

February 2018

Code of Conduct – Munich Re (Group)

A compass for responsible behaviour
at Munich Re, ERGO and MEAG



Munich Re Code of Conduct



How Munich Re (Group)¹ is perceived by the public depends on each and every member of our staff². By aligning our actions to high ethical and legal standards, we create a spirit of trust and protect the reputation of all Munich Re companies.

Together with the Group's Core Principles, the Code of Conduct reflects our values. These values also embrace the ten principles of the United Nations Global Compact, with which we have been voluntarily complying since 2007.

The Code of Conduct is a set of binding rules for all our staff members, including senior executives and the members of the boards of management of Munich Re companies. It makes the standards of ethical conduct in our daily work transparent. The code is supplemented by additional rules in certain divisions and Group companies.

A handwritten signature in black ink that reads "Joachim Wenning". The signature is written in a cursive, flowing style.

Dr. Joachim Wenning
Chairman of the Board of Management

Overview of our Core Principles and the topics in the Code of Conduct

The Group's main philosophy and convictions are engraved in its five Core Principles, which provide the mandatory framework for all of our activities. All Code of Conduct rules and policies can be traced to our Core Principles, though other combinations than the ones shown below are also possible.

	Core Principles	Code of Conduct topics
Core business	Our core business is the management of insurable risks – we strive for excellence in risk management, underwriting and active risk diversification.	<ul style="list-style-type: none"> – Compliance with laws and regulations – Doing business reliably and with integrity – Fair and legal competition – Compliance with the rules of data protection, information security and confidentiality
Cooperation with clients and sales partners	We base our actions on our clients' and sales partners' needs, and offer them the best possible solutions – through our knowledge, our innovative power, and close cooperation.	<ul style="list-style-type: none"> – Handling conflicts of interest responsibly – Preventing financial crime
Disciplined financial management	We manage our Group in a disciplined and value-oriented way – matching our investments to our liabilities and applying consistent capital management.	<ul style="list-style-type: none"> – Observing financial sanctions – Preventative measures against money laundering – Observing rules on insider trading
Group-wide HR management	We use the management potential and knowledge within the Group by promoting diversity, flexibility and a unifying leadership culture.	<ul style="list-style-type: none"> – Respectful and appreciative treatment of staff members – Responsible leadership
Responsible approach	Our responsible conduct creates sustainable value – for our clients, staff members, shareholders and society.	<ul style="list-style-type: none"> – Corporate responsibility (CR) – Integration of environmental, social and governance (ESG) aspects – Handling donations and sponsorships appropriately – Adhering to rules for external communication – Tax law – Protecting Munich Re's corporate assets – Whistleblowing – Dealing with misconduct – Protecting staff members



Core business

Compliance with laws and regulations

Complying with the laws and regulations in the relevant jurisdictions constitutes an elementary principle underlying our business. All our staff members are required to observe the statutory and supervisory regulations that govern our operations. The same applies to our internal rules. Our senior management is responsible for ensuring that the Code of Conduct and our internal rules are communicated and implemented throughout the companies within their scope of responsibility.

We do not participate in businesses that purposefully attempt to breach or circumvent statutory or supervisory rules.

Doing business reliably and with integrity

All our staff members are obliged to uphold Munich Re's reputation in their daily work, and to avoid any conduct that could harm the reputation of one or more companies within the Group. In particular, we expect our staff members to exhibit personal integrity and reliability.

We are committed to the principle of dealing fairly and openly with our clients, business and sales partners. We aspire to give our clients the best possible advice in making informed, reasonable decisions in their best interests. Potential conflicts of interest with clients and other business partners must be avoided, or – where this is not possible – appropriately resolved. Complaints from clients or former clients must be handled fairly and without delay.

As a Group, our aim is ...

- ... that all decisions and activities of staff members comply with this Code of Conduct and the applicable statutory, supervisory and internal rules;*
- ... that all relevant rules are appropriately communicated to staff members;*
- ... that superiors and/or the responsible contacts³ are informed where there are indications that statutory or internal rules may have been breached.*

As a member of staff, this means that ...

