Corporate Responsibility

Welcome to the corporate responsibility portal 2015/2016

Our strategy, measures, solutions and all the indicators related to sustainability

2016

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Nikolaus von Bomhard on the latest developments and strategic decisions in the field of sustainability.
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Interdisciplinary cooperation leads to measurable positive effects for both: insurer and client

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Strategy

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Ladies and Gentlemen,

The fact that Munich Re achieved carbon neutrality in 2015 would have been major news just a few years ago. Today it is almost taken for granted, and is treated more as a side note. This is a reflection of the great strides that Munich Re has made in the area of corporate responsibility (CR).

The next stage in our journey will be a challenging one, especially as regards content, because both the role and understanding of CR are shifting. We need to identify synergies between social and corporate progress.

It is the combination of innovation, sustainability and business that defines our Group activities to achieve this objective. Here are three examples:

- Insurance solutions developed in collaboration with international organisations make it possible to insure very poor countries such as those in Africa against drought – this benefits local people and prices are calculated on the basis of market economy principles
- Data analysis facilitates the early identification of diseases – this benefits patients and leads to reduced health insurance costs
- Performance guarantees for renewable energy technologies and exploration risk covers for geothermal drilling afford the companies involved planning certainty for project financing and operation – this benefits ecological power generation thanks to insurance covers that offer good earnings prospects

Shared value, which is the name given to this approach, does more than simply combine sustainability and business in the medium and long terms: thanks to innovation, the overlap between what is sustainable and simultaneously profitable in the short term is growing steadily. Essentially, this comes down to responsible business development that focuses on innovation and, at the same time, makes a positive and direct contribution to society.

Our CR activities to date constitute the starting point for this further refinement of our approach. It goes without saying that Munich Re will in future continue to stand by its commitment to recognise and abide by voluntary standards such as the United Nations Global Compact and its ten principles, the Principles for Responsible Investment and the Principles for Sustainable Insurance. Our commitment in this area is as great as ever, with individual objectives and performance metrics needing to be continually adjusted and individual measures improved.

Munich Re is fully aware of its responsibilities towards society, the environment, its clients, shareholders and staff. We shall continue to base our actions on verifiable sustainability criteria in the future. You can read about the specific steps we are taking in our latest sustainability report.

I wish you a stimulating read.

Best regards,

Nikolaus von Bomhard

June 2016

GRI: G4-1

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Dr. Nikolaus von Bomhard
Chairman of Munich Reinsurance Company's Board of Management

Related topics

» Guiding principles

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Turning risk into sustainable value

A guiding principle for Munich Re is acting in a far-sighted and responsible manner in the interests of both the Group and society. Corporate responsibility is therefore an essential component of our Group strategy and a standard that applies in all divisions throughout the Group: we create shared value!

Mission: What we stand for

As a primary insurer and reinsurer, the professional management of risks is part of our day-to-day business. Both our clients – and society in general – benefit from our broad knowledge of risks, our experience on all global markets, and the use of the latest insurance techniques to calculate hazards. We apply our expertise and practical solutions to avoid hazards and alleviate human hardship in the long term. In this way, we generate social and economic added value.

Vision: What we aim to achieve

We operate in an extremely dynamic global environment, in which not only natural catastrophes, but also, with an increasing frequency, complex new risks can lead to high losses. Many of these risks are not yet insurable. They affect people in their daily lives, but also hit entire economies with full force – often in emerging and developing countries that have a low level of resilience. We therefore believe we have a responsibility to be the first to identify previously unknown risks and calculate their extent in detail. From this we develop insurance solutions that push the boundaries of insurability, thereby creating long-term value for everyone, for example to safeguard vulnerable economies and strengthen the global economy.

With purposeful measures and tailored solutions, we wish to promote the use of sustainable technologies and services to the best of our ability, and also allow new client groups access to insurance protection for the first time.

Strategy: We set the following priorities

Acting in a far-sighted and responsible manner as part of a shared value approach is at the heart of our Group-wide Corporate Responsibility strategy, which is an integral part of Munich Re (Group) strategy.

Our refined corporate responsibility strategy focuses on three central challenges that are of particular significance for our Group, clients and society. These challenges are also set out in the UN objectives for sustainable development:

1. Combat the effects of climate change,
2. Improve access to healthcare,
3. Enhance the risk awareness of all stakeholders.

Implementation: How we go about this

Munich Re has defined three new fields of action that will align our credentials even more effectively and precisely to the needs of our stakeholders:

- Promote sustainable business opportunities: We use corporate responsibility to promote and implement business opportunities using innovative ideas and new types of approach.
- Share risk knowledge: By engaging in a process of dialogue with external partners, we wish to create value, not only with financial resources, but also with our knowledge and entrepreneurial approach. We are therefore increasingly engaging in cooperations where we can apply our expertise and knowledge risks to find solutions to social challenges.
- Strengthen stakeholder dialogue: We communicate interactively with our stakeholders to allow us to understand our target groups better and become part of

Related topics

» Voluntary commitments
» Organisational positioning

the solution.

Munich Re will in future continue to stand by its commitment to recognise and abide by voluntary standards such as the United Nations Global Compact and its ten principles, the Principles for Responsible Investment and the Principles for Sustainable Insurance. These are the cornerstones of our corporate responsibility activities. But the work is by no means confined to just these measures: We are progressively extending both our ambitions and our performance in terms of our corporate responsibility. Our new shared value approach, which helps us find better answers to the challenges that arise, is the next stage of revolution in this regard.

GRI Content Index: G4-23; G4-56; G4 DMA Indirect Economic Impacts; G4 DMA Category Environmenal; G4 DMA Customer Health and Safety

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Our voluntary commitments: The UN Global Compact, PSI and PRI

We demonstrate our understanding of corporate responsibility to the outside world by the acceptance of international guidelines. The commitments we have voluntarily undertaken, such as our acceptance of the UN Global Compact, the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI), form the framework of our corporate responsibility strategy.

The UN Global Compact

Since 2007, the Munich Re Group has committed to the ten principles of the United Nations Global Compact. These cover the areas of human rights, labour standards, environmental protection and combating corruption. The signatory companies believe they have a responsibility to meet defined minimum standards in these areas. With its Global Compact, the UN intends to make globalisation more social and more environmentally friendly. The annual Communication on Progress (COP) on the implementation of these principles within the Group (Communication on Progress, COP) is integrated into our Corporate Responsibility portal.

Principles for Sustainable Insurance (PSI)

Munich Re has played an active part in developing the Principles for Sustainable Insurance (PSI) of the United Nations Environmental Programme Finance Initiative (UNEP FI). These were introduced and launched at the UN Rio+20 conference in Brazil in June 2012. Munich Re is one of the initial signatories, and is a member of the PSI's Board. At this point in time, more than 90 companies and institutions around the world have signed up to the PSI. Its resolutions include criteria on environmental, social and governance issues (ESG). The criteria help the signatories' clients to operate in a more sustainable way.

Principles for Responsible Investment (PRI)

With the help of a holistic investment strategy oriented towards comprehensive ESG criteria, institutional investors can integrate into their investment decisions ecological and social aspects, along with topics related to good corporate governance. In 2006, we were the first German company to sign the UN Principles for Responsible Investment (PRI), which facilitate these goals. Implementation of the PRI for Munich Re is managed by our asset management arm, MEAG.

GRI Content Index: G4-15; G4-56; G4-HR1

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» Code of Conduct (PDF, 467 KB)

Related topics

» Organisational positioning
» CR in investment

External links

» UNEP FI
» United Nations Global Compact
» Principles for Responsible Investment (PRI)
» Principles for Sustainable Insurance (PSI)

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Organisational positioning of corporate responsibility

With its new approach, corporate responsibility is assuming a more central role than ever before in Munich Re's Group strategy. This strategic topic is subsumed within the area of responsibility of the Chairman of the Board of Management in the Group Development Division. This central division is responsible for Group strategy for Munich Re (Group) as a whole.

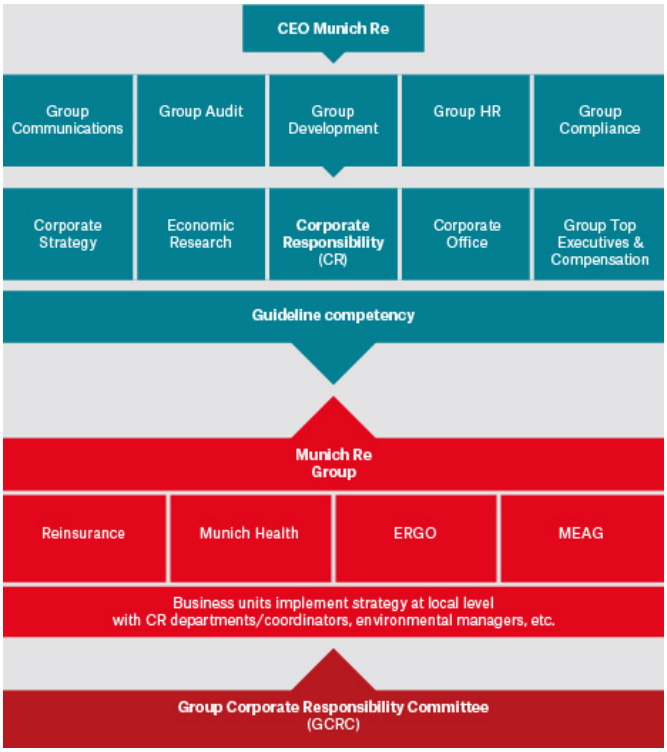
The Corporate Responsibility department performs its tasks at Group level in direct consultation with our primary insurance subsidiary, ERGO. The department is responsible for establishing guidelines for our Group-wide corporate responsibility strategy. At ERGO, the topic is located in the communications department and once again, an area of responsibility of the Chairman of the Board of Management.

The Group Corporate Responsibility Committee (GCRC), which spans all business segments, was also set up at the beginning of 2013 to steer and coordinate the strategic development of CR activities throughout the Group. The Committee is composed of the relevant senior managers in the Group functions Group Development, Group Compliance, Group Communications, and Corporate Underwriting, and in the business fields ERGO, MEAG and Munich Health. It meets at least four times a year to plan the strategic development of corporate responsibility within the Group. Corporate responsibility guidelines and projects applicable to the entire Group are submitted to the Group Committee for their decision.

In addition to advising the Supervisory Board on financial, operational and strategic topics, Munich Re's Board of Management provides information at least once a year on the current application of the ESG aspects.

Related topics

» Guiding principles



GRI Content Index: G4-34; G4-35; G4-36

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Our objectives and progress

We are working continuously to refine our corporate responsibilities for environment-related, social and governance aspects.

We are pursuing five core objectives in the long term with the aim of putting into practice Group-wide our corporate responsibility strategy, based on the cornerstones of the shared value approach and in order to meet our voluntary commitments, PSI, PRI and UNGC:

- We generate shared value by using our risk expertise to create solutions for social challenges, while at the same time promoting sustainable business development.
- We actively embrace environmental and social factors and aspects of corporate governance (ESG factors) along the value-added chain in our insurance business operations and investment management.
- We practice proactive environmental management at our locations, and are endeavouring to achieve climate neutrality.
- We meet our responsibilities as a member of society (corporate citizen) through involvement in issues closely related to our core business and that have a positive social impact.
- We make our corporate responsibility activities transparent both inside and outside Munich Re.

You can download a detailed catalogue of measures along with our target plans as a PDF file (PDF, 431 KB).

The most important milestones in our corporate responsibility activities between 1973 and today

2015	Munich Re (Group) as a whole achieves carbon neutrality.
	The Board of Management adopts a new environmental and climate strategy for Munich Re (Group): – A 35% saving in carbon emissions compared to 2009 is to be achieved Group-wide by 2020. – Efforts will be made to supply Munich Re (Group) as a whole with electricity from 100% renewable energy sources by 2020.
2013	Inaugural Socially Responsible Investment (SRI) Day at the Munich site.
	MEAG presents the ESG country rating system for investment decisions
	The Group-wide Corporate Responsibility Committee is established to develop the corporate responsibility strategy.
2012	Principles for Sustainable Insurance (PSI) signed.
	The reinsurance group and ERGO Germany achieve carbon neutrality
2011	Munich Re draws up a new corporate responsibility strategy. It covers the following three core areas: corporate responsibility in business, global environmental management, and global social commitment.
2010	RENT (Renewable Energy and New Technologies), an extensive investment programme for renewable energies and new technologies is launched.
	The Group's Munich site achieves carbon neutrality.
2009	Founding of the desert-power initiative Dii GmbH (Desertec Industrial Initiative Planungsgesellschaft).

Related topics

» Voluntary commitments

Download

» CR objectives and measures 2015/16 (PDF, 431 KB)

	The world's first microinsurance cover against flooding is offered to the inhabitants of Jakarta.
2008	ERGO decides on a corporate responsibility model and draws up a Code of Conduct.
2007	Munich Re joins the UN Global Compact.
	Establishment of the Corporate Climate Centre, intended to bundle all the competencies and activities on the subject within Munich Re (Group).
	A resolution is adopted to achieve climate-neutrality for the Group's headquarters in Munich by 2009 and for the entire reinsurance group by 2012.
2006	Corporate responsibility becomes an integral part of Group strategy, and is assigned to the central division Group Development.
	Commitment to the Principles for Responsible Investment (PRI).
2005	To mark the Company's 125th anniversary, the Munich Re Foundation is set up to promote education projects in developing countries.
	Establishment of the Dr. Hans-Jürgen Schinzler Foundation to encourage voluntary involvement by staff members.
	Launch of the Munich Climate Insurance Initiative (MCII) – a charitable association that strives to bundle insurance expertise in the field of climate change.
	With the General Investment Guidelines (GIG), Munich Re establishes sustainability criteria for investments that are binding Group-wide.
2003	Launch of the MEAG Nachhaltigkeit mutual fund.
	ISO 14001 is adopted as a binding standard for the Munich Re (Group) environmental management system.
2002	Munich Re declares its intention to comply with the Government Commission's "German Corporate Governance Code".
2001	Munich Re publishes its first environmental statement.
	Munich Re is listed in the two most important global sustainability indices, the Dow Jones Sustainability Index and the FTSE4Good.
2000	Introduction of an environmental management system at the Munich site in accordance with the ISO 14001 standard.
1999	Munich Re joins the UNEP FI (United Nations Environment Programme Finance Initiative).
1998	EMAS (Eco-Management and Audit Scheme) certification for Victoria Versicherungs AG, the first for an insurance company in Europe.
1973	In a publication on flooding, Munich Re warns for the first time about the consequences of climate change.

GRI Content Index: G4-FS7; G4-FS8

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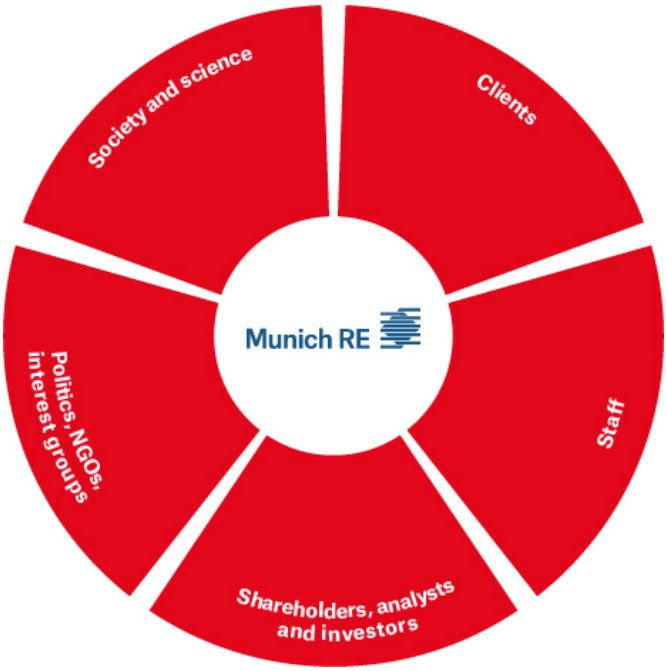
Related topics

» Memberships and partnerships
» SRI indices

Direct contact

Munich Re has always valued an open and ongoing dialogue with its stakeholders. This allows us to identify at an early stage topics and emerging challenges of relevance to Munich Re – both now and in the future – from the perspective of our stakeholders.

The many and varied expectations of our stakeholders provide Munich Re with valuable input. We analyse these accumulated insights on a regular basis and make allowance for them in our strategic topic planning. Our aim is to be able to recognise global changes in the economy and society as well as newly emerging trends as quickly as possible, and meet future challenges at an early stage by providing innovative solutions and risk covers. For this reason, we specifically focus on continuous dialogue with our stakeholders to create added value for everyone involved.



Open and transparent dialogue
Munich Re meets the needs of its stakeholders with openness and transparency. The overview shows the stakeholder groups with which Munich Re engages in dialogue. Click on a group to learn more about our stakeholders' requirements.

Clients

Munich Re's reinsurance, primary insurance and asset management client bases have different structures and characteristics. Our central objective across all fields of business is to be a reliable, solution-oriented partner for our clients. Neutral third parties and specialised market research institutes, such as Flaspöhler for reinsurance, regularly conduct a review of client opinions and comments on our Group. Our client managers also engage in regular exchange with clients on potential needs, trends and challenges. The results are taken into account in our strategic planning. One crucial and contemporary component is client communication on social media. Munich Re uses Twitter, Facebook, Google+, LinkedIn, XING and YouTube to provide information

and invite contacts to exchange information and partake in discussions in forums and special network groups.

Staff

Our employees are our most valuable asset. That is why we engage in continuous exchange with them worldwide and on every level. Regular feedback and open dialogue are the norm across the Group. Alongside a wide range of discussion forums and cross-divisional symposiums, the extensive intranet services at business-field, regional and local levels provide staff with a rich supply of information, supporting employee communication about content. Appropriate and effective topic-related networking among staff is essential to ensure effective work processes.

Shareholders, analysts and investors

Munich Re cultivates an ongoing, intensive dialogue with private and institutional investors, analysts and rating agencies. In addition to holding regular events for investors and analysts, we frequently impart important, detailed information about general risks and opportunities relating to our business operations, and in particular about sustainable investment opportunities, our sustainability initiatives and upcoming trends. This is done through personal meetings, specialist interviews, at (SRI) roadshows, in webinars, Skype calls and via the internet.

Politics, NGOs, interest groups

Through the departments responsible (Corporate Responsibility, Group Legal, Corporate Climate Centre and others) we are in constant contact with a large number of interest groups, NGOs, UN institutions, public administration bodies and the scientific community at national and international level.
Working with a wide range of different political institutions and national governments, Munich Re provides advice on current topics relating to climate change and contributes the expertise of its Corporate Climate Centre. Munich Re is an active member of many insurance industry initiatives and associations. You can find an overview of our memberships and partnerships here: Membership in national and international bodies, initiatives and foundations

Society and science

Our experts are engaged 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 such as the Global Earthquake Model (GEM), GeoHazards International (GHI), the Global Climate Forum (GCF) and the Munich Climate Insurance Initiative (MCII). In addition to providing financial resources, Munich Re makes available its comprehensive risk and insurance expertise to the selected experts. You can find an overview of our cooperation with the scientific community here: Membership in national and international bodies, initiatives and foundations

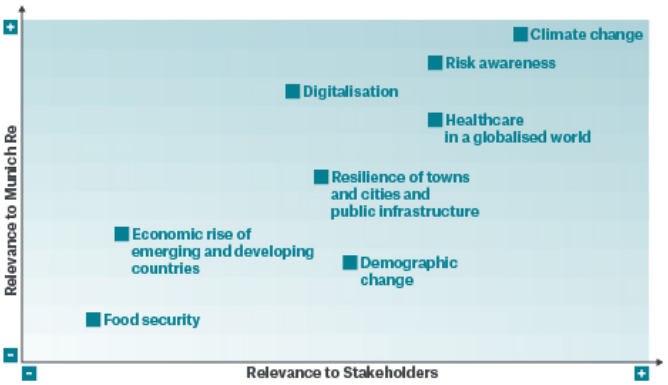
Materiality analysis – Identifying relevant topics for society and for our Group

Our aim is to continually improve our Group-wide corporate responsibility processes and activities. The varying expectations and expert knowledge of our stakeholder groups constitute an important source of information for us. We explore both of these areas in an ongoing dialogue with our stakeholders and with our internal and external CR network, after which we assess the feedback we receive. Every year, we exchange information with a large number of internal (approx. 50) and external (approx. 100) partners. In addition, we regularly assess external publications on global trends, challenges and opportunities (such as the UN Sustainable Development Goals and the World Economic Risk Report). Along with the internal analyses by our experts in the areas of strategy, economic research and risk management, the findings from this assessment are added to our topic collection.
Our expert analyses, dialogue with stakeholders and collaboration with international initiatives allow us to identify topic areas that could be of material importance to us.

We then hold discussions with selected internal experts to determine which new characteristics, trends and other topics from the range identified in the first step are the actual priorities for our business operations (what we call business cases). We are supported in assessing and setting priorities by strategy experts from each field of business, client managers from underwriting, members of the Board of Management, and specialists from our risk management division and cross-business-field committees. On this basis, we decide what will be the areas of focus for our CR strategy for the next few years.

In the final step of validation, we again contact selected external stakeholders (approx. 40) to confirm that the topics identified in the overall process are material. Following an interactive process with all stakeholders, the final outcome is a strategic portfolio of relevant sustainability topics.

The following diagram presents in summarised form the topics that are material for us:



You can find additional information on our current strategic topics on the following pages:

Strategic topic climate change

Strategic topic health care

Strategic topic risk awareness

You can also find current articles on these topics on our **Topics** pages.

GRI Content Index: G4-18; G4-19; G4-20; G4-21; G4-23; G4-24; G4-25; G4-26; G4-27; G4-PR5; G4 DMA Product Portfolio

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Climate change – Putting knowledge to use, devising solutions

Increased flooding, heatwaves, droughts and severe storms: for over 40 years, Munich Re has been researching changes in the frequency of weather-related loss events and has made use of this knowledge to better understand weather and climate risks and to develop solutions for them.

The current status of scientific knowledge shows that climate change is happening, and that it can only be mitigated by systematic, targeted CO_2-reduction measures. In parallel with the political negotiations on a global climate agreement, we are taking action as a company. Our knowledge and our solutions help cushion the effects of climate change and pave the way to a sustainable and low-carbon future.

The impact of climate change

The consequences of climate change are diverse and directly affect the insurance industry. The physical changes, in other words regional changes in weather patterns in terms of frequency and extent, are one of the consequences of great relevance to reinsurance. Extreme weather events result in high material damage to buildings and infrastructure, as well as significant crop losses in agriculture. There are frequent casualties and victims in regions where risk prevention is still in its infancy. The consequences of climate change can also be of a regulatory kind. On the one hand, these are connected with the regulation of carbon emissions and the relevant legislation and, on the other, with liability issues and safety aspects.

How high the cost of climate change turns out to be will depend on the approach that is taken to address it and on how the costs for mitigation and adaptation are distributed. Many studies have endeavoured to estimate the cost of climate change, with very different results. For us, it means analysing all the consequences of climate change, both physical and regulatory, as well as the changes in technology.

Our approach: Expertise and research

In the financial services and insurance sector, Munich Re is a pioneer in analysing the consequences of climate change. In the 1970s, as part of geo risk research activities within the company, Munich Re began to investigate the causes behind increasingly costly losses from weather-related natural catastrophes, and to record the associated losses. Over the years, the complexity of the issues involved 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 natural catastrophes and climate change, and ensures a high level of quality for our analyses. The different findings from these analyses are consolidated on an ongoing basis and translated into relevant recommendations for action for our Group. But they are also incorporated into tools for our clients, such as NATHAN Risk Suite, a web-based risk analysis tool for natural hazards.

Our actions: Concrete and forward-looking

Climate change places special demands on us as a company. In 2008, Munich Re developed a strategic approach that illustrates the subject in its entirety and bundles all of our knowledge and skills. The Corporate Climate Centre was charged with implementation and development of this approach. In this Group-wide network, staff members research the consequences of climate change and work on pioneering concepts and product solutions.

At Munich Re, Dr. Torsten Jeworrek, Reinsurance CEO, is responsible for all insurance-specific matters relating to climate change. He is supported in this task by Professor Peter Höppe, Head of Geo Risks Research/Corporate Climate Centre, Ernst Rauch, Head of the Corporate Climate Centre, and by the members of the Board of

Related topics

» Solutions
» Topics
» Environmental management
» Memberships and partnerships

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» Focus topic climate change
» Risk report: Climate change (PDF, 111 KB)
» NATHAN Risk Suite
» Topics Online: 40 years of Geo Risk Research
» Topics Online: All risks at a glance

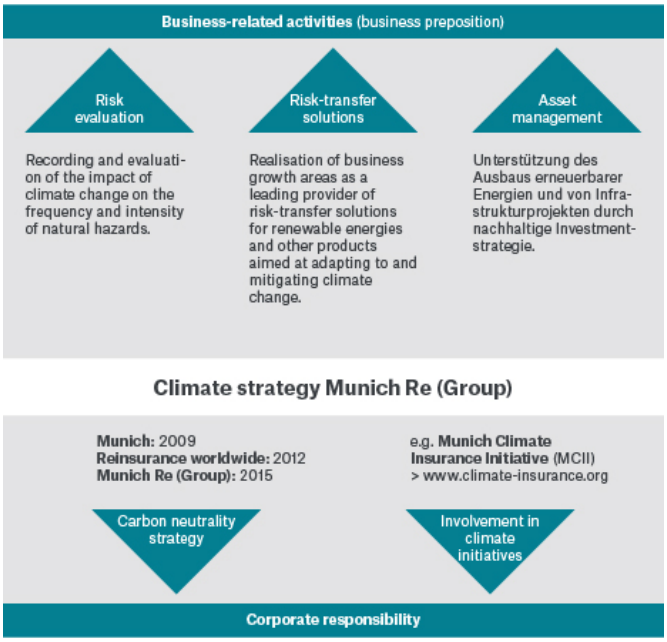
External links

» MCII (Munich Climate Insurance Initiative)

Management, departmental managers, and staff at the various units involved with products and questions relating to climate change. In these efforts, we are continuously developing solutions for climate protection.

Concrete, forward-looking solutions

Our strategic approach covers both business-related activities and corporate responsibility measures. It comprises the following components:



Risk evaluation

As a company, we need to understand the business-policy risks arising from climate change and adapt to its consequences. In risk evaluation, we determine the risks from climate change that have a direct impact on our business model. These include the analysis and evaluation of weather-related natural hazards, but also regulatory and technical changes with a direct influence on our insurance business and on our investment management.

