

Water consumption

		2022	Prev. year	Change
				%
Water used	m ³	476,997	431,593	10.5
Water used/Employee	m ³ /Headcount	12	11	4.8
Water intensity	m ³ /€m gross premiums written	7	7	-1.9

Energy consumption

	Energy consumption			Percentage of energy consumption		Energy intensity		
	2022	Prev. year	Change	2022	Prev. year	2022	Prev. year	Change
	MWh	MWh	%	MWh	%	MWh/Headcount	MWh/Headcount	%
Natural gas	153,307	177,622	-13.7	48.9	51.1	3.7	4.5	-18.1
Thereof natural gas for cogeneration	126,293	145,454	-13.2	40.3	41.9	3.1	3.7	-17.6
Electricity	102,313	96,452	6.1	32.6	27.8	2.5	2.5	0.7
Thereof electricity from renewable sources	92,518	88,567	4.5	29.5	25.5	2.2	2.3	-0.9
District heating	51,638	67,989	-24.0	16.5	19.6	1.2	1.7	-27.9
District cooling	5,371	4,481	19.9	1.7	1.3	0.1	0.1	13.8
Liquid fuel for emergency power	1,069	927	15.3	0.3	0.3	0.0	0.0	7.6
Total	313,698	347,471	-9.7	100.0	100.0	7.6	8.8	-14.3

Human rights

Strategy and objectives

The respect for human rights is a part of our management approach to include economic, environmental and social challenges in our definition of success. The Board of Management has accordingly issued a declaration to respect and protect human rights, which we have published on the Munich Re website (www.munichre.com/sustainability/download). This statement underscores Munich Re's commitment to human rights, as defined in the Declarations from the United Nations (UN) or the International Labour Organization (ILO).

Munich Re has undertaken to apply its respective due diligence and to respect internationally recognised human rights. By signing the UN's Global Compact in 2007, we have committed ourselves to the following principles:

- Promoting and protecting internationally recognised human rights within our scope of activity
- Taking precautions designed to prevent Munich Re from contributing to human rights violations, for example human trafficking
- Upholding the freedom of association and the effective recognition of the right to collective bargaining
- Supporting the elimination of any kind of forced or child labour
- Helping to put an end to discrimination in hiring and employment

These principles are also enshrined in our Code of Conduct, the compliance with which is mandatory for all Munich Re staff. We are thereby aiming to create a Group-wide understanding of the value of human rights.

In addition, we are also committed to safeguarding human rights as set out in the UN's Guiding Principles on Business and Human Rights, international human rights treaties and the ILO's declaration on fundamental principles and rights.

In accordance with international rules, we have published a statement signed by the Board of Management on the UK Modern Slavery Act every year since 2017, and since 2021 we have issued a declaration under the Australian Modern Slavery Act as well.

Munich Re's management is committed to preventing its business from potentially negatively affecting human rights. In order to systematically monitor any such effects, the following four aspects have been defined: staff, procurement, our core business of reinsurance and primary insurance, and investments. We have introduced instruments for each of these aspects, which allow us to manage our respective decision-making processes in terms of human rights. This enables us to eliminate any risk of human rights violations as far as possible.

In addition, Munich Re has developed a human-rights-based strategy for using artificial intelligence in compliance with European Commission guidelines, which covers data protection, monitoring, discrimination, bias, unintended consequences, and intentional abuse.

We also strive to improve the guarantees of fundamental rights, which also include human rights. We do this, among other ways, by offering tailor-made insurance products. For example, we provide innovative risk solutions to ensure that underinsured people in Asia have the basics needed to live. Special financial solutions aim to close the coverage gap for populations and companies at risk, and to guarantee swift and targeted payments. Fundamental rights and guarantees are also the focus of many of our fundraising and sponsorship projects.

Further information can be found in our Sustainability Report, our annual Communication on Progress to the UN Global Compact, and our annual reports on the PSI and the PRI.

Measures

In 2018, we developed the following processes to fulfil our human rights due diligence, which are reviewed annually:

- Undertaking by management to comply with human rights
- Identifying and assessing risks with regard to human rights violations
- Implementing and monitoring measures
- Reporting and communication
- Support and grievance mechanism

Staff and external consultants can use Munich Re and ERGO's whistleblowing portals to report possible or actual human rights violations. If a human rights violation is reported, or we otherwise learn of one, Munich Re's dedicated Compliance units will investigate. Every potential case is investigated in accordance with a procedure set out in internal guidelines. Every potential case of misconduct will be investigated and resolved. If we learn of human rights violations in an existing contractual relationship, we decide on appropriate and effective remedial action in dialogue with the responsible parties.

Staff

As employers, we undertake to comply with international standards of human rights and to provide adequate working conditions for our staff.

Our Code of Conduct explicitly states that Munich Re does not tolerate any discrimination. In Germany, we have set up an official department for complaints as provided for in Section 13 of the General Equal Treatment Act (AGG).

Procurement

Our goal in procurement, when making decisions and taking action, is to comply with our principles and thus assume corporate responsibility along the entire supply chain. Avoiding ESG risks is pivotal in our procurement of goods and services. We had previously required our suppliers to accept the principles of the UN Global Compact. Now we have made our expectations in terms of respecting human rights even clearer, by adopting a Group-wide Code of Conduct for suppliers. The structured risk analysis process that we are currently introducing will allow us to even better identify potential human rights breaches in future, and to mitigate or avoid them accordingly.

Insurance activities

Munich Re has adopted underwriting guidelines to specify how underwriters and client managers are to handle ESG risks in insurance business. If any human-rights-related risks are identified during the underwriting risk-assessment process, our goal is to discuss and agree on mitigation measures in a dialogue with the corresponding contracting party.

