. Older persons will be the largest population group in the coming decades.

### Encouraging private provision in industrialised countries

Particularly in industrialised countries, people are tending to live longer on average, while birth rates are declining. This development is placing an enormous burden on pay-as-you-go pension systems and calls into question the feasibility of the intergenerational contract. Private provision will be increasingly necessary if the living standards and healthcare of retirees are not to deteriorate in the long term. Be it private provision for old age or other future-oriented coverage models, ERGO offers its customers a broad spectrum of individual and needs-based products.

### Meeting the greater need for coverage in the emerging countries

As a result of continued economic growth in many emerging countries, the living standards of broad swathes of the population there are improving, and demand for insurance products is increasing. The ERGO Group is endeavouring to meet this demand – for example, with life insurance products in the growing Chinese market, or in India.

### Demographic change in developing countries

In the opinion of Dr. Reiner Klingholz, Managing Director of the Berlin Institute for Population and Demographic Change, poorer countries will experience demographic change at a later stage, but when they do so, it will happen faster than in the industrialised countries. The consequences could find the poorer countries unprepared and hit them harder, because they are having to combat numerous acute problems such as economic instability, corruption, poverty and environmental pollution. "The poorer countries are running the risk of becoming old before they are rich", explained Dr. Klingholz. ERGO is attempting to combat these problems with microinsurance concepts and offer insurance cover through special public-private partnerships in those segments where a purely private-sector approach is not viable.

### Further information on how we are responding to the effects of demographic change with our solutions is to be found in the articles

"Integrated healthcare" and "Innovative healthcare programmes".

#### Related topics

- » [Integrated healthcare](#)
- » [Innovative healthcare programmes](#)

## Challenges



Climate change

Globalised finance markets

Demographic change

[3 questions for Dr. Reiner Klingholz, Berlin Institute](#)

Access to financial solutions

## Demographic change – three questions for Dr. Reiner Klingholz

**In a short interview Dr. Reiner Klingholz, Managing Director of the Berlin Institute for Population and Development, explains his views on how demographic change will affect various regions of the world.**

### **Dr. Klingholz, in your opinion what are the three most important challenges for societies posed by demographic change?**

That very much depends on the country you are looking at. A country like Germany is faced with quite different demographic problems than China or Nigeria. As a result of a low birth rate and high life expectancy, both Germany and Japan already have a rapidly ageing population and a continuously declining number of young people to generate prosperity. In order to remain competitive, we should invest in education and training, get used to working longer, and recruit people from other countries who contribute to the success of our society through their work.



Dr. Reiner Klingholz, Managing Director of the Berlin Institute for Population and Development.

### **And what does this mean for other countries?**

Newly industrialised countries such as China, Brazil or Turkey are on the same path as ourselves but have not advanced so far along it. They have a very large number of young people in work but already there are fewer coming along behind them. They must attempt to provide their large working population with jobs and the necessary training in order to reap a "demographic dividend". It is only in this way that they can generate sufficient prosperity to cope financially with the ageing process, which will start in these countries about 20 years later than in Germany.

The developing countries – particularly in Africa – are not so far down this path. In these countries the birth rate must first reduce in order to improve people's development opportunities. The best way to achieve this is education, especially for girls. Women who have a secondary school leaving certificate have fewer children and are more concerned about their children's success and health.

### **What opportunities do you see for insurers and reinsurers to partner these changes over the long term?**

As all societies will experience this change sooner or later, an ever-increasing number of people will need to be provided for financially in their old age. This can be achieved both through state social security systems and private provision. The poorer countries are paying little attention to this because they are faced with other, more pressing problems. But demographic change is also progressing faster there than was the case in industrialised countries in past times. These countries are running the risk of becoming old before they are rich. Insurers must adjust themselves to the fact that the economic growth rate in the highly developed countries will reduce further as a result of ageing and declining populations.

### External links

» [Berlin Institute for Population and Development](#)

## Challenges

Climate change

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[Access to financial solutions](#)

3 questions for Dirk Reinhard, Munich Re Foundation

## Innovative partnerships in developing and emerging countries

**Millions of people, primarily in developing countries, lack adequate insurance cover and capital for investment. At the same time it is precisely these countries which are particularly hard hit by natural catastrophes. Munich Re has entered into public-private partnerships in these countries in order to contribute to the development and propagation of innovative insurance solutions in both primary insurance and reinsurance business.**

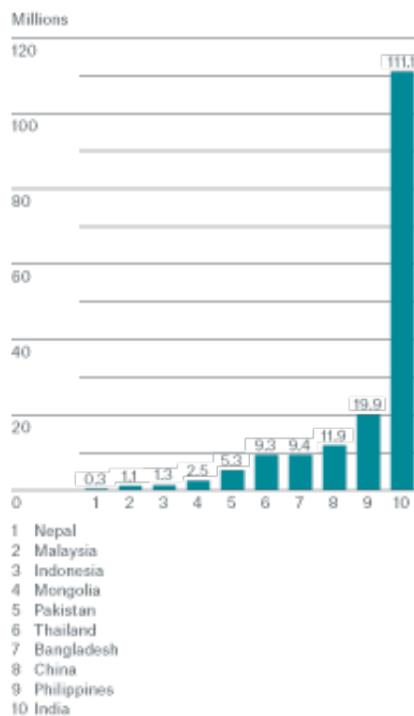
Developing and emerging countries are hit particularly often by natural catastrophes such as floods, earthquakes and cyclones. At the same time, only around 3% of the population of the 100 poorest countries in the world have insurance that would cover the material damage incurred in such instances and thus safeguard a stable economic existence. In Bangladesh, Laos, Angola and Ethiopia, fewer than 1% of the population have access to insurance.

### Emerging and developing countries – a growing market

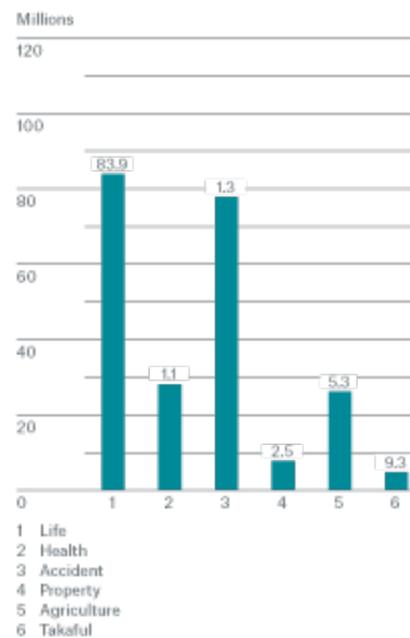
Microinsurance products are playing an ever-increasing role in emerging and developing countries. Demand is growing primarily in rural areas and is being boosted by the relative ease with which people can be contacted by mobile or smart phones. As a result of their know-how, insurers are the main participants in offering microinsurance cover to a large number of people across a wide area. These microinsurance policies make a significant contribution to economic stabilisation in developing and emerging countries.

Cooperative agreements with local institutions and existing infrastructures (e.g. bank branches and community centres, as in India) are often used to reach as many people as possible with insurance products. One example of this type of cooperation is weather insurance for peasant farmers in India. Mark Lammerskitten, ERGO's microinsurance specialist for India, estimates that total premiums now amount to about €45m. Our Indo-German joint venture, HDFC ERGO, working in close cooperation with non-governmental organisations and microfinance institutions, developed an innovative insurance product to protect farmers against crop failures caused by the weather.

10 biggest microinsurance countries (in terms of coverage)



Number of individuals/properties covered by risk type



### The potential for microinsurance

The premium volume in India for microinsurance was particularly high in 2013

### The public-private partnership (PPP) as a solution

Munich Re often collaborates with local civil authorities and with global partners to offer new, regional-specific finance solutions. In such cases, product expertise is combined with local knowledge and infrastructures. Two good examples are the Munich Climate Insurance Initiative (MCII) and the collaboration with the GIZ, the German Association for International Cooperation. Public-sector institutions, cooperatives, NGOs and private-sector companies are all involved in such multi-sector, public-private partnerships ([public-private partnerships](#)).

The resultant new, region-specific forms of cover are often the first practical step towards a holistic risk management system for developing countries, as demonstrated by the following example. Since 2013, lower-income groups in the Caribbean have been able to take out insurance against weather-related natural catastrophes as part of

### Related topics

- » Solutions: Microinsurances (reinsurance)
- » Solutions: Microinsurances (primary insurance)
- » SystemAgro
- » Munich Re Foundation

### External links

- » Munich Re Foundation
- » Munich Climate Insurance Initiative (MCII)

### Downloads

- » Munich Re NATHAN World Map of Natural Hazards (PDF, 1.9 MB)

the "Climate Risk Adaptation and Insurance in the Caribbean" project, co-financed by Munich Re. The Livelihood Protection Policy (LPP) offered in this scheme is intended to protect small farmers and their seasonal workers against loss of livelihood through hurricanes or floods, and is affordable for those with low incomes.

**The Munich Re Foundation promotes microinsurance dialogue**

The Munich Re Foundation is also involved in microfinance. The Foundation and the global Microinsurance Network jointly host the Annual International Microinsurance Conference in a developing or emerging country to discuss the latest developments in this field. Following the 2012 Conference in Dar es Salaam, Tanzania and the 2013 Conference in Jakarta, Indonesia, the 2014 Conference (the tenth of the series) will be held in Mexico City.

The prime objective of this Conference, the world's largest gathering to discuss microinsurance, is the exchange of knowledge on how to protect low-income population segments against risk. Experts are given an international platform at the Conference to discuss how the potential of microinsurance can be extended further, based on experience and forward estimates. This event is complemented by further conferences in smaller groups held in conjunction with local authorities, in which regional solutions for specific markets are discussed. As a further step in this direction, the Munich Re Foundation also supports the collection of data on the development of supply and demand for insurance for lower-income groups in developing countries.

**You will find further information on how we facilitate and extend access to financial solutions in emerging and developing countries in the articles on microinsurance (primary and reinsurance), SystemAgro and the Munich Re Foundation.**

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## Challenges

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[3 questions for Dirk Reinhard, Munich Re Foundation](#)

## Access to financial solutions – three questions for Dirk Reinhard

**How will microinsurance develop in the coming years and what are the challenges which will have to be overcome? Dirk Reinhard, Vice Chairman of the Munich Re Foundation, explains the most important aspects of microinsurance in the following interview.**

### Mr Reinhard, let's start with some scenarios: How will coverage with microinsurance products develop in the next ten years?

Anyone expecting enormous success in just a few years may be disappointed. For example, today's major insurers and the developed insurance markets have taken a hundred years or more to grow to their present size. The number of people with access to insurance products will continue to grow significantly. If this growth were to continue, the number of microinsurance policies in existence today (about a quarter of a billion) could well double. In addition, new technologies provide the opportunity for accelerating this growth.



Dirk Reinhard, Vice Chairman of the Munich Re Foundation

### What must happen to prevent this development from slowing or even coming to a stop? What part can the Munich Re Foundation play?

Three areas need to be singled out here: the improvement of knowledge, the creation of a legal framework, and the development of efficient structures for marketing and customer service. We urgently need insurance experts and adequate opportunities for them to work in emerging and developing countries. For example, it is estimated that at the present time there are only a couple of dozen actuaries with sufficient experience in dealing with under-developed markets. The Society of Actuaries in the USA alone has more than 22,000 members, which is a striking illustration of the dramatic mismatch.

The use of mobile phones for making payments offers a huge potential for cost savings – provided that the legal prerequisites are in place. Countries such as India, Indonesia, Nigeria and Brazil have already developed special microinsurance regulations or are in the process of doing so.

The Munich Re Foundation will continue to act as a catalyst through its national and international conferences, bringing the relevant stakeholders together to devise solutions for the challenges that exist.

### What specific opportunities from microinsurance do you see for insurers and for you, as the Munich Re Foundation?

The biggest opportunity is the opening up of new markets with high growth rates. Many governments and multinational organisations such as the World Bank have recognised the importance of improving the living standards of the poor for the stable development of countries as a whole. Involvement in this field can therefore also be a door-opener with regard to regulatory authorities or new groups of customers.

Today's poor will form part of tomorrow's middle class. With increasing prosperity, many people emerge from the ranks of the poor and disappear from the statistics of those with microinsurance. For example in China alone, between 2002 and 2009 the number of people living in poverty decreased by about 200 million. A company that succeeds – as part of a long-term market entry and growth strategy – in developing long-term customer relationships through good, easy-to-understand products will automatically grow with its customers as prosperity increases.

In addition, we are seeing increasing interest in learning from microinsurance how to enhance efficiency, reduce costs and offer better products in developed markets. And much more money than is generally thought is now transferred by mobile payment systems. So far developed markets have hardly concerned themselves with these technologies. Simple insurance terms and conditions are a key factor in building trust among customers – something that only a few in this part of the world have realised as yet.

### Related topics

- » [Solutions: Micropayment \(Reinsurance\)](#)
- » [Solutions: Micropayment \(Primary Insurance\)](#)

### External links

- » [Munich Re Foundation](#)

As the market grows, so the number of enquiries to the Foundation for support for this development increases. It is therefore all the more important to work with the right partners to achieve the best possible effect with the means available.

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"With the implementation of the Principles for Sustainable Insurance (PSI), we are adding another dimension to our risk management"

Dr. Torsten Jeworrek, Member of the Board of Management  
Munich Re



Munich Re

Related topics

- » Corporate governance
- » Compliance
- » Munich Re as an employer
- » Climate protection

## Management

### Responsible management

**For Munich Re, a value-based, long-term approach is a basic prerequisite for business success. Mandatory rules for compliance with legal and ethical standards, responsible business practice, long-term HR management and our environmental awareness are among our success factors, also instilling clients and investors with confidence in our operations.**

#### Acting sustainably

To meet our own requirements and those of our stakeholders, we have committed ourselves throughout our Group to codes and principles that go beyond what the law requires, such as the Principles for Sustainable Insurance (PSI). As with the Principles for Responsible Investment (PRI), which Munich Re was the first German company to commit to, we were among the first signatories. By systematically anchoring the aspects of ecology, social responsibility and corporate governance [ESG] aspects in our core business, we are able to identify risks even more extensively and devise solutions for them together with our clients.

#### Responsible investment

Like all insurance companies, Munich Re is subject to strict security and return requirements. That is just one reason why we are committed to investing our capital reliably, transparently and profitably. MEAG, the global asset manager of Munich Re and ERGO, currently has assets totalling some €234bn in its portfolio. Investments of this magnitude entail a substantial responsibility that we take very seriously. That is why our investments meet specific sustainability criteria – a commitment we entered into under the PRI.

#### Munich Re as an employer

Responsibility and fairness are also a major feature of our human resources planning. We create optimal working conditions for our staff and support their personal and professional development in a multitude of ways. Munich Re is therefore an attractive employer worldwide.

#### Committed to the climate and the environment

Munich Re seeks to play its part in maintaining the ecological balance worldwide. With our expertise in the area of climate change and environmental protection, we set a positive example through our consistent environmental management throughout the Group. Our objective is to make office buildings at all companies in the Group carbon-neutral by 2015. We have committed ourselves to this in a number of agreements and initiatives, and are taking the necessary action with appropriate measures and innovations.

### Management

- » Responsible corporate governance
- » Responsibility in business
- » Responsibility towards staff
- » Our environmental awareness

## Responsible Corporate Governance

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## Corporate governance - Comprehensive and efficient

**Good corporate governance creates sustained value. Munich Re therefore subscribes to high standards and is committed to a clear, effective division of responsibilities within the Group's management.**

We understand [corporate governance](#) to be responsible corporate management and control geared to long-term value creation. To ensure good corporate governance, we apply nationally and internationally recognised standards. Another success factor is the efficient work of our Board of Management and Supervisory Board, and the close collaboration between these bodies.

### Meeting demanding requirements

As a global company, we have to consider the corporate governance rules of all the markets in which we operate. In Germany, these standards are established particularly in the Stock Corporation Act (AktG) and the [German Corporate Governance Code](#) (DCGK). The Insurance Supervision Act (VAG) standardises specific requirements for the business organisation of insurance companies and the qualifications of members of the Board of Management and of the Supervisory Board. The German Corporate Governance Code contains the main legal rules to be observed by listed German companies. The code also makes recommendations and suggestions based on nationally and internationally recognised standards of good and responsible management.

In the annual declaration as per Section 161 of the German Stock Corporation Act, Munich Re complied again in 2013 with all of the DCGK's recommendations and suggestions. Furthermore, Munich Re confirmed for the financial year 2013 that all 20 members of the Supervisory Board are independent and free of conflicts of interest. Staff co-determination in the Supervisory Board is regulated by a co-determination agreement.

### Recognised international guidelines

We underscore our approach to corporate responsibility by recognising international guidelines. First and foremost among these is the UN Global Compact, which we joined in 2007. Its ten principles provide the fundamental framework for our corporate responsibility strategy. Since signing up to the agreement, we also report annually in our [Communication on Progress](#) (COP) on our progress in implementing the principles. Guidelines for investments geared to sustainability criteria are provided by the [Principles for Responsible Investment](#) (PRI), which we have had our asset manager MEAG put in to practise since 2006. In 2012, we signed up to the [Principles for Sustainable Insurance](#) (PSI). We also report annually on our progress in relation to these initiatives.

### Clear regulation of responsibilities

The Board of Management and 20-member Supervisory Board play especially important roles in ensuring effective, long-term corporate governance. The Board of Management is responsible for managing Munich Re and must ensure compliance with statutory requirements and internal corporate directives. Our company is a parent group with clearly delineated areas of responsibility, the Group Committee being responsible for all [holding](#) functions, while the Reinsurance Committee oversees the reinsurance business. Both of these spheres of activity are stipulated in the Board of Management's rules of procedure. The Board of Management, whose remuneration is geared in particular to long-term corporate performance, reports regularly to the Supervisory Board on all matters having significant bearing on the corporation. The Supervisory Board appoints the members of the Board of Management and is involved in fundamental decisions regarding strategic planning and business development.

### Further development of structures and processes

At the end of 2012, the "Head of the Actuarial Function" was added to the list of persons reporting to the Audit Committee. We also specified in greater detail the procedure for selecting the external auditor for the financial statements and for explaining audit planning.

### Corporate governance expertise strengthened

At the beginning of 2013, Professor Ann-Kristin Achleitner was appointed a full member of the Supervisory Board. Professor Achleitner is Scientific Director of the Center for Entrepreneurial and Financial Studies (CEFS) at the Technical University of Munich and the government commission German Corporate Governance Code.

### Audit confirms good work by the Supervisory Board

Half of the Supervisory Board comprises employee representatives and the other half shareholder representatives. There are no overlaps with the Board of Management, i.e. no one is a member of both the Supervisory Board and the Board of Management. The Supervisory Board monitors the effectiveness of its work on a regular basis. In the 2013 financial year, the Board reached a consensus on a formless check of the efficiency of its supervisory activity and determined that the improvement measures proposed in 2012 have been implemented.

[munichre.com](#)» [Corporate Governance](#)

Munich Re offered the members of the Supervisory Board an internal information event again in 2013. Nearly all of them took advantage of the opportunity to enhance their understanding of the core elements of Munich Re's financial planning and control, and thus followed the DCGK recommendation to this effect.

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## Responsible Corporate Governance



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## Binding rules of conduct for the Group

**Compliance with applicable laws and internal rules and principles (compliance) is binding for all employees of Munich Re. To ensure compliant conduct, we have created Group-wide guidelines and suitable information and documentation systems as control measures.**

### Global Compact as our guideline

Since 2007, Munich Re Group has been committed to the ten principles of the United Nations' [Global Compact](#). These represent a worldwide standard and help us to continue to improve our corporate responsibility. The annual Communication on Progress (COP) is integrated in our Corporate Responsibility portal.

### Group-wide Code of Conduct

The central guideline for our actions is our [Code of Conduct](#), which describes our understanding of values and has also been implemented by our subsidiaries. It specifies rules that are binding for all Munich Re staff and is regularly reviewed and expanded as needed. In 2013, for example, we anchored the understanding of values conveyed in the Global Compact by expressly referring to the ten principles in the introduction to our Code of Conduct. In 2012, we introduced rules of conduct to ensure that our interaction with clients is fair. Our objectives in doing so were to ensure that we meet legal requirements and to define a uniform Munich Re position with regard to "ethical walls" situations. The code applies to all employees in reinsurance units who make or can influence business decisions or who have access to confidential information.

### Expanding compliance management

We continually refine our [compliance](#) systems in order to ensure comprehensive, efficient value management. One key component in this regard is giving our employees training in dealing with compliance-related issues. Our annual Compliance Awareness Survey, a structured and comprehensive survey among our employees, helps us to identify potential areas of improvement and derive appropriate measures. The high level of participation across all divisions and hierarchies is a clear indication of how important our staff members consider the subject of corporate compliance to be. We are pleased that, according to the survey, our managers enjoy great confidence in matters of compliance; at the same time, we see a need to further expand our communication and training measures in connection with this multifaceted topic.

### Direct channels of communication and the protection of anonymity

Munich Re has a Group-wide system for reporting violations of rules and laws. This system enables the Group Chief Compliance Officer to quickly report potential violations to the Board of Management. This officer is the first contact for all questions and assists the Board of Management in developing and implementing organisational measures. Staff members can report infringements and violations to the Group Chief Compliance Officer, their direct supervisor or Group Audit. The compliance system is complemented by an external, independent [ombudsman](#).

To strengthen the compliance system even further, the Board of Management decided to make available an additional channel. Since mid-November 2013, Munich Re has also maintained a [Compliance Whistleblowing Portal](#) where employees and others can provide tips and information. This portal can be used to anonymously report serious violations involving fraud, insider trading, anti-trust and data protection infringements and punishable reputational risks.

### Sustainable procurement

We also strive to achieve a balance of economic, ecological and social aspects in our procurement. The reinsurance group's purchasing guideline stipulates that from October 2009 on, all newly concluded contracts with suppliers and service providers must include an appropriate corporate responsibility clause. In this way, we are extending the commitments of the Global Compact to our business partners as well.

The clause that is gradually to be incorporated in contracts throughout the group reads: "Munich Re is a member of the UN [Global Compact initiative](#). Munich Re has thus committed itself to protecting human rights, preventing forced and child labour, promoting environmental protection and combating corruption. Accordingly, as a prerequisite for cooperation, Munich Re also expects its business partners to comply with the principles laid down in the UN's Global Compact. In the event that these principles are violated, Munich Re reserves the right to extraordinarily terminate the relevant contract(s) for good cause."

### External links

- » [United Nations Global Compact](#)
- » [Munich Re's Compliance Whistleblowing Portal](#)

### Downloads

- » [munichre.com: Risk report \(PDF, 704 KB\)](#)
- » [munichre.com: Code of conduct \(PDF, 354 KB\)](#)
- » [ERGO: Code of conduct \(German\) \(PDF, 201 KB\)](#)
- » [ERGO: Code of conduct sales force \(German\) \(PDF, 187 KB\)](#)

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## Measures to prevent economic crime

**The risk of falling victim to fraud increases with a company's size and the complexity of its organisation and processes. The financial loss, coupled with the damage to the company's reputation, may be devastating. Munich Re resolutely counters this risk with effective anti-fraud management.**

Financial crime may take a wide variety of forms, ranging from directly caused asset losses to corruption and manipulation of accounts. Although there is no such thing as complete protection, much can be done to reduce the risks. Munich Re complements its compliance measures with continual, comprehensive anti-fraud management (**Fraud**) in all Group companies. These measures include procedures for preventing and detecting fraud and corruption as well as clearly defined steps that are to be taken in response to suspected incidents.

### Surety of comprehensive expert knowledge

At the Group level, Munich Re's Fraud Prevention Officer leads the activities of a special working group, the Fraud Prevention Committee. It consists of staff members from Compliance, [Group Legal](#), [Group Audit](#), Risk Management, Human Resources and Group Communications. The committee's task is to develop anti-fraud management methods and standards to be applied throughout Munich Re. One current strategy ensures that staff members take part in special anti-fraud courses, where they receive training in key areas such as antitrust and insider trading law. Based on these standards, each of the Group companies operates its own anti-fraud management system, which thus takes their different parameters and business processes appropriately into account.

In some cases, owing to the size of a subsidiary or a location or the nature of its operations, its management is assisted by a local Fraud Prevention Officer, who leads and coordinates local anti-fraud management activities. In cases of suspected fraud, the local officer involves the Group Fraud Prevention Officer in the investigation early on. Reported cases of fraud or suspected fraud are thoroughly investigated with the help of either appropriately trained Group Audit staff and/or external specialists.

### Group Audit supports anti-fraud management

To complement the compliance measures and work done in the Fraud Prevention Committee, Group Audit provides auditing and consulting services to support the Board of Management and other managers in performing their controlling duties. In this way, these services help to improve our processes, structures and systems and to minimise risks within the Group.

In order to be effective and take into account all current insights and trends, anti-fraud management is subject to continual change. We are now reviewing our structures, processes and areas of responsibility with regard to the introduction of Solvency II.

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## Our guidance system for corporate management

**Effective risk management underpins our financial strength, enables us to meet our obligations to clients, creates sustained value for our shareholders, and protects our reputation.**

Purposely accepting risks is at the centre of our business model; our risk strategy defines the scope of the risks we assume for our clients and shareholders. Our implementation of risk management involves identifying, measuring, analysing and assessing risks. Based on those activities, we then report on, limit (reducing to a desired level) and monitor them. This enables us to follow all significant risks closely.



**“Risk management is not just about quantitative methods. It also has a lot to do with experience and plain old common sense. This is an essential part of our risk culture or, in other words, the foundation of our Enterprise Risk Management.”**

Dr. Bernhard Kaufmann, Group Chief Risk Officer

### Downloads

» [munichre.com: Risk report \(PDF, 704 KB\)](#)

### Efficacy through transparent management

To ensure effective risk management, we have established specific risk management functions and committees. Our Integrated Risk Management (IRM) division supervises risk management throughout the Group with the support of decentralised structures in all units of the Group. The IRM is headed by the Chief Risk Officer (CRO), who – like the CROs at individual companies – is supported by an interdisciplinary team of highly qualified staff. Our extensive documentation, guidelines and instructions ensure that staff in our risk management organisation and throughout the Group are kept precisely informed of our risk strategy and its structure and processes, making it possible to actively manage the risks we have accepted.



Munich Re

### Determining the risk strategy

The risk strategy defines the extent to which we are prepared to incur risks for our clients and shareholders; developing this strategy is part of the annual planning cycle and thus embedded in our business strategy. It is approved by the Board of Management and discussed regularly with the Supervisory Board. Our risk strategy is determined by fixed tolerances for a range of criteria. These tolerances are based on the capital and liquidity available and on our earnings target within specified volatility limits, and provide a frame of reference for the Group's operating divisions.

### The Reputational Risk Committee provides advice on sensitive business decisions

Actual cases that could involve reputation issues are evaluated in the business segments by a Reputational Risk Committee (RRC). The respective unit's Compliance Officer can always be consulted on matters relating to the assessment of reputational risks. In the Group Compliance Committee (GCC), reputational risks are also considered at Group level to ensure uniform analysis and handling throughout the Group. Furthermore, sensitive issues that could lead to reputational risks are handled for all segments by the new Group Corporate Responsibility Committee (GCRC).

**Multidisciplinary approach towards emerging risks**

In addition to the risks identified as essential for our business operations, our early identification of risks also includes emerging risks. These are hard-to-assess risks that arise from changes in legal, socio-political, scientific and/or technical circumstances. These risks may have hitherto unidentified or unquantified consequences for our portfolio (for example cyberrisks). The degree of uncertainty as to extent of damage and probability of occurrence is naturally very high.

We identify trends and signals in many ways, including systematic research into trends in Group development, using our knowledge management and regular analyses in our emerging risks think tank. In addition, a committee of experts examines emerging risks to ascertain their possible consequences, also looking at interconnections and interdependencies between different risks and other consequences related directly or indirectly to emerging risks. Our internal early warning system is complemented by cooperations with external partners such as the Emerging Risks Initiative of the CRO Forum.

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## An investment that creates value

**Our corporate governance geared to sustainability is also reflected in the development of Munich Re's share price. Their specific risk-return profile makes Munich Re shares an attractive investment. For this reason, ongoing and transparent communication with all capital market players has top priority at Munich Re.**

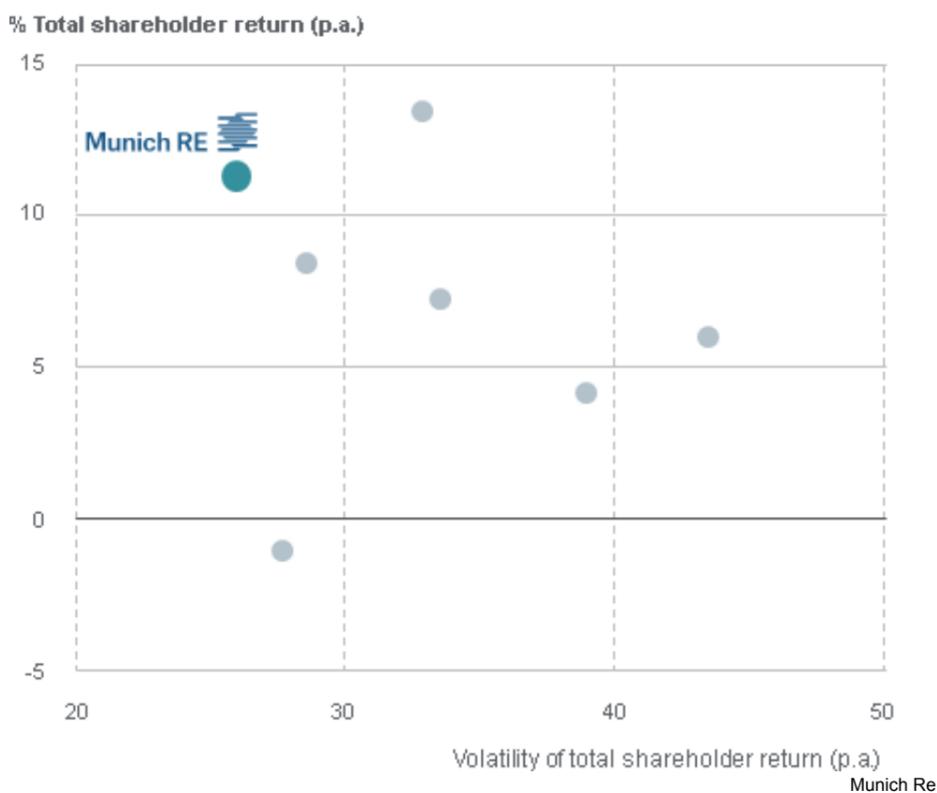
Munich Re is committed to the creation of sustainable value. At the centre of our corporate activities is value- and risk-based management, integrated and active risk management and an all-embracing knowledge of risk. This strategy derived from our objective has proven successful in the past, as our share performance shows.

### Positive development of the insurance industry in 2013

In 2013, the share prices of European insurers continued the positive trend started in 2012, reaching a five-year high at the end of the year. For the first time in the past 15 years, insurers' share prices exceeded the performance of the European share index for two years running ([DJ EURO STOXX 600](#)). The insurers' share values also developed better than the European bank index DJ EURO STOXX Banks ([EURO STOXX Banks](#)) and the German DAX 30.

Aside from the lower risk premium on government and corporate bonds, the main driver of this trend in share prices was the US Federal Reserve's announcement around mid-year that it would allow the low-interest-rate policy to come to an end. In the second half of the year, this led to rising interest rates on long-term government bonds, along with the expectation that there would be a sustained rebound in interest rates. This benefited life insurers in particular, in view of their long-term guarantees, and their share prices rose accordingly in 2013. The prices of reinsurers' securities were affected positively by the relatively low expenditure for major losses in 2013.

### Good performance: Munich Re's share price



Annualised total shareholder return defined as price performance plus dividend yield over the period from 1.1.2005 until 31.12.2013; based on Datastream total return indices in local currency; volatility calculation with 250 trading days per year.

### High sustainability standards pay off

Also in terms of sustainability aspects, Munich Re shares developed very well at the international level. Our stringent corporate responsibility management throughout the group is acknowledged by sustainability ratings. In addition to being named in the crucial FTSE4Good rating, the Munich Re share was again listed among the best in the insurance sector by the equally influential Dow Jones Sustainability Indices. Rating agencies specialising in sustainability such as oekom research, Sustainalytics and Vigeo also rated Munich Re very highly. Their ratings are taken into account in the weighting of several sustainability indices such as the Ethibel Sustainability Index (ESI) and the STOXX Global ESG Leaders index.

### Weighting of the Munich Re share as of 21 December 2013

Index	Weighting (in %)
DAX 30	3.2

### Related topics

- » SRI Indices
- » Challenges: Globalised financial markets

[munichre.com](http://munichre.com)

- » Investor Relations

DJ EURO STOXX 50	1.3
DJ EURO STOXX Insurance	10.6
MSCI EURO	1.2
FTSE EUROTOP 100	0.6
DJ Sustainability World	0.3
FTSE4Good Global Index	0.2

**Proven attractiveness**

Munich Re shares closed the 2013 year at a price of €160.15, which represented a rise of 17.8%. Taking into account the dividend paid for the 2012 financial year, the return on the share was €23.30, 2.5% more than the return on the European share index. Considered over a longer term, the return on our share, including dividend, has developed better than the European share index both over the last three years and over the last five years.

For the financial year 2013, the Board of Management and Supervisory Board proposed a dividend of €7.25 per share (previous year: €7.00) to the Annual General Meeting on 30 April 2014. Paid out on 2 May 2014, this dividend corresponded to a profit distribution of €1.3bn. By increasing its dividend, Munich Re once again underscored the sustainable profitability of its business model and the solidity of its capital position.

## Responsible Corporate Governance



Corporate Governance

Compliance

Anti-Fraud Management

Risk Management

Sustainability and Munich Re shares

[Guidelines For Dealing With Journalists](#)

## Guidelines for dealing with journalists

**Munich Re respects journalists' independence and favours a strict separation of journalism and public-relations work. When we conclude contracts with journalists (whether salaried employees or freelancers) to act as PR consultants, moderators or authors, we ensure that this cooperation does not influence media reporting about our company or issues related to our company.**

In Germany, where Munich Reinsurance Company has its registered office, the guiding principles defined in the "DPRG guidelines for dealing with journalists" of the Berlin-based German Public Relations Association (DPRG) and the statutes of the German Council for Public Relations serve as a basis for our cooperation with journalists. These guidelines are in keeping with those of the German Press Council and the recommendations of the Federation of German Industries for combating corruption in Germany.

In order to provide maximum transparency in accordance with the above rules, the names and places of residence of all journalists who have worked for us either on a salaried or freelance basis during the past two years are published here.

- Michael Aberger, Munich, Germany
- Paul Begala, Washington, D.C., USA
- Dirk Benninghoff, Hamburg, Germany
- Bärbel Brockmann, Cologne, Germany
- Tucker Carlson, Washington, D.C., USA
- Dr. Melinda Crane, Berlin, Germany
- Christoph Fasel, Mössingen, Germany
- Reiner Gärtner, Wangen im Allgäu, Germany
- Leticia Gow, Munich, Germany
- Ralf Grauel, Berlin, Germany
- Beate Hoffbauer, Berlin/Cologne, Germany
- Peter Kleffmann, Hamburg, Germany
- Olaf Kolbrück, Frankfurt am Main, Germany
- Adrian Ladbury, Bournemouth, United Kingdom
- Jane Lanhee Lau, Shanghai, China
- Tobias Mandelartz, Berlin, Germany
- Carl-Eduard Meyer, Hamburg, Germany
- Dr. Tanja Neuvians, Heidelberg, Germany
- Andreas Schuck, Munich, Germany
- Harald Schultz, Berlin, Germany
- Heiko Schwöbel, Tübingen, Germany
- Michael Smerconish, Philadelphia, PA, USA
- Sivam Subramaniam, Singapore
- Anke Trutter, Munich, Germany

Similar policies are in place at our branches and subsidiaries outside Germany.

## Responsibility in business

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## Corporate responsibility in business

**A forward-looking and responsible approach is axiomatic for Munich Re (Group). It is essential for securing the long-term success of our business model, creating lasting value, and strengthening the confidence of our clients, investors and society in our work.**

Corporate responsibility is an integral part of our Group strategy and enshrined in our internal core principles. Insurance and corporate responsibility are very similar in nature. Both hold a promise for the future at their core. The concept of insurance is built on fulfilling obligations from insurance contracts on a long-term basis. For us as a global risk carrier, a prospective, prudent and responsible approach is therefore self-evident.

We document our understanding of corporate responsibility values through voluntary commitments such as the Principles for Responsible Investment (PRI), the UN Global Compact and the Principles for Sustainable Insurance (PSI).

### Taking challenges head on, identifying potential

Munich Re's business environment is in flux, presenting ever new opportunities and risks. Formative parameters, such as climate change, technological progress, the globalised financial markets and demographic trends, constitute major challenges. Munich Re meets these challenges actively and flexibly with tailor-made solutions.

It is our business to know all risks of relevance. In addition to the global challenges, our focus is also on developing new business potential. One of our tasks is therefore to use new findings to advance the risk models used. With our extensive knowledge and decades of experience, we can thus actively shape the changes taking place.

### Development and signing of the PSI

In recent years, Munich Re has played an active part in developing the Principles for Sustainable Insurance (PSI) of the United Nations Environmental Programme Finance Initiative. In June 2012, the PSI were officially unveiled and signed at the RIO+20 UN Conference. As with the Principles for Responsible Investment (PRI), which Munich Re was the first German company to join, we were among the first signatories. At the launch event in June 2012, the PSI had a total of 34 signatories and supporting institutions, which number 68 today.



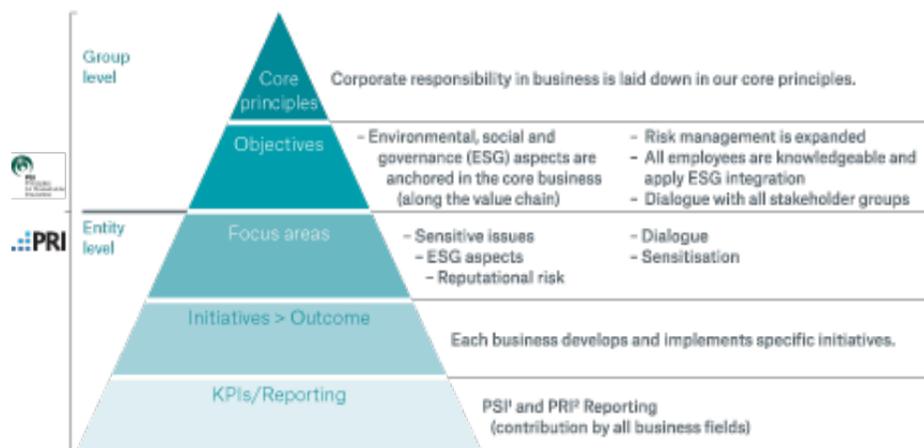
### Related Topics

- » [Strategy and challenges](#)
- » [Management](#)
- » [Managing investments](#)
- » [Organisational positioning](#)

### External Links

- » [CRO Forum](#)
- » [CRO Forum: Blueprint on Anti Personnel Mines and Cluster Munitions](#)
- » [CRO Forum: Blueprint on Oil Sands](#)
- » [CRO Forum: Environmental, Social and Governance factors in Country Risk Management – a new horizon](#)

STRATEGY CORPORATE RESPONSIBILITY IN BUSINESS



<sup>1</sup> PSI – UN Principles for Sustainable Insurance (signed by Munich Re in 2012)  
<sup>2</sup> PRI – UN Principles for Responsible Investment (signed by Munich Re in 2006)

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## Integrating ESG aspects

**As a (re)insurer, particularly as a large group operating worldwide, we have an important economic role, as exemplified in the cover we provide for companies and individuals against financial distress after natural catastrophes.**

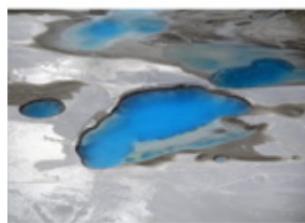
Our business, which links us to all sectors of industry and the economy, makes it possible for entrepreneurial risks to be taken. With our knowledge and innovative coverage concepts, we also help to expand the frontiers of insurability, thus often facilitating the breakthrough of new technologies. Frequently, this also contributes to goals of sustainable development, such as the spread of energy-efficient and low-emission technologies.

We are conscious of the fact that there are a range of industries and projects that have a major impact on the environment and local communities. The systematic anchoring of environmental, social and governance (ESG) aspects in core business enables us to identify these risks and, in cooperation with our clients, to minimise them as far as possible. Within the framework of the Principles for Sustainable Insurance (PSI), we are working together with various market participants from the insurance industry to achieve this objective.

