

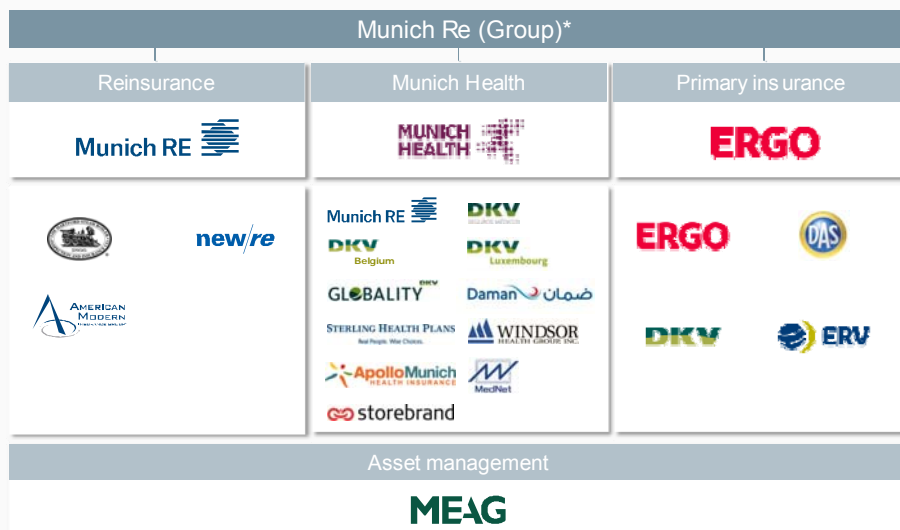


CORPORATE RESPONSIBILITY @ Munich Re

Dr. Astrid Zwick, Head Corporate Responsibility, Munich Re
DZ Frankfurt Conference

15 November 2011

Munich RE 



*This listing is incomplete and provides no precise indication of shareholdings.

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Why corporate responsibility?

The principle of sustainability – The start of long-term management

"One should only strike as many trees as can grow back, (... to secure the stock for the future and live from the 'interest'.")

(Hans Carl von Carlowitz, 1713)



Sustainability – more important for corporate responsibility today than ever

"Sustainable development involves the simultaneous pursuit of economic prosperity, environmental quality and social equity. Companies aiming for sustainability need to perform against this triple bottom line..."

(World Business Council for Sustainable Development, 2000)



Corporate responsibility (CR) increasingly relevant for stakeholders - competitive advantage

Regulation	<ul style="list-style-type: none"> National legislation on CR reporting (e.g. EU, F, D, UK, NL, S-Africa) Climate regulation (e.g. UK Carbon Commitment, China, India)
Capital market	<ul style="list-style-type: none"> Increase of SRI* investments Demand for SRI information also by mainstream investors
Customers	<ul style="list-style-type: none"> Demand on transparency Change in customer behaviour (e.g. LOHAS**)
Peers	<ul style="list-style-type: none"> CR as strategic element & business opportunity
Public / NGOs	<ul style="list-style-type: none"> Rise of reputational risks Financial crisis: question of responsible behaviour



* SRI = Socially Responsible Investment
**LOHAS = Lifestyle of Health and Sustainability

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International cooperations of Munich Re – a strong commitment towards corporate responsibility

Examples



since 1999

UNEP-FI

Munich Re has signed the climate declaration of the UNEPFI and is active member of the UNEPFI Climate Change Working Group.



since 2006

Principles for Responsible Investment (PRI)

Munich Re has actively developed and signed the UN Principles for Responsible Investment (PRI) as first German company in April 2006. By January 2011, PRI has 872 signatories. By January 2011 Chair of PRI.



since 2007

UN Global Compact

Munich Re is member of the UN Global Compact since August 2007. The ten principles of Global Compact are a guidance for action in our business and set the basis for our Corporate Responsibility activities.



