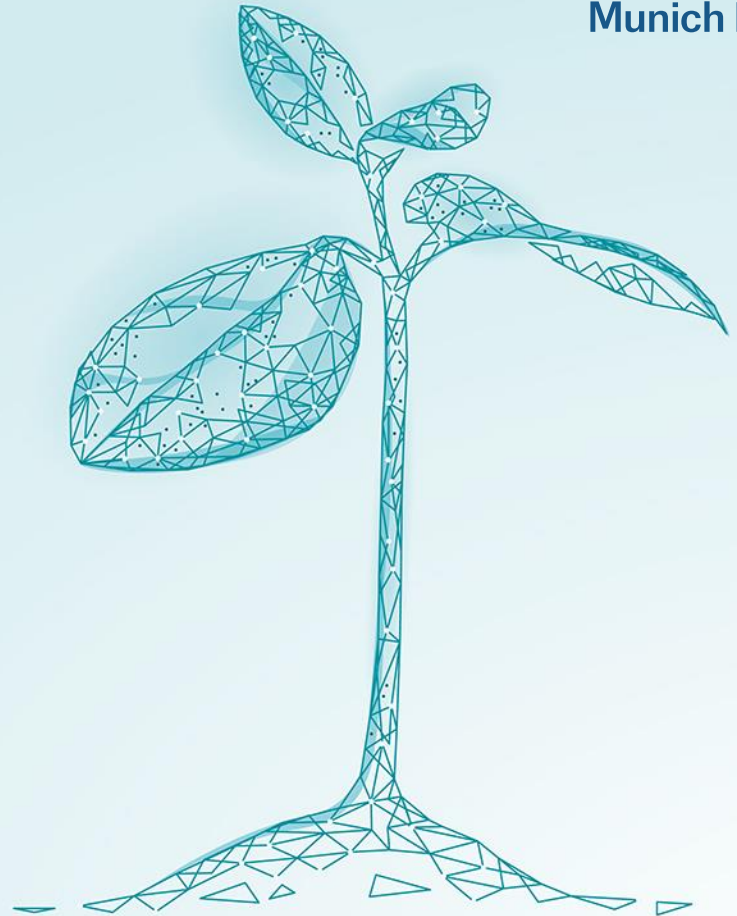


# Corporate Responsibility at Munich Re

Silke Jolowicz  
Head of Group Sustainability Department



# Munich Re Group Ambition 2025

Sustainability becomes core element of the strategy of MR & ERGO

## Scale



Expansion of core

Preference for organic growth

Leverage superior underwriting

Uplift asset performance



## Shape

Create additional business

Monetize digital business investments

Create new strategic options



## Succeed

### Shareholders

Growing earnings and RoE

### Clients

Long-term partner – superior products, experience and capacity

### Employees

Employer of choice: skill-driven, fostering digital culture, risk entrepreneurs

### Communities

Comprehensive climate strategy matching Paris Agreement

# Our sustainability approach is based on Shared Value

The Ambition 2025 is connecting Corporate Responsibility and Business

**Munich Re aims to create value for all its stakeholders – our CR strategy integrates this ambition across all our activities**