### Integration of environmental, social and governance aspects

We are convinced that our business concept can only be successfully realised in the future through sustainable and responsible action. Therefore the Principles for Sustainable Insurance (PSI) serve as a framework for anchoring ESG aspects more strongly in our core business. By taking these aspects into account along the whole value chain of our business, we expand our risk management by a further dimension. This expansion contributes to securing our corporate success in the long term. In addition, considering ESG aspects is a further component of our Group's reputational risk management.

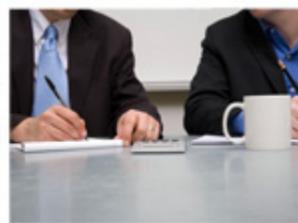
### ENVIRONMENTAL, SOCIAL AND GOVERNANCE ASPECTS



**Environmental**  
- Pollution  
- Natural resources and biodiversity



**Social**  
- Political environment and public perception  
- Working conditions  
- Health and safety in the community  
- Displacement of people  
- Cultural heritage



**Governance**  
- Responsible and careful planning and assessment  
- Compliance  
- Consultation and transparency

Source: Munich Re

### Sharing knowledge – action not reaction

To identify the challenges systematically, we maintain an ongoing discussion with our stakeholders, which include our clients, staff, insurance and capital market players.

For example, we are actively involved in the working group of the Chief Risk Officer (CRO) Forum. This is a forum of professional risk managers from the insurance industry that focuses on developing and promoting industry best practices in risk management. Among other things, we contributed to the papers on banned weapons and ESG factors in country risk management and also to the blueprint on oil sands.

### Externe Links

- » CRO Forum
- » CRO Forum: Blueprint on Anti Personnel Mines and Cluster Munitions
- » CRO Forum: Blueprint on Oil Sands
- » CRO Forum: Environmental, Social and Governance factors in Country Risk Management – a new horizon

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## Practical implementation

**Our success factors include not only efficient risk and capital management but also forward thinking and action. This is how we create lasting value. Additionally, we use the Principles for Sustainable Insurance (PSI) as a framework to further integrate environmental, social and governance aspects into our core business. In doing so, we enhance our risk management.**

At the end of 2012, the cross-business-field Group Corporate Responsibility Committee (GCRC) was established. It provides counsel on the corporate responsibility commitments and activities of Munich Re (Group) and evaluates and prioritises sensitive issues. The committee members are from Group functions and include representatives from all business fields (reinsurance, primary insurance and Munich Health) and from asset management (MEAG).

Munich Re has implemented a Reputational Risk Committee (RRC) in each business field. The RRC's deal with reputational risk issues that arise in the course of our day-to-day business operations. Employees can refer critical cases to their respective RRC prior to closing a transaction. The committee members verify the acceptability of the planned business transaction and ensure that we do not take operational decisions involving reputational risks. Ready to convene at short notice, the committee can discuss an issue and recommend suitable action within 48 hours. Any new topic that emerges as a sensitive business issue in these discussions is referred to the GCRC for detailed assessment and possible extension of the existing Group-wide policies.

In 2012, we incorporated Munich Re's commitment to the PSI into the preamble to our internal Group-wide risk management manual, which is the reference work for the relevant manuals of the business fields. At the same time, it constitutes a generally binding basis for all Group underwriting guidelines.

### Our framework for integrating ESG aspects

A holistic Group strategy underlies primary insurance, Munich Health and reinsurance, our three business fields. We reflect this in a framework for integrating ESG aspects into our core business, geared to appropriate focal points in the individual business fields.



In reinsurance, the emphasis is on the consideration of ESG aspects in the underwriting process and in dialogue with our clients and business partners. With Munich Health, the focal points are access to medical care, disease prevention and management of chronic illnesses. In this business field, we put emphasis on sharing best practices across organisational and geographical boundaries. The ERGO Group mainly writes personal lines insurance, focusing on the development of new products, on making existing ones easy to understand, and on a holistic sales advice approach. In commercial and industrial business of primary insurance, the emphasis is the same as in reinsurance – on integrating ESG-aspects into underwriting.

Our investments are another key lever for proving that we act in a responsible manner. To advance the integration of sustainability criteria, MEAG was assigned the Group-wide mandate to internally drive the implementation of the Principles for Responsible Investment (PRI) in our investments and fulfil our commitment.

### Initial pilot projects launched

In 2013, we at Munich Re (Group) developed a catalogue of ESG questions for engineering projects (engineering policies, for example, for construction projects). This helps our underwriters and [asset managers](#) to systematically incorporate ESG aspects into their risk assessments. The question catalogue concerns ecological, social and governance aspects. The questionnaire is used especially for large-scale infrastructure projects. Current planning provides that the methodology of the ESG questionnaire also be applied to other areas of industry and classes of insurance business.

Since the third quarter of 2013, our investment activities have taken into account an external ESG country rating that reflects the sustainability performance of individual countries. In cases where countries fail to satisfy our criteria, MEAG refrains from

### Related Topics

- » Objectives and measures
- » PRI reporting
- » Solutions
- » Risk management

investing in their government bonds or the bonds of quasi-governmental organisations. For further information on this subject, please see our reporting relating to the [Principles for Responsible Investment \(PRI\)](#). In a pilot project, we have also made this rating available to a select group of reinsurance underwriters. The rating is intended to serve as an additional source of information and a quick overview of important indicators for staff in units that write business worldwide. These country-specific indicators include its standard of living, level of public safety, corruption index and regulatory quality. Also on record is information on UN, EU and US sanctions against specific countries. Our planning provides for gradually extending the use of this rating to further units in the Group.

At ERGO, our primary insurer, sustainability is also reflected in special new insurance solutions with which the company strives to respond quickly to trends and create incentives for ecologically sound behaviour. Since 2013, there have been specific approaches towards taking ESG aspects into account in our core business. In 2013, our sales units introduced standardised, technically supported ERGO guidelines for advising clients that ensure a consistently high level of consulting quality. At the same time, an initiative to use plain language has made our insurance terms and conditions more understandable. In terms of products, we offered a greater number of new insurance solutions such as renewable energies covers and eco-rates for motor policies, which reward policyholders for choosing sustainable, environmentally friendly options.

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## Principles for Sustainable Insurance – Corporate responsibility in business

**Strong elements of sustainability are inherent in both insurance and reinsurance in as much as they are a promise for the future: in exchange for a premium payment in the present, the insurer assumes a risk and promises to indemnify the insured for losses that may occur at some point in time in the future. Insurers and reinsurers must be able to meet these payment obligations at all times and thus have a vital interest in sustainable value creation.**

### ► Principles for Sustainable Insurance

Every day we take decisions that have an impact on our business results and on the perception our stakeholders have of us. It is our maxim to act responsibly and make informed choices. Corporate responsibility is deeply rooted in our Group strategy, core principles and corporate values.

Decisions that are good for our business should also be good for the environment and for society. That is why in our conduct we go beyond what is required by law and have committed ourselves to more stringent standards. These include the United Nations Global Compact (UNGC), the Principles for Responsible Investment (PRI), and the Principles for Sustainable Insurance (PSI).  
[Statement by the CEO](#)

Munich Re played an active role in developing the Principles and was among the first signatories when they were unveiled during the Rio+20 Conference in 2012. To demonstrate our commitment to the Principles, Munich Re continues to serve on the PSI Board and contributed to developing the PSI strategy adopted by the assembly of signatories. Moreover, we are involved in the Executive Steering Committee of the PSI flagship project on global resilience.

The PSI serve as a framework for anchoring environmental, social and governance (ESG) aspects more strongly in our core business. We are conscious of the fact that there are a range of industries and activities that have a major impact on the environment and local communities. The systematic consideration of ESG aspects along the value chain of our core business enables us to identify risks and, in cooperation with our clients, to minimise them as far as possible. In doing so we ensure that the actions we take are not merely legal but socially legitimate. At the same time, consistently observing ESG aspects helps us to identify and realise new business potential and empower our clients to better manage all types of risks.

Within the framework of the PSI, we are working together with various market participants from the insurance industry and with a wide range of stakeholders from society at large.

### The following examples show how Munich Re (Group) is putting the four UN principles into practice:

#### ► Principle 1

**We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.**

A holistic Group strategy underlies our business of primary insurance and reinsurance. We reflect this in a framework for integrating environmental, social and governance (ESG) aspects into our core business and asset management, geared to appropriate focal points in the individual business fields.  
[Corporate responsibility in business](#)

To ensure that our commitment is implemented and lived out in corporate reality, all members of Munich Re's Board of Management have PSI performance targets in their long-term objectives agreements.

Our Group Corporate Responsibility Committee (GCRC), established in 2012, is charged with the advancement of our corporate responsibility strategy. In 2013, the GCRC identified and prioritised sensitive business issues. By this we mean industry sectors, projects or practices that concern ESG aspects of our core business and/or investments in more than just a single case in such a way that the relevant business/investment cannot be compatible with our fundamental conviction and/or our commitments such as the PSI. For each of the industries and activities thus identified, we are successively drafting position papers that provide guidance to our underwriters on how to address ESG aspects when writing such business.  
[Integrating ESG aspects](#)



External Link

» [UNEP FI: Signatory companies](#)

We also developed a catalogue of ESG questions for engineering projects that helps our underwriters to systematically incorporate ESG aspects into their risk assessments. The questionnaire is used especially for large-scale infrastructure projects. Current planning provides that the methodology of the questionnaire also be applied to other areas of industry and classes of insurance business.

[Practical implementation](#)

In addition to the position papers and tools as described above, a dedicated "CR in Business" team offers training and workshops, provides consulting and conducts ESG research for underwriters and client managers.

Our primary insurer ERGO attaches importance to the integration of ESG aspects in its personal lines insurance business and offers a multiplicity of insurance solutions that take account of ecological aspects. They range from eco-rates in motor insurance to unit-linked annuity insurance policies that take sustainability into account in the investments.

[Ecological insurance solutions](#)

With its focus on covering and managing risk, Munich Health offers customised, sustainable solutions for the health market. By combining know-how from both the primary insurance and reinsurance segments, we create the basis that enables our clients to achieve success and security in their respective markets.

[Integrated healthcare](#)

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▶ **Principle 2**

**We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.**

Munich Re's business environment is in flux, presenting ever new opportunities and risks. Formative parameters, such as climate change, technological progress, the globalised financial markets and demographic trends, constitute major challenges. We meet these challenges actively and flexibly with tailor-made solutions.

[Challenges](#)

It is our business to know all risks of relevance. In addition to the global challenges, our focus is also on developing new business potential. One of our tasks is therefore to use new findings to advance the risk models used. With our extensive knowledge and decades of experience, we can thus actively shape the changes taking place.

[Solutions](#)

In treaty reinsurance, where we cover entire portfolios without being able to assess the individual risks, our client managers actively seek dialogue with the ceding company to raise the awareness of ESG issues. At the same time, Munich Re Group staff regularly and frequently speak at international conferences, market events or client seminars about the PSI and ESG integration.

In mid-2013, Munich Re entered into a cooperation with IFC (International Finance Corporation, a member of the World Bank Group) to support infrastructure growth in Latin America. Under the agreement, concluded for an initial period of five years, IFC will provide up to a \$100 million risk-sharing facility to Munich Re. IFC is renowned for its high social and environmental standards and it is envisaged to expand the cooperation to other areas.

[IFC risk sharing facility](#)

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▶ **Principle 3**

**We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.**

Munich Re has always valued an open and ongoing dialogue with its stakeholders. Transparent communication with our stakeholders is the basis for mutual trust. At the same time, this exchange enables us to identify important social challenges and changes at an early stage so that we can then offer or develop suitable business solutions for the future.

[Stakeholder dialogue](#)

In October 2013, Munich Re held its first in-house SRI (Sustainable Responsible Investment) Day to complement the SRI road shows we usually conduct once or twice a year.

[SRI Day](#)

[Analysts' conferences and meetings of investors 2013](#)

Munich Re's corporate citizenship concept provides for clearly defined guidelines: in addition to basic assistance for social and cultural projects at corporate locations, we focus on topics that are related to our business activities. These are mainly projects from the fields of natural disaster prevention, protection of natural resources, and healthcare promotion. The emphasis is on long-term partnerships geared to meeting concrete challenges in society and on a stronger involvement of staff through corporate volunteering.

[Natural disasters and environment](#)

[Health and demographics](#)

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▶ **Principle 4**

**We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.**

This is our second progress report in connection with the Principles for

Sustainable Insurance. It covers the calendar and financial year 2013 (1 January to 31 December). We will publish an update for the financial year 2014 within a year from now.

An extensive overview of all our activities can be found in the Corporate Responsibility Portal and on our corporate website.

[Corporate Responsibility Portal](#)

[Munich Re Corporate website](#)

[SRI indices, SRI ratings and awards received](#)

NB: Hyperlinks in this report refer to pages in our Corporate Responsibility Portal, of which this report is an integral part. Links also refer to Munich Re's corporate website and other pages in the public domain, which may be updated at irregular intervals.

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Munich, July 2014

Dr. Astrid Zwick  
Head of Corporate Responsibility  
Munich Re  
[responsibility@munichre.com](mailto:responsibility@munichre.com)

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## Responsibility in business

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Principles for Responsible Investment

## Pooling know-how for sustainability

**Corporate responsibility as an integral part of our Group strategy is also reflected in our investment approach. The Principles for Responsible Investment (PRI) serve as the framework.**

Insurance companies are subject to strict security and return requirements. They have to ensure that their clients' money is invested both safely and profitably. MEAG (MUNICH ERGO AssetManagement GmbH) is the asset manager of the Munich Re Group and currently manages over €200bn globally.

In April 2006, Munich Re became the first German company to sign the UN Principles for Responsible Investment (PRI), which we also played a prominent role in drafting. Since then, the PSI have served as guidelines for our investment strategy, anchoring environmental, social and governance (ESG) aspects more firmly in our investment process. MEAG, our asset-management arm, is responsible for the application of the PRI. At Group level, a team consisting of representatives of Munich Re, ERGO and MEAG strategically develops socially responsible investment further in line with PRI requirements.

### Top-down approach and asset liability management

MEAG's experts follow a risk-controlled investment approach geared to above-average long-term performance. Depending on the specific investment category and focus, they put together the portfolios using a [top-down approach](#). Taking into account micro and macro-economic factors as well as capital market data, MEAG decides on the allocation in individual countries and sectors. Some 70 experienced portfolio managers are in charge of implementing investment decisions and selecting attractive securities. All persons involved adhere to the criteria of our internal [asset-liability management](#) and a holistic risk management process. This is how we ensure that we can always meet our short and long-term obligations to our clients in the best possible way.

### Internal requirements – our General Investment Guidelines

As early as 2002, we decided that our equity and bond investments had to meet specific sustainability criteria. In 2005, this requirement was incorporated into our Group-wide General Investment Guidelines (GIG). Altogether, the major portion of our investments meet sustainable investment criteria. In the asset classes of infrastructure, renewable energies and forestry, we have established an investment process which follows additional important objectives relating to investment (including ESG criteria) as well as financial criteria. We regularly review our sustainability criteria for these asset classes using the ESG criteria of external rating agencies. Particularly in the areas of infrastructure and forestry, MEAG benefits from the extensive experience of Munich Re's experts in the field of risk research and assessment.

### Criteria for our sustainable investments

Wherever possible, we use the know-how of external service providers to ensure the sustainability of our investments. We combine their assessments with our own investment criteria. Our objective is the further optimisation of our investment decisions.

- **Equities and corporate bonds:** We are guided by the appraisals of experts regarding which of our future and existing investments can be rated as sustainable. Thus Munich Re (Group) invests in equities and corporate bonds featured in sustainability indices such as the Dow Jones Sustainability World Group Index, the FTSE4Good or the Advanced Sustainable Performance Index.
- **Government bonds:** We also assess government bonds in terms of sustainability. As the starting point for this process, we take the internal Munich Re (Group) sustainability country rating, which is based on the Country Risk Monitor of the Sustainalytics rating agency.
- **All other bodies issuing interest-bearing securities,** such as state-owned companies, public and private financial institutions or issuers of covered bonds, are assessed as well. We use the ratings of independent agencies, for example oekom research, for this purpose.
- **Real estate:** Sustainability is also important for us when it comes to real estate. We have defined sustainability criteria (for example, energy efficiency and construction materials) which we apply to the purchase, construction or renovation of properties.
- **Infrastructure/renewable energies:** As investments in renewable energies and infrastructure may extend over period of 20 years or more, we carefully examine all the risks associated with them. As well as financial aspects, we are concerned with meteorological and climate-related factors (such as solar irradiation in the case of solar plants or wind force in the case of onshore wind farms) and also political parameters such as the relevant national energy policy.
- **Infrastructure/forestry:** In the asset classes of infrastructure and forestry, we have established an investment process which follows additional important objectives relating to investment (including ESG criteria) as well as financial criteria. We regularly review our sustainability criteria for these asset classes using the ESG criteria of external rating agencies.

### External links

- » [MEAG](#)
- » [Principles for Responsible Investment \(PRI\)](#)

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[Principles for Responsible Investment](#)

## Principles for Responsible Investment – Investing responsibly

**At Munich Re, responsible management has top priority, not least with a view to operating profitably. Our asset management therefore follows the United Nations Principles for Responsible Investment (PRI). We helped to draw up these principles and we were the first German company to sign them.**

A holistic investment strategy aligned with ESG (environmental, social, governance) criteria also has a beneficial effect on risk and return. That is why, on 27 April 2006, we were one of the first signatories to the United Nations Principles for Responsible Investment (PRI), which we played a prominent role in drafting. Behind these principles is the view that investment decisions often take insufficient account of the need for sustainable development and thus the needs of future generations.



**“I strongly believe that the integration of environmental, social and corporate governance (ESG) issues will become mainstream for the investment community. And PRI, with support from UNEP Finance Initiative and UN Global Compact, will be a catalyst and opinion leader for this development.”**

Dr. Wolfgang Engshuber, Member of the Board of the investor-led Principles for Responsible Investment initiative (until 31.3.2014)

### Related topics

- » Objectives and measures
- » Our guiding principles
- » Challenges: Climate change
- » Solutions: Asset management

### External links

- » [UN: Principles for Responsible Investment](#)

### Principles and recommendations for action for investment decisions

Six principles are described more closely in a list of 35 recommendations for action. These enable institutional investors to take account of ecological and social aspects, together with topics of good corporate governance, in their investment decisions. Munich Re is committed to fulfilling the PRI in an appropriate and forward-looking manner.

The following examples show how Munich Re is putting the six UN principles into practice:

No.	Principle	Examples of measures
1	“We will incorporate ESG issues into investment analysis and decision-making processes.” <b>Sustainability ratio</b>	<ul style="list-style-type: none"> <li>– We apply the best-in-class approach to the investment process, which means that, taking all sectors into account, we select especially sustainable securities from the pool of investible equities and corporate bonds.</li> <li>– If two » <a href="#">risk-return profiles</a> are identical, we select the more sustainable issuer.</li> </ul>
2	“We will be active owners and incorporate ESG issues into our ownership policies and practices.” <b>Active investor</b>	<ul style="list-style-type: none"> <li>– We communicate our investment criteria openly and address these in dialogue with the companies we work with.</li> <li>– Our aim here is to motivate companies to improve their SRI rating or achieve a positive SRI rating for the first time. In this way, Munich Re also promotes issuers’ awareness of SRI.</li> </ul>
3	“We will seek appropriate disclosure on ESG issues by the entities in which we invest.” <b>Sustainability</b>	<ul style="list-style-type: none"> <li>– For the funds MEAG Nachhaltigkeit and MEAG FairReturn, we request information relevant to our sustainable investment criteria from the issuers.</li> <li>– We have taken sustainability criteria into account when purchasing real estate since 2007.</li> </ul>

**disclosure**

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4	<p>“We will promote acceptance and implementation of the Principles within the investment industry.”</p> <p><b>Patron of PRI</b></p>	<ul style="list-style-type: none"><li>– We announce and stress our principles via publications in the financial press and by participating in presentations and conferences on sustainability. In January 2011, for instance, MEAG organised a workshop for institutional investors.</li><li>– With individual funds and activities, we show how responsible management can be put into practice:<ul style="list-style-type: none"><li>– RENT (Renewable Energies and New Technologies),</li><li>– MEAG Nachhaltigkeit,</li><li>– MEAG FairReturn.</li></ul></li></ul>
5	<p>“We will work together to enhance our effectiveness in implementing the Principles.”</p> <p><b>Cooperation to realise the PRI</b></p>	<ul style="list-style-type: none"><li>– Through its PRI membership, Munich Re contributes to the further development and propagation of the principles.</li><li>– We are driving the exchange of experience forward with other PRI members in Germany and around the world.</li></ul>
6	<p>“We will each report on our activities and progress towards implementing the Principles.”</p> <p><b>Reporting on activities and progress relevant to PRI</b></p>	<ul style="list-style-type: none"><li>– We participate in UNEP’s annual PRI Reporting and Assessment Survey.</li><li>– When reporting on PRI and our activities in this context, we make use of various communications channels (e.g. financial reports, SRI analyst meetings).</li><li>– Munich Re participates in SRI ratings and takes account of the assessments in its corporate planning.</li></ul>

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## Responsibility towards staff

### Munich Re as an employer

Training and personal development

Remuneration

Work-life balance

Health at the workplace

Diversity

## Attractive and varied

### Our employees are a crucial factor in our success.

Our employees drive our business forward with their specialist knowledge, their commitment and their constant readiness to innovate. We create the conditions that promote personal development and performance in all areas and at all stages of life. One of our main objectives as an employer is to be attractive for talents from all fields and in all markets. That is why we, as a Group that combines primary insurance and reinsurance under a single roof and conducts business on a global scale, consider it especially important that our human resources work should have a global orientation.

The business field of reinsurance stands for an exceptional diversity of our employees' personal skills and challenging assignments in a demanding and appreciative field of work. Our founder, Carl von Thieme, was considered one of the most socio-politically progressive employers of his time. We uphold this tradition by offering our staff first-class benefits and support. As a result, we have enjoyed a high level of employee loyalty and consistently low staff turnover rates for many years.

### Successful with clear positioning

We are convinced that if we increase staff motivation through personal development, this will continue to have a very favourable impact on our success. In an international context, our global [human resources](#) management ensures that we uphold high-quality HR standards throughout our reinsurance units.



**"Our aim is to attract the best people through clear employer brand positioning: we offer excellent working conditions, good opportunities for personal development and a value-based corporate culture."**

Dr. Peter Seemann, Head of Human Resources at Munich Re

This mindset pays off: the reinsurance group continues to enhance its reputation in national and international competition. Our comprehensive corporate health and [diversity](#) management plays a major part in this, as do our performance-related, transparent remuneration system and our family-friendly structures. The latter is reflected by our membership in the City of Munich's Action Forum for Families, for example, which supports family-friendly projects and initiatives and networks them locally.

Our standing was further affirmed by the fact that we rank among the top 100 employers (business) in both the Trendence Institute's graduate barometer and in Universum Communications' employer ranking.

### Good global working climate

Primary insurer ERGO's positive working climate is propagating even beyond Germany's borders. For example, ERGO Hestia was voted among the top ten major company employers in Poland in an employee satisfaction survey carried out by the Polish newspaper Rzeczpospolita. Our commitment is also evident from the fact that in 2012 we extended the Leadership Monitoring survey, which is conducted every two years in the reinsurance group and Munich Health, to include all units worldwide. In this survey, 10,436 employees gave 1,758 managers very positive feedback on their leadership conduct and rated this important aspect of employee satisfaction as very good. This is an excellent basis for the systematic further development of our leadership culture.

### Systematic HR work with maximum outreach

We rely on systematic HR work to maintain the same high global standards in the future. This is how we will attract specialists and train them for the right jobs within the Group. Job vacancies in all business fields and at [MEAG](#) are advertised internally in the Group's own job listings, usually across units and regions. Depending on the required scope and the target group, jobs may also be advertised on a number of global internet job portals. These activities are supported by international university



[munichre.com](http://munichre.com)

» [Career](#)

External links

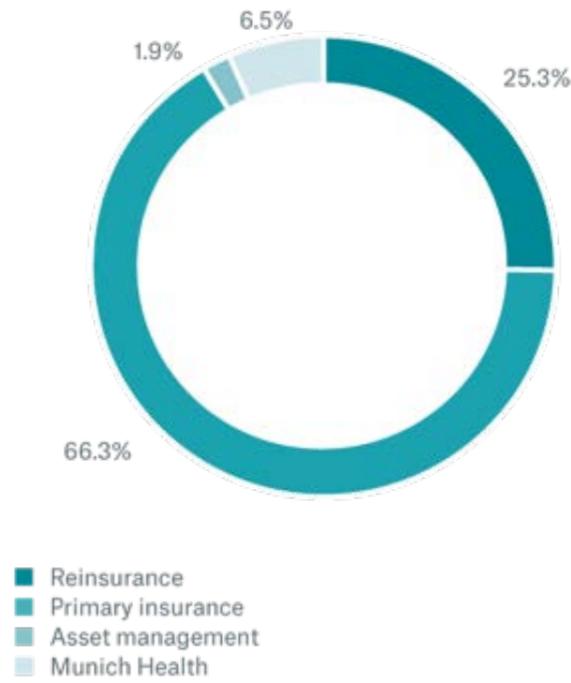
» [ERGO: Career](#)

networking, representation at international careers fairs, social media activities and extensive public relations work.

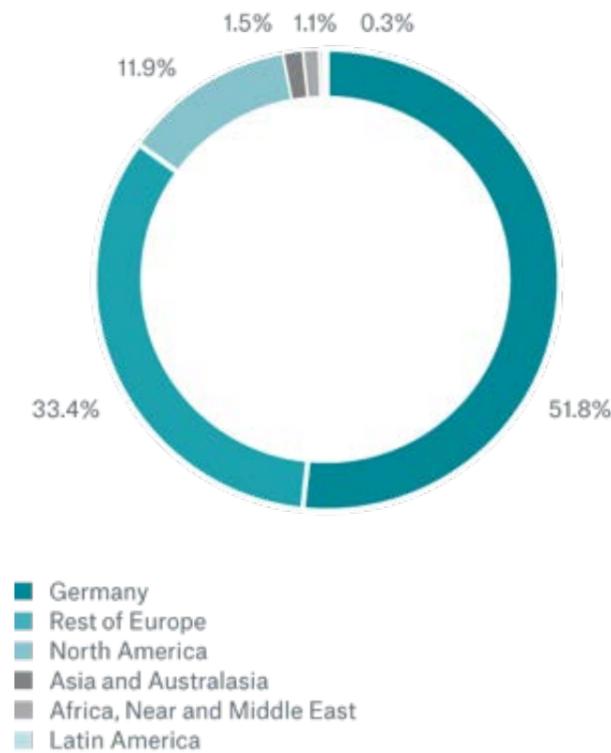
The team at Munich Re Greater China Life in Beijing came up with an ingenious idea to counteract the shortage of qualified actuaries: they organised a national competition that offered traineeships at Munich Re as prizes. This competition is the largest event of its kind in the region. In this way, Munich Re secures the best talent in the Chinese market, establishes contacts for future business relationships and position itself as an innovative employer.

In Germany, too, our top ranking in the field of finance and the associated "Top Traineeship" award also show that we are on the right track. This award is based on a survey of 7,500 trainees which was conducted during the "Praktikantenspiegel" study in 2013.

▶ **Group staff by field of business**



▶ **Group staff by region**



## Responsibility towards staff

Munich Re as an employer

**Training and personal development**

Remuneration

Work-life balance

Health at the workplace

Diversity

## Our programmes for training and development

**Munich Re has a clear objective: we want not only to attract the best employees for the Group, but also to keep them. We are therefore committed to a corporate culture that offers opportunities for personal development, encourages independence and rewards success and performance.**

### Selective promotion of talent

The Group offers development opportunities of every kind. With systematic talent management in all fields of business, we ensure that key functions are staffed in-house with the best and most qualified employees. Over 90% of all management positions at MEAG, Munich Re's asset manager, were filled in this way in the past four years. MEAG's "Young Manager" programme, for instance, helps young managers master the new challenges facing them during their first year in this role. In the reinsurance sector, talented employees with management potential are supported worldwide following the same philosophy. The FUEL programme (Future Excellence in Leadership) offers talented employees a standardised framework for advancing specific aspects of their personal development. Talents with management potential are prepared very precisely to assume their initial and their subsequent management positions nationally and internationally.

At ERGO, the Management Development unit prepares talented senior executives individually for the challenges at the next level. The two-year "ERGO Fokus Führung" initiative started in autumn of 2013 focuses on advancing the development of every aspect of the management culture and competence of all ERGO managers in Germany. In the course of this "management triathlon", all of ERGO's approx. 2,600 managers will undergo a mandatory three-stage development programme. At the same time, staff members will provide systematic feedback as part of a bottom-up appraisal. The basis for this comprehensive initiative is ERGO's "Leitbild Führung" (guiding management principles), which were developed with the aid of ideas from the 2012 employee survey and have already been established. This measure to advance the development of individual managers shows how much importance is attached to this subject.

### Training measures and career

Munich Re promotes lifelong learning. We offer a wide range of training options in each of our business fields and at MEAG to promote key skills and specialist training in all fields of business. Additional training opportunities are afforded by user-friendly e-learning platforms that are continually updated and enhanced and can be accessed by Munich Re staff all over the world, irrespective of their working hours.

The positive impression made by this development has been confirmed by external sources. In 2013, the reinsurance group was awarded the seal of excellence of the Deutscher Bildungspreis (German Education Award) in the "Innovation" category. The pioneering training process, which was awarded second place, has already been implemented in our primary insurance group.

To us, career is not just about advancement in terms of a management career. At Munich Re, it can also mean continually expanding one's expertise in a specific area, taking on more responsibility in one's current position and moving laterally at the same managerial level in order to progress to senior executive status along the expert career path.

### Combining work and studies

We offer our reinsurance staff practical ways of combining studies and career, for example the Executive Master in Insurance (EMI) at our Munich headquarters. This in-service degree course is run in conjunction with the Munich School of Management (LMU Munich). Another example of optimally combining studies and work is the "Munich model", an integrated professional training and insurance degree course. MEAG and ERGO also encourage staff to enrol for in-service study courses by covering part of the costs and granting study leave. For instance, MEAG staff can enrol for a three-year Chartered Financial Analyst (CFA) course or a degree course in Real Estate Economics. Together with recognised academic institutions such as the University of Leipzig or the German Insurance Academy, ERGO offers courses of study such as the Bachelor of Insurance Practice or the Insurance MBA.

### Support through graduate trainee programmes

Munich Re develops talent systematically by providing targeted apprenticeships and attractive student and trainee programmes. Trainee programmes in the reinsurance group, ERGO or MEAG therefore offer graduates interesting, challenging and widely varied opportunities to start a career. Our reinsurance graduate trainee programme, for instance, comprises numerous professional and personal development modules and provides insight into all aspects of our core business for a direct career start. The international orientation of these programmes was further enhanced in 2014 by training modules that are used for all trainees around the globe.



[munichre.com](http://munichre.com)

» [Career](#)

External links

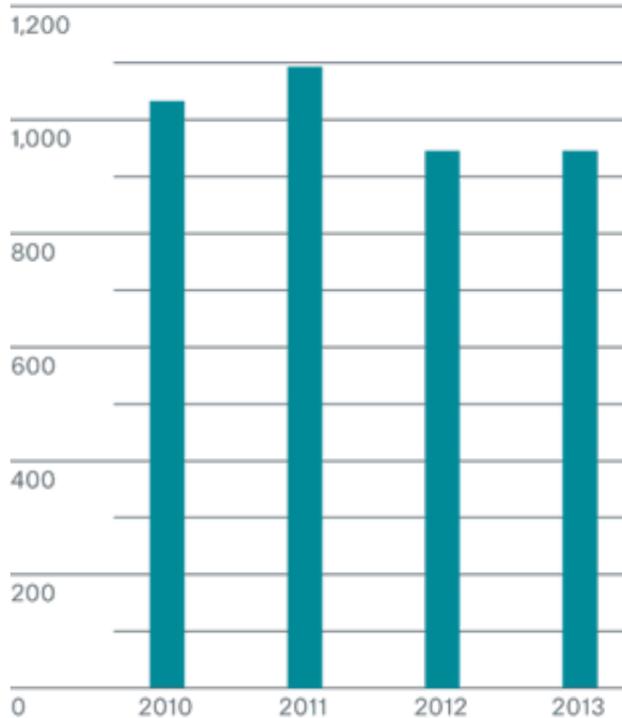
» [ERGO: Career](#)

» [Training and development at ERGO](#)

► **Munich Re (Group) training expenditure**

Munich Re (Group) training expenditure

Training costs per staff member (€)

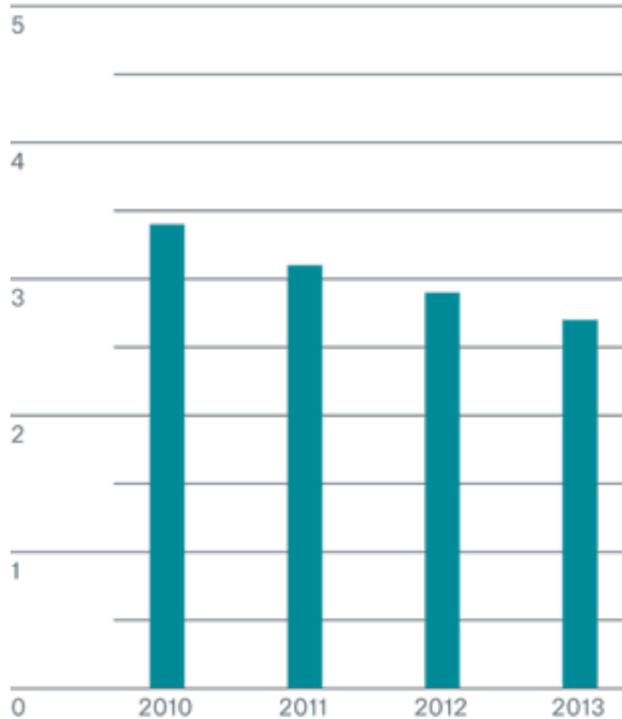


The data shown relate to staff within Germany (coverage 2013: 52%).

► Training (Munich Re Group)

Munich Re (Group) training

No. of days' training per staff member



The data shown relate to staff within Germany (coverage 2013: 52%).

## Responsibility towards staff

- Munich Re as an employer
- Training and personal development
- Remuneration**
- Work-life balance
- Health at the workplace
- Diversity

## Fair, performance-related remuneration

**Only if our employees are satisfied will we be able to maintain and enhance the high quality of our work over the long term. That is why Munich Re offers its staff conditions that reflect this high aim, including fair payment commensurate with their performance.**

Our pay structure is designed to foster the success of each individual and of the Group as a whole. Our internal remuneration systems have to be fair, transparent and adaptable because they, like other factors in our human resources policy, are designed to motivate staff and engender loyalty.

### Rewarding personal performance and sharing the Group's success

For example, our reinsurance group's [human resources](#) model defines flexible remuneration structures that take greater account of staff members' personal performance and the Group's financial success. Our remuneration models and incentive systems are coupled to objectives agreed in keeping with the staff members' functions and take into account the Group's financial results, i.e. staff members' remuneration reflects both their personal performance and the success achieved by the Group. Performance-related remuneration is therefore based on personally agreed objectives and performance appraisals. We use known key performance indicators to measure the Group's success and determine how much to distribute. Constant revision and updating of our holistic remuneration system is also a key factor in successful value-based management.

### Setting a good example

A modern, successful company must take the needs and values of its staff into account and align them with its corporate objectives. At Munich Re (reinsurance), ERGO and [MEAG](#), additional benefits are a long-standing tradition to which we attach great importance. They are part and parcel of our overall remuneration model and mirror our corporate culture. The attractive package we offer includes membership in our company pension scheme, an important part of provision for old age. Munich Re and ERGO are also members of the German insurance employers' association and are bound by the relevant collective bargaining agreements.

Munich Re's basic value-oriented approach also includes paying students and graduates appropriately and endeavouring to offer them optimal opportunities for a successful career start. That is why the reinsurance group and ERGO have joined the Fair Company initiative, which advocates fair internships and genuine opportunities for university graduates.



#### External links

- » [Remuneration & benefits at ERGO](#)
- » [Fair Company \(German version\)](#)

## Responsibility towards staff

- Munich Re as an employer
- Training and personal development
- Remuneration
- [Work-life balance](#)
- Health at the workplace
- Diversity

## Combining career and family

**Development opportunities at work and in private life, with or without family, are important objectives for human resources management at Munich Re. We create a professional environment that is among the most attractive in our sector. Munich Re offers its staff flexible working conditions, interesting working-hour models and demand-oriented support.**

More and more employees are seeking to actively pursue their careers and develop professionally without compromising their family lives. We offer our staff a wide variety of models to meet their needs for flexibility regarding their working hours and where they work. These models are complemented by offers of assistance for dealing with different life situations – ranging from childcare to sabbaticals, or for providing care for close relatives. And planning suitable measures such as training courses early on makes it easier to return to work following interruptions.

### Uniform rules thanks to the internal company agreement “Family and career”

Since 2002, the internal agreement on family and career has made it easier for staff in the reinsurance group in Munich to reconcile their personal and career aspirations. When we renewed the agreement in 2011, we improved the conditions for parental leave or leave to provide care for relatives even further in order to promote professional continuity. Going beyond the legal requirements, we guarantee parents who return to work within twelve months that they will be reintegrated into their previous positions, if desired on a part-time basis. This also applies to all senior executives.



**“Combining career and family poses a major challenge to both the employees and the company. This challenge can be overcome with commitment and consistency on both sides.”**

Dr. Katja Bucher, Head of Group HR

### Comprehensive childcare support

We make a wide selection of external childcare places available to our staff. For example, the reinsurance group in Munich offers reserved places at daycare centres nearby as well as places at our bilingual daycare centre in the vicinity. This is intended to make returning to work easier particularly for female employees.

Alternatively, we pay a contribution towards childcare costs of up to €400 per month to staff members who make their own childcare arrangements. And if children occasionally require care during office hours, parent-and-child offices with play corners for little ones are also available. In-house contact persons are available to give their colleagues information on the full range of options for achieving an optimum balance between career and family. The Staff Council committee on equal opportunities, family and career also supports employees as needed.

Munich Re also works with an independent consulting and placement service, which is available to our staff as an expert consultant on all issues relating to their personal work/life balance and provides support in implementing individual plans both for childcare and for providing care for elderly relatives.

### Facilitating the return to work

We make every effort to encourage our female staff members to return to work following maternity leave. To ensure that parents who do not return directly to their previous positions do not lose touch with their employer, ERGO has established a parents' network. In addition, parents in certain circumstances can choose to work from home or to convert special payments into leave.

### Family-friendly options for staff

ERGO cuts a good figure with its family-friendly human resources policy and has now won the “audit berufundfamilie®” (family and career audit) four times for all its main administrative centres in Germany. This certificate is awarded by the non-profit Hertie Foundation for outstanding efforts in this area. Parents who work at one of ERGO's



### External links

- » [Work & family life at ERGO](#)
- » [pme Familienservice \(German version\)](#)

main locations in Germany have the opportunity to use one of two fully equipped workstations in the parent-and-child office (with play corner) on a day-by-day basis.

ERGO has also reserved places in several kindergartens near its main office locations, for instance in the City Nord area of Hamburg and Lindenthal in Cologne, and will gradually extend this offer to include other locations – particularly for children under the age of three. At the Düsseldorf location, ERGO and E.ON AG opened a joint childcare facility in cooperation with pme Familienservice.

For working parents, school holidays are often difficult as they are usually significantly longer than the parents' leave. Finding suitable childcare during school holidays is often difficult and expensive. ERGO has therefore partnered with other companies to set up holiday childcare at the Hamburg, Düsseldorf, Cologne and Munich locations.

The primary insurer also sets standards in terms of care for relatives. At short notice, staff members can take family leave of up to twelve months in length and receive half their salary during their absence and in the subsequent active phase. Simple and effective assistance is also offered by external social service providers.

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## Responsibility towards staff

- Munich Re as an employer
- Training and personal development
- Remuneration
- Work-life balance
- Health at the workplace**
- Diversity

## Staff health

**The health of our staff is a matter of priority. Munich Re is therefore actively involved in promoting all aspects of health. We offer medical care, sport and relaxation programmes as well as personal measures to help staff return to work after a prolonged absence.**

Our most important objective is to take preventive measures to protect and promote the long-term health and performance of our employees. Our offerings focus on a wide variety of programmes for promoting health and prophylaxis that go far beyond statutory requirements. They also include expert advice and numerous support measures in the event of illness.