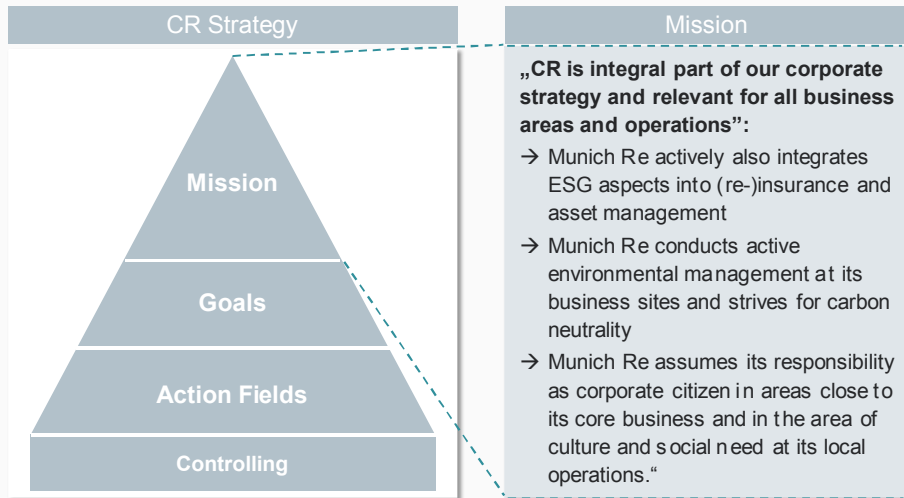
since 2007

Principles for Sustainable Insurance (PSI)

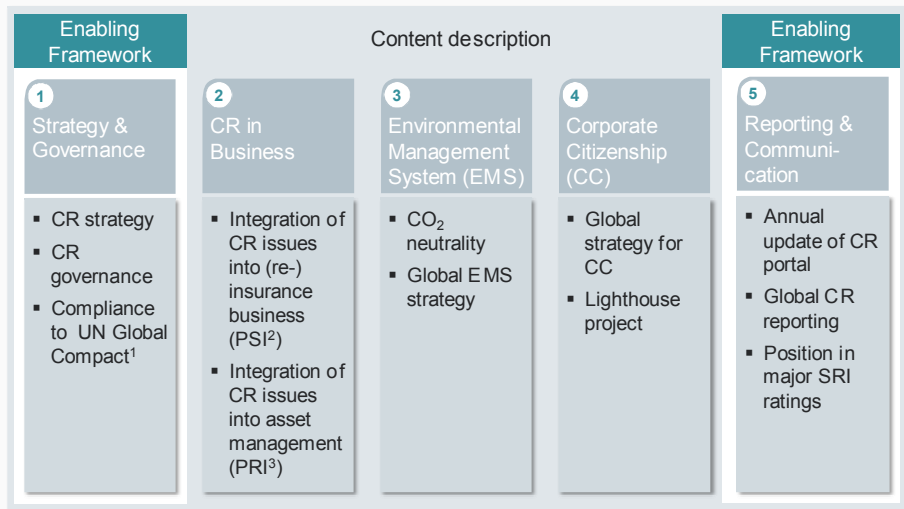
Since September 2010 Munich Re holds the chair in the Insurance Commission with the aim to anchor ESG criteria into business and business operations.

Our mission: turning risk into sustainable value for our stakeholders

„Thinking long-term for future business and future generations“



5 action fields in 1 group-wide CR programme



¹UNGC = United Nations Global Compact (adopted by Munich Re in 2007)
²PRI = UN Principles for Responsible Investment (signed by Munich Re in 2006)
³PSI = UN Principles for Sustainable Insurance (in development), see backup

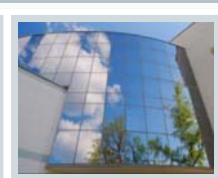

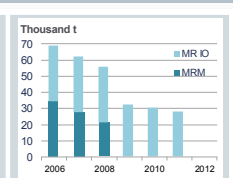
CR in business @ Munich Re: New solutions for global challenges