In the insurance business, sensitive business issues or sectors have been identified in which social aspects, including human rights, are to be taken into account in the risk assessment. Mandatory guidelines and best practices relevant to human rights, among others, have been developed for these issues.

If the assessment of a potential transaction concludes that there is significant reputational risk, the issue is escalated to the respective reputational risk committee for a decision.

Investments

For the purposes of sustainable investment, government bonds and notes from quasi-governmental institutions rated CCC under the MSCI ESG system are excluded due to high risks related to socio-economic or political factors. These MSCI government ratings also take human rights into account. Moreover, in late 2022 the Responsible Investment Guideline was updated to include human rights standards, among other criteria.

As responsible investors, we also support the international conventions related to controversial weapons (anti-personnel mines and cluster munition), and exclude any direct investment in equities or bonds from companies active in those sectors.

Measures

Munich Re takes a clear stand against racism, inequality and discrimination of any kind. Our Group-wide Code of Conduct, which is binding on all employees, prohibits discrimination, social misconduct and harassment. In Germany, employees receive regular mandatory training on the German Equal Treatment Act (AGG) and the Code of Conduct to promote understanding and compliance. An escalation process for reporting incidents is clearly defined and complaints offices have been established in the event of discrimination.

There are different measures in place to increase the proportion of women in management positions: these include a requirement for diversity in candidate lists and selection committees Group-wide, strict oversight of senior appointments by the Board of Management, an even stronger focus on equality in talent development and Group-wide monitoring of progress in gender diversity. These key figures are integrated into the quarterly Group-wide reporting process of our business figures.

To achieve this goal, Munich Re has created a supportive environment and implemented numerous measures to promote the personal development of all employees. Established support measures were continued in 2022. These include mentoring programmes, coaching, networks for different employee groups, and individual part-time and parental-leave models. Several family support services in the areas of childcare, eldercare and career counselling complement these offerings. In addition, new and innovative programmes are regularly developed and introduced individually in the regions of the fields of business.

Further measures to support gender diversity include, for example: participating in the “break the bias” project on International Women’s Day, various women’s networks, (for example “EFEU” and the Women’s Inclusion Network (WIN) in reinsurance, or win@m at MEAG), or the mentoring programme for ambitious women and the “Frauen im Vertrieb” project at ERGO.

The 10 (12) women’s networks had 2,073 (2,217) members in 2022. A total of 2,567 (2,814) participants attended events during the business year.

Beyond the gender initiatives, many other measures took place. The following activities reflect the strong commitment of Munich Re employees to DEI topics in 2022:

A total of 16 (20) events were held worldwide in the 4 (4) networks of the LGBTIQ+ community.

Reinsurance continued its collaboration with Prout at Work. In addition, a range of learning programmes are provided through LinkedIn Learning and the Catalyst learning resource and are open to all employees globally. These

offerings were promoted on World Cultural Diversity Day and during Pride Month – the awareness month for the LGBTIQ+ community – in June. A specific goal set by the reinsurance units in the US was to reach 55% diverse employees by 2023 – diverse referring to employees with underrepresented identities. This goal was already reached in 2022.

To address the issue of unconscious bias, ERGO conducted a “Diversity Day” in Germany in 2022. Two e-learning formats were launched to coincide with the event. They show how unconscious bias occurs and provide numerous examples and strategies on how to avoid such patterns of thinking. In addition, the “Digital Diversity Map” introduced in 2019 has been expanded in collaboration with the international organisation. The “Digital Diversity Map” provides transparency on the most crucial diversity metrics and offers insights into the activities of the foreign subsidiaries. Since its launch, ERGO’s “Digital Diversity Map” has been expanded every year with new statements and updated figures. It currently contains 90 videos from 20 companies in 16 different countries with statements and messages around DEI.

In our various talent programmes, we continue to particularly emphasise balanced diversity.

Metrics

At the end of 2022, the proportion of women in management positions worldwide was 38.5%, a further increase compared to 2021, but still 1.5 percentage points short of our target. Progress was also made in the two management levels below the Board of Management and in the quotas for women at Munich Reinsurance Company.

The following proportions of women were achieved in the talent programmes: Group Management Platform/Group 41% (38%), Hydrogen/reinsurance 42% (38%), Oxygen/reinsurance 49 (47%), ERGO Grow 50% (38%). The proportion of women in the trainee programmes was as follows: EXPLORE/Group 60 (60)%, International Graduate Trainee Programme/reinsurance 54% (51%), RISE/ERGO 60% and Futures/MEAG 33% (56%).

Further information on women in management positions (targets and status) is provided in the Corporate Governance Statement pursuant to Sections 289f and 315d of the German Commercial Code, in the section “Equal participation of women and men in management positions”.

An increase in the internationality of the talent programmes was also achieved, as measured by the distribution of participants between Germany and abroad. The following results were attained: Group Management Platform/Group 58% (45%), Hydrogen/reinsurance 76% (73%), Oxygen/reinsurance 78% (83%).

Diversity, equity, inclusion (DEI)

		31.12.2022	Prev. year	Change
Munich Re				%
Women in the workforce	%	52.5	52.6	
Women in management positions, Management Levels 1–4	%	38.5	37.8	
Women in management positions, Management Level 1	%	32.0	31.6	
Women in management positions, Management Level 2	%	34.5	32.3	
Nationalities	Number	123	114	7.9
Women's networks	Number	10	12	-16.7
LGBTIQ+ networks	Number	4	4	0.0
International participants in talent programmes	%	49.9	36.1	
Munich Reinsurance Company				
Women in the workforce	%	45.8	44.8	
Women in management positions, Management Level 1	%	16.7	14.0	
Women in management positions, Management Level 2	%	26.5	24.1	

In summary, progress was again realised on the 2022 reporting topics, and strategic decisions were made that set the direction and ambition for the coming years. In doing so, we will continue to foster Group-wide approaches to specific topics and establish different operational implementations within the organisation that can optimally support the respective business model and the respective employee structure.

