



CORPORATE RESPONSIBILITY @ MUNICH RE

October 2012

Dr. Astrid Zwick
Head Corporate Responsibility

Content



- **Relevance of Corporate Responsibility**
- Corporate Responsibility @ Munich Re
 - Our strategic approach
 - „Principles for Sustainable Insurance“

Relevance of Corporate Responsibility

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)



Relevance of Corporate Responsibility

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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Corporate Responsibility @ Munich Re: Our strategic approach

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 2012	Principles for Sustainable Insurance (PSI) Involvement since 2007, since September 2010 Munich Re holds the chair in the UNEPFI - PSI Team and founding signatory since June 2012. Aim: to anchor ESG criteria into core business along the value chain.

Corporate Responsibility @ Munich Re: Our strategic approach

Our mission: turning risk into sustainable value for our stakeholders

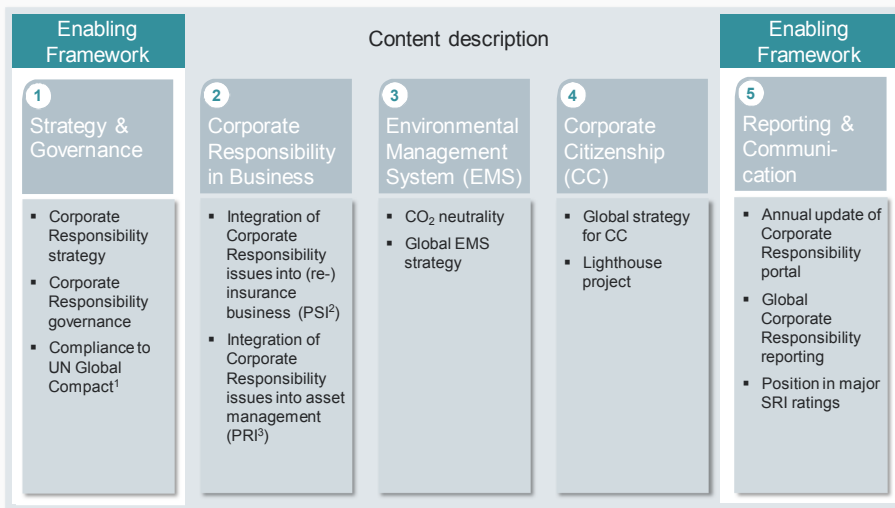


„Thinking long-term for future business and future generations“



Corporate Responsibility @ Munich Re: Our strategic approach

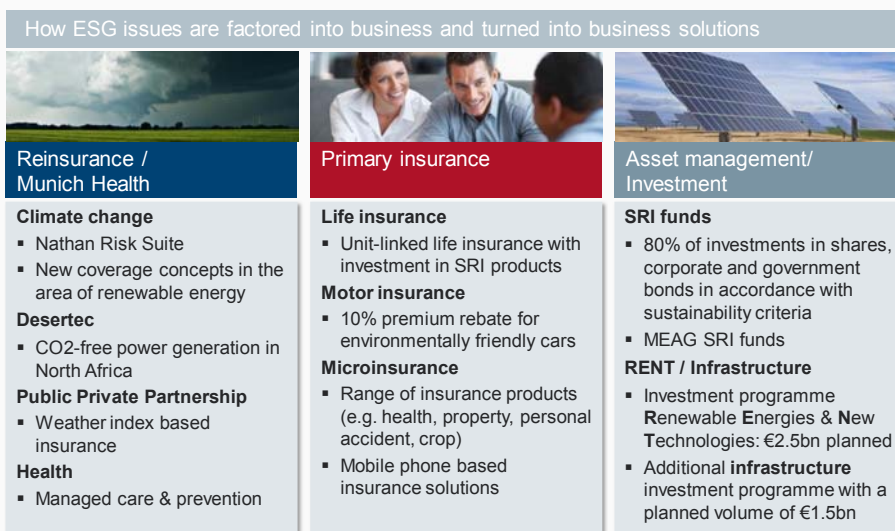
Five action fields in one group-wide Corporate Responsibility programme



¹UNGC = United Nations Global Compact (adopted by Munich Re in 2007)
²PSI = UN Principles for Sustainable Insurance (adopted by Munich Re in 2012)
³PRI = UN Principles for Responsible Investment (adopted by Munich Re in 2006)

Corporate Responsibility @ Munich Re: Our strategic approach

Corporate Responsibility in business @ Munich Re: New solutions for global challenges



Corporate Responsibility @ Munich Re: Our strategic approach

Climate neutrality based on environmental management and CO₂ emission reductions



Our steps to climate neutrality



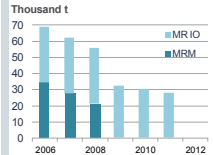
Group environmental management with 30% of sites certified and approx. 87% staff covered



Energy efficiency in buildings and IT: e.g. MRAmerica, MEAG, MRM



100% energy from renewables: e.g. Munich and Milan



CO₂ neutralization: purchasing CO₂ certificates

Achieving climate neutrality

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

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Corporate Responsibility @ Munich Re: Our strategic approach

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



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Corporate Responsibility @ Munich Re: Our strategic approach