### Conscientious health promotion and prophylaxis

Munich Re complies with the statutory health and safety requirements conscientiously and effectively. We support our staff with information on the ergonomically correct posture for sitting at their desks and on proven relaxation techniques, as well as advice on further prophylactic measures. At several Munich Re office sites, company medical officers provide staff and their families with personal advice or remind them of vaccinations for foreign travel and assignments abroad. We also publish the latest travel advisories and arrange seminars on how to avoid security problems during business trips.

At the Munich Re company medical centre, staff who are 30 or older are eligible for a free check-up including lab values, while those 40 or over are entitled to a free comprehensive health check every two years. The centre also offers information on fitness and gymnastics courses held in the Munich location's sports facilities. We make the company medical centre's offerings and the services it has rendered known through a detailed health report that is updated each year.

Munich Re also promotes the physical and mental well-being of its staff outside working hours through a wide variety of offerings. Company gyms, swimming pools and sports halls as well as, for example, ERGO's back-care centre in Düsseldorf offer staff members a wide range of activities. ERGO makes available one of the most extensive company sports programmes in Germany under the name "ERGO Sports". International sports tournaments and competitions for staff members are also held regularly. The ERGO Cup, a football tournament between teams from different units of the Group, has already become something of a tradition.



**"Our most important objective is to take preventive measures to protect and promote the long-term health and performance of our employees."**

Dr. Frank Drees, Chief Company Medical Officer, Munich Re (Munich location)

### Holistic medical advice

We attach great importance not only to our staff members' physical health but also to their emotional well-being. That is why we offer expert counselling at several sites in Germany to help staff deal with difficulties at work or at home. At the reinsurance group in Munich, Human Resources collaborates with the Fürstenberg Institute to make available a largely external Employee Assistance Programme (EAP).

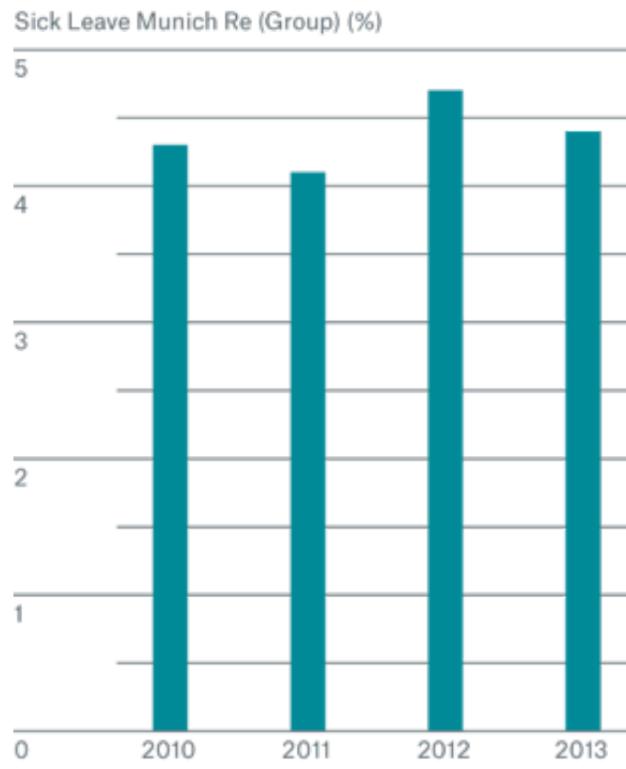
The programme is designed to provide employees and their families with extensive direct and flexible support during personal and professional crises. Staff members can contact the institute in the strictest confidence and benefit from personal support services. Our expanded healthcare promotion programme includes mandatory workshops for new managers on how to prevent stress-related and mental disorders among staff.

Preventing and dealing with stress in general is becoming increasingly important within our health management. One example is a seminar offered by ERGO for "Mastering stress with optimism", which is intended for everyone who wants to take a preventive approach toward the challenges posed by their work. By showing participants how to become calmer and to deal with stress optimistically, we support their health and

### External links

» [Fürstenberg-Institut](#)

performance in a very real way.



These figures cover 70% of Munich Re's total workforce.

## Responsibility towards staff

- Munich Re as an employer
- Training and personal development
- Remuneration
- Work-life balance
- Health at the workplace
- Diversity**

## Added value for our Group

The different mindsets, cultures and values of our staff are key to the success of Munich Re. After all, their manifold experience provides a wide variety of personal skills and strengths that are essential to our business. Our diversity management is geared to promoting this diversity which effectively helps us achieve our Group objectives.

Diversity in the workplace also assists us in achieving our strategic goals. The establishment of universally valid principles and the implementation of individual measures reflect our conviction that diversity is crucial to Munich Re's success. We therefore intend to handle it with great care. Each individual's personal strengths and experiences play a part in the success of our Group. Given the breadth of the subject and its cultural embedding, diversity management is in our eyes not a passing trend. Appreciation and targeted promotion of different mindsets, mentalities, experiences and specialist knowledge are an important focus of our work.

### Diversity policy – Global management and local solutions

By introducing a diversity policy for the entire Group in 2011, Munich Re laid the groundwork for an overarching and comprehensive diversity management programme to promote diversity and embed it even more firmly. This new guideline sets out our definition of diversity, the main principles for promoting diversity within the Group and our global commitment to embracing diversity as a strength and investing in it. It also describes the focal points of our action: gender, age and internationality.

### ► Munich Re (Group) staff figures by gender

Percentage of female staff



These figures account for 100% of all Munich Re (Group) employees.

### ► Munich Re (Group) staff figures by age

Average: 42.5 (42.0) years



These figures account for 100% of all Munich Re (Group) employees.

### Diversity management – our next objectives

As regards gender, the HR board members of the DAX 30 companies issued a joint statement in March 2011 relating to the promotion of women in management. As part of this commitment, Munich Re undertook in October 2011 to increase the quota of women in leading positions in Germany to at least 25% by the end of 2020. Taking into account the low staff turnover rate and the average age of managers, this is definitely an ambitious target. At the end of 2013, the figure stood at 21.5% (2012: 21%). We are therefore well on our way to achieving the target.

Other important topics besides gender are age and internationality. Regarding the aspect of age, we focus on the step-by-step expansion of health promotion programmes and lifelong learning. With our flexible work models, we aim to fully integrate employees of all ages throughout all stages of their career. In the spirit of internationality, we promote increasing globalisation particularly by sustainably expanding the options available to our employees to gather international experience and competencies throughout the world.



#### Related Topics

» [DKV "Integralia" Foundation](#)

#### Downloads

» [Diversity Policy: Global steering – Local solutions \(PDF, 410 KB\)](#)



**“The promotion of diversity at a group like Munich Re is not an end in itself but is geared to the changes in social environment, our stakeholders' demands and the development of our markets. Diversity is geared to value creation. And we want to make this visible.”**

Martin Thumm, Group HR Manager,  
Munich Re

#### **Implementing diversity**

Diversity is implemented separately in each field of business; at ERGO, for instance, diversity has been one of several core projects since 2011. The long-term goal is to take into account as many viewpoints as possible. ERGO, for example, has taken our support and mentoring programme for female staff a stage further by introducing a new HR process for supporting employees during parental leave. In a pilot project, we are examining the parameters needed to extend the option of part-time employment to senior management. With this strategy, ERGO received the Strategy Award in 2013 for this particularly innovative and strategically sophisticated handling of the issue of “gender diversity and family friendliness”. In 2014, ERGO will continue to promote a broader perception of diversity management while acting as a member of the jury in the award process.

With a view to the impact of demographic change, we are also looking at flexible options for employees that take into account their age and career phase. Our diversity seminar for trainees was awarded a first prize at InnoWard, a training prize presented by the German insurance industry, in 2012.

#### **Workshops, trainee programmes**

In the reinsurance group and in Munich Health, we conducted comprehensive workshops to raise managers' awareness of the importance of diversity management and specified individual targets and measures according to the analyses of the diversity situation. One example is the introduction of a global trainee programme that expressly promotes the international diversity of our junior employees.

The same goal is served by Emerge International, a programme that prepares employees from our international organisation for their first managerial positions outside their home countries. Independent development consulting for female employees creates suitable platforms and improves career opportunities for women. The option of returning to a position, also on a part-time basis, as well as the option for part-time management positions is anchored in the “Family and career” internal company agreement concluded at Munich Re in Munich. Another important step for the diversity parameter “age” is the completion of an overall plan for even more flexible working hour models that can be varied to suit an individual's age and career phase.

#### **International measures**

Internationally, measures are adapted to local requirements and conditions. At Munich Re of Africa in Johannesburg, for instance, the subjects of ethnicity and skin colour are of particular importance for historical reasons. Corresponding quantitative objectives are embedded as essential in our balanced scorecard.

In North America, Munich Re founded a regional diversity council to coordinate its activities. A women's network has existed there for years. Another example of overarching initiatives in this area is the newly developed e-mail newsletter “Diversity & Inclusion” in Munich Re's US P&C operations, which directly addresses all employees in these units. The newsletter creates additional awareness of the diversity of cultures, skills and backgrounds in our Group.

#### **Equal treatment of people with disabilities**

Another special concern for us is that people should be treated equally throughout the Group, regardless of any disabilities they might have. Munich Re (reinsurance) in Munich has for years cooperated closely with institutions that promote integration. Since July 2008, ERGO has been committed to giving greater consideration to persons with disabilities in its staff recruitment. ERGO also invests in various training and health programmes specifically for people with disabilities. DKV Seguros and ERGO Hestia in Poland employ only people with physical disabilities at their call centres. The Polish subsidiary has set up a foundation specifically for this purpose.

## Our environmental awareness

[Environmental management](#)

[Operational ecology](#)

[Climate protection](#)

[Emission allowances](#)

## Environmental management – Setting standards across the Group

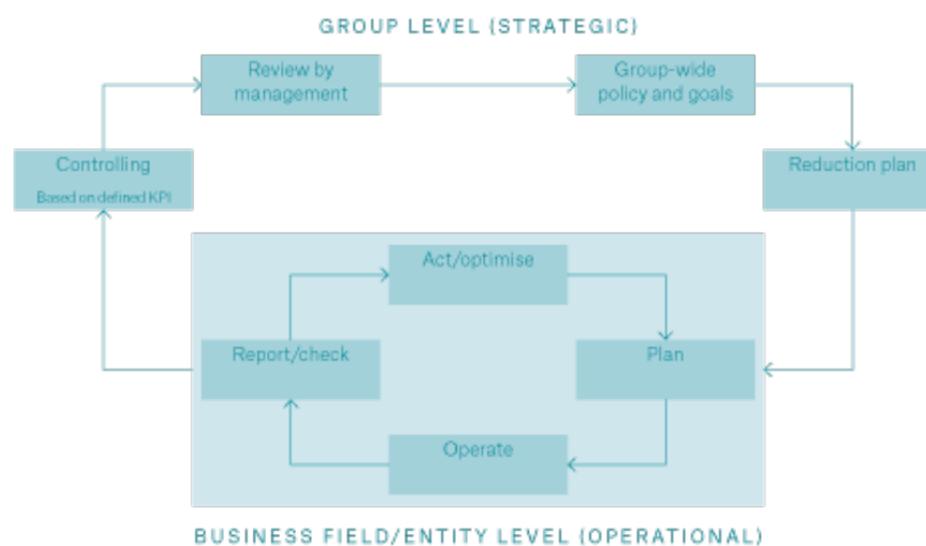
**We take a systematic and targeted approach to environmental protection. Since 2012, a Group-wide framework has provided guidelines for environmental management, regulating personal and organisational areas of responsibility, and prescribing standards for implementation. The majority of our sites have already introduced the environmental management system.**

Munich Re's objective is to minimise the environmental impact of its business operations. That is why we are reducing the CO<sub>2</sub> emissions caused by the consumption of paper, water and energy as well as business travel and waste. In doing so, we apply the highest technical standards within the framework of our corporate goals.

### Introduction of our Group-wide environmental management system

The environmental management system registers all effects of our operations on the environment and helps us to restrict possible harmful consequences as much as possible. In the past, different environmental management systems were used at many Group sites, but Munich Re's Board of Management decided in September 2012 to introduce a uniform standard applicable across the entire Group. This is based on the requirements of the internationally recognised standard DIN ISO 14001 and describes the environmental guidelines and the key performance indicators for measuring our carbon footprint; it also governs the process-related and organisational responsibilities.

### THE MANAGEMENT OF THE GROUP-WIDE EMS FOLLOWS ISO 14001 PRINCIPLES



Munich Re

### Environmental management anchored in our organisational set-up

In the Munich Re Group, the full Board of Management – represented by its Chairman, Dr. Nikolaus von Bomhard – is responsible for our Group-wide environmental protection strategy and all related measures. Dr. Astrid Zwick, Head of the Corporate Responsibility Department (GD1.3) in the Group Development Division, has been appointed Environmental Officer. The Corporate Responsibility Department, within the scope of the authority delegated to it by the Board, formulates the strategy for Group-wide environmental management and carbon neutrality. Two environmental managers direct the implementation of the strategy at Group level across the business segments of reinsurance, Munich Health, ERGO and MEAG; they also coordinate the implementation of the Group environmental management system and the collection of data for the reinsurance and Munich Health fields of business.

ERGO's Board member for environmental matters, Dr. Ulf Mainzer, is supported by the Employment, Health and Environmental Protection unit set up in 2009. This unit is responsible for the realisation of the environmental management system and the coordination of the tasks resulting from this system among the local ERGO Group units.

There are environmental managers at all sites. They are responsible for meeting the requirements of the environmental management system, the environmental objectives and programmes, the reduction measures and the collection of environmental data. Local contact persons report to the environmental managers of the corresponding field of business. The environmental management system applies to all those responsible both at Group level and at the local units, from the individual employee right up to Board level. The achievement of environmental objectives has a direct influence on their financial remuneration.

The Group Corporate Responsibility Committee (GCRC) was formed in 2012 to prepare decisions to be taken by the Group Committee on the strategic orientation of corporate responsibility (and therefore also of environmental management topics). It is composed of members drawn from the relevant operational and central divisions. Group-wide strategic topics are presented to the GCRC before the Group Committee

### Downloads

» [Environmental guidelines, Munich Re \(Group\) \(PDF, 222 KB\)](#)

takes a decision.



Munich Re

### **Binding corporate environmental guidelines across the whole Group**

Since 2012, [Group-wide environmental guidelines \(PDF, 222 KB\)](#) have governed the protection of natural resources. These require

- that the environmental performance and environmental protection of our units be improved;
- that emissions (caused by business travel, energy, water and paper consumption and waste) be avoided or at least reduced and that environmentally sound criteria be applied in the selection of materials, suppliers and service providers;
- that employees be actively motivated to protect the environment and that their awareness of environment-relevant topics be increased;
- that activities and efforts for the protection of the environment be actively and regularly communicated to all stakeholders and that our knowledge on matters relating to environmental protection be made available to them.

The environmental guidelines are binding on all units of the Munich Re Group but may be adjusted to take account of local circumstances.

### **Improved data quality**

The 2013 extension of data collection to include new sites ensures long-term enhanced data quality. As a result of this extension, data and degree of coverage of environmental figures also have to be retroactively adjusted. By the end of 2013, 87% of Munich Re (Group) employees were captured in the environmental data. Moreover, 38% of our employees at 17 sites already work at business units certified to ISO 14001. Additionally, since 2012, the environmental data of our headquarters in Munich have been verified in an external audit process in accordance with ISO 14064. DKV Seguros in Spain and D.A.S in the United Kingdom have also had their environmental data externally verified, as well as the reinsurance sites in Germany. This makes 10% of our employees in total working at verified sites.

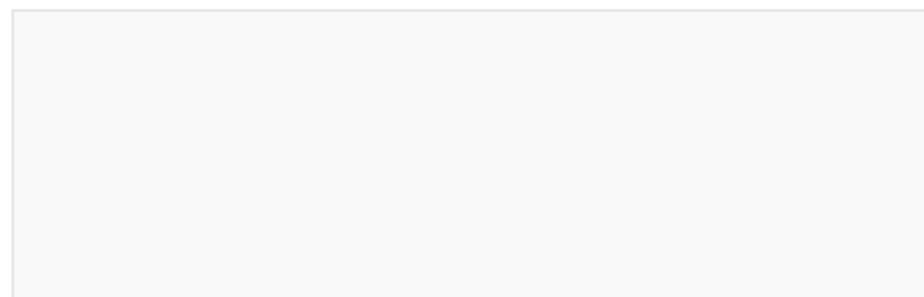
### **Establishing an international environmental network**

Exchange of information on our environmental management across the Group constitutes an important basis for our joint success. The second Group-wide network meeting of environmental managers, organised in 2013, focused on optimising the existing structures and processes of our environmental management system and its requirements. Examples of successful implementation of conversion measures to improve energy efficiency were presented and discussed; expected developments in environmental management standards were considered; and future requirements for the reporting of environmental data were presented. The next network meeting has been planned for the end of 2014 and will focus primarily on the drafting of our future environmental strategy.

Alongside the network meetings, there is also a continuous exchange between the various environmental managers at the different sites throughout the year. This exchange enables the environmental managers to be kept informed of process improvements in data collection and the implementation of the CO<sub>2</sub> reduction measures, as well as giving them the opportunity to exchange best-practice experience.

### **Leading the field in primary insurance: ERGO**

The environmental management system launched in 1998 by Victoria (now ERGO) was reviewed again in 2013 and found to be very effective. The scope of the ERGO environmental management system in Germany was extended by the first-time certification of the head office of ERGO Lebensversicherung AG in Hamburg at the end of 2013. The certificate also covers ERGO's own IT service provider, ITERGO Informationstechnologie GmbH. This means that all employees of the ERGO Group in Berlin, Leipzig, Düsseldorf, Mannheim, Cologne, Munich and Hamburg are now covered by a certified environmental management system.





**“Since 1999, we have been working to reduce our environmental impact, successfully tackling the main causes – energy consumption, paper use, business trips and waste.”**

Paul Asplin, CEO, D.A.S. United Kingdom

DAS UK also developed an environmental management system at an early stage. Its Bristol head office was certified to the environmental management standard ISO 14001 in 2003, making it the first legal protection insurer to achieve this status. All its office sites in the UK and the Irish Republic are now also certified.

## Our Environmental Awareness

Environmental management

**Operational ecology**

Munich Re America utilises solar energy

Munich Re sustainable property (in own use) – a selection

MEAG green buildings - award-winning examples

Climate protection

Emission allowances

## Operational ecology – Conserving the environment and resources

**Munich Re consumes as few natural resources as possible and uses eco-friendly materials to minimise our impact on the environment.**

In our report on the resources we consume and the CO<sub>2</sub> emissions we create, we set out the effects on the environment caused by our business operations. These relate primarily to energy, paper and water consumption plus the waste we generate and the number of business trips we make. At the present time, the figures we collect cover 87% of the Group's employees. We have constantly increased the degree of coverage and improved the quality of the figures we capture to manage the development of our ecological footprint. We have succeeded in improving data quality significantly in recent years both at Group level and among our subsidiaries through the continuous refinement of, systems, processes and internal controls for the capture of environmental data.

Our objective is a 10% decrease in CO<sub>2</sub> emissions across the entire Group during the period 2009 to 2015. In order to achieve this, all units within the Group are individually responsible for introducing and implementing measures that are possible at their particular location to reduce CO<sub>2</sub>. In selecting the actions to take, the focus is clearly on measures with the greatest impact. Thus we are increasingly using digital communications such as video and telephone conferences or live meetings to reduce the number of business trips and the CO<sub>2</sub> emissions they cause. As we are also giving up inefficient buildings, modernising equipment and parts of buildings, and optimising the way we operate buildings, energy consumption and the corresponding CO<sub>2</sub> emissions have dropped considerably.

The use of electrical vehicles at the Munich Re site in Munich and DKV Seguros in Spain plus the conversion of ERGO's car fleet in Germany to particularly fuel-efficient vehicles are effective ways of reducing our emissions. Munich Re America is also leading by [example](#). In Princeton, 7,660 solar panels with an installed capacity of 2.5 megawatts per year have been providing the company's own office buildings with solar power since autumn 2012.

In 2013, MEAG's head office building in Munich received the LEED Gold Certificate for the operation and maintenance of in-use buildings. The award took into account not only the building's design but also the purchase of consumables for the building and the transportation methods adopted by users in terms of sustainability criteria. In connection with the certification, we installed new water-saving taps, which are now reducing drinking water usage by about 420,000 litres per year. Many of our sites use green electricity. In 2013, this type of energy accounted for 64% of the total electricity purchased.

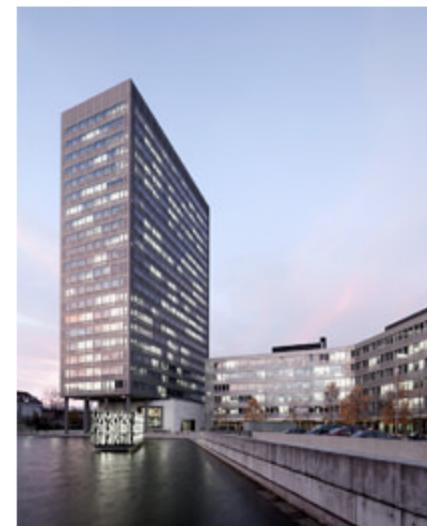
### Green buildings – Property with certified sustainability

The comprehensive sustainability approach is also embedded in our real estate management, which combines economic, ecological and socio-cultural aspects. The approach focuses on modern and efficient plant engineering and award-winning energy management.

Both in our own buildings and in the real estate owned by our asset manager, we pay attention to modes of construction and operation that save resources and energy. The result is that MEAG, our asset manager for Munich Re and ERGO, has already received a sustainability certificate for eleven buildings. This means MEAG is managing certified buildings worth more than a billion euros in total. For buildings used by the Group, we have also begun to introduce "green leases", aimed at ensuring the sustainable use of resources. The obligations include the use of cleaning agents which do not harm the environment, waste separation, and transparency in the consumption of energy and water. These requirements also form part of the contracts we have with cleaning companies.

As a major landlord of approximately 9,300 residential units, MEAG introduced a sustainability preamble into all new leases in Germany with effect from 1 April 2014. Every tenant also receives an information brochure containing advice on energy conservation and other ways to protect the environment. Pilot projects have already been launched for 2014 so we can also offer "green leases" for commercial property in future.

### Picture galleries



» [Munich Re sustainable property \(in own use\) – a selection](#)



» [MEAG's green buildings - award-winning buildings](#)

### Related topics

- » [Munich Re America utilises solar energy](#)
- » [Environmental indicators](#)

### Downloads

- » [Environmental guidelines, Munich Re \(Group\) \(PDF, 222 KB\)](#)
- » [GreenLeases brochure MEAG – German version \(PDF, 424 KB\)](#)

### External Links

- » [Operational ecology at ERGO](#)

## Our environmental awareness



Environmental management

Operational ecology

[Munich Re America utilises solar energy](#)

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## "Leading by example": Munich Re America utilises solar energy

### 2.5-megawatt solar carports built

#### Another step towards the Group objective of carbon neutrality by 2015.

Since October 2012, some 7,660 highly efficient solar modules have covered the car park of Munich Re America in Princeton. For this project to reduce CO<sub>2</sub> emissions, Munich Re America constructed a 12,000-square-metre solar carport facility with a capacity of 2.5 megawatts that provides the office buildings on site electricity. The entire car park was covered with solar modules for this purpose. The solar power generation in Princeton, along with other energy saving programmes involving building services engineering, is intended to make Munich Re America's operations at its headquarters carbon-neutral, in line with the Group's objective of achieving carbon neutrality by 2015.

The solar car park's roof also provides shade, making parking considerably more pleasant for staff, but above all Munich Re America is looking forward to major savings in electricity bills. The solar carports are expected to cut nearly \$500,000 a year in energy costs.

For its engagement in energy saving Munich Re of America was awarded the Energy Project of the Year Award 2012 (Region 1), presented by the Association of Energy Engineers at the World Energy Engineering Congress in Atlanta.

By reducing its own carbon emissions, Munich Re America is making another major contribution to the Group's environmental protection programme.



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The solar carports in Princeton generate electricity while providing shade.



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Some trees affected by the construction work were replanted.

## Greenbuildings Munich Re



## Munich Re sustainable property (in own use) – a selection

01 02 03



Munich Re America

### **Munich Re America, Princeton/New Jersey, USA**

In Princeton, 7,660 solar panels with an installed capacity of 2.5 megawatts have supplied the office buildings of Munich Re America with electricity since the end of 2012. Besides this, Munich Re America won the NFMT FMXellence Award for energy efficiency last year. This prize was awarded to Munich Re by Building Operating Management Magazine in recognition of its outstanding achievements in the field of energy saving.

Greenbuildings  
Munich Re



Munich Re sustainable property (in own use) – a selection

01 02 03



Munich Re

**Münchner Tor, Munich, Germany**

Thanks to the building services engineering system, staff consume as little power, district heating and water as possible owing to the use of natural sources of energy. A piping system was embedded in concrete slabs during the construction phase. In the summer, groundwater is passed through the pipes at 17°C in order to cool the building as efficiently as possible. This ensures a pleasant room temperature even when it is hot outside without the inconvenience of the noise and draughts caused by conventional cooling systems.

Greenbuildings  
Munich Re



Munich Re sustainable property (in own use) – a selection

01 02 03



Munich Re

**Dusseldorf, Germany**

We also strive for a high degree of energy efficiency and eco-friendly technologies at our ERGO sites. For example, we have operated a block-type thermal power station at our Düsseldorf site since 1998, which we completely overhauled in 2008. This energy-efficient cogeneration technology has also been in use in our annex building in Düsseldorf and at DKV's headquarters in Cologne since 2010.

Green Buildings  
MEAG



Sustainable properties of our asset manager MEAG – award-winning examples

01 02 03 04 05



**Upper Eastside Berlin**

In December 2013, the Upper Eastside complex at the corner of Berlin's Friedrichstrasse and Unter den Linden received the highest marks in the BREEAM In-Use certification. In Part 1 of the certification process, the building impressed the auditors particularly in the categories of waste, transport and materials, with the result that it was awarded four stars (very good). The operation of the building was assessed in Part 2. This focuses on the categories land use/ecology, energy and materials. The building was awarded three stars (good).

## Green Buildings MEAG



## Sustainable properties of our asset manager MEAG – award-winning examples

01 02 03 04 05



### De Entree, Amsterdam

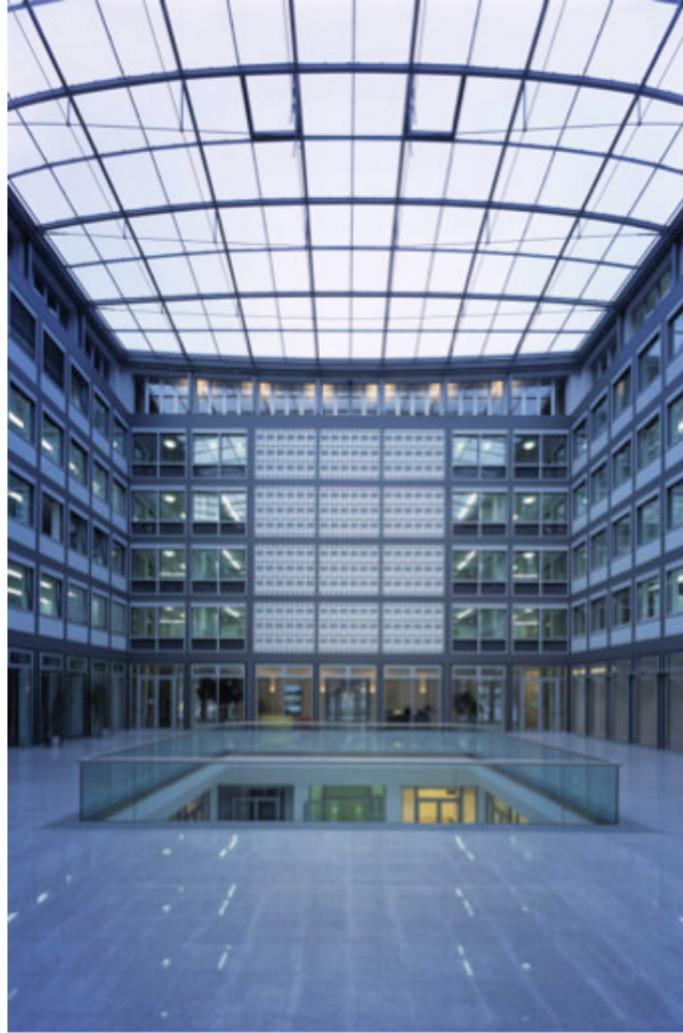
De Entree in Amsterdam also has a BREEAM In-Use certificate. The building was judged to be "very good" in February 2014. In this case, the categories of health, waste, transport and environment received special mention. The building's tenant was an important partner in the certification process, not just welcoming the audit but actively supporting it.

## Green Buildings MEAG



## Sustainable properties of our asset manager MEAG – award-winning examples

01 02 **03** 04 05



### Oskar von Miller Ring, Munich

In the summer of 2014, the MEAG Head Office received the LEED Gold Certificate for the operation and maintenance of buildings already in use. The certification assesses the sustainable management of the building and the extent of savings. For example, as a result of the taps used in the building approximately 420,000 litres of drinking water are saved every year.

Green Buildings  
MEAG



Sustainable properties of our asset manager MEAG – award-winning examples

01 02 03 04 05



Munich Re

**Waterfront, Stockholm, Sweden**

In 2012, our office building in Sweden's capital was awarded the LEED Gold Certificate for the operation and maintenance of in-use buildings because of its sparing use of resources. Efficiency is a central focus in the Waterfront Building and can be seen in the construction of the building, the flexibility of the air-cooling system and the use of energy, which has been optimised together with neighbouring properties. The air-cooling system employs natural regenerative resources, using water from nearby Lake Mälaren.

Green Buildings  
MEAG



Sustainable properties of our asset manager MEAG – award-winning examples

01 02 03 04 05



Munich Re

**Cologne Oval Offices, Cologne, Germany**

MEAG was awarded its first GreenBuilding certificate in autumn 2008 for the Cologne Oval Offices. Here water from the nearby River Rhine is used for natural cooling, while a sun-position sensor on the roof and 5,000 adjustable sun-protection louvres also help to keep the building cool. This sustainable energy concept means that Cologne Oval Offices use only 105 kWh/m<sup>2</sup> a year – about half of what office complexes of comparable size consume.

## Our environmental awareness

Environmental management

Operational ecology

**Climate protection**

Emission allowances

## Climate protection – Leading by example

**As an insurer of losses caused by weather-related natural catastrophes, we are particularly hard hit by the effects of climate change. Our objective is to increase the awareness of climate change among politicians and the general public – using all our insurance expertise. Munich Re is leading by example.**

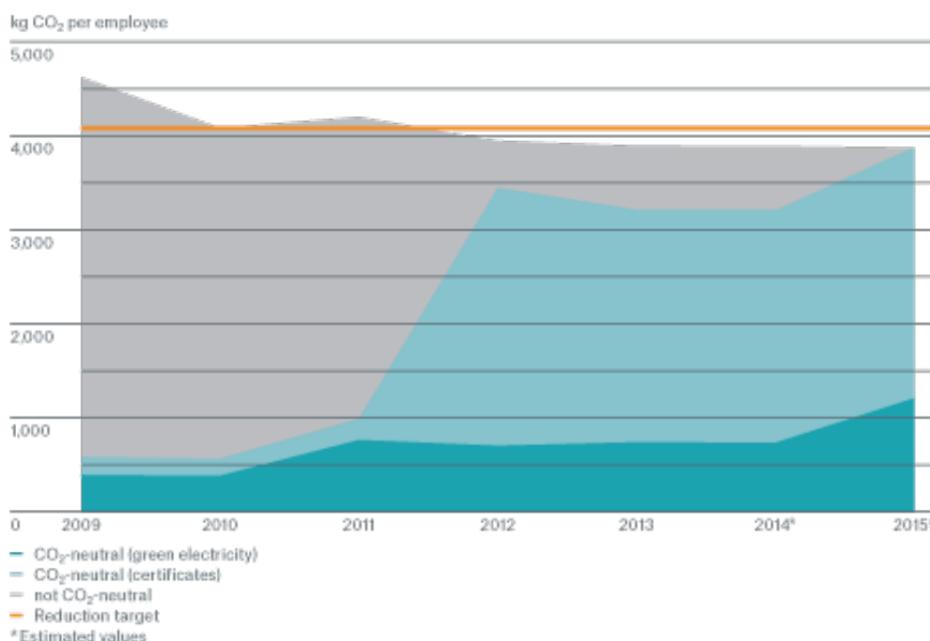
Business operations throughout our Group will be carbon-neutral by 2015. Our global involvement in climate initiatives and political consultancy is also part of our Group-wide climate strategy. For the past four decades, we have also been researching climate change and integrating the results into our risk model.

### **Our climate protection strategy: Achieving CO<sub>2</sub> neutrality by reducing, substituting or compensating for our emissions**

In order to offset the CO<sub>2</sub> emissions which arise from our business operations, Munich Re (Group) decided in 2011 to combine all its efforts in a unified approach and to achieve **carbon neutrality** throughout the Group by 2015. The intention is to reduce CO<sub>2</sub> emissions Group-wide by at least 10% to under 4.1 tonnes per employee in the period 2009–2015. Fossil fuels are being replaced by renewable energies wherever possible, and the remaining CO<sub>2</sub> emissions are being offset by the purchase of **emission credits**. Group headquarters in Munich, all major locations of ERGO Germany, ERGO Austria, New Re in Zurich, D.A.S. in the UK, Munich Re of America in Princeton, and DKV and ERGO in Belgium are already purchasing green electricity – this represents over 60% of the electric power purchased by the Group.

### **Carbon neutrality strategy**

Climate neutrality at Munich Re (Group)



### **The reinsurance group, Munich Health and ERGO Germany have been carbon-neutral since 2012**

Our headquarters in Munich have been carbon-neutral since 2009, while the reinsurance group and ERGO Germany have had this status since 2012. They were joined by some of the ERGO International sites in 2013.

### **Local and global commitment to issues relating to climate change**

Munich Re supports a number of climate change activities through active involvement in working groups and is also represented on various advisory boards, for example the Munich Climate Insurance Initiative (MCII) and the Global Climate Forum. Professor Höppe, Head of Munich Re's Geo Risks Research/Corporate Climate Centre, is also a member of the Bavarian State Government's climate council.

The Global Climate Forum is a research-based initiative which launches and conducts studies on the economic effects of climate change and climate protection. Members include groups such as Munich Re, scientific institutions and non-governmental organisations. Until January 2012, the association was known as the European Climate Forum, but it has in the meantime expanded its network worldwide. The Global Climate Forum defines itself as a dialogue forum for all major interest groups.

Professor Höppe, Head of Munich Re's Geo Risks Research/Corporate Climate Centre, is on the Board of the Association for Environmental Management and Sustainability in Banks, Savings Banks, and Insurance Companies (VfU, Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.) and Chairman of the Association's Financial Forum for Climate Change. Over the last ten years, the topics considered by the Association have been extended to cover the entire spectrum of sustainability management in financial institutions. Along with the ecological and economic aspects, social considerations involving business policy and organisational decisions in member companies have come increasingly to the fore.

#### Related topics

- » Challenges: Climate change
- » Environmental management
- » Certificate purchases

#### External links

- » MCII
- » Projects MCII
- » UNEP FI
- » Global Climate Forum

The Munich Climate Insurance Initiative, or MCII, was launched by Munich Re in 2005 in response to the increasing perception that insurance solutions could play a part in adaptation to climate change. The main focus is on the ever-growing losses from weather-related extreme events in developing countries. Particularly in countries with little insurance penetration, people should be given the chance to protect themselves better.

MCII's activities include the active introduction of solution concepts into climate negotiations, and the initiation and development of a pilot insurance programme for people on low incomes and for financial institutions in the Caribbean that are exposed to weather-related risks.



## Our environmental awareness

- Environmental management
- Operational ecology
- Climate protection
- Emission allowances**

## One building block of our climate neutrality: the purchase of carbon credits

**Our headquarters in Munich have been carbon-neutral since 2009, while the reinsurance group and ERGO Germany have had this status since 2012. They were joined by some of the ERGO International sites in 2013. CO<sub>2</sub> emissions generated in the course of our business operations and which prove impossible to mitigate or avoid through the use of green electricity are "neutralised" by the purchase of corresponding credits.**

We achieved our carbon-neutral status for the 2013 financial year through the purchase of credits from four different projects: solar power plants in the state of Gujarat in northwestern India, small-scale hydropower plants and efficient cooking stoves in Uganda as well as power generation from geothermal energy in Indonesia. When selecting projects as potential sources of such credits, we place particular emphasis not only on the reduction of CO<sub>2</sub> emissions but also on social aspects, such as job creation, improvement of health and education, and development of local infrastructure.

### ► Small-scale hydropower plants in the Kasese District of West Uganda

Small-scale hydropower plants are exceptionally well suited to the generation of carbon-neutral energy without causing significant harm to the environment. Not only is fossil energy replaced by the provision of reliable sustainable energy in these rural regions but the avoidance of local diesel generators and the use of wood-fired stoves leads to improved air quality, thus reducing respiratory and eye diseases.

When purchasing CO<sub>2</sub> credits, Munich Re considers it important that the projects provide benefits for the local population. The project created about 1,000 jobs for the local population through the construction, operation and maintenance of the plants. New clinics were built using the money from the sale of the CO<sub>2</sub> credits; investments were made in the prevention of malaria and HIV. Some of the money was also used for reforestation.

### ► Geothermal power in Indonesia

Indonesia is located on the Pacific Ring of Fire, which means not only volcanic activity but also great potential for clean, geothermal energy production. The geothermal power plant that serves as a model project in the region is about 100 km southwest of the capital, Jakarta. The profit from the sale of the CO<sub>2</sub> credits was used to modernise the power plant's turbines, resulting in a considerable efficiency increase and more CO<sub>2</sub>-free energy from the same geothermal steam source. This project also improves local infrastructure, while creating new employment and educational opportunities.

### ► Photovoltaic power in India

This project generates green energy by means of a photovoltaic (PV) solar power plant in Surel in the Surendranagar district of the Indian state of Gujarat to combat the CO<sub>2</sub> emissions from conventional energy sources. The power plant consists of more than 100,000 solar modules which generate and export approximately 35,000 megawatt hours of green electricity per annum, thus avoiding CO<sub>2</sub> emissions of approximately 32,000 tonnes each year.

The project also creates job opportunities for professionals, qualified and less qualified people in its construction, operation and maintenance, and contributes to the development of this rural region of Gujarat. Besides this, the project improves the local air and water quality, as it has replaced the previous form of power generation involving the burning of fossil fuel.

### ► Energy-efficient cooking stoves in Kampala, Uganda

Uganda is currently losing approximately 2% of its forests every year through the use of firewood as fuel. About 95% of Ugandan households use this as their primary energy source for cooking. The smoke created by wood fires, especially indoors, causes ailments of the respiratory tract and eyes, particularly among women and children.

Replacing traditional metal stoves with more energy-efficient cooking stoves enables savings of firewood in the region of 35 to 50% to be made. In addition, this combustion process generates considerably less smoke and carbon monoxide, thus significantly reducing the associated illnesses. Beyond this, efficient cooking stoves reduce the demand for wood or charcoal, therefore relieving pressure on Uganda's forest resources at the same time. This in turn lessens soil erosion, the destruction of natural habitats and the loss of biodiversity. As a further plus, jobs are also created by the sale and inspection of cooking stoves, which also forms part of the project.

### Downloads

- » Small-scale hydroplants in Uganda (PDF, 401 KB)
- » Geothermal power plants in Indonesia (PDF, 363 KB)
- » Photovoltaic energy generation in India (PDF, 2 MB)
- » Energy-efficient cooking stoves in Uganda (PDF, 2.4 MB)
- » Wind power in China (PDF, 296 KB)

### Related topics

- » [Climate protection](#)

» Home » Solutions

"Many of our products offer advantages for eco-conscious customers."

Christian Diedrich, Member of the Board of Management, ERGO Versicherungsgruppe AG



Munich Re

Related topics

- » Strategy and challenges
- » Management

External links

- » [munichre.com](http://munichre.com)
- » ERGO
- » Munich Health
- » MEAG

Downloads

- » Corporate Responsibility im Kerngeschäft (PDF, 227 KB)

## Solutions

Bringing corporate responsibility to life

Corporate responsibility is reflected in Munich Re's products and services, which bring us financial success and are in keeping with the needs of the environment and society. In response to global problems like the impacts of climate change, we offer our clients tailored solutions and service-oriented coverage.

