Sustainability Report 2022

Munich RE

1.

Introduction


Joachim Wenning
CEO Munich Re

1.1 CEO statement

> GRI 2-22

Ladies and Gentlemen,

Economic prosperity, resilience and technological progress are inseparable components that are necessary to create a just, sustainable society. To address these challenges, rather than focus on a single topic, we take a holistic approach to sustainability at Munich Re, one that factors in all aspects of ESG as we work together for a sustainable tomorrow.

Munich Re's commitment to acting responsibly continues to serve as the cornerstone of our value creation for and with all our stakeholders, as outlined in our Group Ambition 2025. To achieve a sustainable tomorrow, we utilise all our experience and expertise, and cooperate with external stakeholders to accelerate an effective transformation.

The need and strength to come together became very clear in the early months of 2022, when Russia attacked Ukraine, causing immense human suffering. Munich Re acted swiftly. The company and its staff around the globe started numerous aid initiatives. To mention just one example: We have been providing rent-free premises to the Ukrainian Free University in Munich. The University in exile is teaching more than 450 students, but has also started initiatives to support women and children who have had to flee the war in their country.

Our employees further increased our social impact with the help of our "Social Engagement Awards". This Group-wide initiative provided employees with the opportunity to receive funding for charitable projects of their choice. More than 100 projects were submitted and evaluated, 25 of which were ultimately approved, with funding amounts of between €5,000 and €250,000 being allocated. The projects ranged from day trips for Ukrainian children

1.1 CEO statement

affected by the war to solar-powered night schools for girls in rural India, and the implementation of sustainable agriculture practices to combat hunger and climate change.

As an employer, our aim is to foster a culture of togetherness and social cohesion. This is mirrored in our approach to new ways of working. We have started to realise workplace concepts that provide flexibility, while at the same time maintaining personal connections between colleagues. This empowers our employees to excel at their jobs, and serves our clients in the best way possible. And we aim to do this with a diverse workforce: 2022 saw the appointment of Clarisse Kopff, Mari-Lizette Malherbe and Michael Kerner to the Board of Management, which means that the Board is now more diverse and international than before. In addition, the proportion of women in management positions rose to 38.5% Group-wide, well on track to meet our 40 percent target by 2025.

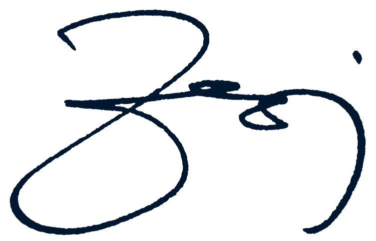
In the environmental sphere, climate change and biodiversity loss are topics that require clear action, especially in times of global crises. Our Net-Zero commitment builds on our climate ambition, which is currently well on track. For example, we have already reduced the GHG emissions of our property (re-)insurance business in oil and gas production by 40 percent.

We also support the transition to more renewable energy, and in 2022 we issued a further green bond, this time in US dollars, with a volume of US$ 1.25bn.

Our commitment to working together for a sustainable tomorrow is clear and points the way to an increasingly sustainable future across all ESG areas relevant to our organisation. The above examples cover only a small part of our ESG activities. This Sustainability Report shows you the whole picture.

I wish you an enjoyable read and hope you find the contents of this report informative.

Best regards,



Joachim Wenning

1.2 Portrait of Munich Re

> GRI 2-1; 2-6

Munich Re (Münchener Rückversicherungs-Gesellschaft Aktiengesellschaft) is a stock corporation with its registered office in Munich, Germany. Our business model is based on the combination of primary insurance and reinsurance under one roof. An overview of the countries and sectors where Munich Re operates can be found in our Annual Report.

€3.4bn

Munich Re profit 2022

We take on risks of many types and complexities worldwide. Munich Re stands for exceptional solution-based expertise, consistent risk management and financial stability. We attach great importance to maintaining close and trusting relations with our clients. One of Munich Re's guiding principles has always been to act with forward-looking responsibility, creating value with and for our stakeholders.

1.2 Portrait of Munich Re

Our uniform Group-wide strategy, "Ambition 2025", also focuses on sustainability and aims to create long-term value for shareholders, clients and employees alike, and for society as a whole. In the 2022 financial year, the Group achieved a profit of €3.4bn on premium income of €67.1bn. It operates in all lines of insurance, with some 41,000 employees and offices across more than 50 countries.

Reinsurance offers innovative solutions for complex risks

With gross premiums written of €48.1bn from reinsurance, Munich Re is one of the world's leading reinsurers, operating in life, health and property-casualty business.

As a reinsurer, Munich Re writes business in direct collaboration with primary insurers, but also via brokers, and increasingly within the framework of exclusive strategic partnerships. Munich Re offers a wide range of specialised products and customised insurance solutions and services for clients handling industrial and major project business.

As a reinsurer, Munich Re does business with over 4,000 corporate clients in more than 160 countries.

>4,000
corporate clients

Munich Re's employees provide extensive underwriting experience, global and local market insight, and cross-segment expertise to the customers they serve – a strength that has repeatedly earned Munich Re top rankings in client surveys.

Primary insurance under the ERGO brand

With approximately 25,000 employees worldwide, ERGO Group AG offers customers a comprehensive spectrum of insurance.

German, international, direct and digital business is bundled under the umbrella of ERGO Group AG. ERGO Deutschland AG concentrates on traditional insurance business in Germany, while ERGO International AG manages the Group's international business. The third pillar, ERGO Digital Ventures AG, is responsible for digitalisation, while ERGO Technology & Services Management AG manages all of the technology activities.

Via ERGO, Munich Re offers products in all main classes of insurance: life insurance, health insurance, and in nearly all lines of property-casualty insurance, as well as travel insurance and legal protection insurance. With these products – in combination with consultancy and support services – Munich Re meets the needs of private and corporate clients.

With gross premiums written amounting to €19.1bn, the ERGO Group generated nearly one third of Munich Re's total gross premiums in FY 2022.

Investments

MEAG manages a large part of Munich Re's investments worldwide and also offers its expertise to private and institutional investors outside the Group. MEAG handles all the main asset classes. These include interest-bearing securities, equities, real estate, renewable energy, and infrastructure.

As at 31 December 2022, total investment by the Group (excluding insurance-related investment) decreased compared with the 2021 figure, with the carrying amount decreased to €219.8bn and the market value to €223.5bn. The volume of assets managed for third parties amounted to €55.6bn.

2.

Approach to sustainability

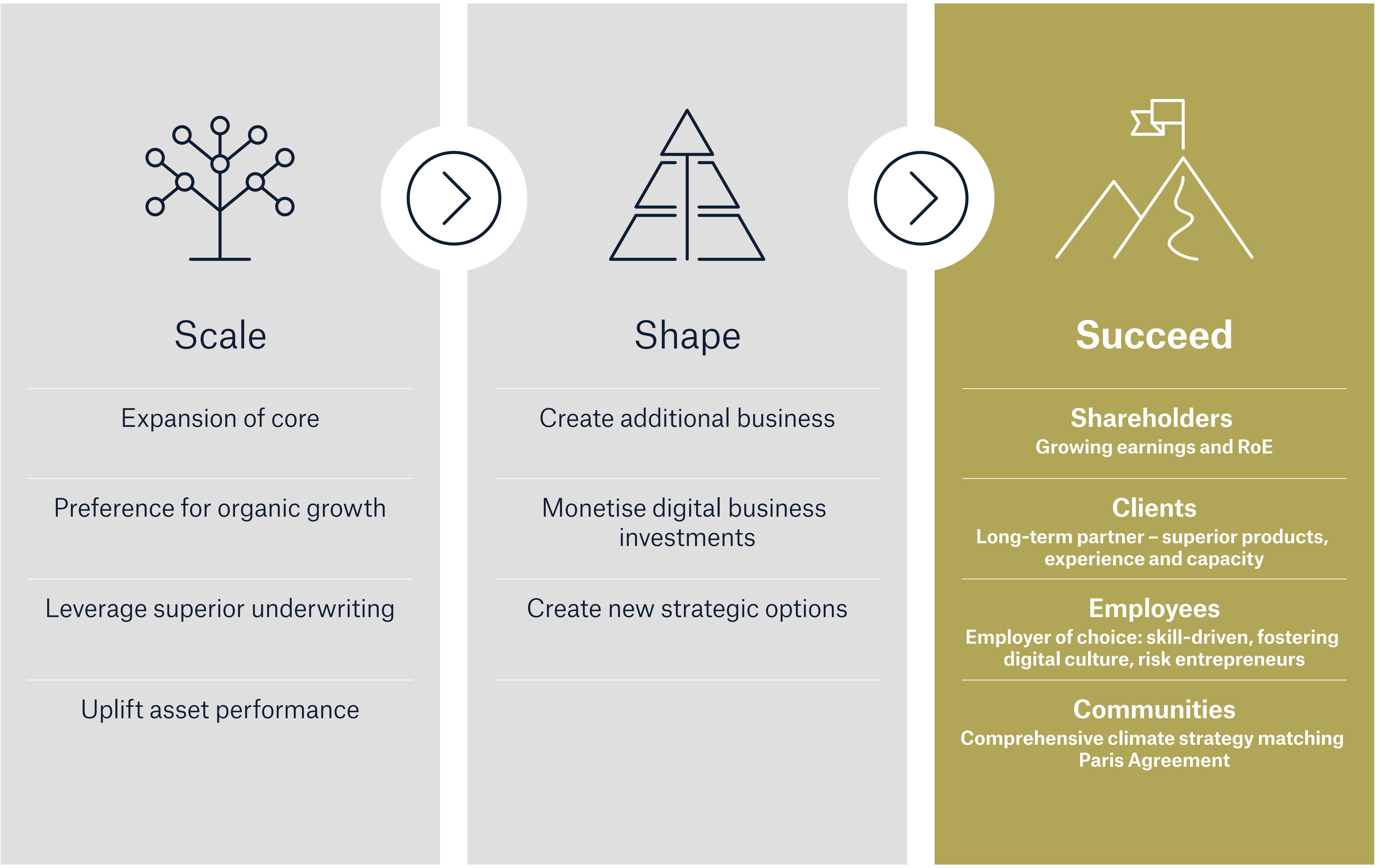
2.1 Sustainability strategy

> GRI 2-23

Munich Re adopts a forward-looking, prudent, and responsible approach to business. For more than 140 years, we have created long-term value by assuming a diverse range of risks around the world. We are convinced that this business concept will continue to be successful in the future through sustainable action. Our environmental, social, and governance (ESG) activities lie at the heart of this approach and reconcile economic, environmental, and social requirements. In this context, we rely on dialogue with our stakeholders and the establishment of global partnerships for sustainable development.

Ambition 2025

Munich Re's Group Ambition 2025 programme specifies several sustainability targets that will be realised over the coming years. These objectives are built around the three guiding principles of our Ambition 2025: Scale, Shape, and Succeed. "Scale" refers to the Group's determination to retain and expand its core business, while "Shape" represents the intention to create additional business and new strategies, which will transform the organisation through the adoption of new business models. "Succeed" calls for greater focus on the added value Munich Re creates for and with all its stakeholders. This translates into increased earnings for Munich Re shareholders and bespoke, increasingly superior products for clients from a reliable partner that really understands them. We provide long-term employment for our staff, along with excellent career prospects in a skill-driven, digital, and highly flexible work environment. Last but not least, we meet our responsibility to the wider communities in which we are active, through initiatives such as the Group's ambitious climate targets for its asset management, (re)insurance business, and own business operations.



2.1 Sustainability strategy

Holistic sustainability strategy

As described in our Ambition 2025, Munich Re aims to create value for all its stakeholders – our sustainability strategy systematically integrates this ambition across our activities. We address social challenges by making the best use of our strengths and abilities, and by sharing knowledge with our stakeholders. Our risk expertise, in particular, allows us to develop powerful new perspectives and sustainable solutions.

We focus on the following fields of action:

- **Responsible governance**
  Responsible corporate governance is only possible if it is based on ethical and legal conduct.
- **Sustainable approach to business**
  We proactively consider ESG aspects along the value chain in our business activities.
- **Environmental and climate protection**
  We have an ambitious climate strategy across liabilities, investments, and our own operations.
- **Responsible employer**
  As an employer, we attach the utmost importance to treating our staff in a responsible and respectful way. We create conditions to promote personal and professional development, and diversity.
- **Societal responsibility**
  Stemming from our sense of social responsibility, we support a large number of initiatives and projects that aim to promote social cohesion.

Meeting voluntary commitments

Voluntary commitments, such as those we made to the UN Global Compact (UNGC), the Principles for Responsible Investment (PRI), the UNEP FI Principles for Sustainable Insurance (PSI) and – since 2020 – our membership of the Net-Zero Asset Owner Alliance (NZAOA), represent a key element of our sustainability strategy. Munich Re also joined the Taskforce on Nature-related Disclosures (TNFD) as a forum member (2022). Our recognition of these guidelines and our membership in the above initiatives are testimony to our dedication to sustainability. Our risk expertise, products, solutions, and actions as a responsible employer have the potential to contribute to the achievement of several of the UN Sustainable Development Goals (SDGs).

The UN Sustainable Development Goals consist of 17 interrelated goals aiming to achieve a more sustainable future by 2030.

2.2 Goals and ambitions

> GRI 3-3

We work continuously to refine and implement our corporate responsibilities, and as part of this we have set ourselves the following goals and ambitions.

Sustainability in business

Our focus is the integration of ESG aspects into our business overall and the development of sustainable solutions for (re)insurance and investment business. We focus on the topics of major impact: climate change (liabilities and investment) across our entire business.

Goals and ambitions for liabilities	Status[1]	Progress in 2022
Decarbonisation of our (re)insurance business	ongoing	- First quantitative reporting on decarbonisation from fossil-fuel-related insurance activities - New underwriting guidelines restrict involvement in new oil and gas projects - Reinforced guidelines regarding insurance of Arctic drilling and related infrastructure
Thermal coal facultative, primary and direct insurance: By 2025: thermal coal: –35% GHG emissions[2]; By 2040: full exit	ongoing	- Monitoring system for our reduction targets implemented Decarbonisation achievements in GHG emissions (compared to 2019)[3]: Coal-fired power plants –29% Thermal coal mining –37%
Operational oil and gas production facultative, primary and direct property insurance: By 2025: –5% GHG emissions[2]; By 2050: net-zero emissions	ongoing	- Monitoring system for our reduction targets implemented Decarbonisation achievements in GHG emissions (compared to 2019)[3]: Oil and gas –40%
Further integration of ESG aspects in underwriting processes	ongoing	- Use of RepRisk and MSCI database - Extending the offering of advanced ESG training for specific user groups (e.g. underwriters in core business) at Munich Re
	completed	- New Group-wide ESG awareness-raising measure “ESG Basics” aimed at all employees rolled out in spring 2022

2.2 Goals and ambitions

Goals and ambitions for investment	Status[1]	Progress in 2022
Decarbonisation of our investments: net-zero ambition by 2050	ongoing	- Active Member of the Net-Zero Asset Owner Alliance (NZAOA) since beginning of 2020 - Participation in various workstreams as well as active support in updating the Target Setting Protocol
Decarbonisation of listed equities, corporate bonds, direct real estate by 2025: GHG emission reduction of 25-29%[2]	ongoing	- Regular disclosure of financed GHG emissions from listed equities, corporate bonds and direct real estate - Development of GHG emissions (scope 1 and 2) compared to the 2019 base year (Munich Re Group Ambition 2025) achieved by end of 2022: –46%[4]
Thermal coal (in particular mining and/or power generation) for listed equities and corporate bonds: by 2025: –35% GHG emissions[2] by 2040: full exit	ongoing	- Regular disclosure of financed GHG emissions from equities and corporate bonds - Development of GHG emissions (scope 1 and 2) compared to the 2019 base year (Munich Re Group Ambition 2025) achieved by end of 2022: –48%
Oil and gas (in particular drilling and production, refining and distribution) for listed equities and corporate bonds: by 2025: –25% GHG emissions[2]	ongoing	- Regular disclosure of financed GHG emissions from equities and corporate bonds - Development of GHG emissions (scope 1 and 2) compared to the 2019 base year (Munich Re Group Ambition 2025) achieved by end of 2022: –29%
Increase volume of green bonds issued	completed	- Munich Re issued its third green bond, this time in US dollars, with a volume of US$ 1.25bn
Increase renewables portfolio to €3bn	ongoing	- Increase of investments (equity and debt) in renewable energies to approximately €2.4bn
Increase ESG-focus investments	ongoing	- Definition of ESG-focus investments as investments with positive contribution to our ESG investment strategy ESG-focus investments as at 31.12.2022: - Renewables: €2.4bn - Certified real estate: €2.6bn - Certified forestry management: €1.5bn - Green bonds (investment portfolio): €2.3bn
Enhancement of ESG integration in investment management	ongoing	- Review of Responsible Investment Guideline in December 2022 - Implementation of emission steering in investment processes with instruments like CO_2 budgets - Strengthening of restrictions to controversial weapons, new oil and gas, biodiversity and human rights - Definition of Key Performance Indicator (KPI) “Rating coverage of liquid asset classes”, which amounted to 95.4% by the end of 2022
Continuous enhancement of stewardship activities	ongoing	- Further developed engagement process: increased number of CA100+ engagements, monitoring through a specific engagement report - Proxy voting process strengthened, voting records disclosed since 2021 (for 2020)

2.2 Goals and ambitions

Environmental management

We take responsibility for environmental protection in our own operations and get involved wherever we can to make a positive and tangible impact.

Goals and ambitions	Status[1]	Progress in 2022
Operational emissions - 12% GHG emission reduction per employee by 2025 - own GHG emissions ambition to achieve carbon net-zero by 2030	ongoing	- Reduction of 22% per employee (2019 to 2022) - Munich Re Munich headquarters is carbon net-zero, with ongoing GHG neutrality at other sites of Munich Re
100% green electricity purchased Group-wide by 2025[2]	not yet achieved	- 90% green electricity purchased Group-wide in 2022

Employees

The main goals of our human resources strategy are attracting, developing and retaining outstanding staff. Promoting diversity and inclusion in all aspects is a strategic focus of our Group-wide human resources strategy.

Goals and ambitions	Status[1]	Progress in 2022
Diversity Group-wide 40% female managers by 2025	ongoing	- Proportion of women in management positions worldwide at 38.5% - Proportion of women in management positions at Munich Re in Germany increased to 28.8% - 123 different nationalities at more than 50 locations, creating the basis for the implementation of a Group-wide DEI governance, which will consist of the DEI Management Team, the DEI Council, the Strategy Committee and the Munich Re Board of Management

2.2 Goals and ambitions

Development and Talent Management	ongoing	**Targeted, needs-based training for all staff, particularly on the subject of digitalisation:** - LinkedIn Learning for reinsurance in 2022: approx. 7,500 activated licences, more than 172,000 completed learning videos
	ongoing	**Identification and development of staff with leadership potential** - The RISE trainee programme was launched at ERGO - 53.6% of all open management positions globally and 77.7% in Germany were filled with internal candidates
Measuring employee satisfaction and commitment	ongoing	- In 2022, a Group-wide Sustainable Engagement Index was introduced, to be included in the annual surveys of the business fields: · Response rate: 72% · Employee engagement index: 79%

Society

Stemming from our sense of social responsibility, we support a large number of initiatives and projects that are close to our core business and aim to promote social cohesion.

Goals and ambitions	Status[1]	Progress in 2022
Enabling staff in Munich Re to contribute, with the aim of stimulating and promoting social commitment of employees.	ongoing	- >13,800 hours of corporate volunteering - Group-wide Social Engagement Awards to encourage and honour our employees' contributions to society with the following success factors: 25 of 114 social impact projects were supported with grants of between €5,000 and €250,000
Support for charitable organisations Group-wide by supporting projects fitting Munich Re's Social Impact Strategy	ongoing	More than 900 organisations supported, e.g.: - Ongoing and long-term sponsorship of start-ups with carbon removal solutions in partnership with EIT Climate-KIC, ETH Zurich and TU Delft, with the target of accelerating start-ups working on solutions for carbon dioxide removal - Continuing ongoing and long-term partnerships with GIZ and OroVerde - Ongoing and long-term partnership with Save the Children with the aim of providing rapid assistance to those in need after a natural disaster - Emergency donations in connection with disasters in the Horn of Africa, Pakistan, Afghanistan, Indonesia - Emergency donations related to the war in Ukraine - FY 2023: emergency donations to support aid measures after earthquake in Turkey/Syria

2.2 Goals and ambitions

Good corporate governance

A prerequisite for sustainable business practice is to ensure a fair and trusting relationship with our stakeholders. Aligning our actions to high ethical and social standards enables us to make responsible decisions and protect the reputation of the company and the Group.

Goals and ambitions	Status[1]	Progress in 2022
Strengthen ESG Governance across the Group	ongoing	- Standing Committee of the Supervisory Board responsible for regularly addressing sustainability topics since 2021, renamed "Praesidium and Sustainability Committee" in 2022 - In the DVFA analysis of DAX and MDAX indices, Munich Re again achieved the highest category with the rating "excellent" and was ranked first
Assessment and update of materiality matrix	completed	- Extensive materiality analysis in 2021 to identify the significant and material topics to be reported on. In 2022, we comprehensively reviewed and reassessed the materiality analysis
Efficient and comprehensive alignment to compliance requirements, avoidance of violations and enhanced transparency	ongoing	- Munich Re Code of Conduct updated in 2022. Roll-out will start in 2023 - The web-based training on anti-corruption was fundamentally revised and rolled out Group-wide. As part of the implementation of the German Supply Chain Due Diligence Act, Munich Re introduced a new Supplier Code of Conduct at the beginning of 2023 – including the 10 principles of the UNGC as an essential part. We estimate that approximately 80% of our contracts in 2022 contained the corporate responsibility clause - Increased transparency on reporting of compliance incidents in 2022 - No material data protection events as defined in the Solvency II Group Compliance Policy occurred anywhere in our Group worldwide, nor were any material proceedings for breaches of data protection regulations initiated

[1]Explanation of status:

completed	Quantitative target was reached within defined timeframe
exceeded	Quantitative target was overachieved within defined timeframe
not achieved	Target was not achieved qualitatively, quantitatively and/or within defined timeframe
ongoing	Ongoing progress or continuous target without end date
enhanced target	Previous target has been strengthened in the past year

[2] Base year 2019. | [3] "Tonnes of thermal coal" and "installed operational capacity in MW" of insureds used as proxy for coal emissions; liabilities comprise primary insurance, direct and facultative business; oil and gas comprises operational property business for exploration and production with self-calculated scope 1–3 GHG emissions linked to the insurance policy. | [4] If we were to use the nominal value instead of the market value for debt instruments, the reduction would have been 38% (instead of 46%) relative to the 2019 base year.

2.3 ESG governance

> GRI 2-9; 2-11; 2-12; 2-13; 3-3

For us, good corporate governance requires the Board of Management and Supervisory Board to work together efficiently and with a spirit of trusting cooperation between the two bodies and staff – with everyone collaborating within an effective organisational structure. These parameters help secure the confidence in our corporate activities of investors, clients, employees, and the public.

It is of particular relevance here that corporate and Board of Management objectives are aligned with both financial and sustainability considerations. As of 2022, for example, specific ESG targets will account for 20% of the Board of Management members' multi-year bonuses. More broadly, we ensure responsible and sustainable management at Munich Re through a robust ↘ governance framework that includes corporate governance, compliance systems, and sustainable risk management.

In addition to the above, Munich Re regulates organisational accountability for sustainability criteria in a transparent manner. Fundamental strategic decisions are taken by the Board of Management, or, more specifically, by the ESG Committee, a subcommittee of the Strategy Committee, which comprises the Group CEO (chair), the Group Chief Financial Officer (CFO), the Reinsurance CEO, the CEO of ERGO, the Chief Investment Officer (CIO), and the Head of Economics, Sustainability and Public Affairs (ESP). For its part, the ESG Committee aims to strengthen ESG and highlight the strategic importance of ESG issues for the Group. The ESG Committee is supported by the ESG Management Team, which is made up of the heads of the central divisions and departments responsible for important ESG topics, and also includes the Chief Underwriting Officers of the reinsurance group and the ERGO Group. The ESG Management Team is responsible for the implementation and monitoring of the Group-wide ESG strategy. The Group's sustainability department supports the two bodies and coordinates sustainability efforts across the Group. It is part of the central division, ESP, and reports directly to the CEO.

The two ESG bodies are complemented by specialised ESG committees for areas such as investment and primary insurance, as well as for specific topics like diversity, equity and inclusion. The specialised governance bodies are described, where relevant, in the respective chapters of our Sustainability Report.

At least three times a year, the Supervisory Board addresses material topics relating to sustainability based on the summarised non-financial statement, as well as on regular updates on the ESG strategy and implementation measures, and the annual personnel report. Several members of the

Supervisory Board have Sustainability knowledge and are thus qualified to assess the information. One of the key tasks of the Audit Committee is to monitor the Group's risk situation and risk management (including potential ESG risks) on an ongoing basis and to discuss its risk strategy. Furthermore, since 2021, the Praesidium and Sustainability Committee (previously known as the Standing Committee until 2022) regularly addresses ESG issues in detail as part of its general responsibilities.

More about the Committees of our Supervisory Board

2.3 ESG governance

Supervisory Board

Audit Committee

Tasks:
Monitoring ESG risks

Standing Committee

Tasks:
Regularly adresses sustainability-related issues

ESG Committee

Members:
- Group CEO[1]
- Group CFO
- Reinsurance CEO
- ERGO CEO
- Chief Investment Officer
- Head of ESP[2]

Tasks:
Overall responsibility for ESG-related strategic decisions

ESG Management Team

Members:
Members are heads of the central divisions and departments responsible for strategic ESG topics as well as the Chief Underwriting Officers of the reinsurance and ERGO Group

Tasks:
Ensuring Group-wide ESG strategy implementation

Group Sustainability department

- Sustainability Teams in business fields, investment and central functions
- Specialised governance bodies

Tasks:
Ensuring implementation of Group-wide ESG strategy

[1] Chair | [2] non-voting

2.4 Board remuneration

>GRI 2-9

Since 2012, we have integrated ESG criteria into the remuneration system for the Board of Management. As part of the annual and multi-year bonus, ESG criteria are assessed by the Supervisory Board and influence the target achievements by +/-10 percentage points. This discretionary element gives the Supervisory Board the opportunity to consider aspects of sustainability in the remuneration. Starting with the 2022 financial year, at least one specific ESG target is to be agreed for the multi-year bonus. These ESG targets – which account for 20% of the multi-year bonus – are derived primarily from Munich Re's corporate strategy and focus on at least one of the dimensions environment, social or governance.

The following goals have been applied for the 2023–2026 multi-year bonus:

- **Environmental:**
  - Define a climate ambition for 2030 in line with the 2050 net-zero target and deliver on climate commitments
- **Social:**
  - 40% share of women in management positions at all levels across the Group until end of the financial year 2026
- **Governance:**
  - The average share of audit findings not implemented in a timely manner in relation to the total number of open audit findings is to be no higher than 5% Group-wide at the end of quarters in the assessment period.
  - Senior Leaders within the Group ensure through regular tone-from-the-top activities within their areas of accountability that the compliance culture continues to be on a high level.

2.5 Stakeholder dialogue

> GRI 2-29; 3-1

Engaging in dialogue with our stakeholders

Munich Re values an open and ongoing dialogue with its various stakeholders, as defined below. This form of proactive engagement enables us to identify the topics that are material for us now and in the future from our stakeholders' perspectives.

We analyse the outcomes of our stakeholder dialogue at regular intervals and incorporate these into our sustainability strategy.

Clients

We serve our clients as a reliable and solution-oriented business partner. To this end, we regularly evaluate their satisfaction with our services by conducting analyses and surveys – tailored to the different client structures in insurance and reinsurance. Our client managers in reinsurance also regularly interact with clients regarding potential needs, trends, and challenges, at trade fairs, events, and client training seminars. In addition, we actively request feedback from our insurance customers, for instance via the "ERGO Kundenwerkstatt" and regular surveys, e.g., on their satisfaction.

Employees

We engage in continuous dialogue with our employees worldwide. We encourage a culture of feedback and transparent communication across a wide range of platforms, such as Group-wide surveys, our intranet, Yammer, and other dialogue forums. Events such as town hall meetings, strategy talks with members of the Board of Management and management conferences also promote exchange across all levels of management.

Shareholders, analysts, and investors

Professional communication with players in the financial markets features regular dialogue and proactive provision of information by Munich Re. We provide key, detailed information on the general opportunities and risks attached to our business through frequent personal investor calls and at roadshows – in addition to regular scheduled investor and analyst events. We also specifically inform these groups about our sustainability activities and industry trends.

Politics, NGOs, interest groups

We keep in close contact with interest groups, NGOs, UN institutions and public authorities at both national and international level. In addition, we are an active member of many insurance industry initiatives and associations, including the Principles for Sustainable Insurance (PSI), the Principles for Responsible Investment (PRI), the UN Asset Owner Alliance (NZAOA).

Society and science

Our experts engage in ongoing dialogue with scientists, associations, and organisations around the world, and are involved in a large number of national and international research and development projects. These include the Global Earthquake Model (GEM), the German Research Center for Artificial Intelligence (DFKI), and the German Data Science Society (GDS). We also regularly seek exchange with wider society, e.g. via public dialogue forums and panel discussions.

2.6 Materiality assessment

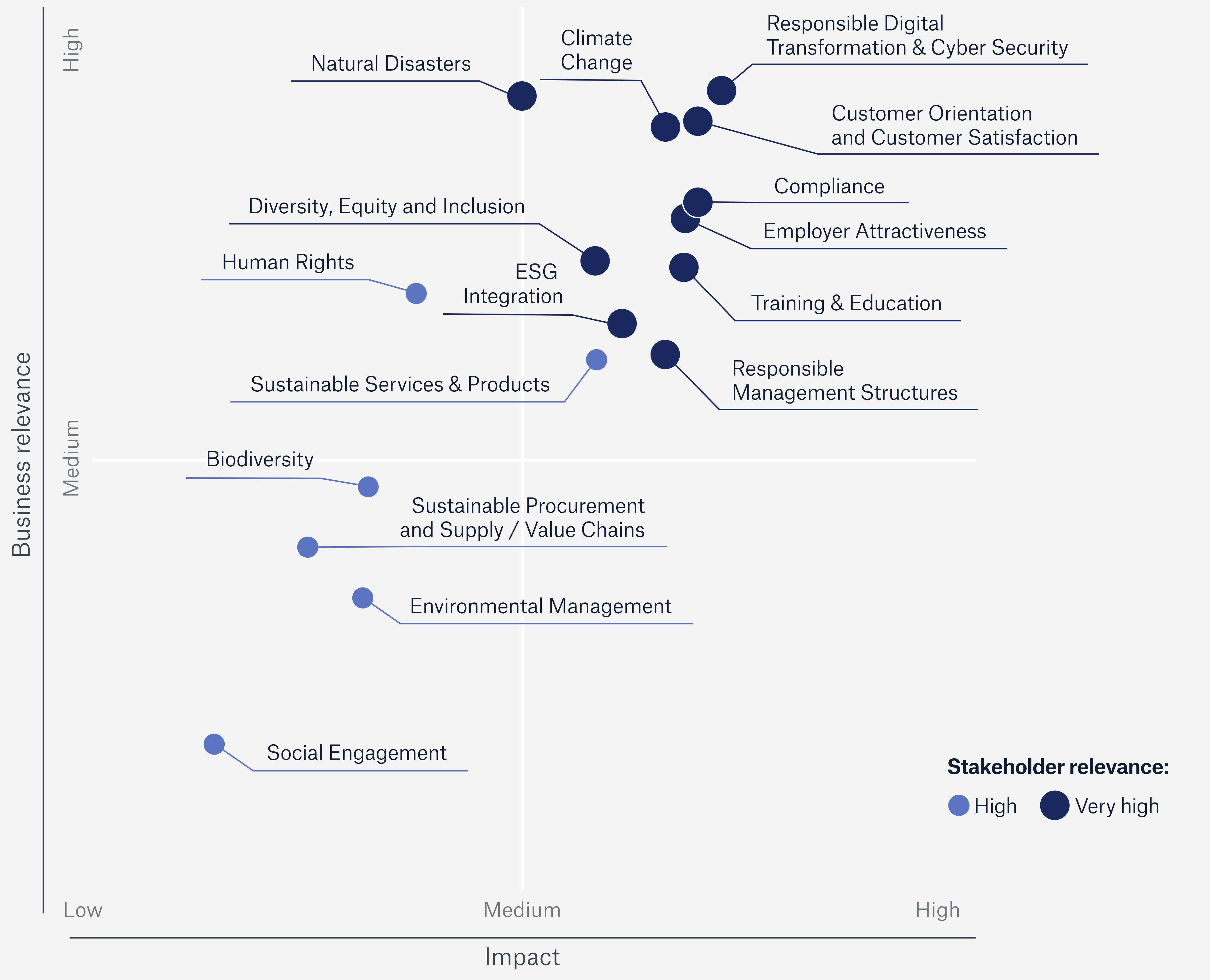
> GRI 2-29; 3-1; 3-2

The materiality analysis determines which sustainability topics are of special importance to Munich Re and its stakeholders and, therefore, which topics should be the focus of our sustainability management and transparent communication. The materiality analysis carried out is based on the materiality concept of Section 289c of the German Commercial Code (HGB) and also considers the standards of the Global Reporting Initiative (GRI Standards).

In 2021, we comprehensively reviewed and reassessed topics in terms of their materiality for Munich Re. The analysis was carried out using a standardised online survey for external stakeholders and through internal management workshops. Stakeholders evaluated the individual topics based on two dimensions: (1) Munich Re's impact on the sustainability criteria and (2) the impact of the sustainability criteria on Munich Re as a company. Changes from the previous materiality assessment included the addition of biodiversity as a new topic and the reframing or combining of several topics into one (e.g. Responsible Digital Transformation and Cyber Security). The most significant changes included the increased business relevance and impact of human rights, along with the increased impact and stakeholder relevance of diversity, equity and inclusion.

2.6 Materiality assessment

Materiality matrix



In 2022 we verified the topicality of the results. No significant changes were identified, while minor changes, such as the rising relevance of "Employer attractiveness", were adopted in our materiality matrix. The results were validated through discussions with an external expert and with experts within the Company, and duly approved by the ESG Committee.

The following stakeholder groups were included in the analysis:

- Clients
- Employees
- Investors
- Representatives of wider society

Our materiality matrix shows the results of our materiality analysis. The relevance of Munich Re's impact on the featured criteria is shown horizontally, while the business relevance of the individual topics for Munich Re is shown vertically. The size or colouring of the circles indicates the external stakeholders' assessment of the extent to which the topics are relevant to the respondents.

3.

Sustainability in business

3. Sustainability in business

> GRI 3-3

The focus of our sustainability efforts lies on our business – which involves the assumption and diversification of risks in primary insurance and reinsurance as well as investment. We know that we can only achieve long-term economic success through responsible action, which is why the objective of sustainable economic value creation is anchored in the core principles of our corporate strategy.

The fact that we have signed the Principles for Sustainable Insurance (PSI), the Principles for Responsible Investment (PRI) and, in 2020, joined the Net-Zero Asset Owner Alliance (NZAOA) highlights our commitment to responsible action.

Our actions are guided by the key topics we have identified in our materiality analysis for reinsurance, primary insurance and investment. In addition to committing to a strong client focus and the integration of ESG aspects into our business, we attach importance to offering responsible products, services, and sustainable investment. We place a special focus on climate change and the related risk management approach and report based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Furthermore, we acknowledge the intrinsic link between climate change and biodiversity, as is reflected by our joining the Taskforce on Nature-related Financial Disclosures (TNFD) as a forum member in 2022.

3. Sustainability in business

We have also set ourselves a series of sustainability targets. More specifically, our aim is the consistent integration of ESG aspects into all relevant processes at Munich Re in the fields of both (re)insurance and investment.

In consultation with our Board of Management, we have identified universally applicable ESG aspects for application in our insurance business risk assessment and investment transactions. We have also defined sensitive topics or sectors that are relevant to our business activities (see figure ESG aspects and sensitive issues of Munich Re).