Sustainable approach to core business

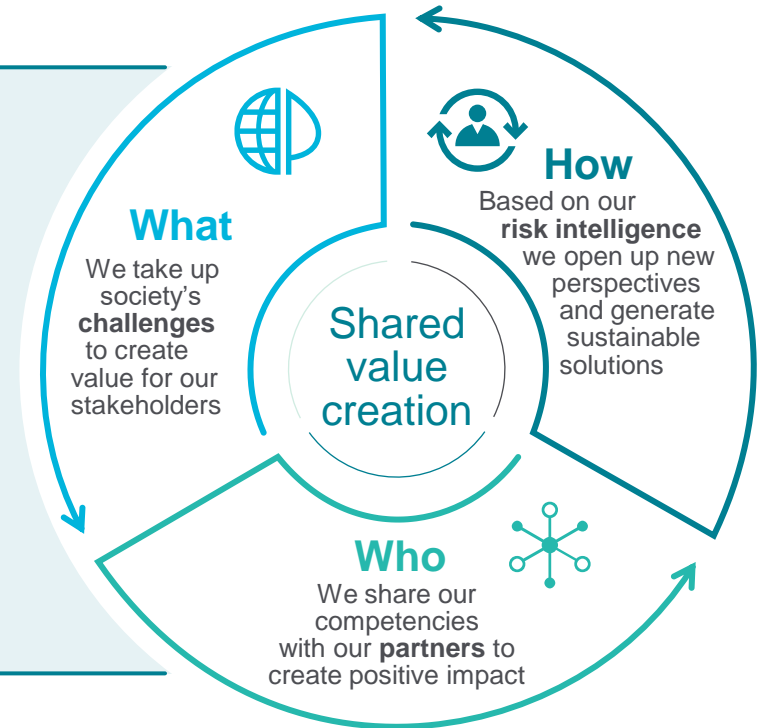
Societal responsibility

Responsible governance

Responsible employer

Environmental and climate protection

**...140 years of forward-looking, prudent & responsible approach of handling a diverse range of risks around the world**



# Creating value through global responsibility

Holistically integrating environmental, social and governance related topics



## Environment

### Ambitious decarbonisation targets

- Climate targets for our (re)insurance business
- Decarbonisation of our investments
- Reduction of our own emissions

### Climate-related disclosure

- Aligned with Task Force on Climate-Related Financial Disclosures (TCFD)
- Analyzing the consequences of climate change since more than 40 years



## Social

### Diverse workforce

- 40% managers to be female in 2025
- 25% women in BoM by 2025
- 60+ nationalities
- 80+ professions

### Employer of choice

- Comprehensive training and development programmes
- Measuring employee satisfaction

### Socially engaged

- Ambition 2025 to support at least 500 projects in our communities



## Governance

### ESG criteria in BoM remuneration

- ESG criteria relevant for variable remuneration & multi-year bonus

### Climate-related governance

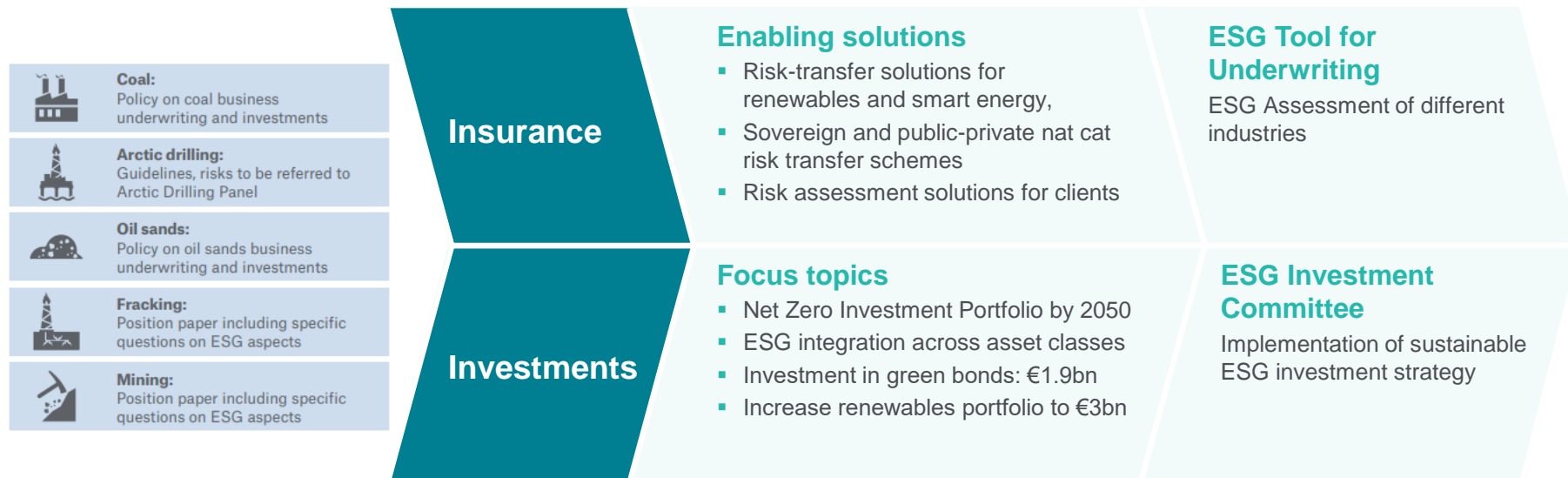
- ESG- and climate change-related topics on various occasions at meetings of the SB or BoM and its committees

