

Procurement principles Munich Re

Adherence to the UN global compact

Corporate Responsibility is an integral component of Munich Re corporate strategy and is of relevance for all our business fields and activities. We also incorporate ecological and social aspects with regard to the procurement of products and services. "Munich Re is a member of the UN Global Compact initiative. This commits Munich Re to the protection of human rights, the prevention of forced labour and child labour, and the combating of corruption. Accordingly, as a requirement for cooperation, Munich Re also expects its business partners to commit to the principles of the UN Global Compact. Should these principles be violated, Munich Re reserves the right to extraordinary termination of an agreement for good cause."

UN Global Compact comprises the following ten principles:

<p>Human Rights</p> <ul style="list-style-type: none"> - Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and - Principle 2: make sure that they are not complicit in human rights abuses. 	<p>Environment</p> <ul style="list-style-type: none"> - Principle 7: Businesses should support a precautionary approach to environmental challenges; - Principle 8: undertake initiatives to promote greater environmental responsibility; and - Principle 9: encourage the development and diffusion of environmentally friendly technologies.
<p>Labour</p> <ul style="list-style-type: none"> - Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; - Principle 4: the elimination of all forms of forced and compulsory labour; - Principle 5: the effective abolition of child labour; and - Principle 6: the elimination of discrimination in respect of employment and occupation. 	<p>Anti-Corruption</p> <ul style="list-style-type: none"> - Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

For further details see:

<http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>

Best Total Value

We make procurement decisions on the basis of the best total value offered by an external partner. Best total value is driven by our business needs and includes a number of components that include quality of the goods or services, supplier responsiveness and account service, speed, supplier willingness to share risk/provide resources and total cost of ownership.

Honest, Ethical, and Fair Dealings

We treat all suppliers with respect and deal with them honestly, ethically, and fairly. In accordance with Munich Re's code of conduct we conduct business in compliance with all applicable laws and regulations wherever we operate. We believe that buyers and suppliers optimize their working relationship when there is a foundation of trust. By treating suppliers and potential suppliers honestly, ethically and fairly, we do our part in building that foundation, and expect that the supplier will do likewise. We do this not only because we believe it is right, but also because it makes working with Munich Re attractive to current and potential suppliers. In an ongoing relationship we communicate our expectations openly and share our goals with the supplier.

Competition and Collaboration

We apply the strategic use of competition, collaboration or a blend of the two in our approach towards managing our supplier relationships. Munich Re believes that competition encourages innovation and efficiency from the supply base which ultimately delivers optimum value over the long-term. By aligning our actions to the high ethical and legal standards of Munich Re's code of conduct and compliance rules, we create a spirit of trust, avoid conflict situations, and protect the reputation of the Company and the Group. Munich Re also believes that we must collaborate with suppliers to access and engage their core competencies, capabilities, and resources to create value for the business. The choice to emphasize competition or collaboration or blend the two is driven by business circumstances, supply market dynamics, supplier capability, supplier compatibility with Munich Re, and the level of interdependency between Munich Re and the supplier.

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