Development of risk-transfer solutions

One of our business objectives is to offer solutions. Through developing risk-transfer solutions, we can make an active contribution to climate protection, firstly by cushioning the effects of climate change on natural hazards, and secondly by facilitating the introduction of climate-friendly technologies through our assumption of risks. Examples include the development of innovative insurance solutions in the field of technology (renewable energies, new technologies), as well as coverage concepts in the agriculture sector and protection against weather risks based on parametric triggers. This enables us to develop growth areas for our Group in connection with mitigation and adaptation.

Investment management

As a company, we invest our capital in a responsible manner, and contribute, for example through investment, to reducing carbon emissions. Changing political and regulatory framework conditions, for example in the energy and carbon markets, are also generating new opportunities in the field of asset management. We have been investing for a number of years in renewable energies, providing private-sector capital to finance infrastructure measures.

Carbon neutrality strategy

We also take a concrete and forward-looking approach in our Group strategy. Munich Re advocates effective and binding rules on carbon emissions not only internationally, but also internally within the Group. Business operations throughout our Group have been carbon-neutral since the end of 2015. This is possible thanks to our internal environmental management system which enables us to continually improve our carbon footprint and emissions balance.

Involvement in climate initiatives

For many years, Munich Re has played an active role in a range of national and international climate protection organisations such as the United Nations Environmental Programme and as a board member of the Global Climate Forum. We are convinced that, with our expertise, we are a valuable partner for political decision-makers, organisations and companies.

Emerging and developing countries are particularly affected by climate change. At the initiative of Munich Re and representatives from the World Bank, NGOs and the scientific community, the Munich Climate Insurance Initiative (MCII) was established in

2005 as a charitable organisation with a secretariat in the United Nations University in Bonn. The underlying idea was to support adaptation to climate change in developing countries through providing insurance-related risk management mechanisms. Since then, MCII has contributed suggestions on risk management to climate negotiations and provided technical support in the discussions on dealing with losses from climate change under the UNFCCC "Loss and Damage" programme and the Warsaw International Mechanism.

You can find further information under the headings "Topics", "Sustainable solutions", "Facts and figures" as well as on the Munich Re website, in particular under the focus topic "Climate change".

GRI Content Index: G4-20; G4-21; G4-23; G4-EC2; G4-EC8; G4-EN27

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Health – Sustainable solutions for the health market

To support and participate in sustainable growth in the health markets, Munich Re has bundled its global health expertise in primary insurance and reinsurance under the Munich Health brand. We now serve over six million clients in primary insurance and some 400 in reinsurance.

The global health market is expanding. Living standards are improving for broad sections of the population in developing and emerging countries, and with them the number of people with health insurance. But this trend is accompanied by a number of complexities: prosperity is altering consumer behaviour, which in turn can have an impact on health. For example, according to the World Health Organization (WHO), four times as many people now suffer from diabetes than in 1980 – the global figure now stands at 422 million.

Lifestyle diseases like diabetes can be treated if they are identified in time. Preventive healthcare also plays a crucial role. Engaging in regular sports activity and eating healthily instead of watching television and consuming fast food can help prevent a number of illnesses. It is therefore in Munich Re's interest, and that of its primary insurers in particular, to provide health education and targeted support for the prevention, diagnosis and treatment of diseases. Group subsidiaries ERGO and DKV provide sports programmes with personalised support for their policyholders and, as part of a health promotion initiative, show parents how to prevent their children from becoming overweight.

We devise integrated solutions tailored to the individual needs of reinsurance clients in the different markets. Health insurers must process applications promptly and systematically, while at the same time accurately assessing the risks. Munich Re makes use of the NORMRISK Health system in this context. This classifies disease patterns and recommends whether applications should be accepted or declined. The business analytics tool also assists these clients: it combines different statistical methods and techniques to allow future events to be predicted. This includes estimating how health costs will develop, and which facilities offer the best medical care in the long run.

A group comprising staff from different Munich Re departments is also investigating the future of the global health market. The specialists from the emerging risk pool monitor social developments across a number of countries.

In addition, Munich Re's centre of medical competence in Munich has specialists working for the Life Division. They study disease patterns, apply their medical, biology and underwriting expertise and calculate insurance risks. This even extends to illnesses that affect less than one in 2,000 people.

A selection of our areas of involvement in the field of health and life

Rare diseases
Seven percent of the world's population is affected by a rare disease, and the number is set to increase. What does this mean for the insurance market?
» Topics: Rare diseases

Related topics
» Topics

munichre.com
» Munich Health

Integralia: Everyday life and work for wheelchair users
Since 1999, DKV Seguros has funded a foundation that provides training and employment in normal jobs for severely disabled people. The call centres of the "Fundación Integralia" serve as models for initiatives of this kind.
» Topics: Integralia: Everyday life and work for wheelchair users

DKV award for medicine and solidarity 2016
With its award for medicine and solidarity, DKV Seguros promotes voluntary work and initiatives in the fields of medicine, health and well-being. Here are the 2016 award winners.
» Topics: DKV award for medicine and solidarity 2016

GRI Content Index: G4-20; G4-21; G4-23

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Strategy

Statement by the CEO
Our guiding principles
Our voluntary commitments
Organisational positioning
Objectives, measures and milestones
Stakeholder dialogue and materiality analysis
Strategic topic climate change
Strategic topic Health
Strategic topic risk awareness

Taking a conscious approach to risk and providing solutions

The risks from the increasing number and intensity of natural disasters and the changes in our environment are many and varied. Munich Re makes its contribution with a wide range of prevention and adaptation measures aimed at protecting people in exposed regions.

In emerging and developing countries in particular, severe natural catastrophes and the effects of climate change lead to high costs that the countries in question struggle to cover. As an experienced risk carrier, we understand the complex relationships between globally emerging risks. With our social involvement and solutions that are effective in the long term, we promote and enhance risk awareness in the various regions and, in cooperation with partners from science, business and politics, we develop sustainable risk-transfer solutions.

In this way, we help promote a paradigm shift from the retroactive financing of claims towards risk prevention in the form of reinsurance solutions, for example. We help countries to deal more effectively with the cost of natural catastrophes and other risks in future.

Some areas in which we are involved

Partnership with the Institute for Business and Home Safety (IBHS) – Improved safety and construction standards for buildings in the USA

In the USA, Munich Re America and the American Modern Insurance Group are supporting the Institute for Business and Home Safety (IBHS) in a partnership. Independent experts and scientists use natural disaster and hazard scenarios to verify the safety and building standards of private and commercial buildings. The results of this research are then used to make recommendations for US building standards commissions and regulations. This helps prevent damage and minimises risks of central importance for the general population and insurers.

An online application from Munich Re America providing information on construction in accordance with IBHS standards was one outcome from the cooperation with the IBHS. The objective is to show how private homes and commercial buildings can be made safer by adopting some simple measures.

Australian Business Roundtable – Disaster reduction and safer communities in Australia

Australia is highly prone to natural disasters including devastating floods, cyclones, storms and bushfires. The Australian Business Roundtable for Disaster Resilience and Safer Communities (ABR) was founded to support the development of a more sustainable, coordinated national approach to tackling natural catastrophes.

The Roundtable was formed by the CEOs of the Australian Red Cross, the Insurance Australia Group, the Investa Property Group, Munich Re Australia, Optus and the Westpac Group.

Further information on our involvement in the ABR

Cooperation with GeoHazards International – Natural catastrophe prevention project in India

Munich Re has been cooperating with the GeoHazards International (GHI) organisation since 2012. The cooperation supports the city of Aizawl in northeast India with loss mitigation for earthquakes and landslides. Aizawl was identified as

Related topics

» Topics
» Sustainable solutions

a city that is particularly at risk due to its mountainous topography, geographical isolation and the structure of its buildings. The project supports and educates authorities and decision-makers in Aizawl. Experts have examined the susceptibility to damage of the buildings and infrastructures, developed a scenario, and derived specific prevention measures for the city. GHI is assisting the city with the implementation of the proposed measures.

Selected solutions and services from Munich Re on the topic of risk awareness

NATHAN Risk Suite – Assessing natural hazards more accurately

Munich Re's NATHAN Risk Suite helps our clients assess the risk of natural hazards around the world, from location-based individual risks through to entire risk portfolios – and it is also available for mobile use on a smartphone or tablet. With NATHAN Light, an easily accessible demo version has been available to prospective clients free of charge since 2015.

Further information on NATHAN Risk Suite

NatCatSERVICE – The most comprehensive natural catastrophe loss database in the world

With 37,000 data records, NatCatSERVICE is the world's most comprehensive natural catastrophe loss database. Approximately 1,000 events are recorded and analysed every year. The information obtained is used to document the scale and intensity of individual natural hazard loss events in various regions around the world and is then incorporated into the analysis of risks and trends.

NatCatSERVICE

Agro – Crop failure insurance

In the future, there will be greater fluctuation in crop yields due to the impact of climate change. At the same time, the global demand for agricultural commodities will continue to rise. In order to meet this demand, farmers need to make substantial investments, thereby running a substantial risk. Munich Re creates transparency by offering crop insurance solutions for different client groups: for the agricultural sector, crop insurers and for the public sector as part of a public-private partnership (PPP).

Further information on our range of solutions

You can find further information on our material areas in the Topics section. We have compiled an overview of our sustainable solutions here.

GRI Content Index: G4-20; G4-21; G4-23

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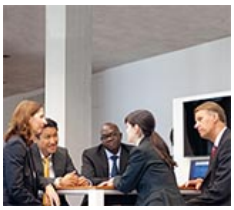
Corporate responsibility in business

The focus of our corporate responsibility is on our core business – the assumption and diversification of risks in primary insurance and reinsurance, and also in investment.

We are convinced that only through responsible action we can achieve economic success in the long term. The objective of sustainable economic value creation is anchored in the core principles of our corporate strategy. In our core business, by taking into account environmental, social and governance aspects (ESG), we can achieve the maximum effect for our Group and for society.

We have highlighted our commitment to responsible action by signing the Principles for Sustainable Insurance (PSI). In the area of investment, we have signed up to the Principles for Responsible Investment (PRI). These two codes go well beyond what is required by law or by supervisory regulations. The same is true of some other voluntary commitments we have made. By implementing these in a purposeful manner, we meet the demands of our stakeholders in terms of our corporate responsibilities.



Our responsibility in insurance business
Group-wide approach, processes, guidelines and tools: How we put our strategy into practice.
» Detailed information on our responsibility in insurance business

Our responsibility in investment
ESG screenings, best-in-class approach, sustainable share funds and investments in infrastructure projects focusing on renewable energies: this is how we integrate ESG into asset management.
» More on the subject of responsibility in investment

Our sustainable solutions
Innovative coverage concepts that promote the breakthrough of sustainable technologies and push back the frontiers of insurability. For example, our insurance

Related topics

» Voluntary commitments
» Objectives and measures
» Stakeholder dialogue and materiality analysis

External links

» UNEP FI
» UN Global Compact
» Principles for Responsible Investment
» Principles for Sustainable Insurance

solutions and services are geared towards ensuring a sustainable future.
» Munich Re solutions at a glance

Our responsibility for human rights
Risk screening, raising awareness and exchanging information with staff and business partners – our Group-wide approach includes the responsible consideration of human rights.
» Munich Re and human rights

GRI Content Index: G4-HR1; G4-HR2; G4-HR9

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Corporate responsibility in insurance business

In our insurance business, we make systematic allowance for ecological, social and governance criteria (ESG aspects). This applies for our internal underwriting processes and for our products and services.

A large number of industries and projects can have a major impact on the environment and local communities. If adequate consideration is not given to such consequences, it can entail an increase in the underwriting risk. This is because, in many cases, there are significant interdependencies. The systematic anchoring of ESG aspects in core business enables us to identify these risks and to minimise them in cooperation with our clients. This approach is relevant for our business in four different ways:

1. We can identify ESG-related risks faster, thereby adding an additional dimension to our risk management. This also helps us avoid any reputational risks for the Group.
2. At the same time, we enhance our business partners' risk awareness, minimise ESG risks in cooperation with our clients, and work with other partners, organisations and NGOs with these aims in mind.
3. The identification of previously unknown ESG risks can provide starting points for new coverage concepts. With our innovative, » sustainable solutions we are systematically opening up business opportunities.
4. And last but not least, we are taking into account our voluntary commitment to the » Principles for Sustainable Insurance (PSI).

Below, we set out how we implement our approach in practice, with details of the processes we have established and projects we are pursuing.

Practical implementation: Group-wide approach, processes, guidelines and tools

Group-wide "CR in business" strategy and Board of Management objectives

A holistic Group strategy underlies our three business fields of primary insurance, Munich Health and reinsurance. By corporate responsibility in business, we understand taking appropriate account of ESG criteria in the different business fields.

In reinsurance, the emphasis is on the underwriting process and on dialogue with our clients and business partners. With Munich Health, the focus is on access to medical care, disease prevention and the management of chronic illness. The ERGO Group mainly writes personal lines insurance, focusing on easy-to-understand products and a holistic approach to sales advice. In ERGO's commercial and industrial business, the emphasis is the same as in reinsurance.

In the field of investment, MEAG's brief is to press ahead with the integration of ESG criteria and thus put into practice our voluntary commitments as part of the Principles for Responsible Investment (PRI).

Integration of ESG aspects into core business was included for the first time in the three-year targets from 2012 to 2014 for the members of the Parent Board of Management and for the Strategy Committee, and extended for the period 2015–2017.

Prudent Group-wide control and support: Sustainability and Reputational Risk Committees

In 2012, we established a cross-business-field Group Corporate Responsibility Committee (GCRC), which advises the Board of Management on the

UNEP Finance Initiative Changing finance, financing change

THE GLOBAL COMPACT WE SUPPORT

PRI

PSI Principles for Sustainable Insurance

Related topics
- » CR in investment
- » Sustainable solutions
- » Munich Re and human rights

External links
- » UNEP FI
- » UN Global Compact
- » Principles for Responsible Investment
- » Principles for Sustainable Insurance

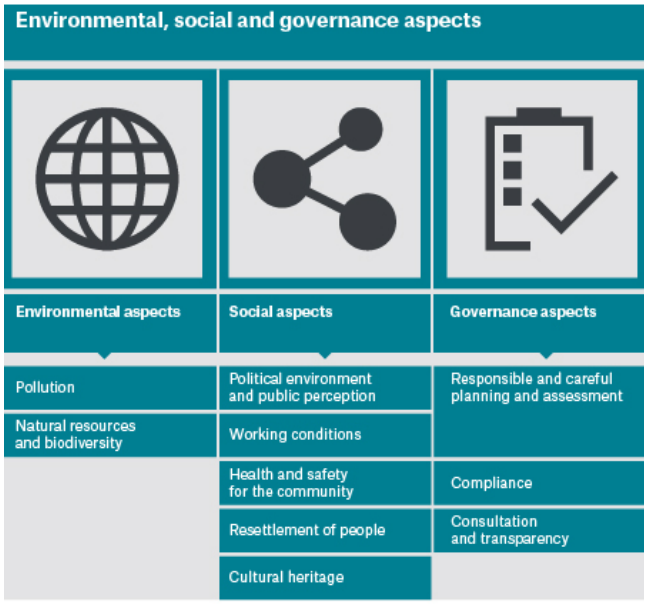
development of our sustainability strategy. It identifies and prioritises sensitive business topics, on which we develop positions that apply Group-wide. These are then implemented by the business fields in the form of binding underwriting guidelines, best practices and guidance for our employees (see illustration).

Individual transactions that are of particular concern are submitted to the Reputational Risk Committees (RRCs) that have been established for each field of business. These committees check whether a planned transaction is appropriate and ensure that we do not make any decisions that could harbour ESG, and ultimately, reputational risks.

Sensitive issue	Position Paper	Guideline	IT-Tool
Banned weapons		•	
Engineering		•	•
Oil sands	•		•
Fracking	•		•
Arctic drilling	•	•	•
Mining	•		•
Investment in farmland	•	•	•
ESG Country Risk Assessment			•

Detailed orientation: CR guidelines and principles, ESG criteria and sensitive topics

In 2012, as the first step towards implementation, we incorporated Munich Re's commitment to the PSI into the preamble to our internal Group-wide risk management manual. This is the reference work for the corresponding manuals in the business fields. At the same time, it constitutes a generally binding basis for all Group underwriting guidelines. In 2013, we established ten generally applicable ESG criteria (see Overview), which were approved by our Group-wide Corporate Responsibility Committee (GCRC).



Targeted knowledge transfer: Staff training courses and expert networks

With the approach we take, full responsibility for assessing ESG criteria in business deliberately remains with the business unit concerned. We offer broad-based training programmes on this subject. The courses are customised for individual industries and regions, and include information ranging from technical implementation of our underwriting guidelines all the way to current sustainability topics. The courses are given by staff members from the Corporate Responsibility Department, and are aimed at managers, underwriters, client managers and trainees in the various divisional units. Consideration of ESG aspects is also incorporated into client seminars.

In the reinsurance field, a coordinators' network has been developed for "CR in business". More than 500 staff members have been sensitised to ESG aspects and, in their role as multipliers, are now transferring their knowledge within their own departments, in risk assessments, client discussions and in exchanges with

other units.

In the primary insurance business field, ERGO introduced ESG aspects into its product development process for private clients in 2014. In 2013, our sales units also introduced a standardised, technically supported ERGO guideline for advising clients that ensures a consistently high level of consulting quality. With its "clear language" initiative, ERGO intends to explain insurance conditions to its clients in a more easily understandable way.

Practical guidelines: ESG questionnaires and ESG country ratings

The ESG questionnaires, which are individually tailored for sensitive topics, were integrated into an assessment tool; this helps our underwriters systematically incorporate ESG aspects into their risk assessments. This tool is also used in asset management for investments in infrastructure projects.

Since 2013, our investment activities have taken into account an external ESG country rating for the sustainability performance of individual countries. In cases where countries fail to satisfy our criteria, MEAG refrains from investing in their government bonds or the bonds of government-sponsored organisations. The ESG country rating is intended as an additional source of information for staff in units that write business worldwide, and as a quick overview of important indicators.

Transforming ESG risks into business opportunities: Innovative solutions

New kinds of risks or global challenges call for new approaches, e.g. in the field of renewable energies and innovative technologies, in dealing with climate change, or with access to insurance for developing countries. Allowance is also made for corporate responsibility in insurance when developing innovative cover concepts. This allows us to open up new business opportunities, while at the same time creating benefits for society in keeping with our "shared value" principle.

You can find detailed information on our sustainable solutions here.

Current projects: We are also promoting the integration of ESG aspects at industry level, and encouraging the development of best practices.

Combating infectious diseases: Partnership with the Global Fund

One example of this is the partnership we began in 2014 with the Global Fund. The Global Fund is a financing mechanism used to combat the three major infectious diseases: AIDS, malaria and tuberculosis. It operates in 140 different countries, making it one of the most important tools in combating these diseases. Our Divisional Unit: Special and Financial Risks (SFR) is developing a series of products and solutions for the non-profit sector, and thus for people affected by diseases, while at the same time generating financial added value for Munich Re.

Risk evaluation of infrastructure developments: ESG in risk management for surety bonds

In cooperation with the International Finance Corporation (IFC), the Fox School of Business at Temple University in Philadelphia, USA, and the University of Technology, Sydney, Australia, Munich Re initiated the PSI project "ESG in risk management for surety bonds". Until now, there has been no standard ESG framework in surety bond underwriting, which is important for risk evaluation in the field of infrastructure development. For this reason, a detailed survey is being carried out as part of the project to obtain an insight into current practice regarding ESG assessment of surety bonds, and with the joint aim of enhancing awareness of ESG aspects. The aim of the project is to establish a standardised framework for assessing infrastructure projects based on the results of the survey.

Preventive measures for catastrophe risks: Global resilience project

With the "Global Resilience Project", Munich Re is taking part in a further initiative of the Principles for Sustainable Insurance. This project hopes to achieve a change in perspective on the part of governments, NGOs, local authorities and companies, to bring them to invest more heavily in preventive measures for catastrophe risks, instead of spending funds on disaster response and reconstruction efforts. A better understanding of global catastrophe prevention activities needs to be achieved for this, by quantifying the socio-economic cost of catastrophes and assessing the effectiveness of prevention measures. The information obtained should serve as starting material for a strategic commitment on the part of the insurance industry within the context of the PSI initiative, to initiate preventive measures in highly exposed countries.

GRI Content Index: G4-35; G4-36; G4-EN27, G4-PR6; G4 DMA FSS Product Portfolio

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Responsible investment strategy

As an integral part of our Group strategy, corporate responsibility is also reflected in our sustainable approach to investment. The Principles for Responsible Investment (PRI) serve as the framework in this context.

Insurance companies are subject to strict security and return requirements. They have to ensure that their clients' money is invested safely and profitably. Munich Re's investments are largely bundled under the umbrella of MEAG, our internal asset management arm. This simplifies the process of investing Group assets in accordance with uniform rules and principles and also helps us keep track of and monitor investments at all times.

MEAG currently manages a global portfolio worth more than €250bn. Over and beyond the financial aspects, we also take ecological, social and governance (ESG) criteria into consideration when making investment decisions. The bulk of our capital investment meets sustainable investment criteria. Our asset management follows the Principles for Responsible Investment (PRI). We played a prominent role in drafting these principles and were the first German company to sign them in 2006.

Below, we describe how we put into practice our approach to sustainable investment, the processes we have established, and the product solutions we can offer:

Our approach: the General Investment Guideline

At Group level, a team consisting of representatives of Munich Re, ERGO and MEAG strategically develops socially responsible investment in line with PRI requirements. Some 80 experienced MEAG portfolio managers are responsible for implementing investment decisions and selecting attractive securities.

As early as 2002, we decided that our equity and bond investments had to meet specific sustainability criteria. In 2005, this requirement was incorporated in our Group-wide General Investment Guideline (GIGs). For the asset classes of infrastructure, renewable energies and forestry, we have established an investment process that takes into account both financial and ESG criteria. We regularly review our sustainability criteria for these asset classes using the ESG criteria of external rating agencies. Sustainability investment criteria have not yet been defined for all asset classes. The small number of blank spots on our sustainability map are gradually being filled in on the basis of criteria developed in-house and criteria available externally.

Our sustainable investment criteria in the different asset classes:

- Equities and corporate bonds: We base our investments on the analyses and classifications of external research providers in the field of sustainability. Munich Re invests in equities and corporate bonds featured in sustainability indices, such as the Dow Jones Sustainability World Group Index, the FTSE4Good Index Series and the Ethibel Sustainability Index (ESI).
- Government bonds: We also assess government bonds in terms of sustainability. As the starting point for this process, we take the internal Munich Re (Group) sustainability country rating, which is based on the Country Risk Monitor of the Sustainalytics rating agency.
- All other bodies issuing interest-bearing securities, such as state-owned companies, public and private financial institutions, or issuers of covered bonds, are assessed as well. We use the ratings of independent agencies, for example oekom research, for this purpose.
- Real estate: Sustainability is also important for us when it comes to real

Related topics
» PRI reporting
» Organisational positioning

External links
» MEAG
» Principles for Responsible Investment (PRI)

estate. We have defined sustainability criteria (for example, for energy efficiency and construction materials) which we apply on the purchase, construction or renovation of properties.

- Infrastructure/renewable energies: As investments in renewable energies or infrastructure may extend over very long periods, we carefully examine all risks associated with these investments. In addition to financial aspects, we examine meteorological and climate-related factors (such as solar irradiation in the case of solar installations or wind force in the case of onshore wind farms), as well as political parameters such as the relevant national energy policy.

- Forestry: In the asset class of forestry, we have also established an investment process which, as well as financial criteria, follows additional important objectives relating to investment (including ESG criteria). We regularly review our sustainability criteria for these asset classes using the ESG criteria of external rating agencies.

Our investments: Priority on investment in infrastructure with a focus on renewable energies

Our investment in infrastructure with a focus on renewable energies has a double leverage effect: we contribute to the advancement of social developments by using our risk knowledge to promote new technologies through investment and innovative coverage concepts.

On behalf of Munich Re, MEAG, the Group's internal asset management arm, invests in infrastructure projects around the world. These include direct equity and outside capital investment in solar parks and wind farms, as well as participations in a power grid and a natural gas grid. By the end of the 2015 financial year, the volume of investment was around €1.8bn.

As things stand at present, we plan to increase our investment in infrastructure to a cumulative total of €8.0bn, provided general conditions remain solid and a reasonable yield can be achieved. We aim to achieve this by continuing to strongly diversify our infrastructure investments, both regionally and by segment. This will enable us to obtain a spread of the technological and political risks, and thus of this portfolio's main risk drivers.

Our products: Investment funds with sustainable success

Meeting economic, ecological and social requirements need not be a contradiction in terms. MEAG offers its institutional and private clients the international equity fund MEAG Nachhaltigkeit, and also the defensive mixed fund MEAG FairReturn, both of which are geared towards sustainable issues:

- **MEAG Nachhaltigkeit:** The equity fund MEAG Nachhaltigkeit, which was set up on 1 October 2003, primarily invests worldwide in companies that conduct business in a responsible manner. Companies are selected on the basis of their environmentally friendly and socially responsible track record as well as their financial success. This involves supplementing holdings in standard stocks with forward-looking niche providers. Producers of tobacco, alcoholic beverages, and arms manufacturers are excluded, as are companies in the gambling industry.

- **MEAG FairReturn:** The MEAG FairReturn fund, set up in June 2009, invests predominantly in Europe in accordance with strict social, ecological and financial criteria recommended by the oekom research rating agency. At the same time, there is a requirement for positive growth in value. The fund grew so successfully that MEAG opened it up to private clients at the beginning of 2010 with a separate shareholding class. 2015 saw MEAG FairReturn named foundation fund of the year for the fourth time in a row.

GRI Content Index: G5-35; G4-EC2; G4 DMA Indirect Economic Impacts; G4-EC7; G4-EC8; G4-EN7; G4-EN27; G4-HR1; G4 DMA FSS Product Portfolio; G4-FS7; G4-FS8; G4-FS11

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Sustainable solutions to meet the challenges of today and tomorrow

Corporate responsibility is reflected in Munich Re's products and services. We address the environmental and social challenges with innovative and sustainable solutions.

Complex risk scenarios and increasing interdependencies in a globalised world mean that the challenges and opportunities in our business and that of our clients are constantly changing. Our objective is always to ensure maximum flexibility in combination with carefully considered risk assessment.

Whether for insurance solutions for renewable energies, support with assessing risks and solutions in the areas of crop loss covers, natural catastrophes or microinsurance: at the heart of all our actions is the desire to identify and reduce new risks, and take into account environmental, social and governance aspects (ESG) in our core business operations.