Governance

In this section, we report on the topics of compliance as well as responsible digital transformation, data protection and cyber security.

Compliance

Strategy and objectives

How Munich Re is perceived by the public and our business partners depends on each and every member of our staff. Our actions are guided by the principles and values detailed

in our Code of Conduct, and we strive to maintain our stakeholders' trust and protect Munich Re's reputation. Appropriate conduct plays an important role in this regard. This means that Munich Re aims to comply with all applicable statutory, supervisory and other external rules and standards, particularly those related to the insurance and investment business, and with all internal regulations on avoiding material compliance risks in all of our business activities.

Compliance is the responsibility of every employee. Based on the Code of Conduct and other commitments to responsible conduct (e.g. the UN Global Compact), all staff have undertaken to act honestly and dependably. They are to make business decisions in accordance with the law, statutes and internal regulations, and avoid any conduct that could be harmful to Munich Re. Our Board of Management and managers are particularly responsible for implementing compliance as an integral part of our business processes. Our managers are role models for our staff and have a duty to ensure that business within their sphere of responsibility is conducted in accordance with the law, statutes and internal regulations.

Understood correctly, for us compliance means acting in accordance with the law, statutes and internal regulations, such as the Code of Conduct, which apply to operating an insurance and investment business. Compliance is thus a key element of our business processes and allows us to fulfil our responsibilities and to embody integrity.

Providing quality advice to customers is a top priority at Munich Re. At ERGO this can be seen, for example, in its having signed in 2012 the Code of Conduct issued by the German Insurance Association (GDV) for the sale of insurance products. This Code obliges the signatory insurers and their brokers to not only comply with high standards of advice and brokerage, but to also have this compliance regularly checked by independent auditors. In 2020, for the third time, KPMG confirmed that ERGO was effectively implementing the contents of the Code. The next audit is scheduled for 2023.

We have set ourselves the goal of enabling our staff to conduct themselves ethically and legally through a defined reference framework, including a Group-wide Code of Conduct, guidelines and standards. Training, advice from managers and staff, and proper communication of corresponding content also play important roles in this regard.

Moreover, we aim to identify, monitor and investigate key compliance risks using Group-wide methodology, which also uses a set framework concept to evaluate the controls, and also to investigate potential violations that may occur despite these appropriate measures.

A further goal is to continually improve the Compliance Management System, eliminate and resolve violations, and regularly report to the appropriate parties.

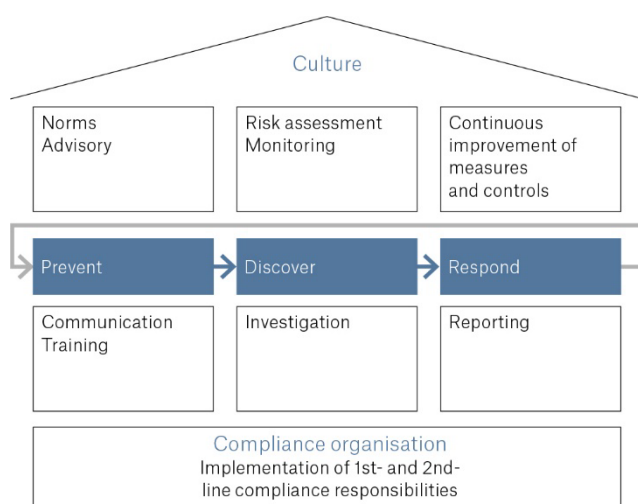
In order to meet these goals, we define, among other things, Group-wide standards and monitor compliance risks. These particularly include corruption and bribery, which are not tolerated (zero-tolerance policy) at Munich Re; money-laundering provisions and antitrust law; product sales and design (sales compliance) that allow a relationship of trust and fairness with our clients; and data protection, to ensure that data entrusted to us is handled securely. Complying with financial sanctions and constantly keeping up with the most recent geopolitical developments was particularly important in 2022. The latest regulatory standards are constantly monitored and integrated into the Company, for example in ESG.

Measures

Compliance Management System (CMS)

The compliance function is responsible, among other things, for establishing and monitoring the necessary organisational measures to ensure compliance on the part of Munich Re, its management and its staff. We have developed a CMS for this purpose that meets external compliance standards – such as ISO 19600 and IDW PS 980 from the German Institute of Certified Accountants (IDW) – and was carefully tailored to meet Munich Re's needs. The CMS constitutes the methodological framework for the structured implementation of the early-warning, risk-control, advising and monitoring functions.

Munich Re's CMS is geared to the aforementioned goals and is designed as follows:



The scope and means of implementing compliance activities with regard to the above-mentioned CMS elements are guided by the risk profile of the respective Group company, though the implementation of minimum standards is mandatory for all entities.

Basis

Our business activities are embedded in a compliance culture based on our core values, which are particularly reflected in the Munich Re Code of Conduct, our main standard for staff behaviour.

Compliance organisation involves designing the structure of the compliance function, which includes determining the tasks, responsibilities and processes with regard to compliance measures and interfaces. Our compliance unit manages compliance activities through Group-wide standards and a network of regional and local compliance officers.

Prevention

The compliance norms specify principles and minimum standards for preventing and avoiding material compliance risks.

The advisory function responds to compliance-related questions from staff, provides advice on specific cases, issues general recommendations, and shows senior management, managers and staff how to assess and avoid compliance risks, but also how to avoid potential external and internal breaches and react accordingly.

Our Group-wide communication and training are aimed at increasing awareness of compliance risks and dealing with them effectively. Both are aimed at and tailored to the needs of the various German and international Group companies and their respective business models. Staff and management are obligated to regularly attend training – either in the classroom or via IT-supported programs – on the Code of Conduct and selected compliance topics, such as preventing corruption, ensuring compliance with antitrust law, and data protection. Mandatory tests help participants grasp and internalise the content long-term, especially in the case of online material.