Binding guidelines or best-practice recommendations have been drawn up for these topics and serve as the basis for ESG-related processes where relevant in our business fields of reinsurance, primary insurance, and investment. These are regularly reviewed and updated in the light of new developments, such as the New Oil and Gas Guideline, adopted in 2022 and applicable from 1 April 2023.

As communicated in a press release in March 2022, Munich Re condemns Russia's attack on Ukraine and supports the sanctions that have been imposed. Munich Re will not renew existing contracts in Russia or Belarus, and new business in these countries has been suspended. The Group will take the same approach with its investments in the region. Munich Re will only make exceptions to this rule – sanctions regulations permitting – if the suspension of business negatively affects persons or companies in need of protection.

ESG aspects and sensitive issues for Munich Re

ESG aspects

Environmental
- Pollution
- Natural resources and biodiversity
- GHG emissions

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

Governance
- Responsible and correct planning and evaluation
- Compliance
- Consultation and transparency

Sensitive issues (covered by policies, guidelines and position papers)

- Controversial weapons
- Oil and gas production
- Arctic drilling
- Mining
- Thermal coal
- Oil sands
- Fracking
- Investment in farmland

The ESG Committee decides on the refinement of the framework and processes, taking regulatory developments and industry-wide standards into consideration.

3.1 Sustainability in insurance

> GRI 3-3

Our business is the acceptance and diversification of risks in primary insurance and reinsurance. We find leverage for sustainable action by combining economic success with added value for society. In our insurance business, we principally achieve this through having a strong client focus, by offering responsible products and services, and through the integration of relevant ESG aspects into our insurance and reinsurance products and services. In addition to implementing ESG aspects in our underwriting guidelines, we aim to support achievement of the Paris climate targets e.g. by insuring new, climate-friendly technologies and by making these technologies more attractive and financially viable for investors.

As of 31 March 2023, we have discontinued our membership in the Net-Zero Insurance Alliance (NZIA). In the view of Munich Re, the opportunities to pursue decarbonisation goals in a collective approach among insurers worldwide without exposing ourselves to material antitrust risks are so limited that it is more effective to pursue our climate ambition to reduce global warming individually. However, our climate commitment is unwavering, while we follow scientific recommendations.

ESG governance and strategy in our insurance business

> GRI 3-3

The goal of sustainable economic value creation is anchored in the core principles of our Group-wide corporate strategy, in our Ambition 2025, and in our sustainability strategy. We have also underlined our commitment to responsible action through signing the Principles for Sustainable Insurance (PSI) and the UN Global Compact.

Strategic sustainability targets are decided at Group level in the ESG Committee. Implementation of these targets and responsibility for achieving them lies with the individual business units, which is also reflected in our Code of Conduct. This is monitored by the ESG Management Team.

We have developed approaches and procedures to analyse and manage the impact of ESG aspects that are material for our insurance business (see the topics mentioned in our materiality analysis). The following sections outline how we manage ESG aspects in our underwriting business and describe how we aim to create a positive impact with our risk transfer solutions.

Managing ESG aspects

> GRI 3-3

We take the following ESG aspects into account in our insurance business. This approach applies both to our internal underwriting processes and to our products and services (see figure ↘ ESG aspects and sensitive issues of Munich Re).

Our ESG Management in underwriting focuses on several topics. On the subject of climate change, please see the specific chapter ↘ Climate-related disclosure. Human rights is a further focus topic. More information on this can be found in the chapter ↘ Human rights. Munich Re is also aware of the crucial role of natural resources and biodiversity in

3.1 Sustainability in insurance

maintaining the balance between human, ecological and climatic ecosystems. In 2022, we started to examine how we could further integrate biodiversity aspects into our core business processes, while considering general developments and recommendations (such as the Taskforce on Nature-related Financial Disclosures).

Many industries and projects can have a major impact on the environment and local communities. Munich Re takes its responsibility as a global insurer seriously and has measures and processes in place which aim to manage these potential impacts. These include guidelines, ESG advisory, due diligence processes for underwriting and Group-wide ESG aspects (see figure ↘ ESG aspects and sensitive issues of Munich Re), all of which are communicated to our underwriters. In addition, we integrate ESG aspects into product development. For example, at ERGO, a check must be completed for each product development to determine the extent to which the product supports the global and local product strategy in terms of sustainability.

Guidelines, processes, and tools have been developed and introduced for the practical implementation of ESG aspects in insurance business. These include the Group-wide ESG aspects that are communicated to our underwriters. Binding underwriting guidelines regulate the handling of sensitive issues (see figure ↘ ESG aspects and sensitive issues for Munich Re) throughout the Group in all business units that underwrite relevant risks. These are described in detail in the section ↘ Underwriting restrictions. For other sensitive issues, such as mining and fracking, we issue guidance to underwriters in the form of Group-wide position papers.

An ESG tool specifically tailored to the topics described above helps our reinsurance underwriters to systematically factor ESG aspects into their risk assessments. We also draw on the expertise of better renowned external ESG databases, such as RepRisk, for ESG assessments.

For information on our decarbonisation targets and monitoring, please refer to the chapter ↘ Climate-related disclosure.

We hold regular information events and training courses on the responsible handling of ESG aspects. In the 2022 financial year in reinsurance alone, we provided information on current climate and sustainability aspects to more than 2,600 (1,700) employees and over 600 (600) clients at seminars and client events.

In spring 2022, we rolled out "ESG Basics", a new Group-wide ESG awareness-raising measure aimed at all employees. It includes the ESG aspects that are relevant to our business success, for example climate and environmental aspects, social criteria such as working conditions and human rights, and compliance and governance requirements. We are continuously developing our information and training formats. We strengthened our ESG training formats for employees in our core insurance business, for example, to provide our underwriters with support when underwriting risks. A further example is the introduction of new ESG frameworks, such as the ↘ Low-Carbon Solution Framework, which is accompanied by communication strategies including presentations to, and discussion rounds with, relevant internal stakeholder groups. In 2023, we also plan to further expand our offering, in particular the range of advanced training courses for specific user groups within the Group.

Dedicated sustainability teams in primary insurance and reinsurance support the business units by providing tailored ESG advice. In addition, employees in the underwriting units function as multipliers, actively sharing their knowledge of ESG integration within their own departments, for ESG assessments, in client discussions and in exchanges with other divisions.

We also collaborate with partners, institutions, and non-governmental organisations (NGOs). Our ambition to manage ESG aspects in our business is also reflected in our commitment to the PSI initiative on ESG integration. We are represented on the PSI Board and report annually on our progress with integrating the principles.

Underwriting restrictions

> GRI 3-3

Mandatory underwriting guidelines govern the handling of certain business categories. They include guidelines on:

- thermal coal activities in connection with new thermal coal mines/power plants/infrastructure;
- oil and gas activities in connection with new oil and gas fields, new oil infrastructure or oil-fired power plants;
- oil sands;
- Arctic oil and gas activities; and
- controversial weapons.

Since September 2018, in our facultative and direct (re)insurance business, we no longer insure single location stand-alone risks in the planning, financing, construction or operation of new thermal coal mines, coal-fired power plants or the related infrastructure, in cases where construction or preparatory works for extraction or operation were not started before 1 September 2018. Multi-location covers are treated like single location risks if the majority of locations or insured values qualify as new. In primary insurance, we have not insured individual risks of this kind since 2018. This decision was implemented in formal underwriting policies in 2021 to completely exclude this type of new coal business from underwriting.

As of 1 April 2023, Munich Re will no longer insure contracts or projects on a single-risk, single-location basis exclusively covering the planning, financing, construction or operation of:

- new oil and gas fields, in cases where no prior production had taken place as at 31 December 2022, or
- new midstream infrastructure related to oil that was not yet under construction or in operation as at 31 December 2022, and
- new oil-fired power plants that were not yet under construction or in operation as at 31 December 2022.

This applies to our primary insurance and facultative and direct (re)insurance business. The same exclusions apply where such risks are contained or bundled with other risks under a single cover (e.g. existing oil or gas fields), but where the cover is mainly designed to protect against one or more of the new risks.

With regard to unconventional oil, Munich Re extended its fossil fuel exit strategy to oil sands already in 2019 on both the insurance and asset side: It is no longer allowed to sign facultative reinsurance and primary insurance business (direct and via fronting) of new and existing oil sand sites and new and existing oil sand-related infrastructure. Our guideline applies to single-location and stand-alone risks, for mixed policies we defined a threshold, provided that whole share of sum insured/direct revenue from the exploration exceeds 20%.

In the case of Arctic exposures, we will not accept stand-alone covers for Arctic oil and gas drilling activities, including related infrastructure and installations. This has also applied to mixed covers and reinsurance treaty business that contain exposures to the above activities exceeding a defined minimal threshold, as of 1 January 2022 (for renewals of existing reinsurance treaty business as of 1 January 2023). Munich Re's definition of the Arctic region is based on the internationally accepted definition of the Arctic by the Arctic Monitoring and Assessment Programme (AMAP). Our policy allows minor exceptions in the Norwegian region south of the Arctic Circle, as Arctic conditions do not prevail there. This underlines once again the fact that Munich Re is aware of and aims to meet its responsibility for protecting the environment.

These exclusion policies for fossil-based energy are complemented by our Group-wide climate strategy. More detailed information on this can be found in the ↘ Climate-related disclosure section of this report.

Munich Re also has a Group-wide policy in place that regulates business transactions with firms that produce landmines and cluster bombs. The Mine Ban Treaty (Ottawa Convention) of 1999 prohibits the use, production, stockpiling and transfer of anti-personnel mines. In like manner, the Convention on Cluster Munitions (CCM) of 2010 bans the use of cluster munitions. Munich Re supports the international condemnation of these controversial weapons. Our policy prohibits Munich Re from insuring, or investing in, companies that produce, deal in or transport controversial weapons, insofar as such transactions or operations are known. The policy also regulates business with corporate conglomerates.

Any exceptions to underwriting policies can only be granted by a committee on Board level.

Clear escalation processes

> GRI 3-3

In addition to the above exclusion criteria, underwriters are required to assess ESG aspects in relevant business transactions. Underwriters identify, analyse, assess, and manage reputational risks using qualitative procedures. Specific guidelines and process descriptions regulate the handling of reputational and sustainability risks. Employee communication measures on reputational and ESG aspects are aimed at prevention and raising awareness. Reputational Risk Committees (RRCs or, at ERGO, the Reputation and Integrity Committee – RIC) have been established for the business fields of reinsurance, primary insurance and investment. These committees analyse and assess specific reputational issues and ESG risks relating to individual transactions, and make recommendations on whether to accept or reject a particular risk. Should the business unit and the RRC disagree on a decision, the case can be escalated to Board level. The cases examined are documented in writing. At the end of 2021, we standardised the processes for dealing with reputational risks in the individual RRCs of the business fields across the Group and, at the beginning of 2022, set up a new RRC in the Group Investment Management division.

Outcome of assessment by RRC of transactions submitted for review of critical reputational risks

	2022
Denied due to critical reputational risk	4
Accepted, no critical reputational risk identified	8
Accepted under specific terms	2

We regularly detail any significant reputational risks for Munich Re in our internal risk report.

Due to the continuous review process followed by the respective business units, numerous offers were declined on ESG grounds without being submitted to the RRCs.

Aiming for positive impact through insurance solutions

> GRI 201-2; 203-1; 203-2

Munich Re is positioned to develop innovative insurance solutions for ESG risks, which, in turn, enables us to create a potential positive impact for society and the environment, while simultaneously opening up new business opportunities. For instance, the Sustainable Development Goals (SDGs) are used as a framework to map and assess the impact of our insurance solutions.

As an insurer, we also make insurance coverage possible for people who are exposed to particularly heavy burdens due to their financial situation or life circumstances. Some examples where we are fostering potential for positive impact through our insurance solutions are highlighted below. Further information on various products including the range of our public sector business products can be found on our website.

Inclusive insurance supports livelihoods in India

HDFC ERGO in India markets a wide range of microinsurance policies in the rural sector, including weather-indexed, health, personal accident, and fire products, as well as special coverages for farmers. HDFC ERGO supports customers by developing innovative distribution solutions, partnering with entities that focus on customers at the bottom of the pyramid. The insurance products are easy to understand and aim at standardisation to generate economies of scale. One example is the Group Hospital Cash Policy in India, in partnership with the HDFC BANK Sustainable Livelihood Initiative. This policy covers all microfinance loan customers for a nominal premium (less than €4), and offers the customer a fixed benefit per day in the event of hospitalisation. In the year under review, the company underwrote a total of €5.13m, covering 1,500,000 people. During the 2021/2022 financial year, under its crop and weather portfolio, the company insured a total of 8.45m farmers, with gross written premiums (GWP) of €309.6m.

Help for Ukrainians

Following the Russian attack on Ukraine in February 2022, we helped provide temporary motor liability cover for motorists from Ukraine in Poland and Germany. In Germany, refugees who found private hosts through the #UnterkunftUkraine portal were offered free liability insurance by ERGO. Ukrainians were also able to use ERGO's legal advice service free of charge. In 2022, we provided insurance coverage for more than 52,000 refugees and were able to assist around 1,300 times with legal advice.

Innovation solutions supporting the financial inclusion and resilience of MSMEs

Munich Re supports micro-, small- and medium-sized enterprises (MSMEs) in Southeast Asia through innovative insurance solutions. These solutions seek to strengthen the financial resilience against unforeseen loss events. By doing so, Munich Re aims to bridge the protection gap for MSMEs, and to promote sustainable lending and financial inclusion of such companies.

For instance, Munich Re partnered with digital lenders and supply chain platforms in Southeast Asia to offer wholesale insurance protection. This protection covers both MSMEs and the ecosystem against accidental death, natural catastrophe, and specific credit default scenarios. Another example is related to the Cianjur earthquake in November 2022, which killed hundreds of people and affected numerous households and businesses. While few MSMEs in Cianjur would have purchased standalone insurance to protect their properties and businesses, our solutions provided MSMEs with financial relief depending on the estimated earthquake impact at their registered locations, to support them to rebuild their businesses after the natural disaster.

So far over 3,000 MSMEs across Indonesia are being supported by these solutions.

Caribbean Catastrophe Risk Insurance Facility

The Caribbean Catastrophe Risk Insurance Facility (CCRIF) was formed as the first multi-country risk pool in the world. Munich Re helped to set up the facility in 2007. Based on parametric triggers, it guarantees payments to participating countries within 14 days of a natural catastrophe, who can then use the money for recovery efforts. Since its inception, CCRIF has paid out over USD 260m, benefiting 3.5 million people. Munich Re is one of the CCRIFs most important reinsurers.

Low-Carbon Solutions Framework

We apply a Low-Carbon Solutions Framework to both insurance and reinsurance to assess non-life/non-health insurance activities that have the potential to contribute to the low-carbon transition. The focus lies on specific reinsurance and primary insurance solutions* that directly and exclusively cover activities that have the potential to contribute to climate change mitigation.

*motor coverages from primary insurance written out of the reinsurance segment are not included

To qualify as low-carbon solutions in the environmental dimension, the solution must cover directly and exclusively, for example, one of the following current activities:

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

In 2022, we generated premium of more than €300m with solutions that fall under our Low-Carbon Solutions Framework.

>€300m
premium by low carbon solutions

Examples include:

- **Insurance solutions for e-Bikes**
  ERGO offers e-bike insurance with worldwide coverage. The policy includes, for example, electronics protection in the event of damage caused by short circuit, induction, overvoltage, or moisture. In 2022, ERGO provided coverage for more than 200,000 e-bikes in Germany alone.
- **Green-Tech Solutions for Solar Energy**
  Green-Tech Solutions aims to support the energy transition by absorbing the technical risks involved, motivating investors to provide funding and manufacturers to grow on a global level. For the solar industry, for example, we established what is now a widely recognised standard for warranty insurance in 2009. This protects manufacturers from excessive warranty claims on modules for a period of up to 30 years. The perils we cover include excessive material aging, manufacturing defects, and material defects. In the event of the manufacturer's insolvency, the policy is seamlessly transferred to a registered buyer, ensuring that the warranty claims remain covered. Another product is helping to de-risk large-scale green hydrogen projects. An innovative guarantee cover, it relieves manufacturers and operators of, or investors in, hydrogen plants from availability and performance risks. This considerably eases the financial burden on businesses as it enables them to plough capital that is no longer needed for guarantee reserves into scaling, while at the same time attesting to the quality of their technology.

All established and emerging technologies can be insured by Munich Re Green Tech Solutions

For manufacturers, projects and investors

Established

Solar Energy
PV Warranty Insurance backing your solar investment
2009

Wind Energy
Offshore EPC cover mitigating contractual warranties
2009

Energy Storage
Long-term performance guarantee insurances
2019

Emerging

Hydrogen
Securing the power of Green Hydrogen (Electrolyzers + Fuel Cells)
2022

E-Mobility
Enabling the e-mobility transition
2022

Waste2Power
Bioenergy Plant Performance Insurance
>2022

New deals in 2022 – dynamic market growth

Over **900** projects in green tech

~55 GW insured

Projects in **~80** countries

Client satisfaction

> GRI 2-29; 3-3

Maintaining a close relationship of trust with our clients is a key element towards the success of our business. That is why we continuously strive to understand our clients' needs and develop the best possible solutions for them, in a joint dialogue.

We apply a differentiated management approach under our business model, which applies both to our reinsurance clients and to our primary-insurance customers and reflects their different demands and needs accordingly. Responsibilities lie with the respective Board members and/or executives, as well as within the various international companies. The topic's importance is reflected, among other things, in its having been enshrined in our Munich Re Group Ambition 2025.

At Munich Re, we manage the dialogue with our clients, and the solutions we correspondingly offer, on the basis of our clients' needs and growth ambitions. The process includes an analysis of the market and the most important players, as well as the implementation of tailored insurance solutions, products and services for our clients. Client managers in reinsurance are supported by a central sales unit that ensures transparency in our Group-wide product and service palette. This unit is also responsible for event formats that take place annually as a platform for in-depth dialogue with representatives of our key clients. ERGO particularly supports its tied agents with various offers, for example advisory tools and concepts, and professional development training. The local companies individually tailor these offers to their respective needs.

At Munich Re, we have defined numerous monitoring processes to measure our performance in terms of customer satisfaction and orientation. We apply the Net Promoter Score (NPS) to measure customer satisfaction both in primary insurance and in reinsurance business.

Every two years, we undertake a global customer-satisfaction survey among all of our reinsurance business partners. The survey measures the NPS and customer satisfaction in various aspects of the business relationship. Our goal is to maintain a stable, positive NPS in reinsurance.

Our last global customer satisfaction survey of reinsurance clients was conducted in May 2022. In addition, data is entered into a reputation management system which regularly tracks our reputation among various stakeholders. This allows us to identify any changes in how our reinsurance products are perceived, at an early stage, and make any adjustments accordingly.

In addition to our regular customer satisfaction surveys, we have implemented a number of measures aimed at consolidating our client relationships in reinsurance. And our operational units regularly request feedback from their clients to complement the centrally organised survey. In order to better respond to our clients' suggestions for improvement, we offer a comprehensive training programme to all staff who have direct contact with clients. The aim is for them to develop an understanding of our clients' strategies and needs so that we can develop solutions together.

In primary insurance, we measure the NPS continuously throughout the year, both at the transactional level (bottom-up) and the relationship level (top-down). When measuring the NPS at the relationship level, we also benchmark against our peers and the market. We express the result in terms of the number of countries in which the relationship NPS meets or exceeds the market average. The results of our monitoring identify any potential for both improvement and differentiation in the specific divisions, platforms, services, products and customer groups. In the form of initiatives, this information is then input into our strategy to meet our Munich Re Group Ambition 2025, i.e. to remain a long-term partner for our clients.

Our advice to primary insurance customers of our tied agents in Germany is provided using a standardised approach (ERGO Kompass) to ensure that quality is consistently high. ERGO also uses a variety of tools to obtain direct feedback about new products and services, but also about overarching strategic issues. The main focus is its in-house market research panel (ERGO Kundenwerkstatt) of around 6,800 customers. Alone in 2022, ERGO conducted 36 projects and/or surveys among the panel members. ERGO also handles and analyses customer complaints. The feedback is used as a basis for improvements in the various areas.

ERGO's goal is to become one of the leading digital insurers by 2025 – both in Germany and in its core international markets. This reflects our customers' desire to purchase insurance and receive customer service digitally. ERGO is driving topics such as robotics, artificial intelligence and voice technology in Germany and internationally, and is expanding its digital business models and ecosystems, as well as its annex business.

It has already established numerous customer-oriented services and digital processes that help customers contact ERGO, and more are planned. For example, ERGO's customers in Germany can use its "EasyClaim" web app to receive a calculation of the loss amount within two hours after uploading their images and vehicle information. Another example is online claims notification in property insurance (such as third-party liability, personal belongings, motor, etc.), which allows customers to record their losses online and, for example in motor insurance, choose their garage and order the repairs directly from the online claims notification system. We offer health insurance customers the option of submitting their invoices directly online as well and, in Germany, provide them access to the nationwide network of medical professionals.

ERGO also regularly examines social issues with its study series, ERGO Blickpunkt. As an example, over 2,000 people were surveyed online on behalf of ERGO about what consumers think about insurers and sustainability. The study results were communicated externally. Furthermore, in 2022, ERGO published various consumer information publications containing tips for a more climate and environmentally friendly approach to societal issues (e.g. Buy more sustainable gifts; Delete data for more climate protection; Save water in daily life, etc.).

Metrics | Net promoter score

	2022	Prev. year[3]
Reinsurance (absolute)[1]	60	56
ERGO (number of countries at or above country average)[2]	In 6 of the 10 considered countries	In 8 of the 10 considered countries

[1] The NPS has a scale of –100 to 100. | [2] To reduce the susceptibility to random fluctuations, a significance test was integrated into the calculation system and the disclosure logic was adjusted. The previous year's figure was adjusted accordingly. | [3] For reinsurance, the NPS is only measured every two years; accordingly, the previous year's figure here refers to 2020.

The NPS of 60 for reinsurance is very high – even higher than the 2020 figure. In terms of primary insurance, ERGO's customer orientation is illustrated by the fact that its score meets or exceeds the market average in six out of ten countries surveyed.

Key facts and figures from our reinsurance client survey 2022

Net Promotor Score
60

Scale from -100 to 100

The NPS provides information about the satisfaction of our clients with our services and performance. We strive to continuously improve our NPS to ensure we are a valuable partner for our clients. For this reason, we are very grateful to have again achieved such a high NPS. In the overall assessment of our service quality (considering 15 dimensions), our clients rated us higher than the Best in Class Competitor.

Employee skill set
8.83

on a scale of 10

Our employees are our greatest and most valuable asset. Their performance and skills are key to Munich Re's quality and success as well as the key to offering our clients the best services and products for their future business development.

Claims settlement
8.53

on a scale of 10

Munich Re`s fundamental position as a reinsurer is guaranteeing our clients rapid claims processing and payment as well as the highest level of reliability. Fast and customer-oriented claims settlement is the foundation on which we build our long-standing and trusting client relationships.

Business understanding
8.38

on a scale of 10

We firmly believe that, in order to deliver the very best solutions and services for our clients, it is essential to have a deep understanding of their objectives, target customers and underwriting strategy. We are very pleased that our clients have placed a high value and trust in our insight into their business and our ability to support their further success.

New business development
8.10

on a scale of 10

Our customers continuously need to develop new products and services in order to meet the expectations and stay relevant to their clients. As a powerful and reliable partner to our customers, Munich Re uses its extensive experience and know-how to create real added value in new product propositions in all lines of business.

ESG practices
8.02

on a scale of 10

Munich Re is fully committed to the creation of long-term, sustainable value for our stakeholders while at the same time proactively considering environmental, social and responsible corporate governance aspects all along the value chain of our core business activities.

3.2 Responsible investment

> GRI 3-3; 201-2; 203-1; 203-2

Our business model as an insurer has a long-term focus. Sustainability criteria therefore play a key strategic role in investments. As a large asset owner and investor, Munich Re is aware of its responsibility and its impact on sustainability. We are obligated to invest our clients' money sensibly and profitably in a manner that adheres to strict security and return requirements, which is why we integrate environmental, social and governance (ESG) criteria into our investment decisions.

The majority of Munich Re's investments worldwide are managed by its asset manager MEAG. In addition, Munich Re Investment Partners was established as an asset management boutique with a dedicated focus on sustainable investment. Munich Re also works with third-party asset managers for selected asset classes.

Sustainable investment strategy

Strategy development and implementation

Munich Re's sustainable investment strategy is anchored in two fundamental frameworks: Munich Re was one of the first signatories of The Principles for Responsible Investment (PRI) and is an active member of the Net-Zero Asset Owner Alliance (NZAOA). The climate commitment to net-zero by 2050 in accordance with the NZAOA has become an integral part of the Group Ambition 2025, which was made public in 2020. Our Group-internal asset managers, MEAG and Munich Re Investment Partners, have also been PRI signatories since 2021.

We are constantly developing our sustainable investment strategy in line with the latest scientific insights and through active dialogue with the ESG community, the NZAOA and PRI. 2022 saw key enhancements to our ESG approach as we have further integrated human rights and biodiversity considerations across various asset classes. In addition, we comprehensively updated our approach to oil and gas investments in October 2022. These new developments were integrated into the annual update of the Responsible Investment Guideline (RIG).

Our sustainable investment strategy is enforced and developed through an impactful governance structure, detailed in the RIG, and implemented based on four key activities:

- ESG integration
- ESG stewardship
- ESG exclusions
- ESG-focus investments

As part of the constant development of our sustainable investment strategy, we amended these core activities in 2022, placing greater emphasis on ESG stewardship.

ESG integration helps us identify further risks and opportunities by going beyond standard financial analysis. We are convinced that consideration of ESG aspects across our investment processes will lead to better investment decisions in the long term.

ESG stewardship means that we engage with selected companies we have invested in to promote higher sustainability standards. We have constantly expanded our respective activities throughout 2022 and we will strive to continue this growth path through additional corporate engagement via Climate Action 100+ (CA100+) and increased proxy voting activities.

ESG exclusions form part of our RIG, which guides and mandates the implementation of our sustainable investment strategy. The RIG covers PRI and ESG requirements that affect the Group's investment management, including exclusion criteria for investments.

ESG-focus investments aim to contribute positively to our ESG strategy. In the spirit of creating shared value, Munich Re identifies and uses economically sound investment opportunities to create a potential positive impact.

3.2 Responsible investment

Decarbonisation strategy for investments

As part of Ambition 2025, the Group adopted a climate strategy for investments that includes ambitious targets to decarbonise its asset portfolio by 2050 in line with its active membership in the NZAOA.

Munich Re set financed greenhouse gas (GHG) emissions targets related to investments in the asset classes of listed equities, corporate bonds and direct real estate based on the NZAOA's target-setting framework. We will endeavour to reduce net financed GHG emissions in the asset classes mentioned above by 25–29% by 2025 (base year: 2019) as an intermediate step to achieving our ambition of net-zero emissions by 2050.

Furthermore, specific sector reduction targets were set for listed equities and corporate bonds:

- for thermal coal investments – in particular mining and/or power generation – we aim to reduce financed GHG emissions by more than 35% by 2025 (base year: 2019). We plan to phase out thermal coal completely by 2040.
- for oil and gas investments (in particular drilling and production, refining and distribution), we aim to achieve a reduction in financed GHG emissions of more than 25% (base year: 2019).

Transition of investment portfolio

Assets | Financed GHG emissions

Today

No direct investment in companies with:

>15% revenue from thermal coal[1]
>10% revenue from oil sands
>New Oil and Gas Guideline (as of April 2023): Revised approach to no longer invest in projects and companies[2]

2025

Total[3]	**-25% to -29% emissions**
Thermal coal[4]	-35% emissions
Oil and gas[4]	-25% emissions

Required commitment from listed integrated oil and gas companies with the highest relative and absolute emissions to achieving net-zero greenhouse gas emissions by 2050

2050

Total	**Net-zero by 2050**
Thermal coal	Full exit by 2040

Next steps until 2025

Asset class targets
We aim to reduce the financed emissions of our listed equities, corporate bond and direct real estate portfolio by 25-29% (scope 1+2 emissions of investee companies).

Sector targets
We set specific emission reduction targets for listed equities and corporate bonds for thermal coal (-35%) and oil and gas (-25%).

Aiming for positive impact
We will endeavour to double our renewable portfolio (equity and debt) up to €3bn.

Initiating dialogue
We concentrate on and engage with our large contributors of financed emissions within our listed equities and corporate bond portfolio.

[1] Exceptions for companies with revenues in thermal coal between 15% and 30% are possible in individual cases, where an active engagement dialogue has been established with the company. | [2] Direct illiquid investments in projects exclusively covering the planning, financing, construction, or operation of a) new oil and gas fields in cases where, as at 31 December 2022, no production had taken place; or b) new midstream infrastructure related to oil, which had not been under construction or in operation as at 31 December 2022; and c) new oil-fired power plants, which were not yet under construction or in operation as at 31 December 2022. Furthermore, in its own listed equities and corporates portfolio, as of 1 April 2023, Munich Re will cease to conduct new direct investments in pure-play oil and gas companies. | [3] Based on sub-portfolio of listed equities, corporate bonds and direct real estate. Compared to base year 2019. | [4] Based on sub-portfolio of listed equities and corporate bonds. Compared to base year 2019.

Achievement of the financed GHG emission reductions targets is measured by corresponding Key Performance Indicators (KPIs). The financed GHG emissions of listed equities and corporate bonds are calculated using data from the external ESG data provider, Institutional Shareholder Services Inc. (ISS). For the direct real estate portfolio, the consumption for all major energy sources is determined by our asset manager, MEAG, divided into Scope 1 and 2 and then aggregated based on a model.

The total Scope 1 and 2 financed GHG emissions of listed equities, corporate bonds and direct real estate in our portfolio was reduced by 45.7 % compared to the 2019 baseline, which indicates that we are on track to meet the corresponding reduction targets. The reported reductions in total absolute financed GHG emissions include the following factors: Regarding total absolute financed GHG emissions, 0.5% points of the reduction compared with the previous year stem from updated emissions data provided by our data provider. Interest rate increases on the markets led to a reduction in the market values of debt instruments and thus in total absolute financed GHG emissions. If we were to use the nominal value instead of the market value for debt instruments, this would result in a reduction of 37.7% (instead of 45.7%) compared to the base year 2019.

Development of GHG emissions (scope 1 and 2) compared to the 2019 base year (Munich Re Group Ambition 2025)[1]

%	31.12.2022	Prev. year
Listed equities, corporate bonds, and direct real estate	-45.7	-30.8
Listed equities and corporate bonds from companies in the thermal coal segment – in particular mining and/or power generation	-47.5	-46.8
Listed equities and corporate bonds from companies in the oil and gas segment – in particular drilling and production, refining and distributing	-28.9	-13.8

Another metric used to assess investment in listed equities, corporate bonds and direct real estate in our Ambition 2025 is the relative carbon footprint (t CO_2e/€m invested). The financed GHG emissions of this portfolio are expressed in relation to the market value of our investments. The amount was 76 (t CO_2e/€m invested) on 31 December 2021; as at 31 December 2022, it was 75 (t CO_2e/€m invested).

Absolute financed GHG emissions (scope 1 and 2)[1]

t CO_2e	31.12.2022	Prev. year
Listed equities, corporate bonds, and direct real estate	3,113,093	3,963,799
Listed equities and corporate bonds from companies in the thermal coal segment – in particular mining and/or power generation	269,179	272,660
Listed equities and corporate bonds from companies in the oil and gas segment – in particular drilling and production, refining and distributing	734,197	890,016

[1] For listed equities, corporate bonds based on the available CO_2e emissions from the data provider ISS ESG (usually CO_2e emissions from the previous year). For direct real estate, CO_2e emissions for the 2022 financial year are approximated due to a lack of available data at the time of publication. They are based on available CO_2e emissions from last year and CO_2e emission reductions as a result of implemented savings measures, provided they can be verified and measured.

ESG investment governance

Relevant committees

Strategic decisions on sustainable investment are taken by the ESG Committee at Board level, which is a sub-committee of the Strategy Committee of Munich Re's Board of Management. To help achieve the ambitious climate targets, specific KPIs related to the Climate Ambition initiative are linked to Board remuneration at Munich Re.

The ESG Management Team supports the ESG Committee with the preparation of strategic topics and discussions and is responsible for implementing the strategic decisions taken. These two committees are complemented by the ESG Investment Committee, which focuses on implementation of the ESG investment strategy. The latter includes members from Group Investment Management (GIM), MEAG, Munich Re Investment Partners, and central divisions of Munich Re.

Overall responsibility for the Group's investment management lies with the Chief Investment Officer (CIO). The GIM unit is responsible for the sustainable investment strategy of the Group as asset owner and has a dedicated ESG team.

A Reputational Risk Committee was established within GIM to address any reputational risks, complementing the existing committees throughout the Group.

Sustainable investment governance

Asset manager specifics

Munich Re's investments are largely managed by MEAG, the global asset manager of Munich Re and ERGO. MEAG takes care that the Group's investments are managed in conformity with uniform policies and principles. MEAG's sustainability specialists focus on the continuous strengthening of ESG integration and stewardship activities across all major asset classes. Additionally, MEAG's Board has adopted a sustainability strategy that underlines its commitment to further strengthening its ESG approach.

MEAG's specialised ESG team has a direct reporting line to the Management Board of MEAG and is supported by ESG multipliers across different asset classes. In 2022, MEAG's own ESG governance structure was streamlined, at both executive and operative levels.

Our specialised asset manager, Munich Re Investment Partners, is a climate-driven investment manager that leverages the climate and investment expertise of Munich Re.

Specific assets are also outsourced to external asset managers. A dedicated team within GIM is responsible for the selection process and verifies that ESG-specific issues are included in this process. Munich Re requires new asset managers to be UN PRI signatories. After the onboarding process, all selected asset managers are regularly monitored on their ESG commitments. The monitoring includes overall portfolio steering and GHG criteria. GIM reviews the ESG strengths and weaknesses of asset managers on a regular basis and checks their compliance with defined Munich Re aspects.

Steering of ESG activities

In principle, the management of our investments is based on four pillars: systematic ESG integration into the investment process, ESG stewardship, defined exclusion criteria within the framework of our guidelines, and investment focus areas, such as renewable energy and green bonds. The RIG is the overall steering instrument as it sets out requirements for MEAG and all of Munich Re's asset managers.

Enhancements in the annual update of the RIG in late 2022 included the new oil and gas measures (effective April 2023), as well as strengthened consideration of human rights and biodiversity.

3.2 Responsible investment

ESG integration

The systematic integration of ESG aspects is an elementary component of our investment strategy. Defined ESG criteria are incorporated into the investment processes for our asset classes.

It is Munich Re's conviction that integrating ESG criteria into investment decisions contributes to better, more holistic risk management of the assets we own. Munich Re is convinced that ESG integration leads to higher risk-adjusted returns over a market cycle. Furthermore, Munich Re combines various approaches to ESG integration across our investment value chain, from strategic asset allocation through to asset management. This helps identify risks and opportunities beyond standard financial analysis.

Besides the dedicated ESG teams, there are also ESG multipliers throughout GIM and MEAG to further integrate sustainability across the investment value chain. The ESG multipliers continuously build asset-class-specific ESG expertise and are responsible for the implementation of ESG in the investment process. Dedicated ESG multipliers have also received ESG certification from external institutes. In addition, Munich Re and MEAG both use several external ESG data providers, including MSCI ESG and ISS.

Munich Re is also an active participant in the various NZAOA working groups. For example, as co-lead in the real estate working group, our experts shaped reporting and target standards for real estate investments. In 2022, the focus within the NZAOA was on establishing a carbon footprint methodology for sovereign bonds and indirect real estate.

Group Investment Conference 2022

In 2022, Munich Re devoted its annual internal Group Investment Conference to ESG. The theme was "ESG – Our Impact", and some 160 attendees from GIM, MEAG, ERGO, Capital Partners, Munich Re Investment Partners, Group functions and other units explored the slogan "Awareness – Education – Future" from different perspectives throughout the conference.