### Reinsurance solutions

Complex risk scenarios and increasing interdependencies in a globalised world mean that the challenges and opportunities in reinsurance are constantly changing. By taking into account the aspects of ecology, social responsibility and corporate governance (ESG aspects) in our core business, we are able to identify and minimise new risks. With our many years of experience and a holistic risk approach, we create innovative products and services for our clients' emerging requirements. These include new coverage concepts for renewable energies, our desert power project, innovative geointelligent solutions, microinsurance in public-public private partnerships (PPPs), and insurance schemes in the agricultural sector.

### Primary insurance solutions

The ERGO Insurance Group offers a wide range of insurance products and services that take account of environmental aspects. It promotes renewable energies by providing the necessary insurance coverage for their use. ERGO also offers various microinsurance policies tailored to the needs of lower-income population groups in emerging markets and developing countries.

### Broadening perspectives in the health sector

Our Munich Health experts develop a wide range of solutions adapted to the individual market, such as prevention and management of chronic diseases, thus enabling this new business field to achieve sustainable growth while benefiting its clients and partners throughout the world.

### Sustainable asset management

Years of experience, all-round know-how and sustainable asset management are MEAG's hallmarks, proving that sustainable investment strategies can bring good returns. The assets managed by MEAG currently include retail funds for private investors with a volume of around €2.8bn.

Overall, then, many of our insurance solutions clearly reflect our corporate responsibility. Selected products, services and models can be found in the "Solutions" section.

## Solutions

- » Reinsurance
- » Primary insurance
- » Munich Health
- » Capital management

## Reinsurance

[Insurance concepts for renewable energies](#)

[Desert power](#)

[NATHAN - Geointelligent solutions](#)

[Microinsurances](#)

[SystemAgro - worldwide crop insurance system](#)

## Insurance concepts for renewable energies – For a low-carbon future

**Munich Re is actively supporting the role of renewable energies in the transition to a low-carbon energy supply. We offer innovative insurance solutions geared to the potentials of new technologies and their operators, thus promoting the development and propagation of renewable energy sources.**

Wind, solar and geothermal energy are in unlimited supply. Future energy supply from these sources helps the climate but also brings with it entrepreneurial challenges and other new risks, because returns are often subject to a special type of hazard such as lack of wind, cloudy days or unsuccessful geothermal drilling projects. Munich Re can provide risk solutions for a large part of these problems, thus facilitating investment in technologies for a low-carbon future. Our new coverage programmes give technology developers, operators and investors the necessary planning certainty and reliable parameters.

### Special cover for the requirements of offshore facilities

Huge investments are pending in offshore wind farms. It takes approximately three years before an offshore facility is operational. The construction phase alone can be problematic for all parties, but serial damage in the operational phase can pose a serious threat as well. With our many years of experience and our ability to evaluate the latest research results, we can play a significant role worldwide in making such risks insurable along the value chain.

### Comprehensive solutions for solar energy

Many solar cell and module manufacturers provide a performance guarantee that goes well beyond legislative requirements. Munich Re has devised new coverage solutions that will meet existing guarantees even over a period of up to 25 years. We insure substantial reductions in the output of photovoltaic modules below specified levels. This performance guarantee coverage is complemented by a new insurance solution for potential manufacturer insolvency risks, thereby making it much easier to obtain funding for major solar energy projects and giving all stakeholders greater planning reliability.

Munich Re also offers similar performance guarantee cover to operators and investors in solar thermal power plants. The solution gives all parties involved in CSP (concentrating solar power) greater planning certainty, since prior to risk transfer Munich Re examines the development and manufacturing processes in great detail. In this case, too, operators can insure performance guarantees in the form of additional cover against possible manufacturer insolvency.

### Performance Warranty Cover for LED modules

Despite higher initial costs, LED lights – which have a semiconductor light source – are much less expensive overall than other light sources because of their longer service life and significantly lower power consumption. Industry studies are forecasting that sales will mushroom in the coming years. Growth will be accelerated both by legislation and by the ecological and economic benefits of LED lighting compared with conventional lighting.

With an innovative solution, Munich Re is facilitating the efforts to leverage this high energy-savings potential. Performance Warranty Cover for LED modules, the first insurance of its kind in the field of energy consumption, supports an up-and-coming lighting technology sector. In order to bolster the confidence of customers in this new technology, manufacturers are offering guarantees for the quality of the light source in terms of lumen and colour consistency for up to five years. Companies need to set aside capital for lengthy periods to be sure of remaining liquid if they are hit by major guarantee claims. Our Performance Warranty Cover assumes part of the financial risks of the guarantee. The free-up capital can be used for other investments in technology development and market growth.

### Promoting geothermal energy – Innovative exploration risk insurance

Geothermal heat can now also be exploited thanks to modern technology: the extracted water at temperatures of well over 100°C can be used in commercial applications such as district heating systems and electricity generation. However, investors must take into account the fact that, despite painstaking preparatory work, the quantities of hot water found in deep wells may be insufficient to make a geothermal power plant economically viable. Back in 2003, Munich Re became the world's first insurer to develop a policy covering the operator's costs of unsuccessful geothermal drilling projects.

### HSB Energy Efficiency Insurance

Increasing energy prices and the need to reduce CO<sub>2</sub> emissions require additional investments in renewable energies and energy-saving technologies. HSB Engineering Insurance, a British subsidiary of Munich Re, insures energy-efficiency projects in the European market by offering suitable insurance cover for installed equipment, related revenue, and potential savings. If the calculations behind such projects prove to be wrong or the installed equipment fails to function as anticipated, target savings cannot

#### Related topics

- » Capital management: Investment programme RENT
- » Challenges: Climate change

[munichre.com](http://munichre.com)

- » Focus topic Climate change
- » Corporate Insurance Partner: Green Tech Solutions

#### Downloads

- » [HSB Renewable Energy Solutions \(PDF\)](#)

be achieved, with potentially adverse effects on loan repayments. Energy Efficiency Insurance policies reduce technical uncertainty for lenders and therefore promote investment in energy efficiency.

**Customised solutions for major projects**

As an investor and partner for innovative solutions and competent risk management, Munich Re is familiar with every conceivable risk. Using our experience from large-scale international projects, we assist consortia at all stages of development and implementation. This benefits investors, operators, owners, suppliers and other contracting parties. With our individual, customised measures, we help contain risks and make projects more appealing for new investors.

In this connection, Munich Re and TÜV SÜD combined forces at the beginning of 2014 to offer a new service: Project Risk Rating. The unique combination of TÜV Süd's experience in processes and testing mechanisms and Munich Re's risk expertise in global projects and research enables us to provide a sound and efficient assessment of complex investment projects from the areas of infrastructure and renewable energies. Using a transparent and comprehensible rating, TÜV Süd and Munich Re create a reliable basis for sustainable investment decisions.

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## Reinsurance

Insurance concepts for renewable energies

[Desert power](#)

NATHAN - Geointelligent solutions

Microinsurances

SystemAgro - worldwide crop insurance system

## A project takes shape

**Dii GmbH was co-founded by Munich Re in 2009 with the objective of creating a market for renewable energies in the MENA region and, over the medium to long term, connecting this market to Europe's market for electricity.**

The construction of solar and wind power plants in North Africa and the Middle East is intended initially to generate power to supply local needs. It will also be possible in the future to export a certain amount of electricity to Europe in order to meet part of European demand without any carbon-dioxide emissions.

Together with twelve partners, Munich Re founded Dii GmbH in 2009 as one of the world's most notable projects in the field of renewable energies. Dii GmbH is currently supported by 37 industrial companies from more than ten countries. The most recent addition to the group of shareholders is the China Electric Power Research Institute, a subsidiary of the country's largest operator of electrical networks, the State Grid Corporation of China.

The widely diverse network of companies, representatives of political interests and research institutions are working under intense pressure to implement a great project: namely to establish an energy alliance for Europe, the Middle East and North Africa, in which solar and wind power from the desert play an important part.

### Related topics

» Challenges: Climate change

[munichre.com](http://munichre.com)

» Focal theme climate change – Desert power

### External links

» [Dii GmbH](#)  
» [DESERTEC Foundation](#)



### Solar energy from the desert

Electricity is to be transmitted to Europe via a high-voltage, direct-current power grid with low transmission loss.

(Source: [www.dii-eumena.com](http://www.dii-eumena.com))

### Supporting climate protection objectives and increasing development opportunities

Dii GmbH contributes to greater energy security in Europe, the Middle East and North Africa ([EUMENA region](#)). Significant investments are boosting the economic development of energy-producing countries in the Middle East and North Africa ([MENA region](#)).

By acquiring the capability to export electricity, the MENA region will gain an important asset – that promotes economic growth, builds know-how and creates new jobs. What's more, the MENA region's own rapidly growing demand for electricity will be met without causing carbon-dioxide emissions. Initial solar and wind power projects are now either in planning or in the construction phase. Solar thermal (concentrated solar power or CSP) installations in Morocco will soon start to generate as much as several hundred megawatts of power. The hitherto largest CSP installation (Shams) in the United Arab Emirates has been in operation since 2013 and has an output of 100 MW. There are also photovoltaic and wind power plants already under construction in Morocco, Algeria, Egypt and Saudi-Arabia.



**"We have to develop solutions that cover the needs of a growing population on a sustainable basis without coming into conflict with scarce resources and climate objectives. The desert power initiative could play a significant role here."**

**Improving living conditions, safeguarding core business**

Part of the locally produced power from renewable primary energy sources (sunlight/wind) is also to be used for seawater desalination plants, a combination that is put to effective use particularly on the Arabian Peninsula and thus significantly improves that region's supply of drinking water.

Our participation in this initiative is strong evidence of expanded climate protection through the market development of CO<sub>2</sub>-free technologies. It is also a prime example of our strategy of using our experience and our solution competence to make the future insurable, at the same time as we ensure the long-term profitability of our business.

**University network as a future global platform**

The DESERTEC University Network (DUN) promotes training programmes in renewable-energy technologies and thus creates options for scientific development in the EUMENA region. At present, 18 universities in six countries of North Africa and Europe are participating in the network.

The idea is that, over the long term, this network will evolve into a global platform for worldwide successor projects to the DESERTEC initiative. Munich Re wants to continue to advance international dialogue in this segment of research.

## Reinsurance

Insurance concepts for renewable energies

Desert power

[NATHAN - Geointelligent solutions](#)

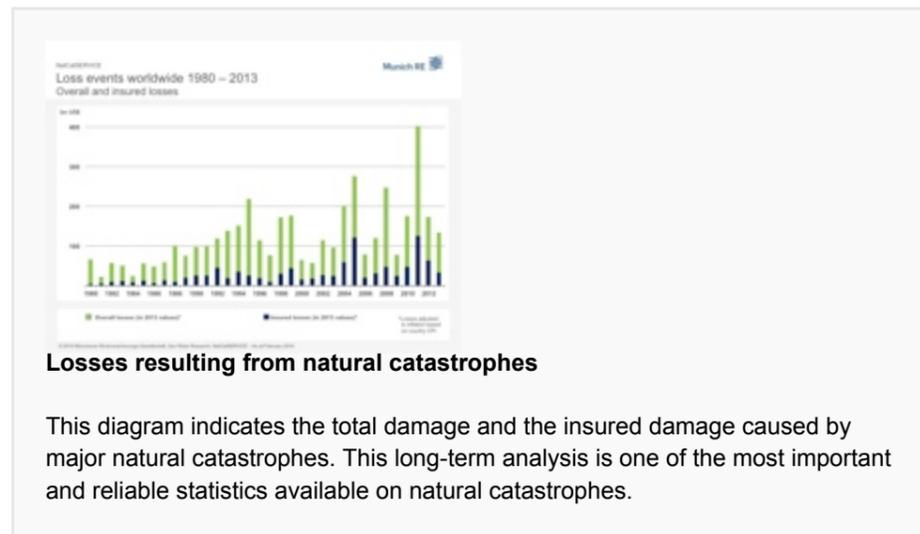
Microinsurances

SystemAgro - worldwide crop insurance system

## Improving the assessment of natural hazards

**In the NATHAN Risk Suite, Munich Re offers unique information and consultancy services that make it easier to identify and assess natural hazard risks that are distributed over large areas. Among the services offered are its World Map and Globe of Natural Hazards.**

The frequency of earthquakes, windstorms and floods and the damage caused by them have been increasing significantly for decades. This trend poses a major challenge for governments, the corporate sector and thus for the insurance industry as risk carriers. Documenting and analysing natural catastrophes are important steps in preparing to cope with looming hazards and developing our ability to identify emerging trends at an early stage. Munich Re makes a major contribution to progress in this field.



### Expert assessments and holistic risk management

Munich Re offers its clients the NATHAN ("Natural Hazards Assessment Network") Risk Suite. This service lets insurers and institutions determine precisely the exposure of specific locations to natural catastrophes, detect substantial gaps in cover and improve the envisioned risk management measures. The system is based on catastrophe and loss data systematically recorded by Munich Re over the past four decades and now stored in a unique loss database with more than 33,000 entries. This extensive knowledge is the basis for our NATHAN product range, which include worldwide and national risk assessments, loss lists and brief opinions and statements by experts. The database also serves to develop client-specific insurance solutions and is used in both scientific research and political decision-making processes.



**"The efficient technical implementation options of the NATHAN Risk Suite accelerate complex business processes and significantly improve risk transparency – to everyone's benefit."**

Andreas Siebert, Head of Department, Exposure Analytics & Geospatial Solutions, Munich Re

### Made-to-measure products

The NATHAN World Map of Natural Hazards has been available as a component of the NATHAN Risk Suite since 2011. NATHAN maps, which were developed by geoscientists on the basis of analyses of major catastrophes, indicate degrees of exposure to specific hazards. Via its client portal [connect.munichre](#), Munich Re also offers online services such as individual risk analyses featuring high-resolution maps and analyses of the natural hazard exposures of entire portfolios.

These services are rounded off by expert consulting services regarding, for instance,

### Related topics

» Challenges: Climate change

[munichre.com](#)

» Touch Natural Hazards

» NATHAN Risk Suite

### Downloads

» TOPICS GEO Natural catastrophes (PDF, 13.6 MB)

risk controlling or the introduction of geoscientific solutions in a client company. For these features, NATHAN Risk Suite was shortlisted for the GeoBusiness Award 2011. The award is given by the German Minister of Economics and Technology for innovative business ideas in the area of geo-information business. In 2014, the application received the Geospatial World Excellence Award.

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## Reinsurance



Insurance concepts for renewable energies

Desert power

NATHAN - Geointelligent solutions

[Microinsurances](#)

SystemAgro - worldwide crop insurance system

## Safeguarding livelihoods in emerging countries

**Munich Re designs microinsurance solutions for developing and emerging countries, fighting poverty being one of our goals. In many parts of the world, we therefore cooperate with local experts and international organisations as a participant in public-private partnerships in order to devise and offer new risk-transfer solutions for low-income sections of the population.**

Developing countries in disaster-prone regions like the Caribbean and Asia suffer considerably from the effects of global climate change. It is also more difficult for the low-income sections of the population in these countries to protect themselves against the increasing dangers. Microinsurance is an effective tool in these regions for protection against the life-threatening effects of natural disasters.

### Developing and implementing customised solutions

The coverage options previously in place did not protect a large section of the people particularly affected. The reasons were insufficient data on local weather risks, inadequate risk management and lack of experience in risk transfer on the part of the initiators. A frequent problem was also the absence of a viable reinsurance concept.

Munich Re – in partnership with primary insurers, other institutions and international NGOs – offers people in the affected regions affordable [microinsurance policies](#) tailored to their specific needs. This helps families and small businesses protect themselves against loss of livelihood in the event of disaster-related property damage or loss of life of the policyholder. These insurance policies play an important role in preventing potential impoverishment.

### Microinsurance policies offer growth potential

Microinsurance promotes economic stability locally and has a positive effect on social development. Microinsurance is also an investment in the future for Munich Re. This segment is a growth market, and the Group consequently offers microinsurance products not only in the form of reinsurance but also in its primary insurance (ERGO) and Munich Health segments.

### Public-private partnership in the Philippines and in the Caribbean

For a number of years, Munich Re, the German agency for international cooperation (GIZ) and the umbrella organisation of Philippine cooperatives (CLIMBS) have together been successfully implementing the following project in the Philippines: based on a detailed analysis, Munich Re and GIZ developed an innovative weather-index based microinsurance policy, enabling the cooperatives to limit their loan defaults and meet their social commitments in the event of a catastrophe. Immediately after an event, the institution concerned receives a reinsurance payment, which is disbursed to its members in the form of emergency loans granted on favourable terms, according to need. The new insurance protection has proved its value in these regions.

In the Caribbean, Munich Re is also cooperating with the Caribbean Catastrophe Risk Insurance Facility (CCRIF) under the umbrella of the [Munich Climate Insurance Initiative \(MCII\)](#). One of the first results of this cooperation is a weather-index insurance policy which has been available since 2013 on the Caribbean islands of Jamaica, St. Lucia and Grenada. If pre-defined wind speeds or amounts of rainfall are exceeded, the product (Livelihood Protection Policy) pays out to the policyholders (usually low-income individuals) within a few days. Policyholders also receive a text message before the severe weather event warning them of its approach, enabling them to protect their property and move to a safe place. A further type of coverage (Loan Portfolio Cover), which is likely to be available starting in the middle of 2014, protects local banks against payment defaults on microloans to farmers, small businesses and families after an extreme weather event.

The creation of an insurance solution for weather risks in developing and emerging markets, in conjunction with a loss prevention component, is an initial operational step by MCII on the road towards comprehensive natural catastrophe risk management for low-income regions. The German Ministry for the Environment has made a significant contribution to the financing and structural content of this pilot programme.

### Related topics

- » Primary insurance: Microinsurance
- » Challenges: Access to financial solutions
- » Commitment: Munich Re Foundation

### External links

- » [Munich Climate Insurance Initiative \(MCII\)](#)

### Downloads

- » [Factsheet Munich Re GIZ Microinsurance \(PDF, 274 KB\)](#)

## Reinsurance

Insurance concepts for renewable energies

Desert power

NATHAN - Geointelligent solutions

Microinsurances

[SystemAgro - worldwide crop insurance system](#)

## Covering risks in agriculture

**Munich Re offers a globally successful crop insurance system: SystemAgro. It helps farmers to protect themselves against weather extremes and the consequences of climate change on the basis of public-private partnerships in which the agricultural sector, the state and agricultural insurers work together.**

No other sector of the economy is as dependent on weather conditions as agricultural production. That is why climate change, which is accompanied by greater variability in weather patterns and weather extremes, has a particularly strong impact on this sector. Insurance tools that are successful in providing protection against natural hazards are of great significance for agricultural development and food security.

### Mounting demand for food, agricultural commodities and green energy

At the same time, demand for agricultural commodities is rising. The world's population is continuing to rise, eating habits are changing as a result of increasing prosperity, and the demand for green energy is mounting as our reserves of fossil fuels dwindle. Trends such as these will increase the consumption of agricultural commodities. The UN's Food and Agriculture Organization (FAO) estimates that food production will have to increase by 70% by the year 2050 in order to feed the nine billion people who will then populate the world – an extreme challenge in view of limited land resources and the risks of climate change.



**“Insuring risks in agriculture will be a key challenge in ensuring the supply of food, commodities and energy.”**

Dr. Joachim Herbold, Senior Underwriter and agricultural risk expert

### Securing investments and agricultural loans

In order to continue to meet the rising demand for food in the future, it will be necessary to invest in improved production technologies for seed, fertilisers and pesticides, as well as in adapted agricultural technologies. The required financing will have to come largely from agricultural loans. Securing these agricultural loans through crop insurance greatly reduces the default risk for banks and increases their willingness to grant agricultural loans.

### SystemAgro – a sustainable insurance system for all farmers

Munich Re evaluated numerous countries' stores of experience with crop insurance systems over the past 30 years and combined this knowledge to create SystemAgro. SystemAgro is based on a [public-private partnership](#) between the state, farmers and the insurance sector and is integrated in national agricultural policy through appropriate laws.

The essential success factors of SystemAgro are: state premium subsidies, government catastrophe reinsurance, central structures with uniform insurance rates and conditions, as well as the availability of insurance for all farmers. These factors (which together make up a comprehensive system) have already been implemented in the countries shown in green on the following world map of agricultural insurance. These countries also have the highest level of insurance penetration. In the USA, the world's largest market for crop insurance, the system already protects 114 million hectares that are in agricultural use.

### World map of agricultural insurance

[munichre.com](#)

» [SystemAgro](#)

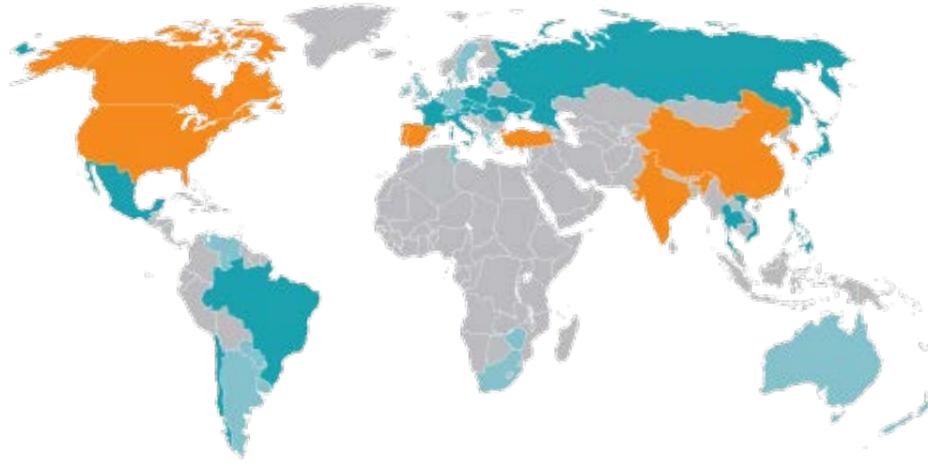
External links

» [Food and Agriculture Organization of the United Nations \(FAO\)](#)

Downloads

» [Risk management in agriculture: SystemAgro \(PDF, 335 KB\)](#)

CHARACTERISTICS OF AGRICULTURAL INSURANCE SYSTEMS



- Comprehensive System (premium subsidy and reinsurance of the state in case of catastrophies)
- System with premium subsidies
- Purely private insurance
- No sizeable insurance

Source: Joachim Herbst, Munich Re

Sustainable crop insurance systems are indispensable for further agricultural development, particularly in the more challenged emerging and developing countries. SystemAgro from Munich Re is thus a response to the pressing problems posed by climate change, population growth, land shortage and globalised agricultural markets.

## Primary insurance



[Ecological insurance solutions](#)

[Microinsurance](#)

## Our insurance solutions help to protect the environment

**Many ERGO products factor in environmental aspects. These range from insurance coverage for renewable energies and eco-rates in motor insurance to unit-linked annuity insurance policies that take ecological aspects into account.**

ERGO has a number of insurance products in its portfolio that give special consideration to ecological aspects. The use of renewable energies and related technologies is steadily gaining in significance in every regard. Combined property and business interruption insurance in this segment gives ERGO policyholders comprehensive, client-friendly protection. The policies are geared to photovoltaics, wind energy, hydropower, biogas, fuel cells and their special features.

### Our insurances secure the future of renewable energies

The focus of ERGO's activities here is on the photovoltaic market. ERGO is one of the few insurers offering innovative coverage extensions such as reduced yield insurance. This ensures protection in the event that the expected annual energy yield is not met due to lower global radiation or defective components. Because a minimum yield of 90% is guaranteed, this insurance component also benefits the financing process for such systems.



**“Environmental protection and scarce resources demand a new way of thinking about our traditional energy supply. We support the establishment of renewable energy sources using customised insurance solutions.”**

Thomas Meyer, Head of Technical Insurance Operations, ERGO

To give due weight to the increasingly important field of renewable energies, we have created a separate segment for these types of risks with the "2012 tariff". This contains information and clear underwriting guidelines in all areas such as solar and wind energy, hydropower, geothermics and biomass. These parameters are necessary for insuring the specific liability risks.

### Rehabilitation of damaged ecosystems

European environmental law holds polluters responsible for causing damage to flora, fauna, bodies of water and soil. ERGO provides coverage for this risk in the form of environmental impairment insurance, which ensures that the damaged ecosystem is rehabilitated. Up to and including 2012, some 100,000 clients had concluded a policy of this type with ERGO. Moreover, since 2009, our primary insurer has also integrated environmental impairment insurance in public liability insurance, particularly for commercial risks.

ERGO helps clients save energy by offering suitable insurance products. The current generation of German householders' insurance products, for instance, covers the added cost for acquiring environmentally friendly household appliances in the event of a loss. If older appliances are damaged, ERGO bears the additional costs for purchasing energy-efficient models with eco-friendly standards.

Houseowners' comprehensive insurance automatically covers privately used photovoltaic, solar and heat pump facilities against damage caused by insured perils. Current protection also covers photovoltaic system feed-in tariffs reduction or default, if the system is damaged or destroyed by an insured peril (for example, if fire or windstorm destroy the roof and the photovoltaic components mounted on it).

### Low-cost policies for climate-friendly vehicles

ERGO also offers environmentally friendly insurance policies for vehicles. In Germany, ERGO promotes the use of vehicles with very low carbon emissions, thereby providing incentives for eco-friendly mobility. At present, the insurer offers a discount in motor liability and comprehensive motor own damage insurance in six different vehicle classes for about 50 selected vehicle types.

### Related topics

- » [Climate change](#)
- » [Management](#)

### External links

- » [ERGO: Eco-insurance policies](#)

**Environmentally friendly – Unit-linked annuities**

Life and annuity insurance gives clients the opportunity to protect themselves against various risks and provide for their later years while making sustainable investments. Using unit-linked annuity insurance, for example with the product ERGO Rente Chance, ERGO takes into account ethical, social and ecological criteria, and clients can invest their capital in sustainability funds according to different investment strategies.

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## Primary insurance



Ecological insurance solutions

Microinsurance

## Small policies, big impact

**ERGO develops insurance policies tailored to the financial situation and personal circumstances of people in developing and emerging countries. In India, for example, the German-Indian joint venture HDFC ERGO markets a broad spectrum of microinsurance policies in the rural sector such as weather-indexed, health, personal accident and fire, as well as special policies for farmers.**

ERGO's insurance products help people in developing and emerging countries protect their vital sources of income at prices they are able to pay. Of the approximately 500 million people around the world who have already concluded a microinsurance policy, 60% live in India. According to estimates, significantly more than half of India's populace cannot afford traditional insurance.

### Successful projects in India

Insurers are the main market players that – thanks to their know-how – are in a position to offer microinsurance protection to large numbers of people on a broad regional scale. To reach as many people as possible, partnership programmes with local institutions (so-called microfinancing institutions) have proven to be effective.

Partnerships use existing infrastructures such as branch banks or other systems that are increasingly well established in India such as e-government centres. Within the framework of public-private partnerships, our German-Indian joint venture HDFC ERGO develops a variety of insurance offerings that are frequently supported by the non-governmental organizations (NGOs) and microfinancing institutions already established there.

This allows ERGO to combine social commitment with an investment in a growing market which the United Nations estimates has currently reached only 5% of its potential.

Microinsurance policies range from health, personal accident and property to covers providing protection against the loss of working animals and crops. A health policy offered in conjunction with the Biocon Foundation covers expenses for hospitalisation, medical treatment and operations for low-income people at premiums they can afford. Registration is done by mobile phone so that cover can be arranged simply and without the need for paperwork.



**“In the coming years, microinsurance will continue to rapidly grow in significance in emerging countries. Worldwide market potential is estimated at two to four billion clients, and the potential premium volume to range from US\$ 30bn to US\$ 40bn. Insurance companies expect a growth rate of 100% in the coming years.”**

Andreas Matthias Kleiner, member of the Board of Management of ERGO International AG, responsible for Asia

### Weather insurance – A growth area

As one of the biggest providers of weather policies based on parametric triggers, HDFC ERGO now offers this insurance especially to small farmers in 14 of India's 28 federal states. A simple product design that, for example, provides for payment of a standard benefit whenever the temperature or the amount of precipitation remains below or exceeds specified limits, almost does away with the financial risk of crop failures in rural regions. In the last financial year, HDFC ERGO wrote a total of more than €45m in gross premiums in the microinsurance segment.

HDFC ERGO has been operating successfully with this business model since 2010, when the Indian government commissioned it as the first private insurance undertaking to develop a government-sponsored "weather-based crop insurance" programme in the four states of Rajasthan, Madhya Pradesh, Karnataka and Tamil Nadu.

### Related topics

- » Reinsurance: Microinsurance
- » Challenges: Access to financial solutions

### External links

- » ERGO: Microinsurance
- » HDFC ERGO India

## Munich Health



Integrated healthcare

Innovative healthcare programmes

## An exemplary approach

**With its focus on covering and managing risk, Munich Health offers customised, sustainable solutions for the health market. By combining know-how from both the primary insurance and reinsurance segments, we create the basis that enables our clients to achieve success and security in their respective markets.**

The global health market is a rapidly growing sector of the economy. The main reasons for this include worldwide population growth and increasing life expectancy, combined with the rising prosperity of broad sectors of the population, also in developing and emerging countries. The impact of these changes is intensified by advances in medicine.

The Munich Health field of business supports the sustained growth of the health markets. Thanks to its positioning and combination of know-how from both the primary insurance and reinsurance segments, Munich Health is able to meet the most widely varying client needs.

### Optimisation of risk assessments and processes

In industrialised countries, the pressure to reform historically evolved health and social security systems is rising. By offering various solutions and services, Munich Health supports insurers in local markets. To analyse health risks, for example, Munich Health provides its reinsurance clients with modern programmes and tools for standardising the assessment of medical risks.

To enhance the efficiency of internal processes, Munich Health offers modern solution processes and project-related tools, for example, for transmitting claims notifications data and handling claims. This benefits policyholders as optimisation measures always have the effect of counteracting rising health costs.

### New healthcare strategies in developing and emerging countries

Developing and emerging countries face the challenge of swiftly establishing healthcare systems that provide large portions of the population with access to effective, affordable healthcare. Private-sector insurance products, which may be closely intermeshed with state schemes, can play a valuable part in supplying the necessary funds.

Munich Health has come up with successful ideas for expanding internationally, and these are being improved all the time. By using shared infrastructure and processes in the Middle East, for instance, Munich Health has in a very short time succeeded in expanding the field of business from the United Arab Emirates to Saudi Arabia, Qatar and Oman.

### Related topics

» [Demographic change](#)

### External links

» [Munich Health](#)

## Munich Health

Integrated healthcare

Innovative healthcare programmes

## Innovative healthcare programmes – Abu Dhabi and almeda as role models

**In Abu Dhabi, Munich Health has incorporated its long-standing global expertise in a programme for the chronically ill. This integrated disease management programme has led to better coordinated patient care, lower incidence of disease and more efficient cost management.**

In the past 20 years, lifestyles in the United Arab Emirates have changed drastically. One of the consequences has been an increase in diabetes and obesity; according to the World Health Organization, every fifth inhabitant has diabetes, and over half of the population is overweight. Rising medical costs pose huge problems for the local healthcare systems. In response to these challenges, Munich Health and the regional health insurer DAMAN National Health Insurance have devised a new medical service programme on behalf of the government. This programme offers health insurance in combination with Munich Re's range of services delivered by almeda GmbH.

### Improving the quality of life of the chronically ill

almeda GmbH is Munich Re's assistance and telemedical healthcare service provider. Its services help people in emergencies or in the longer term, person to person and on the phone or through the internet. Since August 2009, Munich Health and almeda have offered comprehensive healthcare programmes for diabetics and obese patients, ranging from prevention and efficient treatment management to the management of healthcare costs.



**“We aim to counteract the rapid spread of obesity through education. The local population will not change their behaviour until they are aware of the risks of obesity.”**

Dr. Franz Benstetter, Head of Operational Services Munich Health

### Prevention through phone coaching

The core element of the integrated health solution is phone coaching for the chronically ill by fixed contact persons. In discussions with medical experts, patients are taught how to manage their diseases themselves, the aim being to exercise a positive and lasting influence on their lifestyle. The overriding goal is to improve the quality of life of those patients suffering from diabetes mellitus and/or obesity, to coordinate their treatment and to reduce the long-term consequences and complications, hence lowering healthcare expenditure in the long run.

### Patients benefit from public-private partnership

The first results of the programme illustrate that this cooperation could well serve as a model project. Our long-term experience in disease management and in the efficient running of healthcare programmes worldwide is paying off in Abu Dhabi. Patients are benefiting from better care and the programme has eased the cost pressure on state health budgets. More than two million clients have in the meantime made use of Munich Health's services. The strategic partnership between DAMAN and Munich Health has plans reaching until 2019.

### Related topics

» Demographic change

### External links

» Munich Health

## Capital management

### Responsible investment strategies

Questions for Dr. Thomas Kabisch, MEAG

Investment programme RENT

## Investment products with sustainable success

**MEAG's investment funds demonstrate that economic, ecological and social requirements need not be a contradiction in terms. The asset manager of Munich Re and ERGO offers its institutional and private clients investment funds that focus on sustainability.**

The equity fund MEAG Nachhaltigkeit, which was set up on 1 October 2003, invests throughout the world primarily in companies that conduct business in a responsible manner. Companies are selected on the basis of their environmentally friendly and socially responsible behaviour as well as their financial success. This involves supplementing leading equities with forward-looking niche providers. By contrast, producers of tobacco, alcoholic beverages, arms and weapons are excluded, as are companies in the gambling industry.

### Private investors benefit from know-how

Secure returns plus protection of endowment capital is the priority of every foundation. The MEAG FairReturn investment fund established in June 2009 meets both requirements. The fund managers invest predominantly in Europe in accordance with strict social, ecological and financial criteria recommended by the rating agency oekom research. At the same time there is a requirement for positive growth in value. The fund developed so successfully that MEAG opened it for private clients at the beginning of 2010.

In 2014, for the third time in succession, MEAG FairReturn was named foundation fund of the year. And even though 2013 was no easy year for investors, the fund was still able to achieve significant growth. Translated, the summary of the reasons given for the award in 2014 reads: "Foundation assets lie in the hands of one of the largest asset managers, governed by a management approach which credibly restricts risk and is committed to following the objective of sustainability. Compelling!"

All our investment strategies for retail funds adhere to the Principles for Responsible Investment (PRI) which Munich Re signed in 2006, the first German company to do so.



### Related topics

- » [Management: Managing investments](#)
- » [Management: PRI reporting](#)

### External links

- » [MEAG](#)
- » [Principles for Responsible Investment \(PRI\)](#)

## Capital management

Responsible investment strategies

[Questions for Dr. Thomas Kabisch, MEAG](#)

Investment programme RENT

External links

» [MEAG](#)

## Interview with Dr. Thomas Kabisch (MEAG) – “Accepting responsibility”

**How is Munich Re's understanding of corporate responsibility reflected in its asset management? In this interview, MEAG CEO Dr. Thomas Kabisch explains why assuming ecological and social responsibility also makes commercial sense.**

### Dr. Kabisch, why do you invest sustainably?

Achieving positive returns while taking account of the risks is our prime concern when investing. We invest with our obligations to our policyholders in mind. The premiums they pay have to be invested securely for many years. We need sustainability in order to be able to deliver on the promises that our insurance policies make, in the event of a claim. We gladly accept this responsibility.



Dr. Thomas Kabisch has been MEAG's CEO since Munich Re's and ERGO's joint asset manager was founded in April 1999.

He is Head of MEAG's Mandate Management Division and thus responsible for the Group's asset management, as well as for MEAG's central functions.

### How do you define sustainability when making investments?

We think in terms of negative and positive selection. We have exclusion criteria for negative selection. For instance, in 2012 we decided against investing in agricultural commodities because there were concerns that it could promote food shortages. In terms of positive selection, I would like to mention our investments in renewable energies such as solar and wind power plants as part of our infrastructure investment programme. By the end of 2013 we had already invested €1.5bn in this sector.

### German insurers have announced that they will be investing more heavily in alternative energies. Is MEAG one of them?

We intend to invest up to €4bn in infrastructure, including renewable energies. We made the first investment in 2011 and others followed. We have invested in onshore wind farms in Germany as well as in Amprion's German high voltage grid and supergrid. We have also purchased wind farms in the UK, France and Scandinavia as well as solar energy plants in Italy and Spain. We are investing throughout Europe, not just in Germany, and we also intend to extend the investment programme to North America. The transformation of the energy industry is a global task and for us the transformation is not limited to Germany.

### Are Munich Re and MEAG helping to take the energy revolution a major step forward?

As an insurance group, we have a very high level of risk expertise here, so we are in an excellent position to evaluate whether the risks related to renewable energies are acceptable and whether they are covered by an adequate return. Munich Re and MEAG are blazing a trail to some extent. Other investors are following our example. Together we can move amounts that definitely contribute to the energy transition. But it should be noted that we are talking about a magnitude of 800 billion or even a trillion euros in this context. This far exceeds what the insurance industry alone can shoulder. The greatly varying estimates of what the total cost of this transition will be also make it clear that we are still far from concrete planning, let alone realisation.

### Would we be able to invest even more and more quickly in this segment?

Each investment in solar and wind power must be carefully examined to determine whether it meets our demanding investment criteria. After all, we intend to keep these investments for a very long time. We also have to ensure sufficient diversification to balance risk. For this reason we invest in a wide range of regions and technologies. We

calculate the risk premiums carefully and precisely to make sure they provide an adequate return for the risk taken.

**What should regulators do to encourage a greater willingness to invest?**

First of all, let's consider what they shouldn't do. Investors need a long-term, stable regulation system without retroactive intervention. They want to be able to have confidence in the investment environment. Time and again there is discussion about skimming earnings retrospectively. But this must not happen. Not only would it be damaging to investments in renewable energies, it would suppress the willingness to invest in general - with dramatic consequences for growth and employment.

**So what needs to be done?**

Legislators and regulators have strict rules about the types of investments permitted for insurance companies, and for good reason: the state monitors promises made by the insurance industry. To date, long-term investments in state-regulated renewable energies have not yet been part of the rules for insurance companies' investments to the extent they should be. For instance, safe investments in renewable energies are treated as if they were risky private equity investments. We need some changes, as demanded by the German Insurance Association.

**Are additional solar and wind power plants on MEAG's shopping list?**

We'll see. Many attractive locations for relatively secure investments in solar and wind power are already taken, and at the same time demand is strong. The result is higher prices and lower returns. Investments in other forms of non-fossil energy generation would be an alternative. We are carefully looking into whether and where we, with our high level of risk expertise, can take risks that the general market is not yet willing to enter into. This gives us the chance to achieve higher returns. But we also have to keep asking ourselves whether the risk is in relation to the return, and whether the returns are sustainable.

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## Capital management

Responsible investment strategies

[Investment programme RENT](#)

## Investments in infrastructure, renewable energies and other new technologies (RENT)

**The future belongs to renewable energies. For this reason, Munich Re is investing in infrastructure and other new technologies (RENT), thereby not only promoting sustainable power generation but also profiting from it.**

MEAG, the asset manager of Munich Re, has made investments in both infrastructure, renewable energy and new technologies in the context of various projects. These include investments in solar parks in Spain and Italy and wind farms in Germany, France, Great Britain and Sweden, as well as a combined cycle power station in Great Britain and the German natural gas grid. By the end of the 2013 financial year, these investments had reached a total of €1.5bn.



**"With these investments, synergies are generated on both sides of the balance sheet. Among other things, internal experts assess the technical risks of potential investments on the insurance side, and then make the assessment available to asset managers for their investment decisions."**

Gernot Löschenkohl, Senior Investment Director, Asset-Liability Management, Munich Re

In the coming years, Munich Re intends to invest €4bn in infrastructure, renewable energy and new technologies, provided that the parameters are reliable and an appropriate return can be generated. We are aiming to achieve this by continuing to strongly diversify our infrastructure investments both regionally and by segment. This enables us to achieve a spread of the technological and political risks and thus of this portfolio's main risk drivers. We will be additionally focusing on bonds and loans for infrastructure projects in 2014.

On the underwriting side, Munich Re has been involved in renewable energy for many years – for instance, in developing new insurance solutions. Our commitment has a double leverage effect: by using our risk knowledge to promote new technologies through investments and innovative coverage concepts, we contribute to the advancement of social developments.

### Related topics

- » Challenges: Globalised financial markets
- » Solutions: Insurance concepts for renewable energies

"The social commitment of large companies like Munich Re America increasingly shapes our societies."

Tony Kuczinski, President and CEO, Munich Reinsurance America, Inc.