Detection

The assessment of compliance risks includes the systematic identification, analysis and mitigation of such risks. The process is based on a Group-wide methodology used to identify, assess and document risks. Munich Re's main compliance risks and the corresponding mitigation measures are analysed and reported to management at least once a year. The main risk areas include data protection, financial sanctions, antitrust law, money laundering, sales compliance, corruption, and ESG. The management of changes to the law is part of our risk assessment, in order to evaluate in good time any possible effects of changes in the legal environment.

Monitoring consists of evaluating whether the implemented measures for mitigating material compliance risks are appropriate and effective. Monitoring includes, among other aspects, reviewing the defined frameworks and assessing the design and effectiveness of the controls implemented.

Internal investigations are conducted by the compliance function if there are allegations or suspicions of illegal activity and/or misconduct within the company. We have set up a comprehensive whistleblower system for reporting suspicious activity.

Response

Continuous improvement means regularly reviewing our CMS and compliance measures on the basis of risk assessments, monitoring and other relevant information from the various departments (audit reports, legal changes, organisational changes, etc.), and making adjustments if necessary. In this regard, the maturity of the CMS is assessed on an annual basis using quantitative and qualitative checks and metrics. These include completion of mandatory online training sessions, for example on anti-corruption, antitrust law, data protection and the Code of Conduct. The same applies to the number of whistleblowing complaints and other allegations received, as well as to the number, type and severity of compliance violations identified.

Compliance reports are submitted to the Board of Management and the Audit Committee every six months, and ad hoc when required. Reporting includes, but is not limited to, information on significant compliance risks and mitigating measures, compliance-related violations and statements regarding the maturity of the CMS, as well as an overview of the adequacy and effectiveness of the procedures implemented to comply with external requirements. Reporting also includes regularly communicating with supervisory authorities such as the Federal Financial Supervisory Authority (BaFin).

Selected compliance programmes

We have set up dedicated compliance programmes as minimum standards for compliance risks of Group-wide relevance, for example corruption and bribery, compliance with financial sanctions, money laundering rules and antitrust law, sales compliance and data protection. Monitoring the implementation of these programmes is the responsibility of the respective local compliance organisation.

Due to its international activities, Munich Re is also subject to foreign corruption-prevention laws such as the UK Bribery Act and the Foreign Corrupt Practices Act in the United States. Accordingly, we have adopted Group-wide minimum standards on appropriate conduct regarding invitations, gifts, donations and sponsorships, as well as on interacting with public officials. Fighting corruption is a compliance programme that is subject to a zero-tolerance policy at Munich Re.

Munich Re is also committed to fighting money laundering and terrorist financing. The companies that are subject to the German Money Laundering Act (GWG) have been set up accordingly; officers responsible for money laundering issues, and their deputies, have been appointed where mandated by the GWG. ERGO and MEAG have, through in-house anti-money-laundering policies, set up fundamental standards for their staff in the relevant companies to prevent money laundering and terrorist financing. Identification of customers, service providers and suppliers is done in accordance with the know-your-customer principle and the process is integrated into corresponding due-diligence reviews.

Whistleblowing portal

We maintain a Group-wide reporting system for violations of the law and other regulations. Staff can report potential violations to Group Compliance & Legal or their line manager. In addition, they can contact an external, independent ombudsman. The compliance whistleblowing portal is available to all staff and external parties for reporting violations. This allows allegations to be reported securely, anonymously and confidentially. Any reports received are forwarded to Group Compliance & Legal or the responsible local compliance organisation. The platform can be used to report potential violations relating to financial crime (corruption, financial sanctions, fraud), regulatory requirements, money laundering, tax law, antitrust law, insider trading, sales compliance, data protection, human rights (and other ESG matters), gender discrimination, sexual harassment, diversity and violations of equal-treatment provisions. The anonymity protection function of Munich Re's compliance whistleblowing portal has been externally certified under ISO 27001.

Munich Re's whistleblowing portal complies with the new standards of the EU Whistleblowing Directive 2019/1937 and is complemented by local whistleblowing systems.

Metrics

Munich Re records any violation of purely internal policies, statutory or regulatory rules, supervisory requirements, or other external rules or standards (hereinafter: "external requirements"), as a compliance incident. Such incidents constitute an essential component of our reporting to the Boards of Management and Supervisory Board Audit Committees of Munich Re companies.

In 2022, 443 (652) allegations of potential misconduct were received through the various reporting channels at Munich Re. All allegations were carefully and impartially investigated, while maintaining the anonymity and protection of the whistleblower, upon request. No violations with a material financial impact or systematic vulnerabilities were identified.

Details about the allegations and violations appear in the following tables. Information about allegations and violations concerning data protection can be found in the

“Responsible digital transformation, data protection and information security” section.

Allegations of possible misconduct and violations

	Number		Share		Change
	2022	Prev. year	2022	Prev. year	
					%
Total	443	652	100.0	100.0	-32.1
Non-confirmed violations	109	334	24.6	51.2	-67.4
Ongoing investigations	202	116	45.6	17.8	74.1
Confirmed violations	132	202	29.8	31.0	-34.7
Thereof violations of purely internal requirements ¹	39	124	29.5	61.4	-68.5
Thereof violations of external requirements ¹	93	78	70.5	38.6	19.2

1 The previous year's figures have been adjusted.

The violations of external requirements fall into the following categories:

Confirmed violations of external requirements

	Number		Share		Change
	2022	Prev. year	2022	Prev. year	
					%
Regulatory requirements	15	44	16.1	56.4	-65.9
Tax law	6	13	6.5	16.7	-53.8
Offences to the detriment of third parties or the Company	29	9	31.2	11.5	222.2
Sales- or product-related requirements	36	7	38.7	9.0	414.3
Human resources	6	3	6.5	3.8	100.0
Unfair competition and antitrust law	1	2	1.0	2.6	-50.0
Money laundering	0	0	0.0	0.0	-
Financial sanctions	0	0	0.0	0.0	-
Human rights or other ESG aspects	0	0	0.0	0.0	-
Insider trading and market manipulation	0	0	0.0	0.0	-
Corruption	0	0	0.0	0.0	-
Total	93	78	100.0	100.0	19.2

Of the total of 93 (78) confirmed violations of external requirements, a total of 19 (13) were sanctioned with disciplinary action.