3.2 Responsible investment

Public markets

ESG risks are considered in the asset allocation process for public markets. We screen the vast majority of assets for ESG risks in direct liquid asset classes, such as equities, corporates, government and covered bonds. The ESG rating is designed to measure a company's resilience to long-term environmental risks (climate and biodiversity), social risks (human and worker rights) and governance risks. ESG screening aims to identify ESG leaders and laggards in direct listed asset portfolios. The KPI "Rating coverage of liquid asset classes" represents the ratio of the liquid asset classes – equities, corporate bonds, covered and government bonds with an MSCI ESG rating to the total of these liquid investments. Calculation of the ratio is based on market values.

Rating coverage of liquid asset classes

%	31.12.2022	Prev. year
Rating coverage of liquid asset classes	95.4	96.1

To evaluate the return/risk profile of various investments in equities and corporate bonds, MEAG's portfolio managers and credit analysts make systematic use, among other data sources, of available ESG analyses, including research from investment banks. This allows risks and opportunities arising from sustainability issues to be integrated into Munich Re's investment decisions.

Specific government ratings aim to complement traditional sovereign debt analysis when analysing a country's creditworthiness, by providing a long-term view on ESG criteria and risks. These ratings identify the country's exposure to and management of ESG risks, as these factors have an important bearing on the long-term competitiveness and sustainability of a country's economy and, in turn, on the attractiveness of the country as an investment destination. In cases where countries fail to satisfy MEAG's criteria, MEAG refrains from investing in their government bonds or the bonds of quasi-governmental organisations.

Alternative assets

ESG factors are of particular importance due to the long-term nature of alternative investments. MEAG and Munich Re therefore take ESG criteria into account during the selection of investment opportunities and in investment and asset management processes. Experts from both MEAG and Munich Re work closely together to leverage Group-wide ESG know-how. Munich Re has implemented its proprietary processes for assessing sustainability for alternative investments and uses external advisors to complement its internal expertise.

Real estate

Together, Munich Re and MEAG consider sustainability in the purchase, construction, and renovation of real estate and implement ESG criteria when performing due diligence for new investments. This can include, for example, examining the geographic properties of a site, analysing energy consumption and GHG emissions, looking at the technical facilities used, and considering the social aspects of the investment project. With the management of existing properties, this includes continuously evaluating energy optimisation measures, as well as encouraging tenants to use their buildings in a sustainable way.

Furthermore, Munich Re is aiming for net-zero emissions from its real estate portfolio by 2050 as part of its NZAOA commitment. Measures taken so far include the sourcing of green electricity and an in-depth analysis of the energy efficiency of properties.

Since 2020, MEAG MUNICH ERGO Asset Management GmbH has been a member of the ESG Circle of Real Estate (ECORE) initiative, which advocates for a sustainable real estate industry. With more than 150 members, the initiative offers a new ESG scoring model that provides a holistic view on different aspects of ESG and makes them more transparent. In 2022 MEAG started using the ECORE score for selected real estate assets.

Infrastructure equity and debt

MEAG and Munich Re focus on long-term investments with a buy-and-hold approach. The longer the investment horizon, the more important the assessment of ESG criteria in the due diligence becomes. For each new investment, MEAG places great emphasis on the assessment of ESG risks in the due diligence phase, including biodiversity aspects, climate change, transitional risks, natural hazards and cyber risks. MEAG specialists work closely with Munich Re's technical, insurance and ESG experts, among others, to ensure that relevant risks are thoroughly considered from a sustainability perspective. This approach brings together different configurations of technical and ESG expertise within the Group to leverage ESG know-how. To further strengthen this approach, MEAG works with a sustainability advisor, who collects ESG data points for the infrastructure assets in its portfolio.

Forestry and agriculture

Forestry and agriculture are attractive asset classes, as they provide the opportunity to benefit from the value of a naturally growing commodity. ESG considerations are comprehensively integrated into the investment process. Environmental, climate change, and biodiversity aspects, as well as human rights and workforce safety issues, are among the major topics considered. For example, the investment process incorporates wildfire and precipitation risk analyses based on proprietary Munich Re data.

When buying forestry or agriculture assets, MEAG requires the following conditions to be met:

- No conversion of native growth forests that are rare and ecologically significant at a landscape level
- No purchase that has adverse impacts on ecosystems with exceptional conservation value, e.g. the nature/mixed UN World Heritage Sites
- No land grabbing or land speculation

When managing forestry and agriculture, MEAG considers the following criteria:

- Sustainable management of the acquired land, e.g. independent certification of forest management or organic farming. Managing streamside buffer zones to preserve the river ecosystem and avoid erosion is an example of a sustainable management practice in forestry. An example of sustainable agricultural management is ensuring frequent crop rotation to safeguard soil quality.
- Funding of and participation in projects with positive ESG effects includes carbon storage through afforestation and preserving the habitat of endangered species.

Independent reviews of applied management practices in forestry and agriculture are of the utmost importance, since they verify sustainable ongoing management activities. For example, all forestry assets must be certified by the Forest Stewardship Council and/or the Programme for the Endorsement of Forest Certification, both of which set strict national standards for sustainable forest management, including social and environmental criteria.

ESG stewardship

Munich Re and MEAG engage with selected portfolio companies to promote high sustainability standards. Stewardship activities include:

- engaging with investees or issuers;
- holding them to account on defined material issues;
- collaborating with others (e.g. NZAOA, Climate Action 100+); ensuring antitrust regulations are complied with;
- exercising rights and responsibilities.

GIM sets the framework for the engagement and voting activities of its asset managers. As Munich Re's internal asset manager, MEAG fulfils the stewardship activities in close contact and guidance with GIM.

Engagement

MEAG engages in dialogue and coordinates with issuers, a process that was further supported by Munich Re and MEAG joining the Climate Action 100+ engagement initiative in 2020. MEAG is currently involved in eleven ongoing Climate Action 100+ engagements, complemented by further bilateral engagement activities. MEAG will continuously increase the scope of its commitments in this regard, and it monitors the progress and evaluates the success of ongoing engagements.

External asset managers are expected to carry out their own engagement approach and provide an annual report containing an overview of their engagement cases and targets, as well as the activities they are planning. This serves to track the progress of the companies in question. Insights are shared and discussed in the ESG Investment Committee.

The ESG Investment Committee also sets engagement targets (e.g. company engagements) with a focus on climate investment goals, sustainability risks and opportunities, as well as general engagement matters that protect Munich Re's investment interests. These goals are reviewed on a regular basis. The ESG Investment Committee may recommend investment consequences (such as divestment) for specific holdings where stewardship goals have not been met.

Voting activities

Exercising voting rights is a fundamental part of the stewardship activities, and the processes take into account aspects of sustainability (ESG) and corporate governance. MEAG exercises voting rights at the annual general meetings of shareholding companies on behalf of Munich Re.

Using defined criteria, MEAG exercises shareholder voting rights for its investors, either directly or through a voting representative, IVOX/GlassLewis. The criteria take into account both applicable laws and the analysis guidelines for shareholder meetings of the German Federal Association for Investment and Asset Management (Bundesverband Investment und Asset Management (BVI)) and the German Corporate Governance Code.

The principles found in the MEAG Participation Policy and Proxy Voting Policy (see MEAG internet) serve as the basis for enabling individualised and transparent decisions.

In 2022, MEAG integrated further ESG and specific climate aspects into its Proxy Voting Guideline. In addition to the Participation Policy, a Proxy Voting Policy was published, and the number of voted AGMs was further increased.

Records of all voting decisions are publicly available[1].

[1] Proxy Voting Results are displayed in the Annual Report at the end of this page: MEAG Participation Policy

ESG exclusions

To further ensure ESG alignment within our investment value chain, we define exclusions from the investment universe to avoid undesirable activities that do not fit in with our ESG strategy. We also single out sectors for careful analysis that may need to be restricted due to their GHG footprints.

Relevant exclusions are laid down in our RIG. The exclusions apply to Munich Re's own direct investment portfolio, regardless of the asset managers.

Munich Re does not invest in companies that generate more than 30% of their revenue from thermal coal. Companies whose revenue from thermal coal is between 15% and 30% are also excluded from its investment universe or, in individual cases, are actively supported in the transition to renewable energy within the framework of an engagement dialogue.

To support the transition to a low-carbon economy, we will continue to invest in the green bonds of excluded issuers provided the issuing company publicly commits to a 2050 net zero target (or Paris-aligned pathway), as well as a thermal coal exit by 2040 at the latest. We additionally demand accreditation by a Green Bond Framework that is compliant with certain standards, such as the ICMA Green Bond Principles.

The following are also excluded from the investment universe:

- Direct investments in equities or bonds of listed issuers linked to controversial weapons – this refers to companies that are involved in the production of whole weapon systems or components with intended use for respective weapon categories;
- Government bonds and notes from quasi-governmental institutions with an MSCI ESG rating of CCC;
- Trade and investment in food commodities (e.g. grains/oilseeds, dairy products).

In 2022 we revised our approach to the oil and gas sector:

As of 1 April 2023, we will no longer invest in projects exclusively covering the planning, financing, construction, or operation of

- new oil and gas fields in cases where, as at 31 December 2022, no production had taken place; or
- new midstream infrastructure related to oil, which had not been under construction or in operation as at 31 December 2022; and
- new oil-fired power plants, which were not yet under construction or in operation as at 31 December 2022.

In order to further facilitate the achievement of the Paris Climate Agreement targets, we are ceasing to make new direct investments in pure-play oil and gas companies as of 1 April 2023. We define pure-play oil and gas companies as companies listed in the Global Industry Classification Standard (GICS) “Oil & Gas Subindustries”, but excluding the classification “Integrated Oil & Gas”.

We may selectively invest in green bonds issued by oil and gas companies that are compliant with an accredited green bond framework (such as the ICMA Green Bond Principles or future EU Green Bond Standards) and where the issuer has a public commitment to a 2050 net zero target (or Paris-aligned pathway) and an oil and gas exit strategy by 2040.

Moreover, we have communicated that, as of 1 January 2025, we will require a credible commitment from listed integrated oil and gas companies with the highest relative and absolute emissions to achieving net-zero greenhouse gas emissions by 2050, including a commitment to corresponding short- and mid-term milestones. These companies are selected based on relative and absolute emission thresholds that capture at least 85% of the combined absolute CO_2e Scope 1 and 2 emissions of integrated oil and gas companies based on 2020 data provided by ISS ESG.

We are aware of the problematic effects of Arctic drilling in oil and gas exploration. Consequently, direct investments in oil and gas exploration and drilling within the Arctic region, as specified by the AMAP (Arctic Monitoring and Assessment Programme) and AHDR (Arctic Human Development Report), are not permitted.

Also excluded from investment are companies that generate more than 10% of their turnover from the extraction of oil sands.

3.2 Responsible investment

In 2022 we developed concepts to strengthen exclusions based on human rights violations and biodiversity considerations. A list of companies linked to severe human rights violations is regularly compiled based on external data sources. Such companies are then excluded from our universe of direct investments in equities and corporates. Similarly, direct investments in the sovereign bonds of countries with the most severe human rights violations are also excluded.

With regard to biodiversity, we focus on avoiding direct alternative majority investments via MEAG in natural or mixed World Heritage Sites if the investments are linked to an industry with a specific detrimental effect on biodiversity.

ESG-focus investments and opportunities

In the spirit of creating shared value, Munich Re uses economically sound investment opportunities to create a potential positive impact. These include investments in renewable energy, forests with certified management, certified buildings, and green bonds. An expansion of the ESG focus portfolio is envisaged in the medium term.

The KPIs for ESG-focus investments are the sum of the market values in the respective asset classes.

ESG-focus investments

	31.12.2022 | €m	Prev. year | €m	Change | %
Green bonds	2,326	2,206	5.4
Renewables	2,368	1,724	37.4
Certified real estate	2,633	2,228	18.2
Certified forestry management	1,537	1,143	34.5

Renewable energy and green bonds

Through our investments, we aim to promote the use of future technologies in avoiding greenhouse gas emissions.

With this in mind, MEAG invests in infrastructure projects around the world, such as solar power plants and wind farms, and also in green bonds. In 2022, investments (equity and debt) in renewable energy were approximately €2.4bn and the volume is targeted to be steadily increased to €3bn by 2025. Investment in green bonds amounted to approximately €2.3bn.

The classification of the green bond portfolio is determined by WM Datenservice's assessment of the issue documents. We continue to rely heavily on regional and segment-specific diversification of these investments to spread the technical and political risks within the portfolio.

In the medium term, we envision an expansion of the ESG-focus portfolio, which is expected to increase the EU Taxonomy eligibility of our investments.

Certified real estate and forest investments

Munich Re wishes to support climate change mitigation and therefore focuses on specific certifications related to the real estate and forest investment asset classes.

For real estate investments, we focus on energy efficiency and green buildings. We aim to certify the properties in accordance with the EU Green Building standard, the Building Research Establishment's Environmental Assessment Method (BREEAM), Leadership in Energy and Environmental Design (LEED), the German Sustainable Building Council (DGNB), or to have equivalent certifications that contribute to sustainability.

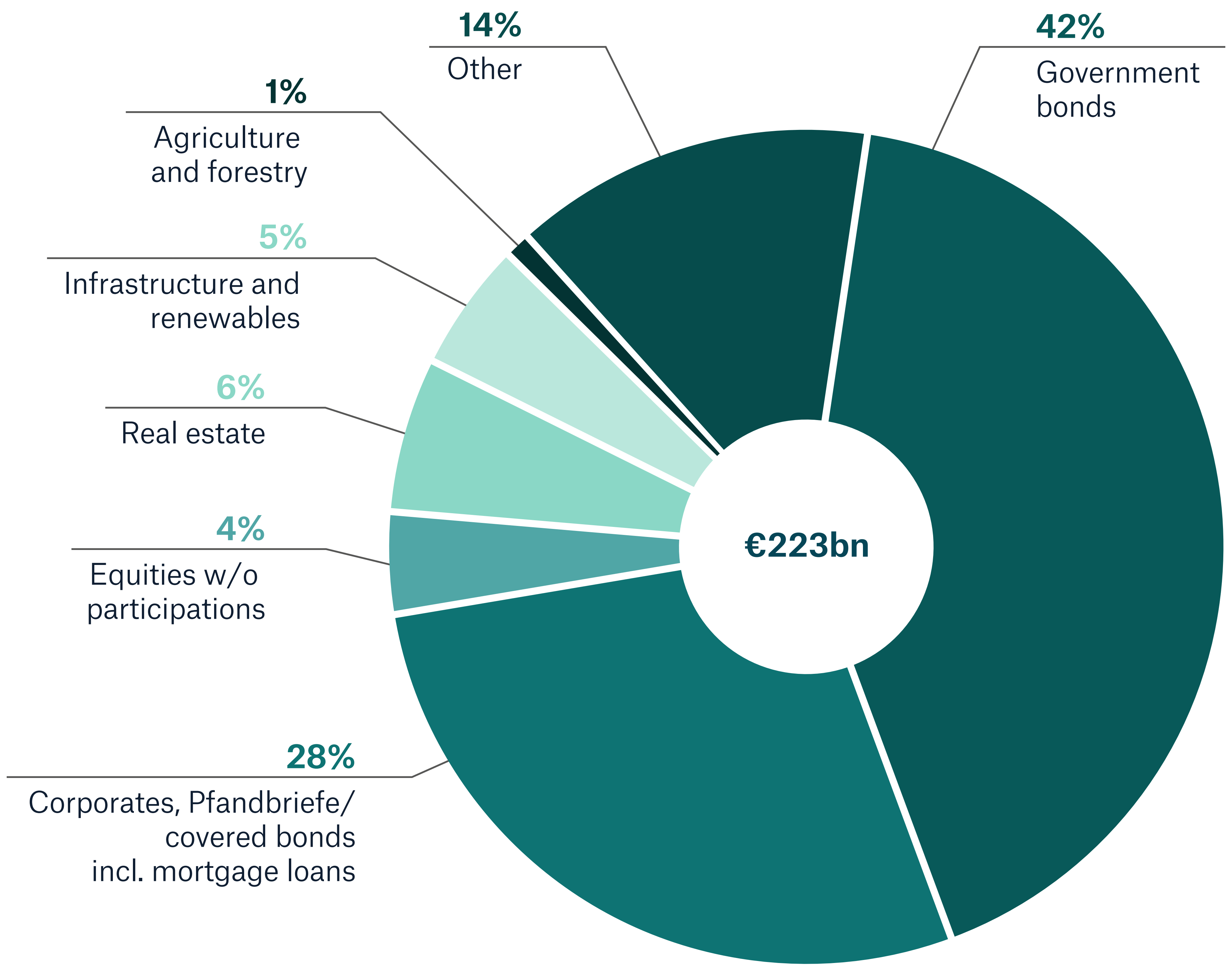
3.2 Responsible investment

Furthermore, new direct real estate investments must also obtain a recognised level of certification.

Sustainable forest management is the key objective of any forest investment. We focus on forest investments where management of the forest is certified by the Forest Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification Schemes (PEFC), or an equivalent organisation. The asset manager applies ESG criteria for each investment as part of the due diligence process and later in the ongoing management activities.

Munich Re forest investments whose management is certified according to the above definition comprise approximately 250,000 hectares.

Total investments Munich Re, % of total market value (31.12.2022)*



* To highlight the sustainability criteria, the composition of the asset classes has been slightly adjusted

Munich Re green bond issues

In 2022, Munich Re issued its third subordinated green bond with a volume of US$ 1.25bn, underlining its commitment to the Paris Climate Agreement and supporting its strategic goal of significantly increasing investments in energy efficiency and renewable energies to combat climate change. In 2020 and 2021, Munich Re issued two Euro-denominated green bonds with a volume of €1.25bn and €1.00bn, respectively. With its latest issuance, Munich Re again intends to invest an amount equivalent to the net proceeds in eligible projects in accordance with its Green Bond Framework. The Group strives to achieve a level of allocation to the portfolio of eligible projects that at least matches the balance of net proceeds of the latest green bond within 36 months of the issue date.

Munich Re's Green Bond Committee is responsible for governing the selection and monitoring of the eligible projects. On a semi-annual basis, Munich Re's Head of Alternative Investments recommends eligible projects to the committee, which then screens the projects and assesses whether they are in line with the eligibility criteria and exclusions set out in Munich Re's Green Bond Framework, as well as with the RIG.

The Green Bond Committee reviews the list of eligible projects against the eligibility criteria and exclusions on an annual basis. If a project no longer meets the eligibility criteria specified in the Green Bond Framework, the project is removed and replaced as soon as one or more eligible projects have been identified as a substitute.

For each of its green bonds, Munich Re has committed to publish an allocation and impact report on its website one year after issuance of the green bond, and annually thereafter until full allocation of the net proceeds, as well as in the event of any material changes to the allocation for as long as the green bond is outstanding.

Following full allocation of the net proceeds of Munich Re's first green bond, the net proceeds of the second green bond have also been fully allocated to eligible projects in accordance with Munich Re's Green Bond Framework. Specifically, the proceeds were allocated to nine projects in the United States, England, and New Zealand. In August 2022, the corresponding allocation and impact report was published.

The KPI "Volume of green bonds issued" represents the collected capital of the green bonds issued.

Green bonds

	31.12.2022	Prev. year | €m	Change | %
Volume of green bonds issued in €m	2,250	2,250	0.0
Volume of green bonds issued in US$ m	1,250	0	-

3.2 Responsible investment

MEAG sustainable investment products

MEAG MUNICH ERGO Kapitalanlagegesellschaft mbH has a long history of ESG investment, offering its first sustainable investment fund in 2003. Since then, its range of sustainable investment products for private and institutional clients has steadily increased. The three ERGO Vermögensmanagement funds, MEAG Nachhaltigkeit and MEAG FairReturn all promote environmental and social product characteristics in line with Article 8 of the EU Sustainable Finance Disclosure Regulation. For detailed information please refer to:

MEAG – Nachhaltig anlegen

The **ERGO Vermögensmanagement funds** comprise three of MEAG's sustainable mutual investment funds. These Multi Asset funds invest globally and apply sustainability criteria and relevant exclusion policies.

ERGO Vermögensmanagement Robust – Nachhaltigkeitsbezogene Offenlegungen

ERGO Vermögensmanagement Ausgewogen – Nachhaltigkeitsbezogene Offenlegungen

ERGO Vermögensmanagement Flexibel – Nachhaltigkeitsbezogene Offenlegungen

The **MEAG Nachhaltigkeit** equity fund was launched in 2003 and invests worldwide in developed markets, primarily in companies with responsible management practices. For the years 2022 and 2023, the equity fund was awarded the one-star label for sustainable investment by the "Forum Nachhaltige Geldanlagen" (FNG), reflecting the high ESG standards of this product.

MEAG Nachhaltigkeit - Nachhaltigkeitsbezogene Offenlegungen

MEAG FairReturn invests mainly in bonds and equities from issuers who act sustainably. Issuers are selected based on their environmentally friendly and socially responsible track record. For the years 2022 and 2023, MEAG FairReturn was also awarded the one-star label for sustainable investment by the "Forum Nachhaltige Geldanlagen" (FNG), likewise reflecting the high ESG standards of this product.

MEAG FairReturn – Nachhaltigkeitsbezogene Offenlegungen

MEAG MUNICH ERGO Kapitalanlagegesellschaft mbH additionally offers tailor-made sustainable investment products for institutional clients based on specific requirements and needs.

3.2 Responsible investment

Examples of ESG-focus investments

Case Studies 2022

New solar projects in the USA

Munich Re is expanding its renewables portfolio with the acquisition of a 50% stake in two renewable energy projects in California that are also exploring battery energy storage systems. The projects use horizontal single-axis tracking technology that positions the panel towards the sun to capture the maximum energy possible. The project combination of solar technology and energy storage systems creates significant added value.

New electric passenger trains for the German rail network

MEAG is the exclusive arranger of all senior debt financing for the procurement and long-term operation of a fleet of 29 new regional passenger trains for the "Kinzigtal" rail network in Germany. This investment encompasses the sale and lease-back of efficient electric trains that will enter service at the end of 2025. The project is another important contribution to the modernisation of the public transport sector in Germany. The new trains will not only make commuting more convenient, but will also contribute to reducing emissions.

Supporting transition to organic agriculture in the USA

Organic farming plays an essential role in promoting sustainable agriculture by enhancing soil fertility and biological diversity. Munich Re has implemented a strategy that assists organic farmers in the USA to scale up their business by supporting the transition from conventional farmland to organic. Transitioning farmland is challenging because organic farmers have a lower yield per field during the transition phase – which lasts three years – and must still sell their products at standard prices. Organic farmers therefore have lower income during the transition phase. For this reason, Munich Re partners with organic farmers as tenants by acquiring conventional farmland and then leasing it out to them on favourable terms and conditions. The leases are structured in a way that reduces liquidity issues during the transition and provides long-term planning security. The lease contracts enable and support organic farmers in scaling up their organic businesses.

Investment strategy followed by
Munich Re Investment Partners

Munich Re Investment Partners was established as a new asset management boutique with a dedicated focus on sustainable investment. The firm is fully owned by Munich Re. It specialises in climate investment solutions that cater to the needs of asset owners committed to net-zero emissions. Through a systematic investment approach and focus on emerging asset classes such as carbon, Munich Re Investment Partners aims to create lasting financial performance and climate impact for its clients. Investment solutions are enriched though leveraging the vast climate know-how of Munich Re and its experts. One of its first funds, the Munich Re Investment Partners EUA Strategy, will be launched in 2023. To underscore its sustainable and climate investment commitment, the Company has joined the Net-Zero Asset Manager Initiative (NZAMI) and has signed the UN Principles for Responsible Investment (UN PRI). Through the combination of emerging asset classes and standards for risk and impact measurement, Munich Re Investment Partners supports institutional investors in striking a balance between financial performance and climate impact goals.

Learn more about Munich Re Investment Partners

3.3 Climate-related disclosure

> GRI 3-3; 201-2

Munich Re is a pioneer in analysing the consequences of climate change in the financial services and insurance sector. For almost 50 years, it has dealt with climate change and the related risks and opportunities for the insurance industry.

In the 1970s, as part of geo-risk research activities within the Company, Munich Re began investigating the causes behind increasingly costly losses from weather-related natural catastrophes (nat cat). Over the years, the complexity of the issues became increasingly clear as scientific advances were made.

Today, we are part of a comprehensive scientific network that gives us access to the latest findings on climate change. The various findings from our analyses are consolidated on an ongoing basis and translated into relevant recommendations for internal use as well as for our clients.

The following section on climate change represents the Group's integrated climate-related disclosure. Content and structure follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in addressing our governance, strategy and risk management as well as metrics and targets regarding climate change. Certain content relevant for our approach to climate risks and opportunities is also covered in our Annual Report, an overview of where to find relevant content can be found in our TCFD index.

Governance

We have clearly defined the Group-wide organisational responsibility for sustainability. This also includes the management of risks and opportunities arising from climate change, which is an integral component of Munich Re's strategy. Material issues relating to sustainability and climate are decided at Board level and handled at management level in various departments across the Group.

Board of Management and Supervisory Board level

Please refer to the ↘ ESG governance section to read about our ESG governance structures, which also apply for climate-related issues.

The ESG Committee oversees material climate-related topics such as our climate strategy and our net-zero ambition. Some specific aspects of climate change, such as physical and transitional climate risks or green solutions, are also discussed and decided in other committees at Board level.

Detailed submissions are prepared for each meeting. Depending on the topic and agenda item, these include strategic proposals as well as defined objectives, budgeting, deliverables and Key Performance Indicators (KPIs).

The Board is informed about existing projects, activities, progress and current developments on a regular basis. In addition, it is updated on strategic projects, proposals, new activities and initiatives, innovations and new or unexpected developments.

Please refer to the ↘ Board remuneration section to learn how our remuneration system addresses ESG and climate change criteria.

Management level

The ESG Management Team is responsible for the implementation and monitoring of climate-related decisions by the ESG Committee (see ↘ ESG governance) and delegates to the appropriate topic or business owner. Multi-disciplinary project teams are deployed to steer strategic plans, such as ↘ Munich Re's climate strategy and net-zero ambition, and to monitor progress and targets.

ESG Governance at Munich Re is complemented by dedicated climate change experts in various central business divisions and departments. These include Munich Re's Chief Climate Scientist and Head of Climate Change Solutions; the Head of Geo Risks; the leading natural catastrophe expert in Corporate Underwriting; and Munich Re's Climate Litigation Task Force, consisting of experts from various underwriting and claims units in Munich and branch offices.

The assessment of risks and the development of climate-friendly/clean tech products and risk solutions are integrated into the various business units and departments, such as Munich Re's Green Tech Solutions department, our US subsidiary, Hartford Steam Boiler, Munich Re's Capital Partners, Munich Re's Syndicate and Munich Re's single risk units, as well as at ERGO. The number of employees dealing with climate-related tasks has grown continuously in recent years. As a result, we now have numerous specialists in central and business units across the Group to handle specific aspects of climate change, decarbonisation, natural catastrophes and renewable energy/clean solutions. Regarding the management of climate change risks, please also refer to the section on ↘ Risk management governance.

Established reporting structures enable coordination, monitoring and communication across the different business units and project teams. Supplementary, regular meetings on ESG- and climate-related topics ensure the exchange of information across the Group. Furthermore, a wide range of internal training courses on the above-mentioned topics aims to develop the competencies of our employees.

Strategy

Since 2008, Munich Re has had a holistic climate strategy in place that has evolved continuously. Our Group-wide objective is to contribute to achieving the goals of the Paris Agreement.

Our strategy is based on three core elements:

- ambitious decarbonisation targets
- comprehensive climate risk management and
- the provision of innovative risk transfer solutions aimed at adapting to and mitigating climate change

The geopolitical developments of the past two years and the resulting energy crisis strengthened our commitment to support a sustainable transformation of the energy system to reduce reliance on fossil fuels.

Our strategy spans our asset portfolio, our liabilities and our own operations. In addition, we leverage our knowledge in the climate sphere through global initiatives and partnerships (e.g. UNEP FI PSI and PRI, NZAOA, Climate Action 100+).

Munich Re climate strategy

	Ambitious decarbonisation targets	Comprehensive climate risk management	Innovative climate solutions
Assets	- Total: net-zero (2050) - Thermal coal: full exit (2040)	Climate risk management for both assets and liabilities: - Physical risks - Transition risks - Reputational and ESG risks - Litigation risks	- Investing in low-carbon technologies and green innovations - Green bond issuance
Liabilities	- Total: net-zero (2050) - Thermal coal: full exit (2040)		- Climate risk analysis services - Risk transfer solutions for climate change mitigation and adaptation
Own operations	- Net-zero emissions by 2030 - Aiming for 100% green electricity purchased Group-wide by 2025	- Reducing operational emissions and improving efficiency	- Project "Tackling Climate Change Together"
Initiatives & partnerships	- Global partnerships for collaborations and innovation processes towards climate-friendly solutions - Providing our expertise as a public voice to advocate for climate action and resilience		

3.3 Climate-related disclosure

Ambitious decarbonisation strategy

Our decarbonisation strategy is a key part of our overall climate strategy and revolves around three core domains: assets, liabilities, and our own operations. As part of Munich Re's Ambition 2025, we introduced a series of ambitious targets for our roadmap towards further decarbonising our business by 2050 – with the first important milestones in 2025. Further strategic milestones from 2025 onwards will be developed in line with current scientific progress, political and regulatory developments, and in line with international standards.

For more details on our methodology and milestones for these targets in coming years, please refer to the ↘ Targets and metrics section.

Comprehensive climate risk management

The risks and opportunities associated with the consequences of climate change will be of particular strategic relevance in the coming years and decades.

In the following section, we take a closer look at the time horizons, the specific risks material to our business model, and our strategic response to the potential impact of climate risks. A description of how we identify, analyse, and manage climate risks is provided in the ↘ Risk management section.

Business opportunities arising from climate change are reflected in our climate solutions suite. In addition to the brief overview in this section, our climate-related and green solutions are presented in more detail in the ↘ Climate solutions section.

Climate change time horizons

Munich Re applies different time horizons for the assessment of risks and opportunities relating to climate change.

- Short-term: up to 2 years
- Medium-term: 3-10 years
- Long-term: more than 10 years

Beyond this long-term horizon, our climate research extends to 2100 to acknowledge the intergenerational implications of climate change.

Regarding the reinsurance portfolio, understanding changing risk levels in the short- and medium-term is relevant for current insurance business practices. Reinsurance covers are mostly renewed on an annual basis, so risk management and (re)insurance cover can be adapted quickly as hazards are impacted by climate change over the years. Long-term climate change is relevant for respective long-term strategic considerations.

Climate change risk drivers

In terms of the ecological dimension of sustainability, climate change represents one of the central sustainability risks. The various types of climate-related risks that could potentially affect our company and business are monitored and evaluated by specialised departments and integrated into Munich Re's risk management system.

In line with TCFD recommendations, we differentiate between the physical and transition risks associated with climate change, with interdependencies between both risk types. Both risks have long-term effects, but can also have disruptive, short-term consequences. In addition to the climate-related risk drivers described below, we also refer to our Risk Report as part of our Annual Report for descriptions of general financial risk drivers.

- Physical risks arise from the increasing frequency and intensity of extreme weather events (hurricanes, wildfires, severe convective storms, floods, etc.) and chronic changes such as sea level rise due to climate change.
- Transition risks arise, in particular, from political and economic measures to shift to a low-carbon economy or from reactions to changing living conditions in certain regions. This includes market and technology risks, policy and legal risks, as well as litigation and reputational risks.

Physical risks – acute and chronic

Climate change already contributes to changes in hazard characteristics (in terms of severity and frequency), such as an increase in the frequency of large wildfire events or an increase in the intensity of heavy precipitation. From a (re)insurance perspective this becomes particularly relevant in regions with substantial insurance exposure.

Over the coming decades, further changes in climate-related hazard incidence are expected to be driven by both anthropogenic climate change and natural climate variability. Examples include a higher proportion of high-intensity tropical cyclones making landfall in regions with high coastal exposures, more frequent and intense heavy precipitation events, and flash flood events, as well as stronger storm surges due to sea level rise.

Often, such changes in "acute" risks are a result of changes to chronic risks; for instance, rising sea levels (chronic) are aggravating flooding from storm surge (acute).

We take short-term acute physical effects into account, particularly in the risk assessment of natural hazards. The occurrence of natural catastrophes with greater frequency or of greater severity than expected could have an adverse impact on Munich Re's results and financial situation.

This trend is also reflected in our annual natural disaster figures. 2022 joins the recent run of years with high losses. Overall losses (provisional estimates approximately US$ 207bn) were close to the average for the last five years, while insured losses (around US$ 120bn) were significantly above average (2017–2021: US$ 97bn). The figures for 2022 were dominated by events that, according to the latest research, are becoming more intense and/or more frequent due to climate change.

Besides hazard-related drivers, future risk is strongly affected by changes in exposure and vulnerability, with the latter playing a key role in mitigating climate risk and increasing climate resilience, for instance through the improvement of building codes.

Transition risks

There are risks involved in the transition to a low-carbon economy. Already under way, this transition is expected to become more radical and to accelerate in the next 10 to 20 years, which might affect the overall risk landscape of our business. Munich Re has performed transition risk analyses for its insurance and investment portfolio. We regard sustainability risk as a source of systematic risk in the financial system which can materialise in different types of risks. We cover those types in our internal risk model and in addition in our risk assessments. We consider market and technology risks and policy and legal risks as transition risks.

Market and technology risks:

The transition to a carbon-neutral economy will drive developments in technology, systems, and associated markets. These developments will in some sectors gradually or even disruptively change the characteristics of insured assets, businesses, and processes.

In the course of this transition, new technologies and processes that are in early commercial phase and have no or short-term damage and loss records will be deployed. Munich Re is innovative and develops products to support the greening of the economy, e.g. coverages for renewable electricity from photovoltaics (PV) and wind, but also for the hydrogen value chain, grid scale batteries and bioenergy.

Policy and legal risks (including litigation risks):

Munich Re welcomes increasing political action to mitigate greenhouse gas emissions. In addition, the industry is faced with additional regulations in this context, which naturally brings the risk of potential violations of such requirements. One example are lawsuit risks which can arise if products are presented as being more climate-friendly than they are ("greenwashing").

We also consider the risk of potential insured liabilities in the context of climate change.

This pertains to the impacts that could arise if third parties who have suffered damage because of climate change seek compensation for their losses. Although such claims may continue to be unsuccessful, they might nevertheless lead to substantial defence costs, which may be regarded as insured depending on the case and legal environment. Some of these claims, which may only arise years or even decades in the future, have the potential to considerably impact carbon extractors and emitters and, if they have purchased liability insurance, their insurers as well.

We differentiate between:

- direct climate change liability claims which target GHG-intensive industries for alleged damage caused by their GHG emissions as such; and
- indirect climate change liability claims, where companies are sued for allegedly breaching their duties in the context of climate change, for example for taking insufficient action to reduce their GHG emissions, "greenwashing", or failure to disclose. Indirect climate change liability could affect clients from all industries, independently of GHG emissions.

In this regard, the most affected insurance lines of business (LoBs) are general third-party liability (GTPL), with a higher risk for GHG-intensive clients (direct climate change liability and certain "greenwashing" claims), and Directors & Officers/ Errors & Omissions/Personal Indemnity covers for indirect climate change liability claims.

Munich Re monitors how these risks affect our own business and the business of our clients, and manages the risks adequately: our Group Compliance & Legal division reviews the impacts of potential litigation risks on Munich Re. In order to raise awareness of this risk and to take it into account when drafting future contracts, the Corporate Underwriting department has developed standards that are communicated to the relevant employees in information events and training sessions.

On the asset side, transition risk is already materialising in capital markets and will intensify in the next few years, following the ongoing reallocation of institutional investment portfolios. The anticipation of regulatory developments and the fulfilment of the relevant self-commitments have generally created heightened demand for green assets and shrinking demand for "high-emitting" assets.

Reputational risks

Our reputation is affected by our behaviour in various areas such as customer relations, product quality, corporate governance, financial performance, treatment of employees, and corporate responsibility. Reputational risks, which may also be influenced by climate change risks, interact closely with all other risk categories, such as risks arising from a possible deterioration in Munich Re's reputation as a result of negative public perception, a deterioration in the Company's rating or enterprise value, etc. The assessment of individual business transactions in events relating to reputational risks is carried out by Reputational Risk Committees at the level of the business segments (at ERGO: the Reputation and Integrity Committee). If a reputational risk has a potential impact on Munich Re, other central divisions are included in the assessment.