Munich Re

Downloads

- » [Corporate citizenship guidelines \(PDF, 418 KB\)](#)

## Commitment

Our corporate citizenship concept: Responsibility for the community

**Corporate citizenship has a long tradition at Munich Re. Our concept for the strategic orientation of our social commitment is based on business-related topics. It provides the guidelines and criteria for selecting donations and sponsorship projects.**

Assuming an active role as a corporate citizen, as a sponsor, donor and co-designer of innovative social projects, is an indispensable part of our corporate responsibility.

To create a framework for our Group-wide social commitment, the Board of Management has set out binding criteria and conceptual parameters. From this, we have derived a corporate citizenship concept for the Munich Re Group, with clearly defined sponsorship guidelines.

In addition to basic assistance for social and cultural projects at corporate locations, we focus on topics that are related to our business activities. These are mainly projects from the fields of natural disaster prevention, protection of natural resources, and healthcare promotion. The emphasis is on long-term partnerships geared to meeting concrete challenges in society and on a stronger involvement of staff through corporate volunteering.

With this end in view, Munich Re enters into partnerships with charitable and non-profit organisations at national and international level. Our corporate citizenship guidelines provide clear information on the sponsorship categories and criteria (see download on the top right).

Besides engaging in the topics of environment, natural catastrophes, demographic change and health, Munich Re supports social and cultural projects at its business locations, and promotes education and science. We are showing you a selection of projects from this spectrum, which cover only a portion of the topics listed.

### Commitment

#### Focal areas

- » [Education and science](#)
- » [Natural catastrophes and environment](#)
- » [Health and demographics](#)
- » [Art and culture](#)
- » [Social commitment](#)

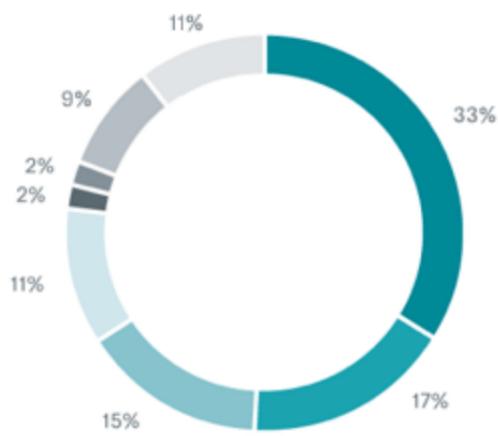
#### Foundations

- » [Munich Re Foundation](#)
- » [Dr. Hans-Jürgen Schinzler Foundation](#)
- » [ERGO "Youth & Future" Foundation](#)
- » [DKV "Integralia" Foundation](#)

### ► Corporate citizenship expenses in 2013

**Corporate citizenship expenses of Munich Re (Group)\* in 2013: 6,788,357**

€\*\*



Science/Education	2,223,798 €
Social	1,142,064 €
Health	993,806 €
Culture & Arts	729,278 €
Demographic change	132,284 €
Environment	162,842 €
Natural Catastrophes	626,688 €
Not Classified	777,597 €

**Additional spending:**

Donations in kind 30,764 €  
 Political donations 168,000 €  
 Corporate Volunteering hours 326,607 €  
 Foundation ERGO 29,493 €  
 Foundation Munich Re 1,864,033 €

0.21% of pre tax result (incl. political donations, corporate volunteering and donations in kind)

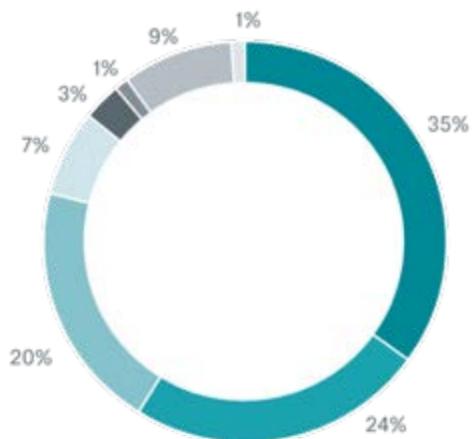
0.27% of pre tax result (incl. political donations, corporate volunteering and donations in kind and foundations)

\* Proportion of employees captured: 94% of all employees

\*\* Not including additional spending

► **Corporate citizenship expenses in 2012**

**Corporate citizenship expenses of Munich Re (Group)\* in 2012: 4,905,376 €\*\***



Science/Education	1,692,450 €
Social	1,196,481 €
Health	997,927 €
Culture & Arts	355,588 €
Demographic change	147,520 €
Environment	42,909 €
Natural Catastrophes	441,464 €
Not Classified	31,037 €

**Additional spending:**

Donations in kind 30,866.28 €  
 Political donations 168,000 €  
 Corporate Volunteering hours 195,220 €  
 Foundation ERGO 45,000 €  
 Foundation Munich Re 1,181,180 €

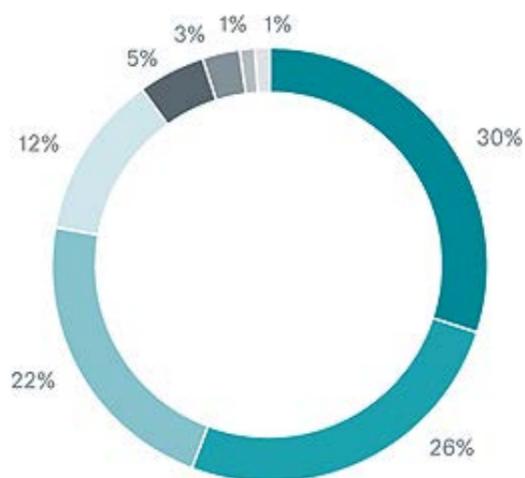
0,13% of pre tax result (incl. political donations, corporate volunteering and donations in kind)

0,15% of pre tax result (incl. political donations, corporate volunteering and donations in kind and foundations)

\* Proportion of employees captured: 74% of all employees

\*\* not including donations in kind

► **Corporate citizenship expenses in 2011**



Science/Education	1,386,109 €
Social	1,228,424 €
Health	1,012,870 €
Culture & Arts	569,575 €
Society & Demographic change	235,380 €
Environment	151,755 €
Natural Catastrophes	29,136 €
Not Classified	35,547 €

\* Proportion of employees captured: 73% of all employees

\*\* not including donations in kind

#### ► Political donations

Munich Re (Group) also supports the democratic political process and, to this end, donates to the following parties: Bündnis90/Die Grünen, CDU, CSU, FDP and SPD. Donations to all parties do not exceed €150,000 in total, each party receiving the same amount of money with no conditions attached. Of that sum, €75,000 is contributed by Munich Re and €75,000 by ERGO Germany. The donations are transferred exclusively to the parties' federal headquarters.

In addition to the above donations, membership fees are paid to organisations closely affiliated with the parties. These may total a maximum of €25,000 per financial year for Munich Re and ERGO.

#### Project commitments by the foundations

Munich Re's project commitments are complemented by the activities of our four foundations: the Munich Re Foundation, the Dr. Hans-Jürgen Schinzler Foundation, the ERGO Foundation "Jugend & Zukunft" (Youth and Future) and the DKV Foundation "Integralia".

## Focal areas

Education and science

Natural catastrophes and environment

Health and demographics

Art and Culture

Social commitment

## Supporting university, school and vocational education

**Extensive knowledge and a good level of education are high priorities for Munich Re as a provider of financial services: Our knowledge of risk is the cornerstone of our business. Our social commitment therefore focuses on the science and education.**

### ► Stifterverband für die Deutsche Wissenschaft

As an active company in the Stifterverband für die Deutsche Wissenschaft (an initiative promoting science and education in Germany) – Chairman of the Board of Management, Dr. Nikolaus von Bomhard, is a member of the Presidential Council – Munich Re is committed to enhancing Germany as a location for science and scientific research. With an education initiative planned to run until 2020, the Stifterverband wants to achieve better education in Germany and implements this initiative with projects and collaborations in the fields of international education, education clusters, MINT education (mathematics, informatics, natural sciences and technology) and teacher training. The focus is on the structural internationality of German universities, the strengthening of regional alliances for successful recruitment for the job market, the increase of diversity in science and technology subjects and in teacher education.

### ► Munich University Society

Munich Re has been supporting the Ludwig Maximilian University in Munich with their commitment to the Munich University Society since 1922. The Society's task is to promote university research and academic teaching outside of government mandate. The University Society helps fund a large number of academic projects, interdisciplinary visiting scholarships and lecture series, national and international academic congresses as well as collaborations and exchange programmes with other universities. In addition, the Society donates awards and sponsorship prizes for new academic talent at the Ludwig Maximilian University and granted 45 Deutschlandstipendien (scholarships) in 2013.

In 2014, administration of the office, which had been organised by Munich Re for many years, was handed over to the Deutsches Stiftungszentrum (DSZ) Maecenata Management GmbH, a subsidiary of the Stifterverband für die Deutsche Wissenschaft. The new office provides the University Society with a wide range of options for public relations and also for the organisation and administration of the society and its members. Munich Re continues to be active as a major donor and has members on the Board of the Society.

### ► ERGO: Germany scholarships and the Dr. Kurt Hamann Foundation

ERGO supports young people pursuing university education: As part of the Deutschlandstipendium of the State of North Rhine-Westphalia and in cooperation with the Dr. Kurt Hamann Foundations, which promotes research projects in the field of insurance sciences, ERGO has been supporting talented students and graduate students in Düsseldorf and Cologne, and since 2013, also in Mannheim.

### ► MEAG: Get Connected

MEAG – asset manager of Munich Re and ERGO – continued its partnership with Munich universities in 2013. As part of the fourth volume of "Get Connected" with the slogan "The future belongs to those who invest in it", MEAG offered students from the Technical University of Munich, the Ludwig Maximilian University and the Munich University of Applied Sciences the opportunity to get to know Europe's largest asset manager at information events.

### ► European Mathematical Society

To enhance awareness for mathematical correlations and enthusiasm for this science among young people, Munich Re has been supporting the knowledge portal of the European Mathematical Society since 2009. The core scientific content of this field is regularly defined by the European portal coordinators involved. Updating and continuously broadening the information exchange at a European level for the benefit of this science are the central tasks of this platform.

### ► Joblinge



Ludwig-Maximilians-Universität Munich



Ludwig-Maximilians-Universität Munich



Joblinge

#### External links

- » [ERGO: Commitment to education and science](#)
- » [German Mathematical Society \(German only\)](#)
- » [European Mathematical Society](#)
- » [Stifterverband für die Deutsche Wissenschaft \(German only\)](#)
- » [Munich University Society \(German only\)](#)
- » [Joblinge \(German only\)](#)
- » [Wiener Lerntafel \(German only\)](#)

Many talented young people often lack the means to make the most of their potential. Munich Re endeavours to provide long-term, effective support by supporting the non-profit initiative "Joblinge" – a joint national programme sponsored by business, government and society for unemployed youngsters with limited qualifications. Apart from financing two scholarships, several Munich Re employees also serve as mentors for this project. They share their practical and professional expertise with young people, to help them gain footing in the working world.

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▶ **Getting Ahead**

At Munich Re in Great Britain, employees support the "Getting Ahead" programme in a similar way, by supporting qualified young people from a low-income part of London. Several Munich Re teams organise workshops to prepare the youngsters for their first practical steps into the working world, such as writing job applications and having interviews.

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▶ **Schule macht Zukunft**

ERGO primarily supports children and young people through different education projects. For instance, ERGO was again the main sponsor of the "Schule macht Zukunft" (Schools for the Future) student competition in 2013. This is a project of the magazine publisher FOKUS to promote dialogue between school and business: The aim is to get young people interested in acting independently and actively shaping their own futures.

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▶ **Wiener Lerntafel**

ERGO Austria places a clear emphasis on the field of education and sponsors the Wiener Lerntafel, a non-profit institution. It offers financially or socially disadvantaged children aged 6-14 free tutoring services and support for the full range of school-related issues. This support from ERGO Austria allowed the financing of several more study units than before.

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▶ **Rock Your Life!**

ERGO supports the initiative "Rock Your Life!" at its Nuremberg location. It provides young people from socially deprived situations support for their start into the future. Pupils receive direct coaching with a university student for comprehensive job orientation as well as individual support for their pathway into work or higher education. These projects are currently being carried out in 20 German cities.

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▶ **Reading corners**

A project by ERGO in China did educational work in rural areas during the first half of 2013. Three so-called reading corners with furniture and over 1,000 books were set up in public places in the province of Shandong. They are used to introduce children and women in particular to reading, with the aim of broadening their knowledge horizon and improving their personal perspectives.

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**Organisations supported by Munich Re:**



## Focal areas



Education and science

Natural catastrophes and environment

Health and demographics

Art and Culture

Social commitment

## Natural disasters and the environment

The risks from the increasing number and intensity of natural disasters and the changes in our environment are manifold. The commitment of Munich Re in the social sector therefore also comprises prevention and adaptation measures for the future protection against natural disasters, primarily for people in emerging and developing countries.

### ► Natural disaster prevention project in India

Munich Re has been cooperating with the Geo Hazards International (GHI) organisation since 2012. The two-year cooperation supports the city of Aizawl in northeast India with loss mitigation in the event of earthquakes and landslides. Aizawl was identified as a city that is particularly at risk due to its mountainous topography, the geographical isolation and the structure of the buildings. With these hazards, Aizawl has the highest per capita post-earthquake mortality rate in comparison to other cities.

The project supports and educates authorities and decision makers in Aizawl. GHI has founded a technical council for this purpose. Experts have examined the susceptibility to damage of the buildings and infrastructures, developed a scenario from this and derived specific prevention measures for the city. GHI also supplemented the training documents for the national school safety programme and works with selected schools to ensure corresponding earthquake training for pupils.

After a landslide in May 2013 killed 17 people, Munich Re provided additional funding. The Landslide Policy Committee for Aizawl was started with the help of GHI. An action plan was developed, risk maps are now created together with GHI and specific land use regulations are being implemented.

The aim of the project is a long-term improvement for the population of Aizawl. Information and education for political decision makers as well as for society are important measures, and capacity building thus takes place at a political and at a social level. As a renowned partner with experience in India, GHI ensures that the expected benefit can be realised.

### ► Water Benefit Partners in India

In the framework of a public private partnership created by Water Benefit Partners (WBP) and the Swiss Agency for Development and Cooperation (SDC), we have – together with international partners such as SGS, The Gold Standard, Bayer, Nestlé and the Department for Foreign Affairs of the Swiss Confederation – committed to developing an innovative financing mechanism – the so-called Water Benefit Standard – for additional water projects in regions with great water shortage. Two Munich Re employees from different divisional units are contributing their expertise to coordinate and support this process as volunteers.

The first pilot projects in India, for example new irrigation technology for sugar cane cultivation, optimisation of the drinking water supply and the introduction of general hygiene standards, are currently under way and will be scientifically evaluated after their conclusion.

### ► Institute for Business and Home Safety (IBHS)

In the USA, Munich Re America in Princeton supports the Institute for Business and Home Safety (IBHS) in a partnership. Independent experts and scientists use natural disaster and hazard scenarios to verify the safety and building standards of private and commercial buildings. The results of this research are then used as recommendations for the US building commissions and regulations. This prevents damage and minimises risks of central importance not only for the population but also for insurers.

Buildings which meet the latest safety standards can withstand the elements better than buildings erected to the old standards. Losses caused by storms and earthquakes are extremely expensive and can largely be prevented through efficient measures taken in the construction phase and through careful planning. This makes the insurance industry one of the main advocates for implementing higher building standards, thus allowing insurance to lower risk provisions. For building owners, higher resiliency standards mean lower insurance premiums.

An IBHS study about hurricane Charley on the US East Coast in 2004 proves, for example, that compliance with the relatively high building standards (in an American context) reduced the severity of the damage there by 42% and the frequency of damage by 60%. In another case, scientists from Louisiana State University found that more stringent building standards would have reduced the storm damage from hurricane Katrina in 2005 in the southern US by nearly 80%.



Geo Hazards International (GHI)



First Climate



First Climate

### External Links

- » [GHI](#)
- » [Water Benefit Partners](#)
- » [IBHS](#)



## Focal areas



Education and science

Natural catastrophes and environment

**Health and demographics**

Art and Culture

Social commitment

## Education and prevention

**Munich Re is committed to helping create a healthier society. With their comprehensive expertise as health insurers, the subsidiaries ERGO and DKV can set special focuses in this area. They thus support health education, promote physical activity and finance life-saving research.**

In spite of all medical progress, some diseases cannot be cured. Many of them can be treated if they are diagnosed in time, for others, the risk of illness can be reduced significantly through prevention, e.g. with regular physical activity and a healthy diet. It is therefore in the best interest of Munich Re and particularly their primary insurers to provide health education and targeted support for the prevention, diagnosis and therapy of diseases.

### ▶ Klasse in Sport

Physical education in schools has been proven to promote the physical and cognitive development of children. With the Klasse in Sport (Class in sport) initiative, ERGO sponsors daily qualified PE lessons at 26 primary schools across the country and also supports the advanced training of the teachers to this end.

### ▶ Campus Thao

DKV supports Thao in Spain, a community programme for the prevention of excess weight and obesity in children. The objective of the initiative is to spread the word among the population about a healthy lifestyle in line with the UNO philosophy and strategy, NAOS, particularly targeting young people. To achieve this, Thao goes to a different city every three months, giving dietary recommendations and promoting healthy food. At the same time, Thao provides teachers with supporting classroom materials and the school kitchens cook food with correspondingly healthy ingredients. This promotes a varied and balanced diet as well as physical activity.

### ▶ Run

Promoting physical activity is an important part of our social commitment. After all, exercise promotes good health and helps prevent illness. DKV, the ERGO health insurer, uses the Run initiative to encourage people to take control of their own health and get plenty of exercise as a step in the right direction.

### ▶ Take good care of your health!

Health prevention is the core message of a TV campaign by DKV Seguros in Spain. With the slogan "Take good care of your health", it encourages prevention and was the forerunner for the new product DKV, Viva la Vida (DKV – live the life).

### ▶ Madeleine Schickedanz-Kinder-Krebs-Stiftung

As one of the main sponsors of the Madeleine Schickedanz-KinderKrebs-Stiftung (Madeleine Schickedanz children's cancer foundation), ERGO contributes to children's cancer research, improving the chances of recovery for young cancer patients. The foundation is supported through different projects. During the nationwide "Bike to work" campaign, for example, each kilometre cycled by the ERGO Direkt team was sponsored with 50 cents. In 2013, ERGO Direkt accumulated a donation of €100,000 to the foundation.



Klasse in Sport



Children's cancer station in Cusco, Peru  
©J.M.Schickedanz Kinderkrebsstiftung

### Downloads

» [DKV report: How healthy are Germans? \(German\) \(PDF, 2.9 MB\)](#)

### External links

- » [ERGO: Health & Sport](#)
- » [DKV: Run \(German only\)](#)
- » [DKV: Viva la vida](#)
- » [Campus Thao](#)
- » [Madeleine Schickedanz-KinderKrebs-Stiftung \(German only\)](#)



## Focal areas

Education and science

Natural catastrophes and environment

Health and demographics

**Art and Culture**

Social commitment

## Sponsoring culture - A tradition of involvement

**Cultural commitment is one of Munich Re's long-standing traditions. This applies in particular to contemporary art as an expression and reflection of an open and interested society and as a barometer for innovative ideas.**

Both sides benefit from an exchange between culture and industry. While many cultural projects only become possible with the financial support from businesses, the creativity and aesthetics of the arts in turn create important impulses for the staff and for society.

Our memberships in several support and sponsor groups for cultural institutions in Munich, such as the Pinakotheks-Verein or the Premium Circle of the Bavarian State Opera, underline our cultural commitment.

### ► The Munich Re art collection

Munich Re's appreciation of art has a long-standing tradition. Founder Carl von Thieme recognised the inspirational power of contemporary art and enjoyed engaging in dialogue with artists. In 1912 and 1913, he commissioned a number of young artists to decorate the newly completed Main Building at Königinstrasse in Munich, laying the foundation for our art collection and our cultural commitment.

Our corporate art collection has always been an integral part of the Munich Re corporate culture. Works of contemporary art are continuously being added to it. The art collection in Munich currently has more than 2,500 works from international artists. In addition to already known artists, we provide targeted support for promising young talent in the visual arts.

### ► Städtische Galerie/Lenbachhaus and Kunstbau München

Munich Re has had a collaboration project with the Städtische Galerie/Lenbachhaus and Kunstbau since December 2012. In the project, the curators of both houses, Städtische Galerie/Lenbachhaus and Munich Re, work together to develop exhibition, teaching, publication and event formats for the Städtische Galerie in with financial support from Munich Re.

In keeping with the guiding principles of the Lenbachhaus and the corporate citizenship concept of Munich Re, the collaboration focuses on projects dedicated to the communication of contemporary culture while critically addressing social issues. One of these projects opened the "PLAYTIME" exhibition on 15 March 2014. The subject "Working with the elements of the modern working world" was already the central artistic theme of Jacques Tati's 1967 film "Playtime". The exhibition builds on his subtle, caricaturing contemplation, posing many of the questions anew. A total of 42 artists are involved in the project, using their art to address not only individual activities, but also identifiable rules and standards of behaviour in the historical and global, contemporary working society. They present existing hierarchical relationships and gender-specific conventions in the working world and question the relationships between a person's identity and living and working conditions. The Städtische Galerie/Lenbachhaus is also one of the museums in Munich where the MEAG organises tours for their employees several times per year.

### ► Bayerische Philharmonie Orchestra

In 2013/14, Munich Re is sponsoring the Bayerische Philharmonie Orchestra, and with it the education and development of young prodigies. The Bayerische Philharmonie Orchestra provides broad support for young musicians, ranging from first practical experiences in orchestral performances to professional preparatory orchestra academies. With Munich Re support, the 4th and 5th Orff Days honouring renowned Munich composer Carl Orff (1895 – 1982) were held at the Munich Philharmonie in Gasteig Culture Centre in 2013 and 2014, drawing avid public interest. For their 20th anniversary in May 2014, the Bayerische Philharmonie Orchestra presented their anniversary concert in this context. "Carmina Bavariae", the piece commissioned by composer and singer-songwriter Konstantin Wecker was performed as a revival from the "1st Orff days of the Bayerische Philharmonie Orchestra" as well as Carl Orff's most famous work for symphonic choir – "Carmina Burana".

### ► 3-2-1 Ignition

ERGO has been supporting the young musicians' concert series "3-2-1 Ignition" since 2009. The Junge Tonhalle programme at the Tonhalle in Düsseldorf, offers young people a special experience with classical music.

### ► SingPause

In the "SingPause" project sponsored by ERGO, trained singers visit Düsseldorf



Städtische Galerie im Lenbachhaus und Kunstbau München



Bayerische Philharmonie

### External links

- » [ERGO: Commitment to music](#)
- » [CAMPUS – Bayerische Staatsoper](#)
- » [Munich Re art collection](#)
- » [Bayerische Philharmonie \(German only\)](#)
- » [Kulturkreis der deutschen Wirtschaft \(Association of Arts and Culture of the German Economy\)](#)
- » [Lenbachhaus \(German only\)](#)
- » [SingPause \(German only\)](#)

primary school classes twice a week to work on a broad international repertoire of songs together with the children. This model project for early music education now reaches nearly 12,400 children from all social backgrounds at 60 schools around the city. This is about two-thirds of all primary school pupils in Düsseldorf.

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**Organisations supported by Munich Re:**

**BAYERISCHE  
STAATSOPER**

**LENBACHHAUS**

STÄDTISCHE GALERIE AN  
LEIBNIZSTRASSE 10  
40225 DÜSSELDORF



## Focal areas

Education and science

Natural catastrophes and environment

Health and demographics

Art and Culture

**Social commitment**

## Our social commitment

**Munich Re and its staff support social institutions and projects in Germany and throughout the world. In addition to the financial help we provide, our employees also show personal commitment: They volunteer for charity initiatives or take part in sports events. The Munich Re (reinsurance) corporate volunteering activities are coordinated and supported by the Dr. Hans-Jürgen Schinzler Foundation.**

One main focus is the integration of people with disabilities in all companies within the Group, following the example of the DKV "Integralia" Foundation in Spain. The following lists a selection of our numerous projects. More information about the individual foundations of the Munich Re Group can be found on our pages about the foundation work.

### ► Pfennigparade

We attach great importance to the integration of people with disabilities. To this end Munich Re has for ten years now been working together the "Pfennigparade" Foundation, one of the largest rehabilitation centres for people with physical disabilities in Germany. This cooperation is based on a bilateral social partnership agreement.

Suitably qualified employees from the "Pfennigparade" Foundation – with due regard to their physical capabilities – support Munich Re in a whole range of areas, projects and work processes, e.g. in IT, accounting or purchasing. The employees are deployed in the same manner as external service providers and work either directly at the Munich Re offices in Munich or in the foundation's own workplace, depending on the job in question.

### ► AfB

ERGO Direkt helps to provide jobs for people with disabilities and has been working to this end with the first non-profit IT system house in Germany since 2007. In collaboration with charity organisations, ERGO Direkt gives used IT hardware to "AfB Arbeit für Menschen mit Behinderungen", where it is refurbished and then donated to or sold for charity. Employees can, for example, donate their used PCs to support social institutions such as schools or nursery schools.

### ► Integration at Hestia in Poland

We also integrate people with disabilities directly into the company at the Munich Re offices internationally. An excellent example for integration is ERGO Hestia in Poland: Physically disabled employees provide customer service over the phone. The project is supported by the company's own foundation which follows the integration model of the "Integralia" Foundation of the Spanish DKV Seguros.

### ► ICP

Since September 2010, D.A.S. has been cooperating with the Munich-based integration company ICP Verwaltungs- und Service GmbH (IVS), helping severely disabled employees to get started in the primary labour market by acquiring skills for occupations. At the integration company, young office clerks and office workers with cerebral palsy work together with people without a disability. They have received extensive and specific training for the demanding tasks at D.A.S.

### ► 40 Oaks

Employees of HSB in Toronto have volunteered their time for the 40 Oaks meal project. The aim of the 40 Oaks project is to revive an underprivileged part of Toronto by creating a community centre with flats, food cooperatives and social activities.

### ► ergo: wir helfen e.V.

The non-profit association "ergo: wir helfen e.V." was started by ERGO employees. Around 4,600 employees have joined the organisation, which promotes and sponsors social facilities and initiatives. The primary focus is on assisting people in need, particularly children and young people. The focus of one of the 73 projects, for example, is the medical and psychological care in Germany for children from international crisis areas who have been affected by war.

### ► Helfende Hand e.V.

ERGO supports the Düsseldorf parent initiative "Helfende Hand e.V." (Helping hand). The idea: Selected partner shops along the route to school are designated as "helping hands", to allow primary school children to move about their part of town safely and without fear. The children can find help and protection there in critical situations.



Munich Re

From left to right: Dr. J. Walter (Board member of the Pfennigparade Foundation), Dr. Astrid Zwick (Head of Corporate Responsibility, Munich Re), Dr. Joachim Wenning (Member of the Board of Management, Munich Re)



ICP

#### Related topics

- » [Dr. Hans-Jürgen Schinzler Foundation](#)
- » [DKV Foundation "Integralia"](#)
- » [Management: Diversity](#)

#### External links

- » [ERGO: Social commitment](#)
- » [Pfennigparade \(German only\)](#)
- » [AfB](#)
- » [ICP](#)
- » [40 Oaks](#)
- » [Tú Decides!](#)
- » [DKV Brückenlauf \(German only\)](#)
- » [Intermón Oxfam Trailwalker](#)

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▶ **Öffne dein Herz**

Each year, the Team Asset Management Immobilien International (AMI) of MEAG fulfils Christmas wishes of socially deprived children in Munich as part of the "Öffne dein Herz" (Open your heart) project organised by the non-profit organisation INTEGRA. In 2013, MEAG also donated the proceeds from their Christmas tombola to sick and deprived children. The money went to the Foundation Ambulantes Kinderhospiz München – AKM who support families with severely or terminally ill children and youngsters.

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▶ **Tú Decides!**

DKV Seguros provided donation in kind of almost €100,000 to new companies, in the framework of the 8th Public Invitation to Assist Social and Environmental Projects. These grants benefited almost 20,000 people. Following the theme of "Tú Decides!" (You decide!), employees, customers, brokers, health providers and medical professionals can select the programmes they want to see supported. This year, 12,807 votes were obtained, thanks to dynamic promotion on social networks and the sponsoring of projects by DKV Seguros staff. A new category was also added: healthcare for groups suffering from the consequences of the current economic crisis. The largest share of the funding went as start-up assistance to social projects for people with disabilities and children, and to cooperative health prevention and disease prevention efforts.

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▶ **Charity Cup**

With the slogan "Charity meets Challenge", MEAG played against Munich Re and ERGO at the Charity Cup on 6 July. The football tournament, involving several companies and industries, was launched in 2008 and is today the largest charity company football tournament in Germany, with 36 teams and over 400 active players. Philipp Lahm, Paul Breitner and Sepp Maier are the celebrity sponsors and supporters. The proceeds from the football tournament – currently over €20,000 – go to institutions for socially deprived children in Munich.

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▶ **ERGO national team versus FC Schalke 04**

An ERGO national team of amateur footballers from all over Germany plays for charity. Every year, talented footballers can apply for the benefit match against Bundesliga team FC Schalke 04. ERGO donated the proceeds of €20,000 Euro the 2013 benefit match to a social project in Gelsenkirchen. This year the donation went to an association which focuses on working with children and youngsters in Gelsenkirchen. Several programmes of the association also network people with disabilities, migrants and senior citizens.

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▶ **phönikks charity run**

Keep on giving – that is the approach for the phönikks charity run in Hamburg. With the slogan "Run – donate – help", ERGO employees ran in the Hamburg marathon, collecting donations along the way. The money goes to the phönikks Foundation in Hamburg. Families with children suffering from cancer and families who have lost relatives to cancer have been receiving help from phönikks for over 25 years. Those affected receive psychotherapy – not only during the actual phase of illness but also beyond.

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▶ **DKV bridge run and team run**

The annual sports events, "DKV bridge run" and "DKV team run" combine exercise with a good cause. The 33rd DKV 15km team run took place in Cologne in 2013. Instead of an entry fee, the participants were asked for a voluntary donation which was then rounded up by DKV. The money collected was donated to the Cologne child welfare association.

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▶ **Solidarity march**

In September, DKV Seguros organised a solidarity march that was held simultaneously in 30 cities. Nearly 2,000 people, including employees, their families, friends and business partners, covered a total distance of 1,671 kilometres. For the kilometres walked, DKV Seguros donated a total of €23,400 to the Food Bank Federation.

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▶ **Intermón Oxfam Trailwalker**

DKV Seguros is the main sponsor of "Intermón Oxfam Trailwalker", the world's largest team sporting event with a social background. The charity walk for food and water projects in the Third World is organised by both partners together and was attended by almost 1,000 walkers.

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**Organisations supported by Munich Re:**



## Foundations

Munich Re Foundation

Dr. Hans-Jürgen Schinzler Foundation

ERGO "Youth & Future" Foundation

DKV "Integralia" Foundation

## Munich Re Foundation – Improving living conditions

**A company with a wealth of knowledge should share it. Munich Re fulfils this responsibility through the Munich Re Foundation. In keeping with its motto "From Knowledge to Action", the Munich Re Foundation (established in 2005) helps to provide support for people in risk situations, particularly in developing countries, and improve their living conditions.**

Disaster preparedness is an important element of the foundation's work, and there are a number of ongoing projects in this field. In 2012, the Global Risk Forum Davos and the United Nations International Strategy for Disaster Reduction (UNISDR) chose the winner of the Foundation's first RISK Award, which is endowed with €100,000 and awarded every two years. With this prize money, the winners financed a specific disaster management project, and the Munich Re Foundation supported its implementation. In 2012, the award was won by an innovative project to create a flood-early-warning system for the city of Beira, Mozambique, which had the objective of strengthening the inhabitants' ability to withstand flooding and storms.

### Climate change in Bangladesh – Preparing for emergencies

Bangladesh is exposed to many hazards. For example, rising sea levels, flooding and salinisation of the soil threaten the flat stretches of land along the coast. The great river landscapes in the country's interior are flooded every year during the monsoon. In the summer, the country is threatened by cyclones, and its northwestern region is increasingly subject to year-long droughts. Over the years, the people there have amassed more and more knowledge of how to deal with these hazards, but their latitude for action is being restricted to an ever greater extent by the pressure of mounting population and climate changes that are making the situation even worse.

Together with the United Nations University in Bonn and a research institute at the International University of Bangladesh (ICCCAD), the Munich Re Foundation and people in the country have been developing proposals for more effectively countering the heightened risks. The project consortium selected six highly exposed Bangladeshi communities where it will work over the next five years to improve the people's resilience to disasters.

### Microinsurance safeguards livelihoods

The Munich Re Foundation's efforts are making themselves felt not only in the field of disaster management. The foundation is also striving to help achieve the United Nations' millennium objective of combating poverty, which is why the foundation has organised a large annual International Microinsurance Conference since 2005. Microinsurance offers low-income population groups an opportunity to insure themselves against risks, particularly health risks, and thus alleviate the consequences of major emergencies.

### The International Microinsurance Conference – A forum for microinsurance experts from all over the world

The conference organised by the foundation offers representatives of the insurance industry, regulatory authorities, development organisations and research institutes a platform for discussing existing and new ways to insure the lowest income groups at reasonable cost. The 2013 conference held in Jakarta, Indonesia, attracted some 400 experts from more than 60 different countries, making it the biggest microinsurance conference in the world. It is held in turn in Africa, Asia and Latin America, and in 2014 will take place in Mexico City.

### Water – Resource and risk

In addition to poverty, disaster preparedness and climate change, water is the fourth area in which the foundation works. One of the foundation's core concerns are fog net projects for capturing drinking water. The simple technology – large nets filter droplets of water out of the air – make life easier for people in arid mountain regions. The first "fog catchers" set up in the Anti-Atlas mountain range in Morocco and in Tanzania now supply several communities with fresh water. In Tanzania, the fog net project is also benefiting schools. The fog net projects receive technical and scientific support from the Technical University (TU) of Munich, and fog net technology is undergoing continual further development. More efficient nets mean more drinking water for an ever greater number of people.

### Educational work in Munich

Each year, the foundation organises public dialogue forums to discuss the areas in which it works, so that participants have the opportunity to exchange views with policymakers and experts from science and the media. These forums regularly invite top-notch experts to make presentations, for example, Frank-Walter Steinmeier, Gesine Schwan, Hans Joachim Schellnhuber and Klaus Töpfer. Dialogue forums in 2014 will address the theme "Starving in the midst of abundance?" and shed light on the subjects of food and nutrition, considering, for example, food security, famine, health aspects and food as an object of financial speculation.



Munich Re Foundation

Capturing drinking water in the Anti-Atlas mountains of Morocco: using fog nets to convert fog to drinking water.



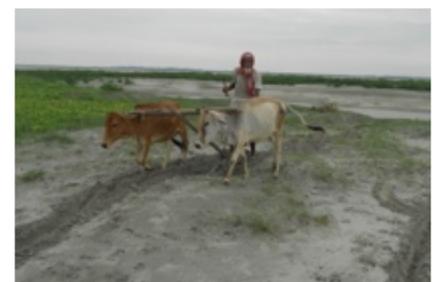
Munich Re Foundation

Experts in dialogue: Jürgen Trittin in 2012 as a guest at a public discussion forum organised by the Munich Re Foundation



Munich Re Foundation

Flood relief workers during an exercise conducted as part of the flood warning system in Beira, Mozambique



Munich Re Foundation

Erosion problems in Bangladesh agricultural areas



Munich Re Foundation

Waterline near the Bhola slums in Dhaka, Bangladesh

### Related topics

» [Solutions: Microinsurance \(reinsurance\)](#)

## Foundations

Munich Re Foundation

[Dr. Hans-Jürgen Schinzler Foundation](#)

ERGO "Youth & Future" Foundation

DKV "Integralia" Foundation

## Dr. Hans-Jürgen Schinzler Foundation – Promoting corporate volunteering

The Schinzler Foundation was founded in 2004 by Dr. Hans-Jürgen Schinzler, former Chairman of the Munich Re Board of Management, to promote the commitment of Munich Re staff to voluntary work. Since its establishment, the Foundation has become a successful platform for corporate volunteering activities in the reinsurance group.

It aims to offer Munich Re's reinsurance staff around the world active support for their volunteer projects, providing a framework in which employees or entire company departments can play a part in a wide range of voluntary fields, such as social, environmental and cultural activities. In addition to giving financial support for projects, the Foundation has been organising "social days" for staff since 2010 and providing project ideas for voluntary helpers.

### Some examples of projects supported by the Schinzler Foundation in 2013

#### Munich Re 2013 Social Day in Malta

In March 2013, the staff of the Munich Re companies in Malta took on voluntary tasks at the San Blas Drug Rehabilitation Centre. Working alongside San Blas patients, the team spent a day in the Centre painting and helping with gardening. The work was carried out in mixed groups, giving Munich Re staff the opportunity to learn more from the patients about the treatments at the Centre and the difficult path back to a drug-free life. In turn, while they were working in the mixed groups, the patients learned something about Munich Re as a company.

#### Job application training for female migrants

In cooperation with initiative group Interkulturelle Begegnung und Bildung e.V. (Intercultural Interaction and Education), Munich Re managers and staff in Munich offer targeted job application training every year for female migrants of all ages. During the training courses, an advisor and a potential job-seeker discuss in detail the type of job the migrant could envisage for herself and where her personal skills lie; her skills and the areas in which she has already gained experience are also discussed. Application papers are explained, face to face interviews simulated and telephone interviews practised. This type of training makes it possible to examine the needs of each individual applicant in detail.

#### Photovoltaic facility for a rain forest project in Peru

In the Amazonas region of Peru (Río Tapiche) near the border with Brazil, the Peruvian government offered the charitable organisation Chances for Nature and the local population the opportunity of permanently protecting an area of up to 690 square kilometres with a largely intact ecosystem in the form of a "conservation concession". This move also enables the area to be preserved as a place for human habitation.

The indigenous inhabitants are to be assisted in the development and execution of self-help projects with the objective of underpinning the nature conservation activities and also creating the employment that would be generated as part of a scientifically guided eco-tourism concept and the associated research projects. The concession holders themselves are responsible for the protection and management of the area.

Since the idea was conceived, a small research station has been built in the project area and a photovoltaic facility installed with the help of the Schinzler Foundation. The facility charges an electric motor for a boat as well as other equipment, for example a satellite telephone and a laptop. It also provides the station with light. Thanks to the photovoltaic facility, the villagers are not forced to spend money on fuel for their patrols in the area to protect it against the increasing encroachment of poachers and loggers. In addition, students and research workers now find good working conditions there.

#### Monsoon-resistant houses in Cambodia

The Tabitha Foundation helps poor families in Cambodia to improve their living conditions by generating income for themselves. For example, the Foundation provides new nets for fishermen and new bicycles for traders. And to ensure that families have a permanent and safe place to live, the Foundation works with volunteers to build new monsoon-resistant houses. To qualify for this, each family must save enough to make a small contribution, between \$25 and \$100.

Every year, the housebuilding team of the Canadian International School in Singapore and about 13 families including Munich Re staff help build these houses. The team's families must pay their own travel expenses and the costs of accommodation in the region of Pursat, but the construction materials are financed by donations, including one from the Schinzler Foundation. Pursat lies in a flood plain. The houses which the families can occupy after moving out of their bamboo huts are therefore constructed from durable materials such as aluminium and stand on concrete pillars and stilts.



Schinzler Foundation

MR Malta staff social day



Schinzler Foundation

Job application coaching for female migrants



Gary Miles

Construction of a monsoon-resistant house in Cambodia

#### External links

- » [Schinzler Foundation](#)
- » [IG - InitiativGruppe e.V.](#)
- » [The Tabitha Foundation](#)

## Foundations



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## ERGO Foundation - creating prospects for the future

**ERGO's "Jugend & Zukunft" (Youth & Future) Foundation was set up to improve the educational options available to disadvantaged youngsters in Germany. One important tool is the annual Education Award which ERGO has conferred on innovative education projects since 2013.**

ERGO's "Jugend & Zukunft" Foundation focuses on young and innovative projects that approach the issue of education in Germany in some special way. Projects deemed worthy of consideration can be recommended in four regions (north, south, east and west).

Since 2013, rather than awarding its annual sponsorship prize for a variety of topics as it had done previously, the foundation has provided financial support and practical help to new, effective educational innovations. The foundation select initiatives that have already proven successful and whose work can be expanded. The objective of the new Education Award is to provide the requisite "developmental aid" to the winning projects.