Here is an overview of our sustainable insurance solutions

Insurance concepts and covers for renewable energies

We offer innovative insurance solutions tailored to the potential offered by new technologies and their operators. We thus promote the development and propagation of such new methods of generating electricity from renewable energy sources.

Our insurance solutions in the corporate client segment:

- Performance guarantee covers for PV solar module manufacturers and solar farms, fuel cells and LED light technology: These forms of cover secure technological risks and, should the manufacturer become insolvent, can compensate project investors directly for guarantee trigger events.
- Comprehensive insurance cover for wind farms: With the help of systematic risk management, for example to secure the construction phase or protect against serial losses, potential costs for investors are analysed before the project starts and minimised by way of risk transfer.
- Productivity risk insurance for geothermal projects: Back in 2003, Munich Re became the world's first insurer to develop a policy also covering operator's costs for unsuccessful geothermal drilling projects.
- Investment security for industrial projects with Project Risk Rating: In cooperation with the German technical inspection agency, TÜV SÜD, Munich Re has been offering a detailed risk assessment service for industrial projects (Project Risk Rating) since the start of 2014, specialising in the areas of infrastructure and renewable energies, and which also takes into account environmental aspects.
- Insurance solutions in other segments and markets:
- HSB renewable energy solutions for the US market: As a leading specialist provider of insurance solutions for renewable technologies, our subsidiary HSB has developed a series of insurance products and services that help protect your clients' investments and optimise their profit, as for example in

Related topics
- Corporate responsibility in insurance business
- Corporate responsibility in investment

relation to engineering or performance risks with solar installations.

- ERGO eco-insurance policies: The ERGO portfolio includes a range of insurance policies that systematically support regenerative energy generation, or that create incentives for behaviour that protects the environment. With a combined property and business interruption insurance for example, the policyholder can obtain comprehensive, client-friendly, all-round protection in the segments of photovoltaic systems, wind energy, hydroelectric power, biogas and fuel cells.

The new modular motor insurance from ERGO includes cover for electric cars: With the "Elektro Plus" module, if electric vehicles need to be towed because the battery is flat, ERGO refunds the cost of the towing service.

Assess risks from natural catastrophes with NATHAN Risk Suite

Munich Re's NATHAN Risk Suite helps clients assess natural hazard risks around the world, from location-based individual risks through to entire risk portfolios – and now also from smart phones or tablets with the new NATHAN Mobile module.

NATHAN Risk Suite is continuously expanded and optimised. In the latest version, for instance, we offer "Interactive Tools", which is an innovative way to investigate individual portfolio data for regional accumulations and new patterns. This makes accumulation situations visible more quickly, and the results can be forwarded within your own organisation quickly and reliably.

» NATHAN Risk Suite (munichre.com)

SystemAgro: crop failure insurance

Hail, drought, intense rainfall, frost and storms: agricultural production is directly exposed to all of these climate and weather-related risks. Agriculture bears the brunt of the impact of climate change, which in turn increases the hazard. For this reason, it is becoming increasingly important to ensure that national agricultural production is adequately protected with tailored insurance solutions. One criterion for success in this context is a risk partnership between the state, the agricultural sector, banks and the insurance industry.

You can find more information on SystemAgro here:

» SystemAgro

Microinsurance

In cooperation with primary insurers, other institutions and international NGOs, Munich Re offers microinsurance policies for people in exposed regions. Our microinsurance covers are adjusted to the needs of low-income sections of the population, and protect them against losing their livelihoods, while also safeguarding against other risks. In this context, we meet the needs of families and small businesses for risk protection following catastrophe events and, at the same time, make a key contribution to preventing impoverishment. The aim is to develop a viable and scalable insurance concept that reaches a large section of the population in the exposed regions.

Through our commitment to developing and emerging countries, we are promoting economic stability and social development on the ground, and also investing in a growth market, and thus in the future of Munich Re. ERGO develops insurance policies tailored to the financial situation and personal circumstances of people in these regions. Here is one example: In India, the German-Indian joint venture HDFC ERGO markets a wide range of microinsurance policies in the rural sector, including weather-index-based, health, personal accident and fire, as well as special policies for farmers. Munich Health,

meanwhile, offers individual, sustainable solutions for the health market, which is expanding rapidly worldwide. By bundling our expertise from primary insurance and reinsurance, we create the basis for sustainable healthcare in countries where state health systems are currently being established.

Public-sector risk transfer solutions

Experts from Munich Re, working in close collaboration with the business units, provide support to supranational organisations and development banks. These organisations are either our direct clients, or partner us in developing and implementing innovative risk transfer solutions for third parties.
The experts also support our staff in the various business units, and in direct contacts with our insurance clients on innovative risk transfer solutions for the public sector, or with risks where providing safeguards is in the public interest. We measure our success by the number of transactions and the positive economic and social effects that are achieved.

Here is a selection of our partnerships and projects:

- Caribbean Catastrophe Risk Insurance Facility (CCRIF): Munich Re supported the World Bank and the Caribbean Catastrophe Risk Insurance Facility (CCRIF) in setting up the first Caribbean catastrophe bond. The programme was launched because of the limited economic resources among Caribbean countries that are subject to natural disasters, and to reduce their dependence on financing from international donors for post-disaster needs. The CCRIF provides immediate liquidity to Caribbean countries after major natural catastrophes.

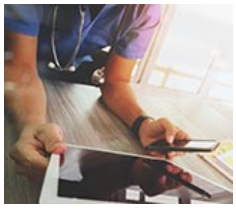
- World Bank: In May this year, the World Bank launched the Pandemic Emergency Financing Facility. The aim of this innovative facility is to provide funds to combat epidemics and pandemics promptly, so that in future, events like the Ebola epidemic in West Africa can be contained faster and more effectively, thereby substantially reducing the scale of potential catastrophes. The facility is supported by donor countries, and by Munich Re and other bodies. With their objective assessment of the risk exposure – an approach that has also worked well for other risk factors in development cooperation, insurance mechanisms can make an important contribution to containing future outbreaks.
- African Risk Capacity (ARC): Prompted by recurrent catastrophic drought events in the Sahel, the ARC Agency was established as a specialised agency of the African Union (AU). In 2014, ARC Ltd was established as a mutual insurance company in the Bermudas. The role of the ARC is to assist AU member states to reduce the risk of loss and damage from extreme weather events and natural disasters. Following the droughts in 2014/15, for example, coverage was triggered for Senegal, Mauritania and Niger. The three countries affected received a combined total of US$ 26m.

- Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI): Pacific DRFIP is a programme funded by various donors and implemented by the World Bank. It was established as part of the World Bank's worldwide Disaster Risk Financing and Insurance Program (DRFIP). The aim is to promote insurance solutions as a contribution to financing catastrophe losses in emerging and developing countries.

- Project: "Integrated Financial Management of Climate Risks in Peru's Agricultural Sector" The project will last for five years and is intended, in cooperation with the Peruvian authorities, to develop the legal, institutional and structural framework conditions for a system to protect local agricultural production against weather-related risks.

- Weather-index-based insurance for individuals with low incomes in the Caribbean: Under the umbrella of the Munich Climate Insurance Initiative (MCII) and in collaboration with Munich Re, the Caribbean Catastrophe Risk Insurance Facility (CCRIF) and other partners, a weather-index-based insurance for individuals with low incomes was developed for the Caribbean islands of Jamaica, St. Lucia and Grenada. If pre-defined wind speeds or amounts of rainfall are exceeded, the insurance (Livelihood Protection Policy) pays out to policyholders within a few days. The policyholders receive an SMS advance warning before a storm event arrives.

Health



With its focus on risk carrying and risk management, Munich Health delivers individual, sustainable solutions for the health market. The special combination of resources provides the basis for the success and security of our clients in their respective markets.

Munich Health is currently working on new forms of prognosis and treatment, which will play an increasingly important role in the future. With common conditions like diabetes, back pain, and chronic cardiac insufficiency, these technical innovations offer promising options for prevention. What are known as wearables, for example, are being used for diabetes prevention and control. Wearables are body-worn devices equipped with sensors for recording vital data and communicating it via an app to patients' smart phones. This form of remote monitoring establishes a better healthcare regime for the patient.

In the Topics section, we present our sustainable approaches and projects for the health sector.

GRI Content Index: G4-EC2; G4 DMA Indirect Economic Impacts; G4-EC7; G4-EC8; G4-EN7; G4-EN27; G4 DMA Local Communities; G4-FS13; G4-FS14; G4 DMA Product Portfolio

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  - CR in investment
  - Sustainable solutions
  - Munich Re and human rights
- Corporate governance
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Taking up our responsibilities on human rights

We are convinced that our business concept can only be successfully realised in the future through sustainable and responsible action. For that reason, observance of human rights is axiomatic for Munich Re. This commitment is especially manifested in Munich Re's participation in the United Nations' Global Compact, which we joined in 2007. Its ten principles are integrated into our Group-wide binding Code of Conduct.

For several years now, Munich Re has been addressing its human-rights due diligence in various ways. In order to identify human rights risks and impacts of our business and to strengthen our management systems, we have continuously analysed our sphere of influence. Thus, Munich Re has defined four dimensions involved in the management of human rights: employees, procurement, (re)insurance business and asset management.

We are aware that human rights is such a broad and evolving topic that it is impossible to deal with it conclusively. It is for this reason that we are constantly expanding our risk screening, raising awareness among our employees and business partners, and keeping them informed regularly. An ongoing exchange with our stakeholders provides important catalysts.

Please find further information about Munich Re's approach to human rights in the factsheet Human Rights (PDF, 438 KB).

GRI Content Index: G4 DMA Human Rights Investment; G4-HR1

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External links

- UN Global Compact
- PSI
- PRI
- Charta der Vielfalt (diversity charter)

Downloads

- Factsheet Human Rights at Munich Re (PDF, 438 KB)
- Code of Conduct
- Procurement Principles
- Diversity Policy (PDF, 410 KB)

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Responsible corporate governance

Munich Re attaches great importance to responsible and sustainable company management. Corporate governance, our compliance systems and anti-fraud management, as well as sustainable risk management, direct our day-to-day actions and help determine long-term strategic decisions.

Owing to our international corporate structure, we are subject to a raft of national and international legal systems, standards and corporate governance regulations. Within the Group, our own Code of Conduct binds our management and staff members to engage in ethically and legally impeccable conduct. Since 2013, the principles of the United Nations Global Compact have also been integrated in this Code of Conduct.

At the same time, corporate and Board of Management objectives aligned with sustainability and financial considerations ensure that entrepreneurial decisions are always made on the basis of long-term meaningfulness and value preservation.

Here is an overview of what we believe are the key aspects of responsible corporate governance (click on the links to find additional and more detailed information at munichre.com):

- **Corporate governance:** high standards, efficient distribution of responsibilities in Group management.
- **Compliance:** compliance with applicable laws and internal company rules.
- **Financial Crime Management:** combatting financial crime.
- **Risk management:** an essential component of our corporate management.
- **Sustainable procurement:** responsible selection of and collaboration with suppliers.
- **Lobbying:** our knowledge and expertise for political decision-making.
- **Commissioning of external journalists:** clear distinction between journalism and PR.

GRI Content Index: G4 DMA Local Communities; G4-SO3; G4-SO4; G4-SO5

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Munich Re as a responsible employer

Competence and know-how are the decisive factors for our success. For this reason, we attach great importance to dealing with our staff in a responsible and respectful manner.

With their specialist knowledge, commitment and constant willingness to innovate, our employees drive our business forward and are thus a crucial factor in our success. We are therefore committed to a corporate culture that offers opportunities for personal development, encourages independence and rewards success and performance. We attract young talent and specialists and train them for the right jobs within the Group. For many years, we have enjoyed a high level of employee loyalty and consistently low staff turnover rates.

Our founder, Carl von Thieme, was considered one of the most socio-politically advanced employers of his time. We continue this tradition by protecting our employees in the most effective way, and by supporting them with modern and flexible services and benefits. A Group-wide governance framework in human resources is complemented by individually tailored systems and instruments in primary insurance, reinsurance, and at our asset management arm, MEAG.

The following overview provides information on our comprehensive human resources strategy. You can find additional details and examples for insurance and reinsurance and for MEAG under the links shown and in the respective career portals of Munich Re, ERGO and MEAG.

Our programmes for training and development

We want to attract the best employees for our Group companies and retain them over the long term. With its student and graduate trainee programmes, Munich Re systematically promotes young talent. Trainee programmes in the reinsurance group, at ERGO and MEAG all offer interesting, challenging and varied career opportunities for university graduates. In autumn 2016, the new International Group Trainee Programme EXPLORE starts as an overarching Munich Re Group trainee programme. We also offer employees the option of intelligently combining career and study. Under the respective links, you can learn more about the combined career and study options at Munich Re Munich, ERGO and MEAG. We also have a special initial and further training programme to facilitate lateral entry for experienced professionals and experts.

With our development programmes (MEAG Young Manager, Executive Performance Programme, Manager Performance Programme and FUEL – Future Excellence in Leadership in reinsurance), we provide a thorough preparation for young talents to assume their first and subsequent management positions nationally and internationally. And these programmes have paid off: over the last four years, we have been able to fill 90% of new management positions at MEAG with internal staff. In combination with long-term succession planning for the current senior management cadre, we ensure that the quality of our management remains consistently high. Our staff acquire further professional and intercultural skills through rotation within the Group.

We promote the ongoing development of our staff with lifelong learning. We offer a wide range of training options in each of our business fields and at MEAG. These include continually updated e-learning platforms to which Munich Re staff around the world have access.

The statistics on days of training that our employees have participated in, and our expenditure for training, can be found under "Employee indicators".

Performance-based, transparent remuneration

Related topics

» Awards
» Munich Re career portal – reinsurance
» ERGO career portal
» MEAG career pages

Our employee pay structure is designed to reward the success of each individual and of the Group as a whole. We are constantly refining our holistic remuneration system, thus making a key contribution towards successful, value-based corporate governance as well as to staff motivation.

For example, in reinsurance, remuneration reflects both the employee's personal performance and the success achieved as part of the Group. Individual performance-related remuneration is based upon personally agreed objectives and performance appraisals using transparent criteria. We determine the share in the company's success using transparent indicators.

At Munich Re (reinsurance), ERGO and MEAG, additional benefits are a long-standing tradition to which we attach great importance. The attractive package we offer includes membership in our company pension scheme, one of the key pillars of retirement provision. Munich Re and ERGO are also members of the German insurance employers' association and have signed the respective collective bargaining agreements.
We also pay students and graduates appropriately and endeavour to offer them excellent opportunities to ensure a successful start to their careers. That is why the reinsurance group and ERGO have joined the Fair Company initiative, which is committed to providing fair internships and offering university graduates genuine opportunities.

Combining career and family

Munich Re offers its staff a number of different models for flexible working conditions, interesting working hours and needs-based support services. The start of 2015 saw the "flexible working" concept introduced in the reinsurance group, greatly increasing the level of employee flexibility as regards physical location and time. The options here are many and varied. For example, employees can convert bonuses into leave or save up holidays over a period of three years, allowing them to take longer periods of leave. Mini sabbaticals allow staff a further three months of release from duties.

In consultation with the supervisor, the specific working days and working hours per week can be flexibly defined. Depending on the responsibilities involved, a portion of the work can also be done via teleworking, while our mobile systems offer a wide range of options for working flexibly while travelling or from home. At the Munich site, the internal company agreement "Career and family" goes above and beyond what is required by law and has allowed staff to realise both private and professional plans since 2002.

Munich Re also offers numerous forms of assistance for staff for various personal circumstances: in Germany, for example, places in daycare centres close to the company premises, contributions towards childcare costs for staff members who make their own childcare arrangements, parent-and-child offices, support from internal and external family services, childcare during holiday periods and assistance with caring for family members are available.

We make every effort to encourage our female staff members to return to work following maternity leave. The early planning of appropriate measures such as further training courses, ERGO's parent network and flexible working hours for parents make it easier to return to work after a career break.

With its family-friendly human resources policy, ERGO has now won the "audit berufundfamilie®" (career and family audit) five times for all its main administrative centres in Germany. This certificate is awarded by the non-profit Hertie Foundation for outstanding efforts in this area.

You can find more details about our family-friendly services here:
>> ERGO website Career and family
>> Munich Re's career portal under Balancing family and career
>> MEAG website Work-life balance

Comprehensive company healthcare management

Munich Re is actively involved in promoting all aspects of health. We offer medical care, preventive measures, sport and relaxation programmes beyond the legal requirements, as well as personal measures to help staff return to work after a prolonged absence. Services also include expert advice and a range of support measures in the event of illness.

With regard to occupational safety, Munich Re complies with statutory health and safety requirements conscientiously and effectively. We provide staff with information on correct posture when working at a desk, tips on effective relaxation techniques and advice on further preventive measures. We also publish the latest travel advisories and arrange seminars on safety awareness during business trips.

Outside working hours, Munich Re promotes the physical and mental well-being of employees with a wide variety of sports and leisure activities, for example at the Group swimming and sports facilities and in the ERGO back-care centre in Düsseldorf. With "ERGO sports", ERGO offers one of the most extensive company sports programmes in Germany. D.A.S. Austria has implemented an extensive health-promotion programme under the heading Fit 4 D.A.S. The features range from providing baskets of fruit in offices and offering regular health check-ups to organising topic days focusing on healthy eating and exercise.

To promote the mental well-being of employees, we also offer expert counselling at several locations in Germany to help staff deal with difficulties at work or at

home. At the reinsurance group in Munich, Human Resources collaborates with the Fürstenberg Institut to provide a largely external Employee Assistance Programme (EAP).

Preventing and dealing with stress is becoming an increasingly important topic. In mandatory workshops, new managers learn how to prevent stress-related and mental disorders among staff.
D.A.S. UK and Austria have won awards in recent years for outstanding company healthcare management. You can find further details in the "Awards" section.

Information on rates of sick leave at Munich Re can be found under "Employee indicators".

Diversity – Added value for our Group

The different mindsets, cultures and values of our staff are key to Munich Re's success. Our diversity management is geared to promoting this diversity, which assists us in achieving our Group objectives.

In introducing its Diversity Policy (PDF, 371 KB) across the Group in 2011, Munich Re laid the groundwork for an overarching and comprehensive diversity management programme. This new policy sets out our definition of diversity, along with the main principles for promoting diversity within the Group, and underlines our global commitment to embracing diversity as a strength and investing in it. Several members of Munich Re's Board of Management have integrated the topic of diversity into their goals. Our diversity targets are being implemented for each business field in primary insurance and reinsurance, as well as for investment.

Focus areas of our activities: gender, age, internationality

- Gender: As part of this commitment, Munich Re undertook in October 2011 to increase the quota of women in leading positions in Germany to at least 25% by the end of 2020. This is an ambitious target in light of the low staff turnover rate and the average age of managers, but we are on track to achieve it. Statistics on the current proportion of women at Munich Re can be found under "Employee indicators".
- Age: In this area, we focus on the step-by-step expansion of health promotion programmes and lifelong learning programmes. With our flexible work models, we wish to fully integrate employees of every age throughout all stages of their career.
- Internationality: To prepare our employees for increasing globalisation, we have increased the number of international assignments, job rotations and international project teams once again this year. The Group now employs staff from more than 55 countries, and the number of employees outside Germany has once again increased in this reporting year.

Specific measures to achieve our diversity targets are implemented for each field of business – across primary insurance, reinsurance and investment. You can read about the concepts and measures we employ, the initiatives we participate in, and the successes we have achieved on the respective Munich Re, ERGO and MEAG websites.

In the lead nationally and internationally – what we have achieved:
Our progressive human resources work is paying off: Munich Re's reputation is being further strengthened in the face of national and international competition. This is reflected by the numerous awards and top rankings we have received in recent years. Our human resources concepts in Germany and abroad have gained widespread recognition – from "Top employer", "Top4women" and "Top intern" through to awards for our training measures, family friendliness, our good work climate, commitment to diversity and health promotion.

You can find an overview of our awards here.

GRI Content Index: G4-10; G4 DMA Market Presence, G4 DMA Labor Practices and Decent Work; G4-LA2; G4-LA3; G4 DMA Managment Relations; G4 DMA Occupational Health and Safety; G4-LA5; G4-LA6; G4-LA7; G4 DMA Training and Education; G4-LA9; G4-LA10; G4-LA11; G4 DMA Diversity and Equal Opportunity; G4-LA12; G4 DMA Equal Renumeration for Women and Men; G4-LA13; G4-HR3

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Environment and climate protection at Munich Re – Systematic and targeted

Our Group-wide objective is to avoid environmental impacts as a result of our business operations, to protect resources and to continually improve our performance in this area. We use our internal environmental management system to measure our progress, recording in detail and assessing the influence our activities have on the environment and climate.

Our strategy

In 2012, Munich Re introduced a standardised, binding internal environmental management system (EMS) for all Group locations. It is based on the requirements of the internationally valid DIN ISO 14001 standard and sets out the environmental guidelines and key performance indicators (KPIs). We need these key performance indicators to measure our carbon footprint. In addition, our EMS specifies the processes required for this, and also the organisational responsibilities. Since 2015, 84% of Group employees have been working in accordance with the EMS. 38% of employees work in Group companies that are certified to the DIN ISO 14001 standard.

At Munich Re (Group), the full Board of Management is responsible for the Group-wide strategy and for all activities in the field of environmental protection. The full Board is represented by the Chairman of the Board of Management, Dr. Nikolaus von Bomhard. Dr. Astrid Zwick has been appointed as Environmental Officer. She heads the Corporate Responsibility department in the central division Group Development. The Corporate Responsibility department formulates the strategy for Group-wide environmental management and carbon neutrality. Environmental managers at Group level are responsible for implementation of the strategy, the environmental management system and data collection across the business fields of reinsurance, Munich Health, ERGO and MEAG. Local environmental managers are responsible for implementation of the EMS at the individual locations. This includes achieving the environmental targets and programmes, introduction and implementation of measures to reduce carbon emissions, and the collection of environmental data.

The carbon footprint from our business activities is the key indicator for measuring and assessing our environmental performance. We calculate carbon emissions on a yearly basis from our consumption of energy, paper and water, our business travel, and generation of waste. This calculation takes a standardised form and is of a high quality. Selected quantitative environmental data were verified for the first time in 2015 by an external auditor (see downloads on the right).

Our successes

The consistent implementation of strategy has paid dividends: we easily exceeded our savings targets for the period 2009–2015: Since 2015, Munich Re has been carbon-neutral Group-wide. We have also reduced our carbon emissions by 26% since 2009. Of this amount, a 16% reduction in carbon emissions was achieved with savings on resources, while the remaining 10% reduction came from obtaining electricity from renewable energy sources (green electricity). Of particular help in making the savings was the application of rules with a high degree of leverage. Examples include our measures to improve energy efficiency, and the purchase of environmentally friendly consumables. Approximately 69% of the electricity purchased Group-wide in 2015 came from renewable energy sources. You can find a list of the most important measures opposite.

Unavoidable carbon emissions are neutralised by purchasing carbon credits. We have strict requirements when selecting projects: At least one project must meet a gold standard and be realised in a least developed country. Alongside the technologies used to avoid carbon emissions, we attach great importance to social aspects when making a selection. For example, we support projects that promote health, facilitate education,

Related topics

» Environmental indicators

Download

» Eco-efficiency measures 2015 (PDF, 427 KB)
» External verification environmental data (PDF, 137 KB)

develop local infrastructure, avoid deforestation and maintain biodiversity.

To achieve carbon neutrality for the 2015 fiscal year, we obtained carbon certificates from the following projects:

- Solar power from the autonomous region Ningxia Hui in China (PDF, 1.5 MB),
- Wind farms in the Shandong region in China (PDF, 1.5 MB),
- Solar cookers in Henan province in China (PDF, 1.9 MB),
- Run-of-river power stations in Madagascar (PDF, 715 KB),
- Efficient cooking stoves in Uganda (PDF, 2.3 MB).

Our next objectives:

The Munich Re (Group) Strategy Committee decided in September 2015 to continue our successful environmental and climate protection strategy with the following objectives:

- Further savings in Group carbon emissions: 35% between 2009 and 2020,
- Procurement of electricity from renewable energy sources: 100% Group-wide if possible,
- Maintenance of carbon neutrality,
- A consistent increase in the procurement of environmentally friendly consumables,
- Enhanced motivation on the part of employees to behave in an environmentally friendly way.

You can find comprehensive key indicators for our environmental performance in the section "Environmental indicators" under the heading "Facts and figures".

GRI Content Index: G4 DMA Category Environmental, G4-EN3; G4-EN6; G4-EN7; G4-EN8; G4-EN19; G4-EN30; G4 DMA Audit

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We promote many NGOs and social and cultural organisations with our involvement and financial resources at both global and local level. We see social involvement as an important component of our corporate responsibility.

As a general rule, our social involvement focuses on our core business activities. For example, we prefer to support projects in which we can actively contribute our risk expertise, while at the same time broadening our own horizons. In so doing, we seek to improve the effectiveness of the projects while generating valuable ideas for our employees and positive feedback for our business.

As a good corporate citizen, we also support projects at our business locations that alleviate hardship and bring cultural and social benefits. When selecting projects, we are guided by the funding guidelines and criteria of our corporate citizenship concept.

You will find below a selection of the projects we support, and through which we believe we can make a particular contribution to the common good.

Our social involvement – Partners and projects at a glance

Social assistance

- ShareTheMeal: Ergo is making a donation to finance the development and introduction of the ShareTheMeal app. For every click in the app, 40 cents are automatically donated to the UN World Food Programme – exactly what it costs to feed a starving child for a day.
- Tú decides: As part of the campaign "Tú decides" (you decide), clients, employees, doctors, insurance brokers and project service providers vote for the projects which they think DKV Seguros should support for a period of one year. Voters can choose between various health and environmental protection projects aimed at improving the quality of life of disadvantaged groups.
- United Way: For the last 25 years, the American Modern Insurance Group and the Hartford Steam Boiler Inspection and Insurance Company (HSB) have been supporting the charity United Way in Connecticut and Ohio with donations. United Way's mission is to improve the level of education and healthcare in deprived urban districts in cities.
- Habitat for Humanity: Hartford Steam Boiler Inspection and Insurance Company (HSB) supports the non-profit housing organisation Habitat for Humanity in the form of voluntary work performed by its employees and financial donations. HSB employees receive paid holiday if they help to build houses for needy families. The building materials are paid for with donations from HSB.