Broad external recognition for Munich Re's Corporate Responsibility performance



	Permanently listed since 2001
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	September 2012: Component of the STOXX® Global ESG Leaders indices for a second consecutive year
	Rated „Prime“ in CR-Rating 2012; Munich Re counts to the Best-in-Class-insurers
	Listed since 2005; Among the global 100 companies that engage strongest for climate protection
	Rating 2012: Range 2 of insurance sector
	October 2012: ranked as greenest insurance company of the World's Global 500

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Corporate Responsibility @ Munich Re: "Principles for Sustainable Insurance"

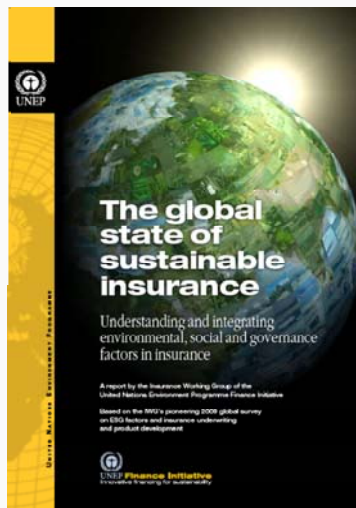
Global survey of practitioners supports relevance of Environment – Social – Governance (ESG) factors



'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



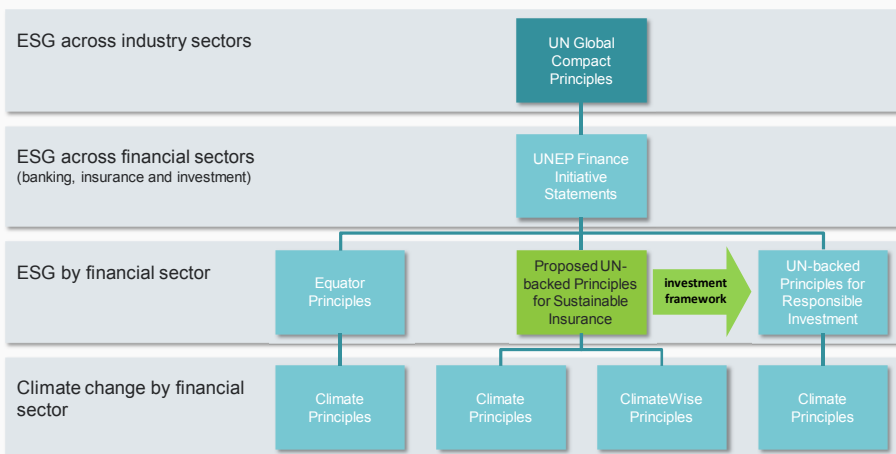
Source: The Global State of Sustainable Insurance, UNEPFI, Insurance Working Group, 2009

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Corporate Responsibility @ Munich Re: "Principles for Sustainable Insurance"

Munich Re supported the development of the Principles for Sustainable Insurance (PSI)



Source: UNEPFI, PSI Initiative, 2012

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Principles for Sustainable Insurance

PSI
Principles for Sustainable Insurance

1. We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.
2. We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, reduce risk and develop solutions.
3. We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.
4. We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

Source: UNEPFI, PSI Initiative, 2012

Primary aims of the PSI Initiative

- Create **voluntary and aspirational global principles, including possible actions**, to better understand and manage risks and opportunities in the insurance business associated with environmental, social and governance issues
- Establish a **United Nations-backed global initiative to promote the adoption and implementation** of the Principles

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Founding PSI signatory companies and supporting institutions

Founding PSI signatory companies

- Represent about USD 500 billion in gross premiums written or over 10% of world premium volume
- Have combined total assets of over USD 5 trillion

- | | | |
|--|---------------------------------------|---|
| 1. Achmea (Netherlands) | 10. Itau Seguros (Brazil) | 19. SCOR (France) |
| 2. AEGON (Netherlands) | 11. La Banque Postale (France) | 20. Sampo Japan Insurance (Japan) |
| 3. Aviva (UK) | 12. MAPFRE (Spain) | 21. Sovereign (New Zealand) |
| 4. AXA (France) | 13. Mitsui Sumitomo Insurance (Japan) | 22. Storebrand (Norway) |
| 5. Bradesco Seguros (Brazil) | 14. Mongeral AEGON (Brazil) | 23. SulAmerica (Brazil) |
| 6. Delta Lloyd (Netherlands) | 15. Munich Re (Germany) | 24. Swiss Re (Switzerland) |
| 7. ING (Netherlands) | 16. RSA Insurance Group (UK) | 25. The Co-operators Group (Canada) |
| 8. Insurance Australia Group (Australia) | 17. Sanlam (South Africa) | 26. Tokio Marine & Nichido Fire Insurance (Japan) |
| 9. Interamerican Hellenic Insurance Group (Greece) | 18. Santam (South Africa) | 27. Zwiiterleven (Netherlands) |

Founding PSI supporting institutions

- | | |
|--|---|
| 1. Brazilian Insurance Confederation (Brazil) | 5. International Cooperative & Mutual Insurance Federation (UK) |
| 2. Insurance Association of the Caribbean (Barbados) | 6. International Insurance Society (US) |
| 3. Insurance Council of Australia (Australia) | 7. South African Insurance Association (South Africa) |
| 4. Insurance Council of New Zealand (New Zealand) | |

Source: UNEPFI, PSI Initiative, 2012

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Contact us!



For specific questions
please contact:

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