How ESG issues are factored into business and turned into business solutions

 <p>Reinsurance / Munich Health</p> <p>Climate change</p> <ul style="list-style-type: none"> Nathan Risk Suite Agro Systems New coverage concepts in the area of renewable energy <p>Public Private Partnership</p> <ul style="list-style-type: none"> Weather index based insurance <p>Health</p> <ul style="list-style-type: none"> Managed care & prevention 	 <p>Primary insurance</p> <p>Life insurance</p> <ul style="list-style-type: none"> Unit-linked life insurance with investment in SRI products <p>Motor insurance</p> <ul style="list-style-type: none"> 10% premium rebate for environmentally friendly cars <p>Microinsurance</p> <ul style="list-style-type: none"> Range of insurance products (e.g. health, property, personal accident, crop) Mobile phone based insurance solutions 	 <p>Asset management / Investment</p> <p>SRI funds</p> <ul style="list-style-type: none"> 80% of investments in shares, corporate and government bonds in accordance with sustainability criteria MEAG SRI funds <p>RENT</p> <ul style="list-style-type: none"> Renewable Energies & New Technologies: investments: €2.5bn planned <p>Desertec</p> <ul style="list-style-type: none"> CO₂-free power generation in North Africa
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Climate neutrality based on environmental management and CO₂ emission reductions

Our steps to climate neutrality

 <p>Group environmental management with 20% of sites certified and approx. 60% staff covered</p>	 <p>Energy efficiency in buildings and IT: e.g. MRAmerica, MEAG, MRM</p>	 <p>100% energy from renewables: e.g. Munich and Milan</p>	 <p>CO₂ neutralization: purchasing CO₂ certificates</p>
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Achieving climate neutrality

- Munich Re (Munich): climate neutral since 2009
- Munich Re (Group): 10% CO₂ reduction and climate neutral by 2015

Corporate citizenship – responsibility for the community

Focus: science & education, environment, demographic change, health, natural catastrophes, cultural and social community projects



- A new concept designed to link our commitment more closely to the challenges facing society
- Project-based approach supported by the work of our three corporate foundations

Munich Re's foundations



Continuous and transparent reporting on group-wide CR activities

<http://www.munichre.com/corporate-responsibility>

The screenshot shows the Munich Re Corporate Responsibility website. At the top, there is a navigation menu with links for 'MUNICH RE', 'STRATEGY AND CHALLENGES', 'MANAGEMENT', 'SOLUTIONS', 'COMMITMENT', and 'FACTS AND FIGURES'. The main content area is divided into several sections:

- STRATEGY AND CHALLENGES:** A section with a headline and a brief description of Munich Re's commitment to corporate responsibility.
- Corporate Responsibility in Figures:** A prominent graphic showing '147' billion euros, with a sub-headline '147 billion euros has been invested in sustainable assets in 2010'.
- STATEMENT BY THE CEO:** A section titled 'EARNING TRUST' featuring a photo of a man and text about Munich Re's forward-looking and responsible approach.
- CURRENT NEWS:** A list of recent news items, including 'Pole position for Munich Re in Newsworld's Green Rankings' and 'Project cooperation on corporate responsibility between Munich University of Applied Sciences and Munich Re'.
- Quick Links:** A sidebar with links to 'Statement by the CEO', 'Guiding concept and mission', 'Sustainable investments', 'Responsibility towards staff', 'Foundations', and 'Performance indicators'.
- Service Links:** A sidebar with links to 'About Munich Re', 'About the CR portal', 'Contact', 'Funding guidelines (PDF, 418 KB)', 'Downloads', 'GRI & Global Compact', 'Glossary', and 'FAQs'.

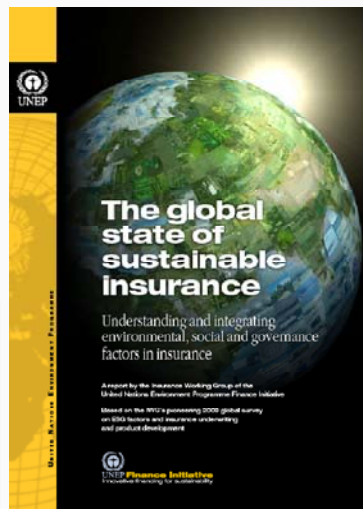
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Corporate Responsibility @ Munich Re: Developing "Principles for Sustainable Insurance"
Global survey of practitioners supports relevance of Environment – Social – Governance (ESG) factors