Social inclusion

- Pfennigparade: For ten years now, Munich Re has been working together with the Stiftung Pfennigparade, one of Germany's largest rehabilitation centres for people with physical disabilities. Some of the foundation's employees work in Munich Re's IT, accounting and purchasing departments, for example, as external providers.
- Integration at Hestia Poland and DKV Seguros: Sponsored by each company's in-house foundation, customers who call Hestia Poland and DKV Seguros contact centres are advised by colleagues with physical disabilities.

Young adults & refugees

Related topics

» Foundations
» Memberships and Partnerships

- Joblinge: Munich Re supports the "Joblinge" initiative with scholarships and mentors – a joint, nationwide commitment on the part of business, government and society to help qualify socially disadvantaged young people for integration into the labour market.
- Refugee aid: In 2015, Munich Re joined the national corporate initiative "Wir zusammen – Integrationsinitiative der deutschen Wirtschaft" (We together – integration initiative of German business) in which many prestigious DAX companies participate. With this involvement, Munich Re hopes to make a long-term contribution to integrating refugees in Germany and provide a platform for exchanging project experiences with other players.

Science promotion and research

Association for the Promotion of Science and Humanities in Germany: Munich Re is an active member of the Association for the Promotion of Science and Humanities in Germany – a joint initiative by companies and foundations to promote education, science and innovation in Germany.

Art and culture

The Städtische Galerie im Lenbachhaus and Kunstbau München: Munich Re has been collaborating with the municipal gallery in Munich's Lenbachhaus and Kunstbau München since 2012. Financial support focuses on promoting art projects related to contemporary culture and socio-critical topics.

GRI Content Index: G4-EC1/FS-EC1; G4 DMA Local Communities

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Foundations

Munich Re's commitment to society is complemented by the activities of our four foundations: the Munich Re Foundation, the Dr. Hans-Jürgen Schinzler Foundation, the ERGO Youth and Future Foundation and the DKV Integralia Foundation.

Our foundations' focus areas at a glance:

Munich Re Foundation
The Munich Re Foundation was established in 2005 and helps to support people in risk situations and improve their living conditions, primarily in developing countries. The work of the foundation focuses primarily on disaster reduction, microinsurance, water, climate change and education.

Dr. Hans-Jürgen Schinzler Foundation
The Dr. Hans-Jürgen-Schinzler Foundation was set up in 2004. It supports projects on which employees can work on a voluntary basis. The Foundation also organises "social days" each year, on which employees can lend a hand with selected social projects.

ERGO Youth & Future Foundation
The ERGO Youth & Future Foundation helps young people to take personal responsibility for shaping their future. Its flagship "Job Locomotive" project helps socially disadvantaged youngsters to obtain professional qualifications and improve their career prospects.

DKV Integralia Foundation
The Integralia Foundation established by DKV Seguros has been working on the social and professional integration of people with physical disabilities since 1999. To this end, the foundation has established a number of call centres in Spain that are staffed by people with disabilities. It also runs a number of projects to promote the social and professional integration of people with physical disabilities.

Follow the links to find out more about the work of our foundations.

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Related topics

- Society
- Health care Integralia

External links

- Munich Re Foundation
- Dr. Hans-Jürgen Schinzler Foundation
- ERGO "Youth and Future" Foundation
- DKV Integralia Foundation

Related topics

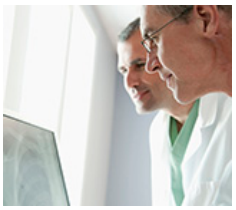
» Stakeholder dialogue and materiality
» Sustainable solutions
» Environment
» Employees
» Foundations

Principal challenges and sustainable solutions

The world around us is changing, with global warming continuing apace and natural catastrophes posing a threat to emerging yet still vulnerable economies. The global population is rising and, with increasing prosperity, there is also a growing need to protect health and property.

We wish to contribute to sustainable development in this area with targeted partnerships and innovative solutions. Get to know the topics that are central for Munich Re and learn how we are turning today's challenges into tomorrow's opportunities.

Climate change – Solutions for climate protection
Increasing carbon concentrations, record-breaking global temperatures and more frequent extreme weather events: Munich Re has been investigating weather and climate risks for 40 years and develops sustainable solutions based on its findings.
» Topic "Climate change"



Health – Sustainable strategies for the health market
The global health market is expanding, while at the same time lifestyle diseases are on the rise. Munich Re has bundled its global health expertise in primary insurance and reinsurance under the Munich Health brand for the benefit of its clients.
» Topic "Health"

Risk awareness – Living with risk
The number of victims and amount of damage can be significantly reduced with the help of intelligent prevention measures. Munich Re supports disaster reduction projects around the world.
» Topic "Risk awareness"

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COP21 – Let's make the most of the new opportunities

In many respects, 2015 was very much a climate year. It gave us a new global temperature record fuelled by a strong El Niño, significantly exceeding the previous record of 2014. It was almost as if a further compelling argument was being presented for the climate negotiations.

Throughout the year, suspense built up, accompanied by some extremely ambitious expectations, as we moved towards the climate summit in Paris. It was clear to everyone that a failure like that of 2009 in Copenhagen would signal the end of the UN-led negotiation process – and this had to be avoided at all costs.

Back in June in Elmau, the G7 countries had laid solid foundations by reaffirming their commitment to restrict global warming and make support payments to developing countries. However, a new feature was agreement on a five-year project that will enable an additional 400 million people in developing countries to protect themselves against increasing losses from extreme weather events in the form of insurance solutions. This initiative sent out a clear signal: that we take the problems faced by people in developing countries very seriously and are prepared to take responsibility for emissions.

In my opinion, this gesture had a positive effect on the atmosphere at the negotiations, which have frequently been affected by the conflicting interests of the countries responsible for climate change and those that suffer most from it.

Further enabling factors included the superb organisation of the conference by the French hosts, and the excellent management of the negotiations by the French Foreign Minister, Laurent Fabius. A breakthrough was finally reached, not least thanks to the positive mood that prevailed, which inspired goodwill in many countries that would otherwise have tended to block proposals. I believe that the result of the climate summit is the best possible outcome that could be achieved at the present time. What's more, with the target of holding global warming to "well below two degrees Celsius", an even stricter limit was set than originally planned. Yet certain risks remain from the Paris Agreement: the individual countries still have to ratify the agreement; there are no sanctions if the voluntary reduction targets are not met; countries can opt out of the agreement.

And we also need to be very clear about one thing: even if all the promises are kept, and the reduction targets are tightened after five-year review periods, climate change cannot be stopped. Yet Paris represents a breakthrough. It has considerably improved the opportunities to limit climate change within a framework that is still manageable for most countries. The effects, however, which have become already detectable with the current global warming of just under one degree Celsius, will intensify, so more vigorous adaptation efforts are required.

From our perspective, a further aspect that must be seen in a very positive light is the fact that Article 8 of the Paris Agreement now officially recognises insurance solutions as an important part of the adaptation process. For example, the already operational pool solutions to cover losses from extreme weather events in poorer countries – such as the African Risk Capacity (ARC), the Caribbean Catastrophe Risk Insurance Facility (CCRIF), and the Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI) – are seen as useful and extendible approaches.

It is now up to us insurers to breathe life into the new opportunities that have emerged. As a globally operating reinsurer, we understand better than anyone the very different regional hazard situations, how they are changing and the vulnerabilities involved. Managing risks – including those posed by climate change – is part of our core business. After Paris, the door is now open for us to contribute our expertise and help to achieve a meaningful increase in people's resilience to the unavoidable consequences of climate change. Let us make the most of this opportunity!

Our expert
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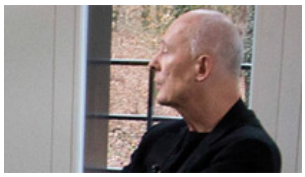
Migration

In future, will there be more climate refugees than war refugees?
» Migration

Climate risk insurance

Insurance solutions as a way to help emerging and developing countries adapt to climate change
» Climate risk insurance

Interview with Prof. Dr. Schellnhuber



"We have avoided the unmanageable"
» Interview with Prof. Dr. Schellnhuber

Further topics

» Health care
» Risk awareness

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Migration: In future, will there be more climate refugees than war refugees?

It is mainly war refugees who are currently making their way to Europe from the Middle East, Far East and Africa. However, the principal driver for wide-scale global migration movements in the future will be climate change. Associated with this development are new and complex risks for local and global economies, and for all the societies affected. Munich Re always makes allowance for this development in its risk cover.

In 2015, Europe experienced its largest influx of refugees since the Second World War. Over one million people arrived in Europe last year, most of them war refugees from Syria, Afghanistan and Iraq. According to the EU Commission, up to three million additional refugees can be expected in 2016.

As a reinsurer, Munich Re has been analysing for many years the risks, causes and consequences of migration movements. In the future, alongside the increasing number of conflicts in many countries, climate change could advance to become the main driver of migration flows. Droughts lead to famine; flat, heavily populated coastlines are under threat from rising sea levels, and water shortages are affecting more and more regions. According to a study by the Internal Displacement Monitoring Centre (IDMC), over 20 million people have already been displaced from their homelands by climate- or weather related events.

Migration scenarios illustrate the following: There is little time left for concrete solutions

The climate-driven migration expected in our scenarios could prove an even greater challenge for the global community than the current refugee crisis. Solutions that focus on the needs of those affected therefore need to be found relatively quickly.

Migration today is mainly intracontinental. Figure 1 illustrates this. It shows that in 2015, the bulk of the international migration flows were within Asia (62 million people), followed by Europe (40 million people) and Africa (18 million people). The largest intercontinental migration flows to Europe came from Asia (20 million people) and Africa (9 million people).

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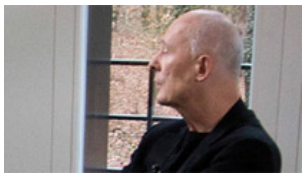
Interview with Prof. Dr. Schellnhuber



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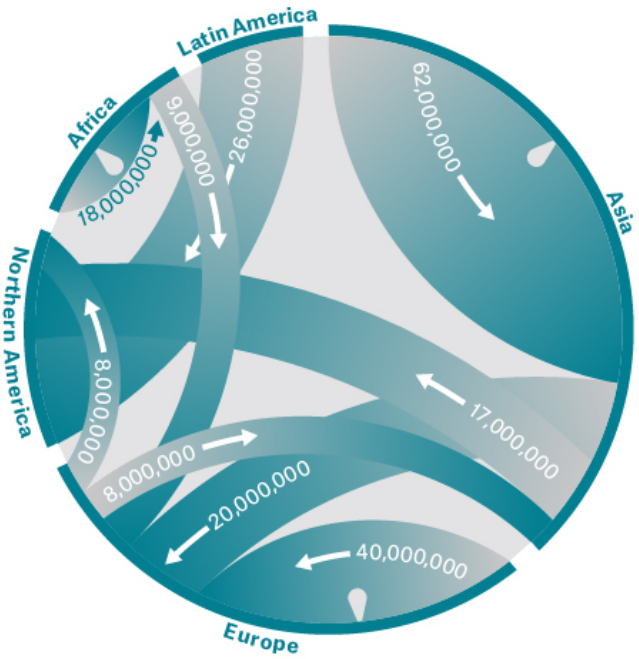

Fig. 1: Number of international migrants in 2015 classified according to region of origin and target destination
Image source: United Nations, International Migration Report 2015

Migration has both short-term and long-term effects

Munich Re is already investigating the economic, political and social impact of the growth in migration. The phenomenon produces short-term and long-term effects: In the short term, it can place a strain on the social insurance systems in the arrival or destination countries, and associated with this, lead to shortages, followed by rising prices, for example in the housing market. In the long-term, however, the social insurance systems may be relieved by the successful integration of the new arrivals, because demographic change will be reduced in the long run by the migration movement, with positive spin-offs such as increased domestic consumption and enhanced innovation capability through diversity.

According to estimates by the International Organization for Migration (IOM, 2008), there could be 200 million climate refugees worldwide by the middle of the century. The effects that this will have on the countries that welcome the majority of these migrant flows are difficult to predict at present. As it stands today, these will continue to be industrial nations and emerging markets, such as India. But what is the effect on the economies of the countries that will lose the majority of their population due to climate migration? The inescapable fact is that these countries will have to cope with major changes.

Sustainable approach and solutions to cushion the financial impact of climate migration

Migration is a partial aspect of an important topic that has posed a particular challenge to us as a Group for several decades: climate change. For over 40 years, we have been studying the effects of climate change, in terms of both the change in weather-related natural hazards, and with regard to regulatory and technical changes. In 2008, Munich Re bundled its competence and expertise in an expert unit, and developed a strategic approach that comprehensively maps the topic.

In the Corporate Climate Centre, staff investigate the consequences of climate change in a Group-wide and external network. They work on developing pioneering concepts and product solutions that help to counteract the risks emanating from migration, and that are intended to reduce the degree of negative effects from unavoidable global challenges. One example is weather and climate insurance solutions in the agriculture, real estate and infrastructure sectors that pursue the principle of adaptation and help make the impact from climate change more manageable for emerging and developing countries.

Munich Re has been developing cover and risk solutions in this area for decades, and contributing its expertise at national and international level. You can find detailed information on this under the heading "Sustainable solutions".

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Climate insurance – A stepping stone to sustainable growth

International conferences in 2015 had a strong focus on climate policy and paved the way for a fresh approach to tackling climate change. Also, insurance solutions were mentioned for the first time as a way to help emerging and developing countries adapt to climate change. The private sector and national governments need to cooperate in this area.

International climate policy in 2015 focused on two topics in particular: firstly, the development of national emission reduction paths intended to limit the increase in global temperature to less than 2°C compared to pre-industrial levels; secondly, adaptation mechanisms to cushion the consequences of climate change and the methods of financing such systems. The key decisions of international importance were made on the “Road to Paris”, a series of conferences that examined various aspects relating to climate and sustainability. At the end of this process came the Paris Agreement in December. This contains long-term agreements on climate protection and on adapting to the now unavoidable consequences (of loss) from climate change. The agreement needs to be ratified by the UN parties by April 2017 and will then come into force from 2020.

But even if the global community follows the path of decarbonisation (abandoning fossil fuels), the risks from weather-related natural hazards will, in all probability, continue to increase. This is because CO_2 has a mean residence time in the atmosphere of approximately 100 years and contributes to global warming throughout this period. The frequency and intensity of severe weather events – torrential rainfall and heatwaves in particular – have already increased in many regions over the past few decades.

Developing countries most at risk

Low-income countries are particularly vulnerable. More poor than rich lives are lost, both in absolute terms and as a percentage of population. Moreover, material losses that cannot be repaired or replaced because of insufficient funds lead to a lasting loss of prosperity.

According to Munich Re’s NatCatSERVICE, approximately 850,000 people lost their lives between 1980 and 2014 as a result of weather-related natural catastrophes worldwide. Of these, 62% (527,000) lived on less than US$ 3 per day (income groups in accordance with the World Bank definition, see diagram on the left), and are therefore counted among the world’s poorest people. As a proportion of the world population, however, this group represented only around 12% in 2014. If you consider the next-highest income group (daily income of up to approx. US$ 11), the rate drops considerably but still shows a disproportionately high mortality rate from weather catastrophes among low-income sections of the population. In our assessment, the reasons for this are clear: what pushes up the numbers of victims is a lack of information on preventive measures and a lack of financial resources to adapt to natural hazards.

Fatalities* from severe weather events worldwide 1980–2014: 850,000

Income groups according to the World Bank definition	
62%	countries with low annual incomes (≤US$ 1,005)
14%	countries with lower-middle annual incomes (US$ 1,006–3,975)
11%	countries with upper-middle annual incomes (US$ 3,976–12,275)
13%	countries with high annual incomes (≥US$ 12,276)

*Not including famine victims

Sources: Munich Re NatCatSERVICE, World Bank

World population in 2014 7.2 billion

12%	
57%	
15%	
16%	

Adaptation options vary depending on the region and hazards involved, but there are two main categories:

1. Ex-ante preventive measures taken ahead of a catastrophe in order to mitigate losses. These include early warning systems, but also structural precautions and land-use regulations.
2. Ex-post measures to deal with the consequences of loss, including humanitarian aid and financing schemes. These help to overcome the economic impact of a disaster and pave the way for repair and reconstruction efforts, thereby developing resilience.

Climate insurance – A crucial adaptation instrument

For the first time ever, the final document of a UN Climate Conference of the Parties (COP) mentions insurance solutions as a way to facilitate adaptation to climate change. At the G7 summit in Elmau in June 2015, the member states agreed to launch a climate insurance initiative (InsuResilience), highlighting the importance of financial risk transfer concepts, particularly for emerging and developing countries.

The objective of InsuResilience is to give an additional 400 million people in emerging and developing countries access to insurance by the year 2020 to protect themselves against weather-related catastrophes. This will either be organised on a macro level with insurance cover for entire countries (indirect insurance of the population), or on a micro level with insurance policies for individual persons (direct insurance of the population).

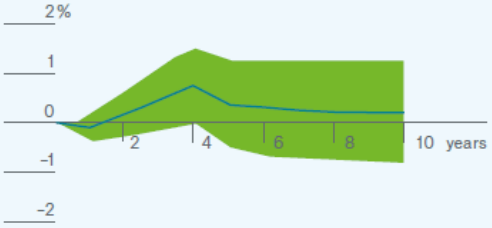
Claims payments are linked to clearly defined weather parameters such as amounts of rainfall or wind speed. Such products are known as parametric or trigger-based covers. In this way, people can insure themselves against drought, windstorm or heavy rainfall, each of which is recorded using objective measurement methods. This mechanism makes terms and conditions transparent, reduces the administrative cost of calculating claims amounts, and thus enables payouts to be made promptly. It should be remembered, however, that besides the above-mentioned advantages of parametric triggers, there is also a basis risk to be taken into account (occurrence of a loss before the defined trigger level has been reached). However, the simplicity of the payout principle on a parametric basis means that micro and macro solutions already exist in a number of developing countries and, in line with the G7 declaration, should be further built upon.

If structured well, insurance solutions not only create incentives to take preventive measures (by way of knowledge transfer and/or deductibles), but also represent an effective tool to finance claims burdens. If the public and private sectors are to overcome the immense financial impact of such disasters, it is imperative to soften their long-term impact on the economy. To this end, the introduction of climate insurance solutions promotes the construction of robust social and economic structures, thereby developing resilience.

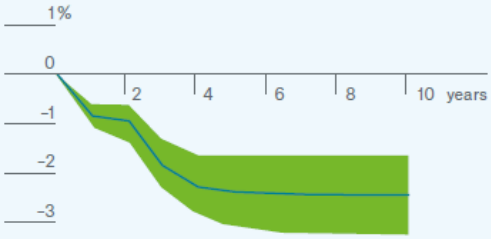
Cumulative development of a country's gross domestic product following a major loss

In the years following a natural catastrophe, GDP deviates from the trend it would have taken without the event. It can be clearly seen that the performance of countries with a comprehensive insurance system is much better, and that the duration of the slump is much shorter. The diagrams show the development of GDP with and without insurance.

a) Countries with a comprehensive natural catastrophe insurance system



b) Countries without a natural catastrophe insurance system



Source: Munich Re, based on von Peter et al., Bank for International Settlements, 2012 (schematic presentation)

Public-private partnerships are required

If the G7 target is to be attained, the affected countries will have to adopt the necessary regulatory measures and participate financially in the project. The additional provision of international aid or ramp-up support from climate funds, such as the Green Climate Fund (GCF), also constitutes a promising solution.

This is the only way to develop lasting (i.e. sustainably financed) insurance schemes in developing countries and emerging markets that enable people to better adapt to the new risks resulting from climate change.

Climate insurance solutions could become a textbook example for cooperation between the public and private sectors. The roles of the individual cooperation partners are clearly defined based on the competences and resources of each:

- The public sector defines the legal and regulatory framework and the socio-political aims. The establishment of weather databases, the development of publicly accessible risk information systems, and knowledge building among the population can also be supported at both national and international levels.
- The insurance industry is responsible for the development and implementation of climate insurance solutions. To this end, it provides expertise, risk models, best practices from other countries and, most importantly, risk capital. Risk-commensurate premiums need to be charged for the mechanism to function in a lasting and stable manner. Only then will pricing adequately reflect the loss potential and create an incentive for people to take measures that reduce the risk.

In the past, diverging views between the private and public sectors often presented insurmountable obstacles in the realm of risk financing that made it impossible to develop insurance schemes in less developed countries. But there is a growing awareness that it is precisely these countries that have the most urgent need to adapt to the consequences of climate change.

Energy issues

The topic of energy was closely linked to both climate objectives and development policy goals in 2015, as for example at the second UN Sustainable Energy for All Forum (SE4ALL) in New York. This event built on the momentum achieved at the kick-off event for the United Nations SE4ALL decade (2014–2024), and set out the following goals to be achieved by 2030:

- Ensure universal access to modern energy services
- Double the global rate of improvement in energy efficiency (the ratio of GDP to energy use)
- Double the share of renewable energy in the global energy mix

According to estimates by the World Bank, annual investment in the energy sector of between US$ 600bn and US$ 800bn will be required to develop the low-carbon energy technologies needed. More recent figures from the International Energy Agency (IEA) are even higher. Such amounts pose a formidable challenge. However, if we consider how the annual global inflow of capital into technologies for renewable energies increased more than fivefold between 2004 and 2015, the target seems feasible.

Here too, the insurance industry can make a valuable contribution by safeguarding project risks and thus making energy projects more attractive to investors. Many of these risk transfer solutions are special products requiring particular expertise. It is up to the political leaders, as with the insurance solutions for adaptation to climate change, to give clear signals and support the energy policy objectives with concrete initiatives. The aim should be to achieve additional cost efficiency through public-private partnerships and standardisation on the financing and risk transfer side. The insurance industry can also play a major part by itself investing in energy projects.

International climate policy in 2015 has opened a window of opportunity for a fresh approach. With its geoscientific and underwriting expertise, loss data from its NatCatSERVICE database, and by providing risk capital, Munich Re

supports the development of insurance systems in the areas of climate change and natural catastrophes.

Our expert
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“We have avoided the unmanageable”

Not long after the Climate Summit in Paris, Hans Joachim Schellnhuber, Director of the Potsdam Institute for Climate Impact Research, and Peter Höppe, Head of Munich Re’s Geo Risks Research/Corporate Climate Centre, met to discuss the results.

Peter Höppe: You participated in many events at the Climate Summit in Paris. What is your overall assessment of its outcome?

Hans Joachim Schellnhuber: In a nutshell, the spirit of Paris has defeated the ghost of Copenhagen. But we still need to do a lot and we can achieve a lot.

PH: I was surprised that the 195 countries would even agree to tighten the two-degree limit, let alone put “well below two degrees” in the agreement. How will we now have to shape regulations to achieve this?

HJS: In a way, the politicians got slightly carried away by their love of the climate, but I’m saying this with a smile. It is entirely appropriate to try to land Planet Earth somewhere between 1.5 and two degrees. However, I’m only tolerably pleased with the plan to come to zero net CO_2 emissions by 2070 to 2080. Because when you really convert the Paris Agreement into scenarios for emissions, you come to the robust conclusion that you already have to phase out CO_2 emissions between 2050 and 2070. That is the crux of the matter.

PH: Apart from mitigation, adapting to the unavoidable consequences of climate change takes up a lot of space in the Paris Agreement. The US$ 100bn to support developing countries have been confirmed again, which is very important. But what else is necessary to become more resilient against the effects of climate change?

HJS: In my view, the key phrase is capacity-building. It’s not just about money. Recently, I went to Cameroon, where they told me: “When the British left the country in the 1960s, we had 49 meteorological stations. Now we have just three left at the big airports.” So we need capacity-building, which enables the countries to absorb the money, the help and the expertise. In countries like those in sub-Saharan Africa this is absolutely key.

PH: In Article 8 of the Paris Agreement, insurance is mentioned as a potential solution in the framework of climate change adaptation. In your new book, Self-Combustion, you use data from Munich Re’s NatCatSERVICE database, showing the trends of natural disasters and the losses they have caused. What role do you see for insurance now, after Paris, in terms of adaptation?

HJS: If we are moving into a new regime of extreme events – and a world two degrees warmer will be a new regime – and if we want to provide the most vulnerable people with a shock-absorbing system, then that can only be done with insurance. The problem is that those people who are most vulnerable will not be able to afford the premiums, so it has to be set up as a global system of solidarity. I wonder whether we could take a more detailed look at who is really affected by extreme events. Can we show from data that the poor are hit hardest?

PH: Yes, we can. We have broken down our data in the NatCatSERVICE database into different income groups. So we have the very poor countries, the middle-income countries and the rich ones. Here we can clearly see that the poorest people are affected most, especially if you relate losses to the GDP of the country, to what they have, to what they can afford.

HJS: In terms of income?

PH: Right. The rich countries can afford disasters. They have insurance, they have quick access to money to stabilise or even boost their economy. But the poor countries fall into a poverty trap if there is nothing available – like insurance – which can help them get back into business. The other reason why poor countries are more affected by climate change is that most of them are situated in extreme climate zones. Being aware of that, we established the Munich Climate Insurance Initiative about ten years ago. And just before Paris, we saw that the G7 countries – parallel to the climate negotiation process – have decided to initiate a large project on climate risk insurance. Do you see this as a valuable contribution to the whole negotiation process?

HJS: I am really enthusiastic about it actually. And I am so glad it happened just before Paris. It sent the right signal. But let me also refer to something else that we may have to consider: if you talk about adaptation as a

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Migration

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global strategy, then I guess the most important adaptation of all is migration. But not everyone has the means to migrate. A lot of people are trapped in risk zones – they have no money, not even information. But I guess if we have two degrees warming, we will have to move people around the planet.

PH: Especially from the small island states.

HJS: The Maldives are doomed, even with well below two degrees, let's face it. But also other people in other regions are affected by changes in weather patterns or precipitation. So yes, if we want to provide support for people, if we want to absorb shocks, we might have to think about new forms of insurance to make people more mobile, even if this might be going beyond the classic format of insurance.

PH: Munich Re is certainly one of the first movers in this respect. We have provided data on losses and shown that weather-related loss events have already changed, thus creating an awareness of the problem. We are providing new solutions, microinsurance for example. But is there anything else that you would expect in the coming years from the insurance industry?

HJS: First of all, let me re-emphasise that you are a double hero in this game, so to speak. You have indeed provided some of the best data in the world on the development of extreme events and losses, and everyone looks at the tables and charts compiled by Munich Re. You have the climate change unit, and you were among the first to consider new formats and schemes for insuring those who have no chance to be insured under normal conditions. But I think you would complete your mission if you would also think about how to divest from fossil business. You increase your own risks because, in the end, you fund the creation of tropical storms, and that doesn't make sense.