Strategic opportunities

While climate change poses significant risks to the economy and society as a whole, we consider the increasing global demand for climate resilience as well as the shift towards a low-carbon economy as an opportunity for Munich Re. Our extensive portfolio of weather-/climate-related risk analysis and risk transfer solutions and our ESG focus investments have the potential to accompany the sustainable transition.

Climate insurance solutions

From our clients' perspective, climate change implies two main challenges – climate risk management and adaptation and climate change mitigation.

In the area of mitigation, Munich Re aims to enable the shift to a carbon-neutral economy, to mitigate climate change, and to reduce global greenhouse gas emissions. We support the upscaling of innovative low-carbon technologies and craft special insurance solutions to cover the associated risks. We focus on the generation, transport, and storage of power, e.g. photovoltaics and wind power, energy storage systems, biomass power plants, hydroelectric power, and solar thermal power. As of 31 December 2022, our Green Tech Solutions unit alone insured renewable energy in around 900 projects and manufacturers from around 80 countries, for a total nominal output of around 55 gigawatts.

Furthermore, we promote the global society's and economy's adaptation to unavoidable impacts of climate change. We support clients in building resilience and minimising losses from natural catastrophes and extreme weather events. For example, we provide insurance, re/insurance and parametric cover and pool solutions to cover the costs of natural catastrophes. We also offer tools to measure physical climate risks and their financial impact.

Please refer to the ↘ Sustainability in insurance section to find more information on our portfolio of climate-related solutions.

Renewable energy and green bond investments

Munich Re uses economically sound investment opportunities to create a positive impact. Through our investments, we also aim to promote the use of technologies that avoid greenhouse gas emissions. MEAG, on behalf of Munich Re, invests in respective assets around the world.

Currently, these include renewable energy investments, certified real estate investments, forests with certified management, and green bonds, all of which are linked to environmental aspects. For detailed information on our ESG focus investments, please refer to the ↘ Responsible investment chapter.

Initiatives and partnerships

Our partnerships underpin our climate-related strategy and are the result of our climate change and underwriting expertise and knowledge, based on almost 50 years of opinion leadership in climate risk. Naturally, the partnerships we join reflect our commitment to solving the most significant issues we have identified in the context of climate change. These are:

- quantification of the changing hazard conditions due to climate change both up until now as well as in the future;
- the insurance gap between overall economic losses and insured losses; we specifically focus on innovative solutions for developing and emerging countries and related partnerships (e.g. multilateral development banks, UN organisations, Insurance Development Forum, Sustainable Markets Initiative);
- the technological transformation and the design of favourable risk transfer solutions that are required to accelerate the shift towards a low-carbon economy.

We formalise and embed our decarbonisation strategy on the asset and liability side through peer-to-peer learning in various initiatives and partnerships. Prominent examples include UNEP FI PSI and PRI, NZAOA, Climate Action 100+, Geneva Association, GDV, CRO Forum, MCII, and others.

Risk management

Munich Re was one of the first insurers to recognise climate change risks as being relevant for the insurance industry. In order to identify and detect the climate change impact on our business at an early stage, we have for a long-time interwoven risk management with climate science, not only by employing highly qualified climate experts for risk assessment and modelling purposes, but also by participating in science initiatives, initiating and conducting collaborative projects with scientific facilities, and publishing research projects in peer-reviewed journals.

Most of Munich Re's business is renewed on an annual basis. Thus, our risk management can adapt quickly to the latest scientific results, updates of risk assessments and a changing regulatory environment.

Our definition of material risks

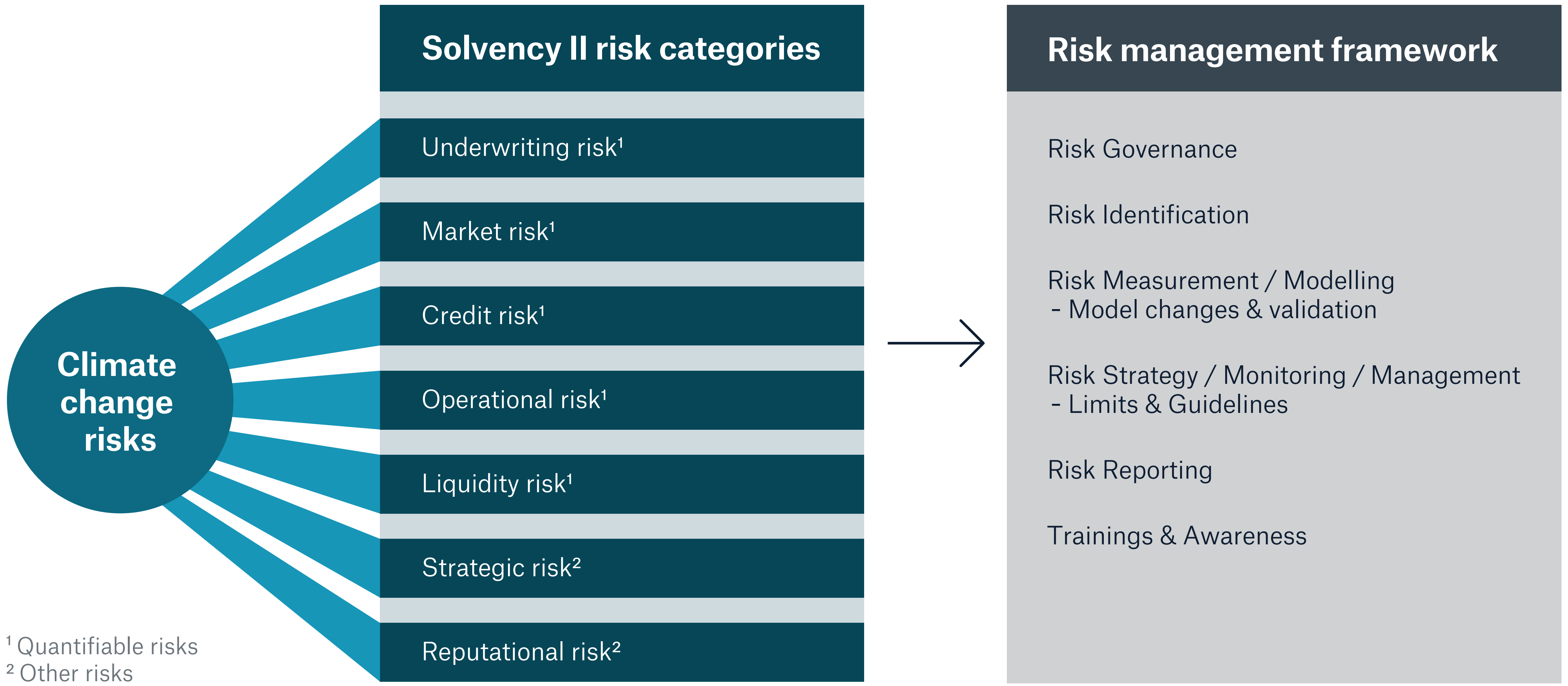
Our general definition of risk is possible future developments or events that could result in a negative prognosis or a negative deviation from the Group's targets. We consider three criteria when evaluating the materiality of risks. First, the extent to which a risk could influence stakeholder assessments of Munich Re. Second, the ways in which a risk could impact the solvency of Munich Re. And third, the extent to which a risk could exhaust accumulation limits or budgets. The identification and assessment of material risks for our Group is carried out by the relevant risk management function.

The assessment of risks is based on an analysis in line with regulatory standards. We distinguish between risks that are considered in our internal risk model and backed by risk capital, and other risks that are not quantified in the internal model. The risks included in the internal model are divided into the following risk categories: underwriting risk in property-casualty business, underwriting risk in life and health business, market risk, credit risk, and operational risk. Sustainability risks, including climate change risks, can affect all these risk categories and are therefore an integral part of managing these risks.

In addition, there are types of risk that – as is common throughout the industry and in line with regulatory requirements – are not explicitly capitalised in our internal risk model. These include reputational risk, strategic risk, and security risk (see the definitions in the Risk report section of our Annual Report). When dealing with these risks, qualitative risk management is of great importance.

Our climate change-related risk management is closely aligned with the approaches and measures described in the ↘ Strategy section. Munich Re adopts a strategic approach to climate change risks, which potentially affects the value drivers within the global risk and asset landscape covered by the Group. As a result of our assessments, we see sustainability risks, including climate change risks, mainly as strategic and reputational risks which, however, can affect all other risk categories. Accordingly, climate risks are reflected in our integrated risk management framework.

Climate change risks can affect all risk categories and are integrated into our risk management framework



[1] Quantifiable risks
[2] Other risks

Risk management governance

We have an established governance system that complies with Solvency II requirements. Key components are the risk management, compliance, audit, and actuarial functions.

By clearly assigning roles and responsibilities for all material risks, our risk governance ensures an appropriate risk and control culture. Risk management at Group level is carried out by the Integrated Risk Management (IRM) division and is headed by the Group Chief Risk Officer (Group CRO). In addition to the Group functions, there are other risk management units in the fields of business. Various committees at Group and field of business level support risk governance.

In this company-wide risk management process, we draw on the expertise of our scientists, specialist underwriters, lawyers, economists, risk managers and actuaries. A statement by the risk management function is required for significant decisions by the Board of Management, for example submissions to the Group Risk Committee (GRC) which ask for an increase of risk budgets or limits as defined in our risk strategy.

Further details on Munich Re's risk governance and risk management system can be found in the Risk report section of the Annual Report.

Climate change-related risks are identified, monitored, evaluated, and integrated into Munich Re's risk management system in several methodical steps. Within that system of governance, the risk management function is also responsible for assessing long-term climate change risks. To that end, we conduct scenario analyses for physical and transition risks to give a first indication of what different climate change scenarios up to the year 2050 could mean for MR's (re)insurance business and assets. We base our analysis on three specific Network for Greening the Financial System (NGFS) scenarios:

- An (orderly) net-zero 2050 scenario – the Paris temperature target is reached by way of a smooth transition between today and 2050 (67% chance of limiting global warming to 1.5°C by the end of the century).
- A (disorderly) delayed transition scenario – necessary action is postponed for a while and then the target is reached by a sudden implementation of very strict measures.
- A "business-as-usual" scenario or "hothouse world" – the global community does not agree on effective measures, reflected by a high temperature scenario, where emissions continue to rise throughout the 21st century.

The "disorderly" transition is assumed to carry the largest transition risk, while the "hothouse world" is most relevant for physical risk assessment. Nevertheless, there is a fair probability of transition risk and physical risk materialising at the same time.

The main results of the scenario analyses and our respective responses are outlined in the section "Physical risks and Transition risks" below.

Identifying, assessing, and responding to physical climate risks

Munich Re considers physical climate risks on all relevant time horizons: short-, medium-, and long-term, as defined in the "Strategy" section above. Across all time horizons, man-made climate change and natural climate variability jointly affect hazard levels and are jointly considered in our risk assessment.

Effects of climate change on hazard levels which are already unfolding are reflected in our natural catastrophe (nat cat) models and pricing, based on state-of-the-art climate science as well as in the internal risk model, thus granting a proper assessment of today's risk. Short-term effects of climate variability and change are primarily considered in weather risk and property business.

3.3 Climate-related disclosure

The impact of changing climate conditions on natural catastrophe risk is accounted for in risk assessment based on:

- identifying, monitoring, and assessing changes in meteorological/hydrological/climatological drivers of loss events over time. Changes in hazard conditions so far are reflected in our nat cat models;
- identifying, monitoring, and assessing of simultaneous changes in peril-specific natural catastrophe losses over time, normalised to current levels of destructible wealth. The normalisation procedure removes the signal of economic growth over time, which per se would cause losses to increase even in the absence of any climate impact.

Detected changes to weather hazards or natural weather variability patterns, which result in changes on the loss distribution side over time, are considered in our risk modelling and risk management as well as in our pricing processes. Within the internal risk model, we account for changing climate conditions mainly via model assumptions that are set around the frequencies/severities of weather-related hazards. As part of the regular validation process, we examine the sensitivity of major and accumulation losses to changes in the return period or loss amount, or to a change in the business volumes written. Additionally, we consider the impact of changes in the correlation between different regions or perils on the results of the risk model.

In particular, we:

- reflect the changing hazard status in the risk models for each region;
- apply strict accumulation controls according to defined limits for specific scenarios;
- diversify peak risk from natural catastrophes globally;
- retain a balance between losses, administrative costs, risk-based capital costs on the one hand and premiums earned on the other hand, allowing for profitability;
- incorporate climate change-related risks in underwriting policies; and
- invest in tools and models, data and science (e.g. collaboration with the European Severe Storms Laboratory; Munich Re's own NatCatSERVICE, Location Risk Intelligence Platform, Climate Scores, etc.).

Albeit uncertain by their nature, long-term projections of changing physical risk levels related to natural catastrophes are mainly relevant in strategic terms. To assess the long-term impacts of climate change on assets and liabilities through scenario analysis, we use atmospheric greenhouse gas concentrations following the Representative Concentration Pathway (RCP) scenarios outlined by the Intergovernmental Panel on Climate Change (IPCC). The return frequencies of the most relevant climate-related hazards for Munich Re were stressed in Munich Re's internal model to give an indication about materiality and magnitudes of risk under the selected scenario. The frequency scaling was based on scientific consensus of hazard changes for a prudent "business-as-usual scenario" by 2050. Thanks to sound risk management measures, the impact on Munich Re's nat cat underwriting risk is limited. Nevertheless, interdependencies between different risks (region and peril) might change. This could be due to gradual shifts in region, timing or magnitude of these perils, if they share common underlying drivers, and if these drivers are affected by climate change. For example, Hurricane activity in the Atlantic and Typhoon activity in the Northwest Pacific are rather independent perils. Yet, there is scientific debate about whether rising sea surface temperatures in both basins due to climate change (which fuel the intensity of tropical cyclones) may, in the long run, induce correlation between both basins.

We are monitoring the potential impact of such a change on the Group Solvency Capital Requirement (SCR) and its implication for specific (re)insurance products.

On the investment side, we follow and analyse risk exposure across different asset classes.

We are continuously increasing the analysis functions available and integrating findings into the investment process.

Due to the long-term nature of illiquid assets, physical and transitional risks can be of high relevance. We therefore take these risk criteria into account while selecting illiquid investment opportunities and in our respective due diligence. Experts from both MEAG and Munich Re work closely together to leverage Group-wide know-how. For example, wildfire and tropical cyclone risks (mainly in the US) and extratropical storm risks (mainly in Europe) pose a potential threat to parts of the current illiquid investment portfolio. Flood is considered a moderate threat to a large portion of the portfolio.

We mitigate potential physical risks on both the insurance and the investment side:
On the insurance side, we limit our risk exposure to future climate-related risks by, for example, limiting natural catastrophe risks in our coverages. Another measure to manage underwriting risks is to selectively cede a portion of our risk to other risk carriers through reinsurance or retrocession. Intra-Group, external reinsurance or group retrocession and retrocession protection are in place for most of our companies. In addition to traditional retrocession, we use alternative risk transfer, especially for natural catastrophe risks. For this purpose, capital markets are utilised as an additional opportunity to spread risk.

On the investment side, available mitigation measures are examined by our inhouse technical and financial experts based on the understanding of the exposure. We thus generate a clear understanding of the physical and financial mitigation measures. This is essential to finally value the financial stability of the investment as a core consideration of the investment decision.

Identifying, assessing, and responding to transition risks

To identify and analyse transition risk in underwriting, we have developed a five-step analysis (scenario identification, risk heat maps, impact tree/risk cluster, deep-dive critical risk cluster, metrics), which is based on the TCFD requirements and approach. We have identified the "disorderly, low-degree scenarios" as the most conservative scenarios for this risk and, given that the transition is already happening right now, the next 10 to 20 years will be the most relevant time horizon.

To analyse litigation risks as part of transition risks, we differentiate between direct climate change liability, which targets GHG-intensive corporations for their GHG emissions as such, and indirect climate change liability stemming from corporations that are accused, for example, of greenwashing or failure to disclose. There is a clear trend of increased frequency in climate change-related litigation all over the globe, but, for several reasons, the success rate of cases brought to court is currently very low for both categories. Nevertheless, there could be substantial defence costs for direct liability, where the duty to defend is assumed. In addition to the risk of increased frequency of individual large losses, accumulation scenarios are possible. We assess this risk as material.

We have developed different heat maps for general transition risks (market, technology) and litigation risks. On that basis, impact trees and risk clusters have been identified, which consider how many consecutive underwriting years might be negatively impacted. Depending on the results from the first steps, a deep-dive assessment has been conducted of the underlying insurance risk clusters that were identified as critical. For the assessment of litigation risk, we specifically considered cause of litigation, industry sectors and geographical areas or jurisdictions. For transition risk, excepting litigation risk, two types of risk effects were assessed: the effect of potential top-line premium reduction with corresponding loss of profit margin and the risk of deteriorating loss ratios with corresponding decreasing profitability.

3.3 Climate-related disclosure

Overall, any such negative impacts are softened by our ability to adjust models and risk positions regularly and, if necessary, at short notice. Therefore, we continue to actively identify, monitor and assess any new developments, increase underwriters' risk awareness, and mitigate such risks where it appears sensible to do so.

On the asset side, in a similar manner to the physical climate risk approach, we pursue different measures for the different asset classes. We conducted an extensive analysis of our equity and corporate bond portfolio regarding scope GHG emissions (Scope 1 and 2), which gives us an indication of transition risks. We use ISS ESG climate data, including absolute emissions and relative carbon footprint (t CO_2e/€m invested). These activities are strongly linked to our climate strategy, and reduction targets for 2025 are the basis for our focus on the coal and oil and gas sectors. Both sectors play a crucial part in the transition to greener energy.

We constantly steer and monitor absolute emission reductions at investment portfolio level in order to meet the sector targets. Further KPIs, such as intensity metrics, support the analyses of emission reductions.

The transition to a carbon-neutral world could also have positive effects on Munich Re's asset portfolio, given the significant allocation to renewable energy (€2.4bn) and forestry (€1.5bn). Please refer to ↘ ESG focus investments and opportunities in the ↘ Responsible investment section.

Targets and metrics

Decarbonisation targets and metrics

Our Ambition 2025 strategy includes specific milestone targets up until 2050, with 2025 marking a crucial first milestone (see graphic on the next page).

Regarding decarbonisation targets, our Climate Ambition 2025 creates a holistic framework encompassing emissions associated with our assets, liabilities and our own operations. We consider the latest IPCC reports as a central source of scenarios and emission pathways, such as the IPCC's Special Report on Global Warming of 1.5°C and the Sixth IPCC Assessment Report.

Munich Re Group Ambition 2025 and beyond

Today	2025	Long-term	As per financial year 2022
Assets | Financed GHG emissions[1]	**Target**	**Target**	**Achievement**
No direct investment in listed companies with >15% revenue thermal coal[2] >10% revenue oil sands	Thermal coal[6] –35% emissions	Thermal coal Full exit by 2040	Thermal coal –48% emissions
Oil and gas companies[3] - No new direct investment in pure-play oil and gas - Net-zero commitment from integrated oil and gas companies required as of 2025[4]	Oil and gas[6] –25% emissions		Oil and gas –29% emissions
No direct illiquid investments in new oil and gas fields, midstream oil infrastructure and oil fired power plants[5]	**Total[6]** –25% to –29% emissions	**Total** Net-zero by 2050	**Total** –46% emissions
Liabilities | Insurance-related GHG emissions[7]	**Target**	**Target**	**Achievement**
Thermal coal No insurance for new coal mining, power plants, related infrastructure[8]	Thermal coal –35% emissions[11]	Thermal coal Full exit by 2040 (incl. treaty insurance)	Coal-fired power plants -29% emissions Thermal coal mining -37% emissions
Oil and gas – exploration and production No insurance for new and existing oil sand sites and related infrastructure[9], arctic exposure and infrastructure[10]	Oil and gas –5% emissions[12]		Oil and gas -40% emissions
No insurance for new oil and gas fields, midstream oil infrastructure and oil fired power plants[5]		**Total** Net-zero by 2050	
Own Operations | GHG emissions from operational processes[13]	**Target**	**Target**	**Achievement**
Munich headquarters net-zero emissions (via carbon removal certificates) **All other Group entities** neutral emissions (via carbon avoidance certificates)	Per employee -12% emissions	**Total** Net-zero by 2030	Per employee -22% emissions

All Greenhouse Gas (GHG) emissions are measured in CO_2-equivalent (CO_2e). Base year 2019 for all target and achievement numbers. Exceptions to policies can only be granted by a committee at Board level.

[1] Scope 1 and 2.
[2] Exceptions for companies with revenues in thermal coal between 15% and 30% are possible in individual cases, where an active engagement dialogue has been established with the company.
[3] Direct investments in equities or corporate bonds from listed oil and gas companies.
[4] For companies with highest relative and absolute emissions.
[5] Applicable for contracts/projects exclusively covering the planning, financing, construction or operation which have not yet been under production (fields) or construction or operation (infrastructure and plants) as at 31 December 2022.
[6] Listed equities, corporate bonds and - for total - direct real estate.
[7] Applies to primary insurance, direct and facultative (re)insurance.
[8] On single location standalone risks.
[9] On single location standalone risks; for mixed coverage above a certain threshold.
[10] For exclusive coverages; for mixed coverages above a certain threshold.
[11] "Produced tonnes of thermal coal or MW capacity of insureds" used as proxy for emissions.
[12] Operational property, scope 1-3 life-cycle emissions; utilising the expertise of HSB Solomon.
[13] Scope 1, 2 and 3 (business travel, paper, water, waste).

3.3 Climate-related disclosure

Assets

Please refer to ↘ "Financed GHG emissions objectives and progress" section in the Responsible investment chapter for detailed information on targets relating to decarbonisation and the respective achievements (KPIs).

In addition, comprehensive metrics on the GHG emissions of our investments are also regularly published in our Non-financial Statement as well as in our CDP disclosure.

Liabilities

We have committed to transitioning our underwriting portfolio to net-zero greenhouse gas emissions by 2050. Our climate ambition is an important milestone on the way to achieving this commitment. In this context, we aim to successively expand the internal and external data availability and quality required for this over the next few years.

Nonetheless, in our primary insurance, facultative and direct (re)insurance business, we have set ourselves individual GHG emission reduction targets for insurance of thermal coal and oil and gas production in 2020 as part of our Munich Re Group Ambition 2025. Treaty-like business in the form of facultative master agreements is also considered, provided the agreements contain a right of rejection for individual risks. Our reduction targets are based on self-developed approaches, as global accounting standards were not yet available at the time of publication at the end of 2020.

- Regarding (re)insurance of thermal coal activities in primary insurance as well as in facultative and direct (re)insurance, we have set long-term and mid-term targets. We aim to reduce the corresponding GHG emissions of insured activities of our policyholders related to thermal coal extraction (mining) and coal-fired power plants by 35% by 2025 compared to the base year 2019. The key figures we use as an approximation for the development of GHG emissions are explained in connection with the key figure reporting.
- In terms of all its (re)insurance business, including treaty business, Munich Re has also committed to a phase-out of thermal coal insurance by 2040.
- Regarding our operational property insurance business in oil and gas production, we have also set quantitative decarbonisation targets for primary insurance and direct and facultative (re)insurance business. We aim for net-zero emissions by 2050 and have committed to mid-term emission reductions: We aim to reduce our calculated and GHG emissions associated with our business by 5% by 2025 compared to the base year 2019.

In the context of our decarbonisation targets, we are preparing to achieve the milestones mentioned above by planning appropriate measures in the business units concerned and by regularly monitoring their implementation. GHG emission reductions can result both from the original activities of our clients and from our own portfolio management measures (including discontinuation of business). We are in dialogue with our clients to ensure they receive the best possible support for the necessary transition.

Furthermore, we aim to make a positive contribution to our strategic decarbonisation goals, particularly through underwriting restrictions and exclusions for fossil energies, which we describe in the chapter ↘ Sustainability in insurance. These include restrictions on thermal coal activities in connection with new thermal coal mines/power plants/infrastructure, oil and gas activities in connection with new oil and gas fields or new "midstream" oil infrastructure and oil-fired power plants, oil sands, and Arctic oil and gas activities.

Regarding our treaty reinsurance business, we are also in active dialogue with our clients to obtain transparency about the scope of the insured activities in the area of fossil energies, thermal coal as well as oil and gas, and to gain more insight into the insurers' own possible decarbonisation strategies.

In the following, we describe in more detail the key figures that will be reported for the first time for the 2022 financial year in order to measure achievement of the climate target set out in our Munich Re Group Ambition 2025.

In the thermal coal sector, the quantitative emission reduction targets are derived from the following key figures as a basis for evaluating the development of GHG emissions associated to the insured business of our clients: annual tonnes of thermal coal produced from mines and installed operational capacity in megawatts of our clients' thermal coal power plants.

The base year is 2019 for all active risks as of 31 December 2019. Given that the reduction targets are applicable across all non-life lines of insurance, and that our goal is to completely discontinue insuring these business activities by 2040, our clients' GHG emissions associated with our insured business are – as described above – fully taken into account regardless of the specific type and amount of our (re)insurance coverage. As a result, the metrics for the base year and the reporting year, which are calculated to measure the reduction as at the given reporting date, are always based on 100 percent figures at client level across the relevant insurance lines. The figures thus refer to the customer's thermal coal production or power plant capacities, considering the avoidance of double counting at customer level across the various relevant insurance classes.

Development of approximated GHG emissions in primary insurance and facultative und direct (re) insurance business, relative to the 2019 base year (Munich Re Group Ambition 2025)[1]

%	31.12.2022
Thermal coal mining[2]	-37.4
Coal-fired power plants[3]	-28.6

[1] The reductions are mainly due to active portfolio management measures, including discontinuation of business. Less significant external developments, including positive effects from our clients' transformation activities, also contributed to the result.

[2] The development of the metric tonnes of insured thermal coal produced each year by insureds is used as an equivalent for an approximate development of the GHG emissions. These are based on the reported actual data of the insured.

[3] The development of the installed operational capacity (in megawatts) of the insured coal-fired power plants of our insureds is used an an equivalent for an approximate development of GHG emissions. These are based on the latest available data from an external data provider.

In the area of oil and gas production (conventional and unconventional), the quantitative emission reduction target relates directly to the GHG emissions, calculated by our clients, from their insured oil and gas production that are associated with our property insurance business. We calculate the figure ourselves, by first determining our clients' Scope 1 to 3 life-cycle GHG emissions associated with the produced amounts of oil and gas. For these calculations, we use the expertise of our subsidiary HSB Solomon Associates LLC, who themselves use the integrated open-source tool The Oil Climate Index + Gas. We allocate these emissions to our (re) insurance policies to the extent that the (re)insurance capacity provided by Munich Re contributes to the total insurance ceiling known to us (client retention + total insurance capacity). The base year is 2019 for all active risks as of 31 December 2019.

Development of self-calculated Scope 1, 2 and 3 life-cycle GHG emissions (CO_2e) associated with our operational property business in primary insurance and facultative and direct (re)insurance, relative to the 2019 base year (Munich Re Group Ambition 2025)[1]

%	31.12.2022
Oil and gas production	-40.2

[1] The oil and gas production volumes used in the calculation are based on the latest data from an external data provider.
The reduction is mainly due to portfolio measures, strongly influenced by radically changed surrounding conditions, including sanctions. The implementation of our restrictions regarding oil sand sites and related infrastructure also made a positive contribution.

3.3 Climate-related disclosure

Own Operations

Our goal is to reduce the impact of our own GHG emissions on the environment and climate with corresponding reduction and decarbonisation targets. As part of our climate ambition, we aim to reduce our emissions by 12% per employee by 2025 compared to 2019, and ultimately become net-zero in terms of GHG emissions from our own operations by 2030.

For detailed information on our environmental management activities and our GHG emissions (scope 1, 2 and 3), please refer to the ↘ Environmental management section and ↘ Key figures section.

Climate risk management metrics

Relevant risk drivers, as well as their likelihood and potential impact on Munich Re, as described in the ↘ Strategy and in the ↘ Risk management sections above, are summarised in the table below, along with our key response measures.

Assessment of natural disaster risks in (re)insurance business is part of our permanent risk assessment (see the ↘ Risk management section). A key figure in this respect is the probable maximum loss (PML) to our insurance portfolio from climate-related natural catastrophes for a 200-year return period, which we calculate based on natural catastrophe modelling in our internal risk model. In the table, we illustrate the value at risk of the economic profit and loss distribution over a one-year time horizon with a confidence level of 99.5%. The net perspective after external retrocession is shown for Munich Re's largest climate-related natural catastrophe exposures.

The actual loss from natural catastrophes for the full year 2022 mostly comes from property business and totals €2,430m for the reinsurance business after external retrocession. This corresponds to 7.5% of net earned premium and considers major claims with a loss amount of more than €10m.

3.3 Climate-related disclosure

Physical acute and chronic

Risk issue	Time frame	Likelihood	Magnitude of impact	Potential impact	Response (strategic, financial, planning)
Tropical cyclone Example: Atlanic Hurricane	Long term	Likely	High	Increased insurance claims liability, e.g. €10bn VaR for Atlantic Hurricane North America (200-yr return period).	- Munich Re has a vigilant risk management system in place, capable of detecting and responding to changes in hazard and risk (see details in the section on risk management). - Annual renewal of most (re)insurance covers allows high flexibility in adapting risk management and (re)insurance cover conditions over time. - Munich Re's adaptation and mitigation measures (see risk management section) also contribute to the prevention of increasing physical risks.
Extra-tropical cyclone Example: Winter Storm Europe	Long term	More likely than not	High	Increased insurance claims liability, e.g. €5.5bn VaR for winter storm Europe (200-yr return period).	
Severe convective storms Example: Severe Thunderstorms USA	Short term	Likely	Medium	Increased insurance claims liability, e.g. €1.25-2.25bn VaR for severe thunderstorm USA (200-yr return period).	
Wildfire: Example: Wildfire USA	Short term	Very likely	Medium-high	Increased insurance claims liability, e.g. €0.75-1.75bn (estimated range), VaR for wildfire USA (200-yr return period).	
Rising sea levels and associated risks such as increased storm surge events	Long term	Virtually certain	High	Increased insurance claims liability. No estimate due to high uncertainities to date.	
Physical risks for Munich Re premises	Short term	More likely than not	Low	Decreased asset value or asset useful life leading to write-offs, asset impairment or early retirement of existing assets. No detailed analysis due to limited likelihood and low magnitude of impact.	- Business-driven risk management and business continuity plans on a Group-wide and local level apply at all Munich Re Group locations.

Climate solution targets and metrics

Please refer to ↘ ESG-focus investments and opportunities in the ↘ Responsible investment section for detailed information on our targets and metrics for climate-related solutions.

For our consideration of climate-related opportunities in our underwriting, especially regarding our climate solutions portfolio, please refer to the ↘ Aiming for positive impact through insurance solutions section.

As part of our Non-financial Statement, we also report the share of our taxonomy-eligible (re)insurance activities in accordance with the EU Taxonomy Regulation for the financial year 2022. Please refer to our Non-financial Statement of the Annual Report for more information.

4.

Environmental management

4. Environmental management

> GRI 2-23; 3-3

Munich Re takes its responsibility for environmental issues arising from our own operations at our numerous sites worldwide seriously. Even though the direct environmental impact of our activities is limited, since our business model is not energy- and resource-intensive, we seek to get involved in areas where we can have a positive impact.

Strategic environmental management

We trust in the scientific evidence on climate change and aim to align the decarbonisation pathway of our own emissions with the Paris Agreement. As part of this commitment, we support international efforts to keep the global temperature increase well below 2 degrees, ideally 1.5, while mitigating the effects of climate change. To achieve this goal, humanity's GHG emissions must be reduced significantly, and fast. But this alone is not enough. To achieve a decarbonised economy by 2050, a great deal of GHG emissions must also be removed from the atmosphere. Munich Re has chosen to adopt a holistic approach through its Ambition 2025 initiative and, in addition to decarbonisation targets for investments and (re)insurance business, has also set targets for its own GHG emissions from operational business processes. Our target is to reduce our own GHG emissions by 12% per employee (2019 to 2025). By 2030, we want to achieve net-zero for our own GHG emissions.

The latter objective means that we will need to remove any remaining GHG emissions from our operational processes by 2030 through suitable reforestation and/or carbon capture and storage projects.

Our goals and activities related to these topics focus on reducing consumption of resources and associated carbon emissions such as energy, purchasing green electricity, and ensuring that business travel is as environmentally friendly as possible. Additional options include generating less waste and using sustainable materials. In parallel with these activities, we continually raise our staff's awareness of how to behave in an environmentally compatible manner through various activities and projects.

Governance on environmental topics

Responsibility for the Group-wide environmental and climate protection strategy, for the Munich Re Group Ambition 2025 targets, and for related measures lies with the Board of Management or the relevant committees with ESG responsibility. The Board of Management's ESG Committee decides on the Group-wide environmental and climate protection strategy and its targets. These targets have also been integrated into the multi-year remuneration for the Board of Management.

The implementation of the strategy and the measures to achieve the targets is carried out with defined responsibilities and tasks at Group level, in the respective business units and at local level. The Group Environmental Manager's function is embedded in the Economics, Sustainability and Public Affairs (ESP) central division, which reports directly to the CEO. To ensure clear responsibilities for target achievement, consistent reporting and sharing of best practices within the Group, a hub structure for environmental management at Group, business field and local levels has been established for reinsurance, ERGO and MEAG.

Munich Re is committed to its responsibility for environmental and climate protection, resource conservation and the preservation of our ecosystems. Orientation is provided by Munich Re's Climate Ambition as well as the following core elements of our approach:

- Assuming responsibility for protection of environment and climate
- Regular assessment and continuous improvement of our environmental performance
- Promoting environmental awareness among employees
- Ongoing communication with stakeholders

4.2 Own emissions

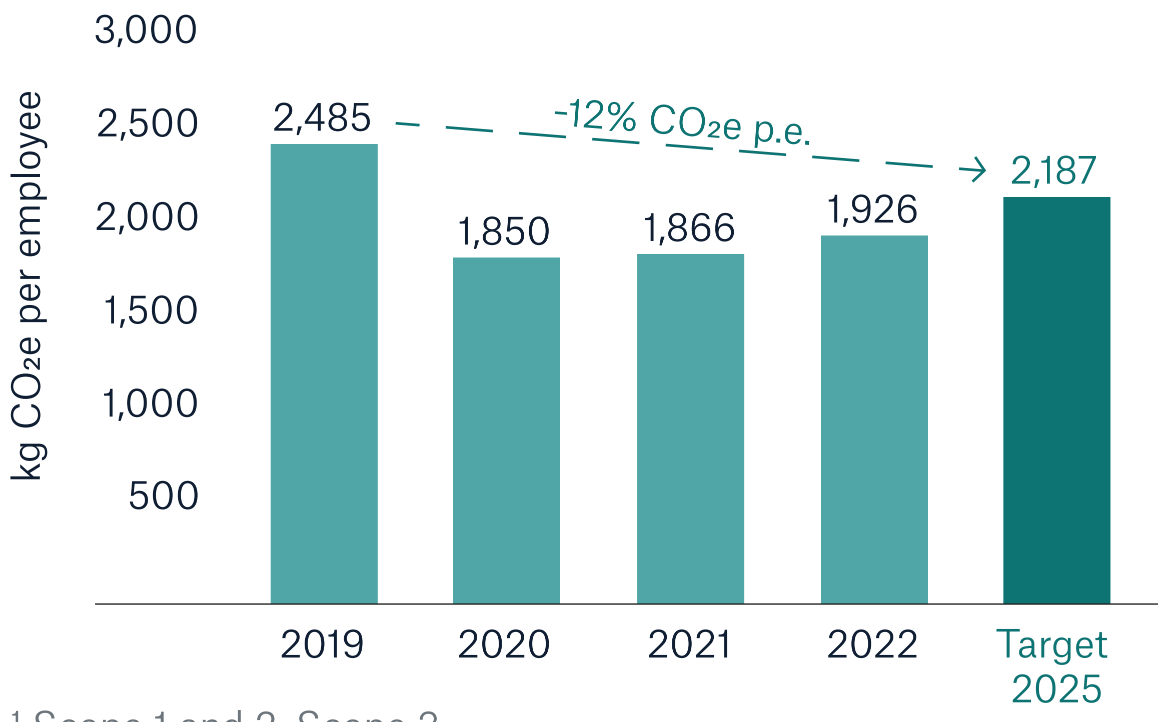
Achieving our environmental targets

The carbon footprint of our operational activities is the key indicator for assessing our environmental record. Accordingly, we calculate the annual carbon emissions that result from our consumption of energy, paper and water, our business travel and waste generation. This is done in a standardised manner in compliance with internationally recognised methods and conversion factors, such as the GHG Protocol. In 2022, we achieved data coverage for 76% of employees and extrapolated the calculated carbon equivalents to 100%. An external auditing company confirmed that we have met the required quality for environmental indicators throughout the Group since 2015. For 2022, environmental data are externally verified within the non-financial statement of the Annual Report.