### Winner in Governance Ranking

- Only DAX company with "excellent" rating in the 2020 DVFA Scorecard for Corporate Governance

# Environmental proof points and sensitive issues

For Insurance and Investment Activities



## Climate ambition for liabilities and investments

### Our successes so far in a nutshell:

First Green Bond by German insurance

1.6 bn investments in renewables

Coal & Oilsands exclusions

### Our Climate Ambition 2025 and beyond:

Absolute CO2 Emission targets across core business in line with Paris Agreement

Coal Exit by 2040

# Munich Re Group Climate Ambition 2025 and beyond

Lead by climate action – leveraging role as investor, underwriter and audible public voice

	ASSETS	LIABILITIES	OWN OPERATIONS
Comprehensive Climate Risk Management	<ul style="list-style-type: none"> <li>Climate Risk Management on both assets and liabilities:                             <ul style="list-style-type: none"> <li>&gt; Physical risks</li> <li>&gt; Transition risks</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Reputational and ESG risks</li> <li>Litigation risks</li> </ul>	<ul style="list-style-type: none"> <li>Improving operational emissions and efficiency</li> </ul>
Ambitious Decarbonisation Targets	<ul style="list-style-type: none"> <li>Total: net-zero (2050)</li> <li>Thermal coal: full exit (2040)</li> </ul>	<ul style="list-style-type: none"> <li>Oil &amp; Gas: net-zero (2050)</li> <li>Thermal coal: full exit (2040)</li> </ul>	<ul style="list-style-type: none"> <li>Carbon-neutral since 2015</li> <li>Net-zero emissions by 2030</li> <li>100% green electricity by 2025</li> </ul>
Innovative Climate Solutions	<ul style="list-style-type: none"> <li>Investing in low-carbon technologies and green innovations</li> <li>Green bond issuance</li> </ul>	<ul style="list-style-type: none"> <li>Climate risk analysis services</li> <li>Risk transfer solutions for climate mitigation &amp; adaptation</li> </ul>	<ul style="list-style-type: none"> <li>Project “Tackling Climate Change Together”</li> </ul>

## Initiatives & Partnerships

- Global partnerships for collaborations and innovation towards climate-friendly solutions
- Providing our expertise as a public voice to advocate for climate action and resilience

# Social indicators

An attractive employer with a social impact

## Diversity – Share of women in ...

- Management, worldwide: 35%
- Supervisory Board: 45%



Employees with access to mobile working

**100%**

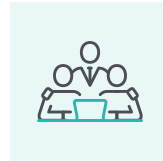


Organizations supported in 2020

**>900**

## Health and training

- 85% employees with access to health services
- 3.2 training days per staff member



Employees with flexible working hours

**95%**

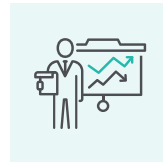


Climate Start-ups supported in 2020

**7**

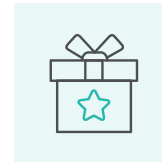
## Award winning employer in 2020

- “Human Resources Excellence Awards” Winner
- “E-Learning award 2020”
- “Faires Trainee-Programm 2020”



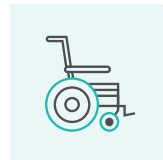
Employees receiving regular performance and career development reviews

**100%**



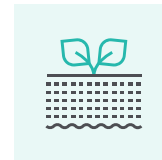
Christmas presents for sick or socially disadvantaged children and teenagers