- ... in my daily work, I evaluate whether my actions and decisions are in line with the applicable rules at all times;*
- ... I examine whether my actions may adversely affect individual Munich Re companies;*
- ... I consult my superiors or the responsible contacts in case of doubt.*

Fair and legal competition

We use fair and legal means of competition. All staff members are thus obliged to comply with the rules of national and international competition and antitrust law.

Given that competition and antitrust law is very complex, the responsible contacts should be consulted if there are any doubts about the admissibility of a given competitive behavior. Any supplementary, company-specific requirements and internal rules must be observed.

Compliance with the rules of data protection, information security and confidentiality

It is essential that we protect the personal data of our staff members and clients, guard our business and sales partners' corporate information, and our own trade secrets, if we are to be treated as a competent and trusted partner. Every staff member must contribute hereto.

All staff members are bound to secrecy in all company matters, as long as it cannot be assumed that the information is already public. All information is for internal use only and must be handled confidentially, unless it is expressly intended for external publication and has been classified as such.

Munich Re has implemented Group-wide organisational processes and technical security measures to protect its confidential information. In addition, we offer regular training sessions and other measures to heighten awareness. These help to ensure that our confidential data is suitably protected against unauthorised access, as well as against malicious use, manipulation or loss. Any supplementary, company-specific requirements and internal rules must be observed.

As a Group, we must ...

*... engage only in fair competition;
... provide staff members with contacts who can be consulted in the event of uncertainty.*

As a member of staff, this means that ...

*... I engage in fair competition;
... I ensure that I do not reveal or exchange any unauthorised competitive information to any of my business contacts;
... I do not make any derogatory comments about competitors.*

As a Group, we must ...

*... ensure that our staff members know, understand and comply with the applicable rules on information security and data protection;
... provide our staff members with the tools and know-how necessary for them to meet their obligations.*

As a member of staff, this means that ...

*... I process personal data and other confidential information only when necessary and permissible;
... I ensure that all the confidential information within my sphere of responsibility remains secure;
... I prevent third parties from using my login ID, and I protect my computer, mobile devices and data storage media against theft and unauthorised use;
... when I leave my workstation, I lock away any documents that contain confidential information;
... I do not circumvent any installed security measures, and I uphold all internal procedures.*



Cooperation with clients, business and sales partners

Responsible handling of conflicts of interest

We are to avoid any situations that could lead to a conflict between personal interests and the interests of Munich Re or those of our clients, business and sales partners. Potential conflicts of interest must therefore be identified as early as possible and then resolved professionally and fairly.

As a general rule, any personal interests of a staff member related to their positions at work must be disclosed to their superiors. In case of doubt, Compliance⁴ is to be consulted.

A conflict of interest may, for example, arise when giving or receiving gifts or invitations. It is not permitted to accept or give any financial gratuities (e.g. cash, cheques or bank transfers). Public officials, politicians and other representatives of public institutions may not be offered gifts, invitations or other gratuities that could call into question their independence or integrity. No gratuities whatsoever may be offered to such officials without obtaining prior approval from Compliance.

Details about how to handle conflicts of interest, gifts and invitations appropriately are defined in separate, company-specific standards and internal rules, which must be complied with.

As a Group, we must ...

- ... make rules and guidelines available to staff members of all companies, so they can inform themselves before accepting or receiving gratuities;*
- ... ensure that gratuities do not cause any conflicts of interest, and that they are consistently checked for appropriateness and social acceptability.*

As a member of staff, this means that ...

- ... I disclose to my superiors or Compliance any conflicts of interest that arise in association with a business decision;*
- ... I accept and/or offer gifts and invitations only in accordance with the applicable rules.*

Preventing financial crime

Munich Re companies have zero tolerance for financial crime, and have implemented measures on preventing and detecting fraudulent activity and on reacting appropriately. Financial crime includes but is not limited to bribery, breach of trust, fraud, tax evasion, balance sheet falsification, and subsidy fraud.

Prior to a business transaction, staff members at Munich Re companies obtain sufficient information about the client's business environment, the client itself, and the purpose of the intended transaction.

If any illegal activity is suspected, staff members are to inform their superiors or the responsible contacts without delay. If there is any doubt about a transaction's legality, it must be declined. Any supplementary, company-specific requirements and internal rules must be observed.

As a Group, we aim to ...