### Impetus from the Job Locomotive

Another focus of the foundation's agenda is Hamburg's "Job Locomotive" project, which helps socially disadvantaged youngsters to develop their career prospects and manage the transition to vocational training or a job.



### External links

» [ERGO "Youth & Future" Foundation](#)

## Foundations

Munich Re Foundation

Dr. Hans-Jürgen Schinzler Foundation

ERGO "Youth & Future" Foundation

[DKV "Integralia" Foundation](#)

## DKV's Integralia Foundation – Integrating people with disabilities

**Through its Integralia Foundation, DKV Seguros has set up special call centres that give priority to people with physical disabilities.**

The "Fundación Integralia" is a non-profit organisation founded by DKV Seguros. Its mission is to promote the integration of and employment for persons with physical disabilities. With this objective in mind, the foundation has established a number of call centres staffed by such persons, who take customer orders, schedule appointments and conduct customer satisfaction surveys. Launched in 1999, the foundation currently employs more than 260 people, most of whom have severe physical disabilities.

The headquarters of "Integralia" in El Prat de Llobregat (Barcelona) employs over 170 persons. Since its founding in November 1999, the foundation has received numerous national awards and honours, particularly for its commitment to the social integration of persons with disabilities. According to Spain's Fundación Empresa y Sociedad (foundation for enterprise and society), this integration model had by 2007 already placed DKV Seguros among the Spanish companies with the highest percentages of employees with disabilities.

### Highlights of Integralia's work in 2013

- Despite the adverse economic climate prevailing in 2013, the Foundation was able to expand its clientele and level of activity and thus also increase its number of workstations. The foundation managed to maintain the entire workforce thanks to the efforts of centres such as Madrid to acquire and integrate new clients, campaigns such as Banesto, DAS and Fujitsu, and the incorporation of Banco Espíritu Santo as a new customer for the provision of external services.
- Integralia's school is beginning to bear fruit, with 113 students enrolled in eight telemarketing courses and specialising in banking, insurance and sales. In 2013, the school provided employment for 43 people.
- The foundation's work extends even to Latin America, where it has successfully implemented its integration methodology and provided jobs for more than 50 people in a Spanish contact centre in Perú.
- The foundation has established the bases for a modern DKV Integralia Foundation which can effectively meet new challenges and export the model embodying its three main objectives: to integrate people with disabilities in companies, to maintain special employment centres for training and promoting the professional development of employees and to raise the awareness of business people regarding the added value which people with disabilities provide wherever they are given the opportunity.



Fundación DKV Integralia

Staff members celebrate the ten-year anniversary of Fundación DKV Integralia in 2010.



Fundación DKV Integralia

The call-centre in Barcelona, operated by Fundación DKV Integralia within DKV Seguros.

### External links

» [DKV's Integralia Foundation](#)

» Home » Facts and figures

"Our sustainable approach is reflected in our Group figures."

Peter Eggersdorfer  
Head of section "Premises maintenance and operation", Munich Re



Munich Re

Related topics

» [About us](#)

External links

» [ERGO: Facts & figures](#)

## Comprehensive and transparent

**Munich Re reports transparently and comprehensively on its performance in the field of corporate responsibility. To fulfil this claim, this section provides detailed and concisely summarised information and key indicators on Munich Re' activities relating to CR.**

On the following subpages, we have compiled all the important data and facts relating to Munich Re's corporate responsibility. They include key performance figures and detailed disclosures for the indicators of the Global Reporting Initiative (GRI). These, together with our CR Portal and the additional key indicators for fields of business, comprise our "Communication on Progress" for the Global Compact.

We also indicate how our corporate responsibility performance is assessed by actors in the financial markets and name the partnerships and initiatives in which we participate.

### Facts and figures

#### Key figures

- » [Financial indicators](#)
- » [Environmental indicators](#)
- » [Employee indicators](#)
- » [Social commitment indicators](#)

#### Reporting

- » [GRI and Global Compact](#)
- » [SRI indices, ratings and awards](#)
- » [Memberships and partnerships](#)

## Financial indicators (IFRS)

In the 2013 financial year, Munich Re posted a very satisfying profit of €3.3bn, thus exceeding our original consolidated result target of close to €3bn. Our core business in primary insurance and reinsurance is healthy. We also achieved a good investment result.

### Related topics

- » Environmental indicators
- » Employee indicators

### Downloads

- » Group annual report 2013 (PDF, 9.3 MB)

### Key figures (IFRS)<sup>1 2</sup>

Munich Re Group		2013	2012	2011	2010	2009
Gross premiums written	€bn	51.1	52.0	49.5	45.5	41.4
Net earned premiums	€bn	49.2	50.5	47.3	43.1	39.5
Net expenses for claims and benefits	€bn	39.9	41.0	40.9	36.6	32.4
Net operating expenses	€bn	12.4	12.6	12.0	11.1	10.2
Operating result	€m	4,409	5,349	1,180	3,978	4,721
Taxes on income	€m	108	878	-552	692	1,264
Consolidated result	€m	3,342	3,204	712	2,430	2,564
Attributable to non-controlling interests	€m	29	16	10	8	43
Earnings per share	€	18.50	17.94	3.94	13.06	12.95
Dividend per share	€	7.25	7.00	6.25	6.25	5.75
Dividend payout	€m	1,266	1,255	1,110	1,110	1,072
Share price at 31 December	€	160.15	136.00	94.78	113.45	108.67
Munich Re's market capitalisation at 31 December <sup>3</sup>	€bn	28.7	24.4	17.0	21.4	21.5
Book value per share	€	146.45	152.34	129.99	126.31	114.89
Investments	€bn	209.5	213.8	201.7	193.1	182.2
Equity	€bn	26.2	27.4	23.3	23.0	22.3
Return on equity	%	12.5	12.5	3.3	10.4	11.8
Off-balance-sheet unrealised gains and losses <sup>4</sup>	€bn	8.7	11.0	5.7	3.6	3.2
Net technical provisions	€bn	187.7	186.1	181.2	171.1	163.9
Balance sheet total	€bn	254.3	258.4	247.6	236.4	223.4
Staff at 31 December		44,665	45,437	47,206	46,915	47,249
<b>Reinsurance</b>		<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Gross premiums written	€bn	27.8	28.2	26.0	23.6	21.8
Investments	€bn	78.5	83.8	79.5	83.7	76.8
Net technical provisions	€bn	60.5	61.1	62.7	56.6	53.4
Major losses (net)	€m	1,689	1,799	5,048	2,228	1,157
Natural catastrophe losses	€m	764	1,284	4,538	1,564	196
Combined ratio property-casualty <sup>5</sup>	%	92.1	91.0	113.8	100.5	95.3
<b>Primary Insurance</b>		<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Gross premiums written	€bn	16.7	17.1	17.4	17.5	16.6
Investments	€bn	126.1	124.9	117.0	121.8	118.4
Net technical provisions	€bn	125.1	122.8	116.1	111.2	107.7
Combined ratio property-casualty	%	97.2	98.7	99.1	96.8	93.2
<b>Munich Health</b>		<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Gross premiums written	€bn	6.6	6.7	6.0	5.1	4.0
Investments	€bn	3.6	4.2	4.6	4.1	3.1

Net technical provisions	€bn	2.2	2.2	2.4	3.3	2.9
Combined ratio <sup>6</sup>	%	98.3	100.2	99.5	99.7	99.4

<sup>1</sup> Previous years' figures adjusted owing to IAS 8; see "Changes in accounting policies and other adjustments".

<sup>2</sup> In 2012, our segment reporting was modified and no longer has a consolidation column. The figures for the previous year have been adjusted accordingly. Comparability with the years 2009 and 2010 is thus limited.

<sup>3</sup> Up to and including 2010 and for 2013, this contains own shares earmarked for retirement.

<sup>4</sup> Including those apportionable to minority interests and policyholders.

<sup>5</sup> The figures for 2011 are not adjusted for relief of 1.4 percentage points from economic risk transfer to the capital markets.

<sup>6</sup> Excluding health insurance conducted like life insurance.

## Environmental indicators

**As a financial services provider, Munich Re only has a small direct environmental footprint compared with that of manufacturing companies. Nevertheless, we are working continuously to minimise our emissions and resource consumption.**

In our reporting on our emissions and consumption of resources, we focus on the main environmental impacts of our business operations as a financial services provider. These are the consumption of paper, energy and water, the waste we produce, the number of business trips taken and the volume of our CO<sub>2</sub> emissions. In recent years, we have steadily extended the criteria we use in recording consumption in order to capture additional data and thus improve the information value of our environmental indicators.

Munich Re environmental indicators		2013	2012	2011	2010
Proportion of employees captured by the certified environmental management system	% of employees	38	32	31	23
Proportion of employees captured by data collection	% of employees	87	85	83	84
Direct energy consumption (e.g. oil, gas, fuels)	Megawatt hours (MWh) per employee	4.66	4.55	5.08	3.21
Indirect energy consumption (e.g. electricity, district heating)	Megawatt hours (MWh) per employee	6.05	5.73	6.20	6.93
Paper consumption	Tonnes (t) per employee	0.04	0.04	0.05	0.04
Water consumption	Cubic metres (m <sup>3</sup> ) per employee	15.98	18.24	18.77	17.66
Waste	Tonnes (t) per employee	0.26	0.30	0.25	0.29
Business trips	Kilometres (km) per employee	6,915	6,503	6,585	7,110
Total CO <sub>2</sub> emissions	Kilos (kg) per employee	3,885	3,944	4,168	4,066
No. of employees as at 31 December		44,665	45,437	47,206	46,915

The table provides information on our current resource consumption and CO<sub>2</sub> emissions as at 31 December 2013.

### Explanations of the environmental indicators

CO<sub>2</sub> emission sources: direct emissions from primary energy consumption (natural gas, heating oil, diesel for emergency generator), indirect emissions from power supplied by third parties (purchase of electricity and district heating), other indirect emissions (business trips, fuel for company cars, paper and water consumption, waste – excluding emissions from products and investments).

The concrete environmental data captured covers the vast majority of all Munich Re employees. In 2013, this amounted to 87% of employees. All the environmental indicator figures given here are extrapolated to cover 100% of all Munich Re (Group) employees.

The gradual extension of the data capture has resulted in a few changes in the indicators from previous years, as the newly included units have also provided data retroactively back to 2009. At the same time, the environmental indicators for 2009 to 2012 relating to the Windsor/Sterling Group sold in 2013 have been completely removed from the calculation.

We base our environmental indicators on the standards for data capture and the conversion factors of the Greenhouse Gas Protocol. We also use the standard of the Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten (Association for Environmental Management and Sustainability in Banks, Savings Banks, and Insurance Companies).

### Related topics

- » Financial indicators
- » Employee indicators
- » Management: Environment

### Download

- » [More detailed environmental indicators \(PDF, 675 KB\)](#)

### External links

- » [ERGO: Key environmental figures](#)

## Employee indicators

Highly qualified, motivated and performance-oriented staff are key to the success of our business. Munich Re currently has some 45,000 employees. Thanks to their risk knowledge, expertise and innovative thinking, our staff create long-term value. This section of the corporate responsibility portal shows the evolution in Munich Re's main employee indicators for the period 2010–2013.

### Related topics

- » Financial indicators
- » Employee indicators
- » Management: Responsibility towards staff

### Munich Re employee indicators

		2013	2012	2011	2010
Employees		44,665	45,437	47,206	46,915
Employees by line of business	Reinsurance (%)	25.3	24.4	23.8	24.2
	Primary insurance (%)	66.3	65.5	66.3	65.8
	Asset management (%)	1.9	1.8	1.6	1.6
	Munich Health (%)	6.5	8.3	8.3	8.3

Percentage of female staff	Female employees (%)	54.1	54.0	54.0	51.0
	Women in management (%)	30.2	29.0	26.0	24.0

These figures account for 100% of all Munich Re (Group) employees in 2013.

No. of staff by age*	Employees aged 30 and under (%)	15.2	12.8	14.2	11.8
	Employees aged 31 to 50 (%)	61.8	65.1	63.0	65.9
	Employees aged over 50 (%)	23.0	22.1	22.8	22.3
No. of staff by type of employment contract	Permanent employment (%)	94.8	96.0	94.2	97.8
	Temporary employment (%)	5.2	4.0	5.8	2.2
Sick leave**	Sick leave (%)	4.4	4.7	4.1	4.3
Employee turnover rate	Weighted average turnover rate (%)	10.5	9.2	12.5*	9.5
Length of service	Average length of service (years)	12.1	11.6	10.8	9.5

These figures account for 100% of all Munich Re (Group) employees in 2013.

Training	Training costs per staff member (€)	975.00	946.00	1,096.00	1,036.00
	No. of days' training per staff member	3.8	2.9	3.1	3.4

These figures account for 51% of all Munich Re (Group) employees in 2013.

\* Changes partially due to the higher data capture rate since 2011.

\*\* Proportion 93%.

### Comments

We are steadily extending the amount of employee data in order to cover additional items and thus to improve the reliability of our key figures. As a result of the expanded data base, some of the figures have changed retroactively. Since the data now being used are of greater quality than earlier, the employee turnover rate has only limited comparability with figures from earlier years.

## Social commitment indicators

Corporate citizenship – the social commitment of our Group – has a long-standing tradition at Munich Re. Our concept for the strategic orientation of our social commitment is based on business-related topics. It provides the guidelines and criteria for selecting donations and sponsorship projects.

In the following, you will find a breakdown of Munich Re's total expenditure on corporate citizenship (CC).

### Social commitment indicators

Indicator	Unit	2013	2012	2011	2010
Proportion	%	94	74	73	67
Expenses CC Munich Re Group*	€	6,788,357	5,559,819	4,648,796	5,792,501
Total expenses CC**	€	9,207,254	7,152,161	6,710,681	8,610,977

\* This amount comprises donations, sponsorships and memberships for science/education, social welfare, healthcare, culture, demographic change, the environment and natural catastrophes.

\*\* This amount additionally includes donations in kind, political donations, corporate volunteering, ERGO foundations, Munich Re foundations.

#### Related topics

- » [Financial indicators](#)
- » [Employee indicators](#)
- » [Management: Responsibility towards staff](#)

## GRI reporting and Global Compact Communication on Progress

In preparing the Munich Re Corporate Responsibility Portal, we have taken as a basis the G3 Principles of the Global Reporting Initiative (GRI) and the Financial Services Sector Supplement. Our aim is to make our performance more transparent and comprehensible. Application Level B has been confirmed by the GRI.

In August 2007, Munich Re joined the United Nations Global Compact. The indicators presented in the GRI disclosures simultaneously fulfil the requirements of the annual [Communication on Progress Report](#). We thus document the measures we have taken to firmly anchor the ten principles of the Global Compact in our operations.

The following tables contain summarised comments on the individual indicators and refer to Munich Re's Corporate Responsibility Portal and other publications. All information is valid for Munich Re (Group), including examples of our different business lines – reinsurance, primary insurance (ERGO), Munich Health and MEAG.

### Related topics

» [Strategy: Our guiding principles](#)

### Download

» [Global Reporting Initiative 2013 - Results of the GRI Report \(PDF, 328 KB\)](#)

### External links

» [Global Compact](#)  
» [Global Reporting Initiative](#)

### ► Strategy, organisation and reporting profile

GRI No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
1.0	<a href="#">Strategy and analysis</a>		
1.1	Statement from the most senior decision-maker of the organisation (e.g. CEO, chair, or equivalent senior position) on the relevance of sustainability to the organisation and its strategy	<b>CR portal</b> » <a href="#">Statement CEO</a>	Full
1.2	Description of key impacts, risks, and opportunities  In our core business, we accept global challenges ranging from climate change to demographic trends and combating poverty in developing countries. As a reinsurance group, we can help to deal with these challenges primarily by identifying, assessing and pointing out the associated risks early on, and then offering innovative insurance solutions for them wherever possible. In addition, we have incorporated the results of a current survey into a comprehensive materiality matrix, highlighting key impacts, risks and opportunities.	<b>CR portal</b> » <a href="#">Strategy and challenges</a> » <a href="#">Solutions</a> » <a href="#">Materiality analysis</a>  <b>Group annual report 2013</b> » <a href="#">Download (PDF, 9.3 MB)</a>	Full
2.0	<a href="#">Organisational profile</a>		
2.1	Name of the organisation  Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München		Full
2.2	Primary brands, products, and/or services  Our integrated business model realises synergies and diversification effects along the whole value chain. This is achieved by our three fields of business – reinsurance, primary insurance (ERGO) and Munich Health – and by our asset manager MEAG.	<b>Group annual report 2013</b> » <a href="#">“Our brands”: Back cover page 309;</a> » <a href="#">“Management Report, Group structure”: pp. 31-36</a> » <a href="#">Download (PDF, 9.3 MB)</a>  <b>Corporate website (Portrait)</b> » <a href="#">munichre.com</a>	Full
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.  Munich Re is one of the world's leading risk carriers. Our integrated business model rests on three pillars – reinsurance, primary insurance (ERGO) and Munich Health, complemented by MEAG, Munich Re's asset manager.  Our reinsurance business is organised in five divisions. Our international life business is written in the Life Division. Four other divisions provide property-casualty reinsurance. We intend to further strengthen our competitiveness by introducing various structural adjustments scheduled to be implemented by the end of 2014.  MEAG manages Munich Re's assets for all three pillars, and offers investment products for private clients and institutional investors.	<b>Group annual report 2013</b> » <a href="#">“Munich Re, Management Report, Group structure”: pp. 31–36;</a> » <a href="#">“List of shareholdings...”: pp. 276–285</a> » <a href="#">Download (PDF, 9.3 MB)</a>	Full

2.4	Location of organisation's headquarters  Munich, Germany		Full
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report  Munich Re is an international group with operations in Africa, Asia, Australia and New Zealand, Europe, Latin America and North America. Details of our global presence can be found on the individual websites of our business units.	<b>Group annual report 2013</b> » <a href="#">"Munich Re's global presence": cover 2</a> » <a href="#">Download (PDF, 9.3 MB)</a>  <b>Websites</b> » <a href="#">Munich Re (Reinsurance)</a> » <a href="#">ERGO</a> » <a href="#">Munich Health</a> » <a href="#">MEAG</a>	Full
2.6	Nature of ownership and legal form  Munich Reinsurance Company is a joint-stock company (Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München).	<b>Group annual report 2013</b> » <a href="#">"Munich Re shares": p. 10 ff</a> » <a href="#">Download (PDF, 9.3 MB)</a>  <b>Corporate website</b> (Shareholder profile) » <a href="#">munichre.com</a>	Full
2.7	Markets served  Munich Re engages in reinsurance and primary insurance (ERGO) worldwide. It also provides asset management services (MEAG). Munich Re serves institutional investors, small and medium-sized businesses, and private clients. The Group offers its services through its branches and subsidiaries in the United States, Canada, Poland, Italy, India, the United Kingdom, France, Spain, China, Korea, Hong Kong, Singapore, Malaysia, Switzerland, South Africa, Australia New Zealand and other countries.		Full
2.8	Scale of the reporting organisation  On 31 December 2013, the number of staff employed by Munich Re (Group) was 44,665.  Consolidated result: €3,342m.  Analysis of our capital structure: Munich Re's capital structure is essentially governed by its activity as an insurer and reinsurer. Investments on the asset side of the balance sheet serve mainly to cover technical provisions (7676% of the balance sheet total). Equity (10% of the balance sheet total) and bonds classified as strategic debt (2% of the balance sheet total) are the most important sources of funds.  Number of products and services offered: Munich Re is one of the world's leading risk carriers. The Group's business operations cover the whole value chain of reinsurance and primary insurance (ERGO). Munich Re is also active in the field of asset management (MEAG).	<b>Group annual report 2013</b> » <a href="#">"Business performance": p. 65 ff, 67</a> » <a href="#">"Financial position": p. 92 ff.</a> » <a href="#">"Consolidated financial statements": p. 272 ff.</a> » <a href="#">Download (PDF, 9.3 MB)</a>	Full
2.9	Significant changes during the reporting period regarding size, structure, or ownership  With effect from 1 April 2014, ERGO is grouping all customer-oriented back-office, benefits and claims-service operations, including the management of applications and contracts, in a new client and sales division. Life and health insurance in Germany will also be managed under one Board Member's area of responsibility from that date.  Munich Health, Munich Re's health insurance specialist, has withdrawn from US primary insurance business, previously written by the Windsor Health Group. The Middle East and Africa are managed from Abu Dhabi and Dubai, and the Asia-Pacific region via our office in Singapore.	<b>Group annual report 2013</b> » <a href="#">"Management Report, Group structure": p.31 ff.</a> » <a href="#">Download (PDF, 9.3 MB)</a>	Full
2.10	Awards received in the reporting period  Munich Re won a range of awards in 2013. Our webpage shows a selection of the awards and prizes conferred on Munich Re in the reporting period.	<b>CR portal</b> » <a href="#">SRI indices, ratings and awards</a>	Full
3.0	<b>Report parameters</b>		
3.1	Reporting period for information provided  Measures and activities presented relate mainly to the period from 1 January 2013 to 30 March 2014; the key figures relate to the 2013 financial year (ending 31 December 2013). The content of the CR portal is available	<b>CR portal</b> » <a href="#">About CR portal</a> » <a href="#">Corporate responsibility news</a>	Full

in German and English and can also be downloaded as a PDF. This document serves as our Corporate Responsibility Report for 2013. There is also a 20-page abridged version of the 2013 report that contains the key information. On the homepage of the CR Portal, Munich Re also reports regularly on the latest significant developments in the area of Corporate Responsibility.

3.2	Date of most recent previous report		Full
	The last CR Report was published on the CR portal in June 2014.		
3.3	Reporting cycle		Full
	Annual		
3.4	Contact point for questions regarding the report and its contents	<b>CR portal</b> » <a href="#">Contact</a>	Full
	Georg Schwarz » <a href="mailto:responsibility@munichre.com">responsibility@munichre.com</a>		
3.5	Process for defining report content	<b>CR portal</b> » <a href="#">Stakeholder dialogue</a> » <a href="#">Materiality analysis</a>	Full
	<p>Our stakeholders' main expectations are the basis for the topics chosen for the Corporate Responsibility Portal. Munich Re cultivates ongoing, open and constructive communication with its stakeholders. The materiality process for confirming this year's reporting content was conducted with a small defined group of experts.</p> <p>Munich Re understands corporate responsibility as a corporate mindset and a response to a dynamic environment shaped by a large number of different and constantly changing expectations and challenges. The dialogue with our stakeholders is one of the factors that enable us to improve the way we approach our strategic decisions and view our business orientation from different angles.</p> <p>In the face of far-reaching challenges worldwide that have a significant impact on the future of the insurance industry, we are endeavouring to intensify dialogue with our stakeholders. We can broaden our understanding of the dimensions of these challenges by increasingly incorporating the assessments and perspectives of those stakeholders.</p> <p>At present, Munich Re and the experts we consult consider the following four major topics to be of significance for our business model: climate change, increasing globalisation and vulnerability of the financial markets, demographic change and access to financial solutions. The importance of these major topics for financial service providers and insurers has been widely demonstrated and confirmed in recent years. We bring our multi-faceted and proven expertise into play here, wherever feasible and welcome, and contribute to the resolution of global problems with our innovative products and defined insurance covers.</p> <p>We regularly discuss with selected experts what new forms, trends and additional issues are materialising in these four major areas and which are of importance for our corporate responsibility perspective. The comprehensive trend analysis we undertake within the company every five years also acts as a further framework of reference for us. Specialists from our Risk Management Department and from cross-disciplinary panels are also involved in this process. At the present time, we are also examining additional topics within the company, for example digitalisation and cyber risks, and their long term significance for Munich Re.</p>		
3.6	Boundary of the report (e.g. countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers)	<b>CR portal</b> » <a href="#">About CR portal</a>	Full
	The Corporate Responsibility Portal covers Munich Re (Group) as a whole, including examples from reinsurance, primary insurance (ERGO), Munich Health and MEAG. The basis for the boundaries are the employees included in the Annual Report.		
3.7	State any specific limitations on the scope or boundary of the report	<b>CR portal</b> » <a href="#">About CR portal</a>	Full
	The Corporate Responsibility Portal addresses the most important and relevant activities in the field of Munich Re's Corporate Responsibility. All subsidiaries over which Munich Re has financial		

control and whose employees are covered by the Annual Report have been included within the reporting boundary.

3.8	<p>The basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations</p> <p>In accordance with the Global Reporting Initiative GRI G3 guidelines, the CR Portal covers data and information for all companies in which Munich Re has a controlling interest. The key figures concerning human resources relate to approximately 100% of Munich Re's employees, those concerning the environmental sector approximately 87%, 87 and contain extrapolations for areas not covered. All other information presented in the key figures refers to the Group as a whole.</p>	<p><b>CR portal</b> » <a href="#">Facts and figures</a></p>	Full
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report	<p><b>CR portal</b> » <a href="#">Facts and figures</a></p>	Full
3.10	<p>Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g. mergers/acquisitions, change of base years/periods, nature of business, measurement methods)</p> <p>We generally report on several years in order to show the development of performance indicators. The reasons for restatements of environmental data are generally improved data quality and availability following the introduction of a web-based data management system (SoFi), as well as changes in carbon accounting with revised emission factors. The effects of any restatements are explained for the indicators affected where applicable.</p>	<p><b>CR portal</b> » <a href="#">Facts and figures</a></p>	Full
3.11	<p>Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report</p> <p>We further expanded and improved our CR information system in 2012, incorporating additional sites and locations into our Environmental Management System (EMS). As a result, our data collection now covers a good 87% of our employees. Our efforts to improve data availability and quality are focused on our EMS. There were no significant changes in measurement and calculation methods in 2013.</p>		Full
3.12	<p>Table identifying the location of the standard disclosures</p> <p>The information is included in this GRI summary document. References to webpages in the CR Portal and our Annual Report have been included above.</p>		Full
3.13	<p>Policy and current practice with regard to seeking external assurance for the report</p> <p>Munich Re recognises that good reporting relies on plausible data of high quality. Hence, the Group works with a proven sustainability software system (SoFi) that provides for a decentralised and dependable data collection process. Currently, only selected data reported in the Munich Re Corporate Responsibility Portal has been validated by a third party (e.g. Munich Re's environmental data according to ISO14064 – overall approximately 10%% of data coverage). However, Munich Re is confident that data quality is high and is making every effort to further improve and broaden its CR data management and reporting.</p>		Full

► **Governance, commitments and engagement**

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
4.0	<a href="#">Governance, commitments and engagement</a>		
4.1	<p>Governance</p> <p>Munich Reinsurance Company is a joint-stock company ("Aktiengesellschaft") under the German Stock Companies Act. It has three governing bodies: the Board of Management, the Supervisory Board and the Annual General Meeting. Their functions and powers are derived from the relevant legal provisions, the co-determination</p>	<p><b>Group annual report 2013</b> » <a href="#">"Corporate governance report and corporate governance statement": pp.19-28</a> » <a href="#">Download (PDF, 9.3 MB)</a></p> <p><b>Corporate website</b> (Articles</p>	Full

	agreement and the Articles of Association. The Munich Re Corporate Responsibility Department is part of the Group Development Division, which reports directly to the Chairman. Besides this, a Group Corporate Responsibility Committee was established in 2012.	of Association) » <a href="http://munichre.com">munichre.com</a>	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer  The Chairman of Munich Re's Supervisory Board Bernd Pischetsrieder (since 01/2013), is not the Chairman of Munich Re's Board of Management.	<b>Group annual report 2013</b> » "Corporate governance report and corporate governance statement": pp.19-28 » <a href="#">Download (PDF, 9.3 MB)</a>	Full
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.  As we do not have a unitary board structure, this does not apply.		Full
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body  Munich Re offers institutional investors, private investors and employees a range of opportunities for input into decision-making. These include annual general meetings, a shareholder hotline, a suggestion scheme and blogs. Munich Re was one of the first DAX 30 companies to offer its shareholders a postal vote for the annual general meeting and the possibility to participate in the meeting via livestream and vote on items of the agenda at the annual general meeting without necessarily being present. In addition to a Group-wide staff council, there are also local staff councils.	<b>Website (Investor &amp; Rating Agency Relations)</b> » <a href="http://munichre.com">munichre.com</a>	Full
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organisation's performance  Individual three-year objectives (2012–2014) for executive managers are linked to environmental, social or governance metrics and targets relating to approx. 3% of the total remuneration.	<b>Group annual report 2013</b> » "Remuneration report": p. 46 ff. » <a href="#">Download (PDF, 9.3 MB)</a>	Full
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided  In compliance with German law, Munich Re follows a dual management system that provides for independent supervision of the Board of Management by the Supervisory Board. In addition, Munich Re's Code of Conduct includes rules and guidance for preventing and addressing potential conflicts of interest. Also, further guidelines are in place to ensure that conflicts of interest are avoided.	<b>Corporate website (Code of Conduct, Section 4)</b> » <a href="http://munichre.com">munichre.com</a>  <b>CR portal</b> » <a href="#">Corporate governance</a>	Full
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics	<b>Group annual report 2013</b> » "Board of Management": p. 95 ff. » <a href="#">Download (PDF, 9.3 MB)</a>	Full
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation  It is an integral part of Munich Re's business model as a global insurance group to adopt a forward-looking and responsible approach throughout our organisation. Munich Re's Core Principles, established in 2012, further integrate and thus strengthen our Corporate Responsibility approach, making it an integral part of our corporate strategy and relevant for all business areas and operations. The statements relate to the three fields of action – (1) CR in business, (2) the Environmental Management System and (3) Corporate Citizenship – and are supported via Strategy/ Governance and Communication.  Besides this, the Munich Re Code of Conduct sets out what we understand by legally impeccable behaviour, based on ethical principles, specifying high-level ethical and legal requirements that must be met by every employee, as well as our shared responsibility towards the public, our business partners and ourselves. It serves as the basis for corporate governance within the Group (e.g. ERGO) and it contains regulations that are binding on all Munich Re employees including the management.	<b>Corporate website (Code of Conduct)</b> » <a href="http://munichre.com">munichre.com</a>  <b>ERGO website (Code of Conduct)</b> » <a href="http://ergo.com">ergo.com</a>  <b>CR portal</b> » <a href="#">Guiding principles</a> » <a href="#">Compliance</a>	Full

In 2013, a specific reference to the UN Global Compact was added. Environmental protection is also part of the codes of conduct. Besides this, a special code of conduct for the sales agents of ERGO was implemented in the course of 2011 as part of their employment contract.

Moreover, we were the first signatory of the Principles of Responsible Investment (PRI) in 2006 and signed the Principles for Sustainable Insurance (PSI) in July 2012.

4.9	<p>Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles</p> <p>The Munich Re Corporate Responsibility strategy has been approved by the Board of Management. The Munich Re Corporate Responsibility Department forms part of the Group Development Division, which reports to the Chairman of the Board of Management. Since 2011, an Annual Evaluation Report on Corporate Responsibility has been submitted to the Board of Management.</p> <p>Processes for evaluating the highest governance body's own performance, particularly in respect of economic, environmental and social performance. The Supervisory Board monitors Munich Re's management and the long-term increase in corporate value achieved. Since 2011, Board members have received an Annual Performance Report on Corporate Responsibility. Munich Re's information management provides for detailed analysis of economic, environmental and social factors. Regular reports are prepared for the Supervisory Board.</p>	<p><b>Group annual report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">"Report of the Supervisory Board": (pp. 19 ff)</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul> <p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Strategy &amp; challenges</a></li> <li>» <a href="#">Corporate governance</a></li> </ul>	Full
4.10	<p>Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance</p> <p>The Supervisory Board monitors Munich Re's management and the long-term increase in corporate value achieved. Since 2011, Board members have received an Annual Performance Report on Corporate Responsibility. Munich Re's information management provides for detailed analysis of economic, environmental and social factors. Regular reports are prepared for the Supervisory Board.</p>	<p><b>Group annual report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">"Report of the Supervisory Board": (pp. 19 ff)</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul>	Full
4.11 (7)	<p>Explanation of whether and how the precautionary approach or principle is addressed by the organisation</p> <p>Munich Re's commitment to the precautionary principle is reflected in its sophisticated risk management. The development of its risk strategy is embedded in the annual planning cycle, and hence in Munich Re's business strategy.</p> <p>The risk strategy is approved by the Board of Management and discussed regularly with the Supervisory Board. Furthermore, our internal control system (ICS) is a uniform worldwide system for managing operational risks integrated across all risk dimensions and areas of the Group. It both meets Group management needs and complies with local regulations.</p>	<p><b>Group annual report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">"Risk report": p. 109 ff.</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul> <p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Risik management</a></li> </ul> <p><b>Corporate website</b> (Risik management)</p> <ul style="list-style-type: none"> <li>» <a href="#">munichre.com</a></li> </ul>	Full
4.12	<p>Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses</p> <p>Munich Re joined the United Nations Global Compact in August 2007 and is a signatory to the German Charter of Diversity (Charta der Vielfalt).</p> <p>In April 2006, Munich Re became the first German company to sign the UN Principles for Responsible Investment (PRI). As chair of the Principles for Sustainable Insurance (PSI) Working Group, we have been actively promoting and supporting the efforts to establish a common framework of principles for the insurance industry, which we duly signed in June 2012. In addition, Munich Re supports a range of other international and national CR initiatives and organisations.</p> <p>Munich Re is also involved in the International Strategy for Disaster Reduction (ISDR,) which aims to strengthen the resilience of nations and communities to disasters.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Memberships and cooperations</a></li> <li>» <a href="#">Objectives and measures</a></li> </ul>	Full
4.13	Memberships in associations and/or national/international	<b>CR portal</b>	Full

	advocacy organisations	» <a href="#">Memberships and cooperations</a>	
	Munich Re is represented in and actively contributes to numerous associations, interest groups and organisations.		
4.14	List of stakeholder groups engaged by the organisation  The main Munich Re stakeholder groups are shareholders, staff, clients (including brokers), analysts, investors, rating agencies, media/press, scientists, non-governmental organisations (NGOs), representatives from politics and administration, trade unions and interested members of the public.	<b>CR portal</b> » <a href="#">Stakeholder dialogue</a> » <a href="#">Memberships and cooperations</a>	Full
4.15	Basis for identification and selection of stakeholders with whom to engage  Munich Re has always placed great emphasis on transparency and dialogue with its stakeholders, including insurance and reinsurance clients, the media and general public, employees, and capital market players, as well as NGOs, political entities and trade unions. Identification and selection of stakeholders are the responsibility of different departments, including Investor Relations (investors and analysts, rating agencies); Group Development – Corporate Responsibility (society, SRI contacts, NGOs); Group Communications (press relations); Human Resources (employees, trade unions); and the Munich Re business units (customers).	<b>CR portal</b> » <a href="#">Stakeholder dialogue</a> » <a href="#">Memberships and cooperations</a>	Full
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group  Communication with our stakeholders at local, national and international level is our basis for responsible action.  Responsibility for stakeholder dialogue is decentralised to ensure frequent in-depth engagement that systematically informs Munich Re's decision-making.	<b>CR portal</b> » <a href="#">Stakeholder dialogue</a> » <a href="#">Memberships and cooperations</a>	Full
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through reporting  The different expectations and needs of the stakeholder groups are ascertained by means of ongoing direct dialogue and through studies and surveys/questionnaires. For instance, client surveys are carried out regularly and their results critically reviewed by Munich Re. Prime concerns raised by Munich Re's stakeholders include transparency and climate change. Munich Re addresses the concern of climate change, for example, by offering specific (re)insurance products, intensifying research into the effects of climate change, and investing in assets with reduced climate risks.	<b>CR portal</b> » <a href="#">Stakeholder dialogue</a> » <a href="#">Climate change</a>	Full

► **Economic performance indicators**

GRI No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
EC (1,4,6,7)	Management approach  Turning risk into value – that is what Munich Re has been doing successfully for around 130 years. As an integrated insurance and reinsurance group, Munich Re adopts an international and interdisciplinary approach with a view to finding solutions for the future that are viable for our company, our clients and investors, and other stakeholders.	<b>Group annual report 2013</b> » <a href="#">“Our strategy”</a> : p. 14 ff. » <a href="#">Download (PDF, 9.3 MB)</a>	Full
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments  <b>Summary of the figures for the financial year 2013</b> The return on risk-adjusted capital (RORAC) was 12.2% for the 2013 financial year, compared with 13.2% in 2012. The RORAC for 2013 was thus below our long-term target of 15%. This target, which we set for the first time in 2006 when market interest rates were significantly higher, is very difficult to reach in the current low-interest-rate	<b>Group annual report 2013</b> » <a href="#">“Key figures (IFRS)”</a> : cover page 2; » <a href="#">“Business performance”</a> : p. 65 ff.; » <a href="#">“Notes to the consolidated balance sheet – Equity and liabilities”</a> , p. 214 » <a href="#">Download (PDF, 9.3 MB)</a>  <b>CR portal</b> » <a href="#">Corporate Citizenship</a> » <a href="#">Facts and figures</a>	Full

environment. However, we significantly exceeded our profit target of close to €3bn for 2013, which is equivalent to a RORAC of around 11%.

We would like our shareholders to participate again in our gratifying result again and therefore proposed to shareholders at the Annual General Meeting payment of a dividend of €7.25 (€7.00) per dividend-bearing share.

#### Personnel expenses

The following personnel expenses are included in the operating expenses, in the expenses for claims and benefits (for claims adjustment) and in the investment result (please see Group annual report, page 267):

Breakdown of personnel expenses in 2013

Wages and salaries: €2,733m

Social security contributions and employee assistance: €487m

Expenses for employees' pensions: € 215m

Total: €3,435m

#### Donations and social investment

Munich Re Group CC spending in 2013: €9,025.67,50

Additional spending such as donations in kind, donations to political parties MR, corporate volunteering hours and the three foundations are not included.

From 2011 on, political donations have been evenly and transparently distributed between all non-extreme parties: Munich Re Group: €150,000.

Reinsurance and primary insurance (ERGO) each donate €15,000 to each of the main political parties in Germany (CDU, CSU, SPD, Die Grünen, FDP).

In addition, ERGO donates another €18,000 to political organisations closely affiliated with the above-mentioned parties, such as Wirtschaftsrat CDU e.V.

Donations in kind amounted to €30,764.12.

The projects and activities of Munich Re's three foundations (Munich Re Foundation, Dr. Hans Jürgen Schinzler Foundation, and the ERGO Foundation "Youth&Future") demonstrate how we can provide active support and deliver effective solutions for global, social and scientific challenges.

Project funding of the three foundations: €1,864,032.97.