**>800**



Employees with disabilities

**4.6%**



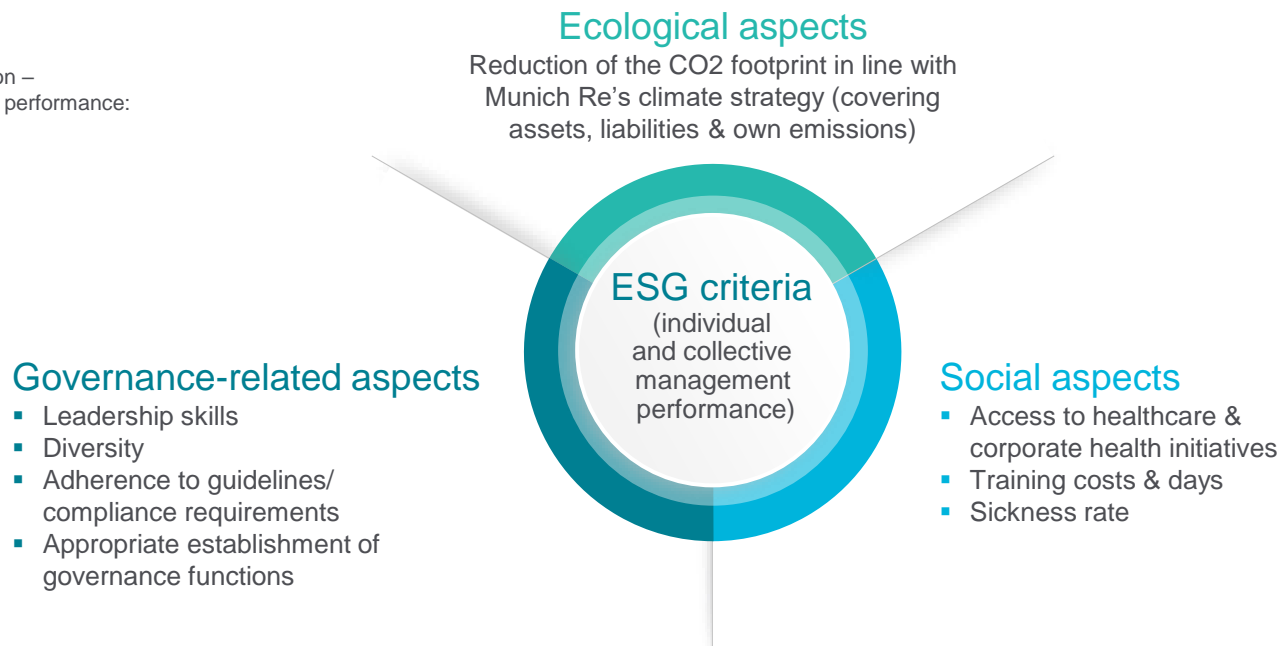
Investment in Food Commodities excluded

# Sustainable governance

ESG topics included in the remuneration system for the Board of Management

## Clear ESG criteria (loading/reduction of up to 10 percentage points)

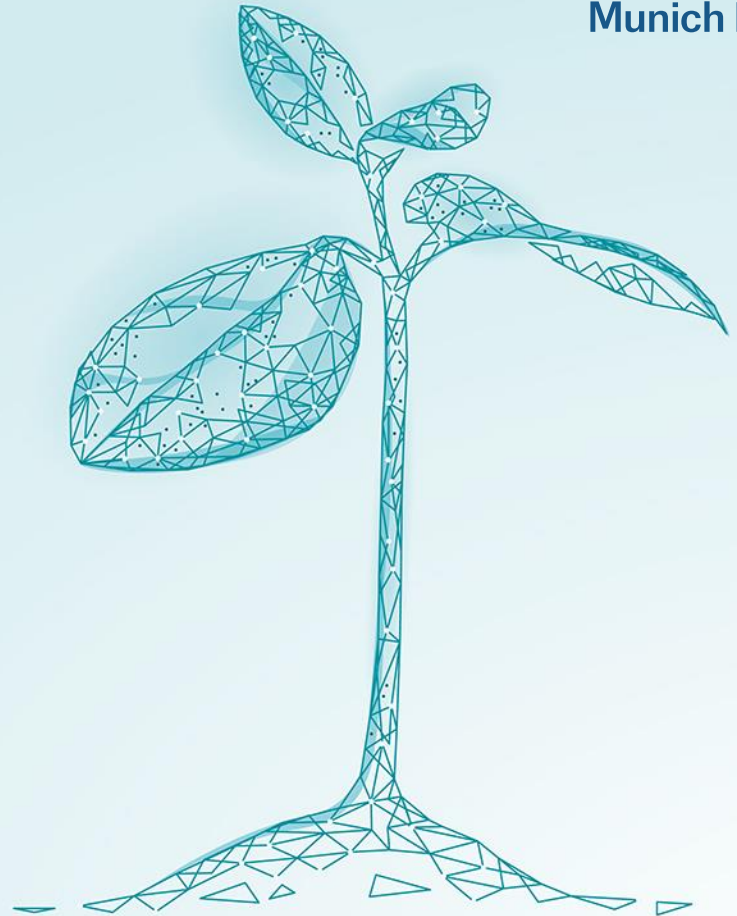
Variable remuneration –  
Evaluation of overall performance:



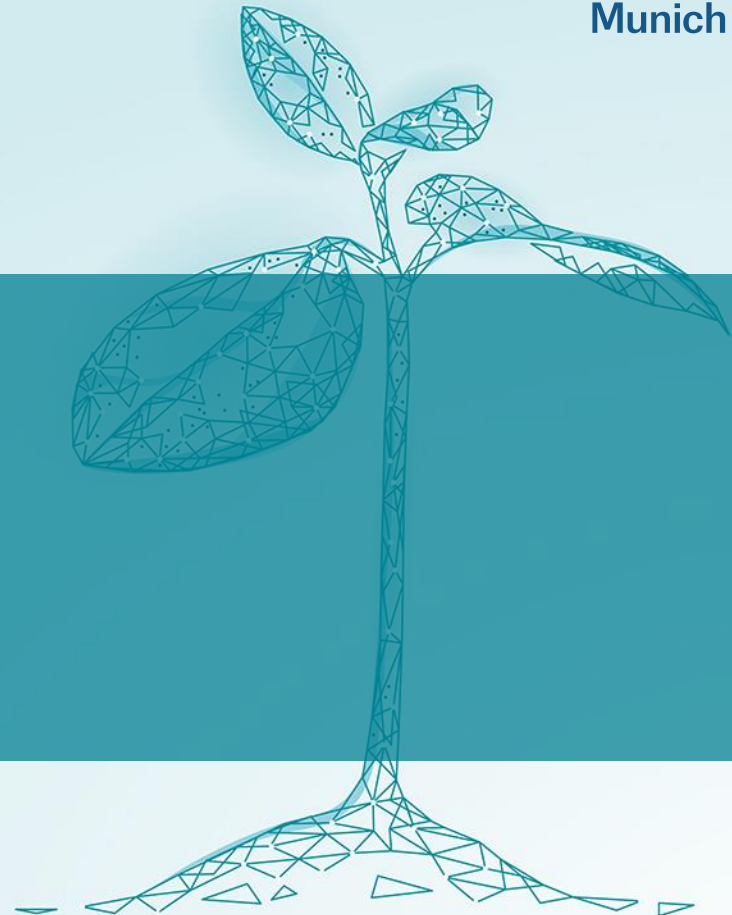


Thank you for your attention!

Any Questions?



# Annex



# Reputational Risk Committees (RRC)

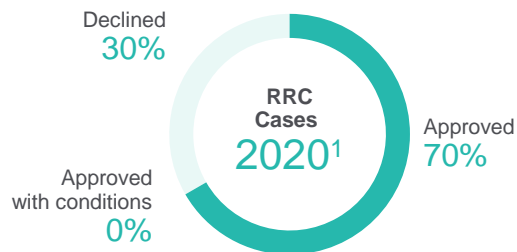
Clear Process for Controversial Underwriting and Investment Issues

**Reporting of critical issues prior to closing of a deal**

**Evaluation by Experts**  
Experts from ESG Team, CU, Legal, Com

**RRC Decision**  
Decision within 48 hours

**Board of Management**  
Decisions can be escalated to BoM



# Munich Re Group Ambition 2025

Employer of choice



**Succeed**

Shareholders

Clients

**Employees**

Communities

## Skill-driven in technical excellence

- Leading technical excellence, passing on superior UW capability
- Best-in-class risk management know-how

## Driving digital culture

- Superior data analytics trainings
- New ways of tech-enabled working

## Risk entrepreneurship

- Pushing boundaries of insurability
- Digital hubs embedded into business

## Socially engaged

- Support ~ 500 projects in our communities
- Enabling staff to contribute – in Munich Re and beyond
- Long-term reliable and caring employer

## Diverse workforce

- 50+ sites globally
- 60+ nationalities

- 80+ skill groups
- 40% managers to be female in 2025

**Highly committed talent, leading by skill and experience**

# Munich Re's ESG framework

For Insurance and Investment Activities

## ESG aspects, sensitive issues, Munich Re position and measures



### Environment

- Pollution
- Natural resources & biodiversity
- GHG emissions



### Social

- Political context & public awareness
- Labour & working conditions
- Human rights
- Health, safety & security for the community
- Displacement of people
- Cultural heritage