PH: That's a point that certainly needs to be looked at. And what about climate research? You have built up one of the most renowned climate impact research institutes in the world. Do you see, after Paris, any necessary changes in the fields of your research?

HJS: Paris is also very good news for climate impact research. I have been in extremely unpleasant situations talking about futures of the planet which are not researchable any more. What can you do with climate impact research when you talk about catastrophic situations? However, we can conduct a very solid impact analysis if we are able to keep global warming well below two degrees, even if this is already quite a departure from the world as we know it. We have avoided the unmanageable now. Or we will at least get a chance to avoid the unmanageable. Now let's manage the unavoidable.

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Integralia: Everyday life and work for wheelchair users

For over 15 years, DKV Seguros funds a foundation that provides employment for severely handicapped people. Its CEO, Josep Santacreu, played a leading role in establishing Integralia.

Customers ringing their health insurer, DKV Seguros, in Spain are answered by a friendly and competent staff member in a call centre. But many callers are unaware that the person they are talking to is sitting at his or her computer in a wheelchair. As well, it is quite possible that these staff members are operating the keyboard with the help of a pointing device attached to their hands with a elastic strap. Because the Integralia call centre only employs people with disabilities.

The company was founded back in 1999 at a time when DKV Seguros wanted to improve its customer service, and was looking to launch a social sector project at the same time. CEO Josep Santacreu recalls that it was meant to be something with power enough to develop the spirit of the company. Very soon the idea was born of merging the two projects, and that was what started off Integralia – as a foundation and a non-profit organisation. The call centre in El Prat de Llobregat near Barcelona was modified for disabled access (everything is a little wider than in standard workplaces) to ensure that staff in wheelchairs can move around more easily. And of course, there are also slopes and ramps instead of steps.

Original team of nine now 400

Integralia started off with just nine employees. Today, 400 staff assist the insurance company's customers and other contracting authorities, such as hospitals and the Spanish Interior Ministry. Their work is expected to be of a very high standard: "Our customers expect a high level of service," says Santacreu. Thorough and patient training is therefore essential, along with psychological support – since the team also includes people who are confined to wheelchairs following traffic accidents. One of the aims of the foundation is to support and encourage such people: "We want to offer employees a meaningful life, not just a workplace." That includes having an everyday routine, maintaining friendships, and starting a family. "And the best way to do that is to make the most of your own potential."

The success of the foundation's concept is reflected in more ways than just the increasing number of staff. Integralia is growing year by year, and has made a profit from day one, even during the financial crisis. Santacreu puts that down to the staff themselves: "What sets them apart is their exceptional commitment and motivation." In comparison with other call centres, Integralia has a lower sickness rate, a higher standard of service, and lower staff fluctuation.

A major success thanks to training

The foundation has also established a training facility called “Integralia School”, where severely handicapped people can take specialised courses in the fields of banking, insurance and telecommunications. With the qualification they attain at the end of their course, participants can then apply for jobs on the regular labour market. A total of 76 graduates from the school found jobs in this way in 2014. A further training programme gives participants a qualification in the management and operation of call centres. And Santacreu believes the project is far from having achieved its full potential. As well as the call centre in Barcelona, there are now offices in four other Spanish cities: Madrid, Denia, Badajoz and Jerez. In Poland, Integralia has helped ERGO Hestia establish a call centre based on the original Spanish model and there are now further examples in Peru, Colombia and India. "Integralia is the best thing we have ever done," says Santacreu. And he is right…

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Rare diseases

Why rare diseases are more calculable today for insurers.
» Rare diseases

Award winners

DKV Seguros has for the third time presented its awards for organisations and individuals in the healthcare sector.
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Further topics

» Climate change
» Risk awareness

External links

» DKV Seguros
» DKV Integralia (Spanish)

Rare diseases

Just two decades ago, patients with cystic fibrosis – one of the most well-known rare diseases – rarely survived to adulthood. Yet nowadays, a child suffering from cystic fibrosis has a good chance of living to the age of 50. Why rare diseases are more calculable today for insurers.

The life insurance application submitted by a 35-year-old Australian woman looked certain to ruin the day of the insurance technician. In the questionnaire, the woman had stated that she suffered from Lynch syndrome. The problem with Lynch syndrome is that it falls into the category of what are termed "rare diseases". These are diseases that affect a maximum of one in 2,000 people. So how was the insurance employee to carry out the required risk assessment? There is not a single study worldwiThe life insurance application submitted by a 35-year-old Australian woman looked certain to ruin the day of the insurance technician. In the questionnaire, the woman had stated that she suffered from Lynch syndrome. The problem with Lynch syndrome is that it falls into the category of what are termed "rare diseases". These are diseases that affect a maximum of one in 2,000 people. So how was the insurance employee to carry out the required risk assessment? There is not a single study worldwide that assesses life expectancy for patients with Lynch syndrome. In view of the indeterminable risk, would a direct insurer not be better off turning down the policy?

That would certainly have been the less acceptable solution. Declining a potential contractual partner simply because there is not enough knowledge about their illness does not cast insurance or the industry in general in a very positive light. After all, advances in clinical medicine have an impact on insurance medicine. In the 1960s, pacemakers were categorised as an "experimental risk", yet today patients with pacemakers are insured without any risk loading, provided there are no other risk factors involved. In addition to which, the insurance company would be losing out on a potential market share because rare diseases, as paradoxical as it may sound, are on the rise. Experts currently number around 6,000 diseases in the category, and the figure will probably rise to 8,000 before too long. Already today, 7% of the world's population is affected – in Europe, this corresponds to 30 million people with around 4 million sufferers in Germany alone. And the figures are expected to increase. According to estimates, as many as 10% of prospective policyholders will present with a rare disease in the year 2020. What are the reasons for this increase?

The history of medicine: Identifying and diagnosing diseases

In actual fact, it is medical advances themselves that are leading to the growing number of cases. Whether a patient is ill or not depends on the symptoms. But how a disease is identified is a question of diagnosis. And the options for diagnosis have steadily multiplied over the course of medical history. Back in 1530, Theophrastus Bombastus von Hohenheim, better known as Paracelsus, viewed disease in a philosophical light, because "the eyes of the physician are unable to penetrate the skin". However, today there are countless diagnostic methods available to doctors that allow them to do just that – and much more besides.

An initial endeavour to systematically record diseases can be found in the "London Bills of Mortality", which was the death list compiled in the plague year of 1665. The cause of death, however, was often given simply as "fever" – or even "teeth". And right up to the 19th century, irregular mixtures of humours (bodily fluids), or poisonous vapours known as miasmas, were seen as the cause of diseases. One of the first people to counter this romanticised belief was pathologist Jakob Henle in his "Handbook of rational pathology" from 1846 onwards. But it was not until many years later that his teaching on contagiousness, the principal pathogen, was confirmed by the ground-breaking findings of leading physicians like Rudolf Virchow (Theorie der Zellularpathologie, Theory of cellular pathology – 1858) and Robert Koch (Entdeckung des Milzbranderregers, Discovery of the anthrax pathogen – 1876). More and more diseases could now be precisely defined, their courses were more predictable and, in many cases, they were often open to treatment as a result.

A rare disease suffered by just one person in the world

Today, we speak about precision diagnosis, with which even unusual subtypes of common diseases like diabetes can be identified and systematically treated. Whereas doctors in the past puzzled about the different bodily fluids (humours), such as "yellow and black bile", physicians can now diagnose something as unusual as ribose-5-phosphate isomerase deficiency – a disease for which there has so far been just one patient worldwide!

The Berlin Centre for Rare Diseases (Berliner Centrum für Seltene Erkrankungen – BCSE) was established at the Charité Hospital in Berlin in 2011 to provide treatment options even for extreme cases. The centre's experts collate

Integralia healthcare

Everyday life and work for wheelchair users
» Integralia healthcare

Award winners

DKV Seguros has for the third time presented its awards for organisations and individuals in the healthcare sector.
» Award winners

Further topics

» Climate change
» Risk awareness

External links

» Berlin Center for Rare Diseases

experience from different hospitals, assess it and then develop healthcare structures. Patients with rare diseases should thus be able to find the right contacts for diagnosis and treatment. Research on the individual disease patterns is also bundled here, which means that an increasing number of specific forms of treatment can be offered. Since 2013, the centre has been assisted by the Nationale Aktionsplan für Menschen mit Seltenen Erkrankungen (National action plan for people with rare diseases). Project funding amounting to up to €27m aims to improve national and European research partnerships by 2018. The Zentrale Informationsportal Seltene Erkrankungen (Central information portal on rare diseases – ZIPSE) serves as a source of information for sufferers.

The Gate – Munich Re's internal platform

Its expertise is also used by Munich Re's specialists at the Group's centre of medical competence in Munich. They apply the available medical, biological and underwriting expertise to represent the insurance risks in model form, even where there is only a very sparse pool of data. In contrast to a clinical physician, they face the difficulty that they are unable to observe the course of the disease in the patient, yet they must make a decision about the future course of the disease. The decision they reach will have irreversible financial repercussions over the entire duration of the insurance contract. For this reason, in addition to the question of whether an insurance application should be accepted or declined, a limitation to the term must also be considered.

The centre of competence's findings are available on the internal knowledge platform The Gate: "Get access to medical expertise". It collates in anonymised form the different individual medical histories, the results of relevant examinations, the decisions made on a case-by-case basis, and all the data and calculation models applied for the decisions. The information on the 35-year-old patient with Lynch syndrome was also incorporated into this database. Despite her illness, would it still be possible to acquiesce to the applicant's wish to take out a life insurance policy?

A positive result for both the patient and the insurer

Since no studies were available, a workaround needed to be found. Despite the fact that the mortality rate could not be determined for Lynch syndrome directly, the probability of contracting certain types of cancer, such as intestinal cancer, could be calculated. And there are mortality tables for this with a high level of forecasting reliability. It was possible to calculate the risk for the life insurance policy using a combination of these results and a model of the probability calculation. Ultimately, the recommendation given was to insure the patient with a moderate loading despite her rare disease. It was a good result, both for the woman concerned and the Australian insurer.

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DKV award for medicine and solidarity 2016

DKV Seguros has for the third time presented its awards for organisations and individuals in the healthcare sector. The award winners each received €10,000.

The Award for Medicine and Solidarity went to the Ulls del Món (eyes of the world) foundation. The organisation builds structures to provide medical treatment for people with eye diseases in developing countries and, among its other activities, offers advanced training for local ophthalmologists. Ulls del Món has a network of 800 volunteers from Spain and Portugal. They include ophthalmologists, OP staff, opticians, technical staff and other specialists.

The DKV Seguros employee award was given to the Nens Hospital. This teaching hospital of the foundation Hospital de Niños de Barcelona (Barcelona Children's Hospital) has specialised in treating children from socially deprived families. A further area of focus is on preventive medicine.

The Achievement Award was given to AFANIC (Asociación de Familiares y Amigos de Ninos con Cáncer), an institute in Bolivia, which has been supporting children with cancer and their families for over fifteen years.

And Israel Moliner, President, accepted the City of Barcelona award worth €5,000 on behalf of the Obertament foundation. Obertament campaigns for the integration of people with mental health issues.

DKV Seguros has been presenting the Award for Medicine and Solidarity since 2014. The objective is to recognise and promote voluntary work by individuals and initiatives in the fields of medicine, health and well-being. The panel selects new types of health projects in Spain and abroad that establish trends, contribute to research, and/or develop treatment or therapies for fringe groups. With its Employee Award, DKV recognises the performance and commitment of a medical specialist. The Achievement Award honours the entire work of an individual or organisation from the healthcare sector.

The City of Barcelona award acknowledges the work of a local organisation and is financed by a public donation campaign. DKV Seguros tops up the award to the sum of €5,000.

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Integralia healthcare

Everyday life and work for wheelchair users
» Integralia healthcare

Rare diseases

Why rare diseases are more calculable today for insurers.
» Rare diseases

Further topics

» Climate change
» Risk awareness

Related Topics

» DKV Foundation Integralia
» Rare diseases

External Links

» GeoHazards International

Living with risk

150 earthquakes of magnitude 6.0 or greater occur every year around the world. In many cases the main reasons for the high numbers of victims are lack of design and construction skills and ignorance about the correct way to behave in a disaster situation. By adopting intelligent measures to prepare for earthquakes, however, people can help to significantly reduce the number of victims and losses.

Millions of people live in high-risk earthquake zones around the world. Between 1980 and 2015, these earthquakes and their secondary effects such as landslides, fires or tsunamis claimed the lives of more than 800,000 people. Though earthquakes are unavoidable, the damage they cause can be significantly reduced with the right preparations. In an emergency, the preventive measures taken can be the difference between life and death.

Aizawl has started to prepare for the next earthquake

Aizawl has begun to make such preparations with assistance from GeoHazards International (GHI) and Munich Re. Together, they launched a catastrophe prevention project to improve the long-term safety of inhabitants and protect against the threat of earthquakes and landslides. The city of Aizawl in northeastern India, with 300,000 inhabitants, was deliberately chosen as a pilot project. Situated on the boundary between the Indian and Eura-sian tectonic plates, Aizawl has an exceptionally high exposure to seismic risk. The city's vulnerable buildings have a high potential to collapse in an earthquake and kill people at a per-capita rate that is, one of the highest that GHI assessors have ever come across.

Buildings up to 10 storeys high are situated on steep, landslide-prone slopes along mountain ridges. Aizawl has had limited technical resources and expertise to design the buildings and infrastructure in an earthquake-resistant manner and to avoid areas at very high risk of landslides. Likewise, until now, there has been no adequate emergency planning for what to do in the event of an earthquake.

Scenario: Aizawl - Preparation can be the difference between life and death (please click through our picture story)

01 02 03 04 05

It is 2 p.m. on a Monday afternoon when a magnitude 7.0 earthquake strikes the Indian city of Aizawl. Centred on a fault 10 km northwest of Aizawl and 30 km deep, it is not the largest earthquake that could happen – but it is large enough to do tremendous damage. The shaking lasts for 30 seconds. In that brief time, it changes Aizawl forever.

The catastrophe prevention project of GeoHazards International and Munich Re

This is where the catastrophe prevention project of GHI and Munich Re comes in. It mainly involves capacity building and training among the local population. The following measures are key elements of the programme and have already been successfully implemented.

- A team of local and international experts developed an earthquake scenario report, which describes the impacts of a magnitude 7.0 earthquake. The report presents detailed recommendations to reduce earthquake and landslide risk. These include improvements to infrastructure, development policies and plans, building design and construction and emergency planning.
- In cooperation with local geologists, landslide geology experts from GHI drew up landslide hazard maps for Aizawl and the surrounding district. The hazard maps highlight the regions that are particularly prone to landslides, where development should be greatly restricted. A 400 km² area in and around Aizawl has already been mapped, and the findings have been incorporated by the authorities into new land use policies and regulations.
- Experts from GHI trained local geologists and city agencies to prepare and use the landslide hazard maps. After the project is complete, local geologists will be able to update the maps and continuously improve assessment of hazards.
- Teachers have been trained to prepare their pupils to behave correctly in an emergency and to conduct evacuation drills with them. Over 7,000 pupils and more than 500 teachers in 32 schools have already undergone training, and are now better prepared for a catastrophe. Schoolchildren generally bring home their learning about earthquake and landslide safety and share it with their families. That way the knowledge is spread even wider across the city.

Expanding the catastrophe prevention project to other regions in risk

The measures taken as part of the catastrophe prevention programme mean that Aizawl is now much better prepared for earthquakes and landslides than it was before. A significant reduction in risk was achieved with the help of relatively simple methods. Other exposed regions can therefore also benefit from the prevention project. The particular long-term benefit from the project stems therefore not just from empowering the local population in Aizawl, but also from the ability to transfer and apply the model to other risk regions.

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Financial indicators (IFRS)

Related topics

» Environmental indicators
» Employee indicators

Downloads

» Group annual report 2015 (PDF, 3.9 MB)

Key figures (IFRS)[1]

Munich Re Group		2015	2014	2013	2012	2011
Gross premiums written	€bn	50.4	48.8	51.1	52.0	49.5
Net earned premiums	€bn	48.3	47.4	49.2	50.5	47.3
Net expenses for claims and benefits	€bn	–38.7	–39.7	–39.9	–41.0	–40.9
Net operating expenses	€bn	–12.4	–12.0	–12.4	–12.6	–12.0
Operating result	€m	4,819	4,027	4,398	5,349	1,180
Taxes on income	€m	–476	312	–108	–878	552
Consolidated result	€m	3,122	3,170	3,333	3,204	712
Attributable to non-controlling interests	€m	15	18	29	16	10
Earnings per share	€	18.73	18.31	18.45	17.94	3.94
Dividend per share	€	8.25	7.75	7.25	7.00	6.25
Dividend payout	€m	1,335	1,293	1,254	1,255	1,110
Share price at 31 December	€	184.55	165.75	160.15	136.00	94.78
Munich Re's market capitalisation at 31 December[2]	€bn	30.8	28.7	28.7	24.4	17.0
Book value per share	€	188.40	178.13	146.15	152.34	129.99
Investments	€bn	215.1	218.9	202.2	213.8	201.7
Insurance-related investments	€bn	9.2	8.5	7.3		
Equity	€bn	31.0	30.3	26.2	27.4	23.3
Return on equity	%	10.0	11.3	12.5	12.5	3.3
Off-balance-sheet unrealised gains and losses[3]	€bn	16.0	17.4	8.7	11.0	5.7
Net technical provisions	€bn	198.5	198.4	187.7	186.1	181.2
Balance sheet total	€bn	276.5	273.0	254.3	258.4	247.6
Staff at 31 December		43,554	43,316	44,665	45,437	47,206
Reinsurance		**2015**	**2014**	**2013**	**2012**	**2011**
Gross premiums written	€bn	28.2	26.8	27.8	28.2	26.0
Investments	€bn	89.2	88.0	79.2	83.8	79.5
Net technical provisions	€bn	65.4	63.5	60.5	61.1	62.7
Major losses (net)	€m	–1,046	–1,162	–1,689	–1,799	–5,048

Natural catastrophe losses	€m	–149	–538	–764	–1,284	–4,538
Combined ratio property-casualty[4]	%	89.7	92.7	92.1	91.0	113.8
ERGO		2015	2014	2013	2012	2011
Gross premiums written	€bn	16.5	16.7	16.7	17.1	17.4
Investments	€bn	131.0	135.5	126.7	124.9	117.0
Net technical provisions	€bn	130.3	132.4	125.1	122.8	116.1
Combined ratio property-casualty Germany	%	97.9	95.3	96.7	98.0	
Combined ratio international	%	104.7	97.3	98.7	99.8	
Munich Health		2015	2014	2013	2012	2011
Gross premiums written	€bn	5.6	5.3	6.6	6.7	6.0
Investments	€bn	4.1	3.9	3.6	4.2	4.6
Net technical provisions	€bn	2.8	2.5	2.2	2.2	2.4
Combined ratio[5]	%	99.9	98.8	98.3	100.2	99.5

[1] Previous years' figures adjusted owing to IAS 8; see "Changes in accounting policies and other adjustments".
[2] For 2013, 2014 and 2015, this contains own shares earmarked for retirement.
[3] Including those apportionable to minority interests and policyholders.
[4] The figures for 2011 are not adjusted for relief of 1.4 percentage points from economic risk transfer to the capital markets.
[5] Excluding health insurance conducted like life insurance.

GRI Content Index: G4-22; G4-EC1/FS/EC1

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Environmental indicators

As a financial services provider, Munich Re has only a small direct environmental footprint compared with that of manufacturing companies. Nevertheless, we are working continuously to minimise our emissions and our consumption of resources.

In our reporting on our emissions and consumption of resources, we focus on the main environmental impacts of our business operations as a financial services provider. These are the consumption of paper, energy and water, the waste we produce, the number of business trips taken and the volume of our carbon emissions. In recent years, we have steadily extended the criteria we use in recording consumption in order to capture additional data and thus improve the information value of our environmental indicators.

Munich Re environmental indicators		2015	2014	2013	2012
Proportion of employees captured by the certified environmental management system	% of employees	38**	38	38	32
Proportion of employees Data collection	% of employees	84**	86	87	85
Direct energy consumption (e.g. oil, gas, fuels)	Megawatt hours (MWh) per employee	4.02**	4.3	4.66	4.55
Indirect energy consumption (e.g. electricity, district heating)	Megawatt hours (MWh) per employee	5.5**	5.7	6.05	5.73
Paper consumption	Tonnes (t) per employee	0.03**	0.04	0.04	0.04
Water consumption	Cubic metres (m^3) per employee	17.5**	17.9	15.98	18.24
Waste	Tonnes (t) per employee	0.25**	0.28	0.26	0.30
Business trips	Kilometres (km) per employee	7,825**	7,418	6,915	6,503
Total CO_2 emissions	Kilos (kg) per employee	3,872**	3,898	3,879	3,853
No. of employees as at 31 December		43,554	43,316	44,665	45,437

The overview table provides information on our current consumption of resources and carbon emissions as at 31 December 2015.

You can find additional detailed environmental indicators in the download section (right column).

Notes on the environmental indicators

The Greenhouse Gas Protocol (GHG, as at 2011) and the specifications from the Association for Environmental Management in Banks, Savings Banks, and Insurance Companies (Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten – VfU, as at 2011) were used to calculate the carbon emissions. The GHG protocol is applied for the conversion of components of the Scope 1 and Scope 2 emissions, as well as the component "Taxi" and "Rented Cars" in the Scope 3 emissions. The conversion of electricity consumption into carbon emissions is based on country-specific conversion factors derived from the average electricity mix for the

Related topics

» Financial indicators
» Employee indicators

Download

» More detailed environmental indicators (XLSX, 41 KB)
» External verification environmental data 2015 (PDF, 137 KB)

External links

» ERGO: Key environmental figures

country in question. No further consideration is given to the fact that a share of 69%** (previous year 67%) was obtained from regenerative energy sources Group-wide.

The conversion factors for the VfU form the basis for calculating the Scope 3 emissions from paper, water and waste and the components "Air Travel" and "Rail Travel" of the indicator "Business Travel". The standardised use of the conversion factors in the GHG protocol and the VfU (as at 2011) for the target achievement period 2009–2015 (on which the carbon neutrality strategy is based) improve the comparability of the quantitative values over the period.

Carbon emission sources:

- Scope 1: Direct emissions from primary energy consumption (natural gas, heating oil, emergency diesel power, fuel for company vehicles),
- Scope 2: Indirect emissions from procured energy (purchase of electricity and district heat),
- Scope 3: Other indirect emissions (business trips, consumption of paper and water, waste).

** Selected quantitative environmental data were verified for the first time in 2015 by an external auditor (XLSX, 41 KB).

GRI Content Index: G4-22; G4 DMA Category Environmental; G4-EN1; G4-EN2; G4-EN3

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Employee indicators

Highly qualified, motivated and performance-oriented staff are key to the success of our business. Munich Re currently has some 43,500 employees. Thanks to their risk knowledge, expertise and innovative thinking, our staff create long-term value. This section of the corporate responsibility portal shows the evolution in Munich Re's main employee indicators for the period 2012–2015.

Employee indicators
(Coverage Munich Re (Group) 100%, for deviations see footnotes)

Indicator		2015	2014	2013	2012
Staff	(abs.)	43,554	43,316	44,665	45,437
Employees by line of business	Reinsurance (%)	27.6	27.1	25.3	24.4
	Primary insurance (%)	66.6	65.9	66.3	65.5
	Asset management (%)[*1]	---[*1]	---[*1]	1.9	1.8
	Munich Health (%)	5.7	7.0	6.5	8.3
Group staff by region	Germany (%)	50.1	50.6	51.8	52.1
	Rest of Europe (%)	34.5	33.7	33.4	30.9
	North America (%)	12.5	12.4	11.9	13.9
	Asia and Australasia (%)	2.1	1.8	12.4	1.5
	Africa and Middle East (%)	0.6	1.2	1.8	1.3
	Latin America (%)	0.3	0.3	0.3	0.3
Percentage of female staff	Female employees (%)	54.0	53.9	54.1	54.0
	Women in management (%)	30.8	31.1	30.2	29.0
Group staff by age	20 or younger (%)	0.2	0.2	0.2	-[*2]
	21-25 (%)	3.7	3.6	4.0	-[*2]
	26-30 (%)	10.2	11.0	11.0	-[*2]
	31-35 (%)	13.7	13.8	13.7	-[*2]
	36-40 (%)	14.3	14.3	14.6	-[*2]
	41-45 (%)	15.4	16.2	17.0	-[*2]
	46-50 (%)	16.9	16.9	16.5	-[*2]
	51-55 (%)	14.0	13.1	12.6	-[*2]

Related topics

» Responsibility: Employees
» Financial indicators
» Environmental indicators

External Links

» ERGO: Key employee figures

	56-60 (%)	8.1	7.5	7.0	-*2
	over 60 (%)	3.5	3.4	3.4	-*2
No. of staff by type of employment contract	Permanent employment (%)	95.4	96.8	94.8	96.0*4
	Temporary employment (%)	4.6	3.2	5.2	4.0*4
Salaried employees	Full-time (abs.) - female	15,963	14,135	-*2	-*2
	Part-time (abs.) - female	6,654	5,973	-*2	-*2
	Total (abs.) - female	22,617	20,108	-*2	-*2
	Full-time (abs.) - male	18,974	17,115	-*2	-*2
	Part-time (abs.) - male	1,169	944	-*2	-*2
	Total (abs.) - male	20,143	18,109	-*2	-*2
	Full-time (abs.)	34.937	30,879	-*2	-*2
	Part-time (abs.)	7,823	6,967	-*2	-*2
	Total (abs.)	42,760	37,746	-*2	-*2
Sick leave	(%)	6.6*3	4.3*3	4.4	4.7*4
Staff turnover	Weighted average turnover rate (%)	10.5	11.8	10.5	9.2*4
	Voluntary fluctuation (%)	4.1	3.4*6	1.0*6	2.5*6
	Lay-offs (abs.)	388	544	638	204
Open positions filled by internal candidates	(%)	78.8*7	89.3*7	90*7	-*2
Length of service	Years (Ø)	12.7	12.3	12.1	11.6*4
Training	Training costs per staff member (€)	981*4	898*3	975*5	946*5
	No. of days' training per staff member (Ø)	4.0*3	3.2*4	3.8*4	2.9*5
Employees receiving regular performance and career development reviews	(%)	100.0	100.0	100.0	100.0
Employees covered by collective bargaining agreements	(%)	96*5	96*5	96*5	96*5

*1 Since 2014, the figure for asset management has been distributed across the business fields.
*2 No data collected
*3 Coverage Munich Re (Group): >=90%
*4 Coverage Munich Re (Group): >=70%
*5 Coverage Munich Re (Group): >=50%
*6 Coverage: ERGO Germany (~40% of Munich Re (Group))
*7 Coverage: Munich Re Munich (~9% Munich Re (Group))

Comments
We are steadily extending the amount of employee data in order to cover additional items and thus to improve the reliability of our key figures. As a result of the expanded data base, some of the figures have changed retroactively. Since the data now being used are of greater quality than earlier, some data (e.g. the employee turnover rate, length of service and training) have only limited comparability with figures from earlier years.

