

Annual General Meeting on 29 April 2020

Counter motions and Nominations

Status: 15 April 2020

A Shareholder has sent a counter motion, which we publish below.

You can support this counter motion by voting against the proposal of the Supervisory Board and the Board of Management.

The text of these counter motions has been translated from the German original for the convenience of English-speaking readers. The German text shall be authoritative and final for the purposes of interpretation.

**Counter-motion on agenda item 3
(Resolution to approve the actions of the Board of Management)**

from:

Dachverband der Kritischen Aktionärinnen und Aktionäre e.V., Köln

Motion:

The Association of Critical Shareholders Germany moves that approval for the actions of the members of the Board of Management not be given.

Reason:

The Board of Management of Munich Re AG is not sufficiently abiding by its responsibility to take more effective action to protect the climate and perform its human rights due diligence. It is not enough merely to commit formally to the targets of the Paris Agreement, the UN 2030 Agenda for Sustainable Development and the UN Global Compact. In addition to specific objectives, appropriate measures are also required. Even other companies in the insurance industry have made considerably more progress, as they have realised that the insurance industry can likewise actively help reduce the risks of climate change while acting in its own economic interest.

Climate targets must be in line with the Paris Agreement

If all companies had the same climate footprint as Munich Re, the average global temperature would increase by 5.3 degrees Celsius by the year 2050. This information appears in a report that the consultancy Right <https://www.right-basedonscience.de/en> published at the end of 2019. This report indicates that Munich Re urgently needs to work harder on its own climate targets and strategies if it is to meet the requirements of the Paris Agreement. All measures implemented must help limit global warming to the Agreement's target of 1.5 degrees or less, as this is the only way to truly minimise the risks and the impact of climate change.

Exclusion of all fossil fuels necessary

Now that Munich Re has joined the Net-Zero Asset Owner Alliance, the Company must quickly improve its climate footprint and adjust its climate strategy accordingly. It is necessary to close loopholes in the reinsurance of new coal power plants, and collective reinsurance agreements must in future exclude coal-related transactions. In addition, Munich Re must resolutely refuse to do business with companies that plan to build new coal power plants. Ultimately, all investments and (re)insurance business of Munich Re must exclude all fossil fuels.

Non-compliance with UN requirements on human rights due diligence

Munich Re still does not fully meet the corporate-conduct requirements of the UN Guiding Principles on Business and Human Rights. Munich Re has not adequately demonstrated whether and how it identifies, assesses and minimises human rights risks. Of the 20 largest companies in Germany, 13 of them perform better than Munich Re according to a recent study conducted by the Business & Human Rights Resource Centre and the ZHAW School of Management and Law. The study's findings are summarised here: <https://www.business-humanrights.org/en/german-snapshot>

It is economically negligent for a reinsurance group in particular to disregard its human rights due diligence, as shown by many examples of large dam failures that have led to major losses.

Critical problem of reinsurance of tailings dams and retention basins

As in the past with other major industrial projects, Munich Re fails to provide sufficiently convincing, clear and risk-appropriate criteria with regard to reinsurance agreements for retention basins of hydroelectric power stations and tailings dams of the mining industry. The catastrophic consequences of this void in your

guidelines include the horrible incidents involving the Brazilian dams in Belo Monte, Santo Antonio and Teles Pires as well as the dams in Hidrosogamoso and Hidroituango, Colombia. We have vigorously denounced these extensively documented incidents at Annual General Meetings of Munich Re. In addition, the cases of burst tailings dams for iron-ore mining in Brazil – which caused 19 deaths in Mariana and 270 deaths in Brumadinho – have clearly not changed minds yet at Munich Re.

As long ago as December 2017, Munich Re had this to say: “People in the insurance industry are starting to reconsider things on account of several dam failures in recent years that have triggered major losses. It is necessary to facilitate better assessments of risks so that tailings dams can remain insurable. And it would make sense in this context to carve mining and its unique risks out of conventional property insurance.”

Munich Re could address the roots of this problem by ridding the world of hazardous tailings altogether. It could do this by no longer insuring failure-prone dams, such as upstream tailings, and consequently phasing them out of existence gradually. Instead, Munich Re is generating new and higher revenue streams from a slightly modified line of business – without addressing the actual underlying problem.