The findings from our investigations of suspected and actual compliance violations are used to continually improve the CMS.

Responsible digital transformation, data protection and information security

Strategy and objectives

Digitalisation and the challenges it entails for staff with regard to data protection, information security and the responsible use of artificial intelligence (AI) continue to gain in importance. Their importance has particularly increased during the COVID-19 pandemic. Transformation efforts towards digital and data-driven processes have significantly accelerated in many insurance companies as well. It is important for Munich Re to ensure that digital data and technologies are used responsibly, and to remain

a trusted partner on the market by offering innovative solutions for our clients. Against this backdrop, we have made responsible and ethical digitalisation an essential component of our business strategy, and are making targeted investments in technology and staff.

Due to the nature of its business, Munich Re comes into contact with a large amount of data. Protecting this data is important to us, especially given the fact that increasing digitalisation means that many business processes handle personally identifiable information. Compliance with data protection regulations is also a significant element of maintaining Munich Re's reputation and the trust of our business partners. In the area of data protection, compliance with national and international regulatory requirements such as the EU General Data Protection Regulation (GDPR) is one of the main drivers for the development of our management approach. Moreover, in the various fields of business, data-protection management systems have been implemented to systematically monitor and control how we handle personally identifiable information.

At the same time, we consistently apply the three pillars of protection in the information security field: confidentiality, availability and integrity of our information. The requirements in this regard are driven by statutory and supervisory regulations, and are an integral component of Munich Re's corporate strategy. Accomplishing these objectives constitutes a key factor to our business success. Our goal in this regard is to tailor the levels of protection of our data and information to the respective risk, in the context of the increasing digitalisation of our business processes. When defining our level of ambition, we took both the findings from our review of supervisory requirements (for example, the "Supervisory Requirements for IT in Insurance Undertakings" – VA/IT) as well as benchmark comparisons into account.

Munich Re's Code of Conduct and various business-field-specific standards include mandatory rules for all staff and are intended to ensure that data protection and information security are dealt with consistently.

For Group companies situated within the European Union and the European Economic Area (EU/EEA) the rules regarding data protection refer primarily to the GDPR. Based on the GDPR, Munich Reinsurance Company, ERGO and MEAG have each adopted a data protection policy covering their activities in the EU/EEA in order to ensure a consistent, mandatory level of protection across these fields of business. For our intra-Group data sharing with reinsurance companies situated outside the EU/EEA, binding corporate rules on data protection aim to ensure an appropriate level of data protection at our locations worldwide.

Where necessary, data protection officers have been appointed to handle data protection in reinsurance, ERGO and MEAG. The Group's data protection organisation is centrally coordinated by the Group Compliance & Legal division. Among other tasks, the data protection officers and experts work in their respective areas of responsibility to ensure compliance with the data protection regulations, monitor the lawfulness of IT-supported data processing, advise the respective companies on their duties under the applicable data protection regulations, answer staff questions on data protection, and serve as a first point of contact in communications with the supervisory authorities. Reports are made at least once a year to Munich Reinsurance Company's Board of Management concerning significant data protection issues and improvements to Munich Re's data protection management systems.

Particularly complex and risky data protection concerns at Munich Re are handled by the Data Strategy and Governance department, which is overseen by the Compliance and Legal division and serves as a centre of excellence. All Munich Re staff can benefit from the department's data protection expertise.

Management of information security risks is the responsibility of the Group Chief Information Security Officer (Group CISO). This involves defining, updating and implementing the information security strategy, which includes numerous measures and projects executed by the Group CISO.

To support this, within the Group we have also implemented guidelines on information security and business continuity management for relevant companies; these guidelines set binding targets, minimum requirements, responsibilities, processes and reporting procedures as to information security and business continuity.

The idea of "responsible artificial intelligence" is the foundation of our work in the field of artificial intelligence. It is based on the seven Ethics Guidelines for Trustworthy Artificial Intelligence elaborated by an expert group at the European Commission.

Munich Re's main goal when using AI in reinsurance is to offer solutions that are tailored to our clients' needs, for example by making it easier and quicker for them to assess risks, settle claims, or insure new types of risk. Moreover, Munich assumes the performance risk associated with AI-based models through innovative insurance products such as aiSure™.

In primary insurance, data and artificial intelligence are also key factors driving digital transformation, particularly through intelligent process automation and strong, individualised client service.

Measures

To continuously improve our digitalisation processes, we implemented numerous measures in the reporting year.

Munich Re staff receive regular training on the GDPR, mandatory internal data protection regulations and information security with the aid of e-learning programs. All new staff are also required to complete the e-learning programs during their onboarding period. Moreover, division-specific online courses were added in the reporting year.

We continue to offer training courses, for example our data analytics curriculum, that are targeted to specific groups of staff, such as developers, users and managers. We have also expanded our training programme with regard to trustworthy artificial intelligence.