EC2 (7)	<p>Financial implications and other risks and opportunities for the organisation's activities due to climate change</p> <p>Munich Re's core business is to cover risks, including climate change risks. Since climate change modifies the probable distribution of weather-related losses, it can directly affect our business</p> <p>As a global risk carrier, we therefore have to factor the risk changes into our underwriting, and have our own team of geo risks experts that constantly update our knowledge of the direct impacts of climate change. We have set up climate-change early-warning systems and teams to monitor signs of any effects the phenomenon may be having on society, the environment, the economy and our political and legal systems. Climate change is part of risk assessment and cannot be isolated from the overall product and pricing. Currently and in the future, climate change and its related implications will lead to a general increase in demand for insurance solutions and consultancy services. This will result in new business potential for Munich Re.</p> <p>To address the physical effects of climate change on our clients, we are developing insurance covers or other risk solutions. This is part of our usual business activities, and hence does not incur additional costs. Our insurance products are customer-tailored and differ widely according to the client's needs and the specific risk.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Insurance solutions for renewable energies</a></li> <li>» <a href="#">Power from the desert</a></li> <li>» <a href="#">RENT project</a></li> <li>» <a href="#">Climate change</a></li> <li>» <a href="#">Solutions</a></li> </ul> <p><b>Group annual report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">"Climate change": p. 126 ff.</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul> <p><b>Website (Climate change)</b></p> <ul style="list-style-type: none"> <li>» <a href="#">munichre.com</a></li> </ul>	Full
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EC3	<p>Coverage of the organisation's defined benefit plan obligations</p> <p>Munich Re companies generally give commitments to their staff in the form of defined contribution plans or defined benefit plans. The type and amount of the pension obligations are determined by the conditions of the respective pension plan. In general, they are based on the staff member's length of service and salary. Company pensions are a central component of our human resources policy.</p>	<p><b>Group annual report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">"Other accrued liabilities": p. 176 f.</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul>	Full
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EC4	<p>Significant financial assistance received from government</p> <p>None</p>		Full
EC5 (1)	<p>Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation</p> <p>Munich Re salaries are substantially above the local minimum wage level. In general, Munich Re pays wages that are higher than the local minimum wages (where they exist). In 2013, it paid €2,733m in salaries and wages (excluding social security and pension benefits).</p>	<p><b>Group annual report 2013</b></p> <p>» <a href="#">"Personnel expenses": p. 267</a></p> <p>» <a href="#">Download (PDF, 9.3 MB)</a></p>	Full
EC6	<p>Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation</p> <p>As our core business has separate business lines (reinsurance and primary insurance [ERGO]), we have two units in charge of handling our procurement processes. Both have Group-wide responsibility for their business line and they work closely together in order to exchange know-how and exploit synergies. Activities are based on the same principles, but with local freedom of application. Throughout the Group, adherence to the highest ethical and environmental standards is axiomatic and is clearly stipulated in our Code of Conduct. The evaluation of tenders favours local suppliers by gaining them extra points in the evaluation process.</p> <p><b>Reinsurance</b></p> <p>An internal guideline stipulates the inclusion of a Corporate Responsibility clause in all new or renegotiated contracts. This clause requires our business partners to comply with UN Global Compact principles. We see it as our duty to extend this commitment to our suppliers and appeal to them to observe these principles and standards, which are as follows:</p> <p>Complying with the relevant laws Adhering to the basic principles of human rights, labour law, environmental protection and anti-corruption</p> <p>2.1 Protecting human rights 2.2 Complying with labour standards 2.3 Contributing to environmental protection 2.4 Stopping corruption</p> <p>Applying these principles to the supply chain The corporate responsibility clause is currently only applicable at our Munich headquarters, covering approx. 90% of overall spending, but will be implemented further through a graduated scheme.</p> <p><b>Primary insurance</b></p> <p>The ERGO Purchasing Guideline for Work and Services is mandatory for all supplier relationships. Among other important aspects, it outlines that for a formal tender, a self-disclosure by the provider is mandatory before it becomes a supplier. Furthermore, a detailed supplier self-disclosure (including various questions related to environmental aspects and environmental certificates) is required for a purchasing volume of €1m or more.</p>		Full
EC7 (6)	<p>Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation</p> <p>Our staff are recruited primarily on the local labour market unless a shortage of people with appropriate skills obliges us to look elsewhere – nationwide or internationally. Munich Re complies with the applicable local labour laws and regulations. Most members of our Board of Management started their career at Munich Re. Jobs in our international organisation are advertised on our global intranet and we operate a talent development programme under which specialist and management staff at all levels are temporarily seconded to Munich Re offices in other countries.</p>	<p><b>CR portal</b></p> <p>» <a href="#">Training and development</a></p>	Full
EC8	<p>As a group operating internationally, Munich Re accepts its responsibility to the communities in which we live and work, investing in projects that have a positive impact on the infrastructure and therefore serve the public interest. In general, we pursue two approaches:</p> <p>– Public-private partnerships (PPP), e.g. CLIMBS – Microinsurance, e.g. HDFC ERGO</p> <p>Structural or economic change processes, such as those</p>	<p><b>CR portal</b></p> <p>Microinsurances (Reinsurance) Microinsurances (Primary insurance) Insurance concepts for renewable energies</p> <p>» <b>Corporate website</b></p> <p>» <a href="#">Munich Climate Insurance Initiative</a></p>	Full

resulting from climate change, new legislation, more complex supply chains or outsourcing, offer new opportunities. For instance, our reinsurance activities support the development of new energy infrastructure projects (e.g. covers for photovoltaic modules and additional financing choices for solar parks and other customers).

Cooperating closely with important players (e.g. MFIs and NGOs), Munich Re is also active in the microinsurance segment. We analyse selected markets and develop insurance solutions that meet commercial requirements while simultaneously helping the disadvantaged to achieve access to appropriate financial solutions.

The Dr. Hans-Jürgen Schinzler Foundation and the Munich Re Foundation are actively engaged in pro bono and community investments.

- » [CLIMBS](#)
- » [ERGO website](#)»
- » [ERGO microinsurance](#)

EC9	<p>Understanding and describing significant indirect economic impacts, including the extent of impacts</p> <p>We use our knowledge to come up with solutions that meet the needs both of our clients and of society and its financial structures, since insurance only works if the risks – including indirect economic impact – can be calculated.</p> <p>Renewable energies: The principal risk drivers for investments in renewable energies are technology and geographical factors. Assessing these risk drivers is the daily business of our insurance experts. One of the key objectives of the RENT (Renewable Energies and New Technologies) initiative is therefore to use this know-how as a basis for investment decisions. As part of this investment programme, MEAG is investing in German power grids and solar plants in Italy and Spain. By the end of the 2013 financial year, these investments had reached a total of €1.5bn. In the coming years, Munich Re intends to invest €4bn in infrastructure, renewable energy and new technologies, provided that the parameters are reliable and an appropriate return can be generated.</p> <p>Climate change: Munich Re is a financial and insurance sector leader in the field of climate-change analysis. We are taking steps to avoid greenhouse gas emissions in our own business operations, one of our major objectives being to achieve carbon neutrality in our reinsurance operations worldwide by 2012 and at Group level by 2015.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Insurance solutions for renewable energies</a></li> <li>» <a href="#">RENT project</a></li> <li>» <a href="#">Climate change</a></li> </ul>	Full
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► **Environmental performance indicators**

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
EN (7-9)	<p>Management approach</p> <p>Preserving our natural resources is part of corporate responsibility management, as our economic success is inseparably linked with protecting people, the environment, and physical resources. We aim to reduce as far as possible the environmental impact directly and indirectly arising from our business operations, as well as to sensitise our staff to the relevant issues.</p> <p>Preserving our natural resources is part of corporate responsibility management, as our economic success is inseparably linked with protecting people, the environment, and physical resources. We aim to reduce as far as possible the environmental impact directly and indirectly arising from our business operations, as well as to sensitise our staff to the relevant issues.</p> <p>We are seeking to keep our direct environmental impact to an absolute minimum. This commitment is laid out in our mission statement approved by the Munich Re Board of Management in 2011. It is our Group-wide strategy and target to reduce greenhouse gas emissions by 10% per employee by 2015 (by means of our environmental management system [EMS] and on the baseline of 2009 emissions) and also to become carbon-neutral. Since 2009, carbon neutrality has been achieved for Munich Re's headquarters in Munich. ISO 14001 certified environmental management systems have been introduced at several sites (coverage approximately 38%), with a particular commitment from our operations in Germany, the UK and Spain. We are seeking to achieve our environmental goals in accordance with the highest</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Environmental management</a></li> <li>» <a href="#">Climate protection</a></li> <li>» <a href="#">Operational ecology</a></li> <li>» <a href="#">Environmental indicators</a></li> <li>» <a href="#">Guiding principles</a></li> </ul>	Full

technical standards wherever economically feasible. In general, we report on relative numbers according to our employees; in the GRI table, we report on absolute and extrapolated figures.

As a reinsurer, insurer and asset manager, Munich Re's acknowledges the indirect impact we have through our business activities and transactions. Munich Re is therefore committed to good-practice business principles that favour low-impact projects and activities, as well as investments that meet Munich Re's sustainable investment criteria.

EN1 (8)	<p>Materials used by weight or volume</p> <p>As Munich Re is a provider of servicesprovider, its consumption of materials is limited. Major consumption occurs for paper, amounting to 11,663 tonnes in 2013.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Operational ecology</a></li> <li>» <a href="#">Environmental indicators</a></li> </ul>	Full
EN2 (8, 9)	<p>Percentage of materials used that are recycled input materials</p> <p>52% of paper consumed in 2013 was from recycled sources.</p>		Full
EN3 (8)	<p>Direct energy consumption by primary source</p> <p>We consumed 208,249 MWh of direct energy in 2013 (mainly heating oil, gas and diesel for back-up generators), including 56% from renewable energy sources (electricity and heat we generate ourselves).</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Climate protection</a></li> <li>» <a href="#">Operational ecology</a></li> <li>» <a href="#">Environmental indicators</a></li> </ul>	Partial
EN4 (8)	<p>Indirect energy consumption by primary source</p> <p>We consumed 270,349 MWh of indirect energy in 2013 (mainly electricity and district heating), including 64% from renewable energy sources/green electricity).</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Climate protection</a></li> <li>» <a href="#">Operational ecology</a></li> <li>» <a href="#">Environmental indicators</a></li> </ul>	Partial
EN5 (8, 9)	<p>Energy saved due to conservation and efficiency improvements</p> <p>Munich Re Group companies resolutely strive to conserve resources and consume less energy. This is a big part of our Munich Re Group commitment to achieve by 2015 a reduction of 10% in our emissions globally (based on 2009 emissions) by means of our environmental management system [EMS] and also to become carbon-neutral.</p> <p>Two projects illustrate the efforts undertaken across the Group. At Munich Reinsurance America, a 2.5-MW solar power system was built on a carport structure, reducing annual electricity costs by almost \$500,000.</p> <p>Additionally, Munich Re takes account of green building standards in its real estate management, for example Maria-Josepha-Straße. The GreenBuilding certification awarded confirms that a building undercuts the 2007 German Energy Saving Ordinance limit by more than 25% and is conferred on the owners of commercial buildings whose energy-saving designs promote sustainability.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Climate protection</a></li> <li>» <a href="#">Operational ecology</a></li> <li>» <a href="#">Environmental indicators</a></li> </ul>	Partial
EN6 (8, 9)	<p>Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives</p> <p>Our innovative insurance solutions provide opportunities for our clients to make sustainable investments. We are firmly committed to finding innovative coverage concepts for new and complex risks, as well as integrated solutions. In addition, Munich Re's asset management focuses on assets that meet defined CR criteria, thereby ensuring that preference is given to. In addition, Munich Re's asset management focuses on assets that meet defined CR criteria, thereby ensuring preferred investments in companies that in turn provide products and services with sustainability credentials.</p> <p>Offshore wind parks, solar and geothermal installations and energy-efficiency technologies are possible only if the risks are insured. As a reinsurance company, Munich Re enables such projects to take place by offering productivity risk insurance, and actively monitors the complex and ever-changing factors that determine the insurability of relevant projects.</p> <p>In 2009, our reinsurance group and MEAG set up the RENT (Renewable Energies and New Technologies) project. Since then, experts from the reinsurance group</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">RENT project</a></li> <li>» <a href="#">Insurance solutions for renewable energies</a></li> <li>» <a href="#">Eco-friendly insurance solutions</a></li> <li>» <a href="#">Asset management</a></li> <li>» <a href="#">Climate protection</a></li> </ul>	Full

and MEAG have been sounding out the potential for strategic investment in renewable energy and new technologies. By the end of the 2013 financial year, these investments had reached a total of €1.5bn. In the coming years, Munich Re intends to invest €4bn in infrastructure, renewable energy and new technologies, provided that the parameters are reliable and an appropriate return can be generated.

Munich Re clients seeking sustainable investment options can choose from insurance and investment funds such as MEAG's successful climate strategy ("Klimastrategie") fund which is made up of a selection of global companies whose operations are designed to curb climate change by cutting carbon emissions or to promote sustainable development.

EN7 (8, 9)	<p>Initiatives to reduce indirect energy consumption and reductions achieved</p> <p>Munich Re is striving to reduce indirect energy consumption by, for example, replacing business trips with telephone and video conferences where possible.</p> <p>At Munich Reinsurance Company, a guideline encourages the purchase of low-impact and fuel-saving company cars. ERGO encourages eco-efficient driving by informing and sensitising employees and offering an "eco driving course". Besides this, there are plans at ERGO for an increased integration of environmental issues in training events and projects for staff to raise awareness and motivation (e.g. alternatives to business travel "Dienst statt Reisen" or with "Bike to Work", ERGO intranet links, online training tools, and ERGO carpooling).</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Climate protection</a></li> <li>» <a href="#">Operational ecology</a></li> </ul>	Full
EN8 (8)	<p>Total water withdrawal by source</p> <p>As a financial services provider, Munich Re is not a water-intensive company. Total water withdrawal at Group-level by source: 731,916m<sup>3</sup></p> <p>Rain water: 0.025%</p> <p>Natural water: 1.1739%</p> <p>Tap water: 98.236%</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Operational ecology</a></li> <li>» <a href="#">Environmental indicators</a></li> </ul>	Full
EN9 (9)	<p>Water sources significantly affected by withdrawal of water</p> <p>Munich Re companies only use local suppliers.</p>		Full
EN10 (8, 9)	<p>Percentage and total volume of water recycled and reused</p> <p>This indicator is of limited relevance for companies in the insurance sector, since most of their operations are office-based. Therefore no water is recycled nor reused at our sites.</p> <p>Toilets at our offices in Munich are flushed with rainwater.</p>		Not material / Not applicable
EN11 (8)	<p>Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas</p> <p>This indicator is not applicable to Munich Re.</p>		Not relevant
EN12 (8)	<p>Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.</p> <p>In our guiding principles for corporate responsibility and our Code of Conduct, we undertake to help protect our natural environment.</p> <p>Biodiversity plays a role particularly in connection with Munich Re's liability insurance. Munich Re is working on new covers for biodiversity risks, which will, for example, trigger prevention measures.</p>		Not relevant
EN13 (8)	<p>Habitats protected or restored</p> <p>No data are available for this indicator due to its limited relevance for companies in the insurance sector.</p>		Not relevant
EN14 (8)	<p>Strategies, current actions, and future plans for managing impacts on biodiversity</p> <p>Munich Re does not have Group-wide strategies in this respect.</p>		Not relevant
EN15 (8)	<p>Number of IUCN Red List species and national conservation list species with habitats in areas affected by</p>		Not relevant

operations, by level of extinction risk

No data are available for this indicator due to its limited relevance for companies in the insurance sector.

EN16 (8)	<p>Total direct and indirect greenhouse gas emissions by weight</p> <p>Our total direct and indirect greenhouse gas emissions came to 124,092 t CO<sub>2</sub>e in 2013 (primary energy consumption, electricity, district heating and company cars/vehicle fleet) 2013.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Climate protection</a></li> <li>» <a href="#">Environmental indicators</a></li> </ul>	Full
EN17 (8)	<p>Other relevant indirect greenhouse gas emissions by weight</p> <p>Other relevant indirect greenhouse gas emissions totalled 49,432 t CO<sub>2</sub>e in 2013 (from paper and water consumption, waste and travel) 2013.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Environmental indicators</a></li> </ul>	Full
EN18 (7-9)	<p>Initiatives to reduce greenhouse gas emissions and reductions achieved</p> <p>Our Group-wide environmental activities are focused on reducing greenhouse gas emissions, and we adopted a carbon-neutrality strategy in 2007.</p> <p>Munich Re (reinsurance) in Munich has been carbon-neutral since 2009. All our international reinsurance operations had followed suit by 2012, and the whole Munich Re Group will do so by 2015, with a reduction of 10% in our emissions globally. To this end, we are pursuing a twofold strategy of both increasing energy efficiency and purchasing green electricity rather than a conventional energy mix. We will make up for inevitable emissions through the purchase and/or retirement of emission credits.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Climate protection</a></li> <li>» <a href="#">Environmental indicators</a></li> </ul>	Full
EN19 (8)	<p>Emissions of ozone-depleting substances by weight</p> <p>Use of ozone-depleting substances is not a major issue for us. Although they may be present in our air-conditioning, we have closed-circuit systems, and maintenance work is subject to the requisite precautions, preventing the release of such substances into the atmosphere. Consequently, no Group-wide data records are available. Our Group-wide environmental activities are focused on reducing greenhouse gas emissions (and above all carbon dioxide).</p>		Not relevant
EN20 (8)	<p>NO<sub>x</sub>, SO<sub>x</sub>, and other significant air emissions by type and weight</p> <p>Our environmental management system controls, and emission-reduction programmes concentrate on greenhouse gases. Munich Re operates solely as a service provider, and does not release significant NO<sub>x</sub>, NO<sub>x</sub>, SO<sub>x</sub>, or other significant air emissions.</p>		Not relevant
EN21 (8)	<p>Total water discharge by quality and destination</p> <p>This is not material for an office-based financial service provider. Therefore no Group-wide data records are available. Apart from a small quantity used to irrigate the grounds, all the water is used for drinking, cooking, cleaning or sanitation, and is discharged into sewers. Munich Re therefore estimates its total water discharge to be no more than its total water use.</p>		Full
EN22 (8)	<p>Total weight of waste by type and disposal method</p> <p>We produced 1111,502 tonnes of waste in 2013. The breakdown by type and disposal method is as follows:</p> <p><b>Breakdown by disposal type in %</b>          Recycled (valuable) hazardous materials 0.28%          Recycled (valuable) non-hazardous materials 61.42%          Hazardous waste incinerated 0.01%          Non-hazardous waste incinerated 18.15%          Hazardous waste to landfill 0.07%          Non-hazardous waste to landfill 9.46%          Special hazardous waste treatment 0.01%          Special non-hazardous waste treatment 1.58%          Organic waste 6.11%          Other waste, not specified 2.91%</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Climate protection</a></li> <li>» <a href="#">Environmental indicators</a></li> </ul>	Full
EN23 (8)	<p>Total number and volume of significant spills</p> <p>There were no significant spills of hazardous materials</p>		Full

during the reporting period. Our activity as a financial services provider entails very little contact with hazardous materials and significant spills are thus unlikely.

EN24 (8)	<p>Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally</p> <p>Munich Re works with certified waste disposal entities that guarantee the correct transfer and processing of waste.</p>		Not relevant
EN25 (8)	<p>Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff</p> <p>The waste water we produce is discharged into the public sewerage systems, and we assume that it has no effect on biodiversity other than that which normally arises in connection with this type of discharge.</p>		Full
EN26 (7-9)	<p>Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation</p> <p>Our innovative insurance solutions enable our clients to make sustainable investments. We are firmly committed to devising innovative coverage concepts for new and complex risks together with integrated solutions. A number of our insurance and reinsurance solutions help to mitigate environmental impacts.</p> <p>Munich Re has long advocated the promotion and development of renewable energy and emission reductions. This gave rise to an ambitious industrial initiative established in conjunction with the DESERTEC Foundation in 2009: Dii GmbH. The idea behind the initiative is to generate electricity in those areas (e.g. North Africa) where a virtually limitless supply of renewable energy is available, and subsequently transport it to the countries that consume it.</p> <p>Furthermore, we have specialised departments working constantly on innovative insurance solutions, such as an insurance concept covering the exploration risk of a geothermal energy project in Taufkirchen, near Munich. At present, Munich Re is assessing the US market with a view to marketing such products and is currently involved in intensive negotiations with four projects in the states of Nevada and California.</p> <p>In 2009, our reinsurance group and MEAG set up the major RENT (Renewable Energies and New Technologies) project, with a target investment volume of €2.5bn. Since then, experts from both reinsurance and asset management have been sounding out the potential for strategic investment in renewable energy and new technologies (for more details please see EN6). By the end of the 2013 financial year, these investments had reached a total of €1.5bn. In the coming years, Munich Re intends to invest €4bn in infrastructure, renewable energy and new technologies, provided that the parameters are reliable and an appropriate return can be generated.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Insurance solutions for renewable energies</a></li> <li>» <a href="#">Eco-friendly insurance solutions</a></li> <li>» <a href="#">Strategies for responsible investments</a></li> <li>» <a href="#">Climate change</a></li> <li>» <a href="#">Power from the desert</a></li> </ul>	Full
EN27 (8, 9)	<p>Percentage of products sold and their packaging materials that are reclaimed by category</p> <p>No data are available, as this does not apply to companies in the insurance sector.</p>		Not relevant
EN28 (8)	<p>Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations</p> <p>This does not apply to companies in the insurance sector, as we do not have production sites but office buildings. Therefore no fines were paid.</p>		Full
EN29 (8)	<p>Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce</p> <p>Business travel totalled 308,847,652 km in 2013. Environmental impacts caused by business travel are unavoidable in the insurance sector. Where possible, internal meetings are held in the form of telephone and video conferences to avoid business travel.</p> <p>See also examples under EN 7.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Environmental indicators</a></li> </ul>	Partial
EN30	Total environmental protection expenditures and	<b>CR portal</b>	Partial

Environmental protection expenditure is largely embedded in overall operational business expenditure, and is therefore without dedicated budgeting and reporting. Thus in most cases, it is not possible to determine the exact amount expended for regular maintenance that is also environmentally beneficial. Furthermore, numerous activities that help reduce Munich Re's environmental impact do not involve any expense.

» **Ergebnisse des 1. Halbjahres 2011**

GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
<p><b>Labour practices and decent work performance indicators</b> Unless otherwise stated, the figures given in the following tables cover approximately 70% of employees. Further details are available under in the "Facts and figures" section.</p>			
LA (1, 3, 6)	<p>Management approach.</p> <p>Our staff provide the basis for our success with their competence, motivation and commitment. We are consistently committed to investing in their development and provide all staff with equal opportunities and top-quality working conditions.</p> <p>We strive to recruit the best staff we can and to fill them with enthusiasm for the global business of dealing with opportunities and risks. In our international human resources work and strategic workforce planning, our focus is on the individual. Flexible work models, special conditions for employees with children, the promotion of healthcare, and social counselling services are just some of the factors that make Munich Re a respected employer. Equal treatment is an inherent part of our corporate culture.</p> <p>In the last few years, the Board of Management has positioned diversity as a strategic issue for the Group. To underscore this, Munich Re has launched an international project aimed at formulating Group-wide parameters and a Group-wide diversity concept steered by an international Munich Re diversity council. The intention of this framework is to show how we define diversity strategically at Group level and give recommendations to Munich Re's subsidiaries. At ERGO, a diversity project has been launched that is strongly aligned with the Group focus, which provides for mutual benefit.</p> <p>At international level, we already have initiatives relating to family concerns in many places. For example, some units have employees who work from a home office, some provide childcare discounts or make available childcare options, and others offer employee assistance programmes for work-life balance and similar issues.</p>	<p><b>CR portal</b> » <a href="#">Munich Re as an employer</a></p>	Full
LA1	<p>Total workforce by employment type, employment contract and region</p> <p>As at 31 December 2013, Munich Re employed a total of 44,665 staff, 11,315 of these in reinsurance (including Munich Health staff), 29,595 in primary insurance and 842 in asset management.</p> <p><b>Staff by employment contract at offices of Munich Re in 2013:</b> Staff members with temporary employment contracts: 5.2% Staff members with open-ended employment contracts: 94.8%</p> <p><b>Distribution of Munich Re staff by region (2013):</b> Germany: 52.1% Rest of Europe: 30.9% North America: 13.9% Latin America: 1.5% Asia and Australasia: 1.33% Africa, Near and Middle East: 0.3%</p>	<p><b>CR portal</b> » <a href="#">Munich Re as an employer</a> » <a href="#">Work-life balance</a> » <a href="#">Employee indicators</a></p> <p><b>Corporate website (Staff)</b> » <a href="#">munichre.com</a></p>	Partial
LA2 (6)	<p>Total number and rate of employee turnover by age group, gender and region</p> <p>The weighted average turnover rate was 10.6% in 2013.</p> <p>Monitoring detailed turnover rates at Munich Re is a task</p>	<p><b>CR portal</b> » <a href="#">Munich Re as an employer</a> » <a href="#">Employee indicators</a></p>	Partial

of the decentralised units. Also, turnover categories often refer to local or company-specific regulations. Munich Re therefore does not aggregate detailed turnover data from the different decentralised units.

LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations	<b>CR portal</b> » <a href="#">Work-life balance</a>	Full
	Munich Re does not differentiate between benefits provided to full-time staff and those provided to part-time staff.		
	Munich Re offers its staff various benefits, the nature and scope of which are determined on an individual company basis and not centrally. At Munich Re, additional benefits have a long-standing tradition and we attach great importance to them. They are part and parcel of our overall remuneration concept and mirror our corporate culture.		
	Family-friendly work measures are also determined on a decentralised basis. Company childcare centres have reserved places for employees' children, which helps our staff return to qualified positions. In addition, independent family services offer assistance in securing tailor-made care for children of staff or for other family members.		
LA4 (1, 3)	Percentage of employees covered by collective bargaining agreements		Full
	96% of our German employees are represented by an independent trade union or covered by collective bargaining agreements.		
	We do not keep any record of employees' union memberships. Both MR Munich and ERGO are members of the Employers' Association for Insurance Companies in Germany and therefore subject to the association's collective bargaining agreements; the same terms and conditions apply to both union and non-union members. Employees' interests are represented by a staff council elected by the members of staff. Since July 2007, there has been a Group-wide staff council in addition to the different company staff councils. Besides this, there are employee representatives on the Supervisory Board. In addition, Munich Re is a member of the UN Global Compact and supports all its principles. Since 2013, the Code of Conduct has also included a reference to the UN Global Compact.		
LA5 (3)	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.		Full
	In the event of operational changes, the Staff Council is duly informed of the action planned in accordance with its right to information, so that it can have a say in whether, when and how such changes are effected.		
LA6 (1)	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programmes	<b>CR portal</b> » <a href="#">Health at the workplace</a>	Full
	Data coverage: Germany (Munich Re Munich, ERGO, MEAG): 100% in-house staff/ MR America: 100% All of Munich Re's activities/actions in its various lines of business are based on the same principles, but with local freedom of application. Since employee care is of utmost importance for MR, we have different systems and approaches at local level.		
LA7 (1)	Rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities by region	<b>CR portal</b> » <a href="#">Health at the workplace</a> » <a href="#">Employee indicators</a>	Partial
	In 2013, the level of sick leave throughout Munich Re was 4.4%.		
	The number of occupational accidents is not recorded centrally. As a financial services provider, our exposure to occupational accidents and work-related fatalities is very low.		
LA8 (1)	Education, training, counselling, prevention and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases	<b>CR portal</b> » <a href="#">Health at the workplace</a>	Full
	As part of their responsibility as employers, Munich Re		

companies help their staff to look after their health and maintain it in the long term. Consequently, all the legal requirements in respect of health and safety at work are met and additional measures offered such as counselling and training programmes on stress management, ergonomic working conditions and similar issues.

The measures are initiated and coordinated by the individual companies within Munich Re and not centrally. A substantial number of Munich Re sites have their own company medical officers who provide education/training, monitoring and accident prevention.

Since 2001, Munich Re Munich has had a health and safety committee for Munich Re Munich that goes far beyond legal requirements and is integrated into its risk management system.

LA9 (1)	<p>Health and safety topics covered in formal agreements with trade unions.</p> <p>Each company discusses safety at work issues with its own employee representatives. The relevant statutes are applied.</p>		Partial
LA10	<p>Average hours of training per year per employee by employee category</p> <p>In 2013, the average number of training days per employee for Munich Re Group was 2.7. The average hours per employee category are not tracked in our reporting system.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Training and development</a></li> <li>» <a href="#">Employee indicators</a></li> </ul>	Full
LA11	<p>Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings</p> <p>We give high priority to staff training and personal development. Munich Re advocates lifelong learning. We offer a wide range of training options across our Group. Munich Re fosters key-skill and specialist staff training by organising focused and personal training measures. Training options further include modern e-learning platforms accessible to staff worldwide.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Training and development</a></li> </ul>	Full
LA12	<p>Percentage of employees receiving regular performance and career development reviews</p> <p>Performance appraisals are part of Munich Re's performance management system. Employees and managers set objectives that are reviewed on a regular basis. Personnel development initiatives are part of the annual appraisal interviews. This is valid for the whole Munich Re Group, including reinsurance, primary insurance (ERGO), Munich Health and MEAG.</p> <p>Most of the staff in Munich Re's international organisation have regular performance appraisals.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Fair and performance-related remuneration</a></li> </ul>	Full
LA13 (1, 6)	<p>Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership and other indicators of diversity</p> <p>Staff diversity is a key aspect of Munich Re's corporate culture.</p> <p>In 2013, 54.1% of Munich Re employees were female. The proportion of females in management positions has been rising in recent years, and amounted to 30.2% in 2013.</p> <p>Munich Re staff by age (2013): 20 and under: 15.2% 31 to 50: 61.8 % 50 and over: 23%</p> <p>In some of the countries where we operate, employers are prohibited by law from asking employees questions about minority group membership.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Diversity</a></li> <li>» <a href="#">Employee indicators</a></li> </ul> <p><b>Group annual report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">"Staff": p. 103 ff.</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul>	Full
LA14 (1, 6)	<p>Ratio of basic salary of men to women by employee category</p> <p>Our policy on salary determination is not based on gender but on individual expertise, experience and market-based criteria. The Group's remuneration practices are strictly independent of any diversity factors including a person's gender; hence we do not differentiate between men and women in our remuneration system. This guidance on</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Diversity</a></li> </ul> <p><b>Download</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Code of Conduct (PDF, 354 KB)</a></li> </ul>	Not reported

## 2. Human rights

<p>HR (1-6)</p>	<p><b>Management approach</b></p> <p>Observance of human rights is axiomatic for Munich Re. This commitment is manifested for example in Munich Re's participation in the United Nations' Global Compact initiative (since 2007) and the UNEP FI Principles for Sustainable Insurance (PSI) Initiative as well as the Principles on Responsible Investments (PRI).</p> <p>In August 2007, Munich Re joined the Global Compact of the United Nations, the first six principles of which explicitly address human and labour rights. Our membership of the UN Global Compact is indicative of our commitment to human rights. Corporate responsibility and in particular the commitment to the UN Global Compact are inherent to the strategy of Munich Re (Group). Furthermore Corporate Responsibility is part of the Core Principles of MR Group. Both are under the authority of the CEO's division.</p> <p>Munich Re (Group) treats the topic of human rights from four perspectives:</p> <ol style="list-style-type: none"> <li>1) How we deal with our own employees</li> <li>2) Supplier management</li> <li>3) Our core businesses of insurance and reinsurance</li> <li>4) Munich Re (Group) investments.</li> </ol> <p>Munich Re is an active member of the UN Global Compact and a member of its Peer Learning Group on Human Rights. Our goal is to discuss current national and international developments and best practices, and to learn from others.</p> <p>Our Code of Conduct specifies that we expect our employees to observe the personal dignity, privacy and personality rights of every individual. We do not tolerate any discrimination (on grounds of age, sex, ethnic origin, nationality, political opinion, race, religion or the like), sexual harassment, other personal harassment, or insulting behaviour. Neither do we tolerate any intimidation or violence, or the threat thereof. This is underlined by a new reference to the UN Global Compact within our Code of Conduct.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Compliance</a></li> <li>» <a href="#">Risk management</a></li> </ul>	<p>Full</p>
<p>HR1 (1-6)</p>	<p>Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening</p> <p>In our asset management, we follow the Principles for Responsible Investment (PRI) throughout our Group. Munich Re was the first German company to sign the PRI, and played a prominent role in helping to establish it.</p> <p>Based on the PRI, our General Investment Guidelines stipulate that the vast majority of our own investments in shares, bonds, real estate (from 2010) and investments in the RENT project should satisfy sustainability criteria that include human rights aspects.</p> <p>In addition, MEAG offers its clients two investment products that take account of sustainability criteria. These sustainability funds enable clients to invest in accordance with the principles of socially responsible investing (SRI).</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Managing Investments</a></li> <li>» <a href="#">Objectives</a></li> <li>» <a href="#">Asset management</a></li> </ul> <p><b>Group annual report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">page 32</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul>	<p>Full</p>
<p>HR2 (1-6)</p>	<p>Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken</p> <p>In our procurement policy, we consider economic, ecological and social aspects, which include human rights.</p> <p>A corporate responsibility clause (Munich Re reinsurance group only) is included in all new and renegotiated contracts with suppliers and service providers, obliging suppliers and providers to comply with the ten principles of the UN Global Compact within the reinsurance group. In 2013, Central Procurement concluded contracts covering about 90% of the overall spend with German suppliers, who have to comply with the basic principles of the UN Global Compact like human rights, labour law and anti-corruption that are laid down in German legislation.</p> <p>A detailed supplier self-disclosure – including various questions related to environmental aspects and</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Compliance</a></li> </ul>	<p>Full</p>

environmental certificates – is required for all purchase orders issued by ERGO. A pilot project on ESG due diligence of supplier contracts of more than €350,000 is taking up this aspect and will gradually expand to Group-wide level.

HR3 (1-6)	<p>Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained</p> <p>To optimise the outcome of this value management, we provide training programmes on the Code of Conduct for our employees. Since the beginning of 2011, all employees in the reinsurance group have had access to an e-learning module on this topic. We expect employees to acquaint themselves with the contents and obligations of the Code of Conduct and test their knowledge of the areas that it covers.</p>	<p><b>CR portal</b> » <a href="#">Compliance</a></p>	Partial
HR4 (1, 2, 6)	<p>Total number of incidents of discrimination and actions taken</p> <p>Equal treatment and non-discrimination are enshrined in Munich Re's Code of Conduct, with a direct reference to the UN Global Compact. Munich Re does not tolerate discrimination – whether based on age, gender, ethnic origin, cultural identity, religious beliefs, political opinions or similar grounds. Any incidents of discrimination and measures taken are recorded locally; Group Compliance follows these up and summarises the results in a report made available annually to the Board of Management.</p>	<p><b>CR portal</b> » <a href="#">Compliance</a> » <a href="#">Diversity</a></p>	Partial
HR5 (1-3)	<p>Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights</p> <p>In the period under review, no business operations were identified in which freedom of association and the right to collective bargaining were at risk.</p>	<p><b>CR portal</b> » <a href="#">Compliance</a></p>	Full
HR6 (1, 2, 5)	<p>Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour</p> <p>In the period under review, no business operations were identified in which there was a significant risk of child labour. This aspect is of little relevance in Munich Re's business, as key units of the Group operate in countries where child labour is prohibited by law.</p>	<p><b>CR portal</b> » <a href="#">Compliance</a></p>	Full
HR7 (1, 2, 4)	<p>Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour</p> <p>In the period under review, no business operations were identified in which there was a significant risk of forced or compulsory labour. This aspect is of little relevance in Munich Re's business, as key units of the Group operate in countries where such labour is prohibited by law.</p>	<p><b>CR portal</b> » <a href="#">Compliance</a></p>	Full
HR8 (1, 2)	<p>Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations</p> <p>Munich Re's Code of Conduct applies to 100% of its own security staff. For all external security personnel, the conditions of the new Purchasing Guidelines apply for reinsurance and require that all new supply and service contracts contain a Corporate responsibility clause based on the UN's Global Compact.</p>	<p><b>CR portal</b> » <a href="#">Compliance</a></p>	Not applicable
HR9 (1, 2)	<p>Total number of incidents of violations involving rights of indigenous people and actions taken</p> <p>In the period under review, no business operations were identified in which the rights of indigenous peoples were violated. This aspect is of little relevance in Munich Re's business.</p>	<p><b>CR portal</b> » <a href="#">Compliance</a></p>	Full

### 3.Society

SO (10)	<p>Management approach</p> <p>For us as a global risk carrier, a prospective, prudent and responsible approach is self-evident. We therefore aim to take due account of economic, ecological and social requirements in our operations. That is why the</p>	<p><b>CR portal</b> » <a href="#">Corporate governance</a> » <a href="#">Compliance</a> » <a href="#">Anti-fraud management</a> » <a href="#">Corporate Citizenship</a></p>	Full
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coordination of corporate responsibility is located in our Group Development Division – to ensure that we meet the aforementioned aim both in our business and in our interaction with society.

Each Munich Re company has an effective anti-fraud management system in place. A corresponding directive sets out the specific duties and responsibilities that play an important part in preventing and combating fraud. We also attach great importance to preventing and combating corruption and financial crime. Key guidelines are provided by our Code of Conduct, which specifies our rules for legally impeccable conduct, based on ethical principles, and describes our understanding of the relevant values.

We also exercise our corporate responsibility in the communities in which our operations are located. The focal points of our social commitment are the active promotion of science and the support of socially disadvantaged youngsters and people in need. For our international social commitment, we have designed a Group-wide corporate citizenship concept that contains concrete sponsorship criteria.

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**Aspect: Community**

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SO1	<p>Nature, scope, and effectiveness of any programmes and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting</p> <p>This indicator has little relevance for Munich Re as a financial services provider: in contrast to other sectors of the economy, we have only a comparatively small impact on the local community with our office-based business operations.</p> <p>Memberships are checked for their benefit/cost effectiveness and their specific outcome on a yearly basis by the Corporate Responsibility Department (within the Group Development Division) and by each department involved, as are donations and corporate responsibility sponsorship activities. The survey includes the expenses for CC and information on special projects and activities in this field. A network to foster contact and exchange between the different business units was implemented by the end of 2011. The evaluation of work/projects is also a key issue for the Munich Re Foundation (MRF), and all three of our foundations are part of our integral and holistic corporate responsibility. The Board of Trustees of MRF holds two meetings every year to systematically monitor project quality, risks and chances. The most recent evaluation of the foundation's work was conducted by an external expert team (AgenZ, Frankfurt, Germany). Its summary attests successful work and good progress. The impact of our CR commitment is reflected in the increasing number of applications and demands for support, sponsoring, cooperation and partnerships in CR-related sectors at Munich Re.</p>	Not relevant
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**Aspect: Corruption**

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SO2 (10)	<p>Percentage and total number of business units analysed for risks related to corruption</p> <p>An anti-fraud analysis covering all business units and regions is conducted as part of the internal Group-wide risk-control system (ICS).</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Corporate governance</li> <li>» Anti-fraud management</li> <li>» Risk management</li> </ul>	Full
SO3 (10)	<p>Percentage of employees trained in the organisation's anti-corruption policies and procedures</p> <p>Our employees are regularly informed about the issues of anti-corruption and fraud in work instructions, courses and presentations. The aim of these programmes is to inform staffs about the main anti-corruption and anti-fraud rules, the essentials of the Anti-Corruption and Gifts &amp; Entertainment Policies, and Munich Re's anti-fraud principles. An expanded e-learning module for the reinsurance group on the Code of Conduct has been available to employees since August 2010.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Corporate governance</li> <li>» Anti-fraud management</li> </ul>	Full
SO4 (10)	<p>Actions taken in response to incidents of corruption</p> <p>We have largely completed the enhancement of our internal control system, a uniform worldwide system for managing operational risks integrated across all risk dimensions and areas of the Group that both meets Group management needs and satisfies local legal and</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» Corporate governance</li> <li>» Anti-fraud management</li> <li>» Risk management</li> <li>» ERGO transparency</li> </ul>	Full

regulatory requirements. In primary insurance, ERGO discloses information transparently on its corporate website regarding any wrongdoings, e.g. during incentive trips or incentive events.

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**Aspect: Public policy**

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SO5 (1-10)	Public policy positions and participation in public policy development and lobbying	Full
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Munich Re has established a new unit within Group Legal (Governmental Affairs) to more effectively observe, assess and exert a constructive influence on the relevant developments and to actively communicate on a political stage. In Munich, Berlin and since 2011 Brussels, the unit coordinates a process that takes in all of Munich Re, assessing the relevant issues and developing positions valid for the entire Group.

A focal point of Munich Re's lobbying activities concerns issues of national, European and international supervisory legislation. In addition, Munich Re assumes a leading role in connection with the Geneva Association. An example of our activities in this connection is climate change: in line with our sustainability goals and due to our long-standing expertise, we are involved in major international activities with regard to climate change. Munich Re is an acknowledged partner for policymakers, providing specialist knowledge and advice to shape mitigation and adaptation measures for combating climate change.

Moreover, Munich Re is the initiator of the Munich Climate Insurance Initiative (MCII) launched in 2005, and has been the sponsor of the MCII office on the United Nations University campus in Bonn since 2008. The MCII is made up of insurers, scientists, and non-governmental organisations. This wide-ranging group is united in the goal of formulating and putting in place insurance-related solutions for developing countries without functioning insurance markets in order to help combat the rising losses in these areas.

SO6 (10)	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	Full
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From 2011 on, political donations have been evenly and transparently distributed between all non-extreme parties: Munich Re (Group): €150,000.

Reinsurance and primary insurance (ERGO) each donate €15,000 to each of the main political parties in Germany (CDU, CSU, SPD, Die Grünen, FDP).

In addition, ERGO donates another €18,000 to political organisations closely affiliated with the above-mentioned parties, such as Wirtschaftsrat CDU e.V.

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**Aspect: Anti-competitive behavior**

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SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	<b>Group annual report 2013</b> » <a href="#">“Notes to the consolidated financial statements”</a> : p. 153 ff. » <a href="#">Download (PDF, 9.3 MB)</a>	Full
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For us, adherence to high ethical and legal standards is a matter of principle and regulated by our Code of Conduct. There were no cases of legal action against Munich Re for anticompetitive behaviour, anti-trust or monopoly practices in the reporting year.