- ... protect our staff members, clients and business partners from the consequences of financial crime;*
- ... provide our staff members with the tools to identify at an early stage and report financial crime;*
- ... systematically investigate criminal activity and take appropriate responsive action.*

As a member of staff, this means that ...

- ... I familiarise myself with the applicable rules, including those communicated to me by my employer on preventing financial crime;*
- ... I make active use of the information provided by my company;*
- ... if I suspect anything, I notify the responsible contacts in confidence.*



Disciplined financial management

Observing financial sanctions

Sanctions are politically motivated legal restrictions on trading and exchanging capital or funds with certain countries, people or groups. They are often issued on the basis of UN resolutions by individual countries or as regulations by the European Union (EU), and are amended regularly.

Violations of sanctions, whether intentional or by negligence, can result in criminal proceedings and/or fines towards the company. Other commercial and legal consequences can also follow, such as a ban on doing certain kinds of business and restrictions on market access (particularly the USA). Since sanctions apply to both legal and natural persons, Munich Re companies and staff members must take the provisions of any sanctions into account in all their business transactions. Any supplementary, company-specific requirements and internal rules must be observed.

Preventative measures against money laundering

Munich Re companies must not be misused for the purposes of laundering money or financing terrorism. Certain companies of Munich Re are subject to special statutory rules in this regard, which the staff members of those companies must be aware of and comply with. That is the only way to prevent our companies from coming into conflict with the law. Any supplementary, company-specific requirements and internal rules must be observed.

As a Group, we must ...

... provide our respective staff members with the statutory rules and our company-specific practices on dealing with financial sanctions and preventing money laundering.

As a member of staff, this means that ...

*... I comply with the rules on dealing with financial sanctions and preventing money laundering;
... where I have reasonable suspicions concerning a violation of anti-money-laundering rules or of financial sanctions, I will notify my superiors or the responsible contacts.*

Observing rules on insider trading

Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München is listed on the German stock exchange. Therefore, non-published information that could affect share prices – otherwise known as inside information – may only be disclosed to certain members of staff.

As a general rule, staff members who hold inside information about Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München or any other listed company are prohibited from transacting in those companies' securities or financial instruments. Insiders also may not disclose the inside information to third parties without authorisation, except where the disclosure is made in the normal exercise of employment, profession or duties. Compliance must be notified before inside information is passed on, so that the recipient can be informed of the legal requirements against insider trading. Making investment recommendations and inciting insider dealings are also prohibited, as is cancelling a deal after having received inside information.

In addition, certain dealings by managers – so-called managers' transactions – are subject to special legal disclosure requirements as to ensure transparency on the capital markets. Any supplementary, company-specific requirements and internal rules must be observed.

As a Group, our aim is ...

- ... that the staff members at our companies comply with the applicable rules on handling inside information;*
- ... that staff members recognise when certain knowledge might qualify as inside information.*

As a member of staff, this means that ...

- ... I do not disclose inside information without authorisation;*
- ... I do not use inside information to conduct financial transactions or make corresponding recommendations;*
- ... I comply with trading windows and vesting periods for transactions in the securities or other financial instruments of Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München, to the extent that these rules apply to me;*
- ... when in doubt, I contact Compliance.*



Group-wide HR management

Respectful and appreciative treatment of staff members

We expect staff members to observe every individual's personal dignity, privacy and personal rights. We do not tolerate discrimination (on grounds of disability, age, sex, ethnic origin, nationality, sexual identity, political opinion, race, religion or the like), sexual or other personal harassment, or insulting behaviour. We also do not tolerate any socially inappropriate behaviour, intimidation or violence, or the threat of such.

Responsible leadership

Our managers' culture of leadership and their duty as role models are an essential part of our compliance culture. We expect our managers to take responsibility for their staff members and for reaching business goals with integrity. Their own conduct should reflect what they expect from staff members.

As a Group, we aim to ...

... promote diversity in our Group, and to conduct ourselves accordingly, both in-house and in public;
... have our managers behave as role models to their colleagues and staff members.

As a member of staff, this means that ...

... I support a culture in which ethically irreproachable conduct is recognised, valued and embodied by all;
... I treat my colleagues and business and sales partners fairly and with respect.