In 2022, we continued to implement energy efficiency measures in our operations. In addition, increasingly digitalised workplaces, the influence of the COVID-19 pandemic and the energy crisis resulting from the Ukrainian war have contributed to a decrease in the consumption in our offices of resources such as energy and paper. We are also keeping the share of green electricity consumed on a high level: in 2022, 90% of the electricity purchased was from renewable sources. We are aiming for 100% green electricity purchased Group-wide by 2025. After two years of restricted travel options, our carbon impact from necessary business travel increased as expected in comparison to 2021. Doubling the share of electric cars within our fleets, the use of trains instead of planes, and substituting in-person meetings with digital communication where practical, has reduced carbon emissions from business travel by more than 20% compared to the base year 2019.

So far, we have exceeded our reduction target of 12% per employee (2019–2025) and already achieved a reduction of 22% for GHG emissions in 2022 (25% less in 2021) – compared to 2019. Energy-saving measures reduced absolute energy consumption by around 10% compared to the previous year. The slightly higher water consumption results from the increased presence of employees in the office compared to 2021. A detailed list of the relevant ↘ Key figures can be found in the ↘ Annex.

Carbon reduction: Munich Re's own emissions[1]



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

Munich Re has also offset its remaining emissions, effectively making itself carbon-neutral since 2015. This was achieved by purchasing carbon credits from projects that avoid emissions by installing technologies that enable energy consumption from renewables or enhance energy efficiency. Munich Re's goal is to become carbon net-zero by 2030, by offsetting all unavoidable emissions. We will do this on a staggered basis beginning with our Munich headquarters.

We follow strict requirements when selecting carbon offsetting projects. The projects from which we obtain certificates for our GHG neutrality avoid using fossil fuels, for example, or contribute to energy efficiency. When selecting the certificates, we place value on internationally recognised certification standards such as the Gold Standard. Certifications verify whether projects' sustainability standards are upheld and rate how well a given project avoids GHG emissions. In addition to the avoidance of GHG emissions, the Gold Standard also rates whether a project contributes to sustainable development and reaching the Sustainable Development Goals (SDGs). We also place special emphasis on maintaining societal standards. We primarily support projects that promote health, facilitate education, develop local infrastructure, avoid deforestation, and maintain biodiversity. For 2022, all of the Group's recognised, unavoidable GHG emissions from operational processes were made GHG neutral, and the Group headquarters in Munich brought to GHG net zero.

4.2 Own emissions

Reducing our sites’ environmental impact

We focus on measures that have maximum leverage in reducing our GHG emissions. These include increasing energy efficiency in the operation of our own premises – by increasingly digitalising our communication and transforming our locations and ways of working, and by divesting from buildings that are no longer needed. We expect future carbon reductions of 3%–4% by 2025 as a result of these measures, compared to the base year of 2019.

One Roof initiative – bringing Munich Re´s offices together in one destination

Efficient building operation is an important component of Munich Re’s efforts to provide effective and sustainable infrastructure for our employees.

In February 2023, the Munich Re offices in New York, which were previously scattered across the city, moved to a Munich Re building – under the “One Roof” concept – in the heart of midtown Manhattan. This project combines the three dimensions of our new ways of working approach centred on outstanding global and interdisciplinary collaboration: Workmode, Workskills and Workplace. Falling under workplace advantages, the building is U.S. Green Building Council LEED® Gold certified and meets ambitious environmental requirements for premises, e.g. for energy efficiency.

Further One Roof initiatives are planned in London and Singapore.

4.2 Own emissions

ERGO Baltic: Successful certification of environmental management

Interview with Agnieszka Zebrowska

Environmental manager ERGO Baltic

Introduction:
ERGO Baltic, with offices in Estonia, Latvia and Lithuania, successfully certified the environmental management of its sites in accordance with the international ISO 14001 and the European EMAS (Eco-Management and Audit Scheme) standards in 2022.

Agnieszka Zebrowska, environmental manager ERGO Baltic, answered three questions on this milestone for environmental management.

What does environmental certification mean for a company like ERGO Baltic and what is the added value for the individual companies?

Environmental responsibility is more and more important for customers and employees, so reducing carbon emission is a “must” for modern business. Certification to EMAS or ISO 14001 requires the systematic recording of environmental aspects for all activities, products and services while incorporating them into operational structures and procedures. Achieving these certifications is proof that environmental management works at ERGO Baltic and that the quality of environmental data on our carbon footprint is on a high level. Additionally, environmental certification is often required in tenders for insurance.

What were the biggest challenges in the certification process?

Definitely the creation of the required processes for the Environmental Management Systems (EMS) and their implementation in daily business. The EcoManagement and Audit System (EMAS) certification audit is like an exam. Auditors go through the details of the system and evaluate them. EMAS focuses on measurable improvements, internal and external transparency, and legal certainty. And it is an EU standard, so the government of the respective country and EU institutions are involved, a very complex procedure. Additionally, there is a shortage of auditors with accreditation for the insurance industry; for the three Baltic countries we have only two ISO 14001 and one EMAS certified auditor.

From the employees’ point of view - what does ERGO Baltic do differently now? Any special reactions from them?

Employee participation is an integral part of an Environmental Management System. Employees should be aware of environmental goals and Key Performance Indicators (KPIs), as defined in the Munich Re Group Ambition 2025, they should understand the mechanism of evaluating carbon emissions, and they should know how to reduce them in practice. We developed an environmental education programme, including obligatory training sessions and regular information in internal communication. There are many activities involving employees, like planting trees or protecting dunes. At our premises, we removed individual trash bins in the offices and installed big containers in the kitchens to enable separate waste collection. Furthermore, drinking water in plastic bottles is no longer available. I believe that, despite these small inconveniences, the employees of ERGO Baltic are proud to be part of our environmental initiatives.

5.

Employees

5.1 HR strategy and governance

> GRI 2-7; 3-3

Munich Re is a knowledge-based Group that operates in a dynamic, rapidly changing business environment. Our success therefore depends on us having a diverse, highly qualified and innovative workforce with outstanding competence and leadership skills across the world. Our ability to innovate and our world-class expertise in all aspects of risk are the strengths our clients draw on. As leading providers of reinsurance, primary insurance and insurance-related risk solutions, we are able to offer sophisticated, high-quality solutions for universal, complex and new risk scenarios. This is especially true when it comes to topics of future relevance to global society, such as climate change, cyber risks, the Internet of Things and artificial intelligence. All of this is made possible by our people, who are at the heart of our Company.

Given the global challenges and demands we face as a business, our core strategic goal in HR – as set out in our Ambition 2025 – is to be an employer of choice. In other words, to attract, develop and retain outstanding people, who are critical to our business success. In line with the slogan of Munich Re's Ambition 2025, "Highly committed talent, leading by skill and experience", Munich Re seeks to remain the employer of choice. There are four key elements to achieving this goal, one of which is "skill-driven in technical excellence" that is attained by best-in-class risk management know-how and leading technical excellence. Superior training in data analytics and new ways of tech-enabled working are built upon to further develop a "driving digital culture", another key element. By pushing the boundaries of insurability and leading a partner network for innovation, "risk entrepreneurship" is thriving. These three key elements, as a way to realise the strategic goals in HR, are complemented by the "socially engaged" key element.

This goes hand in hand with our ongoing efforts to promote diversity, inclusion and equal opportunities. Diversity, equity and inclusion (DEI) is a core value at Munich Re and is deeply embedded in our culture. Our understanding of DEI goes beyond aspects such as gender, religion, age, disability, nationality, cultural differences and sexual orientation: it also embraces variety in experience, education, personality types and opinions. The combined power of different ways of thinking, different experience, and expertise adds enormous value to our organisation every day.

Our HR governance model is aligned with the needs of our reinsurance, primary insurance, and asset management divisions. It is steered centrally at the strategic level, but we also apply unit-specific approaches where necessary to better align with the particular business models, markets and target groups. Strategic impulses are developed by HR functions with Group-wide responsibility in collaboration with the Group's strategy department. These strategic imperatives are then incorporated into the HR strategies of reinsurance, ERGO and MEAG through HR policies or related projects.

Our employees, their wellbeing and their long-term commitment to us as an employer, are our most valuable asset. In this context, we closely monitor the potential risk of loss of key personnel or critical technical skills, as well as any shortage of qualified labour. Measures around workforce planning and succession planning are in place to ensure the continued fulfilment of tasks and availability of expertise. At the same time, we aim to maintain our employer image, positioning ourselves in the job market with strong employer brands. With a comprehensive range of offers built around employee flexibility, health and wellbeing, we actively anticipate possible negative impacts due to violation of health and safety obligations as an employer. We have additional measures including policies, work instructions and trainings in place to avoid any forms of discrimination or harassment in the workplace, as well as any possible human rights violations.

5.1 HR strategy and governance

Munich Re as an employer of choice

Our strategic goal of attracting, developing and retaining outstanding staff to enable future business success can only be achieved by being an "employer of choice". This objective is also anchored in our Munich Re Group Ambition 2025. It defines the strategic framework for our Group-wide human resources activities. We achieve our ambition to be an "employer of choice" by focusing on skills, embracing a digital culture, promoting risk entrepreneurship, and engaging with society.

Skill-driven technical excellence

High-quality development activities, collaboration platforms and knowledge transfer mechanisms ensure that our employees continuously expand our technical excellence, particularly in our core underwriting capability – because our clients expect us to deliver best-in-class risk management expertise. Please refer to ↘ Staff development for more information.

Diverse workforce

Munich Re's Ambition 2025 is built on the strong foundation of our already diverse and global workforce, which includes many different nationalities and locations. In particular, we are committed to increasing the number of women in leadership roles. Our target is to increase the percentage of women in management positions at all management levels globally to 40% by the end of 2025.

We aim to further enhance our attractiveness to employees by offering secure jobs, transparent remuneration conditions, a comprehensive occupational health management framework with a wide range of healthcare options, extensive employee assistance programmes, and flexible working conditions and working time models. Promoting the wellbeing of our employees is a key part of our ambition to be an employer of choice.

Strategic steering using people analytics

At Munich Re, we use people analytics to transform HR data sets into actionable insights that improve our HR systems, processes and strategies in a way that contributes to sustainable business. In July 2022, a Group-wide people analytics function was established with the goal of streamlining regional people analytics activities and taking people analytics to a global level. This will provide the Board of Management and managers with an even higher level of transparency for data-driven decision making. In addition to global activities, regional HR dashboards in Reinsurance provide an overview of relevant HR metrics including data on movement, diversity and compensation.

5.1 HR strategy and governance

We continuously align learning content with the current and future needs of our employees. Our aim is to deploy skills where they will have the greatest impact for Munich Re and thus support competence development activities. Current and future training needs are identified in regular consultation with the specialist departments, e.g. data analytics. Our internal training activities are tracked and evaluated from different viewpoints. Skills gaps in the workforce are identified and addressed.

Moreover, we focus on streamlined recruiting and hiring activities. We have a Group-wide internal job market to actively encourage staff rotation and Group-wide career development, thereby strengthening the technical and intercultural skills of our employees. We also use various analytics tools to support our recruiting and hiring strategy.

In our reinsurance field of business, three pilot projects around strategic workforce planning have been initiated. Moreover, regional dashboards have been implemented to monitor recruiting and hiring processes, including diversity data such as the gender and nationality of applicants and new hires. Regional new-joiner surveys track the quality of the recruitment process and candidate satisfaction during the first six months to identify any changes in satisfaction rates and assess the onboarding experience. Talent acquisition teams also actively monitor developments in external talent markets and provide talent overviews and long lists of potential candidates, which are available on demand. To support organisational development decisions, market maps can highlight favourable locations where suitable talents are available. Large-scale sourcing strategies and projects support cross-regional recruitment initiatives.

Also, ERGO in Germany has implemented a long-term workforce planning approach. Reporting is updated monthly and includes a comparison of the current and the planned workforce. Additionally, managers have access to dashboards for key figures, including internal and external benchmarks for the respective business units. Following the completion of a pilot project in 2021, the roll-out of strategic workforce planning has started in Germany. The aim is to create transparency on possible future deviations between expected headcount and personnel requirements, in order to be able to develop and implement mitigating measures at an early stage. In the future, strategic workforce planning activities will be carried out on an annual basis.

In its application portal, ERGO offers extended functions, such as pre-selection of job postings and the option to submit one-click applications via LinkedIn and Xing. In addition, ERGO's job descriptions include tasks, skills and competencies to target new employees. A dedicated Talent Acquisition and Employer Branding unit manages all related topics at ERGO in Germany. ERGO has also set up an internal job market, the #jobfair. Here, departments that are currently looking for employees present themselves and participating employees gain insights into other departments and food for thought for possible new perspectives.

Our asset manager MEAG also supports managers with a forward-looking view regarding its planned and actual workforce. It takes into account entries, temporary adjustments of working time and exits, and monitors a wide range of different KPIs. These include the staff turnover rate and reasons for leaving, the number of applications, and the staffing gender quota for management positions.

5.2 Development and talent management

> GRI 3-3; 401-1

Munich Re's Ambition 2025 sets clear goals for what we want to achieve over the coming years. Besides developing a skill-driven workforce with technical excellence, growing our talent and leadership culture in a digital environment is fundamental to the strategic areas described in our framework. Activities in this context are based on the philosophy of offering flexible formats that empower our people and ensure that they are firmly in the driver's seat in terms of their own development.

In all our business fields, strong talent development programmes systematically support employees in their careers and prepare them for future requirements. Continuous employee and talent development is key to achieving the strategic business goals described in Munich Re's Ambition 2025.

Management development

Leadership values

In reinsurance, the Global Leadership Values provide orientation on what it takes to be a successful leader. Besides ongoing development and Continuous Conversations – our new approach to managing performance – everyday work is crucially shaped by great leadership. Understanding these values is essential to making the right decisions when recruiting, developing and promoting current and future leaders. Our Global Leadership Values provide support for our managers in making good judgements when leading people. The five core principles of "we think big", "we care and we dare", "we are clear and authentic", "we grow with our clients" and "we lead the 'we' " will continue to drive our Global Leadership Values in 2023.

Excellent leadership is one of the most important contributions we can make to Munich Re's success. This is why all leadership programmes and tools we use in reinsurance are based on our global values. Our approach sees leadership as more than just a disciplinary reporting line: we believe leaders should have a positive impact on the organisation and live and breathe our Global Leadership Values in all aspects of their work. Leadership goes beyond job title, responsibility for managing people and subject matter expertise. A leader is someone who, regardless of their role or position, people follow because they want to, not because they have to, someone who shares, inspires and influences their own teams and others.

Leadership feedback tools

Leadership feedback is crucial in all our business units. In reinsurance, our Leader Check-In gives all leaders the opportunity to receive feedback from their team and peers. They can then compare this with their self-assessment. To ensure best possible validity, feedback tools combine a variety of methods. This approach fosters an open culture. Feedback is a regular and natural occurrence. This promotes empowerment, trust, flexibility and inclusion, which is also linked to our new ways of working project. At ERGO, senior managers benefit from individual 360-degree feedback. This encourages an open dialogue and supports the managers in their personal development plans.
At MEAG, the conceptual design of a renewed and modernised performance management approach is underway. Multi-directional feedback will play a key role in this approach and will be further developed.

Talent development

> GRI 3-3; 404-2

Talent programmes systematically support employees in their careers and prepare them for future requirements across the entire Group. Continuous talent development is key to achieving the strategic business goals outlined in our Munich Re Ambition 2025.

The **Group Management Platform (GMP)** is a diverse and vibrant network of 137 leaders (56 female and 81 male), including board members, CEOs and key position holders, who have the potential to make a greater impact. GMP is a

5.2 Development and talent management

core management development platform that includes reinsurance, ERGO and MEAG in one programme. It fosters collaboration across all business units and connects key individuals. GMP provides high-class management development formats with the support of renowned business schools, top executive coaches, and internal development solutions.

In reinsurance, we offer the **Hydrogen** programme as an innovative and advanced development option for high-potential individuals and thought leaders who aspire to make a greater impact at a global level. In 2022, the programme had 88 participants (37 female and 51 male). It supports candidates by providing global development and networking opportunities, increased visibility through project assignments and leadership training. In addition, the **Oxygen** programme is an accelerated development option for aspiring people and thought leaders who want to reach the next level of impact at a local or regional level with 195 participants (95 female and 100 male) in 2022.

ERGO Grow is a talent identification process for non-senior management employees in Germany. It is based on a broad understanding of talent that goes beyond leadership and includes further directions for development. Group-wide competencies are employed in this process that reflect the requirements for present and future business success. A focused development centre systematically identifies talented individuals and then prepares them for future leadership roles. In 2022, 166 talents (83 female and 83 male) were part of this programme. In 2022, the ERGO Grow processes in Germany were revised. The tools for talent identification and development were further optimised. Once talents have successfully passed the development centre, they can prepare for their next role.

For managers in transition, ERGO launched two new programmes in 2022: The **Future Manager Programme** prepares talents to take on a new management role for the first time. The **Next Level Leadership** programme is a programme for managers in transition to take on a role as a future department head. The **ERGO Leadership Programme** (ELP) promotes top talents in middle and top management from the global ERGO organisation to positions with more advanced senior executive tasks. The programme helps them to successfully master the challenges of being an inspirational leader and thus shape the future of ERGO. The ELP provides high-end management courses supported by one of the leading European business schools.

In 2022, ERGO launched the first **Pioneer Days** for younger, talented individuals. The objective of this initiative is to enhance innovation, to make talents visible to senior management, to exchange knowledge across countries and units and to build networks. Under the headline “Shaping ERGO for the next generation”, the some 80 talents exchanged ideas on topics of tomorrow with CEOs from various ERGO companies. Based on the positive response from management and talents, it is intended to continue this series of events in the years to come.

The **MEAG Leadership Journey** is a development programme for new leaders at MEAG. The programme is aimed at employees in their first leadership role as well as experienced leaders who are new to MEAG. Apart from providing up-to-date leadership know-how, the programme focuses on developing cross-divisional collaboration between leaders. In 2022, 13 managers (5 female and 8 male) took part in the programme and were supported with targeted individual coaching, training, and networking events. In addition, talents are supported and developed through individually tailored training activities.

Our success in internal talent development is shown in high internal staffing rates for management positions. In 2022, 77.7% of open management positions in Germany and 53.6% worldwide were filled with internal candidates. For the remaining positions, we deliberately continue to complement our management with external recruits.

5.2 Development and talent management

Staff development

> GRI 404-2

To ensure we are prepared to meet our clients' future needs and emerging challenges, Munich Re provides a comprehensive range of training programmes for staff development worldwide. The content is regularly updated to meet current and future requirements.

Munich Re's Ambition 2025 charts the path of digital capacity building, as expanding the digital expertise of our employees is one of Munich Re's core goals going forward. To this end, we continuously grow our digital learning opportunities and promote a digital culture, thus enabling our staff to master the tools and working methods required to meet our clients' expectations. Group-wide, 85.8% of our employees completed at least one digital training course in 2022.

In reinsurance, a key offering in our learning landscape is **LinkedIn Learning**. Due to its availability across all reinsurance entities, its high degree of flexibility and its diverse range of business- and technology-related topics, it is used extensively worldwide. This is reflected not only in the approximately 7,500 licences that have been activated, but also in the fact that more than 172,000 learning videos were completed in 2022.

5.2 Development and talent management

Additionally, the **Digital School**, a platform with a wide range of learning content and formats, allows staff to expand their digital knowledge through self-directed learning. Learning at reinsurance is embedded in the Continuous Conversations framework, which places regular dialogue about personal commitment, feedback and development at the heart of how we work together and empowers employees with greater agility and autonomy.

ERGO offers all employees the opportunity for digital and in-person training, to build skills in areas such as New Work, digitalisation or resilience. In addition, ERGO offers a **digital morning**, a monthly virtual event for all employees as well as internal and external guests, covering digital and transformation topics.

MEAG has focused on digital formats, for example in the recruiting and onboarding process, and offers virtual learning formats on the topics of development and career, skills and methods, hybrid work, transformation, leadership, and innovation and digitalisation.

In addition to these digital formats, a wide range of on-site trainings are offered to all employees.

Attracting and retaining talent

> GRI 3-3; 401-1

Munich Re aims to remain a fair and responsible employer that attracts, develops and retains staff with exceptional expertise and broad experience worldwide. To this end, we promote a forward-looking and value-driven working culture in which collaboration across our global organisation and with external knowledge networks leads to the best solutions for our clients - and supports our goal that Munich Re should remain an attractive employer for our staff.

This is reflected in the fact that the average length of service at Munich Re is 13.5 years. Voluntary employee turnover is also low, at 6.3% in 2022.

In 2022, Munich Re's reinsurance unit positioned itself in the labour markets with the employer value proposition (EVP) **"Push boundaries. With us."**.
It presents reinsurance as an employer that provides talents with the space they need to achieve more together, while supporting and encouraging them in the process. The EVP was developed through a bottom-up approach, whereby Board members, leaders, and employees worked together to develop the strategy. In 2022, HR and Communications teamed up to create synergies between the overall marketing and employer branding strategy.

In 2022, ERGO also launched its EVP **"ERGO. Grow together."**. Its implementation is based on the four employer values of diversity, development, success and collegiality. By demonstrating ERGO's qualities and ambitions, the company aims to confidently meet the increasing demands in the market. More than 150 employees were involved in the preparation of the EVP. Working closely with the purpose and the consumer brand, an employer value proposition was created that that helps to retain or attract employees to ERGO who can successfully deliver on this customer promise.

To measure our attractiveness as an employer, we participate in external rankings such as Trendence and monitor how we are rated in job and career communities such as Kununu and glassdoor.
In 2022, we were awarded the title of "Leading Employer" Germany 2022 by the Institute of Research & Data Aggregation GmbH.

Young talents

Demographic change is an ongoing challenge that we take very seriously. This is one of the reasons why Munich Re is constantly striving to live up to a meaningful and ambitious employer value proposition that fosters internal potential and simultaneously attracts new, business-critical talent.

5.2 Development and talent management

In addition to recruiting experienced specialists, Munich Re is constantly on the lookout for junior talents, i.e. students, graduates and young professionals. To this end, we cooperate with selected universities and connect with candidates at online and on-site events. We also engage our target groups through social media and global marketing campaigns to provide employer insight, attract talent and facilitate recruitment.

Different graduate programmes across the Group are important pillars in addressing the need to attract new, external talent to our Group-wide workforce. Programme duration, assignments abroad, rotation and mentorship are all designed to maximise particular skills, experience and career options. Graduate trainees enjoy the opportunity to expand their professional networks, gain technical expertise and enhance their leadership skills. Trainees work with experts from different fields – from data science, IT and engineering to legal and finance, and the core business. All our graduate trainees benefit from a culture that thrives on diversity and lifelong learning.

In the Group's **Explore** trainee programme, 10 trainees (6 female and 4 male) complete eight different employment stints in the Group, two of which are abroad. They gain valuable insights into the scope of topics in our industry by rotating through reinsurance, ERGO and MEAG. In addition to on-the-job training and seminars on management topics, the focus lies on personal development and the chance to work on strategic projects.

Reinsurance offers an apprenticeship programme and the combined professional training/study programme (AIS) in Germany, as well as a trainee programme in different locations. The **International Graduate Trainee Programme** is a fast-paced, exciting journey into the heart of the reinsurance business and is designed for maximum career impact. Thanks to a rotation system through different departments, trainees experience the breadth and depth of the reinsurance business. In 2022, 11 graduates (8 female and 3 male) took part in the programme.

In 2022, ERGO Germany launched the new **RISE** trainee programme, which aims to recruit talented young leaders in Germany. Over the course of two years, selected young professionals are prepared individually and as a group to take on their first leadership role. As a member of the programme, the young talents take part in numerous measures and receive informal and targeted feedback on their further development. In this way, ERGO ensures that the first leadership role is successfully taken on. The first RISE cohort of 10 young professionals (6 female and 4 male) launched their careers at ERGO in 2022.

MEAG's **Futures Asset Management** trainee programme runs for 18 to 24 months. The programme prepares participants for their career in asset management through technical, project management and soft skills training as well as cross-MEAG rotations and projects in different departments. 12 graduates (4 female and 8 male) were recruited for the 2022 cohort.

5.3 Diversity, equity and inclusion (DEI)

> GRI 3-3; 404-2; 405-1

Deeply embedded in our corporate culture, Diversity, equity and inclusion (DEI) is a key contributor to the success of our business. This value is reflected in our diversity targets, which are part of Munich Re's Ambition 2025. The diverse backgrounds, experience and talents of our employees are among the most valuable assets for our future success. Different mentalities, ideas, ways of thinking, experience and knowledge are also essential to being an excellent partner for our clients.

At Group level, we manage DEI with a dedicated function that aims to create visibility and monitor key data. The business fields drive measures in line with the specifics of the countries and markets they operate in. Munich Re follows a Group-wide diversity policy that sets out the key principles for overarching and comprehensive diversity management. Our activities focus on gender, age and internationality. Since 2012, Munich Re has also been part of the German employer initiative "Charta der Vielfalt" and thus supports the recognition, appreciation and integration of diversity.

Munich Re takes a clear stand against racism, inequality and discrimination of any kind – be it related to gender, generational differences, people of colour or members of the LGBTIQ+ community. Our Group-wide Code of Conduct, which is binding on all employees, prohibits discrimination, social misconduct and harassment, including sexual harassment. Employees receive regular mandatory training on the Code of Conduct to promote understanding and compliance. In Germany, this also includes training on the German Equal Treatment Act (AGG). An escalation process for reporting incidents is clearly defined and complaints offices have been established to deal with cases of discrimination.

In 2022, Munich Re created the basis for the implementation of Group-wide DEI governance, which will consist of the DEI Management Team, the DEI Council, the Strategy Committee and the Munich Re Board of Management. Together, these will represent the voice of the management and the voice of the employees to develop the DEI strategy, share knowledge and best practices, and create a culture of continuous learning and growth.

5.3.1 Gender diversity

Our ambition to foster women in leadership positions is essential for the whole Group. As part of Munich Re's Ambition 2025, we have set ourselves the target of increasing the proportion of women in management positions to 40% by 2025, globally and across all management levels. To achieve this goal, a Group-wide approach has been introduced, based on the key principles of a revised staffing process for senior management positions, an even stronger focus on gender-balanced talent development and quarterly monitoring of gender diversity progress.

In addition, established support measures to promote gender diversity were continued in 2022. These include mentoring programmes, coaching, training courses for women in management, career advisory services, training courses on unconscious bias, and individual part-time and parental leave models. A wide range of family support services, including childcare, elder care and career counselling, completes the portfolio.

Based on the results of the Women's Career Index 2021 study, Munich Re Munich was awarded the title of "Newcomer of the Year" in 2022 for our efforts in the area of gender and inclusion.

An employee's qualifications, long-term performance, potential and work experience form the basis for compensation and salary increases. It goes without saying that gender is not a differentiating factor in salary development.

In 2022, women accounted for 38.5% of our management positions globally and for 28.8% in Germany. Find out more about our voluntary commitment to equal participation.

5.3 Diversity, equity and inclusion (DEI)

We continue to place a special focus on balanced gender diversity in our talent programmes (see chapter ↘ Talent Development).

Talent Development Programme	Proportion of women
Group Management Platform (Group)	41%
Hydrogen (Reinsurance)	42%
Oxygen (Reinsurance)	49%
Grow (ERGO)	50%
Leadership Journey (MEAG)	38%

Different generations

Another component of our diversity strategy is to actively support and encourage the development of different generations and employees at every stage of their professional career. In addition to flexible working time and time out models tailored to individual life phases, such as sabbaticals or the option of converting financial benefits to leave time, Munich Re offers extensive employee assistance programmes to support staff with health or caregiving challenges. A large number of training courses are open to all staff at every stage of their careers.

Internationality and ethnicity

Our global workforce represents 123 different nationalities in more than 50 locations and offers huge potential for diverse approaches and risk solutions for our clients. We drive this through well-balanced teams and globally transparent staffing of key functions. At the same time, we encourage the development of international expertise and fill our Group-wide talent programmes with ambitious staff from all areas of the Group. As a result, we have 37 different nationalities represented in our talent programmes, with a high proportion of participants working outside our headquarters.

Talent Development Programme	Number of nationalities	Percentage of participants working outside our headquarters
Group Management Platform (Group)	24	58%
Hydrogen (Reinsurance)	20	76%
Oxygen (Reinsurance)	20	78%
Leadership Journey (MEAG)	3	0%

Networks and Employee Resource Groups

In order to respect and address the specific needs of certain groups of employees, Munich Re supports numerous internal networks and Employee Resource Groups (ERGs) across the businesses. We are committed to maintaining an inclusive workplace and Company culture, one which benefits from understanding different types of needs and using diverse points of view. These groups play a vital role in providing a better understanding of the business needs of our current and future clients, which, in turn, helps us capitalise on new business opportunities. Examples of volunteer, employee-led groups and networks include networks for women, LGBTIQ+, young professionals, working parents, people of colour, and veterans. These networks help Munich Re colleagues to connect with each other, use professional development and support, and extend themselves to realise opportunities they might not otherwise get in their day-to-day roles.

DEI initiatives 2022

DEI is a topic that inspires, and colleagues around the world have taken the initiative and successfully carried out numerous projects.

At a global level, reinsurance continued its collaboration with Prout at Work to raise the visibility and awareness of LGBTIQ+ in the workplace.

In addition, a range of learning programmes are provided through LinkedIn Learning and the Catalyst learning resource and are open to all employees globally. They provide opportunities to learn and develop skills to create an inclusive workplace. Colleagues in the regions Asia & Australasia and Africa, Near and Middle East have been working on diversity issues, including a "Power of Inclusion experiential" webinar, which focuses on bias and its impact on inclusion. In addition, the Oxford Women's Leadership Programme was conducted in 2022 with 63 women from across the region. The UK & Ireland region established a new DEI team focused on raising awareness of and engagement with DEI, and a DEI Champions network of passionate employees who want to support the region's ambitions. In North America, surveys were conducted to establish a baseline of employee responses to key diversity questions. In addition, different DEI events were hosted in the region, including Black History Month, National Indigenous People's Day and International Women's Day. Our US colleagues also engage closely with topics related to ethnicity and people of colour, for example through the MOSAIC employee network, councils and external partnerships. A specific goal set by the reinsurance units in the US was to reach 55% diverse employees by 2023 – diverse referring to employees with underrepresented identities. This goal was reached in 2022.

To address the issue of unconscious bias, ERGO conducted a "Diversity Day" in Germany in 2022. Two e-learning formats were launched to coincide with the event. They show how unconscious bias occurs and provide numerous examples and strategies on how to avoid these distorted patterns of thinking. In addition, the "Digital Diversity Map" introduced in 2019, has been expanded in collaboration with the international ERGO organisations. The "Digital Diversity Map" provides transparency on the most crucial diversity metrics and offers insights into the activities of the foreign subsidiaries. Since its launch, ERGO's diversity map has been expanded every year with new statements and updated figures. It currently contains 90 videos from 20 companies in 16 different countries with statements and messages on DEI.

MEAG will continue to fulfil its clear commitment to greater diversity in our workforce. For this purpose, it considers different characteristics such as gender, generations, ethnicity/culture, disability status and LGBTIQ+ aspects. Our goal is to provide people of different backgrounds with equal opportunities, especially in our application process, staffing, career paths and professional development, and to be an inclusive organisation in which all employees can freely show their identity, feel connected and motivated. As part of our MEAG 2025 Ambition, we continue to pursue clear goals with regard to women in management positions.

5.3 Diversity, equity and inclusion (DEI)

We monitor the progress of gender diversity through defined KPIs. In 2022, MEAG introduced a dedicated role, focusing on DEI development. We also placed a focus on important DEI-relevant World Days. Our aim was to raise awareness of various dimensions of DEI and to promote social connectedness, with the help of activities celebrating International Women's Day, Pride Month and the International Day of Persons with Disabilities.

Pride Month is one of the world's most important celebrations of diversity, and Munich Re's offices are well aware of its importance, having celebrated this year's Pride Month all over the world with numerous events and activities to raise visibility and awareness for the LGBTIQ+ community.

The **International Day of Persons with Disabilities** (IDPD) raises awareness around the topic of disability and focuses on education about disabilities in all spheres of society. It is a special day for us to not only raise awareness, but learn about creating equitable and inclusive spaces, and celebrate the achievements and contributions of people with disabilities. Empowering and enabling employees plays a crucial role in living up to shared responsibilities and creating an inclusive workplace. Thus, Munich Re offered educational material on the history of IDPD and provided information with the Disabilities Awareness Toolkit. The toolkit highlights the importance of disability representation in management, shows how to become an inclusive leader and how to break down barriers.

Flexibility and support

Munich Re values all its employees for the contribution they make and understands their many different circumstances. For many years, the Company has offered its staff a wide range of options for combining work with family and private life.

In addition, Munich Re provides specific assistance services to families. In Germany, for example, the Group offers services such as childcare in affiliated nursery facilities, an allowance for privately organised childcare, parent-child office spaces, family services, holiday care services and elder care support. ERGO has been awarded the "audit berufundfamilie®" certificate four times since 2002 for the family-oriented personnel policy at its German locations.

To support employees and their young families, Munich Re in Germany encourages its employees to make use of the various paid parental leave schemes offered by the state, such as Elterngeld or ElterngeldPlus, which enable parents to take a break from work to bring up and care for their children.

We believe it is important for our employees to be supported in smoothly continuing their careers after parental leave. Information events and advice for parents help employees to balance work and personal interests, and allow them to take advantage of flexible working arrangements. In addition to a range of childcare and family support programmes, employees also have access to career coaching to help them clarify work-life balance issues before they take parental leave. These measures were implemented to help employees return to work smoothly after a career break and to support them in their career progression.

5.4 Employee engagement and wellbeing

Employee engagement

For Munich Re, internal employee engagement surveys are crucial to assess employee experience. They provide a better understanding of how employees want to work and collaborate in the future, and how to further cultivate the strengths that distinguish us from other companies.

In 2022, Munich Re implemented a Group-wide approach to measure sustainable employee engagement that is integrated into the annual surveys of the three business fields. Our Employee Engagement Index covers more than 36,000 employees from reinsurance, ERGO and MEAG, and achieved a response rate of 72%. In total, 79% of our Group-wide employees who participated in the survey are actively engaged. The survey results were further analysed by gender and age group data breakdowns. In addition to nine core questions measuring sustainable employee engagement, each business field focused on selected business and specific people topics within their global employee surveys.

In addition to these comprehensive global surveys, multiple topic-specific employee surveys (pulse surveys) were conducted in 2022:

- As part of the joint global pulse survey, the German ERGO organisation focused on the recently introduced New Work approach. Process efficiency and the implementation of strategy and change initiatives were also surveyed. In the international organisation, each company focused on the specific priority topics identified in the last full survey.
- In the global YourVoice@MEAG survey, MEAG focused on its organisational culture and guiding principles. In addition, MEAG analysed equal opportunities for all employees in terms of diversity, equity and inclusion as well as employees' perspectives on the implemented New Work approach and the performance of MEAG's business.
- The reinsurance organisation conducted the global YourVoice@MunichRe survey to understand employees' perspectives on leadership and organisational culture, resilience and wellbeing, DEI, and the implementation of the hybrid work approach within Together@Work. The fourth global Continuous Conversations survey showed a continued high level of acceptance and effectiveness of our performance management approach. Responses showed positive development across all three pillars of Continuous Conversations (commitments, feedback – received and provided – and development), with 78% of respondents confirming that they give positive and constructive feedback to others, including their manager and peers, thereby contributing to a culture of ongoing development and collaboration.

