

Verantwortung im Geschäft

Corporate Responsibility im Geschäft

ESG-Aspekte integrieren

Umsetzung in der Praxis

[Principles for Sustainable Insurance \(Englisch\)](#)

Management der Kapitalanlage

Principles for Sustainable Insurance – Corporate responsibility in business

Strong elements of sustainability are inherent in both insurance and reinsurance in as much as they are a promise for the future: in exchange for a premium payment in the present, the insurer assumes a risk and promises to indemnify the insured for losses that may occur at some point in time in the future. Insurers and reinsurers must be able to meet these payment obligations at all times and thus have a vital interest in sustainable value creation.

► Principles for Sustainable Insurance

Every day we take decisions that have an impact on our business results and on the perception our stakeholders have of us. It is our maxim to act responsibly and make informed choices. Corporate responsibility is deeply rooted in our Group strategy, core principles and corporate values.

Decisions that are good for our business should also be good for the environment and for society. That is why in our conduct we go beyond what is required by law and have committed ourselves to more stringent standards. These include the United Nations Global Compact (UNGC), the Principles for Responsible Investment (PRI), and the Principles for Sustainable Insurance (PSI). [Statement by the CEO](#)

Munich Re played an active role in developing the Principles and was among the first signatories when they were unveiled during the Rio+20 Conference in 2012. To demonstrate our commitment to the Principles, Munich Re continues to serve on the PSI Board and contributed to developing the PSI strategy adopted by the assembly of signatories. Moreover, we are involved in the Executive Steering Committee of the PSI flagship project on global resilience.

The PSI serve as a framework for anchoring environmental, social and governance (ESG) aspects more strongly in our core business. We are conscious of the fact that there are a range of industries and activities that have a major impact on the environment and local communities. The systematic consideration of ESG aspects along the value chain of our core business enables us to identify risks and, in cooperation with our clients, to minimise them as far as possible. In doing so we ensure that the actions we take are not merely legal but socially legitimate. At the same time, consistently observing ESG aspects helps us to identify and realise new business potential and empower our clients to better manage all types of risks.

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 show how Munich Re (Group) is putting the four UN 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 environmental, social and governance (ESG) aspects into our core business and asset management, geared to appropriate focal points in the individual business fields. [Corporate responsibility in business](#)

To ensure that our commitment is implemented and lived out in corporate reality, all members of Munich Re's Board of Management have PSI performance targets in their long-term objectives agreements.

Our Group Corporate Responsibility Committee (GCRC), established in 2012, is charged with the advancement of our corporate responsibility strategy. In 2013, the GCRC identified and prioritised sensitive business issues. By this we mean industry sectors, projects or practices that concern ESG aspects of our core business and/or investments in more than just a single case in such a way that the relevant business/investment cannot be compatible with our fundamental conviction and/or our commitments such as the PSI. For each of the industries and activities thus identified, we are successively drafting position papers that provide guidance to our underwriters on how to address ESG aspects when writing such business. [Integrating ESG aspects](#)



External Link

» [UNEP FI: Signatory companies](#)

We also developed a catalogue of ESG questions for engineering projects that helps our underwriters to systematically incorporate ESG aspects into their risk assessments. The questionnaire is used especially for large-scale infrastructure projects. Current planning provides that the methodology of the questionnaire also be applied to other areas of industry and classes of insurance business.

[Practical implementation](#)

In addition to the position papers and tools as described above, a dedicated "CR in Business" team offers training and workshops, provides consulting and conducts ESG research for underwriters and client managers.

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. They range from eco-rates in motor insurance to unit-linked annuity insurance policies that take sustainability into account in the investments.

[Ecological insurance solutions](#)

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.

[Integrated healthcare](#)

▶ **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. Formative parameters, such as climate change, technological progress, the globalised financial markets 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.

[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 the 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.

In mid-2013, Munich Re entered into a cooperation with IFC (International Finance Corporation, a member of the World Bank Group) to support infrastructure growth in Latin America. Under the agreement, concluded for an initial period of five years, IFC will provide up to a \$100 million risk-sharing facility to Munich Re. IFC is renowned for its high social and environmental standards and it is envisaged to expand the cooperation to other areas.

[IFC risk sharing facility](#)

▶ **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](#)

In October 2013, Munich Re held its first in-house SRI (Sustainable Responsible Investment) Day to complement the SRI road shows we usually conduct once or twice a year.

[SRI Day](#)

[Analysts' conferences and meetings of investors 2013](#)

Munich Re's corporate citizenship concept provides for clearly defined guidelines: in addition to basic assistance for social and cultural projects at corporate locations, we focus on topics that are related to our business activities. These are mainly projects from the fields of natural disaster prevention, protection of natural resources, and healthcare promotion. The emphasis is on long-term partnerships geared to meeting concrete challenges in society and on a stronger involvement of staff through corporate volunteering.

[Natural disasters and environment](#)

[Health and demographics](#)

▶ **Principle 4**

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

This is our second progress report in connection with the Principles for

Sustainable Insurance. It covers the calendar and financial year 2013 (1 January to 31 December). We will publish an update for the financial year 2014 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](#)

NB: 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.

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