*'Companies that have strong policies on **ESG** are generally better managed in all aspects of their operations including their **risk management culture**.'*
 – Director, Risk Management (Europe)

*'We are convinced that sound [**ESG**] behaviours and practices lead to **reduced exposure** over time and therefore should be reflected in the insurance relationship.'* –President & Chief Executive Officer (North America)

- **ESG** topics are financially material
- Governments are not addressing **ESG** risks appropriately
- **ESG** Management increases corporate value through enhanced risk management and new business opportunities



The response: Principles for Sustainable Insurance (PSI)

Participation of leading global insurance industry players chaired by Munich Re



- Create a global best practice framework that would facilitate the systematic consideration of environmental, social and governance (ESG) risks and opportunities in core insurance company's strategies and operations
- Establish a UN-backed global initiative of insurers proactively addressing ESG risks and opportunities based on their commitment to implement the Principles

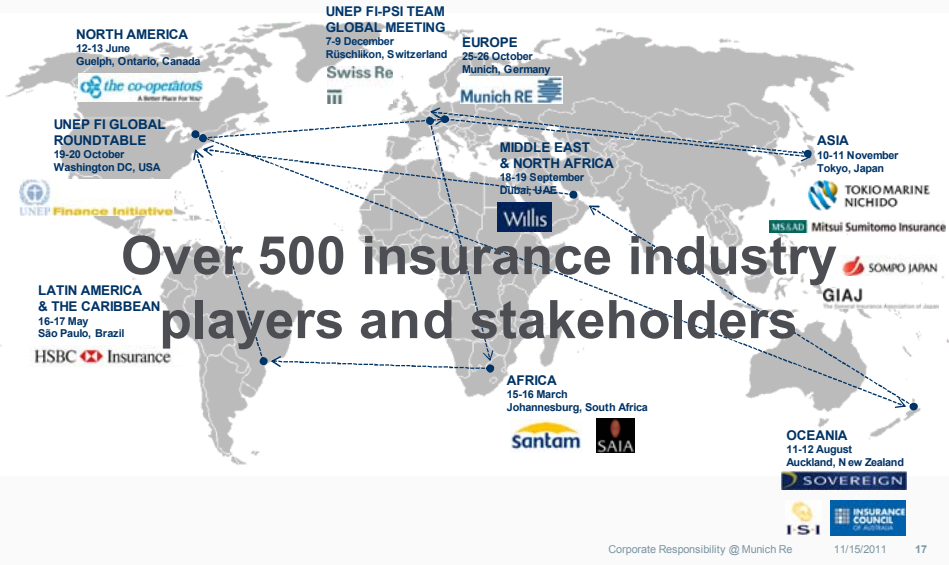
The "Principles for Sustainable Insurance" - ESG along the value chain

Principles for Sustainable Insurance (PSI)

The objective of this initiative is to establish ESG (Environmental, Social and Governance) elements along the value chain of insurance.

1. We will systematically consider ESG issues in our business principles, strategies and operations.
2. We will engage with insurance industry participants to raise awareness on ESG issues, reduce risk and develop solutions.
3. We will work together with society to enhance our effectiveness in implementing the Principles.
4. We will be transparent by reporting on our progress and activities in implementing the Principles.

The PSI development process: global, inclusive and consultative



Broad external recognition for Munich Re's CR performance

	October 2011 "Greenest Company of the World's Global 500"
	Permanently listed since 2001
	Permanently listed since 2001
	Rated „Prime“ in CR-Rating 2010; MR counts to the Best-in-Class-insurers
	Among the 50 companies that contribute substantially to solving global challenges
	Listed since 2005; among the global 100 companies that engage strongest for climate protection
	Rating 2011: range 1 of insurance sector



For specific questions
please c ontact:

Dr. Astrid Zwick
Munich Re / Corporate Responsibility

<http://www.munichre.com/corporate-responsibility>