In order to provide transparency about data protection risks and information security risks, and to fulfil its own data protection accountability in this regard, every instance of IT-supported processing of personally identifiable information at Munich Reinsurance Company is reviewed using a defined process. Any data processing that entails a high risk of violating an individual's rights or restricting their freedoms is identified and monitored through a privacy impact assessment. ERGO and MEAG comply with their accountability obligations under data protection law with the help of corresponding processes. In addition to the aforementioned data-protection risk reviews, every new instance of IT-supported data processing is reviewed – depending on the protection needs of the processed data – for compliance with information security requirements.

The data-protection and information security processes are continually refined so as to integrate them in future into an overarching governance, risk and compliance platform and into a third-party risk management system.

It is our declared goal to avoid any type of discrimination through AI, which could for example arise through the use of historical data. In addition, we check that our data resources cover all relevant demographic groups where possible, for example as to age, sex, nationality or ethnic background. At the same time, we bear in mind the legal, social and cultural standards of every country in which we do business. Moreover, making our algorithms as transparent as possible is a matter we take seriously. Through partnerships with the scientific community and academic institutions, we have access to the latest techniques for illustrating the behaviour of AI systems.

Appraisal

In 2022, as in the previous year, no material data protection events as defined in the Solvency II Group Compliance Policy were identified anywhere in our Group worldwide, nor were any material proceedings for breach of data protection regulations initiated. Nevertheless, Munich Re is increasingly the target of cyber attacks, which threaten the confidentiality, integrity and availability of our information and business processes. As a result, measures that both prevent such attacks and facilitate their identification are being continually improved, particularly in this area. We are also optimising the systematic management of any such incidents.

Further details

In the following section, we provide further information under the German Commercial Code (HGB) about our business model, our management's involvement, and about non-financial risks and how we deal with them, for a fuller understanding of the sustainability of our actions.

Details on the business model

Munich Re is one of the world's leading providers of reinsurance, primary insurance and insurance-related risk solutions. The information about Munich Re's business model, required under Sections 289c(1) and 315c(1) of the German Commercial Code (HGB), is published in the Group section.

Sustainability governance structure

We have clearly defined organisational responsibilities for sustainability throughout the Group. Fundamental strategic decisions are taken by the Board of Management, or, more specifically, by the ESG Committee, a subcommittee of the Strategy Committee. The ESG Committee is supported by the ESG Management Team, which is composed of the heads of the central divisions and departments responsible for important ESG topics, as well as the chief underwriting officers from reinsurance and ERGO, and which is responsible for implementing and monitoring the Group-wide ESG strategy. The ESG Committee's objective is to strengthen the Group's ESG management and accentuate the strategic importance of ESG topics for the Group. The Group's Sustainability department supports the ESG Committee and the ESG Management Team; it also coordinates sustainability initiatives within the Group. This department is part of the Economics, Sustainability & Public Affairs (ESP) central division, which reports directly to the CEO. In addition, we have been integrating ESG criteria into the Board of Management's remuneration system since 2012. This grants the Supervisory Board latitude to factor in aspects of sustainability when it considers remuneration. And from the 2022 financial year, at least one concrete ESG target is to be agreed for the multi-year bonus. Further information is available online at www.munichre.com/board-of-management.

The Supervisory Board addresses significant sustainability issues at least three times a year: based on the combined non-financial statement, through regular updates on ESG strategy and implementation measures, and upon presentation of the annual personnel report. Several members of the Supervisory Board possess significant ESG expertise and are thus qualified to assess the information. Moreover, the Praesidium and Sustainability Committee regularly scrutinises ESG issues as part of its fundamental responsibility. Further information on the Supervisory Board's responsibilities and those of its committees can be found in the Supervisory Board Report.

Risk analysis

For us as risk carriers, risk management constitutes a key element of responsible and sustainable corporate governance. In the context of sustainability risks, we differentiate between “outside-in” and “inside-out” perspectives. Outside-in risks refer to ESG events or conditions that could have real or potential negative consequences on investments or liabilities. We address the management of outside-in risks in the risk report.

By contrast, inside-out risks are potential consequences that our business could have on ESG aspects, and thus correspond to the risks mentioned in Sections 289c(3) and 315c of the German Commercial Code (HGB) – risks to society and the environment, for example. Munich Re’s business operations, unlike those of other sectors, normally do not result in any material risks that could very likely have grave consequences on the aspects named in Section 289c(2) of the HGB. Nevertheless, risks that can be categorised as sustainability risks may indirectly arise from investments or our insurance business, e.g. through covering major infrastructure projects.

We are aware of our corporate responsibility for these risks, and manage them accordingly. We describe our strategic approach to sustainability, and how we handle specific ESG aspects such as climate change, in various sections of the non-financial statement.

Non-compliance with ESG criteria could also damage Munich Re’s reputation. As a result, where societal and environmental risks are not already subject to specific operational standards, they are assessed by our reputational risk management and rejected if necessary. We identify, analyse, assess and monitor reputational risks with the aid of qualitative methods. Specific guidelines and process descriptions define how we deal with reputational and sustainability risks. Various measures raise our staff’s awareness of reputational and ESG considerations, which in turn helps to mitigate risks. Reputational risk committees (RRCs) in the fields of investment, reinsurance and primary insurance (in the latter called the Reputation and Integrity Committee) assess concrete reputational concerns and any potential reputational or sustainability risks of individual transactions. The reviewed incidents are documented. We established uniform, Group-wide processes for handling reputational risks in the RRCs of the individual fields of business in late 2021. Moreover, we created an RRC in the Group Investment Management divisional unit in early 2022. As a result, the 2022 table does not provide any case numbers from the previous year for comparison.

Outcome of assessment by RRC of transactions submitted for review of critical reputational risks

	2022
Denied due to critical reputational risk	4
Accepted, no critical reputational risk identified	8
Accepted under specified terms	2

No reportable sustainability risks were identified in the 2022 reporting year.