### Governance

- Responsible & correct planning & evaluation
- Compliance
- Consultation & transparency

#### Sensitive issues: Munich Re positions and measures



**Banned weapons:**  
Policy on cluster munitions and land mines



**Coal:**  
Policy on coal business underwriting and investments



**Arctic drilling:**  
Guidelines, risks to be referred to Arctic Drilling Panel



**Oil sands:**  
Policy on oil sands business underwriting and investments



**Fracking:**  
Position paper including specific questions on ESG aspects



**Mining:**  
Position paper including specific questions on ESG aspects



**Investments in farmland:**  
Mandatory ESG check for investments

### ESG Tool for Underwriting

Assessment of different industries, best practice in credit/surety

### Sustainable investment process

ESG research & ratings included in investment process

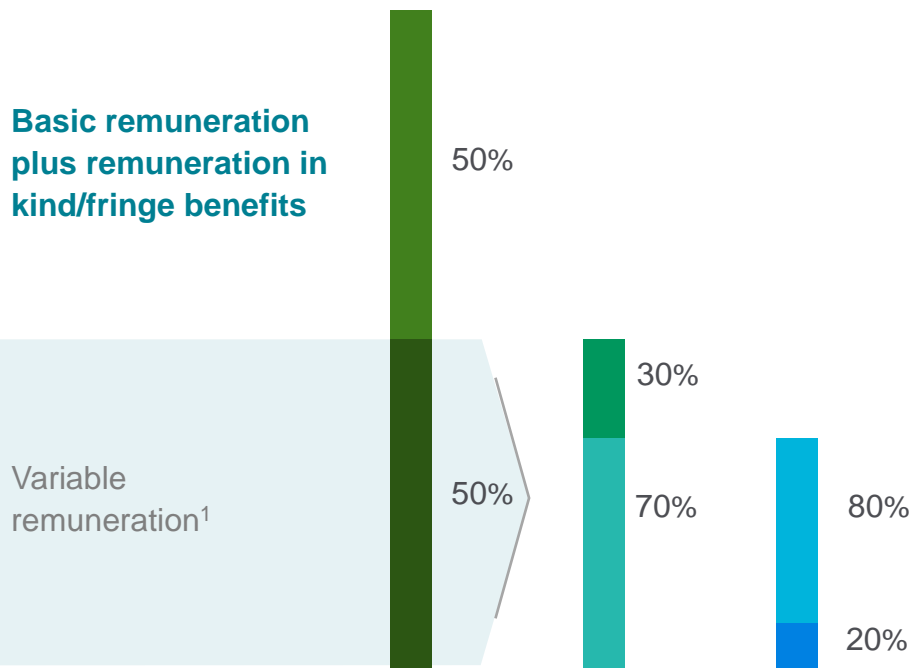
### ESG country rating

ESG information included in Munich Re Country Risk Assessment

**Continuous evaluation & refinement of framework & processes, taking regulatory developments & industry-wide standards into consideration**

# Governance

## Remuneration system for the Board of Management as of 1 January 2021



### Share ownership guidelines:

100% of annual gross basic remuneration

Term	Assessment basis	Scaling	
1 year	IFRS consolidated result	0% = T - 2X 100% = T 200% = T + X	T: Target in €m X: Deviation in €m
4 years	Total shareholder return (TSR) compared to a defined peer group	0% – 200%; 0% = lowest 200% = highest TSR in peer group	<u>Peer group</u> Allianz, Axa, Generali, Hannover Re, SCOR, Swiss Re, Zurich
	At least one sustainability target (new as from 2022)	0% – 200% 100% = Target	

<sup>1</sup> For 100% achievement of objectives/performance evaluation. Evaluation of overall performance: Adjustment of achievement figures by the Supervisory Board of up to 20 percentage points (loading/reduction) – 10pp ESG criteria, 10pp success- and performance-related criteria.

# Disclaimer

This presentation contains forward-looking statements that are based on current assumptions and forecasts of the management of Munich Re. Known and unknown risks, uncertainties and other factors could lead to material differences between the forward-looking statements given here and the actual development, in particular the results, financial situation and performance of our Company. The Company assumes no liability to update these forward-looking statements or to make them conform to future events or developments.