

Munich Re's approach to fossil fuels in investments and (re)insurance

In December 2025, Munich Re launched its new Climate Ambition 2030, following on from the previous Climate Ambition 2025. Details on our new climate targets and long-term aims are available in the Investor Day 2025 presentation from 11 December 2025, including explanatory notes, and the Annual Report 2025. This document outlines our current approach to fossil fuels in investments and (re)insurance, including restrictions.

Thermal coal

In our primary insurance and facultative and direct (re)insurance business, we do not insure single-location stand-alone risks in the planning, financing, construction or operation of new thermal coal mines, coal-fired power plants and the related infrastructure where construction or preparatory work for coal production or operation had not started by 1 September 2018. Multi-location covers are treated as single-location risks if most locations qualify as new.

For our own investments, Munich Re has already ceased directly investing in listed equities and corporate bonds from companies that generate more than 15% of their revenue from thermal coal mining and/or the generation of electricity from thermal coal firing. Moreover, Munich Re rules out direct investments in listed equities or corporate bonds of companies that have an annual thermal coal production above 10 megatons or have an installed coal-fired generation capacity above 5 gigawatts. Exceptions apply for companies, that are affected by absolute exclusion criteria regarding coal production and installed capacity, that have made a credible commitment to net zero greenhouse gas (GHG) emissions by 2050, including corresponding short- and mid-term milestones. These companies are selected and assessed based on data provided by Institutional Shareholder Service (ISS) ESG. For both types of exclusion, an exception for green bonds and engagement applies under specific conditions. Green bonds issued by affected companies remain investable subject to specific requirements: the green bond must be compliant with an accredited Green Bond Framework (the International Capital Market Association (ICMA) Green Bond Principles or the EU Green Bond Standard) and assessed by an external review provider.

Under specific conditions (companies meeting absolute KPI exclusions and companies with relative revenue thresholds between 15% and 30%), Munich Re may decide to engage with companies rather than ceasing to invest. For details on our investment engagement approach, refer to the latest [Responsible Investment Guideline](#).

Oil and gas companies

Munich Re does not conduct new direct investments in pure-play oil and gas companies, defined as listed companies within the GICS oil and gas sub-industries (excluding integrated oil and gas) as per ISS ESG GICS classification. For new direct investments, integrated oil and gas companies must demonstrate a credible commitment to net zero GHG emissions by 2050, including corresponding short- and mid-term milestones. These companies are selected and assessed based on data provided by ISS ESG, a recognised provider of sustainability-related data analysis.

Exceptions apply for green bonds and engagement under specific conditions: Munich Re may invest in green bonds issued by oil and gas companies which are compliant with an accredited Green Bond Framework (by the ICMA Green Bond Principles or the EU Green Bond Standard) and have been assessed by an external review provider. Under specific conditions, Munich Re may decide to engage with companies rather than ceasing to invest.

New oil and gas projects

Munich Re does not invest in or (re)insure contracts/projects exclusively covering the planning, financing, construction or operation of

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

Munich Re does not invest in new gas infrastructure (not under construction or in operation as at 1 December 2024) unless it aims to align with 1.5°C low/no overshoot pathways.

Munich Re does not (re)insure contracts exclusively covering the planning, financing, construction or operation of new LNG infrastructure (not yet under construction as at 31 December 2022), if directly and exclusively related to new gas fields as defined above.

This applies to direct alternative investments, our primary insurance and facultative and direct (re)insurance business, including cases where such risks are bundled in one cover together with other risks, but the cover mainly protects one or more new risks.

Oil sands

In the oil and gas sector, we have exclusions in place for the insurance of oil sand extraction and the related infrastructure. In primary insurance and facultative and direct (re)insurance business, we do not cover new or existing oil sand sites, as well as new or existing oil sand-related infrastructure. The guidelines referred to above apply to single locations and stand-alone risks. The exclusion also applies to mixed policies with exposure above a set threshold of 20% of the sum insured or revenue.

For our own investments, Munich Re does not directly invest in equities or bonds from listed companies that derive more than 10% of their revenue from the mining of oil sands.

Arctic oil and gas

Our guidelines on Arctic oil and gas exploration, exploitation and production, including directly related infrastructure, prohibit to accept any corresponding single-risk stand-alone covers. This applies to all Group entities that underwrite business of this kind. This also applies to mixed covers and the treaty reinsurance business, where the exposure is above a defined single-digit percentage threshold. The definition of the Arctic in this regard is based on the internationally recognised definition by the Arctic Monitoring and Assessment Programme, with a few exceptions in the Norwegian region below the Arctic circle, since Arctic conditions do not prevail there. Any exceptions to this policy are subject to approval by the responsible Board Committee.

For infrastructure investments, direct investments in oil and gas exploration and drilling within the Arctic region are prohibited. For the detailed definition of the Arctic Region in the context of investments, please refer to the [Responsible Investment Guideline](#).

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