About this statement

Statutory requirements

In the combined non-financial statement, we report in accordance with the requirements of the European Non-Financial Reporting Directive (NFRD) and the corresponding commercial law provisions of Sections 289b and 315b of the German Commercial Code. This statement combines the consolidated non-financial statement of the Munich Re Group and the non-financial statement of Munich Reinsurance Company. All content contained in the statement applies both to the Group and to Munich Reinsurance Company, unless otherwise noted.

In preparing the non-financial statement, we bore in mind the Global Reporting Initiative (GRI) standards, particularly when analysing the material issues and describing the concepts. An exhaustive report is published separately in the Sustainability Report, which is available at www.munichre.com/s-report.

Moreover, our sustainability reports have followed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2020. In the risk report, which includes a more detailed description of non-financial risks, our reporting on risks for insurance and investments resulting from climate change is also based on the TCFD recommendations.

Moreover, the standards issued by the Sustainability Accounting Standards Board (SASB) have provided guidance since 2021 in compiling the non-financial statement – as acknowledgement of the increasing significance of SASB standards to investors.

An overview of the relevant information about the TCFD and the SASB can be found in the TCFD, SASB Index 2021 under www.munichre.com/sustainability/download.

Member of the Board of Management/Responsibilities	Memberships of statutory supervisory boards	Memberships of comparable bodies of German and foreign business enterprises
Clarisse Kopff (from 1 December 2022) Europe and Latin America	-	-
Dr. Markus Rieß Primary Insurance/ERGO	ERGO Deutschland AG ² (Chair) ERGO Digital Ventures AG ² (Chair) ERGO International AG ² (Chair) ERGO Technology & Services Management AG ² (Chair)	Next Insurance, Inc., USA
Michael Kerner (from 1 January 2023) Global Specialty Insurance	-	American Modern Property and Casualty Insurance Company, USA ² (Chair) (from 1 January 2023) The Hartford Steam Boiler Inspection and Insurance Company, USA ² (Chair) (from 1 January 2023) Munich Re America Corporation, USA ² (from 1 January 2023) Munich Re America Services Inc., USA ² (Chair) (from 1 January 2023)
Mari-Lizette Malherbe (from 1 January 2023) Life and Health	-	-

1 As at 31 December 2022, unless stated otherwise.

2 Position held within the Munich Re Group.

3 Including responsibility for ESG issues.

The Board of Management is responsible for managing the Company, in particular for setting the Company's objectives and determining strategy. It is bound to act in the Company's best interests. It should take account of the interests of shareholders, employees, and other stakeholders of Munich Reinsurance Company, with the objective of sustainable value creation. The Board of Management is responsible for effecting adequate risk management and risk control. It must ensure that statutory requirements and internal Company rules are observed, and works to ensure compliance by Group companies and their staff members.

Compliance

The Group Compliance and Legal division of Munich Reinsurance Company reports directly to the Chair of the Board of Management. Group Compliance and Legal manages the compliance activities and monitors their implementation by means of the Compliance Management System (CMS). The CMS is the methodical framework for the structured implementation of early warning, risk control, consulting and monitoring functions. More information on the CMS can be found in the combined non-financial statement and in the risk report.

In order to further strengthen compliance within the Group, the compliance whistleblowing portal serves as another channel of communication to complement the independent external ombudsperson. Staff members and third parties can use the portal to anonymously report any activity that may cause reputational damage, suspected contraventions of the law, especially financial crime (such as corruption offences, and money laundering), contraventions of antitrust law, insurance supervisory law, market abuse law, data protection law, and any serious breach of internal rules and regulations.

The Group has a comprehensive reporting system for issues relevant to compliance. This allows for regular and ad-hoc reporting to the Board of Management, the Audit Committee or equivalent and ensures ongoing documentation. The reporting includes, but is not limited to, legal changes and their implications, significant compliance risks and measures to mitigate these risks, material compliance violations, statements regarding the maturity of the CMS as well as an overview of the adequacy and effectiveness of the procedures implemented to comply with the external requirements. It also comprises the regular exchanges with the supervisory authorities concerned.

Further information about compliance and the key features of the CMS can be found at www.munichre.com/en/compliance.

Working procedures of the Board of Management

The work of the Board of Management, in particular the allocation of responsibilities among the individual Board members, matters reserved for the full Board of Management, and the majority required to pass resolutions, is regulated by rules of procedure issued by the Supervisory Board. The full Board of Management decides on all matters that, either by law, or according to the Articles of Association or rules of procedure, require a resolution of the Board of Management. In particular, it is responsible for matters requiring the approval of the Supervisory Board, for items which have to be submitted to the Annual General Meeting, for tasks which constitute management functions or are of exceptional importance, and for significant personnel measures.

Meetings of the Board of Management take place as required, but generally at least once a month, and are presided over by the Chair of the Board of Management. The adoption of a resolution requires the majority of votes cast; in the event of a tie, the Chair has the casting vote. The members of the Board of Management cooperate closely for the benefit of the Company. On an ongoing basis, they inform each other about all important business transactions.

Composition and working procedures of the Board of Management committees

Three Board of Management committees ensure efficient work by the Board of Management: the Group Committee, the Reinsurance Committee, and the Strategy Committee.

Composition of the Board of Management committees¹

Group Committee	Dr. Joachim Wenning (Chair) Dr. Christoph Jurecka
Reinsurance Committee	Dr. Torsten Jeworrek (Chair) (until 31 December 2022) Dr. Thomas Blunck (from 1 January 2023 Chair) Stefan Golling Dr. Doris Höpke (until 30 April 2022) Dr. Achim Kassow Michael Kerner (from 1 January 2023) Clarisse Kopff (from 1 December 2022) Mari-Lizette Malherbe (from 1 January 2023) Chief Financial Officer for the reinsurance field of business ²
Strategy Committee	Dr. Joachim Wenning (Chair) Dr. Thomas Blunck (from 1 January 2023) Nicholas Gartside Dr. Torsten Jeworrek (until 31 December 2022) Dr. Christoph Jurecka Dr. Markus Rieß

¹ As at 31 December 2022.