New Work

Global trends, business demands and the expectations of our staff are transforming the way we interact within our organisation and with our clients. Based on our experience with trust and autonomy at work, as well as the work-life balance aspects during the COVID-19 pandemic, "New Work" concepts have been further developed and tested in all our business fields. These include office space concepts and guidelines for hybrid working.

In reinsurance, we actively shape the changing of our work culture within the Together@Work initiative. Global core principles around flexibility, empowerment, inclusion and trust are the basis for a hybrid working mode and set the scene for New Work projects. These projects focus on the topics of workplace, work mode and qualification measures for hybrid working. Various entities within reinsurance enable their employees to work abroad on a mobile basis as part of pilot projects. In Germany, a Company agreement – in a first step for one year – was introduced as of 1 April 2022 to test a more flexible handling of mobile working as part of the hybrid working model in a discovery phase. In this context, mutual trust, business interests and responsibility for the employees are core elements of a future hybrid work model.

In autumn 2021, ERGO Germany launched a comprehensive activation and change programme for New Work. More than 80% of employees have participated in the programme. The activation phase has been successfully completed and the focus has shifted to practising New Work in everyday life, in particular to supporting managers with tailor-made offers and activities. The New Work digital platform is now the central element of change. In addition, around 200 "New Work Scouts" are involved as multipliers and contacts for colleagues.

The aim of the New Work@MEAG project is to create a flexible and attractive working environment that promotes excellence, innovation and cohesion, while breaking down silos and encouraging new ways of working together. On pilot floors, employees were able to test the new office space concept and provide feedback to help shape it. Almost 50% of employees tested the concept and were involved in the design. All floors will be gradually renovated and modernised by the end of 2023.

Remuneration and pensions

One of Munich Re's core principles is to offer an attractive and competitive income for its employees. In addition to benchmark data and the economic development of the Company, changes in costs of living are one of the factors determining an appropriate salary increase budget. Given the current situation and the need to cope with the speed of inflation trends, Munich Re has offered additional budgets for salary increases in different entities, and/or has paid inflationary adjustment premiums to its employees in Germany.

In 2022, a new transparent compensation system with a clear focus on performance was developed and implemented at MEAG. For non-tariff employees and senior executives, an individual target bonus is defined in advance as a share of the total remuneration. The variable target share and the assessment bases depend on the function. MEAG's company success as the joint basis for all employees strengthens performance orientation and team spirit.

Company pension schemes are a major voluntary benefit in many of the Group entities, and include company pension offerings, additional pension commitments for non-pay-scale employees and managerial staff, and, where applicable, the option to convert salary components into pension benefits (deferred compensation).

In many regions, Munich Re also offers additional benefits, such as subsidised public transport.

The German reinsurance and ERGO units are also both members of the German Insurance Employers' Association and are therefore bound by its collective bargaining agreements. Globally, 63.5% of all employees are covered by collective bargaining agreements.

5.4 Employee engagement and wellbeing

Health and wellbeing

As a responsible and sustainable employer, Munich Re provides a healthy and safe working environment. In addition, we constantly strive to improve physical and mental health and increase our high safety standards.

Our Group-wide Health, Safety and Wellbeing Statement is based on four pillars: Mental Health, Physical Health, Social Connectedness and Work Environment.

Munich Re offers all its employees a wide range of models that provide flexibility in terms of working time and location. Bonuses, for example, can be converted into leave time in the form of short sabbaticals, allowing employees to take longer breaks from work. Longer sabbaticals are also possible. We offer a wide range of flexible working arrangements. In 2022, 97.3% of Munich Re's employees were covered by guidelines formalising regular mobile working. Internal company agreements for individual locations and divisions allow for a well-balanced professional life.

Munich Re's support for employees' health often goes beyond statutory requirements. At our headquarters in Germany, for example, we provide medical care and preventive measures, as well as sports and relaxation programmes offered by our own Company medical staff and partners.

The offer extends to health counselling as well as individual measures to help employees return to work after a long period of sickness. To reduce work-related stress and to promote mental health, training on psychological safety and mental resilience is available at various Munich Re locations worldwide. Specialised counselling is available at several locations in Germany to address difficulties at or outside work. We work with external providers to offer Employee Assistance Programmes (EAPs), which are accessible to all employees.

In Germany, Company medical staff and specialists are on hand to help in acute crises and are also available to employees for consultation on all health-related issues. This includes prophylactic examinations, vaccinations, first aid, and advice on addiction and mental health. At Munich Re Munich, occupational safety committees, made up of permanent members, regularly discuss matters relating to safety in the workplace, deliberate on measures and formulate decisions. Topics include ergonomics, fire protection, first aid, accident prevention and workplace health promotion. "ERGO sports" is one of the most comprehensive company sports programmes in Germany, available at all our major offices across the country. At ERGO Germany, information material and training documents on occupational health and safety are provided on the "Arbeitsschutz-Infoportal" platform, and consulting sessions are offered to raise awareness. The occupational safety team carries out internal safety audits by means of workplace inspections, accident analyses and risk assessment reviews. All executive managers at ERGO Germany receive annual training on their occupational health and safety duties. Participation in this training is mandatory and the online course concludes with a test.

Group-wide, more than 95.8% of employees have access to corporate medical care services such as doctors or health insurance.

Reinsurance: Together@Work – “Let’s embrace this unique opportunity with trust and flexibility!”

Interview with Anne-Sylvie Catherin, Head of Global HR, and Anne Wiese, Head of Global Real Estate & Services

Thriving in a hybrid world is one of Munich Re’s aspirations. Consequently, a hybrid working environment is a key factor for Munich Re’s future success. The goal is to combine the advantages of working remotely and being in the office, thereby offering our employees maximum flexibility and an ideal working environment. Anne-Sylvie Catherin, Head of Global HR, and Anne Wiese, Head of Global Real Estate & Services in the reinsurance unit, report on their experiences as project leaders.

Interviewer: What is Together@work about?

A.S. Catherin: Together@work is about combining the benefits of working remotely and working locally in our offices. As the world is changing, we must change with it. Over the past two years we have found ourselves switching swiftly from working in the office to working virtually from our homes. This experience has led to a mind shift. Today we know that we can work productively from any place. And we also recognise that there are times when face-to-face contact is beneficial.

Interviewer: What is the story behind the project name “Together@Work”?

A. Wiese: The new project name sends a strong message in the sense of “Let’s put ourselves together at work!” and places human interaction at the centre. We have a great opportunity to talk about a new reality of working as a joint team across the Company, to better serve our clients, be creative, fast and flexible, and outperform the competition.

A.S. Catherin: The word “together” has a strong link to our purpose. It is important to remind ourselves why we belong here and to collaboratively find solutions that are meaningful for all of us. Working together and maintaining our cohesion may be challenging, but it’s also the answer. We are not talking about “Together in the office”, we are talking about “Together@Work”. Work is multifaceted and can be done from multiple locations. Our goal is to strengthen togetherness, whether we work from home or in the office.

Interviewer: What would you personally consider to be the most important hybrid working skill?

A.S. Catherin: If I had to name only one, it would be empathy. Our workplace must act more and more as a social connector and empathy means having the ability to meet people where they are without judgement, because this whole change is affecting us in different ways. We really need to have our antennas open to understanding where people are and the challenges they face, so that we can find solutions together.

A. Wiese: From my point of view, it is agility. The pandemic has taught us to be very flexible and to keep putting the facts together in order to adapt. For me, the most relevant skill is not losing direction in a constantly evolving process. That means making the best of the situation and leaving no one behind on the journey.

Interviewer: There is enormous potential for hybrid working in the workplace infrastructure. How will you address this?

A. Wiese: We take a close look at the process of work and social interaction, taking into account the regional and cultural differences within our Company. Based on that, we can very clearly come up with supporting functionalities.

The functionality of the hybrid world is completely different from both the physical and virtual worlds. When we talk about working in a hybrid world, we have to be aware that interaction is one of the most important aspects, both from a purely business perspective and from a social or cultural perspective. We need to think about how this could be reconfigured beyond the state of emergency we have been in for the last two years. So there is a lot to think about. In my role, I see myself very much as a facilitator, getting involved in these discussions, making proposals, visualising solutions to test them and improve.

Interviewer: Upskilling keeps coming up in this context. Are we not already working predominantly remotely?

A.S. Catherin: Of course, we all jumped into remote working because we had to, and we learned on the fly. But there is a lot more we could do in order to feel more confident about using digital tools and to realise their full potential. Digital tools and solutions will continue to evolve. We will need to keep learning and keep exercising our digital muscles. We will never reach the point where we can say: “That’s it, we achieved it!” And digitalisation is a key element of our Ambition 2025, and improving our digital skills will drive our business success.

But upskilling is not only about technical skills. It is also about behavioural competencies and mindsets. A hybrid world requires a different set of skills. It is more important to know how to connect and relate to your colleagues, so that we can digitally recreate all those missed moments of being together in the office and having spontaneous exchanges. Because that is exactly what fosters belonging, innovation, and creativity. Talking about leadership, setting direction and inclusive leadership are among the skills we need to grow. Leaders need to remind us why we are here and what unites us, whether we are at home or in the office.

Interviewer: How will this project further evolve? What are the next steps?

A. Wiese: We need to consciously decide what role the workplace will play in the future. It does not have to be the same for every function and for every individual. We need to discuss what the digital world enables us to do well and where we may need more personal interaction – as individuals and as a team – in order to develop and innovate our business, build relationships with clients and partners, and foster social cohesion. Our ability to transform in this regard will be critical to achieving our Ambition 2025 as well.

A.S. Catherin: In the next phase, we will tackle hybrid working by linking local initiatives in Together@Work within a global set-up. “Let’s all be pioneers and explore!” There is no checklist, there are no pre-set rules. We want to empower our leaders and their teams to find the best solutions for Together@Work within a flexible framework based on trust and inclusion.

Impressions and opinion pieces:

“We operate in a world that is changing at an increasing pace. Global trends, business demands and the expectations of our colleagues are transforming the way we interact in our Company, with our customers and all other stakeholders. In order to continue to be successful, we will actively shape this change. Together@Work provides the framework to put this commitment into practice” – Joachim Wenning, Chair of the Board of Management.

"My favourite place to work depends on my agenda. It is great to be back in the office and meet with colleagues in person again – whether it is for (team) meetings or more informally for coffee or lunch. At the same time, for a day full of virtual meetings, working from home is the best place to be." – Manager at Munich Re

6. Society

6. Society

> GRI 3-3

Munich Re is dedicated to improving public welfare and promoting social cohesion. Our social impact strategy represents the bedrock of this commitment, and the resources we put into the community evidences the fact that we take our responsibility seriously. What is more, we substantially increased social spending in 2022 – mainly through donations – to a total of €13.5m. The drivers of of this increased spending included, firstly, our commitment to support people affected by the war in Ukraine, and secondly, sponsorship of our own Social Engagement Awards.

>900
organisations supported

Typically, the areas we select for social engagement are those where our risk expertise and knowledge help maximise the impact of our actions. We therefore aim to tackle three significant global challenges: climate change and its consequences, improving access to healthcare, and increasing risk awareness.

Group-wide guidelines, updated in 2023, govern donations and memberships, in addition to separate guidelines on sponsorships. The guidelines on donations and memberships include recommendations on budget allocation, binding principles, consultation and approval processes, decision criteria, and responsibilities. Alongside selected Group-wide activities coordinated by the Group's Sustainability department, each entity of our Group chooses its own projects and allocates its individual resources in accordance with the guidelines. We monitor our Group-wide social activities and their impact using a standardised Group-wide reporting system on an annual basis. In addition, we conduct annual internal audits, aiming to ensure compliance with the guidelines. By measuring the impact of our activities, we help increase the effectiveness of the funds we allocate to them.

In 2022 we introduced our Group-wide Social Engagement Awards – a competition to promote the social engagement and charitable projects of our employees. A special budget was established for the prize money in support of these projects. The winning projects were chosen in an employee voting process. Many of the winning projects (68% of donated funds) supported one of our three global challenges, with the majority focusing on health topics.

Besides our focus on global challenges (climate change, healthcare, risk awareness) and corporate volunteering, we also ↘ promote local social and cultural projects at many of our entities around the world (such as community foodbanks), and provide support for ↘ disaster relief measures following natural disasters and unforeseeable events such as the Ukraine war. Over €2.3m was donated to support projects related to the Ukraine crisis in 2022. Moreover, since the outbreak of the war, Munich Re has supported the Ukrainian Free University in Munich by providing 1,000 square metres of rent-free space in a commercial building.

Our main commitments

Together we care: Social Engagement Awards – honouring our employees' social commitment

Our purpose – to help humankind act braver and better – reflects the commitment of our employees not only at work, but also on a voluntary basis for charitable initiatives. To make this commitment more visible worldwide and even more effective, the ESG Committee created the Group-wide Social Engagement Awards in 2022. The awards encourage all our employees to get involved in the public interest – for the sake of people who need help, for the communities we live in, and for a better future.

All employees of Munich Re worldwide were invited to apply for the Social Engagement Awards. The prerequisite for a project application was personal commitment in the form of Corporate Volunteering activities, as well as the association of a team with at least five colleagues. Many colleagues from ERGO, reinsurance and MEAG became involved worldwide and submitted numerous projects in the areas of risk prevention, climate change, the environment, health, and education, as well as diversity and inclusion.

An impressive 114 aid projects in three categories with different budgets were up for election as part of the Social Engagement Awards 2022 – with the aim of receiving part of the funding that Munich Re had made available for this purpose.

Our employees voted to decide which of the projects should be funded, with a total of about 17,000 votes cast. Chosen initiatives were rewarded with grants of between €5,000 and €250,000, with a total of 25 charitable projects (over 20% of the total number of projects) supported by the Social Engagement Awards. The broad range of supported projects covered areas such as education, healthcare, inclusion, nature and species conservation. Furthermore, all selected projects were either able to start their work or significantly develop the concept thanks to Munich Re's financial support.

The awards gave our employees across the Group the chance to acquire additional funds for projects that they already operate, or would like to launch in cooperation with charitable, non-profit partner organisations. Although the selection of ideas and corporate volunteering initiatives was diverse and covered a wide range of social concerns, many of the winning projects (representing 68% of the donated funds) came from our three main topics, showing that our strategy is in line with topics our employees are concerned about. The aims of the awards were to honour the social commitment of our employees and to foster cooperation and collaboration among our employees worldwide.

To measure the ongoing impact of the awarded projects, project leaders regularly report on milestones and impact. Our employees keep the spirit of the Social Engagement Awards alive by keeping all of us informed on the projects and the progress being made via internal communication channels.

Our main projects in the field of climate change

Tackling Climate Change Together – adjusting to climate change and mitigating its consequences

Given that climate change is one of our three strategic focus areas, we put a great deal of effort into doing what we can to combat it and mitigate its consequences. Our Tackling Climate Change Together (TCCT) initiative lies at the heart of this commitment. Driven by reinsurance and ERGO, the TCCT programme concentrates on ecosystem-based adaptation initiatives. Core activities include the maintenance, sustainable use, and regeneration of ecosystems to limit the regional effects of climate change and ensure that the basic needs of people living in affected areas are met. Furthermore, we support start-ups with innovative ideas to remove CO_2 from the atmosphere. We take a long-term view of these initiatives to maximise their chances of success. In addition, from the moment these projects are set up, we have targets and impact measures in place and work closely with our external partners to achieve them. You can find out more on the TCCT project's microsite.

Fostering start-ups through the Carbon Removal Accelerator

Since 2017, Munich Re has nurtured start-ups in the climate sphere as part of the largest public-private climate initiative in the European Union – EIT Climate-KIC (Knowledge & Innovation Community).

The successful partnership continued in 2022 with Munich Re supporting the EIT Climate-KIC Carbon Removal ClimAccelerator – Stage 2. Five start-ups were supported in the programme by us. All five teams were also supported by our partners at Delft University of Technology (TU Delft), the

Sustainability in Business Lab at the Swiss Federal Institute of Technology (ETH Zurich), and Pannon Pro Innovations (PPIS).

The programme aims to accelerate start-ups working on solutions to remove CO_2 from the atmosphere. The objective of the initiative is to scale technological and nature-based solutions such as afforestation, direct air capture, biochar, and bioenergy-based carbon capture and storage.

As in previous years, all five teams gained extra support from Munich Re, including help from corporate mentors and experts, access to a broad network and additional coaching. Each start-up received a grant of €20,000 and in-kind services worth €13,500.

According to the yearly impact report, these five enterprises were able to grow, e.g. some could increase their numbers of customers and employees, others their sales, in addition to achieving the further development of their product during the accelerator programme.

One of the main reasons we engage in start-up funding is that we want to share our knowledge of the new technologies needed to enable the global transformation process. We do so through the development of new business models and we are proud that many of the start-ups we have funded so far are growing and thriving. One successful example of our Climate-KIC engagement is "TWAICE". This company uses AI-driven technology to optimise the development and operation of batteries for electric vehicles and energy storage, enabling data-driven decisions on operating costs and risks. Thanks to their intelligent solution, operators and OEMs of electric-powered vehicles can reduce vehicle downtime, increase battery life and thus reduce the total cost of ownership. In addition, Munich Re has recently entered into a business relationship with TWAICE.

Ecosystem-based climate change adaptation and mitigation

The people most vulnerable to such climate change effects as extreme weather events typically have limited economic resources and already live under economic pressure. Through the TCCT project, we aim to provide ecosystem-based solutions that help reduce the adverse impacts of weather-related natural disasters, as well as enable people to better adapt to a changing climate. Our related expertise and experience also allow us to offer additional assistance and guidance in the development of these initiatives, over and above the financial assistance we provide.

Mangrove project in the Mekong Delta with GIZ

Munich Re and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, have launched an initiative on ecosystem-based climate change adaptation in Vietnam. The project started in 2019 and aims to reforest mangroves in the Mekong Delta, working in close cooperation with local stakeholders. An additional aim of the project is to improve the living conditions of people in the area. Annual impact studies show that the project is well on track. Regular updates and interim reports inform about project progress and the following outcomes were measured in 2022:

>100,000
trees planted

The project team focused on the second planting site in the province of Ben Tre. More than 40,000 trees were planted at this site alone. An additional 76,500 trees were installed to replant mangroves in the province of Soc Trang. More than 1,400 metres of breakwater fences were built – with the result that a total of 35 ha of mangroves has been rehabilitated within the project. The breakwater fences help counter erosion and increased sedimentation of the mudflats at the plantation site. This makes the planation site a fertile ground for clams and other shells, which in turn creates an opportunity for small-scale fishing activities. It also provides an additional income source for local community members, whose manual fishing methods do not pose a risk for the plants or the fences. Workers from the local community were hired to build the breakwater fences, which were made using natural materials.

In 2022, 285 people participated in capacity-building training courses for mangrove protection. A further 3,000 students and their teachers were reached in seminars organised by GIZ with provincial partners to raise awareness on climate change, mangroves, and mangrove protection. The involvement of local communities in the co-management of plantations greatly increases the chance of plantation survival. Community based co-management increases awareness about the value of mangroves: they can both generate income and protect communities from natural hazards.

In total, TCCT supported 3 alternative livelihood models for 22 benefit families in Soc Trang, and also provided financial and technical support for 9 net houses, which increased the income of the community members by reducing labour costs. Net houses offer a way to reduce water consumption because they transmit solar radiation and reduce evaporation. In addition, they reduce the use of agricultural chemicals because insects are prevented from entering an agricultural production site. Moreover, 7 crab farms and 13 frog farms were created, providing additional income to the families.

An essential impact of the project is to better protect people from climate change-related hazards such as flooding and storms with rising sea levels. Along the coastline in Soc Trang, approximately 2,100 people live just 500 m from the mangrove belt. In Ben Tre, approximately 3,000 people are living in the area surrounding the plantation site. The projects raise environmental awareness at schools and support environmental education for surrounding communities. Education includes disaster preparedness training and demonstrations of sustainable livelihood models.

GreenWatersheds project in South America with OroVerde

In 2020, Munich Re began supporting the OroVerde Tropical Forest Foundation's GreenWatersheds project, also on a long-term basis. The project aims to strengthen the natural capacity of the forest ecosystem to mitigate the impact of extreme weather events. Munich Re is supporting activities in Mexico, Guatemala and the Dominican Republic.

In Mexico, further equipment and tools for local fire brigades were purchased, including special backpacks for the firefighters, along with fire patches, machetes, axes, and ploughshares. In addition, 15 ha of new firebreaks were created in the same year and no new forest fires were reported in any of the areas under review. Furthermore, dead plant material collected from a 30-hectare area was subsequently used to form deadwood hedges along the contour lines to protect against erosion. In Guatemala and the Dominican Republic, agroforestry systems (forest gardens) were established and silviopasture systems (a kind of forest-pasture landscape) were laid out. A number of training courses on "climate-adapted agriculture on slopes" were also held.
The participants are particularly pleased that they have gained new knowledge about cultivation methods and ecosystem-based adaptation, and that this knowledge has led to a significant increase in harvests. In particular, the families' nutrition was improved with 40 new home gardens, making them less dependent on products that have to be bought outside the community. Altogether, an area of over 45 ha was covered by such gardens, by agroforestry and forest, and more than 80,000 seedlings were planted.

Better access to healthcare

About half of the prize money from the Group-wide Social Engagement Awards was donated to projects focusing on health topics. The funded projects chosen by Munich Re's employees support initiatives in many countries of the world in areas such as palliative care, mental health and wellbeing, improving access to healthcare for underprivileged people, and medical research. Two examples are outlined below.

A fair chance in the battle against cancer – IMAT Foundation

Colombian children living below the poverty line have little chance of getting and successfully finishing a cancer treatment. Studies have shown that, in the northern region of Colombia, 80% of children who receive a diagnosis do not complete their treatment due to economic constraints. While there are programmes in place that pay for the medical costs of those who cannot afford it, children are forced to opt out due to the financial situation of their parents. Caretakers cannot afford accommodation or transport from their remote villages to the city where treatment takes place. In addition, during the 6+ weeks of treatment, children have no access to recreation and schooling, which poses an obstacle to their reintegration later in the school year. This situation can lead to more serious consequences, such as the children quitting the school system altogether, thus hindering their opportunities for the future. The IMAT Foundation aims to give children in need the chance to successfully complete their cancer treatment. This is what motivated our donation in support of the construction of a shelter where children and their parents can stay during treatment. We also support mentoring programmes, courses, and recreational activities that give the children the support they need to lead a full life after recovery.

Support for young carers – The Honeypot Children's Charity

The social engagement awards enabled The Honeypot Children's Charity to increase the scale of their services for young carers (aged 5–12) in the UK who struggle with the responsibility of having to care for incapacitated parents or guardians. 44% of young carers will not be in employment, education or training when they reach adulthood.

The Social and Emotional Active Learning programme that Munich Re supports provides a highly nurturing, early intervention service, which includes a rural break at a respite home. The programme works with 480 children over a 12-month period to improve mental wellbeing and resilience, with the overall aim of improving their future life prospects. Honeypot aims to help overcome the isolation and social exclusion young carers experience and help them find their place in society.

Improving risk awareness

Munich Re US partners with Team Rubicon

Munich Re US continued its partnership with Team Rubicon, an international non-profit organisation that helps communities respond to disasters and humanitarian crises. The partnership funds the rebuilding of homes, to a “Fortified” standard, in underserved communities that have been damaged by natural disasters. Developed by the Insurance Institute for Business and Home Safety (IBHS), the “Fortified” construction standards and methods are designed to help homeowners build or renovate homes in such a way that they are more resistant to natural hazards such as hurricanes, high winds, hail, and severe thunderstorms. Our commitment to Team Rubicon in 2022 further supports our focus on resilience, climate, and social equity.

The partnership involves providing immediate repair work in low-income, disadvantaged communities impacted by natural catastrophes, to help these communities begin their recovery sooner and improve their resilience to future disasters. In 2022, Team Rubicon served 55 individuals and completed 27 homes with the support of Munich Re’s contribution. The towns and cities where communities were impacted included Houston, Texas; Selma, Alabama; and Haines, Alaska.

6.2 Further engagement

Disaster relief

With climate change increasingly leading to extreme weather events that disproportionately affect low-income communities, Munich Re has reinforced its commitment to saving lives by continuing its long-term partnership with Save the Children, a relationship that started in 2019. This cooperation provides rapid assistance to those in need after a natural catastrophe through targeted emergency relief measures. At the end of the year a detailed impact report is provided by Save the Children to highlight the impact of our financial contribution and the aid measures implemented with Munich Re's financial support.

In 2022, humanitarian interventions included the provision of shelter and foodstuffs as well as medical, psychological and pedagogical support to families and children across the Horn of Africa, South(-East) Asia and Eastern Europe. As a result, more than 3,570 beneficiaries received, among other aid measures, vital nutritional assistance in the form of food packages and cooking utensils.

Munich Re´s support further enabled the safeguarding of minors from the increased risk of exploitation and abuse through the provision of safe spaces and protective services. Specialised childcare facilities and continued education were made available to enhance safety and wellbeing, while decreasing the likelihood of child labour, early marriage, and food shortages.

In the eastern Horn of Africa, disaster relief supported by Munich Re was offered in response to a severe food crisis in the year under review. Severe food shortages were made worse by persistent drought-induced crop failure, protracted conflicts, and wheat exports halting as a result of the war in Ukraine. To counter skyrocketing prices, Save the Children, with the support of Munich Re, provided critical livelihood support in the form of health services, cash transfers and supplies, along with seeds and agricultural tools. Munich Re's support was also instrumental in providing malnutrition screening and treatment, including ready-to-use therapeutic food for malnourished children.

Furthermore, Munich Re made donations in response to the disaster in Pakistan (e.g. tents), drought and starvation in Afghanistan (e.g. basic food supplies), and the earthquake in Indonesia (e.g. cooking material for displaced families).

Local engagement of our entities

Help for Ukraine

The ongoing war in Ukraine has forced more than 8 million Ukrainian refugees to seek asylum across Europe, while millions more have become internally displaced. Given the scale and urgency of this humanitarian crisis, Munich Re has responded through various corporate citizenship measures, such as donations, employee engagement, and cooperation on the ground. To support humanitarian action in Ukraine, Munich Re made monetary donations of over €2.3m. In addition, various Munich Re entities supported local initiatives. As a result, organisations were able to provide critical emergency protection to the most vulnerable, while strengthening the operational capacities of partner organisations across borders. Consequently, families, children and the elderly received needs-based support through medical and psychosocial services, access to food and cash programmes, as well as evacuation and integration assistance through shelters and educational facilities. To ensure the protection of Ukrainian refugees against possible risks, ERGO provided free liability insurance for individuals using the residential offerings platform unterkunft-ukraine.de in Germany. ERGO also participated in the MTPL (motor third party liability) insurance industry cover offered in Germany and Poland during the first months of the crisis.

In view of the local impact of the war, Munich Re has further expanded its support for charitable initiatives concerned with integrating Ukrainian refugees at the Company's locations. Starting in May 2022, the Ukrainian Free University was able to accommodate its students rent-free in a commercial building belonging to Munich Re. Over 1,000 square meters were made available. The premises were first converted and furnished for the purposes of teaching and learning, enabling the steadily increasing number of students arriving (around 150 up to December 2022) to pursue their studies in exile. The sheer number of students had become untenable without outside help, because the previous UFU premises were so limited that the students had to be divided into various shifts. In addition to being used for study purposes, the premises are a contact point for hundreds of Ukrainian children and their mothers as part of UFU's "Grund" aid project. The initiative primarily offers educational and psychological care for children and support for their mothers, but also helps with integration and provides an opportunity for exchange and communication. Students and graduates in psychology and education play a key role in looking after refugees under the supervision of professors and other experts. Munich Re also provided financial support to this aid project.

As part of the Group-wide Social Engagement Awards (SEA), a group of Munich Re employees supports local initiatives in Munich, e.g. in housing, education, and childcare for displaced Ukrainians. This group, along with the Otto Eckhart Foundation and the Unternehmensfamilie-Werksviertel, also supports the provision of vital medicines to Ukraine.

The project team awards smaller grants ranging from €2,000 to €10,000 to support initiatives that address the previously identified needs of Ukrainian mothers, youth and elderly. So far, the project has successfully helped around 800 people.

Further employee engagement

The Social Engagement Awards demonstrate how our employees actively seek to participate in addressing social challenges.

This is why we, as an organisation, support numerous social, cultural and ecological projects at our different sites through our corporate volunteering schemes. Many of the initiatives were conceived by our employees, who continue to drive them forward. And voluntary work by employees is supported every step of the way. For example, employees at Munich Re in Munich can take up to two days of special leave if they dedicate part of their private time to volunteering projects. In addition, the Schinzler Foundation at Munich Re supports employees' voluntary work by providing grants for various projects. By offering volunteering opportunities, Munich Re aims to stimulate and promote the social commitment of its employees.

>2,250

employees participated in Corporate Voluneering activities

ERGO also has special corporate volunteering structures. In 2022, ERGO again offered corporate volunteering opportunities in different countries. Employees became actively involved in assignments such as cooking for the needy, making excursions with senior citizens or boat trips with people with disabilities. More than 860 ERGO employees have taken advantage of this opportunity to become socially involved, resulting in about 3,700 hours of employee volunteer work during paid working hours.

Foundations take on responsibility worldwide

Munich Re's engagement is complemented by the work of different foundations:

- Munich Re Foundation
- Dr. Hans-Jürgen Schinzler Foundation
- ERGO Youth & Future Foundation
- DKV Seguros Integralia Foundation
- ERGO Hestia Integralia Foundation
- American Modern Foundation

7.

Good corporate governance

7.1 Code of conduct

> GRI 3-3

How Munich Re is perceived by the public and its business partners depends on each and every one of our employees. We base our actions on the principles and values of our Code of Conduct to maintain the trust of our stakeholders and protect Munich Re's reputation. Conduct in compliance with the rules plays an important role in this context. Munich Re aims to comply with all applicable external requirements, especially those related to the operation of insurance and investment business, and to apply internal regulations mitigating material compliance risks in all its business activities.

Our Code of Conduct creates a Group-wide common understanding of the values that Munich Re regards as the foundation for its operations. The document is therefore available in Munich Re's most important working languages (English, German, French and Spanish). The Code of Conduct addresses all employees of the Group and staff at our subsidiaries and, together with other policies, guidelines, and work instructions, guides our activities on a daily basis. The Code of Conduct addresses our commitment to combatting any potential non-compliance, for example in the areas of corruption, competition, money laundering, or the financing of terrorism. We respect human rights and underline the importance of our strict compliance standards, also across the value chain. All new employees are automatically informed about the Munich Re Code of Conduct and are obliged to demonstrate their knowledge of the Code by taking a mandatory online test or undergoing face-to-face training. Employees regularly recertify their knowledge of the Code of Conduct, in most cases every two to three years. In 2021, a project to update the Code of Conduct was started. The new version has been approved by the Board of Management and the rollout will start in 2023. Changes include, but are not limited to, a stronger focus on ESG matters, greater transparency on whistleblowing channels and procedures, and the importance of a speak-up culture.

DVFA: Munich Re's corporate governance again rated "excellent".

With its Scorecard for Corporate Governance, DVFA examined the companies listed on the DAX, MDAX and SDAX indices. In 2022, Munich Re again achieved the highest category with an "excellent" rating and was ranked first for the third time in a row.

7.2 Compliance governance

> GRI 2-23; 2-26; 3-3; 205-1; 205-3

We understand compliance to mean complying with external and internal requirements (in particular the Code of Conduct) and making our decisions and activities based on these rules and regulations. Compliance is thus a central component of our business processes and enables us to meet our responsibilities and to live up to our standard of integrity.

On the basis of the above-mentioned Code of Conduct and other voluntary commitments to responsible action (e.g. the UN Global Compact), our employees commit to acting responsibly and with integrity. The Board of Management and senior executives bear special responsibility for implementing compliance as an integral part of our business processes. They act as role models for their employees and have a duty of compliance with the external and internal requirements in their area of responsibility.

Compliance responsibility is embedded in our business activities (i.e. the first line of defence) and there is a solid compliance organisation with clearly assigned roles and responsibilities, along with adequate independent and competent resources to enable the compliance function (i.e. the second line of defence) to operate effectively and efficiently.

7.2 Compliance governance

The compliance organisation manages compliance activities through Group-wide norms and a network of regional and local compliance officers.

Compliance reports are submitted regularly (on a semi-annual or annual basis) or on an ad hoc basis, as appropriate, to the Board of Management and the Audit Committee of the Supervisory Board. The reporting includes, for example, information on material compliance risks, risk mitigating measures for such risks, relevant compliance violations, statements on the maturity of the CMS, and an overview of the adequacy and effectiveness of the established procedures for compliance with external requirements. Munich Re records both violations of internal and external requirements as compliance incidents. These incidents are an integral part of the above-mentioned reporting to the Boards of Management and Audit Committees of the Supervisory Boards of Munich Re companies. Serious violations of legal provisions or of relevant internal regulations at a Group company are reported on an ad hoc basis. Regular exchanges with supervisory authorities such as BaFin are also part of the reporting process.

The Compliance Management System (CMS) of Munich Re is described in the Solvency II Group Compliance Policy and sets out the methodological framework for the structured implementation of the early warning, risk control, advisory and monitoring functions. The CMS is based on the three pillars Prevent, Discover, and Respond.

It is designed to

- prevent violations of external and internal requirements by advising on and implementing norms, and communicating and providing training on material compliance risks (Prevent);
- identify and manage material compliance risks, monitor defined frameworks and assess controls, and investigate, terminate and remediate potential violations that may occur despite having the appropriate measures in place (Discover);
- regularly report to the relevant bodies and continuously improve the CMS (Respond).

Our CMS is based on external standards such as ISO 19600 and IDW 980 of the German Institute of Auditors and has been carefully tailored to the specifics of our Group. The internal audit function performs audits on the CMS and its elements throughout the Group.

7.2 Compliance governance

Compliance culture

Our compliance culture serves as the basis of our business activities and reflects the ethical principles that form our decisions and behaviour as described in our Code of Conduct – the central standard for the conduct of all employees. As stated in our Code of Conduct, employees of Munich Re have the responsibility to speak up when decisions or actions fail to meet our standards, and to prevent, discover and respond to potential violations of the Code of Conduct by reporting actual or suspected behaviour or misconduct. All violations known to us are thoroughly investigated and sanctioned within legally permissible limits. The willingness to adequately investigate and sanction violations manifests the strength of our compliance culture, which embraces all CMS instruments.

Prevention

The advisory function responds to enquiries on compliance issues from employees, provides advice in individual cases, makes general recommendations, and gives recommendations to management, executives and employees on how to assess and mitigate compliance risks. It also describes how to appropriately prevent and respond to any external or internal breaches of rules.

Munich Re attaches great importance to providing high-quality client advice. At ERGO this is exemplified by our joining the GDV Code of Conduct for the Sale of Insurance Products in 2012. This code obligates insurers and their agents who have signed up to it not only to high standards in terms of advice and mediation, but also to have their compliance regularly assessed by an independent auditor. KPMG confirmed ERGO's effectiveness in implementing the contents of the Code for the third time in 2020. The next assessment is scheduled for 2023.

Communication and training throughout the Group are aimed at raising awareness of compliance risks and dealing with them safely. Both are carried out in a target group-oriented manner and adapted to the requirements of the individual domestic and foreign Group entities and their business models. Employees and managers are required to attend regular training courses on the Code of Conduct or selected compliance topics, such as avoiding corruption, complying with antitrust law or data protection requirements, either in person or using computer-based learning programmes. Mandatory tests, particularly in online formats, help ensure that the learning content is permanently embedded.