GRI Content Index: G4-10; G4-11; G4-22; G4-EC5; G4-EC6; G4-LA1; G4-LA3; G4-LA6; G4-LA9; G4-LA12

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Corporate citizenship indicators

Corporate citizenship – the social commitment of our Group – has a long-standing tradition at Munich Re. Our concept for the strategic orientation of our social commitment is based on business-related topics. It provides the guidelines and criteria for selecting donations and sponsorship projects.

Below, you will find a breakdown of Munich Re's total expenditure on corporate citizenship.

Corporate citizenship indicators (CC)

Indicator	Unit	2015	2014	2013	2012
Coverage Munich Re Group	%	95.3	95.5	94	74
Expenses CC Munich Re Group*	€	7,114,356	6,480,170	6,788,357	5,559,819
Total expenses CC**	€	10,390,192	9,328,608	9,147,054	7,152,161

* This amount comprises donations, sponsorships and memberships for science/education, social welfare, healthcare, culture, demographic change, the environment and natural catastrophes.

**This amount additionally includes donations in kind, political donations, corporate volunteering, ERGO foundations, Munich Re foundations.

Political donations

Munich Re (Group) supports the democratic political process and, to this end, donates to the following parties: Bündnis90/Die Grünen, CDU, CSU, FDP and SPD. With no conditions attached, each of the parties receives the same donation amount, which corresponds to an annual total of €150,000 for all parties. Of that sum, €75,000 is contributed by Munich Re and €75,000 by ERGO Germany. The donations are transferred exclusively to the parties' federal headquarters.

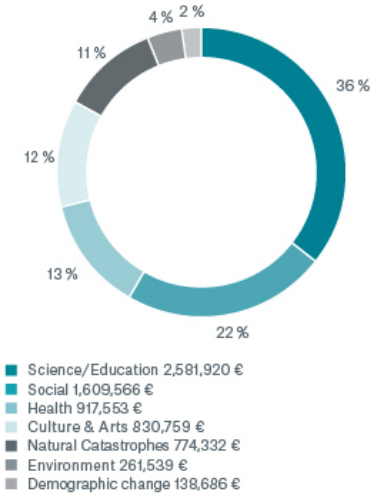
In addition to the above donations, membership fees are paid to organisations closely affiliated with the parties. These may total a maximum of €25,000 per financial year for Munich Re and ERGO.

Corporate citizenship expenses in 2015

Related topics

» Financial indicators
» Employee indicators
» Environmental indicators

Corporate citizenship expenses of Munich Re (Group) in 2015: 7,114,356 €



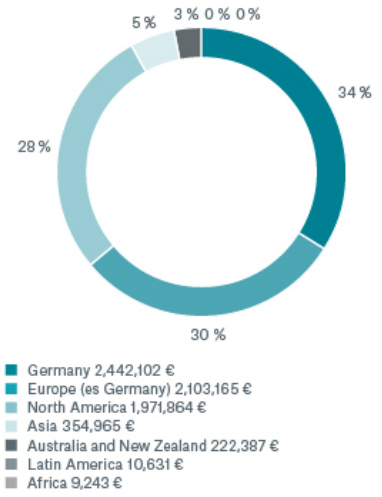
Additional CC expenses:
Donations in kind €138,146
Political donations €170,500
Corporate volunteering €628,393
ERGO foundation and association €221,590
Munich Re foundations €2,117,207

0.22% of pre tax result (including donations in kind, political donations, corporate volunteering)
0.29% of pre tax result (including donations in kind, political donations, corporate volunteering and foundations)

* Proportion of employees captured: 95.3% of all staff.
** Not including donations in kind.

Corporate citizenship expenses 2015 (regional classification)

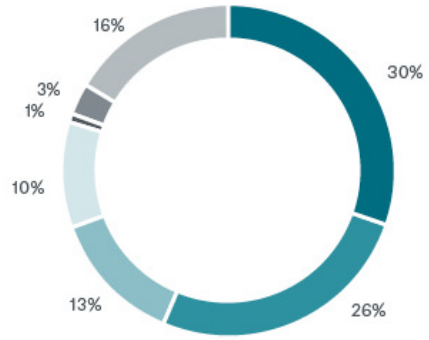
Corporate citizenship expenses of Munich Re (Group) regional classification in 2015: 7,114,356 €



* Not including donations in kind, political donations, Corporate Volunteering, foundations

Corporate citizenship expenses in 2014

Corporate citizenship expenses of Munich Re (Group)*
In 2014: 6,480,170**



- Science/Education 1,969,614 €
- Social 1,673,701 €
- Health 853,394 €
- Culture & Arts 672,239 €
- Demographic change 80,050 €
- Environment 224,697 €
- Natural Catastrophes 1,006,474 €

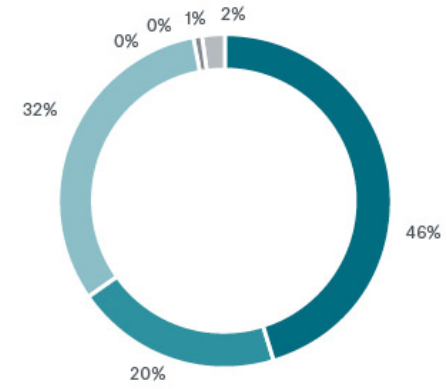
Additional spending:
Donations in kind 29,177 €
Political donations 170,500 €
Corporate Volunteering hours 545,756 €
Foundation and association ERGO 220,201 €
Foundation Munich Re 1,882,804 €

0.25% of pre tax result (incl. political donations, corporate volunteering and donations in kind)
0.33% of pre tax result (incl. political donations, corporate volunteering and donations in kind and foundations

* Proportion of employees captured: 95.5% of all employees
** Not including donations in kind, political donations, Corporate Volunteering, foundations

Corporate citizenship expenses in 2014 (regional classification)

Corporate citizenship expenses of Munich Re (Group)
regional classification; in 2014: 6,480,170 €*

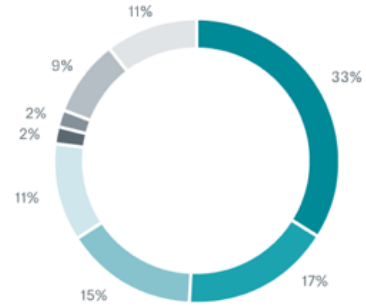


- Germany 2,952,621 €
- Europa (ex Germany) 1,279,986 €
- North America 2,055,777 €
- Latin America 6,264 €
- Africa 23,143 €
- Asia 46,301 €
- Australia and New Zealand 116,077 €

* Not including donations in kind, political donations, Corporate Volunteering, foundations

Corporate citizenship expenses in 2013

Corporate Citizenship Ausgaben der Munich Re Group* im Jahr 2013: 6.788.357 Euro**



- Science/Education 2,223,798 €
- Social 1,142,064 €
- Health 993,806 €
- Culture & Arts 729,278 €
- Demographic change 132,284 €
- Environment 162,842 €
- Natural Catastrophes 626,688 €
- Not Classified 777,597 €

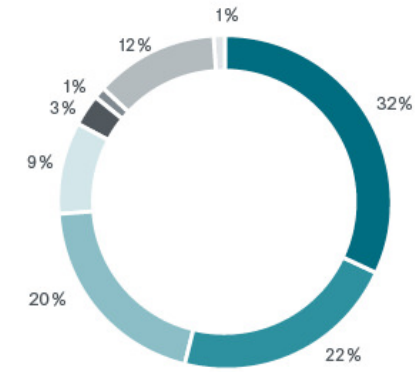
Zusätzliche CC-Ausgaben:
Sachspenden 30.764 €
Politische Zuwendungen 168.000 €
Corporate Volunteering 326.607 €
Stiftungen ERGO 29.493 €
Stiftungen Munich Re 1.864.033 €

0,21 % des Vorsteuerergebnisses (inkl. Sachspenden, pol. Zuwendungen, CV)
0,27 % des Vorsteuerergebnisses (inkl. Sachspenden, pol. Zuwendungen, CV und Stiftungen)

* Abdeckungsgrad: 94 % aller Mitarbeiter.
** ohne Berücksichtigung der zusätzlichen CC-Ausgaben.

Corporate citizenship expenses in 2012

Corporate Citizenship Ausgaben der Munich Re Group*
in 2012: 5.559.819 €**



- Wissenschaft & Bildung 1.800.494 €
- Soziales 1.203.968 €
- Gesundheit 1.118.639 €
- Kunst & Kultur 517.374 €
- Demographischer Wandel 184.200 €
- Umwelt 62.193 €
- Naturkatastrophen 641.912 €
- Nicht zugeordnet 31.037 €

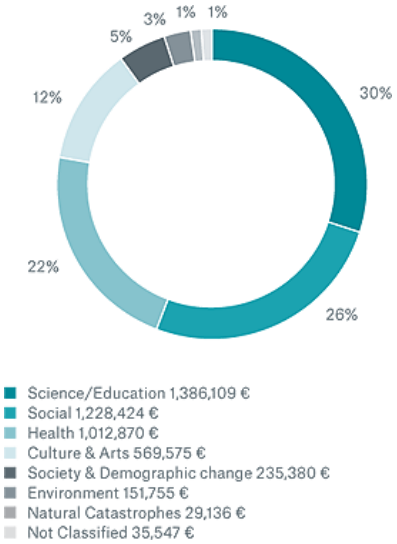
Additional spending:
Donations in kind 30,866 €
Political donations 168,000 €
Corporate Volunteering hours 195,220 €
Foundation ERGO 45,000 €
Foundation Munich Re 1,181,180 €

0.13% of pre tax result (incl. political donations, corporate volunteering and donations in kind)
0.15% of pre tax result (incl. political donations, corporate volunteering and donations in kind and foundations

* Proportion of employees captured 74% of all employees
** Not including donations in kind

Corporate citizenship expenses in 2011

Corporate citizenship expenses of Munich Re (Group)* in 2011: 4,648,796 €**



* Proportion of employees captured: 73% of all employees
** not including donations in kind

GRI Content Index: G4-22; G4-EC1/FS/EC1; G4-SO6

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GRI Content Index and Global Compact Communication on Progress

In preparing the Munich Re corporate responsibility portal, we have taken as a basis for the current reporting period the G4 reporting standard of the Global Reporting Initiative (GRI) and the Financial Services Sector Supplement. Our aim is to make our performance more transparent and comprehensible.

Our report is prepared "in accordance" with the guidelines for the "core" optionand includes all the relevant information for Munich Re and our most important stakeholders. The "core" option creates a background against which enterprises can communicate the impacts of their economic, environmental and governance performance.

The indicators presented in the GRI disclosures simultaneously meet the requirements of the annual Communication on Progress required by the UN Global Compact. We document the measures Munich Re has taken to firmly anchor the ten principles of the Global Compact in our operations.

The attached table (see download area on right – available in English only) refers to the corporate responsibility portal and other Munich Re publications and contains comments and explanations of individual indicators and any deviations. KPMG's "reasonable assurance" covers all the information and data in the consolidated financial statements and management report sections of Munich Re's Annual Report 2015 (see p. 300f). In addition, selected quantitative environmental indicators for the financial year 2015 have been externally verified across the Group for the first time.

GRI Content Index: G4-32

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Download

» Global Reporting Initiative 2016 - Results of the GRI Report (PDF, 563 KB)

GRI-Content-Index – Core

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
GENERAL STANDARD DISCLOSURES				
Strategy and Analysis				
G4-1	Statement by the CEO			
Organisational Profile				
G4-3	Imprint/Service: inside back cover (AR)	Münchener Rückversicherungs-Gesellschaft		
G4-4	Our brands: back cover flap (AR) Management report, Group structure: pp. 35-40 (AR) Munich Re portrait (CWS)		Reasonable assurance*	
G4-5	Imprint	Munich, Germany		
G4-6	Munich Re worldwide (CWS) ERGO International (CWS) Munich Health worldwide (CWS) MEAG locations (MEAG) Munich Re's global presence: inside front cover flap (AR) Group structure: pp. 35-40 (AR) Stakeholders – Clients and client relationships: pp. 105-107 (AR)		Reasonable assurance*	
G4-7	Shareholder profile (CWS) Munich Re shares: pp. 12-16 (AR) Other information – Parent: p. 281 (AR)		Reasonable assurance*	
G4-8	Munich Re portrait (CWS) Group structure: pp. 35-40 (AR)		Reasonable assurance*	

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
	Munich Re's global presence: inside front cover flap (AR) Our brands: back cover flap (AR) Stakeholders – Clients and client relationships: pp. 105-117 (AR)			
G4-9	Business performance: pp. 70-96 (AR) Financial position: pp. 97-104 (AR) Stakeholders - Staff: p. 108-111 (AR) Number of staff: p. 286 (AR)		Reasonable assurance*	
G4-10	Employee indicators Staff: pp. 108-111 (AR) Employees Group/Employees (CWS)		Reasonable assurance*	GC 6
G4-11	Employee indicators			GC 3
G4-12	Procurement at Munich Re Procurement principles Munich Re Procurement at Munich Re – Reinsurance and Munich Health			
G4-13	Notable events: pp. 8-9 (AR) Group structure: pp. 35-40 (AR)		Reasonable assurance*	
G4-14	Risk management – Tasks and organization (CWS) Risk report: Excerpt from Annual Report 2015 (AR) Emerging Risks (CWS)		Reasonable assurance*	
G4-15	Our commitments Memberships and Partnerships			
G4-16	Memberships and Partnerships			

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Identified Material Aspects and Boundaries				
G4-17	List of shareholdings: pp. 291-299 (AR) Group structure: pp. 35-40 (AR)		Reasonable assurance*	
G4-18	Stakeholder and Materiality			
G4-19	Stakeholder and Materiality			
G4-20	Stakeholder and Materiality About CR portal Challenge – Climate Change Challenge – Access to Health Challenge – Risk Awareness	Climate change: relevant particularly for risk assessment, corporate underwriting and business development Access to health: relevant particularly for the Life and Health sector as well as for the primary insurance sector. Risk awareness: relevant for the whole Group, particularly for the identification/analysis of new risks and opportunities (risk assessment, business potentials), business development/access to clients/development of future markets		
G4-21	Stakeholder and Materiality About CR portal Challenge – Climate Change Challenge – Access to Health Challenge – Risk Awareness	Climate change: relevant particularly for clients and shareholders Health: particularly relevant for clients in the health and life business as well as in primary insurance, relevant for shareholders Risk awareness: clients/markets; partner organisations (science, associations etc.), GOs and NGOs, shareholders		
G4-22	Financial indicators Environmental indicators Employee indicators Social commitment indicators	We generally report on several years in order to show the development of performance indicators. Reasons for restatements of data (if necessary) are disclosed on the respective pages.		
G4-23	Our guiding principles Stakeholder and Materiality Challenge – Climate Change Challenge – Access to Health Challenge – Risk Awareness	Munich Re has reviewed/sharpened its Corporate Responsibility strategy towards a shared value-approach in 2015/16. At the same time material topics/challenges were redefined.		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Stakeholder Engagement				
G4-24	Stakeholder and Materiality Memberships and Partnerships Stakeholders: pp. 105-113 (AR)		Reasonable assurance*	
G4-25	Stakeholder and Materiality Memberships and Partnerships			
G4-26	Stakeholder and Materiality Memberships and Partnerships			
G4-27	Stakeholder and Materiality Memberships and Partnerships Annual General Meeting/Countermotions (CWS)			
Report Profile				
G4-28	About the CR Portal			
G4-29	Downloads	June 2015		
G4-30	About the CR Portal	annual		
G4-31	Contact	Dr. Philipp Hasenmueller Georg Schwarz responsibility@munichre.com		
G4-32	Reporting/GRI			
G4-33	Annual Report Auditors Report, p. 300 (AR) About the CR-Portal	No external assurance of the CR-report (Portal). Consolidated financial statements and Group management report in the Annual Report 2015 with reasonable assurance from KPMG. The environmental data for the financial year 2015 have been verified Group-wide for the first time.		
Governance				
G4-34	Organisational positioning Corporate Governance (CWS) Articles of Association (CWS)	Group Corporate Responsibility Committee		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
	Report of the Supervisory Board: pp. 23-26 (AR) Corporate Governance Report: p. 28-31 Statement on Corporate Governance for the 2015 financial year			
G4-35	Organisational positioning Corporate Responsibility in Insurance Corporate Responsibility in Investment Report of the Supervisory Board: pp. 23-26 (AR) Corporate Governance Report: p. 28-31			
G4-36	Organisational positioning Corporate Responsibility in Insurance			
Ethics and Integrity				
G4-56	Our commitments Guiding principles Compliance Code of Conduct: (ERGO, Group) (CWS)			GC10
G4-57	Financial Crime Management Compliance Code of Conduct: (ERGO, Group) (CWS)			GC 10
G4-58	Compliance Financial Crime Management Lobbying			GC 10

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle

SPECIFIC STANDARD DISCLOSURES

CATEGORY: ECONOMIC

Economic Performance

G4-DMA	Our Strategy: pp. 17-19 (AR) Strategy (CWS) Important tools of corporate management, pp. 41ff. (AR) Corporate Governance (CWS) Report of the Supervisory Board (CWS)		Reasonable assurance*	
G4-EC1 FS-EC1	Financial indicators Key figures (IFRS): front cover flap (AR) Business performance: pp. 70-96 (AR) Notes to the consolidated balance sheet – Equity and liabilities, pp. 236ff. (AR) Personnel expenses: p.281 (AR) FS-EC1: Society, pp. 112f. (AR) Society Social commitment indicators		Reasonable assurance*	
G4-EC2	Challenge – Climate change Sustainable Solutions CR in Investment Focus topics/Climate change Topic Climate Change Risk report/Climate change: pp. 132 ff. (AR) Opportunities report: pp. 137 f. (AR)		Reasonable assurance*	GC 7
G4-EC3	Other accrued liabilities: pp. 196 f.; pp. 250 ff. (AR)		Reasonable assurance*	
G4-EC4		None		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Market Presence				
G4-DMA	Employees Staff, pp. 108ff. (AR)		Reasonable assurance*	
G4-EC5	Personnel expenses: p. 286 (AR) Employee indicators Munich Re (Reinsurance) Salary ERGO (Primarey Insurance) Salary	Munich Re salaries are substantially above the local minimum wage level. In general, Munich Re pays wages that are higher than the local minimum wages (where they exist).	Reasonable assurance*	GC 6
G4-EC6	Employee indicators Staff: pp. 111ff. (AR)		Reasonable assurance*	GC 6
Indirect Economic Impacts				
G4-DMA	Our guiding principles CR in Investment Sustainable Solutions Investments, p. 107 (AR)	We use our knowledge to come up with solutions that meet the needs both of our clients and of society and its financial structures, since insurance only works if the risks – including indirect economic impact – can be calculated.	Reasonable assurance*	
G4-EC7	Investments, p. 107 (AR) CR in Investment Sustainable Solutions Procurement at Munich Re Procurement principles Munich Re Munich Climate Insurance Initiative (CWS)		Reasonable assurance*	
G4-EC8	Investments, p. 107 (AR) CR in Investment Sustainable Solutions Challenge – Climate Change Challenge - Risk Awareness Focus topics/Climate change		Reasonable assurance*	
Procurement Practices				
G4-DMA	Procurement at Munich Re			

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
	Procurement principles Munich Re Procurement at Munich Re – Reinsurance and Munich Health Compliance			
G4-EC9	Procurement at Munich Re Procurement principles Munich Re Procurement at Munich Re – Reinsurance and Munich Health Compliance	Partially reported		

CATEGRORY: ENVIRONMENTAL

G4-DMA	Environment, p. 112 (AR) Environment Environmental indicators More detailed environmental indicators (xls) Our guiding principles	Our explanations regarding this DMA applies to the following Aspects: Materials, Energy, Water, Emissions, Effluents and Waste, Products and Services, Compliance, Transport, Supplier Environmental Assessment, Environmental Grievance Mechanisms.		

Materials

G4-EN1	Environmental indicators More detailed environmental indicators (xls)			GC 7/8
G4-EN2	Environmental indicators More detailed environmental indicators (xls)			GC 8

Energy

G4-EN3	Environmental indicators More detailed environmental indicators (xls) Environment		Environmental data**	GC 7,8
G4-EN5	More detailed environmental indicators (xls)		Environmental data**	GC 8
G4-EN6	More detailed environmental indicators (xls) Environment			GC 8,9
G4-EN7	Environment Sustainable Solutions			GC 8,9

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
	CR in Investment More detailed environmental indicators (xls)			
Water				
G4-EN8	Environment More detailed environmental indicators (xls)	As a financial services provider, Munich Re is not a water-intensive company.	Environmental data**	GC 7,8
G4-EN9		None		GC 8
G4-EN10		This indicator is of limited relevance, no water is recycled nor reused at our sites. Toilets at our offices in Munich are flushed with rainwater.		GC 8
Biodiversity				
G4-EN11		not material		GC 8
G4-EN12		not material		GC 8
G4-EN13		not material		GC 8
G4-EN14		not material		GC 8
Emissions				
G4-EN15	More detailed environmental indicators (xls)		Environmental data**	GC 7,8
G4-EN16	More detailed environmental indicators (xls)		Environmental data**	GC 7,8
G4-EN17	More detailed environmental indicators (xls)		Environmental data**	GC 7,8
G4- EN18	More detailed environmental indicators (xls)		Environmental data**	GC 8
G4-EN19	More detailed environmental indicators (xls) Environment			GC 9
Effluents and Waste				
G4-EN23	More detailed environmental indicators (xls)		Environmental data**	GC 8

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
G4-EN24		There were no significant spills of hazardous materials during the reporting period. Our activity as a financial services provider entails very little contact with hazardous materials and significant spills are thus unlikely.		GC 8
G4-EN25		Munich Re works with certified waste disposal entities that guarantee the correct transfer and processing of waste.		GC 8
Products and Services				
G4-EN27	CR in Insurance CR in investment Sustainable Solutions Challenge – Climate Change Focus topics/Climate change			GC 7,9
G4-EN28		Not material		GC 8
Compliance				
G4-EN29		None		GC 8
Transport				
G4-EN30	More detailed environmental indicators (xls) Environment			GC 8
Supplier Environmental Assessment				
G4-EN32	Procurement at Munich Re Procurement principles Munich Re Procurement at Munich Re – Reinsurance and Munich Health Compliance	100%		GC 8
G4-EN33	Procurement at Munich Re Procurement principles Munich Re Procurement at Munich Re – Reinsurance and Munich Health Compliance	None, not material		GC 8

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Environmental Grievance Mechanisms				
G4-EN34	Annual General Meeting/Countermotions (CWS)			GC 8
CATEGORY: SOCIAL				
Sub-category: Labor Practices and Decent Work				
G4-DMA	Employees Staff: pp. 108-111 (AR) Munich Re as an employer - Overview		Reasonable assurance*	
Employment				
G4-LA1	Employee indicators	Partially reported (Employee turnover rate)		GC 6
G4-LA2	Employees Munich Re as an employer/what we offer/salary (CWS)	Munich Re does not differentiate between benefits provided to full-time staff and those provided to part-time staff.		
G4-LA3	Employees Employee indicators			GC 6
Management Relations				
G4-DMA	Employees Staff: pp. 108-111 (AR)		Reasonable assurance*	
G4-LA4		In the event of operational changes, the Staff Council is duly informed of the action planned in accordance with its right to information, so that it can have a say in whether, when and how such changes are effected		GC 3
Occupational Health and Safety				
G4-DMA	Employees Staff: pp. 108-111 (AR)		Reasonable assurance*	
G4-LA5	Employees	Data coverage: Germany (Munich Re Munich, ERGO, MEAG): 100% in-house staff/ MR America: 100%		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
		All of Munich Re's activities/actions in its various lines of business are based on the same principles, but with local freedom of application.		
G4-LA6	Employees Employee indicators	Partially reported		
G4-LA7	Employees	"Preventing and dealing with stress in general is becoming increasingly important within our health management." […]		
G4-LA8		Each company discusses safety at work issues with its own employee representatives. The relevant statutes are applied.		
Training and Education				
G4-DMA	Employees Munich Re as an employer/what we offer/further training and development opportunities (CWS) ERGO as an employer/promotion & development Staff: pp. 108-111 (AR)		Reasonable assurance*	
G4-LA9	Employees Employee indicators			GC 6
G4-LA10	Employees Munich Re as an employer/what we offer/further training and development opportunities (CWS) Careers at Munich Re (CWS) Future excellence in leadership (CWS) Specialist career (CWS)			
G4-LA11	Employees	Performance appraisals are part of Munich Re's performance management system. Employees and managers set objectives that are reviewed on a regular basis. Personnel development initiatives are part of the annual appraisal interviews. This is valid for the whole Munich Re Group.		GC 6

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Diversity and Equal Opportunity				
G4-DMA	Employees Staff: pp. 108-111 (AR) Munich Re (Reinsurance): Diversity ERGO (Primary insurance): Diversity		Reasonable assurance*	
G4-LA12	Employees Employee indicators Corporate Governance/Supervisory Board (CWS) Curriculum vitae Supervisory Board (CWS) Staff: pp. 108-111 (AR)		Reasonable assurance*	GC 6
Equal Remuneration for Women and Men				
G4-DMA	Employees Code of conduct (CWS)	We do not differentiate between men and women in our remuneration system. Our policy on salary determination is not based on gender but on individual expertise, experience and market-based criteria.		
G4-LA13	Employees Code of conduct (CWS) Munich Re (Reinsurance): Munich Re as an employer/what we offer/salary (CWS) ERGO (Primary insurance): Salary & Benefits	We do not differentiate between men and women in our remuneration system. Our policy on salary determination is not based on gender but on individual expertise, experience and market-based criteria.		GC 6
Supplier Assessment for Labor Practices				
G4-DMA	Procurement at Munich Re Procurement principles Munich Re Procurement at Munich Re – Reinsurance and Munich Health Compliance			
G4-LA14	Procurement at Munich Re	100%		
G4-LA15	Procurement at Munich Re	None		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Labor Practices Grievance Mechanisms				
G4-LA16		Not material		
Sub-category: Human Rights				
Investment				
G4-DMA	Munich Re and Human Rights Munich Re and Human Rights - Factsheet			
G4-HR1/ GC 2	Munich Re and Human Rights Munich Re and Human Rights - Factsheet CR in Business CR in investment PRI-Reporting Our commitments			GC 2
G4-HR2	Compliance Code of Conduct (CWS) CR in Business	Partially reported: Training programmes on the Code of Conduct for our employees as well as e-learning module on this topic.		GC 1
Non-discrimination				
G4-HR3	Compliance Code of Conduct (CWS) Employees	Partially reported		GC 6
Freedom of association and collective bargaining				
G4-HR4	Compliance Procurement principles Munich Re	To our best knowledge, in the period under review, no business operations were identified in which freedom of association and the right to collective bargaining were at risk.		GC 3
Child Labor				
G4-HR5	Compliance	To our best knowledge, in the period under review, no business operations were identified in which there was a significant risk of child labour.		GC 5