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**Aspect: Compliance**

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SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	<b>Group annual report 2013</b> » <a href="#">“Notes to the consolidated financial statements”</a> : p. 153 ff. » <a href="#">Download (PDF, 9.3 MB)</a>	Not reported
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For us, adherence to high ethical and legal standards is a matter of principle and regulated by our Code of Conduct. As a consequence, Munich Re was not subject to any fines or sanctions in the reporting year.

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**4. Product responsibility**

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PR (1, 8)	Management approach	» <a href="#">Munich Re connect</a> » <a href="#">ERGO Service</a>	Full
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We are committed to high-quality reinsurance and primary insurance (ERGO) client management, maintaining close contact and regular communication with our clients, thus enhancing client satisfaction and client loyalty. Corporate responsibility plays a significant role in this exchange. The same commitment holds true for our asset management

unit MEAG.

Through this constant exchange, Munich Re's products, services and processes can be geared to the clients' needs, and this enables us to meet their expectations of us as a quality provider. All client enquiries are treated with the same professionalism and integrity: our dealings with clients are always based on the same standards. Client data are handled with strict confidentiality, personal data being recorded and forwarded to others only with the client's express agreement. Furthermore, in respect of all the services mentioned, it is important to note that consumer protection is of utmost importance. Data and information from and about customers are handled extremely carefully based on the local standards as a minimum. Our systems are in compliance with the strict German Data Protection Act.

With regard to our insurance operations, our customer sales service and advisory activities are regularly monitored and rated by external agencies and client surveys. Certificates and service ratings awarded by prominent market research institutes confirm high customer-satisfaction levels, showing that our qualified representatives give advice tailored to individual needs. Client satisfaction is also one of the key performance indicators incorporated in the balanced scorecard objectives of ERGO sales staff.

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**Aspect: Client health and safety**

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PR1 (1)	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures	Not relevant / Not applicable
	Munich Re's products are not tangible and therefore have no health and safety impacts. This indicator does not apply to our sector.	

PR2 (1)	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes	Not relevant / Not applicable
	Munich Re's products are not tangible and therefore have no health and safety impacts. This indicator does not apply to our sector.	

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**Aspect: Product and service labeling**

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PR3 (8)	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements	» ERGO	Full
	Munich Re's product and service range – from development and marketing to conclusion of the business – is subject to strict quality controls. Hence no significant product or service categories are covered by and assessed for compliance with such procedures.		
	To further clarify insurance terms and conditions, especially our primary insurance group ERGO has significantly improved the transparency of all documents. Customers receive all the information they need on the conditions of liability relating to their insurance protection in a clear and transparent format.		

PR4 (1)	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes		Not applicable
	For us, adherence to high ethical and legal standards is a matter of principle and is regulated by our Code of Conduct.		

PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	<b>CR portal</b> » Stakeholder dialogue	Full
	Munich Re's client-focused approach is based on open dialogue with our reinsurance and primary insurance (ERGO) clients. As we have different client bases, each entity has its own customer satisfaction measurement.	<b>Group annual report 2013</b> » "Clients and client relationships": pp. 100 ff. » Download (PDF, 9.3 MB)	
	In general, we measure Munich Re's company image on a regular basis. For example, for reinsurance, we participate in important Flaspöhler studies (surveys conducted every two years for different regions), in which we have achieved top ratings. The survey consists of questions about reinsurer utilisation, perceptions of reinsurers, products and services, reinsurer selection and		

associated topics, such as Solvency II. The results of the studies are summarisedsummarized for the Board of Management, and specific projects are set up with a view to constantly improving results. Broker surveys are also conducted, thus covering the other important client group in reinsurance.

Since 2007, on a yearly basis, customer satisfaction ratings for primary insurance (ERGO) have been monitored by an external market research institute, the results being incorporated in ERGO's balanced scorecard. The German inspection agency TÜV has awarded ERGO's highly professional client management a "good" rating for service and client satisfaction. ERGO's claims management, which is subject to regular quality checks, claims audits and controls, is certified to Germany's DIN EN ISO 9001 standard.

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**Aspect: Marketing communications**

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PR6	<p>Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship</p> <p>We see it as our duty to ensure transparency and to present the terms, conditions and prices of our products and services clearly and coherently, carrying out regular checks of our marketing activities and advertisements to ensure they are understandable to clients.</p> <p>The corresponding activities and procedures are governed by an internal Code of Conduct, which sets binding standards and rules, including a commitment to fair and open dealings with business partners and clients.</p> <p>In a poll conducted by the experts of the German consumer magazine "Guter Rat" ("Good Advice") and the Institut für Transparenz in der Altersvorsorge GmbH (ITA), the product information sheet from our primary insurer ERGO Lebensversicherung was voted the winner, as it was the easiest to understand compared to other providers' information.</p> <p>Since the reform of the German Insurance Contract Act in 2008, insurance policies must highlight all the key information to customers in product information sheets. The product information sheet acts as a simplified summary of the General Terms and Conditions of Insurance and should enable customers to understand exactly what they are signing. ERGO has committed itself to this specifically through its mission "To insure is to understand". Furthermore, all ERGO sales agents have to comply with a special code of conduct.</p>	Full
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PR7	<p>Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcome</p> <p>For us, adherence to high ethical and legal standards is a matter of principle and is regulated by our Code of Conduct. To our best knowledge, no cases of non-compliance occurred during 2013.</p>	<p><b>Group annual report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">"Notes to the consolidated financial statements": p. 153 ff.</a></li> <li>» <a href="#">"Munich Re Code of Conduct": p. 24 ff.</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul>	Full
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**Aspect: Customer privacy**

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PR8 (1)	<p>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data</p> <p>For us, adherence to high ethical and legal standards is a matter of principle and is regulated in our Code of Conduct and our safety regulations. To our best knowledge, Munich Re has not received any information about material breaches of privacy rules.</p>	Full
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**Aspect: Compliance**

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PR9	<p>Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services</p> <p>For us, adherence to high ethical and legal standards is a matter of principle. To our best knowledge, no cases of non-compliance occurred, and no fines were paid during 2013.</p>	<p><b>Group annual report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">"Notes to the consolidated financial statements": p. 153 ff.</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul>	Full
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GRI-No./ (GC*)	Performance indicator / Brief answer	Link	Degree of compliance
Financial sector indicators: Financial Services Sector Supplement (FSSS)			
FS1	<p>Policies with specific environmental and social components applied to business lines</p> <p>Understanding/quantifying ESG (environmental, social, governance) aspects and risks is crucial for insurance and reinsurance companies. How best to manage risks of change in long-tail business is key for our business. We analyse in depth all relevant trends as well as geo risks/climate change that influence the corresponding financial risks. As we factor our risk knowledge into our business development, risks are at the same time business opportunities. Early detection of risk is implemented in all product/market development; appropriate ESG risks are taken into account. Each department has experts to ensure that all future risks relating to specific products are identified, and specific expert groups and committees are in place.</p> <p>Besides this, our Code of Conduct and compliance manual contain information on the main areas concerned with correct business practice in this context. The codes of conduct of all Munich Re Group companies lay down ESG (environmental, social, governance) criteria. Corporate responsibility has also been defined as one of our guiding core principles. Applying a refined corporate responsibility (CR) strategy, we use the UN Principles for Sustainable Insurance framework to integrate ESG aspects into our core business and asset management, providing a more structured approach to ESG topics. The process of identifying relevant ESG issues is managed by the CR Department. The first example was the development of a corporate policy on banned weapons. Currently, we are designing engineering ESG criteria for engineering in large infrastructure projects and for the further identification and handling of sensitive issues by the Group Corporate Responsibility Committee (GCRC). Our Group Risk Committee deals with matters such as early identification of issues of concern or constituting a risk to the Group as a whole, such as reputational and emerging risks.</p> <p>Specific guidelines regarding the environment play a vital part in our environmental strategy, which is valid Group-wide.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Management</a></li> <li>» <a href="#">Corporate governance</a></li> <li>» <a href="#">Managing investments</a></li> </ul>	Full
FS2	<p>Procedures for assessing and screening environmental and social risks in business lines</p> <p>Early detection of risk is implemented in all product/market development. Where appropriate, ESG risks are taken into account. The Global Underwriting and Risk Committee (GURC) is responsible for the establishment and ongoing implementation of an appropriate risk management process in the business field of reinsurance to ensure that risks are quantified and entered into consciously and that sufficient capital is available to cover all the significant risks in that business field.</p> <p>A key part of our Group-wide risk management being to detect future ESG risks for our core business, we analyse and monitor our markets in order to identify such risks. Munich Re's ESG risk-identification systems are managed and monitored by Group-level functions. At the end of 2012, Group Corporate Responsibility Committee (GCRC), which covers all fields of business,) was established. It provides advice on the corporate responsibility commitments and activities of Munich Re (Group) and evaluates and prioritises sensitive issues. The committee members are from Group functions and include representatives from all fields of business (reinsurance, primary insurance and Munich Health) and from asset management (MEAG).</p> <p>Munich Re has implemented a Reputational Risk Committee (RRC) in each field of business. The RRCs deal with reputational risk issues that arise in the course of our day-today business operations. Employees can refer critical cases to their respective RRC prior to closing a transaction. The committee members verify the acceptability of the planned business transaction and ensure that we do not take operational decisions involving reputational risks. Ready to convene at short notice, the</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Risk management</a></li> </ul> <p><b>Links</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Geo Risk Research</a></li> </ul>	Full

committee can discuss an issue and recommend suitable action within 48 hours. Any new topic that emerges as a sensitive business issue in these discussions is referred to the GCRC for detailed assessment and possible extension of the existing Group-wide policies.

In 2012, we incorporated Munich Re's commitment to the PSI into the preamble to our internal Group-wide risk management manual, which is the reference work for the relevant manuals used in the fields of business. At the same time, it constitutes a generally binding basis for all Group underwriting guidelines.

Further specialised units/panels for early ESG risk detection include:

- Reputational Risk Committee (Group annual report 2013, page 118)
- Emerging Risks Think Tank (Group annual report 2013, page 127). In 2010, we largely completed the enhancement of our internal control system (ICS), a uniform worldwide system for managing operational risks integrated across all risk dimensions and areas of the Group that both meets Group management needs and satisfies local legal and regulatory requirements. (Group annual report 2013, pages 112 f.)
- In 2007, Munich Re established the Corporate Climate Centre (CCC), forming the link between geoscientific research and operative underwriting.
- The Group Development and Economic Research Department provides not only "classic" macroeconomic research but also analyses of social, political, environmental and technological megatrends, including reputational risks, potential disruptive developments and their influence on the Group's future business.
- In addition, in specialised centres of competence, e.g. for biosciences, experts develop solutions for new risks based on systematic analysis and prognoses. Whether it is natural catastrophes threatening our increasingly interwoven economies, demographic change, or new diseases – we actively contribute our know-how and implement risk management.

FS3	<p>Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transaction.</p> <p>Comprehensive risk analyses play a key part in our assessment of a client's risk profile.</p> <p>For Munich Re's reinsurance business, our core activities include the risk assessments we undertake prior to entering into business and during annual renewals, the objective of which is to re-evaluate and revise our reinsurance contracts. They include any particular environmental, social and political factors the individual contracts may involve.</p> <p>MEAG, Munich Re's asset manager, currently has assets totalling some €228bn in its portfolio (2013). Investments of this magnitude entail substantial responsibility, which we take very seriously and monitor accordingly. MEAG's strategy is strictly geared to our asset-liability management guidelines and consistent risk management.</p>	<p><b>CR portal</b> » <a href="#">SRI indices</a></p> <p><b>Links</b> » <a href="#">MEAG: Sustainability</a></p> <p>Full</p>
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FS4	<p>Process(es) for improving staff competence to implement the environmental and social policies and procedures as applied to business lines</p> <p>Regular employee engagement and training takes place to enable our Group to live up to our Corporate Responsibility strategy and policies. Relevant information is presented in various formats, at events like our introduction courses for new staff members and courses for graduate recruits and trainees, and also at reinsurance and primary insurance management level Staff members of all functions have open access to the Munich Re Corporate Responsibility function that promotes our strategy and ESG policies across the Group.</p> <p>Regular workshops giving opportunities for knowledge transfer with departments throughout Munich Re also play a part in the sharing of CR knowledge and promoting of CR issues.</p> <p>Important guidelines are provided by our Code of Conduct, a copy of which all our employees receive</p>	<p>Full</p>
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together with their employment contracts and sign. Our asset management staff attend workshops and working groups that deal with the role of corporate responsibility in the investment process, and regular exchanges are organised with external specialists on socially responsible investment (SRI) and the Principles for Responsible Investment (PRI). The relevant teams address these issues in depth, dealing with in-house and external questions, carrying out research, attending courses and discussing ESG criteria with companies in which Munich Re invests.

Our environmental management system is systematically updated and assessed with regard to applicability and use in terms of compliance with the regulations laid down in the environmental manual and the appropriateness of those regulations.

Munich Re has environmental management system courses, communications and controls, and sets annual environmental programme targets. We also organise continuing professional and personal development courses. Internal audits are performed annually to verify the overall extent and approach of our environmental management.

<p>FS5</p>	<p>Interactions with clients/investees/business partners regarding environmental and social risks and opportunities</p> <p>One of Munich Re's main concerns has always been to foster open interaction with our stakeholders, i.e. primarily with our insurance and reinsurance clients, the media, the general public, our employees and capital market players. This interaction entails addressing social and environmental risks that occur in connection with Munich Re's business relations and general activities.</p> <p>Our reinsurance operations focus on customised products. Each contract is designed to match the risks of the individual client and, as a result, we establish very close ties with our clients, also understanding the environmental and social challenges they might face. We regularly share information with investors and analysts. At roadshows and in individual meetings, our senior management explain Munich Re's strategy and business model in detail, also giving details of our Corporate Responsibility approach. Additionally, Corporate Responsibility is a standard component of the Munich Re scholarship programme, which trains clients in reinsurance.</p> <p>Our business is inextricably linked with environmental issues. Through our clients and investees we are directly affected by environmental impacts, such as the growing number and intensity of weather-related natural catastrophes. We have long been contributing our specialist knowledge to numerous organisations and associations concerned with global warming. We have analysed climate change issues for 40 years; our work in this field supports efforts to tackle climate change impacts.</p> <p>Communications with external partners are among the main factors involved in implementation of the Principles for Responsible Investment (PRI). We communicate our investment criteria, which include sustainability considerations, and address them in dialogue with our business partners. We require companies in which our MEAG Nachhaltigkeit ("sustainability") and MEAG FairReturn funds invest to supply information relevant to our sustainable investment criteria. We are publishing an increasing amount of information on PRI issues, e.g. through announcements in the financial press and our involvement in presentations and congresses on sustainability.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Objectives</a></li> <li>» <a href="#">Corporate Citizenship</a></li> </ul>	<p>Full</p>
<p>FS6</p>	<p>Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector</p> <p>Gross premiums written: €51,060m</p> <p>By business line:  Reinsurance Life: €10,829m  Property-casualty insurance: €17,013m</p> <p>Primary insurance  Life: €5,489m  Health insurance: €5,671m  Property-casualty insurance: €5,507m</p>	<p><b>Group Annual Report 2013</b></p> <ul style="list-style-type: none"> <li>» <a href="#">"Notes to the consolidated financial statements": p. 153 ff.</a></li> <li>» <a href="#">Download (PDF, 9.3 MB)</a></li> </ul>	<p>Full</p>

Munich Health  
Total: €6,551m

Gross premium written by region:

Germany: €14,033m  
Rest of Europe: €12,683m  
North America: €17,132m  
Asia and Australasia: €4,645m  
Africa, Near and Middle East: €1,020m  
Latin America: €1,547m

FS7	<p>Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose</p> <p>Our General Investment Guidelines stipulate that the vast majority of our own investments in shares and bonds should satisfy sustainability criteria. These SRI criteria include human rights issues.</p> <p>Our asset management arm, MEAG, offers different sustainable investment funds: MEAG Nachhaltigkeit and MEAG FairReturn.</p> <p>With different regional focuses and investment strategies, MEAG embeds ESG in asset management and offers corresponding products and services.</p>	<p><b>CR portal</b> » <a href="#">Asset Management</a> » <a href="#">Objectives</a></p>	Full
FS8	<p>Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose</p> <p>Our General Investment Guidelines stipulate that the vast majority of our own investments in shares and bonds should satisfy sustainability criteria.</p> <p>MEAG has invested in German power grids and solar plants in Italy and Spain. By the end of the 2013 financial year, these investments had reached a total of €1.5bn. In the coming years, Munich Re intends to invest €4bn in infrastructure, renewable energy and new technologies, provided that the parameters are reliable and an appropriate return can be generated. Furthermore, we project a premium volume in the mid three-digit million range from insurance products for renewable energy.</p>	<p><b>CR portal</b> » <a href="#">RENT project</a> » <a href="#">Asset Management</a> » <a href="#">Objectives</a></p>	Full
FS9	<p>Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures</p> <p>Munich Re's environmental management system (EMS) is certified to ISO 14001, and our Code of Conduct and environmental guidelines are geared to and support this system. Our externally certified environmental management system also monitors compliance with internal sustainability criteria and targets concerning our core business.</p>	<p><b>CR portal</b> » <a href="#">Environmental management</a></p>	Full
FS10	<p>Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues</p> <p>It is difficult to put a precise figure on the number of companies with which we interact on social or ecological issues. In the course of our business relationships, our asset management has dealings with the managements of several hundred companies, these contacts also being used to address environmental issues in the context of our comprehensive risk analyses. Munich Re's commitment to the Principles for Responsible Investment reinforces the relevance of such issues to our relationships with our partners. Although engagement cannot be tracked at a global level, MEAG does engage with companies in its investment portfolio, particularly those included in its socially responsible investment funds.</p>	<p><b>CR portal</b> » <a href="#">Objectives</a></p>	Full
FS11	<p>Percentage of assets subject to positive and negative environmental or social screening</p> <p>As early as 2002, we decided that our investments in shares, corporate bonds and bank bonds should meet certain sustainability criteria.</p> <p>More than 90% of AuM (excluding Munich Re's stake in ERGO) are covered by our corporate responsibility investment policy.</p>	<p><b>CR portal</b> » <a href="#">Managing investments</a></p>	Full

FS12	<p>Voting polic(y/ies) applied to environmental or social issues for shares over which the reporting organisation holds the right to vote shares or advises on voting</p> <p>MEAG analyses whether corresponding shareholder resolutions are in line with long-term ESG considerations and MEAG's corporate objectives, its voting being determined on that basis.</p> <p>Shareholdings in other joint-stock companies make up a relatively low percentage of Munich Re's investments at the present time. We exercise our right to vote primarily at the annual general meetings of German companies, since exercising such rights outside Germany entails substantial costs.</p> <p>MEAG also holds in-depth talks with individual companies aimed at improving their SRI performance.</p>		Full
FS13	<p>Access points in low-populated or economically disadvantaged areas by type</p> <p>Microinsurance is playing an increasingly prominent role within Munich Re and globally because recent natural catastrophes have tended primarily to affect people whose financial means are extremely limited. Munich Re is working with MFIs, NGOs and other major players in this field.</p> <p>Cooperating closely with the important players (e.g. MFIs and NGOs), Munich Re is active in this market in all business lines. We analyse selected markets and develop insurance solutions in the business-to-business and business-to-consumer areas.</p> <p>Some examples:</p> <ul style="list-style-type: none"> <li>– Cooperation with CLIMBS on weather-index- related insurance (Cooperative Life Insurance &amp; Mutual Benefit Services, Philippines).</li> <li>– Munich Climate Insurance Initiative (MCII initiated in 2005 by Munich Re) to respond to the growing realisation that insurance solutions can play a role in adaptation to climate change</li> <li>– ERGO offers microinsurance through a suite of products ranging from life to crop insurance.</li> <li>– The Munich Re Foundation organises the world's biggest microinsurance conference.</li> </ul>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Reinsurance: microinsurance</a></li> <li>» <a href="#">Primary insurance: microinsurance</a></li> <li>» <a href="#">Munich Re Foundation</a></li> </ul>	Full
FS14	<p>Initiatives to improve access to financial services for disadvantaged people</p> <p>Munich Re offers a number of insurance products specifically geared to the needs of disadvantaged people, including microinsurance products available in emerging and developing countries like India and the Philippines.</p> <p>Our Indian subsidiary offers a large selection of microinsurances from the non-life sector. These include health, personal accident and fire insurances as well as cover for loss of livestock (which especially in rural areas can be vital to survival for each household), damage to tractors, or crop failure as a result of extreme weather events. HDFC ERGO works with renowned microfinance institutions, businesses based in the country concerned, cooperatives and other rural associations.</p> <p>In 2010, on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), Munich Re and GIZ (German Agency for International Cooperation) worked with the Philippine cooperative insurance company Coop Life Insurance &amp; Mutual Benefit Services (CLIMBS) on launching a microinsurance product to protect the loan portfolios of cooperatives against losses from extreme weather events in the Philippines. A core concern is to pass on the benefits to end customers in low-income households.</p> <p>Microinsurance is also a major topic addressed by the Munich Re Foundation, which among other things organises the world's biggest microinsurance conference.</p> <p>DKV offers special health insurance products for elderly policyholders struggling to pay the full insurance premium in their respective health insurance plans. With these new products, DKV is providing affordable health insurance schemes to the community. We also provide insurance coverage for HIV-infected people.</p>	<p><b>CR portal</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Reinsurance: microinsurance</a></li> <li>» <a href="#">Primary insurance: microinsurance</a></li> <li>» <a href="#">Munich Re Foundation</a></li> </ul> <p><b>Links</b></p> <ul style="list-style-type: none"> <li>» <a href="#">Microinsurance conference</a></li> </ul>	Full
FS15	Policies for the fair design and sale of financial products	<b>Download</b>	Full

and services

» [Code of Conduct \(PDF, 354 KB\)](#)

In accordance with our codes of conduct, we are fair and open in our business relations. Munich Re endeavours to give clients the best possible advice and the information they need to take sound decisions.

We avoid potential conflict with the interests of our clients and other business partners. Should such problems arise nonetheless, we make every effort to resolve them speedily. Munich Re's Code of Conduct also contains data protection guidelines.

Munich Re's product and service range – from development and marketing to the conclusion of business – is subject to strict quality controls. Transparency is important to us, and we are keen to ensure information on our products and services and the corresponding conditions is clearly expressed. Likewise, providing clear, coherent communications, beyond what is required by law, is one of ERGO's value propositions. Customer queries can be dealt with through personal contact with one of ERGO's many representatives.

After a major restructuring process within ERGO, a campaign for fair and easy perception of all ERGO products was conducted in 2011/2012 for more transparency and open communication. With its "clear language" initiative, the ERGO Insurance Group intends to put communication with its customers on a new footing. The aim is to make communication easier for customers to understand. ERGO will check texts for readability using special software and establish a minimum standard before the text is put to use.

Clarity also means concentrating on the information that customers need to know.

In the reinsurance context, we aim to be our clients' preferred partner in risk, delivering solutions in the form of a broad range of products. Clients benefit from our strengths in financing issues and our expertise where risk is concerned.

We organise over 100 client seminars and workshops in Munich and at our other branches. Our connect.munichre client portal is one of our major client management assets. Compliance with the new standards is ensured using broad internal quality assurance procedures. New means of communication must meet the requirements in full, and existing ones are being successively reviewed and adapted.

FS16

Initiatives to enhance financial literacy by type of beneficiary

**CR portal**  
» [Corporate Citizenship](#)

Full

Financial literacy and competence are key to Munich Re and our business. Our aim is to minimise the risk that clients will not understand our products and services or will be insufficiently informed about them, and so we organise initiatives and take part in activities designed to increase literacy and competence in this area.

To promote awareness of mathematical – and thus also financial – issues and the enjoyment of this subject, Munich Re's reinsurance and primary insurance (ERGO) business segments have sponsored the internet portals of the German (since 2001) and European (since 2009) Mathematical Society. Society In keeping with our efforts to inform our clients and the public about socially innovative insurance projects in the countries and regions concerned, the Munich Re Foundation holds its annual International Microinsurance Conference in different emerging and developing countries. This offers experts from the financial, public, private and development cooperation spheres a broad platform for sharing experiences and ideas on challenges in this sector. In addition, Munich Re offers a scholarship programme for business clients in order to prepare them for challenges of the global insurance industry.

## SRI indices, SRI ratings and awards received

GRI reporting and Global Compact

SRI indices, SRI ratings and awards

Memberships and partnerships

## Munich Re corporate responsibility strategy rated positively

Open and transparent dialogue with our national and international stakeholders on implementing our strategy and on our commitment in the areas of corporate responsibility and sustainable responsible investment (SRI) is an essential part of our corporate culture. Munich Re's inclusion in many sustainability indices, our good to very good results in many different SRI ratings, and the awards we have received show that the corporate responsibility strategy we pursue is successful and authentic.

### Related topics

» Management: Sustainability and Munich Re shares

### ► SRI indices



#### Included in the DJSI for many years

Munich Re has been continually listed in the Dow Jones Sustainability Indices since 2001, with a valuation always above average.



#### Munich Re listed in ethical indices

The Italian investment advisory firm ECPI has included Munich Re in the following indices: ECPI Euro Ethical Equity, ECPI Global Ethical Equity, ECPI EMU Ethical Equity, ECPI Global Developed ESG Best in Class Equity, and ECPI Global Climate Change Equity.



#### Represented in two ESI indices again

Munich Re is represented in the ESI (Ethibel Pioneer Index) Excellence Europe and ESI Excellence Global, which are based on ratings results from Vigeo. Ethibel is an independent French consulting agency, specialised in socially responsible investments.



#### Munich Re continually listed in various FTSE4Good index series

Since the establishment of this rating in 2001, Munich Re has been an ever-present in the various FTSE4Good index series. This rating comprises a global CR benchmark from a total of 23 markets and 2,000 companies.



#### Munich Re represented in Vigeo indexes

In 2013, Vigeo created a new index family that lists the top-rated companies from its corporate responsibility assessment. Munich Re is among the companies that have met these stringent standards and is part of Euronext Vigeo World 120, Euronext Vigeo Europe 120, and Euronext Vigeo Eurzone 120.



#### Recommended investment in Munich Re

Independent French financial institute Odo Securities rates Munich Re a suitable SRI investment. Since 2008, Munich Re has also been listed in the SRI European index investment universe.



#### Munich Re in the STOXX® Global ESG Leaders Index

The Global ESG Leaders Index represents leading companies from an ESG point of view. The list is based on analyses conducted by Sustainalytics.

### ► SRI ratings



#### Munich Re among the industry leaders

Bloomberg analyses and evaluates corporate transparency in environmental, social and governance (ESG) aspects. Munich Re is among the companies evaluated annually.

According to Bloomberg, clients using its 250,000 data terminals have access to all publicly available ESG data from 2,000–3,000 companies.



**Best financial services provider according to Imageprofile 2014**

Munich Re enjoys an outstanding reputation among German companies in the financial sector. In its "Imageprofile 2014" study, "manager magazin" polled some 3,000 board members, general managers and senior executive staff.



**Very good rating by MSCI**

Munich Re is rated AA in MSCI's ESG rating. MSCI is a leading global provider of investment solutions.



**Prime rating**

Munich Re was again awarded a "prime" corporate responsibility rating by oekom research in 2013, thus maintaining its insurance sector best-in-class status. oekom research is one of the world's leading SRI rating agencies.



**Munich Re qualifies for sustainable investment products**

Munich Re's performance in Sarasin Bank's ratings was significantly above the average, qualifying it to be rated a sustainable investment product by the bank.



**Munich Re best in sector**

In Société Générale's 2013/2014 ESG rating, Munich Re is rated best in sector with 92.2 out of 100 points.



**Fourth place in industry rating by Sustainalytics**

In the industry rating by Sustainalytics, Munich Re earned a very good second place in the insurance sector in 2013.

► Awards



**Munich Re subsidiary DKV Seguros**

For the third year running, Munich Re's subsidiary DKV Seguros in Spain took third place in a poll for the most attractive employer in Spain.



**Trendence Institute's Graduate Barometer**

In 2013, Munich Re again ranked among the top 100 business-sector employers in the Trendence Institute's Graduate Barometer.



**Universum Top 100**

In Universum Communications' employer ranking, we continue to rank among the top 100 employers (business).



**German Education Prize Seal of Excellence**

Munich Re was honoured in 2013 for its exemplary knowledge-sharing among the Group's business fields; it won the Seal of Excellence of the German Education Prize in the category of innovation.



**Career and Family Audit**

For its family-friendly human resources policy, ERGO has won the "audit berufundfamilie®" (family and career audit) four times for all its main administrative centres in Germany. This certificate is awarded by the non-profit Hertie Foundation.



#### Strategy Award

ERGO received the Strategy Award in 2013 for a particularly innovative and strategically sophisticated handling of the issue of "gender diversity and family friendliness".



#### BOMA Awards for Munich Re America and Munich Re Toronto

The office buildings of Munich Reinsurance America, Inc. and Munich Reinsurance Company of Canada received awards from the Building Owners and Management Association (BOMA) for their energy efficiency.



#### BOMA 360 Performance Award

The offices buildings of Munich Re America have received the BOMA 360 designation for being managed to the BOMA's highest standards of excellence (including energy efficiency).



#### BOMA 7 – Point Challenge

Munich Re America was awarded special recognition for its outstanding energy reduction programme from the Building Owners & Managers Association as part of an international programme to reduce energy use by at least 30% across company portfolios.



#### Energy Project of the Year Award

Munich Re America was recognised by the Association of Energy Engineers at the World Energy Engineering Congress for its innovative energy management projects.



#### FMXcellence Award

Building Operating Management magazine recognised the Energy Reduction projects of Munich Re America with its FMXcellence award at the National Facilities Management and Technology Conference.



#### Munich Re awarded DZ Bank's sustainability label

DZ Bank Sustainable Investment Research evaluates economic, environmental, social and corporate governance criteria. Sustainable investments are awarded the DZ Bank's sustainability label.



#### Reinsurer of the year in the MENA region

In 2013, Munich Re won the Reinsurer of the Year MENA Insurance Award for the MENA region (Middle East, North Africa) for second year running.



#### Munich Re takes silver

For the third consecutive year, Munich Re has been included in the Silver Class of the best and most sustainable companies by Robeco SAM AG, which assesses the sustainability performance of all global players and determines the composition of the Dow Jones Sustainability Indices.



#### CDLI 2013 for Germany, Austria and Switzerland

With a score of 82, Munich Re earned inclusion in the CDLI (Climate Disclosure Leadership Index) for the DACH regions by CDP.

## Memberships and partnerships

GRI reporting and Global Compact

SRI indices, SRI ratings and awards

[Memberships and partnerships](#)

Related topics

» [Commitment](#)

## Membership in national and international bodies, initiatives and foundations

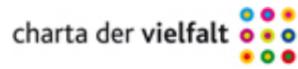
For Munich Re, corporate responsibility means taking an active part in all partnerships as well as promoting initiatives. Besides this, the foundations set up by Munich Re constitute a central component of our social commitment.

### Partnerships and memberships (in national and international bodies)

The cooperation partnerships and memberships in which Munich Re engages and shares its knowledge are numerous. The following list provides just a few examples of our social commitment:



Acatech



Charter of Diversity



Climate Service Center



Dii (Desertec Industrial Initiative)



German Insurance Association (GDV)



Global Earthquake Model (GEM)



Geneva Association



GeoHazards International (GHI)



Global Climate Forum



Städtische Galerie im Lenbachhaus, Munich



Munich Climate Insurance Initiative (MCII)



OECD (Munich Re is member in the Advisory Board on Management of Large Scale Catastrophes)



Principles for Sustainable Investment (PRI)



Principles for Sustainable Insurance (PSI)



UN Caring for Climate



UN Global Compact



Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU)



Water Benefit Partners (WBP)

► **Initiatives and sponsorships**

For us, corporate responsibility also means assuming responsibility for the community in which we live and work. The following initiatives and sponsorships are a selection of our commitment in this area.



3-2-1 Ignition



German Mathematical Society



European Mathematical Society

**ergo: wir helfen e.v.**

ergo: wir helfen e.V.



Helfende Hand e.V. ("Helping hand" schools project)



Interkultureller Rat in Deutschland e.V. (Intercultural Council in Germany)



Klasse in Sport



London School of Economics (LSE)



Madeleine Schickedanz-KinderKrebs-Stiftung (Madeleine Schickedanz Children's Cancer Foundation)



Munich University Society

SingPause (schools singing project)



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**Stifterverband**  
für die Deutsche Wissenschaft

Association for the Promotion of Science and Humanities in Germany



Stiftung Pfennigparade ("Penny Parade" Foundation)

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► **Foundations**

Through the foundations we set up a number of years ago, we exercise social responsibility and deploy our extensive knowledge for the benefit of others.



ERGO Youth & Future Foundation



DKV Foundation "Integralia"



Munich Re Foundation



Dr. Hans-Jürgen Schinzler Foundation

» Home » About us

"With our Group-wide CR portal, we provide an extensive platform for sustainability."

Georg Justus Schwarz, Consultant Corporate Responsibility, Munich Re



Munich Re

Related topics

» Strategy and challenges

## Useful information

This section contains links and general information relating to the content and reporting scope of the CR portal, and to our previous reports, disclosures and publications. It also includes answers to frequently asked questions, and explanations of technical terms from the area of corporate responsibility.

### About us

#### About Munich Re

- » [Munich Re \(Group\)](#)
- » [Reinsurance](#)
- » [Primary insurance](#)
- » [Munich Health](#)
- » [About CR portal](#)

## About us



Munich Re (Group)

Reinsurance

Primary insurance

Munich Health

About CR portal

## About Munich Re

### Munich Re: NOT IF, BUT HOW

**Tackling the major challenges of the future is something we have been doing for over 130 years. As a reinsurer, we operate internationally and apply a range of disciplines to produce pioneering concepts that make tomorrow's world insurable. Our recipe for success is to anticipate risks and deliver needs-based solutions. This provides the impetus for profitable, long-term growth.**

Our success is founded on a solid capital base, in-depth risk expertise, market know-how and an understanding of the refinancing and capital management of primary insurance companies. We invest heavily in order to maintain our lead in the knowledge stakes, and our approximately 11,000 staff in reinsurance possess unique global and local know-how. This strength has earned us top rankings in client surveys. With premium income of around €28bn in financial year 2013, we are one of the world's leading reinsurers.

#### Tailor-made solutions for your success

In these days of changing markets with ever more complex risks, our clients increasingly need customised solutions, consultancy and services that go far beyond traditional reinsurance. That is why we seek dialogue with them and take the time to listen to them. We can develop integrated concepts for our clients – from traditional reinsurance to managing large complex risks, and balance-sheet optimisation. We also develop innovative coverages for alternative energies and conduct in-depth geoscientific research.

#### Risk management is our strength

Our entrepreneurial passion for seeing change as opportunity and never standing still has made us an industry front-runner. We consistently expand and enhance our risk competence through our global network and exchange of knowledge with selected cooperation partners. That is how forward-looking solutions for tomorrow's world are born.

[munichre.com](http://munichre.com)

» [Strategy reinsurance](#)

#### External links

- » [Munich Re](#)
- » [ERGO](#)
- » [Munich Health](#)
- » [MEAG](#)

## About us



Munich Re (Group)

Reinsurance

Primary insurance

Munich Health

About CR portal

## About Munich Re

ERGO - One of the major insurance groups in Germany and Europe

**ERGO is one of the major insurance groups in Germany and Europe. Worldwide, the Group is represented in over 30 countries and concentrates on Europe and Asia. ERGO offers a comprehensive spectrum of insurance, provision and services. In its home market of Germany, ERGO ranks among the leading providers across all segments.**

About 46,000 people work for the Group, either as salaried employees or as full-time self-employed sales representatives. In 2013, ERGO recorded a premium income of 18 billion euros and paid out benefits to customers amounting to 17 billion euros.

### “To insure is to understand”

Our customers determine our actions. ERGO is strictly geared towards the wishes and needs of its customers and intends to constantly improve further in close dialogue with consumers. We are implementing our claim “To insure is to understand” in the form of offering needs-based advice which understands and picks up on customers’ personal concerns, in addition to communicating in a clear and understandable way and providing innovative services and swift support in the event of damage or loss.

### Sales channels

Our customers can choose which form of contact with ERGO suits them best. We have the right sales channels for every client. Self-employed insurance agents, staff working in direct sales, as well as insurance brokers and strong cooperation partners – both in Germany and abroad – address private customers and corporate clients. We maintain partnerships with the major European bank UniCredit Group and other banks, both in Germany as well as in various European countries.



Munich Re Group

[munichre.com](http://munichre.com)

» [Strategy primary insurance](#)

### External links

- » [Munich Re](#)
- » [ERGO](#)
- » [Munich Health](#)
- » [MEAG](#)

## About us



Munich Re (Group)

Reinsurance

Primary insurance

[Munich Health](#)

About CR portal

## About Munich Re

Munich Health - Pioneering Global Healthcare

**Under the single brand Munich Health, Munich Re has brought together its global healthcare know-how in insurance and reinsurance. 3,000 experts at locations worldwide benefit from the resulting synergy potentials as they devise innovative healthcare solutions for clients and partners all over the world.**

Munich Health, one of three business segments within Munich Re, alongside primary insurance and reinsurance was established in 2009. Its purpose is to pool the global health expertise in reinsurance, primary insurance and risk-management. This set-up specifically addresses identified opportunities with integrated, intelligent solutions to individual local needs. The result: sustainable growth and excellence – to the benefit of all stakeholders.

Based on our unique, integrated focus on risk carrying and risk management in health, Munich Health delivers individual, sustainable solutions. The special combination of resources we offer enables our clients to achieve success and security in their respective markets.

**“Making quality healthcare affordable” – Munich Health stands for:**

- Increased sales, profitability, customer satisfaction and retention based on innovation and enhancement of existing product and service design
- Improved risk management and risk transfer (loss ratio optimisation)
- Process reengineering and cost management (expense ratio optimisation)
- Provision of top-rated reinsurance

As an expert in international health systems, we offer comprehensive consultancy services for product development, process optimisation and distribution strategy, with the aim of further developing reinsurance and primary insurance in the healthcare market.

Munich Health serves insurance companies in more than 40 countries, and primary insurance clients in over 100 countries.



Munich Re Group

[munichre.com](http://munichre.com)

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## About us

Munich Re (Group)

Reinsurance

Primary insurance

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[About CR portal](#)

## About the corporate responsibility portal

**The CR portal presents Munich Re's approach to corporate responsibility. We illustrate this with specific examples and detailed indicators, and explain the relationship between corporate responsibility and our business.**

In the form of our annual Corporate Responsibility Report, the portal provides a review of the further development of our processes and systems, the measures we have taken in the past year, and the successes achieved. We also report regularly on the CR activities of the entire Group. This comprises the business fields of reinsurance, primary insurance, Munich Health and MEAG, Munich Re's asset manager.

The measures and activities presented focus mainly on the period from 1 January 2013 to 30 March 2014; the key figures relate to the 2013 financial year (ending 31 December 2013). The content of the CR portal is available in German and English and can also be downloaded as a PDF. This document serves as our Corporate Responsibility Report for 2013. There is also a 20-page abridged version of the 2013 report that contains the key information.

### Selected topics – Qualitative and quantitative reporting

To ensure that the CR portal gives a comprehensive picture of our performance, the topics and contents have been selected according to their importance and the interests of our stakeholders. With its database for recording CR-specific information, which was introduced in 2009, Munich Re has increased the proportion of (Group) staff covered to over 75%.

### GRI guidelines and Global Compact "Communication on Progress" report

To provide greater transparency and clarity in preparing the CR portal, we have used as a basis the G3 Guidelines of the [Global Reporting Initiative \(GRI\)](#) and the Financial Services Sector Supplement. The GRI has confirmed that the 2013 CR report meets its requirements for detailed reporting – Application Level B. The GRI Indicators and Financial Services Sector Supplement have been compiled in separate GRI disclosures. The CR portal and the GRI disclosures also constitute our annual Communication on Progress report for the Global Compact.

### Contact persons

Please do not hesitate to contact our experts if you have any questions regarding corporate responsibility at Munich Re.

Georg Justus Schwarz, Consultant for Corporate Responsibility, is the contact person for the CR portal. Please send your questions and comments to him at [responsibility@munichre.com](mailto:responsibility@munichre.com)

### Editorial note

In texts on the CR portal, we dispense with gender-related alternative expressions (e.g. he/she) for the sake of better readability.

### Related topics

» [GRI and Global Compact](#)

### Downloads

- » [Corporate Responsibility Short Report 2013/2014 \(PDF, 4.6 MB\)](#)
- » [Global Reporting Initiative 2013 - Results of the GRI Report \(PDF, 328 KB\)](#)

## Imprint

This imprint applies to all telemedia services of Münchener Rückversicherungs-Gesellschaft.

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