Responsible approach

Corporate responsibility (CR)

We follow Munich Re's guiding principle of turning risk into value. That is why we address global challenges, and use our knowledge, expertise and creativity to offer innovative and sustainable solutions. We go beyond what is required by law, and have committed ourselves to meeting more far-reaching standards. These include the United Nations Global Compact (see annex), the Principles for Responsible Investment (PRI), and the Principles for Sustainable Insurance (PSI).

Integration of environmental, social and governance (ESG) aspects

We systematically take into account environmental, social and governance (ESG) aspects across the whole value chain – from the acquisition and transaction of insurance business, to asset management.

We practice proactive environmental management to reduce our CO₂ footprint. We also support educational, social and cultural projects at our various locations worldwide. These commitments aim to strengthen the trust placed in us by our staff members, clients, business and sales partners. We have specific committees or bodies in place in every field of business to address the possible negative consequences our operations may have for society, the environment and our reputation, and which staff members can and should consult when in doubt.

As a Group, we aim to ...

- ... make a positive contribution to the environment and society with our conduct;*
- ... observe ESG principles on sustainable economic development;*
- ... fund projects and work with partners worldwide to support solutions to social challenges.*

As a member of staff, this means that ...

- ... I consider ESG aspects in my work;*
- ... I consult the respective bodies when our reputation is at risk;*
- ... my decisions at work actively support our environmental and climate goals.*

Handling donations and sponsorships appropriately

Donations are voluntary contributions – monetary or as another benefit – made by Munich Re companies. We may not receive any services in return for donations – they merely express our commitment to society.

A central characteristic of sponsoring, on the other hand, is that we receive appropriate services in return.

When making donations or sponsoring, the applicable company-specific standards and internal rules must be complied with.

Adherence to rules for external communication

Only senior managers of Munich Re companies, or expressly authorised employees, may issue official statements to the media or communicate with the media and shareholders. Any external enquiries must be forwarded to these authorised staff members.

The same applies to statements issued to public institutions or supervisory authorities. Communication with these bodies may only be conducted via the responsible staff members.

We respect and protect personal rights, privacy and the freedom of expression. However, staff members should be aware that, even in their private lives, they may be seen as representatives of the company. Staff members are therefore expected to uphold the company's image and reputation in their conduct outside the company as well.

Anyone perceived as a representative of Munich Re in the public eye – for example at trade presentations and seminars, or on social media – without having been authorised, must make clear they are acting as private individuals.

Any supplementary, company-specific requirements and internal rules must be observed.

As a Group, we aim to ...

*... achieve compliance with all internal rules when issuing donations or sponsoring;
... actively and efficiently communicate the information important to external recipients, and offer professional points of contact.*

As a member of staff, this means that ...

*... I comply with the applicable rules when approving donations or sponsorships, and I consult the responsible contacts in case of doubt;
... when communicating with external parties, I always consider which information I can and should disclose;
... I always delegate official statements to the expressly authorised staff members, and do not disclose them myself.*

Tax law

Munich Re sees itself as a law-abiding, transparent and trustworthy taxpayer. All taxes and duties levied on Munich Re, both nationally and internationally, are to be paid. Munich Re's good reputation among the authorities and the public as a responsible and credible taxpayer is to be upheld.

Any supplementary, company-specific requirements and internal rules must be observed.

As a Group, we aim to ...

... have our staff members comply with the tax rules applicable for fulfilling our tax obligations.

As a member of staff, this means that ...

*... I address the tax issues arising in my area of work;
... I develop an awareness for the tax risks involved;
... I comply with the internal rules on taxation;
... my conduct supports our company's ability to pay its taxes on time and in the correct amount;
... when in doubt, I contact Group Tax in due time.*

Protecting Munich Re's corporate assets

Munich Re's corporate assets include not only material goods and property, but also intangible goods. These include intellectual property, software products developed in-house, and work results.

All members of staff are responsible for these corporate assets, which may be used for legitimate business purposes only, and on no account for illegal ends. Staff members must comply with the applicable company-specific standards and internal rules when using the company's resources, office equipment, information and communications infrastructure, and when accessing external know-how. Private use thereof is only permitted where expressly allowed by the respective guidelines, rules or special agreements.

As a Group, we aim to ...

... protect Munich Re's corporate assets and intellectual property, in particular.

As a member of staff, this means that ...