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Forced or Compulsory Labor				
G4-HR6	Compliance	To our best knowledge, in the period under review, no business operations were identified in which there was a significant risk of forced or compulsory labour.		GC 4
Security Practices				
G4-HR7	Compliance	Munich Re's Code of Conduct applies to 100% of its own security staff. For all external security personnel, the conditions of the new Purchasing Guidelines apply for reinsurance and require that all new supply and service contracts contain a Corporate responsibility clause based on the UN's Global Compact.		GC 1
Indigenous Rights				
G4-HR8	Compliance	To our best knowledge, in the period under review, no business operations were identified in which the rights of indigenous peoples were violated.		GC 1
Assessment				
G4-HR9	CR in Business			GC 1
Supplier Human Rights Assessment				
G4-HR10	Procurement at Munich Re Procurement principles Munich Re Procurement at Munich Re – Reinsurance and Munich Health	100%		GC 2
G4-HR11		None		GC 2
Human Rights Grievance Mechanisms				
G4-HR12	Annual General Meeting/Countermotions			GC 1

Sub-Category: Society

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Local Communities				
G4-DMA	Corporate governance Financial Crime Management Code of Conduct (CWS) ERGO Corporate Governance Sustainable Solutions Society	This DMA applies to the aspects Local communities, Anti-corruption, Public Policy, Anti-competitive behavior, Compliance, Supplier Assessment for Impacts on Society, Grievance Mechanisms for Impacts on Society.		
G4-SO1		Little relevance for Munich Re as a financial services provider: we have only a comparatively small impact on the local community with our office-based business operations.		GC 1
G4-SO2		Little relevance for Munich Re as a financial services provider: we have only a comparatively small impact on the local community with our office-based business operations.		GC 1
G4-FS13	Sustainable Solutions			
G4-FS14	Sustainable Solutions Munich Re Foundation			
Anti-corruption				
G4-SO3	Corporate governance Financial Crime Management			GC 10
G4-SO4	Corporate governance Financial Crime Management			GC 10
G4-SO5	Corporate governance Financial Crime Management ERGO Corporate Governance			GC 10
Public Policy				
G4-SO6	Social commitment indicators			GC 10
Anti-competitive Behavior				
G4-SO7	Code of Conduct (CWS)	Data not reported		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Compliance				
G4-SO8	Code of Conduct (CWS)	Munich Re was not subject to any fines or sanctions in the reporting year		
Supplier Assessment for Impacts on Society				
G4-SO9	Procurement at Munich Re Procurement principles Munich Re Procurement at Munich Re – Reinsurance and Munich Health	100%		
G4-SO10		None		
Grievance Mechanisms for Impacts on Society				
G4-SO11	Annual General Meeting/Countermotions			
Sub-Category: Produkt Responsibility				
Customer Health and Safety				
G4-DMA	Code of Conduct (CWS) Our guiding principles Client and Client Relationships, p. 108 (AR)	This DMA applies to the aspects Product and Service Labeling, Marketing Communication, Customer Privacy and Compliance	Reasonable assurance*	
Product and Service Labeling				
G4-DMA (FSS): (former FS15, FS16)	Code of Conduct (CWS)	In accordance with our codes of conduct, we are fair and open in our business relations. Munich Re endeavours to give clients the best possible advice and the information they need to take sound decisions. Munich Re's product and service range – from development and marketing to conclusion of the business – is subject to strict quality controls. Hence no significant product or service categories are covered by and assessed for compliance with such procedures. To further clarify insurance terms and conditions, especially our		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
		primary insurance group ERGO has significantly improved the transparency of all documents. Customers receive all the information they need on the conditions of liability relating to their insurance protection in a clear and transparent format.		
G4-PR3		Munich Re's product and service range – from development and marketing to conclusion of the business – is subject to strict quality controls. Hence no significant product or service categories are covered by and assessed for compliance with such procedures. To further clarify insurance terms and conditions, especially our primary insurance group ERGO has significantly improved the transparency of all documents. Customers receive all the information they need on the conditions of liability relating to their insurance protection in a clear and transparent format.		
G4-PR4		Not applicable For us, adherence to high ethical and legal standards is a matter of principle and is regulated by our Code of Conduct.		
G4-PR5	Stakeholder and materiality Client and client relationships, pp. 105f. (AR)		Reasonable assurance*	
Marketing Communications				
G4-PR6	CR in Insurance Compliance Code of Conduct (CWS) ERGO Code of Conduct (CWS)			
G4-PR7		For us, adherence to high ethical and legal standards is a matter of principle and is regulated by our Code of Conduct. To our best knowledge, no cases of non-compliance occurred during 2015.		
Customer Privacy				
G4-PR8		For us, adherence to high ethical and legal standards is a matter of principle and is regulated in our Code of Conduct and our safety regulations. To our best knowledge, Munich Re has not received any information about material breaches of privacy rules.		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
Compliance				
G4-PR9		For us, adherence to high ethical and legal standards is a matter of principle. To our best knowledge, no cases of non-compliance occurred, and no fines were paid during 2015.		

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
FINANCIAL SECTOR SUPPLEMENT ASPECTS: PRODUCT PORTFOLIO				
Product Portfolio				
G4-DMA (former FS1-FS5)	CR in Insurance CR in Investment Sustainable Solutions Stakeholder and materiality	Further specialised units/panels for early ESG risk detection include: Reputational Risk Committees (Group annual report 2015, page 121) Emerging Risks Think Tank (Group annual report 2014, page 132). Internal control system (ICS) (Group annual report 2014, pages 117 f.) In 2007, Munich Re established the Corporate Climate Centre (CCC), forming the link between geoscientific research and operative underwriting.		
G4-FS6	Consolidated financial statements and notes, pp. 199 ff. (AR)			
G4-FS7	Objectives, measures and milestones CR in investment PRI	Partially reported Our General Investment Guidelines stipulate that the vast majority of our own investments in shares and bonds should satisfy sustainability criteria. These SRI criteria include human rights issues. Our asset management arm, MEAG, offers different sustainable investment funds: MEAG Nachhaltigkeit and MEAG FairReturn.		
G4-FS8	Objectives, measures and milestones CR in investment PRI	Partially reported Our General Investment Guidelines stipulate that the vast majority of our own investments in shares and bonds should satisfy sustainability criteria.		
Audit				
G4-DMA (former FS9)	Environment About the CR Portal			

Standard Disclosure	Location of Munich Re's disclosure***	Additional explanation/Reason for Omission	External Assurance	UNGC Principle
	Risk Report, pp. 114ff. (AR) Auditor's Report, p. 300 (AR) Report of the Supervisory Board, p. 25 (Audit Committee) (AR)			
Active Ownership				
G4-DMA (former FS12)		MEAG analyses whether corresponding shareholder resolutions are in line with long-term ESG considerations and MEAG's corporate objectives, its voting being determined on that basis. Shareholdings in other joint-stock companies make up a relatively low percentage of Munich Re's investments at the present time. We exercise our right to vote primarily at the annual general meetings of German companies, since exercising such rights outside Germany entails substantial costs. MEAG also holds in-depth talks with individual companies aimed at improving their SRI performance.		
G4-FS10		It is difficult to put a precise figure on the number of companies with which we interact on social or ecological issues. In the course of our business relationships, our asset management has dealings with the managements of several hundred companies, these contacts also being used to address environmental issues in the context of our comprehensive risk analyses. Munich Re's commitment to the Principles for Responsible Investment reinforces the relevance of such issues to our relationships with our partners. Although engagement cannot be tracked at a global level, MEAG does engage with companies in its investment portfolio, particularly those included in its socially responsible investment funds.		
G4-FS11	CR in investment PRI			

* Reasonable Assurance by KPMG for the following sections of the Munich Re Annual Report 2015: Consolidated financial statements and notes; combined management report

** Environmental data for the FY 2015 has been externally verified by EY

*** CR-Portal/ Corporate Website (CWS)/ Annual Report (AR)

Key figures

- Financial indicators
- Environmental indicators
- Employee indicators
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Munich Re corporate responsibility strategy rated positively

Open and transparent dialogue with our national and international stakeholders on implementing our strategy and on our commitment in the areas of corporate responsibility and socially responsible investment (SRI) is an essential part of our corporate culture.

Munich Re's inclusion in many sustainability indices, our good to very good results in many different SRI ratings, and the awards we have received show that the corporate responsibility strategy we pursue is successful and authentic.

SRI indices

Included in the DJSI for many years
Munich Re has been continually listed in the Dow Jones Sustainability Indices since 2001, with a valuation always above average.

Munich Re listed in ethical indices
The Italian investment advisory firm ECPI has included Munich Re in the following indices: ECPI Euro Ethical Equity, ECPI Global Ethical Euro, ECPI EMU Ethical Equity and ECPI Global Developed ESG Best in Class Equity.

Represented again in two Ethibel Forum indices
Munich Re is represented in the ESI (Ethibel Sustainability Index) Excellence Europe and the ESI Excellence Global, which are based on ratings results from Vigeo. Ethibel is an independent French consulting agency, specialised in socially responsible investments.

Continuous listing for Munich Re in the various FTSE4Good index series
Since the establishment of this rating in 2001, Munich Re has been an ever-present in the various FTSE4Good index series. The FTSE4Good is an index series for sustainability and corporate governance published by the London service provider FTSE.

Munich Re represented in Vigeo indexes
Munich Re is part of Euronext Vigeo World 120, Euronext Vigeo Europe 120 and Euronext Vigeo Eurozone 120.

Munich Re listed in the STOXX® Global ESG Leaders Index
The Global ESG Leaders Index ranks leading companies according to ESG criteria. The list

Related topics

» Society

is based on analyses conducted by Sustainalytics.

SRI ratings

Industry leader in the industry rating by Sustainalytics
In the 2015 industry rating by Sustainalytics, Munich Re placed a very good third in the insurance sector.

Munich Re in Bronze Class
Munich Re receives Bronze Class distinction from RobecoSAM for the best and most sustainable companies. RobecoSAM assesses the sustainability performance of all global players and determines the composition of the Dow Jones Sustainability Indices.

Munich Re unter Branchenbesten
Bloomberg analysiert und bewertet die Transparenz der Unternehmen unter ökologischen, sozialen und Governance-Gesichtspunkten (ESG: Environmental, Social und Governance), auch Munich Re wird jährlich bewertet. Laut Bloomberg haben alle Kunden, die einen der 250.000 Datenbankzugänge nutzen, Zugriff zu allen frei verfügbaren ESG-Daten der erfassten 2.000 bis 3.000 Unternehmen.

Very good rating from MSCI
Munich Re is rated AAA in MSCI's 2015 ESG rating. MSCI is a leading global provider of investment solutions.

Prime rating
Munich Re was again awarded a "prime" corporate responsibility rating by oekom research in 2015, thus maintaining its insurance sector best-in-class status. oekom research is one of the world's leading SRI rating agencies.

Awards

Munich Re erzielt 2015 den 1. Platz beim STOXX/Sustainalytics-Nachhaltigkeitsrating im Dax-Segment

Munich Re subsidiary DKV Seguros among "Best Workplaces in Spain"
Following the annual survey by Great Place to Work®, Munich Re's Spanish subsidiary DKV Seguros was included in the "Best Workplaces in Spain 2015" in the category for companies with between 500 and 1,000 employees. The company took third place in the rankings of the 50 best workplaces for 2016.

Apollo Munich Health Insurance Company Ltd. in the Top 100 in the insurance segment
Each year, Great Place to Work® partners with more than 5,500 organisations with some ten million employees worldwide to conduct the world's largest annual set of workplace culture studies.

DKV earns the European EFQM +500 Seal of Excellence
The company was awarded the Golden Seal of Excellence Europe 500+, or five stars. This award is the result of an evaluation carried out in 2014 by the Excellence in Management Club, which follows the European Foundation Quality Management (EFQM) model.

DKV Seguros certified as a "healthy company" by AENOR
In 2014, AENOR awarded the company the Healthy Company Certificate, which recognises DKV's commitments to its employees in terms of health, security and wellness, as well as in the categories excellence and sustainability.

EFR empresa: DKV Seguros
DKV Seguros was awarded the EFR seal of quality as a family-friendly company by the Másfamilia Foundation. The foundation is committed to anchoring processes promoting the combination of career and family in companies.

Trendence Institute's Young Professional Barometer
In 2015/16, Munich Re again ranked among the top 100 business-sector employers in the Trendence Institute's Young Professional Barometer.
In the 2015 Trendence Institute's Graduate Barometer 2015 – German Law Edition, Munich Re ranked among the top 100 employers in the law segment.

Universum Top 100
In Universum Communications' employer ranking, we continue to rank among the top 100 employers in the business and natural sciences segments.

German Education Award Seal of Excellence
Munich Re was honoured in 2015 with the seal of excellence of the Deutscher Bildungspreis (German Education Award).

Potentialpark Online Talent Communication
In 2016, ERGO was ranked in the top 30 companies in the area of online talent communication (OTaC)

Company healthcare management seal of quality
D.A.S. Austria was once again recognised for its successful health promotion projects with the award of the company healthcare management seal of quality. D.A.S. Austria has again received the seal of quality for sustainability assurance in company healthcare management for the period 2015 to 2017.

Intern Review 2015 – "Top intern 2015"
The CLEVIS Group and ABSOLVENTA Jobnet presented the "Top Intern 2015" awards, based on the results of their Intern Review 2015.

Career and Family Audit
For its family-friendly human resources policy, ERGO has won the "audit berufundfamilie®" (family and career audit) five times for all its main administrative centres in Germany. This certificate is awarded by the non-profit Hertie Foundation.

DKV Seguros won Aragon's Environmental Award 2016 for outstanding ecological performance.
Special mention was made of the company's commitment to reducing its carbon footprint, its new, eco-efficient office building, and the involvement of stakeholders.

BOMA Awards for Munich Re America and Munich Re Toronto
The office buildings of Munich Reinsurance America, Inc. and Munich Reinsurance Company of Canada received awards from the Building Owners and Management

Association (BOMA) for their energy efficiency.

BOMA 360 Performance Award
The office buildings of Munich Reinsurance America now display the "BOMA 360" quality seal. This indicates that they meet BOMA's highest standards of excellence in terms of energy efficiency.

BOMA 7-Point Challenge
Munich Re America received special recognition from the Building Owners & Managers Association (BOMA) for its ambitious energy saving programme. The rating was performed as part of an international programme aimed at reducing Group-wide energy consumption by at least 30%.

Energy Project of the Year Award
Munich Re America was recognised by the Association of Energy Engineers at the World Energy Engineering Congress for its innovative energy management projects.

FMXcellence Award
Building Operating Management magazine recognised the energy reduction projects of Munich Re America with its FMXcellence award at the National Facilities Management and Technology Conference.

Munich Re awarded DZ Bank's sustainability label.
DZ Bank Sustainable Investment Research evaluates economic, environmental, social and corporate governance criteria. Sustainable investments are awarded DZ Bank's sustainability label.

MENA Insurance Awards 2015
In 2015, Munich Re was named "Most Innovative Reinsurer" for the MENA (Middle East and North Africa) region and presented with the MENA 2015 Insurance Award. MedNet won the award for "Third Party Administrator of the Year" in the MENA region.

Asia Insurance Industry Awards
At the 19th Asia Insurance Industry Awards in 2015, Munich Re received awards in the categories "General Reinsurer of the Year" and "Life Reinsurer of the Year".

ERGO receives service innovation award from YouGov Deutschland AG
This award is given to innovative companies in the categories "Informing and Consulting", "Flexibility and Configuration" and "Helping and Supporting". ERGO received the quality seal for "Best Service Innovation 2015", taking the first place award for the insurance industry from a large number of applicants. It won the award in the category "Flexibility and Configuration" for its flexible insurance cover for residential buildings in regions with a high risk of flooding.

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Memberships and cooperations

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PRI reporting
PSI reporting

Memberships in national and international bodies, initiatives and foundations

For Munich Re, corporate responsibility means taking an active part in all partnerships as well as promoting initiatives. Besides this, the foundations set up by Munich Re constitute a central component of our social commitment.

Partnerships and memberships (in national and international bodies)

The cooperation partnerships and memberships in which Munich Re engages and shares its knowledge are numerous. The following list provides just a few examples of our social commitment:

- acatech
- Charta der Vielfalt
- GDV (Gesamtverband der Deutschen Versicherungswirtschaft e.V.)
- Global Earthquake Model (GEM)
- Global Volcanoe Model (GVM)
- Geneva Association
- GeoHazards International (GHI)
- Global Climate Forum
- Städtische Galerie im Lenbachhaus, Munich
- Munich Climate Insurance Initiative (MCII)
- OECD

Related topics

» Society
» Foundations

OECD BETTER POLICIES FOR BETTER LIVES	
PRI	Principles for Sustainable Investment (PRI)
PSI Principles for Sustainable Insurance	Principles for Sustainable Insurance (PSI)
IDF Insurance Development Forum	Insurance Development Forum
UNEP Finance Initiative Innovative financing for sustainability	UNEP Finance Initiative
Caring for Climate UNEP	UN Caring for Climate
THE GLOBAL COMPACT WE SUPPORT	UN Global Compact
VfU	Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (VfU)
AUSTRALIAN BUSINESS ROUNDTABLE for Disaster Resilience & Safer Communities	Australian Business Roundtable for Disaster Resilience and Safer Communities
The Global Fund	Cooperation with The Global Fund
UNISDR United Nations Office for Disaster Risk Reduction	UNISDR Gremium der Private Sector Alliance for Risk Sensitive Investment (AR!SE)

Initiatives and sponsorships

For us, corporate responsibility also means assuming responsibility for the community in which we live and work. The following initiatives and sponsorships are a selection of our commitment in this area.

Aktion Deutschland Hilft Bündnis deutscher Hilfsorganisationen	Aktion Deutschland Hilft
ArrivalAid	Arrival Aid
3-2-1 IGNITION JUNGE TONHALLE	3-2-1 Ignition
Bayerisches Rotes Kreuz	Bayerisches Rotes Kreuz (Bavarian Red Cross)
Deutsches Rotes Kreuz	Deutsches Rotes Kreuz (German Red Cross)
	Caritas

caritas	
ergo: wir helfen e.V.	ergo: wir helfen e.V.
HORIZONT e.V.	Horizont e.V.
münchener universitätsgesellschaft	Munich University Society
SingPause Singen an Düsseldorfer Grundschulen	SingPause (schools singing project)
Stifterverband für die Deutsche Wissenschaft	Association for the Promotion of Science and Humanities in Germany
Pfennigparade Das Rehabilitationszentrum in München	Stiftung Pfennigparade (“Penny Parade” Foundation)
WIRTSCHAFT ZUSAMMEN PARTNER VON Integrations-Initiativen der Deutschen Wirtschaft	Wir zusammen – Integrations-Initiative der Deutschen Wirtschaft (We together – integration initiative German business)

Foundations

Through the foundations we set up a number of years ago, we exercise social responsibility and deploy our extensive knowledge for the benefit of others.

ERGO Stiftung Jugend & Zukunft	ERGO Youth & Future Foundation
DKV integralia Fundación para la integración laboral de personas con discapacidad	DKV Foundation “Integralia”
Munich Re Foundation From Knowledge to Action	Munich Re Foundation
Schinzler Stiftung	Dr. Hans-Jürgen Schinzler Foundation

GRI Content Index: G4-15; G4-16; G4-24; G4-25; G4-26; G4-27

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Principles for Responsible Investment – Investing responsibly

At Munich Re, responsible management has top priority, not least with a view to operating profitably. Our asset management therefore follows the United Nations Principles for Responsible Investment (PRI). We helped to draw up these principles and we were the first German company to sign them.

A holistic investment strategy aligned with ESG (environmental, social, governance) criteria also has a beneficial effect on risk and return. That is why, on 27 April 2006, we were one of the first signatories to the United Nations Principles for Responsible Investment (PRI), which we played a prominent role in drafting. Behind these principles is the view that investment decisions often take insufficient account of the need for sustainable development and thus the needs of future generations.

Principles and recommendations for action for investment decisions
Six principles are described more closely in a list of 35 recommendations for action. These enable institutional investors to take account of ecological and social aspects, together with topics of good corporate governance, in their investment decisions. Munich Re is committed to fulfilling the PRI in an appropriate and forward-looking manner.

The following examples show how Munich Re is putting the six UN principles into practice:

No.	Principle	Examples of measures
1	"We will incorporate ESG issues into investment analysis and decision-making processes." **Sustainable investment process**	▪ We are pursuing the best-in-class approach in the investment process. In other words, from the base population of investable shares and corporate bonds, we select the most sustainable titles in every sector. ▪ If two » risk-returns profiles are identical, we select the more sustainable issuer.
2	"We will be active owners and incorporate ESG issues into our ownership policies and practices." **Active investor**	▪ We communicate our investment criteria openly and address these in dialogue with the companies we work with. ▪ Our aim here is to motivate companies to improve their ESG rating or achieve a positive ESG rating for the first time. Munich Re is thereby contributing to companies keeping a closer eye on ESG criteria.
3	"We will seek appropriate disclosure on ESG issues by the entities in which we invest." **Sustainability disclosure**	▪ For the mutual funds, » MEAG Nachhaltigkeit and MEAG FairReturn, we request information relevant to our sustainable investment criteria from the issuers. ▪ We have taken sustainability criteria into account when purchasing real estate since 2007.

4	"We will promote acceptance and implementation of the Principles within the investment industry." **Patron of PRI**	▪ We proclaim and stress our principles via through publications in the media and by participating in presentations and conferences on sustainability.
		▪ With individual funds and activities, we show how responsible management can be put into practice:
		  ▪ Investments in infrastructure with a focus on renewable energies,
		  ▪ MEAG Nachhaltigkeit,
		  ▪ MEAG FairReturn.

5	"We will work together to enhance our effectiveness in implementing the Principles." **Cooperation to realise the PRI**	▪ Through its PRI membership, Munich Re contributes to the further development and propagation of the principles. ▪ We are driving the exchange of experience forward with other PRI members in Germany and around the world.
6	"We will each report on our activities and progress towards implementing the Principles."	

Related topics

- » Objectives and measures
- » Our guiding principles
- » Challenges: Climate change
- » Solutions: Asset management

External links

- » UN: Principles for Responsible Investment
- » Munich Re PRI Transparency Report 2016

Reporting on activities and progress relevant to PRI	▪ We participate in UNEP's annual PRI Reporting and Assessment Survey. ▪ We report on the PRI and our activities pertaining to it (such as reports and ESG analyst discussions). ▪ Munich Re takes part in ESG ratings and factors appraisals into corporate decision-making.

GRI: G4-DMA-Human Rights; G4-HR1; G4-FS7; G4-FS11

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Principles for Sustainable Insurance – Corporate responsibility in business

The focus of our corporate responsibility is on our core business – the assumption and diversification of risks in primary insurance and reinsurance, and also in investment. Acting in a far-sighted and responsible manner as part of a shared value approach is at the heart of our Group-wide corporate responsibility strategy, which is an integral part of Munich Re (Group) strategy.

Principles for Sustainable Insurance

We are convinced that only through responsible action we can achieve economic success in the long term. The objective of sustainable economic value creation is anchored in the core principles of our corporate strategy and underscored by our new shared-value concept. In our core business, by taking into account environmental, social and governance (ESG) aspects, we can achieve the maximum effect for our Group and for society.

We have highlighted our commitment to responsible action in our core business by signing the Principles for Sustainable Insurance (PSI). In the area of investment, we have signed up to the Principles for Responsible Investment (PRI). These two codes go well beyond what is required by law or by supervisory regulations. The same is true of some other voluntary commitments we have made. By implementing these in a purposeful manner we meet the demands of our stakeholders in terms of corporate responsibility.
Statement by the CEO

Within the framework of the PSI, we are working together with various market participants from the insurance industry and with a wide range of stakeholders from society at large.

The following examples of 2015 show how Munich Re (Group) is putting the four principles into practice:

Principle 1
We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

A holistic Group strategy underlies our business of primary insurance and reinsurance. We reflect this in a framework for integrating ESG aspects into our core business and asset management, geared to the respective business fields. Our new shared value approach underlines this by more strongly connecting Corporate Responsibility to our business.
Corporate responsibility in business
Corporate responsibility in insurance business

To ensure that our commitment is implemented and put in practice in our corporate reality, all members of Munich Re's Board of Management have PSI performance targets in their long-term objectives agreements.
Annual Report 2015 (chart on p. 53)

For four years now, we have had a cross-business-field Group Corporate Responsibility Committee (GCRC), which advises the Board of Management on the development of our sustainability strategy. It identifies and prioritises sensitive topics, on which we develop positions that apply Group-wide. By sensitive topics we mean industry sectors or practices with a high ESG impact in transactions of our core business and/or investments. For each of these industries and activities identified, we are developing position papers that provide guidance to our underwriters on how to address ESG aspects when writing such business. These are implemented by the business fields in the form of binding underwriting guidelines, best practices and guidance for our employees. For the especially sensitive activities such as arctic drilling we have created an Arctic Drilling Panel, an expert team which assesses all business activities related to arctic drilling exposures (e.g. exploration or production).

So far, the GCRC has approved position papers and guidelines on the following sensitive topics:

PSI Principles for Sustainable Insurance

UNEP Finance Initiative Innovative financing for sustainability

External Link

» PSI Signatories: Signatory companies

Sensitive issue	Position Paper	Guideline	IT-Tool
Banned weapons		•	
Engineering		•	•
Oil sands	•		•
Fracking	•		•
Arctic drilling	•	•	•
Mining	•		•
Investment in farmland	•	•	•
ESG Country Risk Assessment			•

Position papers and applications on sensitive topics at Munich Re
With the approach we take, full responsibility for each transaction deliberately remains with the business unit concerned. Experts from our Corporate Responsibility department support our employees in assessing ESG criteria in business operations: We offer a broad-based range of training programs, from technical implementation of our underwriting guidelines to current sustainability topics, tailored in each case to the individual industry and region. At the same time, we expect and promote active dialogue among our employees and between them and their managers. In the reinsurance sector, a "Corporate Responsibility in Business" coordinators' network was established.