Detection

The assessment of compliance risks includes their systematic identification, analysis and mitigation. This process is based on a Group-wide coordinated methodology for identifying, assessing, and documenting risks. Material compliance risks in the Group and the corresponding risk mitigating measures are analysed at least once a year and reported to the Board of Management. Focus risk areas include data protection, financial sanctions, antitrust law, money laundering, sales compliance, corruption and ESG. Material risk areas are embedded in the Group's risk and compliance management. The management of legal changes forms part of the risk assessment. This allows us to evaluate the possible effect of legal changes to the Company processes in a timely manner, for example in the areas of ESG or financial sanctions.

The monitoring process assesses whether the measures used to mitigate material compliance risks are appropriate and effective. Among other activities, monitoring includes reviews of the defined framework concepts and an assessment of the design and effectiveness of controls.

Internal investigations are carried out by the compliance function if there is a suspicion of or allegation of unlawful acts and/or misconduct within the Company. We have established a comprehensive whistleblower system for the communication of suspicious activity reports.

Response

The CMS and its measures are continuously improved. This means that the CMS is regularly reviewed based on the results of risk assessments, monitoring, and other relevant information from the various departments (e.g. audit reports or organisational changes) and adjusted as required. For this purpose, the maturity of the CMS is assessed annually using quantitative and qualitative queries. This includes the assessment of participation rates in the mandatory online training courses, e.g. on the topics of anti-corruption, antitrust law, data protection and the Code of Conduct. It also covers the number of whistleblowing reports and other allegations received, as well as the number, topic areas, and severity of identified compliance violations.

Selected compliance programmes

We have set up explicit compliance programmes as minimum standards for compliance risks that are relevant for the entire Group, for example corruption and bribery, which are not tolerated at Munich Re (zero tolerance limit), for compliance with financial sanctions, money laundering requirements and antitrust law, sales, and the design of our products (sales compliance). These programmes are intended to enable trusting relationships and fair dealings with our clients, so that the data entrusted to us is handled securely.

Munich Re resolutely counters the risk of white-collar crime and corruption with its CMS measures, including, but not limited to, an appropriate separation of functions, and compliance with the principle of dual control, in particular when signing contracts and making payments. Since 2020, a regularly updated guideline on the prevention of corruption, including the avoidance of conflicts of interest, and also covering gifts and hospitality, applies directly to reinsurance and sets minimum standards for the Group. Legal regulations in other relevant countries, such as the Foreign Corrupt Practices Act (FCPA) in the USA, and the Bribery Act in the United Kingdom, are also considered. The fight against corruption involves a compliance programme and includes, among other measures, a mandatory online test that must be taken at regular intervals. At the reinsurance group and ERGO, an anti-corruption agreement/anti-corruption clause must be concluded with suppliers or service providers irrespective of the order value.

Munich Re is also committed to combatting money laundering and terrorist financing. The companies affected by the German Money Laundering Act (Geldwäschegesetz – GwG) are organised accordingly, and anti-money laundering officers and deputies have been appointed where required by the GwG. ERGO and MEAG have their own anti-money laundering guidelines for employees at the relevant companies to prevent money laundering or terrorist financing. The identification of customers, service providers and suppliers follows the “know-your-customer” principle and is embedded in appropriate due diligence checks. The “know-your-customer” principle requires a transparent and documented selection process for service providers and suppliers and the conduct of due diligence with business partners who act on behalf of Munich Re.

In addition to the Code of Conduct, the Group has implemented dedicated norms, e.g. for the prevention of corruption and rules for gifts and hospitality, anti-money laundering, compliance with antitrust regulations, financial sanctions, and the handling of inside information.

For the reinsurance group, mandatory training topics include the Code of Conduct, anti-corruption, antitrust and data protection/information security. Training courses are also geared to local requirements.

Incident reporting

Whistleblowing portal

Munich Re provides a secure online whistleblowing portal on which its employees, clients, suppliers, and other business partners can report potential compliance violations. Relevant information can be passed on safely, confidentially and anonymously if preferred, worldwide and around the clock. Once information is received, it is passed on to Group Compliance and Legal, which is responsible for further processing. Here too, confidentiality is a top priority.

Whistleblowers (both internal and external) may access the online portal via the Munich Re website and via the intranet (internal whistleblowers only). They have the option of setting up a protected mailbox in the online portal, using an alias/username and password that they can select themselves. In this way, the whistleblower can exchange messages and files safely and anonymously with Group Compliance and Legal or the responsible local compliance organisations. The mailbox and data are stored solely on the whistleblower system, and are protected against third-party access by individual encryption. The process does not involve standard e-mail communication. Only the authorised recipient in Group Compliance and Legal or the responsible local compliance organisations can access the data to clarify whether a whistleblowing report is plausible and, if necessary, to initiate an investigation of the matter. Depending on the individual case, appropriate action is taken if a violation is proven.

Munich Re does not tolerate any retaliation against a person who, in good faith, reports possible violations of the law, the Code of Conduct, or other company policies, or who asks questions about ongoing or proposed conduct.

The portal can be used to report possible violations, including those related to corruption, financial sanctions, fraud, antitrust, regulatory requirements, money laundering, tax compliance, sales compliance, insider trading, and data protection, as well as those related to ESG, including human rights, gender discrimination, sexual harassment, diversity, or violations of the principle of equal treatment.

The functionality of the anonymity process in the Munich Re compliance whistleblowing portal is externally certified to ISO 27001.

Munich Re's whistleblowing portal is prepared for the legal requirements of the EU Whistleblowing Directive (No. 2019/1937) and will be supplemented by local whistleblowing systems.

Ombudsman

Employees may also report possible violations to Munich Re's external ombudsman. Anyone may approach the ombudsman in confidence if they suspect inappropriate conduct. As an external and independent contact, the ombudsman gives whistleblowers an additional option (besides reporting to their superiors, Group Compliance and Legal, the responsible local compliance organisations, and/or via the whistleblowing portal) for reporting possible violations confidentially and, if necessary, anonymously. The ombudsman informs Group Compliance and Legal about the content of any allegation while maintaining confidentiality.

Compliance incidents 2022

In 2022, 443 allegations of potential misconduct were received through the various channels in the Group. All reports were carefully and impartially investigated, while maintaining the anonymity of the whistleblower where requested.

More detailed information on allegations and violations can be found in the following tables. No violations with material financial impact or systematic weaknesses were identified. No allegations or confirmed violations have been reported related to human rights.

For information about possible violations of data protection requirements, please refer to ↘ Data privacy and information security.

7.2 Compliance governance

Allegations on possible misconduct and violations

	2022	Number prev. year[1]	2022	Share prev. year[1]	Change %
Total	**443**	**652**	**100.0**	**100.0**	**-32.1**
Non-confirmed violations	109	334	24.6	51.2	-67.4
Ongoing investigations	202	116	45.6	17.8	74.1
Confirmed violations	132	202	29.8	31.0	-34.7
thereof violations of purely internal requirements[1]	39	124	29.5	61.4	-68.5
thereof violations of external requirements[1]	93	78	70.5	38.6	19.2

[1] The previous year's figures were adjusted.

Confirmed violations of external requirements

	2022	Number prev. year	2022	Share prev. year	Change %
Total	**93**	**78**	**100.0**	**100.0**	**19.2**
Regulatory requirements	15	44	16.1	56.4	-65.9
Tax law	6	13	6.5	16.7	-53.8
Offences to the detriment of third parties or the Company	29	9	31.2	11.5	222.2
Sales or product-related requirements	36	7	38.7	9.0	414.3
Human resources	6	3	6.5	3.8	100.0
Unfair competition and antitrust law	1	2	1.0	2.6	-50.0
Money laundering	0	0	0	0	–
Financial sanctions	0	0	0	0	–
Human rights or other ESG aspects	0	0	0	0	–
Insider trading and market manipulation	0	0	0	0	–
Corruption	0	0	0	0	–

Of the 93 confirmed violations of external requirements, disciplinary actions were taken in 19 cases. Findings from the investigation of compliance incidents and violations are used for the ongoing improvement of the compliance management system.

7.3 Procurement

> GRI 2-6; 2-23; 3-3; 308-1; 414-1

Our responsible corporate governance extends beyond our core business to our procurement activities. As a global organisation, Munich Re procures many different goods and services throughout the world. The benchmark for our procurement decisions is best total value in terms of quality, time and cost criteria (while at the same time adhering to our compliance principles and thus assuming corporate responsibility along the value chain). Environmental, Social and Governance aspects and good management practices also play an important role in our procurement of goods and services.

We have established appropriate procurement principles for working with our suppliers. Based on the principles of the UN Global Compact, our procurement principles help protect human rights, prohibit forced labour and child labour, and uphold both freedom of association and the right to collective bargaining. Furthermore, they forbid corruption and enforce environmental protection. Accordingly – and as a requirement for cooperation – Munich Re expects its business partners to likewise commit to those of our principles that explicitly cover human rights and labour standards.

In addition to this, we built a global core model for digital supplier management and went live with the solution at our Munich headquarters in 2020. In 2021 we started the roll-out in the reinsurance in the US, and in 2022 in the UK and Canada. This core model is being successively rolled out worldwide and enables us to improve accessibility, acceptance and documentation of the UN Global Compact Principles across our global supply base.

In reinsurance, we obligate our suppliers to adhere to the UN Global Compact. Procurement departments at Munich Re are responsible for including relevant corporate responsibility clauses in supplier agreements. We estimate that approximately 80% of our contracts in 2022 contained the corporate responsibility clause. We are implementing a new reporting requirement for 2023 to improve the reporting quality for this Key Performance Indicator (KPI). Should an infringement occur during the term of contract with one of our suppliers, we will actively seek dialogue with our contracting parties to remedy any deviations from our guidelines. Should this prove unsuccessful, Munich Re reserves the right of extraordinary termination for good cause.

As part of the implementation of the German Supply Chain Due Diligence Act (GSCDDA), Munich Re introduced a new Supplier Code of Conduct at the beginning of 2023, with the 10 principles of the UNGC as an integral component. A dedicated e-Learning programme for employees and suppliers will be implemented in 2023.

7.4 Human rights

> GRI 2-23; 3-3

At Munich Re, our business model is based on responsible, sustainable, and forward-looking action over the long term. We regard the protection of human rights as a particular obligation, one that we strive to meet in line with internationally accepted human rights principles. It is part and parcel of our approach to corporate governance, which embeds economic, environmental, and social requirements into our definition of success. The Board of Management has confirmed this commitment by clearly stating Munich Re's Declaration of Principles on Respecting and Protecting Human Rights. The Declaration is our public commitment to respect human rights. It also contains information about our human rights due diligence process and risk management, with details of the responsibilities within the Group, and the expectations for our employees and suppliers.

Commitments

In addition, we substantiate our understanding of responsibility for human rights by committing[1] to the following international guidelines and standards:

- **The International Bill of Human Rights**, which consists of the:
  - Universal Declaration of Human Rights
  - International Covenant on Civil and Political Rights
  - International Covenant on Economic, Social and Cultural Rights

The International Bill of Human Rights consists of the core human rights treaties of the United Nations that function to advance the fundamental freedoms and to protect the basic human rights of all people. The Bill influences the decisions and actions of Government, State and Non-State actors to make economic, social, and cultural rights a top priority in the formation and implementation of national, regional, and international policy and law.

- **ILO (International Labour Organisation) Declaration on Fundamental Principles and Rights at Work**, which is an expression of commitment by governments, employers' and workers' organisations to uphold basic human values.
- **United Nations Guiding Principles on Business and Human Rights**. The 31 principles of the UNGPs are divided into three pillars – protect, respect, and remedy – which set out the duty of states and the responsibility of business to protect human rights and provide effective access to remedies for corporate human rights abuses.
- **The 10 Principles of the UN Global Compact**, which take into account the fundamental responsibilities of business in the areas of human rights, labour, environment and anti-corruption.
- **Principles for Sustainable Insurance (PSI)**, which is a global framework for the insurance industry to address environmental, social and governance risks and opportunities.
- **Principles for Responsible Investment (PRI)**, which offer a range of possible actions for incorporating ESG issues into investment practice.

Munich Re respects all types of human rights as specified in these international standards. We are implementing a due diligence process that covers all the components set out in the guidelines to which we commit.

[1] The commitments were approved by the Board of Management

7.4 Human rights

With our due diligence processes to prevent and mitigate human rights abuses, we strive to comply with the requirements of these standards and guidelines, as well as with the requirements of the German Supply Chain Due Diligence Act.

On the basis of our value chain, we have defined the following human rights, which we expect our employees and suppliers to respect as essential for our Group:

- **The right to healthy, safe and dignified working conditions**, which includes the prohibition of the worst forms of child labour, as well as forced labour, modern slavery and human trafficking (including ensuring the freedom of movement of migrant workers), the right to the payment of a living wage, the right to equal pay for equal work, a limit on working hours, the right to health and safety at work, as well as the prohibition of disrespect for freedom of association.
- **The right to equality and non-discrimination** requires no tolerance of discrimination on the grounds of disability, age, gender, ethnic origin, nationality, sexual identity, political views, race, religion, or similar aspects, no sexual or other personal harassment, and no offensive behaviour. Further, we do not tolerate socially inappropriate behaviour, intimidation, violence, or the threat of violence.
- **The right to adequate living conditions** protects the habitats of local communities and/or indigenous peoples and seeks to shelter them from environmental hazards as well as prevent or reduce the negative health impacts of such hazards.

We aim to consider particularly vulnerable groups in the prevention of human rights, such as indigenous people and local communities, children, third-party employees and migrant workers, as well as women and girls – and all others who are potentially affected by discrimination.

Due diligence and risk management

Our goal is to prevent or mitigate potentially adverse impacts of our business on human rights compliance. To allow it to meet its due diligence obligations, Munich Re has therefore established processes for identifying risks of infringement of human rights and for addressing them with appropriate measures.

We are currently strengthening our processes, which include the following components:

- **A risk management system** with clearly defined processes and responsibilities that include conducting regular risk analyses, embedding preventive and remedial measures in our business units, and monitoring and reviewing the effectiveness of these measures
- **A grievance mechanism**
- **Documentation and reporting**

Our corporate due diligence requirements are set out in various guidelines, codes, and work instructions. In 2022, Munich Re adopted an overall guideline on respecting human rights in the supply chain. The guideline sets out the basic human rights compliance requirements for employees and suppliers across the Group and defines how we address human rights risks in our business operations. With the standards established in the guideline, we aim to fulfil our duty of care, and work to ensure that human rights are respected by all companies within our Group.

Identifying and assessing human rights risks and their impact

Using structured risk analysis, we systematically check which business units or activities could be prone to an increased risk of human rights violations or environmental harm. In the fields of investment, procurement and human resources, these processes have already been implemented. In the case of underwriting, a structured risk analysis process is currently being developed to improve the existing process for identifying risks of human rights violations.

7.4 Human rights

In addition, risk analyses are carried out on an ad hoc basis in response to significant changes in the risk situation, such as expansions into new business areas or product offerings, or if we become aware of relevant breaches of duty on the part of our indirect suppliers. The risk analysis is based on a country and sector list that we compile and regularly update, drawing on a range of databases to do so. We also use this to screen new and existing business relationships and, if necessary, initiate preventive or remedial measures.

Implementing measures to prevent or mitigate human rights violations

With further risk analyses, we focus on the four following risk areas:

Employees

As an employer, we are committed to complying with international human rights standards and creating adequate working conditions for our staff. Furthermore, our Code of Conduct for employees defines the standards for respecting human rights. For further information on respecting our employees' human rights, such as diversity, equality, inclusion, and others, please refer to the ↘ Employees section of this report.

Procurement

In our procurement decisions and activities, we adhere to compliance principles and thus assume corporate responsibility along the supply chain. Environmental, social and governance (ESG) criteria play an important role for us in the procurement of goods and services. To strengthen our due diligence approach, we published an extensive Code of Conduct for Suppliers at the beginning of 2023, which defines core principles for the protection of human rights and the environment. We expect our suppliers to comply with the code. Please refer to the ↘ Procurement section of this report for more details.

Insurance

Munich Re has clearly defined in underwriting guidelines how underwriters and client advisors should deal with ESG risks in insurance transactions. In the insurance business, sensitive issues or sectors have been identified where social aspects, including human rights, should be considered as part of the risk assessment. Binding guidelines or best practice recommendations relevant to human rights have also been developed for these and other topics where relevant. If the review of a contract by the Corporate Underwriting and Sustainability departments concludes that a transaction entails significant reputational risks, such cases need to be submitted to the Reputational Risk Committee (RRC) for reinsurance and the Reputation and Integration Committee (RIC) of ERGO. A strengthened risk analysis process is currently being developed, in addition to the existing specifications for taking ESG aspects into account, to help underwriters identify risks of human rights violations.

Investment

We take a responsible investment approach based on the Principles for Responsible Investment (PRI) and our Group-wide Responsible Investment Guidelines (RIG), which we updated in 2022 with a strengthened focus on respecting human rights.

Within the framework of responsible investment, government bonds and bonds of government-related institutions with an MSCI ESG rating of "CCC" are generally excluded, as they exhibit high socio-economic and political risks, and also risks relating to their use of resources. Among other things, the MSCI Government Ratings take human rights into account.

As a responsible (re)insurer and investor, we support the international conventions relating to anti-personnel mines and cluster munitions (controversial weapons). Investing in shares and bonds of companies and insuring companies who are active in these areas are excluded.

Preventive and remedial measures

We maintain a list of companies with which, due to confirmed and substantial human rights violations, we choose, to the best of our knowledge, not to do business. The list is reviewed and updated at regular intervals.

In the event of rising risks or concrete evidence of potential human rights violations that are either revealed in the course of our monitoring or supplied to us via our whistleblowing channels, we carefully review the facts, enter into dialogue with the parties concerned if necessary, and initiate the preventive or remedial measures needed in order to avoid, end or mitigate the violation in question. In line with governance processes, corporate bodies responsible for assessing ESG risks are involved in the decision, depending on the extent of the breach. These are the Reputational Risk Committee and the ESG Management team as a working committee of the ESG Committee.

Whistleblowing management system

Human rights-related risks and breaches of human rights-related duties can also be reported using the Munich Re compliance whistleblowing portal. Whistleblowers can access the portal via our intranet or the publicly available Munich Re websites. Accordingly, relevant information can be shared securely, confidentially and, on request, anonymously – globally and around the clock. Evidence of potential human rights violations that reaches us via other channels is handled following the same principles and processes.

All information received is handled in keeping with the risk management process described above and in collaboration with the respective department. Every reported case of potential misconduct is carefully reviewed and confirmed violations are, if necessary, duly punished. When human rights violations within our remit are brought to our attention, we enter into a dialogue with the parties in question and pursue remedial measures.

Reporting and communication

The following documents detail how Munich Re abides by its responsibility for human rights:

- our Sustainability Report,
- our combined non-financial statement,
- our annual UN Global Compact Communication on Progress (CoP), and
- our annual report on the Principles for Responsible Investment (PRI).

In addition, in line with international regulations, an annual statement signed by the Board of Management on the UK Modern Slavery Act has been published each year since 2017 and a statement on the Australian Modern Slavery Act each year since 2021.

Continuous efforts to optimise our approach

Our goal is to continuously improve our compliance-related processes and expand our risk assessment. In 2022, a Group-wide project expanded and improved our existing due diligence processes. A new policy statement (Human Rights Declaration) was adopted by the Board of Management. The roll-out of a Group guideline regulating the implementation of the Supply Chain Due Diligence Act, the necessary processes, measures, and responsibilities was initiated at the end of 2022. We have created a set of regulations for our suppliers and employees, which defines our expectations with regard to respecting human rights and upholding environmental standards. In order to meet our common goals, we count on the active participation of all parties.

By implementing these measures, we strive to fulfil the requirements of the German Supply Chain Due Diligence Act. In addition, we will also adapt our due diligence process in insurance and reinsurance business in the course of 2023. The process has already been developed and piloted and is specifically tailored to strengthening identification of human rights risks.

7.5 Data privacy and information security

> GRI 3-3

Munich Re handles an enormous amount of data in the course of its business activities. With increasing digitalisation, many business processes involve the processing of confidential and personal data, a subject that is of particular concern for us, not least because information security and data privacy are the basis of trust in business relationships and play a key role in safeguarding our reputation. We are also having to manage an ever-increasing volume of information and data.

If we are to be treated as a competent and trusted partner, it is therefore essential for us to protect the personal data of our staff members, clients and stakeholders, while safeguarding both our own and our sales partners' trade secrets and corporate information. For this reason, Munich Re has implemented data privacy and information security management systems in its fields of business. Each system takes into account the particularities of the respective field, and includes rules, processes and measures to systematically monitor and control how confidential data and personal data is handled. The Group-wide Code of Conduct and various business unit-specific standards contain binding regulations for all employees and are intended as a uniform approach to data protection and information security. As described in our Code of Conduct, staff members who intentionally or negligently violate internal rules (including those relating to data protection and privacy) may be in breach of their employment obligations, and thus subject to disciplinary action, including potential termination of their employment contracts.

In 2022, no material data protection events as defined in the Solvency II Group Compliance Policy occurred anywhere in our Group worldwide, nor were any material proceedings for breach of data protection regulations initiated. Despite this, Munich Re is increasingly the target of cyber-attacks, which threaten the confidentiality, integrity, and availability of our information and business processes. As a result, measures that both prevent such attacks and facilitate their identification are being continually improved, particularly for data protection purposes. We are also optimising the systematic management of any such incidents by implementing a new incident response process, based on a defined and structured response cycle, with regular testing of responses through tabletop exercises and adversary emulation.

Like many other companies, Munich Re monitors geopolitical developments very carefully to allow us to respond to changes in the specific threat situation at an early stage. This also includes the repercussions from Russia's attack on Ukraine.

7.5 Data privacy and information security

Data privacy

In the area of data privacy, compliance with national and international regulatory requirements, such as the EU General Data Protection Regulation (GDPR), forms the basis for our management approach and its further development. In addition, data privacy management systems have been implemented in the individual business units to manage and control the handling of personal data. These systems support our systematic planning, implementation, and continuous monitoring of measures to comply with data protection requirements. They include the following elements:

- Transparency (e.g. privacy statements on our websites, including information on the purposes of data processing, data subject rights and the right to data portability, the length of time data is kept).
- Processes for the exercise of data subject rights, the handling of complaints, and a rapid response in the event of a data protection incident (as part of the Group-wide security incident management process).
- Data privacy standards for third-party processors, including previous checks on technical and organisational measures and the conclusion of agreements with data protection clauses. Third-party processors are also required to impose these standards on sub-processors.
- Regular training of employees: web-based data privacy training is mandatory for employees after hiring and at least every two years thereafter. This is supplemented by classroom training for selected risk-based employee groups and by awareness-creating measures (for instance on the intranet). Third-party processors are contractually obliged to make their staff aware of the applicable data privacy rules, to conduct regular training, and to implement awareness-raising measures.
- Privacy by design and by default in our solutions and IT-supported business processes as part of our internal assessment processes (e.g. Compliance Gate process).
- Documentation (e.g. in registers of processing activities, data breaches, requests, and substantiated complaints).

We follow a continuous monitoring process and regular global topic data privacy audits conducted by internal auditors round off the approach. In addition, the information on data privacy given in the combined non-financial statement of the Munich Re's financial statements 2022 was audited by external auditors.

For Group companies whose registered office is within the EU/EEA, policies and norms on data protection focus on the GDPR. Based on this, the reinsurance, ERGO and MEAG have each created a data protection policy for their activities in the EU/EEA to provide a binding, uniform level of data protection in the corresponding business fields. For the Group-internal exchange of data with reinsurance companies based outside the EU/EEA, binding internal data protection regulations (Binding Corporate Rules since 2006) create an appropriate level of data protection at our locations worldwide. Munich Re additionally introduced a new Supplier Code of Conduct at the beginning of 2023, which also includes data privacy standards for our suppliers, service providers, and clients.

Data protection officers have been appointed where required for the reinsurance group, ERGO and MEAG to manage data protection issues. The Group-wide data protection organisation is coordinated centrally by Group Compliance and Legal. Data protection officers and experts work in their respective areas of responsibility to monitor compliance with data protection regulations and the legally permissible use of IT-supported data processing procedures. In addition, they advise the respective company on its obligations under the relevant regulations, are available to employees as contacts for questions related to data protection, and are the first point of contact for the supervisory authorities. The Reinsurance Board of Management is informed at least once a year about significant data protection processes and the further development of the data protection management system at Munich Re.

7.5 Data privacy and information security

Particularly complex, high-risk topics relating to data protection are dealt with at Munich Re in the Data Strategy and Governance department, which belongs to the Compliance and Legal Division and acts as a centre of excellence. The expertise of this department is available to Munich Re staff for any enquiries about data privacy.

In order to support transparency on data protection and information security risks and to fulfil its obligation to comply with data protection regulations, the reinsurance group submits IT-supported processing of personal data in advance to IT security and the respective data protection function as part of a defined process. As part of a privacy impact assessment, the process is also used to identify and control data processing operations that pose a high risk of violating the rights of individuals or of restricting their freedom. ERGO and MEAG meet their data protection accountability obligations with the help of appropriate processes. In addition to the risk assessments already outlined in the context of data privacy, new IT-supported processing of data is also checked to determine whether this processing – depending on the protection requirements for the data processed – is designed in accordance with information security requirements. This data privacy and information security process is being continuously refined with the aim of integrating it into an overarching governance, risk and compliance platform and into a third-party risk management in 2023.

Compliance gate processes – how we manage to comply with global data privacy requirements, cyber law and ethics

When checking IT-supported business processes fast and efficiently, we consider:

- fact gathering: components, interfaces, and data flows;
- threat analysis: check legal, organisational, and technical controls;
- the maturity level methodology (check as much as necessary, and as little as possible);
- risk assessment and management decisions.

All reinsurance units must use the compliance gate process to meet GDPR requirements. Use of this tool is mandatory if personal data from the EU is involved in a process.

Information security

Our Group-wide Framework on Information Security and Business Continuity Management defines binding objectives, minimum requirements, responsibilities, and processes. It specifies procedures for the protection of information and for ensuring business continuity for the entire Group. And it enables us to reduce security risks for our employees, information, systems, and our properties. We are currently engaged in the implementation of the framework within the Group, which will follow a standardised comply-or-explain procedure by 2024. The framework helps us realise our aim that information security and business continuity can fulfil contractual obligations to clients and meet reporting requirements in a constantly changing environment as well as in times of crisis.

Munich Re is steadily developing the range of tasks and processes associated with information protection as part of the Group Risk Management methodology. This includes regular procedures to scan for vulnerabilities, control effectiveness testing, and risk-based reviews. Additionally, we are constantly improving our Group Information Security Risk Management methodology to cover a range of new challenges. The increased digitalisation of our business processes, the transition to cloud-based solutions, the offer of cyber risk coverage through primary insurance and reinsurance, growing legal and regulatory requirements, and the constantly increasing number of potential threats in the digital domain are just some examples of new challenges covered in the cyber risk landscape. As a first and second line of defence, these changes are constantly monitored and evaluated by dedicated processes involving our IT and risk management experts.

The management of information security risks is the responsibility of the Group Chief Information Security Officer (CISO). It includes the definition, maintenance, and implementation of the information security strategy and is supported by our Group-wide Information Security and Business Continuity Management framework.

We consistently pursue the implementation of three protection goals in cybersecurity: the confidentiality, availability, and integrity of our information. Requirements for this protection are driven by statutory and supervisory regulations and are an integral part of Munich Re's corporate strategy. Our goal is to make the level of protection of data and information risk-oriented in the context of the ongoing digitalisation of business processes. This is enabled by a Group-wide programme that maps the most important facets of data and information security in subdisciplines known as cyber capabilities. These are regularly assessed using a maturity-oriented model with quantitative and qualitative criteria that are refined with business unit-specific measures in mind. The Capability Maturity Model Integration (CMMI) is a process and behaviour model developed by the Software Engineering Institute of Carnegie Mellon University as a process improvement methodology that allows projects, departments and organisations to monitor the maturity progress of their capabilities. The strategic approach of the methodology includes both results from the review of regulatory requirements and peer comparisons.

Munich Re staff are bound to secrecy on all company matters if it cannot be assumed that the information involved 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, Group employees must complete mandatory eLearning training on general information security content. Munich Re offers regular training sessions and other measures to heighten awareness of information security. Additionally, we have a clear escalation process in place, which employees can follow should they notice anything suspicious. These measures helps support suitable protection for our confidential data against unauthorised access, as well as against malicious use, manipulation, or loss.

7.6 Digitalisation and cyber

Digitalisation is key to a successful future for the insurance industry. It will further transform the industry's entire value chain and influence our clients' requirements for specific risk transfer solutions, data, and cyber security. For Munich Re, it is crucial to ensure the responsible use of digital technologies and to provide innovative solutions for our clients. Furthermore, digitalisation and the challenges it poses for employees in terms of data protection, information security and the responsible use of artificial intelligence (AI) continue to gain in importance. Transformation efforts towards digital and data-driven processes have also been significantly accelerated in many companies, especially since the COVID-19 pandemic. Munich Re made digitalisation an integral part of its business strategy early on and invests heavily in technology and the necessary training to develop its employees and experts. Advances in automation, digitalisation and individualisation will result in exciting new developments, but new risks will also arise, such as those inherent in artificial intelligence itself. Munich Re will counter these risks with, for example, new business models in the field of artificial intelligence certification. For information on the extensive training given to our employees on these topics, please refer to the ↘ Employees chapter.

Responsible handling of artificial intelligence

The responsible application of digital progress is of core importance at Munich Re and the idea of responsible artificial intelligence is central to our actions. We support the development of ethical guidelines and engage in shaping the European AI regulation, incorporated in the AI Act, which is expected to come into force in 2025.

Munich Re has developed a human-rights-based responsible AI strategy in line with European Commission guidelines, which covers issues such as privacy, surveillance, discrimination, bias, unintended consequences, and misuse by bad actors.

Our strategy is based on the following ethical principles for trustworthy artificial intelligence:

- Respect for human autonomy
- Prevention of harm
- Fairness
- Explicability

We intend to use AI in sectors that promise added value for our clients or our employees. In this context, we rely on targeted applications with a clear connection to insurance, such as

- a risk assessment that is shorter and simpler for the applicant
- prompt claim review and payment
- insurability of new types of risk

When developing AI applications, we consider social and economic aspects. At the same time, we are guided by the legal, social, and cultural standards of the countries we operate in.

Social impact of AI – we promote exchange, protect against risks

AI will have repercussions on society that are impossible to fully predict today. For this reason, ethical guidelines for dealing with AI can only be developed in dialogue with national, European and international associations, with politicians and with academia. Our AI experts are members of various bodies, where they exchange information with other companies and draw up guidelines for dealing responsibly with AI technology. In addition, Munich Re is a shareholder in the German Research Center for Artificial Intelligence (DFKI), which seeks to strengthen cooperation between the world's leading representatives from the fields of industry, science, and politics. Not only will this partnership help us develop best processes for our clients, it will also make the latest knowledge available to our employees and further advance research in this field.

Many social problems can be solved with AI, for example in the fields of medicine and mobility. We want to take on the role of enabler for these AI technologies by assuming the residual risks emanating from AI decisions. However, an important precondition for insurability is that specific standards are met in terms of quality, stability, non-discrimination, transparency, and comprehensibility. With this in mind, we aim to define standards for the evaluation of various AI algorithms with partners such as the DFKI and appliedAI.

Training our developers and employees

Empowering our employees through training is the basis for successful and responsible digitalisation and, accordingly, we support them throughout the transformation process. For example, to promote the digital readiness of our employees we have established a learning culture that focuses on Munich Re's digital priorities.

Our "Digital School" is the central, advanced training programme on digitalisation for all our employees in reinsurance. A wide variety of learning content and formats are offered on the platform, all of which enable self-initiated digital knowledge development.

In addition, Munich Re places special emphasis on the competent handling of data and algorithms through a global training initiative, namely a data analytics curriculum available to reinsurance employees in the form of a multi-level digital qualification.

As part of the continuous improvement of our digitalisation processes, we implemented numerous measures in the reporting year. Employees receive regular training on the basics of the European General Data Protection Regulation (GDPR), binding internal data protection regulations (Binding Corporate Rules) and information security in the form of e-learning programmes. In addition, we launched a new training programme on responsible AI, which was very well received by the data analytics community. Our e-learning programmes are also mandatory for new employees as part of the induction process. Additional division-specific online training courses were likewise offered in the reporting year. Furthermore, we offer target-group-specific training for our developers, users, and managers, for example via our LinkedIn Learning page, the Data Analytics Curriculum, and the Cyber Expert Pool. You can find more information about the training programmes we offer in the ↘ Employees section.

Innovative solutions for a sustainable and resilient digital world

The increasing use of new technologies, self-learning machines, cloud computing, digital ecosystems, new communication standards like 5G, and our dependence on intelligent devices are all part of the global digital transformation of business and society. The number of devices online is set to increase to 125 billion by the year 2030. In virtually every sector, automated processes are delivering greater efficiency and higher productivity. At the same time, greater levels of interconnection are leading to new business models. Examples include successful sharing concepts and online platforms. There are auspicious opportunities for all industries. But new technologies also bring new vulnerabilities: promising, future-oriented opportunities can also entail inherent or hidden risks. Espionage, sabotage, data theft and losses from cyber attacks cost companies millions and are constantly increasing in frequency.

For these reasons, Munich Re offers a variety of products and solutions in both primary insurance and reinsurance that span everything from cyber risks to Internet of Things (IoT) solutions. To meet the challenges, Munich Re has over 130 experts on cyber in its reinsurance.

7.6 Digitalisation and cyber

Cyber risks

The results of our Global Cyber Risk and Insurance Survey show that there is a significant gap between being aware of risks in general and actively pushing for action. We help our clients to assess cyber risks more easily, understand them better, and identify the right response.

At Munich Re, our cyber (re)insurance knowledge and products put us in a position where we can fulfil our social role as a risk carrier as well as provide our clients with financial protection in the case of a cyber attack.

Our strategy is based on fully understanding cyber risks, assessing them adequately and making them insurable. We rely on close collaboration between experts from insurance and reinsurance, external partners and our cedants and clients. Our holistic risk transfer solutions, pre- and post-incident services and comprehensive know-how have kept us the market leader in this segment for a number of years and established our reputation as an exceptionally reliable partner. Munich Re offers comprehensive reinsurance solutions that go well beyond pure insurance coverage.

Learn more about solutions for cyber risks

AI solutions

Artificial intelligence systems present both enormous challenges and opportunities for businesses and entire industries. These include cyber threat prevention, fraud management, and new agriculture technologies. Examples of the potential advantages such systems offer include reduced costs, improved quality, and the potential to build new products and services.

Munich Re uses AI, for example, to create a quick payout for the policyholder after a natural event, such as Hurricane Ian in 2022. Data from aerial imagery speeds up the recovery process for policyholders, claims handlers, and carriers, and our solution delivers fast damage assessments for the claims handler. This helps facilitate quick restoration in cases of property damage.

Learn more about CatAI

However, there is also the risk that any given AI algorithm may not perform consistently, precisely enough, or even perform at all, which may lead to financial losses. Therefore, Munich Re also offers protection against the risk of poor AI system performance.

One example is Munich Re's partnership with the battery software platform provider TWAICE, where Munich Re backs the health prediction accuracy of TWAICE's AI for batteries used in e-buses and e-trucks.

Learn more about aiSure

In addition, Munich Re provides quality seals for both AI governance and specific AI systems. Recognition of AI quality by an independent party overcomes the challenge of mistrust of AI systems, the primary reason for them not being used at scale today. A risk assessment is conducted that considers 6 dimensions (robustness, security and safety, autonomy and control, transparency, fairness and privacy) and is based on our own AI standard. This AI standard is informed by regulatory and industry standards, as well as by academia.

Learn more about CertAI

The ultimate goal of trustworthy and reliable AI will also impact future ESG discussions across all ESG dimensions: "E" because of the increasing need for computational efficiency to achieve energy savings. "S" because bias and discrimination in data being used to train AI models is at the centre of political and public debate. And "G" because only a good AI governance will allow us to build safe, robust, non-biased and well-performing AI models.

7.7 Tax

> GRI 3-3; 207-1/-2

Munich Re's policy is to be a responsible company and taxpayer. Due to the nature of our business, we are subject to a multitude of taxes, which arise in every country in which we operate. Munich Re adheres to applicable tax regulations at both national and international levels. We consider it a fundamental legal and social duty to declare the profits earned in our business for tax purposes in accordance with the law.