*... I handle the company assets entrusted to me with care, and I protect them from unauthorised access and theft in particular;
... I comply with the company-specific rules on using corporate assets;
... I comply with the rules on protecting our operating premises and buildings, and do not provide keys or company ID to third parties;
... I see to it that guests and visitors are accompanied when at our offices;
... I report any property-related security issues or suspicious activity to my superiors or the responsible contacts.*

Whistleblowing

Staff members are to inform their superiors or the responsible contacts of a violation of the law, our internal rules or the provisions of this Code of Conduct, especially in cases of fraud, bribery, falsification of financial statements, or similar crimes. In addition, staff members may report witnessed activity to the company's ombudsman (where applicable), or via the electronic whistleblower portal (if set up at the respective company). The whistleblower portal allows users to communicate with Compliance anonymously. Staff members remain free to report such incidents to the responsible public or supervisory authorities, depending on the type of case.

Any reports will be handled confidentially. If there is reasonable suspicion of a violation, Compliance may also involve in its investigations the internal audit function or – depending on the type of case – the data-protection or money-laundering officers, or other competent contacts, while maintaining the confidentiality of the information received.

Dealing with misconduct

Non-compliance with legal provisions or supervisory regulations, or violations of this Code, may harm the reputation of Munich Re and its companies. In addition, such incidents may lead to public sanctions (fines, intervention in our business operations).

Staff members who intentionally or negligently violate internal rules or this Code may be breaching their employment obligations, and thus become subject to disciplinary action including termination of their employment contracts. Any sanctions will be imposed under the principles of proportionality and non-discrimination.

As a Group, we aim to ...

- ... fully clarify any violations;*
- ... encourage staff members to report violations to us;*
- ... protect staff members who report violations.*

As a member of staff, this means that ...

- ... I report any reasonable suspicion of illegal activity, or a breach of internal rules to my superiors or the responsible contacts;*
- ... I can use various channels to report violations (e.g. the whistleblower portal, ombudsman).*

As a Group, we aim to ...

- ... sanction misconduct reasonably and appropriately;*
- ... protect whistleblowers who report breaches in good faith;*

As a member of staff, this means that ...

- ... I am fully aware that misconduct and breaches of legal provisions, supervisory or internal rules at Munich Re will be investigated and sanctioned without exception;*
- ... I need not fear any kind of reprisal if I report suspicious activity in good faith.*

Protection of staff members

Whistleblowers acting in good faith will suffer no negative consequences. This of course applies even if the report turns out to have been unfounded.

The whistleblower in question may be sanctioned for the report only if he or she knew, or should have known, from the outset that it was false. Sanctions may be also imposed if the whistleblower later realises, or should have realised, that the report was false, and then does not inform the responsible contacts accordingly without delay.

Staff members who are wrongly accused may not suffer any negative consequences.

The United Nations Global Compact

The Global Compact's ten universally recognised principles, in the areas of human rights, labour standards, environmental protection, and prevention of corruption, are based on the following documents:

- the Universal Declaration of Human Rights,
- the ILO Declaration on Fundamental Principles and Rights at Work,
- the Rio Declaration on Environment and Development,
- the United Nations Convention against Corruption.

The Global Compact requires companies to adopt a series of basic principles from the fields of human rights, labour standards, environmental protection and corruption prevention, to uphold these principles and to incorporate them into their business practice within their area of influence:

Human rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
- **Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labour.
- **Principle 5:** Businesses should uphold the effective abolition of child labour.
- **Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.

Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges.
- **Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility.
- **Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

- **Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

- 1 "Munich Re (Group)" includes Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft in München and all of its affiliated companies within the meaning of section 15 et seq. of the German Stock Corporation Act (AktG). For reasons of simplicity, the term Munich Re (Group) is shortened to Group and/or Munich Re. In this context, Munich Re always refers to the Group and not the reinsurance segment.
- 2 When used in this Code of Conduct, the term "staff members" means both male and female employees, including senior executives and board members. For ease of reading, we henceforth refer merely to staff members.
- 3 The term "responsible contacts" within the meaning of this provision include the local Compliance units, Group Compliance, local audit functions, Group Audit and, for example, the Munich Re (Group) ombudsman.
- 4 For the purposes of this Code of Conduct, "Compliance" refers to the compliance organisation in place at the respective company. In case of doubt, Group Compliance should be contacted.

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