Once a year a meeting of all coordinators is organised in order to ensure content within the network is updated. By the end of 2015, nearly 600 staff members (underwriters, client managers, business analysts) in Munich and major international hubs have been sensitised to ESG aspects and, in their role as multipliers, are now transferring their knowledge within their own departments, in risk assessments, client discussions and in exchanges with other units. Experts from our Corporate Responsibility department are always available to provide advice and guidance.
Corporate responsibility in insurance business

An ESG tool for engineering projects, developed in 2013, was continuously extended for other industry sectors. It supports our underwriters in systematically incorporating ESG aspects into their risk assessment. Since May 2014, our Special and Financial Risks/Credit Insurance department is using the ESG tool as best practice for political and credit risks in terms of infrastructure projects. Furthermore it helps our asset managers to assess risks when investing in infrastructure projects.

Our primary insurer ERGO attaches importance to the integration of ESG aspects in its personal lines insurance business and offers a multiplicity of insurance solutions that take account of ecological aspects. These range from eco-rates in motor insurance to unit-linked annuity insurance policies that take sustainability into account in investments. In 2014, ERGO introduced ESG aspects into the product development process for private customer business. In 2015, ERGO implemented a new branding for products which meet all necessary ESG standards: ERGO thus labels for example a car insurance for e-vehicles with special batteries with an "ESG icon".

With its focus on covering and managing risk, Munich Health offers customised, sustainable solutions for the health market. By combining know-how from both the primary insurance and reinsurance segments, we create the basis that enables our clients to achieve success and security in their respective markets.
Sustainable Solutions

Principle 2
We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Munich Re's business environment is in flux, presenting ever new opportunities and risks. Climate change, vulnerable economies, emerging risks and demographic trends constitute major challenges. We meet these challenges actively and flexibly with tailor-made solutions.
Challenges

It is our business to know all risks of relevance. In addition to the global challenges, our focus is also on developing new business potential. One of our tasks is therefore to use new findings to advance the risk models used. With our extensive knowledge and decades of experience, we can thus actively shape the changes taking place.
Sustainable Solutions

In treaty reinsurance, where we cover entire portfolios without being able to assess the individual risks, our client managers actively seek dialogue with the ceding company to raise awareness of ESG issues. At the same time, Munich Re Group staff regularly and frequently speak at international conferences, market events or client seminars about the PSI and ESG integration.

Munich Re is driving forward ESG integration within partnerships and cooperations, for example with the Global Fund and with the International Finance Corporation. In the context of an bilateral workshop with one of our clients in the pharmaceutical sector, discussion took place on the Corporate Responsibility approach in the domain of health.

One example of this is the cooperation we began in 2014 with the Global Fund. The Global Fund is a funding model to combat the three major infectious diseases of HIV/AIDS, malaria and tuberculosis. It operates in 140 countries, making it one of the most important tools in fighting these diseases. Our Special and Financial Risks Division (SFR) is developing a series of products and solutions for the non-profit sector, and thus for people affected by diseases, while at the same time generating financial added value for Munich Re.
The Global Fund

In cooperation with the International Finance Corporation (IFC), the Fox School of Business at Temple University in Philadelphia (USA) and the University of Technology, Sydney (Australia), Munich Re initiated the PSI project "ESG in risk management for surety bonds". A global survey demonstrated the need for the integration of ESG aspects into the classical risk assessment of surety business, the current approach can be expanded. The project's aim is to develop a standard ESG framework for surety bond underwriting in a collaborative process.
ESG in risk management for surety bonds

Principle 3
We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

Munich Re has always valued an open and ongoing dialogue with its stakeholders. Transparent communication with our stakeholders is the basis for mutual trust. At the same time, this exchange enables us to identify important social challenges and changes at an early stage so that we can then offer or develop suitable business solutions for the future.
Stakeholder dialogue

Munich Re was identified as the most sustainable DAX component by STOXX and Sustainalytics. Main credit for this success was given to the way Munich Re fully incorporated sustainability and ESG criteria into their core business areas, from primary insurance and reinsurance to its investment arm. An award ceremony took place at Deutsche Börse in Frankfurt in October 2015.
News Corporate Responsibility Portal

The Australian Business Roundtable for Disaster Resilience & Safer Communities, in which Munich Re has been an active member since 2013, is about to create the first ever framework to measure the long-term social impact of natural disasters on the Australian community, and will also create national infrastructure investment guidelines for building resilience into critical infrastructure.
Australian Business Roundtable

The Munich Climate Insurance Initiative (MCII) and the Caribbean Catastrophe Risk Insurance Facility (CCRIF) - in cooperation with the respective local governments - have developed a weather-index-based insurance cover for individuals with low incomes on the Caribbean islands of Jamaica, St. Lucia and Grenada. If pre-defined wind speeds or amounts of rainfall are exceeded, the insurance (Livelihood Protection Policy) pays out to policyholders within a few days. In June 2015, business and strategic analysts of Munich Re presented the Corporate Responsibility Strategy at the Insurance Association of the Caribean, Barbados.
Sustainable Solutions

With a Webinar focusing on the PSI of the VfU (Association for Environmental Management and Sustainability in the financial sector) in cooperation with Munich Re, the GDV (German Insurance Association) and Allianz SE, expertise and implementation exchange was continued on a regular basis. In October 2015, the yearly Munich Re roadshow for in depth exchange with SRI-Investors took place in Brussels and Amsterdam.
The scientific partnerships and memberships in which Munich Re engages and shares its knowledge are numerous, especially in the context of climate change and sustainability. Partnerships with the Max-Planck-Society, acatech or the University of Eberswalde for Sustainable Development are just a few examples. Our Munich Re Foundation has also a special focus on Climate Change and Education.

Principle 4
We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

This is our fourth progress report in connection with the Principles for Sustainable Insurance. It covers the calendar and financial year 2015 (1 January to 31 December). We will publish an update for the financial year 2016 within a year from now.

An extensive overview of all our activities can be found in the Corporate Responsibility Portal and on our corporate website.
Corporate Responsibility Portal

Munich Re Corporate website
SRI indices, SRI ratings and awards received

N.B.: Hyperlinks in this report refer to pages in our Corporate Responsibility Portal, of which this report is an integral part. Links also refer to Munich Re's corporate website and other pages in the public domain, which may be updated at irregular intervals.

Munich, June 2016

Dr. Astrid Zwick
Head of Corporate Responsibility
Munich Re
responsibility@munichre.com

GRI: G4-DMA-Human Rights

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About us

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About the corporate responsibility portal

The CR portal presents Munich Re's approach to corporate responsibility. We illustrate this with specific examples and detailed indicators, and explain the relationship between corporate responsibility and our business.

In the form of our annual Corporate Responsibility Report, the portal provides a review of the further development of our processes and systems, the measures we have taken in the past year, and the successes achieved. We also report regularly on the CR activities of the entire Group. This comprises the business fields of reinsurance, primary insurance, Munich Health and MEAG, Munich Re's asset manager.

The measures and activities presented focus mainly on the period from 1 January 2015 to 30 March 2016; the key figures relate to the financial year 2015 (ending 31 December 2015). The contents of the CR portal are available in German and English and can be downloaded as a PDF document. This document is also our Corporate Responsibility Report for 2015.

Selected topics – Qualitative and quantitative reporting

To ensure that the CR portal gives a comprehensive picture of our performance, the topics and contents have been selected according to their importance and the interests of our stakeholders.

Selected quantitative environmental data for the financial year 2015 have been verified Group-wide for the first time (see downloads on the right).

GRI guidelines and Global Compact "Communication on Progress" report

To provide greater transparency and clarity in preparing the CR portal, we have used as a basis the G4 Guidelines of the Global Reporting Initiative (GRI) and the Financial Services Sector Supplement. We report "in accordance with" the "core option" in the GRI G4 Guidelines. The GRI Indicators and Financial Services Sector Supplement have been compiled in separate GRI disclosures. The CR portal and the GRI disclosures also constitute our annual Communication on Progress report for the Global Compact. As part of reporting on the CR portal, we also report on the Principles for Sustainable Insurance (PSI).

Verified indicators

The carbon footprint from our business operations is the key indicator for measuring and assessing our environmental performance. We calculate carbon emissions on a yearly basis from our consumption of energy, paper and water, our business travel, and generation of waste. This calculation takes a standardised form and is of a high quality. An external audit company validated for the first time selected quantitative environmental data of Munich Re Group for the financial year 2015 (see audit report in the download area on the right).

Contacts

Please do not hesitate to contact our experts if you have any questions regarding corporate responsibility at Munich Re.

Georg Justus Schwarz and Dr. Philipp Hasenmüller, Consultants for Corporate Responsibility, are the contact persons for the CR portal. Please send your questions and comments to responsibility@munichre.com

Editorial note

In texts on the CR portal, we dispense with gender-related alternative expressions (e.g. he/she) for the sake of better readability.

Related topics

» GRI reporting & Global Compact

Downloads

» External verification environmental data (PDF, 137 KB)
» Corporate Responsibility Report 2015/16

GRI Content Index: G4-20; G4-21; G4-28; G4-30; G4-33

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Service

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Downloads

Corporate Responsibility Reports

File	Download
Corporate Responsibility Report 2014/2015 (PDF, 18 MB)	
Corporate Responsibility Report 2013/2014 (PDF, 7.7 MB)	
Corporate Responsibility Report 2012/2013 (PDF, 2 MB)	
Corporate Responsibility Report 2011/2012 (PDF, 2.4 MB)	

Corporate Responsibility Short Reports

File	Download
Corporate Responsibility Short Report 2014/2015 (PDF, 2.5 MB)	
Corporate Responsibility Short Report 2013/2014 (PDF, 2.7 MB)	
Corporate Responsibility Short Report 2012/2013 (PDF, 2 MB)	
Corporate Responsibility Short Report 2011/2012 (PDF, 2.3 MB)	

Global Reporting Initiative Results

File	Download
Global Reporting Initiative 2013 (PDF, 328 KB)	
Global Reporting Initiative 2012 (PDF, 319 KB)	
Global Reporting Initiative 2011 (PDF, 355 KB)	

Group Annual Reports

File	Download
Group Annual Report 2015 (PDF, 3.9 MB)	
Group Annual Report 2014 (PDF, 12 MB)	
Group Annual Report 2013 (PDF, 9.3 MB)	
Group Annual Report 2012 (PDF, 7.7 MB)	
Group Annual Report 2011 (PDF, 10.9 MB)	

Munich Re Foundation - Annual Reviews

File	Download
The Munich Re Foundation's annual review: 2015 report	

Munich Re Risk reports

File	Download
Munich Re Risk report 2015 (PDF, 146 KB)	
Munich Re Risk report 2014 (PDF, 111 KB)	
Munich Re Risk report 2013 (PDF, 1.6 MB)	
Munich Re Risk report 2012 (PDF, 487 KB)	
Munich Re Risk report 2011 (PDF, 543 KB)	

Munich Re Codes of Conduct

File	Download
Munich Re Code of Conduct (reinsurance) (PDF, 467 KB)	
ERGO Code of Conduct (PDF, 113 KB)	
Code of Conduct for Self-employed Sales Agents of ERGO Companies (PDF, 46 KB)	

Principles for Sustainable Insurance (PSI)

File	Download
PSI Disclosure 2012 (PDF, 1.2 MB)	
Corporate Responsibility in Business at Munich Re (Group) (PDF, 227 KB)	

TOPICS GEO – Natural catastrophes

File	Download
TOPICS GEO – Natural catastrophes 2015 (PDF, 17.7 MB)	
TOPICS GEO – Natural catastrophes 2014 (PDF, 15.1 MB)	
TOPICS GEO – Natural catastrophes 2013 (PDF, 13.6 MB)	
TOPICS GEO – Natural catastrophes 2012 (PDF, 9.4 MB)	
TOPICS GEO – Natural catastrophes 2011 (PDF, 11.4 MB)	

Procurement

File	Download
Munich Re Procurement guidelines (PDF, 84 KB)	

Environment and climate

File	Download
Carbon Disclosure Report 2013 (PDF, 332 KB)	
Carbon Disclosure Report 2012 (PDF, 145 KB)	
Carbon Disclosure Report 2011 (PDF, 133 KB)	
Environmental guidelines of Munich Re 2012 (PDF, 222 KB)	

Munich Re Newables 2009 (PDF, 2.8 MB)	
SystemAgro 2009 (PDF, 1 MB)	

GRI: G4-29

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Actuary
Qualified expert who analyses problems from the area of insurance, home loans, investments and pensions using methods of probability theory and financial mathematics, and develops solutions with due regard to legal and economic parameters.

Asset-liability management
Often abbreviated to ALM, asset-liability management is a risk model for managing both sides of the balance sheet (assets and liabilities). The aim of ALM is to manage all of the items in the balance sheet in such a way as to optimise the expected return without exceeding the desired level of risk. In an ongoing process, assets and liabilities are simultaneously analysed with regard to their returns and timing. From this, a strategy is developed to achieve the desired financial objectives within the given risk parameters.

Asset management
Management of an investment portfolio on the basis of risk and return considerations. It covers both the preparation and implementation of investment decisions regarding assets and the management of Special funds.

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Cedant
Client of a reinsurance company.

Climate neutrality (carbon neutral)
Also commonly referred to as carbon neutrality, climate neutrality involves the reduction and compensation of greenhouse gas emissions. A company's CO_2 emissions can be "neutralised" through the purchase of carbon credits. In other words, the emission of a certain amount of CO_2 that is unavoidable is compensated for by preventing the emission of an equivalent amount elsewhere in the world. This is achieved through climate-friendly projects like the construction of a wind farm to replace an old coal-fired power station. The purchase of carbon credits makes such projects possible and is used to offset the purchaser's own CO_2 emissions.

Code of conduct
A collection of behavioural guidelines voluntarily drawn up by a company. It generally contains rules for the company's whole supply chain and may cover a wide range of issues.

Combined ratio
The percentage ratio of the sum of net claims expenses plus net operating expenses to premium income. A combined ratio of 100% means that expenses and payments are equal to premium volume. A ratio below 100% indicates that the company is earning an underwriting profit, while a ratio above 100% shows a loss.

Compliance
As defined in the German Corporate Governance Code, "compliance" means acting in accordance with applicable laws and internal company rules (hereinafter "regulations"). "Internal company rules" include the principles and values laid down in Munich Re's Code of Conduct. Compliance requires that a company has the necessary organisational and control measures in place – including appropriate information and documentation systems – to prevent violations of laws and regulations.

Corporate Citizenship
A company's social involvement, i.e. its active involvement as a "good citizen" in local civil society, and in ecological or cultural issues, above and beyond the defines of its business activities.

Corporate Climate Centre (CCC)
Unit at Munich Re concerned with the consequences of climate change. It was created in 2008 from the former Centre of Competence for Geo Risks Research, founded in 1974. One of the tasks of this cross-cutting network is to advise underwriters and clients on the development of future-oriented products. The CCC experts maintain close contact with researchers, associations and organisations worldwide and are involved in a number of research and development projects.

Corporate governance
Corporate governance refers to the legal and factual framework for managing and monitoring companies. Corporate governance rules serve to provide transparency and thus strengthen confidence in responsible management and control geared to the creation of value.

Corporate volunteering
Company activities promoting the voluntary social involvement of employees.

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D

Diversity
Represents the handling and the equal treatment of groups with different characteristics in terms of culture (ethnicity), age, gender, sexual orientation, disability and religion (belief).

Due diligence
Due diligence refers to a risk assessment carried out with "due care", whereby the strengths and weaknesses of the subject are analysed, thus helping to establish its value.

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E

Emerging risk
A new risk for which no empirical data or experience values are yet available.

Emission credits (emission allowances)
Economic instrument designed to reduce emissions of climate-changing greenhouse gases.

Ethical walls
The practice in the financial world of separating departments of a company with different clientele and objectives in such a manner that there is no information interchange between them, thus avoiding conflicts of interests.

EU GreenBuilding certificate
European Commission programme to improve energy efficiency and promote the use of renewable energies. Certificates are awarded to non-residential buildings for which relevant measures have been taken. In Germany, the programme is coordinated by the Deutsche Energieagentur (DENA).

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G

German Corporate Governance Code
Recommended code of conduct for listed companies. Intended to make German rules on corporate management and monitoring transparent to national and international investors and thus increase confidence in how German companies are managed.

Gesamtverband der deutschen Versicherungswirtschaft e.V. (GDV)
German Insurance Association: Umbrella organisation of the German insurance industry which represents the industry's interests vis-à-vis representatives of politics, industry and the general public and addresses the various consumer groups with its public relations work. In addition, the GDV provides extensive consultancy services to its member companies.

Global Compact
The United Nations Global Compact (GC) is a strategic policy initiative for businesses worldwide to implement ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Global Reporting Initiative (GRI)
GRI is a non-profit organisation that drafts internationally recognised guidelines for preparing sustainability reports. Its aim is to make the various organisations' sustainability reports comparable and to structure information on ESG (ecological, social and governance) criteria. The GRI's guidelines are the most renowned and widespread ESG reporting standards worldwide.

Group Chief Risk Officer (CRO)
The person responsible for risk management Group-wide. The CRO is supported by CROs in the business fields and by interdisciplinary teams of highly qualified staff.

Group Compliance Committee (GCC)
The Group Compliance Committee (GCC) considers reputational risks at Group level to ensure uniform analysis and handling throughout the Group.

Group Corporate Responsibility Committee (GCRC)
Group Corporate Responsibility Committee: Group-wide committee at Munich Re for steering and coordinating CR activities at the Group level.

Group Investment Committee (GIC)
Specific investment risks are dealt with and managed in the Group Investment Committee.

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Integrated Risk Management (IRM)
Our Integrated Risk Management Division (IRM) supervises risk management Group-wide with the support of decentralised structures in all units of the Group. IRM is headed by the Chief Risk Officer (CRO).

ISO 14001
International standard stipulating globally recognised requirements for environmental management systems. It focuses on a continual improvement process designed to ensure that the environmental performance of an organisation (company, service provider, authority, etc.) reaches the given targets. This ongoing improvement process is based on the Plan-Do-Check-Act (PDCA) approach. For this, the organisation has to establish an environmental policy, environmental objectives, an environmental programme and an environmental management system that contributes to reaching the objectives.

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L

Lobbying
Is a method of representing social and political concerns, whereby interest groups attempt to influence legislative processes, political decisions or public opinion.

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Materiality analysis
The examination and evaluation of the results of a stakeholder survey.

MEAG
Munich ERGO Assetmanagement GmbH (MEAG) is one of the major asset managers in the European finance sector and manages nearly all assets of Munich Re und ERGO.

Microinsurance
Insurance providing poor population groups, especially in developing countries, with protection against basic risks such as illness, disability, consequences of natural disasters or unexpected crop failures.

Microloans
Very small loans, ranging from €1 to €1,000 to small businesses, mainly in developing countries.

Mixed fund
Fund that invests in a variety of items, e.g. money market securities or segregated real property as well as shares and bonds.

Munich Climate Insurance Initiative (MCII)
The MCII was launched by Munich Re in 2005 in order to develop insurance-based solutions for adapting to climate change in conjunction with other insurers, NGOs and scientific institutions.

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N

Non-governmental organisation (NGO)
Civil society organisation. The term was introduced by the United Nations to make a distinction in political processes between civil society representatives and government representatives.

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O

Ombudsman
A neutral mediator who can be called on to resolve disputes in various areas and find solutions without a great deal of bureaucracy.

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P

Pandemic
The spread of a disease or – in the narrower sense – infectious disease across national borders and continents. Unlike an epidemic, which is a disease occurring in a limited area and time, a pandemic is not restricted to a certain geographical area.

Premium
The amount that has to be paid for the insurance cover provided by an insurer. It may be paid as a regular or single premium. Premiums written means all premium income that has become payable in the financial year. The portion of this premium income that constitutes payment for insurance cover in the financial year is referred to as earned premiums. In the case of products that are largely of an investment nature (e.g. financing treaties and unit-linked life insurance), it only includes – under IASs/IFRSs – the amount serving to cover the risk and costs. However, under statutory accounting rules in the insurance company's home country, premium income may also include the policyholders' savings premiums from unit-linked life insurance and capitalisation products.

Primary insurer
Insurance companies that assume risks in return for an insurance premium and have a direct contractual relationship with the holder of the insurance policy (private individual, firm or organisation).

Principles for Responsible Investment (PRI)
The PRI provide a set of rules for considering ESG criteria in investment decisions. Adherence to these principles, established under the auspices of the UNEP Finance Initiative, is voluntary.

Principles for Sustainable Insurance (PSI)
The PSI provide the insurance industry with a framework for systematic application of ESG criteria. Like the PRI, the PSI are part of the UNEP Finance Initiative.

Public-private partnership
Long-term arrangement between private companies and public bodies with the aim of providing public services in a more economical manner.

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S

Socially responsible investing (SRI)
An investment strategy geared to maximising social as well as financial profit.

Solvency II
Project of the European Commission to fundamentally reform and harmonise European insurance supervisory regulations. Solvency II follows the three-pillar approach: minimum capital requirements (quantitative), supervisory review processes (qualitative) and market discipline (disclosure).

Stakeholder
Any person or group that can be affected by a company's operations and that, conversely, has an influence on the company in question.

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T

Total shareholder return
Performance indicator for an investment in shares. It combines share price appreciation and paid dividends to show the total return to the shareholder over a certain period.

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U

Underwriter
Member of a (re)insurance company acting on behalf of his or her employer to negotiate, accept or reject the terms of a (re)insurance contract.

UNEP FI
The United Nations Environment Programme Finance Initiative (UNEP FI) is a public-private partnership established between the United Nations Environment Program (UNEP) and the financial sector.

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V

Value-added calculation
Calculation for determining the advantageousness of a particular investment. It can render visible the relationship between return on investment, cost of capital and increase in value.

Volatility
Measure of the fluctuations in financial market parameters such as the prices of shares or investment fund units. It is an expression of the risk involved in an investment.

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Please do not hesitate to contact us if you have any questions.

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Independent assurance report

The assurance engagement performed by Ernst & Young (EY) relates exclusively to the German version of the Corporate Responsibility Report 2015/2016 of Münchener Rückversicherungs-Gesellschaft, Aktiengesellschaft in München. The following text is a translation of the original German Independent Assurance Report.

To the Management Board of Münchener Rückversicherungs-Gesellschaft, Aktiengesellschaft in Munich

Our Engagement

We have been engaged to perform a limited assurance engagement on information marked with the symbol ** in the Corporate Responsibility Report 2015/2016 of Münchener Rückversicherungs-Gesellschaft, Aktiengesellschaft in München, (referred to in the following as the report) for the reporting period from 1st January to 31st December 2015.

Limitations of our Engagement

Our engagement is limited to the information marked with a ** symbol in its entirety in the German-language version of the report. Information not marked with the symbol **, forward-looking statements, information for previous years or references to other sections of the report and other sources have not been included in our engagement.

Criteria

We assessed the report against the criteria set out in the Sustainability Reporting Guidelines G4 issued by the Global Reporting Initiative (GRI). We believe that these criteria are suitable for our limited assurance engagement.

Management's Responsibility

The Management Board of Münchener Rückversicherungs-Gesellschaft, Aktiengesellschaft in München, is responsible for the preparation and the content of the report in compliance with the above-mentioned criteria. This responsibility includes the design, implementation and maintenance of internal controls for the preparation of a report that is free from material misstatements, in accordance with the above mentioned criteria and based on

suitable methods for gathering source data, including judgements and estimates of the individual sustainability data.

Our responsibility

Our responsibility is to issue an assurance report on information marked with the symbol ** in its entirety in the report for the reporting period from 1st January to 31st December 2015 based on our work performed for a limited assurance engagement.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (revised). This standard requires that we comply with our professional duties and plan and perform the assurance engagement to obtain a limited level of assurance to preclude that the information marked with the symbol ** in its entirety in the report is not in accordance, in material respects, with the above mentioned criteria. In a limited assurance engagement the evidence gathering procedures are more limited than in a reasonable assurance engagement and therefore less assurance is obtained than in a reasonable assurance engagement.

We are independent from the company in compliance with German commercial law and professional requirements and the IESBA Code of Ethics for Professional Accountants (IESBA Code), which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and we have also complied with our other professional requirements and the IESBA Code.

Ernst & Young GmbH's quality assurance system is based on the national statutory regulations and professional pronouncements including, but not limited to the Professional Charter for German Public Auditors and German Sworn Auditors and the Joint Statement by the German Chamber of Public Accountants and the Institute of Public Auditors on Quality Assurance in the Practice of Public Auditors VO 1/2006, which are in accordance with International Standard on Quality Control 1 (ISQC 1) issued by the International Auditing and Assurance Standards Board (IAASB).

Key Procedures

The performance of our engagement mainly involved the following work:

- Inquiries of employees concerning the sustainability strategy, sustainability principles and sustainability management of Münchener Rückversicherungs-Gesellschaft, Aktiengesellschaft in München, including dialogue with stakeholders, materiality analysis and disclosures of the specified management approaches,
- Inquiries of employees responsible for the preparation of information marked with a ** symbol in the report in order to assess the sustainability reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for a review of the information marked with the ** symbol in its entirety,
- Inspection of the relevant documentation of the systems and processes for compiling, analyzing and aggregating sustainability data in the reporting period and testing such documentation on a sample basis,
- Inquiries and inspection of documents on a sample basis relating to the collection and reporting of sustainability data and disclosures at the head quarter office of Münchener Rückversicherungs-Gesellschaft, Aktiengesellschaft in München, and during the site visit at ERGO Versicherungsgruppe AG, Dusseldorf,
- Analytical measures regarding the quality of the reported data,
- Critical review of the draft report to assess plausibility and consistency with the information marked with a ** symbol.

Our conclusion

Based on our procedures performed to obtain a limited level of assurance, nothing has come to our attention that causes us to believe that the information marked with a ** symbol in its entirety in the Corporate Responsibility Report 2015/2016 of Münchener Rückversicherungs-Gesellschaft, Aktiengesellschaft in München, for the reporting period from 1st January to 31st December 2015 has not been prepared, in all material respects, in accordance with the above mentioned criteria.

Munich, 8th July 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Nicole Richter
German Public Auditor

Jessica Daiß
German Public Auditor