Compliance with applicable laws and internal rules and principles is binding for the employees of Munich Re. Compliance in general, and tax compliance in particular, are key components within our processes. Munich Re aims to operate as a law-abiding, transparent, and responsible taxpayer. For that reason, we give absolute priority to meeting the tax obligations to which Munich Re is subject nationally and internationally.

The Board of Management has approved a policy on tax compliance that lays down standards and describes the fundamental components of the tax compliance management system we have in place. The policy applies directly to Munich Reinsurance Company, including its foreign branches.

All companies in the Group are obliged to apply a policy locally that has the same, or similar, content. Compliance with this requirement is checked annually. The policy on tax compliance sets out clear rules and responsibilities for tax management throughout the Group, and an internal escalation process is in place. Employees can report compliance breaches directly to the tax department or anonymously to the whistleblowing portal. In Munich, the reinsurance group has a tax compliance management system in place that is certified by a third party. This builds on a credible tax compliance culture, sets targets and establishes programmes as part of a continuous improvement process. The key elements of the Group-wide tax compliance policy can be found in our Tax Transparency Report, available from our download centre.

Locations outside Germany are chosen primarily based on business considerations. We are represented through subsidiaries or branches in all the world's main insurance hubs – for example in the USA, the UK, Switzerland, and Singapore. Tax rates at the foreign insurance locations are mostly lower than in Germany. Structures that we create have adequate economic substance and we do not enter into any transactions with the sole purpose of obtaining a tax advantage. In any event, there is full transparency both locally and in Germany vis-à-vis regulators and tax authorities, and we always act in conformity with applicable laws. Transactions with Group companies are at arm's length in accordance with OECD requirements. The essential content of our country-by-country reporting can be found in our public Tax Transparency Report.

7.8 Advocacy and political involvement

> GRI 2-28; 3-3

Advocacy

In the interest of our stakeholders, we contribute our knowledge and expertise to the political decision-making process. In doing so, we place an emphasis on fairness and transparency.

Our focus is on topic areas that affect our Group and our stakeholders and in which we possess particular expertise. This applies to areas such as climate protection, data security, and investment in infrastructure, where our corporate interests and business attitudes match the general societal interest.

We actively participate in industry organisations, including the German Insurance Association (GDV), the Geneva Association, the European Insurance Chief Finance Officers (CFO) Forum, the Chief Risk Officers (CRO) Forum, the Reinsurance Advisory Board (RAB) of Insurance Europe, the Global Reinsurance Forum (GRF) and the Pan-European Insurance Forum (PEIF). Joachim Wenning, Chief Executive Officer (CEO) of Munich Re, assumed the role of Chair of the Pan-European Insurance Forum (PEIF) in November 2022. He will chair the forum for two years and continue to promote a better understanding and recognition of the role of the insurance sector in the European Union, while providing its members with the opportunity to discuss major policy and strategic issues affecting insurance business in Europe and worldwide.
The Public Affairs department within the Central Division Economics, Sustainability and Public Affairs, is responsible for representing Munich Re's interests vis-à-vis governments, national and supranational authorities, associations and other organisations. Drawing on in-house expertise, the Public Affairs department also coordinates our positioning within the Group based on internal committee discussions. Public Affairs furthermore promotes matters that are important for our Company and the sector as a whole. Through a dedicated body, the Group Lobbying Committee, we have established a regular institutionalised Group-wide exchange on relevant topics and developments.

In 2022, the following topics were the focus of our advocacy activities:

Sustainable finance

We are committed to the goals of the Paris Agreement and are a member of the Asset Owner Alliance. Through our public engagement, we aim to foster the transition to a low-carbon and sustainable economy. Munich Re strongly supports the establishment of international sustainability standards and welcomes the work of the EFRAG and ISSB to consolidate global work on the sustainability reporting framework. Consistent, high-quality reporting standards provide the basis for global harmonisation and create transparency and comparability on companies' business activities.

Digitalisation and cyber

Munich Re supports the digital agenda of the German Federal Government and the European Commission. Our focus is on the creation of standardised framework conditions and legal security in Europe. We therefore also welcome regulatory projects such as the European Union’s AI Act. We support the insurance industry's core concerns and demands in this regard: a more precise and narrow definition of AI, ensuring proportionate regulation, avoiding double regulation through a high-risk classification of insurance applications and clear guidelines for developers.

We regard cyber insurance as fundamental to economies and essential for a successful digitalisation process. Developments in this sector are monitored closely and we will continue to contribute to the appropriate handling of the associated opportunities and risks. Facilitating a sustainable and profitable cyber insurance market in cooperation with our clients is a high priority for us.

7.8 Advocacy and political involvement

Global Insurance Capital Standard (ICS)

Creating a global capital standard for insurance companies poses a major challenge for companies and supervisory authorities. The suitability of the ICS will be tested over a five-year monitoring period (2020–2024), a process in which we are already participating. We continue to contribute to public consultations on the further development of ICS, as major decisions on its final version are expected to be made in 2023.

Trade barriers and market access issues

In many jurisdictions, trade barriers and market access issues restrict the free flow of reinsurance. Such barriers include restrictions on the ability of reinsurers to freely conduct business on a cross-border basis, requirements to collateralise or localise assets, the use of compulsory cessions to domestic entities, etc. Through our participation in reinsurance associations, we advocate for efficient, innovative, and competitive reinsurance markets worldwide.

Regulation of systemic risks

In late 2022, the Financial Stability Board (FSB) endorsed the Holistic Framework for systemic risk in the insurance sector as an effective basis for assessing and mitigating systemic risk, and simultaneously discontinued the former identification of Global Systemically Important Insurers (G-SIIs). Munich Re has never been identified as a G-SII. Traditional re- and primary insurance activities are not systemically relevant.

Munich Re places particular importance on transparency in advocacy activities. Along with the information in the Sustainability Report, we provide details to the EU Transparency Register, as well as to the German and the Bavarian Lobby Register on focal points, memberships, and the cost of our lobbying activities. Since 2020, we have reported on these costs as part of a Group-wide survey. Further information can be found in the Key figures section.

Political involvement

> GRI 415-1

Munich Re supports the democratic political process and, to this end, donates to the following German political parties: Bündnis90/Die Grünen, CDU, CSU, FDP, and SPD. As defined in our Group Guidelines (e.g. for reinsurance companies: "The guidelines for donations, sponsorship activities, memberships and social cooperation agreements"), contributions to political parties and organisations closely tied to them may be made by Munich Re (Munich) and ERGO Group AG only. They require the consent of either the reinsurance Board of Management or the responsible member of the Board of Management of ERGO Group AG. The five German political parties we support each receive an identical donation of €30,000 with no conditions attached. Munich Re and ERGO each pay one half of the expenditure. 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. Munich Re did not engage in any other form of political sponsorship. Since 2020, compliance with our Guidelines on Donations and Sponsorship, and on political involvement, has been monitored Group-wide as part of our annual monitoring process. Further information can be found in the Key figures section.

8. Annex

8.1 About the report

> GRI 2-3; 2-5; 3-1

Munich Re's business model is based on responsible corporate governance that reconciles economic, environmental and social requirements. To this end, we rely on transparency and dialogue with our stakeholders. In our Sustainability Report, we describe the ways in which we embrace sustainability in our day-to-day operations.

Our annual Sustainability Report also provides a review of our fields of business reinsurance and ERGO, as well as investments and asset management, with respect to the objectives we have defined, the measures we took in the past year, the challenges we faced and the successes we have achieved.

The measures and activities presented focus mainly on the period from 1 January 2022 to 31 March 2023. The key figures relate to the 2022 financial year (ending 31 December 2022). Ultimately, our Sustainability Report serves as a link to our standard financial reporting and the non-financial statement (both published in March 2023), which provide greater detail about further non-financial aspects.

Our Sustainability Report 2022 was published on 19 April 2023 in English.

Further reporting

Munich Re's Annual Report provides our investors with detailed information on our corporate governance, management and financial matters. In addition, the Annual Report includes our combined non-financial statement in accordance with Sections 289b and 315b of the German Commercial Code (HGB). It also meets the requirements of the European Non-Financial Reporting Directive (NFRD).

In addition, we report on the sustainable use of proceeds from our issued green bonds in our Green Bond Allocation and Impact Report 2022.

Both the combined non-financial statement and the allocation report were audited with limited assurance by an external auditor.

Selected topics – Qualitative and quantitative reporting

The purpose of our Sustainability Report is to give a comprehensive picture of our performance. Topics and content have therefore been chosen according to their significance for our business operations, their impact on environmental, economic and social factors, and their relevance for our stakeholders.

8.1 About the report

Verified indicators

Selected quantitative sustainability-related data of the Group, verified by an external audit company, are located in the combined non-financial statement contained in the Annual Report.

Our voluntary commitments

The voluntary commitments we make to initiatives such as the UN Global Compact, the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI) form the framework of our sustainability strategy. At the start of 2020, Munich Re joined the UN-convened Net-Zero Asset Owner Alliance, and we are working towards ensuring that our investments are net-zero by 2050.

GRI Standards and Global Compact "Communication on Progress" report

This report has been prepared with reference to the GRI standards 2021. The GRI indicators have been compiled in the ↘ GRI content index. In addition, the Sustainability Report and the GRI disclosure constitute the basis for our annual Communication on Progress report for the UN Global Compact.

Terminology

Throughout this report, the Munich Re Group is referred to as "Munich Re" or "the Group", while "reinsurance" is used to refer to the reinsurance Group. The Munich Reinsurance Company includes our specialty primary insurance business (Division – Global Speciality Insurance).

Munich Re's primary insurance group is either referred to as "ERGO" or "primary insurance". Munich Re's primary asset manager, 'MEAG' comprises

- MEAG MUNICH ERGO AssetManagement GmbH, which manages financial and real estate portfolios and renders investment advisory services only for companies belonging to the Munich Re Group.
- MEAG MUNICH ERGO Kapitalanlagegesellschaft mbH, which is an investment company managing special and retail investment funds with various investment focuses, and rendering individually tailored investment management services to non-US institutional investors that are not part of the Munich Re Group.

Munich Re's Group Investment Management unit on the asset owner side is referred to as "GIM". Where the "Board of Management" is mentioned, this means the Group Board of Management, while certain bodies are specified separately (e.g. "Reinsurance Board of Management").

Further information can be found on our corporate website.

Where the term "Group-wide" is used, it indicates that more than 90% of the Group's employees are covered.

8.2 Key figures

Important facts and figures

At Munich Re, we place particular emphasis on transparency and information of our respective stakeholders. This chapter provides detailed information on the development of our key indicators on environment, employees, our social commitment and our involvement in political decision-making processes.

Financial indicators

Online content: Find all information about our financial figures on our corporate website

Environmental indicators

> GRI 302-1/-4; 305-1/-5

A key component of our Group-wide environmental and climate protection strategy is the continuous reduction of our consumption of resources and our resulting GHG emissions.

In our reporting, we focus on the main direct impacts of our business operations on the environment and climate. These are the consumption of energy, paper and water, the waste we produce and the business trips we make. The continuous reduction of these emissions is the main indicator of the success of our environmental performance.

We calculate the GHG footprint from our business activities by measuring the annual GHG emissions resulting from our consumption of energy, paper and water, waste, and business travel. Any consumption data that was not available by the reporting date has been estimated. We extrapolate measured consumption data to 100% of Group`s staff working for a fully consolidated entity and held an employment contract as at 31 December 2022. GHG emissions are calculated in accordance with internationally recognised methods and conversion factors, such as the Greenhouse Gas Protocol and the Association for Environmental Management and Sustainability in Financial Institutions (VfU). If possible, individual conversion factors, e.g. for company cars, are applied. A market-based approach is used to calculate the Scope 2 emissions resulting from electricity consumption, taking into account the fact that in 2022 a share of 90% was derived from regenerative energy sources and calculated as emission-free. For the remaining electricity consumption, country-specific conversion factors from the GHG Protocol were used that derive from the average local power mix. In 2022, we collected data for about 76% of staff in scope.

Sources of GHG emissions:

- Scope 1: Direct emissions from primary energy consumption (natural gas, fuel for emergency power, fuel for company cars)
- Scope 2: Indirect emissions from procured energy (electricity, district heating and district cooling)
- Scope 3: GHG emissions from upstream activities (water, waste, paper, travel except combustion from company cars) and GHG emissions from downstream activities (absolute financed GHG emissions*)

Externally quality assured environmental figures can be found within the non-financial statement of the Annual Report of the Group.

*See 3.2 Responsible investment, table ↘ Absolute financed GHG emissions.

8.2 Key figures

General information	Unit	2022	2021	2020
Munich Re employees as at 31.12.2022	Number of employees	41,389	39,281	39,642
Gross premiums written	€bn	67,1	59.6	54.9
Proportion of employees captured by the environmental data collection	% employee	76	81	82
Proportion of employees who were verified by a third party	% employee	100	100	100
Proportion of employees captured by an environmental system certified to ISO 14001, 50001, EMAS	% employee	49	46	46
Total GHG emissions - own operations	Metric tonnes (t) CO_2e	79,705	73,289	73,285
	Metric tonnes (t) CO_2e/employee	1.93	1.87	1.85
GHG savings per employee since 2019	% employee (kg CO_2e)	22	25	25
GHG intensity	Metric tonnes (t) CO_2e/€m gross premiums written	1.19	1.23	1.33

Scope 1	Unit	2022	2021	2020
Direct energy consumption in premises	MWh total	154,376	178,549	167,897
	MWh/employee	3.73	4.55	4.24
Road travel from company cars	Km total	79,423,015	71,723,191	68,216,054
	Km/employee	1,919	1,826	1,721
GHG emissions Scope 1 (energy consumption in premises and road travel from company cars)	Metric tonnes (t) CO_2e total	43,664	47,598	44,105
	Metric tonnes (t) CO_2e/employee	1.05	1.21	1.11

Scope 2	Unit	2022	2021	2020
Indirect energy consumption	MWh total	159,321	168,922	177,031
	MWh/employee	3.85	4.30	4.47
GHG emissions Scope 2 (market-based)	Metric tonnes (t) CO_2e	18,310	19,677	22,290
	Metric tonnes (t) CO_2e/employee	0.44	0.50	0.56
GHG emissions Scope 2 (location-based)	Metric tonnes (t) CO_2e	41,770	47,751	51,933
	Metric tonnes (t) CO_2e/employee	1.01	1.22	1.31

8.2 Key figures

Scope 3	Unit	2022	2021	2020
GHG emissions from upstream activities (water, waste, paper, travel except combustion from company cars)	Metric tonnes (t) CO_2e	17,731	6,015	6,890
	Metric tonnes (t) CO_2e/employee	0.43	0.15	0.17
GHG emissions from downstream activities (absolute financed GHG emissions)*	Metric tonnes (t) CO_2e	3,113,093	3,963,799	

Energy	Unit	2022	2021	2020
Total energy consumption (Scope 1 and 2)	MWh total	313,698	347,471	344,928
	MWh/employee	7.58	8.85	8.70
Percentage of total electricity consumption from green electricity purchased	Share in %	90	92	90
GHG emissions from energy (Scope 1 + Scope 2 marked-based)	Metric tonnes (t) CO_2e	61,974	67,275	66,395
	Metric tonnes (t) CO_2e/employee	1.50	1.71	1.67
Energy intensity	MWh/€m gross premiums written	4.67	5.83	6.35

Energy consumption by type	Unit	2022	2021	2020
Liquid fuel for emergency power	MWh	1,069	927	806
Natural gas	MWh	153,307	177,622	167,092
Thereof natural gas for cogeneration	MWh	126,293	145,454	139,214
Total electricity consumption	MWh	102,313	96,452	111,206
Thereof electricity consumption from renewable sources	MWh	92,518	88,567	100,118
District cooling	MWh	5,371	4,481	4,593
District heating	MWh	51,638	67,989	61,232
Total energy consumption	MWh	313,698	347,471	344,929

Paper	Unit	2022	2021	2020
Paper consumption	Metric tonnes (t)	859	1,192	882
	Metric tonnes (t)/ employee	0.021	0.03	0.02
Recycled paper	Share in %	5	4	10
GHG emissions from paper	Metric tonnes (t) CO_2e	1,014	1,407	970
	Metric tonnes (t) CO_2e/employee	0.02	0.04	0.02
Paper intensity	Metric tonnes (t)/€m gross premiums written	0.01	0.02	0.015

* See 3.2 Responsible investment, table ↘ Absolute financed GHG emissions.

8.2 Key figures

Water	Unit	2022	2021	2020
Water consumption	Cubic metres (m^3)	476,997	431,593	507,238
	Cubic metre (m^3)/employee	12	11.0	12.8
GHG emissions from water	Metric tonnes (t) CO_2e	335	303	355
	Metric tonnes (t) CO_2e/employee	0.01	0.01	0.01
Water intensity	Cubic metres (m^3)/€m gross premiums written	7.11	7.24	9.3

Business trips	Unit	2022	2021	2020
Business travel (Scope 1 + Scope 3)	Kilometres (km)	214,742,918	96,737,797	106,492,210
	Kilometres (km)/ employee	5,188	2,463	2,686
Air travel	Kilometres (km)	118,220,053	18,471,098	31,348,310
Road and rail travel	Kilometres (km)	96,522,865	78,266,699	75,143,900
GHG emissions from business travel (Scope 1 + Scope 3)	Metric tonnes (t) CO_2e	26,808	13,886	13,941
	Metric tonnes (t) CO_2e/employee	0.65	0.35	0.35
Business travel intensity	Kilometres (km)/€m gross premiums written	3,199	1,623	1,961

Waste	Unit	2022	2021	2020
Total waste generation	Metric tonnes (t)	5,240	5,416	5,820
	Metric tonnes (t)/ employee	0.13	0.14	0.15
Waste for incineration hazardous	Metric tonnes (t)	5.49	1	9
Waste for incineration non-hazardous	Metric tonnes (t)	870	1,114	1,178
Recycled waste hazardous	Metric tonnes (t)	66	35	65
Recycled waste non-hazardous	Metric tonnes (t)	2,834	2,963	3,212
Waste to landfill hazardous	Metric tonnes (t)	0	3	0.21
Waste to landfill non-hazardous	Metric tonnes (t)	171	197	285
Organic waste	Metric tonnes (t)	738	572	667
Other waste not specified	Metric tonnes (t)	553	428	355
Special waste treatment	Metric tonnes (t)	3.08	104	49
GHG emissions from waste	Metric tonnes (t) CO_2e	1,903	1,796	1,673
	Metric tonnes (t) CO_2e/employee	0.05	0.05	0.04
Waste intensity	Metric tonnes (t)/€m gross premiums written	0.08	0.1	0.02

8.2 Key figures

Staff indicators

> GRI 2-7; 2-30; 401-1; 404-1/-3

		2022	2021	2020
Staff	(abs.)	41,389	39,281	39,642
Employees by field of business	Reinsurance	36.8%	35.1%	31.9%
	Primary insurance	63.2%	64.9%	68.1%
Group staff by region	Germany	45.0%	46.9%	47.0%
	Rest of Europe	33.4%	33.1%	35.7%
	North America	16.4%	16.1%	13.6%
	Asia and Australasia	4.4%	3.1%	2.7%
	Africa and Middle East	0.5%	0.5%	0.5%
	Latin America	0.3%	0.3%	0.4%
Percentage of female employees	Female employees	52.5%	52.6%	52.9%
	Women in managerial positions	38.5%	37.8%	35.1%

		2022	2021	2020
Group staff by age	20 or younger	0.2%	0.2%	0.2%
	21 – 25	4.1%	3.9%	3.8%
	26 – 30	9.2%	8.6%	8.1%
	31 – 35	11.4%	11.4%	11.7%
	36 – 40	13.5%	13.7%	13.8%
	41 – 45	13.4%	13.7%	14.0%
	46 – 50	13.6%	14.1%	14.9%
	51 – 55	15.7%	16.2%	16.3%
	56 – 60	13.2%	12.8%	12.4%
	over 60	5.7%	5.4%	4.8%
No. of staff by type of employment contract	Permanent employment	96.2%	96.2%	95.8%
	Temporary employment	3.8%	3.8%	4.2%

8.2 Key figures

		2022	2021	2020
Salaried employees	Full-time – female	38.9%	38.2%	38.7%
	Part-time – female	13.6%	14.4%	13.3%
	Total – female	52.5%	52.6%	52.0%
	Full-time – male	45.1%	44.9%	45.8%
	Part-time – male	2.4%	2.5%	2.2%
	Total – male	47.5%	47.4%	48.0%
	Full-time	84.2%	83.4%	84.5%
	Part-time	15.8%	16.6%	15.5%
Sickness rate		4.5%	3.7%	3.8%
Sick leave days per employee		11.2	9.4	9.0
Employees with access to medical care (doctor, health insurance)		95.8%	82.2%	92.9%
Employees with access to health services (e. g. vaccination, health check)		89.1%	75.0%	85.1%

		2022	2021	2020
Staff turnover	Turnover rate	10.3%	9.9%	9.3%
	Voluntary fluctuation	6.3%	5.6%	3.5%
	Lay-offs (abs.)	377	782[5]	426
Open positions filled by internal candidates[2]		34.6%	33.9%	35.0%
Length of service	Years (Ø)	13.5	13.9	13.8
Further education[1]	Cost per employee (€)	858	757	615
	No. of training days per employee	2.6	2.4	3.2
	No. of training hours per employee	20.3	18.5	24.8
	Employees with at least one training	89.5%	95.1%	85.9%
	Employees with at least one virtual training	85.8%	91.6%	83.9%
	No. of virtual training days per employee	1.4	1.1	2.6
	No. of virtual training hours per employee	10.7	8.6	19.8

8.2 Key figures

		2022	2021	2020
Women's networks	Number	10	12	13
	Members	2,073	2,217	1,666
	Events	67	54	36
	Event participants	2,567	2,814	1,063
LGBTQ – networks	Number	4	4	7
	Members	470	409	341
	Events	16	20	21
	Event participants	524	2,178	434
Number of nationalities MR Group		123	114	
Employees with flexible working hours		82%	79%	95%
Employees with access to mobile working		97%	90%	100%
Employees with access to sabbatical or add. leave days		67%	67%	65.2%

	2022	2021	2020
Employees with financial support for staff catering	69%	67%	77%
Employees with access to child care services	24%	14%	31%
Employees receiving regular performance and career development reviews	91%	72%	72%
Employees covered by collective bargaining agreements[3]	98.7%	98.8%	99.8%
Pay ratio[4]	26	24	24
Employees with disabilities[2]	5.1%	4.8%	4.6%
Employees with company pension scheme	80%	75%	86%

Further staff indicators can be found in our factsheet.

Data coverage: ≥ 95%

[1] Data coverage: ≥ 90%
[2] Data coverage: ≥75%
[3] German entities only: 45% coverage of Group's employees in 2022.
[4] Pay ratio: The average target overall direct remuneration of all members of the Board of Management was (26) 24 times the average target overall direct remuneration of all employees (excluding the Board of Management).
[5] Without separation agreements.

8.2 Key figures

Social impact (SI) indicators

> GRI 415-1

	2022	2021	2020
Employee coverage	95.3%	97.0%	95.0%
Total SI expenses	13,508,588€	8,703,143€	9,749,556€
Share of pre-tax profit	0.38%	0.24%	0.66%

Details of social impact expenses in €

	2022	2021	2020
Social and cultural activities at our locations[6]	2,833,410	2,128,329	1,882,296
Social impact projects that pay into the three global challenges[6]: - Combating the effects of climate change - Improving access to healthcare - Enhancing risk awareness	4,033,992	2,507,441	2,871,235
Ukraine-related engagement[6]	2,364,561		
Disaster relief[6]	329,211	524,507	160,880
Donations in kind, sponsorships in kind	251,764	137,576	85,937
Political donations	171,480	171,480	171,480
Corporate volunteering	1,193,143	893,390	329,023
ERGO foundations	848,004	871,526[7]	530,315
Munich Re foundations	1,483,024	1,291,833	1,593,282

Regional classification[6]	2022	2021	2020
Germany	5,497,078	1,902,548	2,021,917
Europe (excluding Germany)	1,204,305	2,804,616	1,583,363
North- and Latin America	2,693,256	2,413,009	2,074,016
Australia/New Zealand	13,808	35,709	83,587
Africa	84,640	38,483	97,209
Asia	68,087	45,521	54,276

[6] This amount comprises donations, social sponsorships and corporate responsibility memberships (and does not include any contributions in kind or political contributions).

[7] The reporting of the payments for ERGO foundations has been partly assumed based on last year figures.

8.2 Key figures

Expenses for advocacy in €

> GRI 2-28

As part of our advocacy activities, Munich Re engages in a continuous exchange with a wide range of organisations. For 2022, our Group-wide assessment of advocacy expenses covered 95% of our employees.

	2022
Total expenses for industry associations, business associations and trade associations, including chambers of commerce and the commission of advocacy activities to external parties	€10m
Largest associations	Gesamtverband der Deutschen Versicherungswirtschaft (GDV): €2.5m Verband der Privaten Krankenversicherung (PKV): €2.2m Reinsurance Association of America (RAA): €0.9m American Property Casualty Insurance Association (APCIA): €0.5m Canadian Life and Health Insurance Association (CLHIA): €0.3m
Data coverage (as percent of employees)	95%

8.3 Standards

Statement of use
Munich Re has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.

GRI 1 used
GRI 1: Foundation 2021

General Disclosures

GRI Standard	Location	Comments/omission/ external reference	UNGC principle
GRI 2: General Disclosures 2021			
2-1 Organizational details	Portrait of Munich Re, p. 6		
2-3 Reporting period, frequency and contact point	About the report, p. 124; Contact and imprint, p. 141		
2-4 Restatements of information		Where previously published information needed to be updated, this has been indicated in the relevant places.	
2-5 External assurance	About the report, p. 124		
2-6 Activities, value chain and other business relationships	Portrait of Munich Re, p. 6; Procurement, p. 108	Annual Report, p. 152	
2-7 Employees	HR strategy and governance, p. 75; Staff indicators, p. 130	It's all about people - Facts & Figures Due to data availability, the number of non-guaranteed hours employees (2-7 b.iii.) and the breakdown of permanent and temporary employees by gender and region (2-7 b.i.+ii.) is not reported.	

GRI Standard	Location	Comments/omission/ external reference	UNGC principle
2-9 Governance structure and composition	ESG governance, p. 16, 18		
2-11 Chair of the highest governance body	ESG governance, p. 16	Competences of the shareholder representatives	
2-12 Role of the highest governance body in overseeing the management of impacts	ESG governance, p. 16		
2-13 Delegation of responsibility for managing impacts	ESG governance, p. 16		
2-15 Conflicts of interest		Competences of the shareholder representatives	
2-17 Collective knowledge of the highest governance body		Competences of the shareholder representatives	
2-22 Statement on sustainable development strategy	CEO statement, p. 4		

8.3 Standards

GRI Standard	Location	Comments/omission/ external reference	UNGC principle
2-23 Policy commitments	Sustainability strategy, p. 9; Environmental management, p. 70; Compliance governance, p. 102; Procurement, p. 108; Human rights, p. 109		GC 1, 2
2-26 Mechanisms for seeking advice and raising concerns	Compliance governance, p. 102		
2-27 Compliance with laws and regulations		To the best of our knowledge, no instances of noncompliance with environmental laws and regulations and no instances of substantial fines or non-monetary sanctions with regard to laws and regulations in the social and economic area being imposed on Munich Re by state agencies were identified in the period under review.	GC 8
2-28 Membership associations	Advocacy and political involvement, p. 121; Expenses for advocacy, p. 134		
2-29 Approach to stakeholder engagement	Stakeholder dialogue, p. 19; Materiality assessment, p. 20; Sustainability in insurance, p. 32		
2-30 Collective bargaining agreements	Staff indicators, p. 130		

GRI Standard	Location	Comments/omission/ external reference	UNGC principle
GRI 3: Material Topics 2021			
3-1 Process to determine material topics	Stakeholder dialogue, p. 19; Materiality assessment, p. 20; About the report, p. 124		
3-2 List of material topics	Materiality assessment, p. 20		
GRI 201: Economic Performance 2016			
3-3 Management of material topics	ESG governance, p. 16; Sustainability in business, p. 23, 25, 27–28, 35, 51; Society, p. 93		
201-1 Direct economic value generated and distributed		Corporate website	
201-2 Financial implications and other risks and opportunities due to climate change	Sustainability in business, p. 28, 35, 51		
201-4 Financial assistance received from government		Lobbyregister Bundestag	

8.3 Standards

GRI Standard	Location	Comments/omission/ external reference	UNGC principle
GRI 203: Indirect Economic Impacts 2016			
3-3 Management of material topics	ESG governance, p. 16; Sustainability in business, p. 23, 25, 27–28, 35; Society, p. 93		
203-1 Infrastructure investments and services supported	Sustainability in business, p. 28, 35		
203-2 Significant indirect economic impacts	Sustainability in business, p. 28, 35		
GRI 205: Anti-corruption 2016			
3-3 Management of material topics	Goals and ambitions, p. 11; Code of conduct, p. 101; Compliance governance, p. 102		
205-1 Operations assessed for risks related to corruption	Compliance governance, p. 102		
205-3 Confirmed incidents of corruption and actions taken	Compliance governance, p. 102		GC 10
GRI 206: Anti-competitive Behavior 2016			
3-3 Management of material topics	Code of conduct, p. 101; Compliance governance, p. 102		
206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		Throughout 2022, both investigations mentioned in the 2021 sustainability report and led by foreign competition authorities against local subsidiaries of Munich Re remained ongoing. However, both investigations were concluded by settlement in Q1 2023 without material financial commitments or consequences. In addition, Munich Re decided to notify to the Chinese merger control authority a transaction carried out in 2019 in the United Kingdom that did not have any effects on the Chinese market, but still was notifiable for merger control clearance in China because of the parties' turnover. In respect of this late merger control notification, an administrative fine of ca. EUR 40k was imposed against Munich Re in 2022 by the Chinese merger control authority.	
GRI 207: Tax 2019			
3-3 Management of material topics	Tax, p. 120		
207-1 Approach to tax	Tax, p. 120	Tax Transparency Report Munich Re Group	
207-2 Tax governance, control, and risk management	Tax, p. 120	Tax Transparency Report Munich Re Group	

8.3 Standards

GRI Standard	Location	Comments/omission/ external reference	UNGC principle
207-3 Stakeholder engagement and management of concerns related to tax		Tax Transparency Report Munich Re Group	
207-4 Country-by-country reporting		Tax Transparency Report Munich Re Group	
GRI 302: Energy 2016			
3-3 Management of material topics	Environmental management, p. 70; Goals and ambitions, p. 11		
302-1 Energy consumption within the organization	Environmental indicators, p. 126		GC 7, 8
302-2 Energy consumption outside of the organization	Environmental indicators, p. 126		GC 8
302-3 Energy intensity	Environmental indicators, p. 126		GC 8
302-4 Reduction of energy consumption	Environmental indicators, p. 126		GC 8, 9
GRI 305: Emissions 2016			
3-3 Management of material topics	Environmental management, p. 70; Goals and ambitions, p. 11		
305-1 Direct (Scope 1) GHG emissions	Environmental indicators, p. 126		GC 7, 8
305-2 Energy indirect (Scope 2) GHG emissions	Environmental indicators, p. 126		GC 7, 8
305-3 Other indirect (Scope 3) GHG emissions	Environmental indicators, p. 126		GC 7, 8
305-4 GHG emissions intensity	Environmental indicators, p. 126		GC 8
305-5 Reduction of GHG emissions	Environmental indicators, p. 126		GC 8, 9
GRI 308: Supplier Environmental Assessment 2016			
3-3 Management of material topics	Procurement, p. 108; Human rights, p. 109		
308-1 New suppliers that were screened using environmental criteria	Procurement, p. 108		
GRI 401: Employment 2016			
3-3 Management of material topics	HR strategy and governance, p. 75; Development and talent management, p. 78, 81		
401-1 New employee hires and employee turnover	Development and talent management, p. 78, 81; Staff indicators, p. 130	It's all about people - Facts & Figures	

8.3 Standards

GRI Standard	Location	Comments/omission/ external reference	UNGC principle
GRI 404: Training and Education 2016			
3-3 Management of material topics	HR strategy and governance, p. 75; Development and talent management, p. 78; Goals and ambitions, p. 11		
404-1 Average hours of training per year per employee	Staff indicators, p. 130	Due to data availability, the disclosure is not reported by gender and employee category.	GC 6
404-2 Programs for upgrading employee skills and transition assistance programs	Development and talent management, p. 78, 80; Diversity, equity and inclusion (DEI), p. 83; Staff indicators, p. 130	It's all about people - Facts & Figures	
404-3 Percentage of employees receiving regular performance and career development reviews	Staff indicators, p. 130	Due to data availability, the disclosure is not reported by gender and employee category.	GC 6
GRI 405: Diversity and Equal Opportunity 2016			
3-3 Management of material topics	Goals and ambitions, p. 11; HR strategy and governance, p. 75; Diversity, equity and inclusion (DEI), p. 83		
405-1 Diversity of governance bodies and employees	Diversity, equity and inclusion (DEI), p. 83		GC 6

GRI Standard	Location	Comments/omission/ external reference	UNGC principle
GRI 406: Non-discrimination 2016			
3-3 Management of material topics	HR strategy and governance, p. 75; Diversity, equity and inclusion (DEI), p. 83		
406-1 Incidents of discrimination and corrective actions taken		In FY 2022, one incident of sexual harassment was investigated and confirmed. The incident resulted in two terminations.	GC 6
GRI 407: Freedom of Association and Collective Bargaining 2016			
3-3 Management of material topics	Procurement, p. 108; Human rights, p. 109; Goals and ambitions, p. 11		
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		To the best of our knowledge, no operating sites or suppliers were identified in the period under review at which the right to freedom of association and collective bargaining could be at risk.	GC 3
GRI 408: Child Labor 2016			
3-3 Management of material topics	Procurement, p. 108; Human rights, p. 109; Goals and ambitions, p. 11		

8.3 Standards

GRI Standard	Location	Comments/omission/ external reference	UNGC principle
408-1 Operations and suppliers at significant risk for incidents of child labor		To the best of our knowledge, in the period under review no operating sites or suppliers were identified as being at significant risk of incidents of child labour.	GC 5
GRI 409: Forced or Compulsory Labor 2016			
3-3 Management of material topics	Procurement, p. 108; Human rights, p. 109; Goals and ambitions, p. 11		
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		To the best of our knowledge, in the period under review no operating sites or suppliers were identified as being at significant risk of incidents of forced or compulsory labour.	GC 4
GRI 414: Supplier Social Assessment 2016			
3-3 Management of material topics	Procurement, p. 108; Human rights, p. 109		
414-1 New suppliers that were screened using social criteria	Procurement, p. 108		
GRI 415: Public Policy 2016			
3-3 Management of material topics	Advocacy and political involvement, p. 121		
415-1 Political contributions	Advocacy and political involvement, p. 122; Social impact indicators, p. 133		GC 10
GRI 417: Marketing and Labeling 2016			
3-3 Management of material topics	Code of conduct, p. 101; Compliance governance, p. 102; Sustainability in insurance, p. 32		
417-3 Incidents of non-compliance concerning marketing communications		No incidents relevant to the Group of noncompliance with regulations or voluntary codes of conduct concerning marketing and communications – or of fines, sanctions or warnings – were identified in the period under review.	
GRI 418: Customer Privacy 2016			
3-3 Management of material topics	Code of conduct, p. 101; Data privacy and information security, p. 113; Compliance governance, p. 102		
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		No material data protection events as defined in the Solvency II Group Compliance Policy occurred anywhere in our Group worldwide, nor were any material proceedings for breach of data protection regulations initiated.	

8.4 Contact and imprint

Munich Re Sustainability Report 2022

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Contact

Please do not hesitate to contact our Sustainability department if you have any questions regarding sustainability at Munich Re.

Please send your questions and comments to
sustainability@munichre.com

Silke Jolowicz
Head of Sustainability Munich Re Group

Marc Weber
Consultant Sustainability

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Münchener Rückversicherungs-Gesellschaft
Aktiengesellschaft in München
Königinstr. 107
80802 München

Munich RE