² No voting rights.

Group Committee

The Group Committee is the central management committee of the Group. It decides in particular on fundamental issues concerning the strategic and financial management of the Group for all fields of business, and on the principles of general business policy and organisation within the Group. The Committee also makes decisions on all matters of fundamental importance relating to the divisions headed by its voting members. In addition, it serves as an executive committee with responsibility for important ongoing issues, in particular the approval of significant individual transactions.

Reinsurance Committee

The Reinsurance Committee is the central management committee of the reinsurance field of business. It decides on all matters of fundamental importance for this field of business, except investments.

Strategy Committee

The Strategy Committee is the central management committee for fundamental strategic matters in the fields of business (reinsurance, primary insurance). It makes decisions on all strategic matters of fundamental importance for the fields of business, including own investments and administered (third-party) funds.

The following applies to all Board of Management committees: Where decisions within the sphere of responsibility of a committee relate to issues reserved for the full Board of Management, the respective committee will prepare these matters for decision. Committee meetings are held regularly, and as required. Only members of the Board of Management have voting rights on the committees. The committees are further governed by their respective rules of procedure, as adopted by the full Board of Management.

Subcommittees of the Board of Management Committees

All three Board committees have set up subcommittees: specifically, the Group Committee has established the Group Risk Committee; the Reinsurance Committee has set up the Global Underwriting and Risk Committee as well as the Board Committee IT Investments; and the Strategy Committee has established the ESG Committee. These subcommittees also include senior executives from Munich Reinsurance Company and the Group who do not have voting rights.

Subcommittees of the Board of Management committees¹

Group Risk Committee	Dr. Christoph Jurecka (Chair) Dr. Joachim Wenning Chief Risk Officer (Group) ²
Global Underwriting and Risk Committee	Dr. Torsten Jeworrek (Chair) (until 31 December 2022) Dr. Thomas Blunck (from 1 January 2023 Chair) Stefan Golling Mari-Lizette Malherbe (from 11 January 2023) Chief Financial Officer for the reinsurance field of business ² Chief Risk Officer (Group) ² Head of Investment Strategies ² Head of CU (Corporate Underwriting) ²
ESG Committee	Dr. Joachim Wenning (Chair) Dr. Thomas Blunck (from 1 January 2023) Nicholas Gartside Dr. Torsten Jeworrek (until 31 December 2022) Dr. Christoph Jurecka Dr. Markus Rieß Head of Economics, Sustainability and Public Affairs ²
Board Committee IT Investments	Dr. Thomas Blunck (Chair) Stefan Golling Dr. Achim Kassow Chief Financial Officer for the reinsurance field of business ²

¹ As at 31 December 2022; members as at 11 January 2023.

² No voting rights.

The work of these subcommittees is governed by their own written rules of procedure. Both the Group Risk Committee and the Global Underwriting and Risk Committee deal with risk management issues, albeit with different emphases. The Board Committee IT Investments is responsible for IT investments. The ESG Committee is the central management committee for fundamental, ESG-related strategic matters in the Group.

Remuneration of the members of the Board of Management

The remuneration system for members of the Board of Management is determined by the Supervisory Board and the Annual General Meeting is asked to endorse the system upon any material change and at least every four years. This was most recently the case on 28 April 2021. The remuneration report contains detailed information on the remuneration paid to the members of the Board of Management.

The remuneration system for members of the Board of Management and the remuneration report (which must be submitted to the Annual General Meeting for approval once a year) along with the Auditor's opinion are available at www.munichre.com/board-of-management.

Collaboration between Board of Management and Supervisory Board

The Board of Management and the Supervisory Board work together closely and in a spirit of trust for the benefit of the Company.

The Board of Management determines the strategic direction of the Company in conjunction with the Supervisory Board. The Board of Management reports regularly and as needed to the Supervisory Board about all questions relevant to the Company. The Chair of the Supervisory Board maintains regular contact with the Board of Management between meetings – in particular with the Chair of the Board of Management – in order to discuss issues of strategy, planning, business development, the risk situation, risk management and Company compliance. The Supervisory Board has defined the Board of Management's information and reporting obligations in detail. The Supervisory Board's consent is required before the Board of Management can conduct specific types of transactions, which include the following: annual financial planning, certain investments and divestments, the implementation of share buy-back programmes, the conclusion of inter-company agreements, and the execution of corporate restructurings in which the Company holds a stake. The Supervisory Board's approval is also required for sideline activities assumed by members of the Board of Management and for material related-party transactions as defined in Section 111b(1) of the German Stock Corporation Act (AktG).

Supervisory Board

Pursuant to the Articles of Association, the Supervisory Board of Munich Reinsurance Company comprises twenty members: half are shareholder representatives and are elected by the Annual General Meeting. The other ten members are elected employee representatives from Group companies in the EU and EEA.

The Supervisory Board also meets regularly without the Board of Management.

The Supervisory Board is quorate if all its members have been invited to the meeting or called upon to vote, and if fifteen members – or ten members including the Chair – participate in the vote. Supervisory Board resolutions are adopted by a majority of votes cast, unless the law or the Articles of Association require otherwise. In the event of a Supervisory Board vote being tied, should a second vote on the same motion also result in a tie, the Chair of the Supervisory Board has a casting vote. The Chair is authorised to make declarations for the Supervisory Board based on resolutions.

Self-assessment

The Supervisory Board and its committees regularly assess how effectively the Supervisory Board as a whole and also its individual committees perform their duties. Following preparations by the Praesidium and Sustainability Committee in 2022, the Supervisory Board conducted an internal self-assessment based on a wide-ranging questionnaire. The Supervisory Board thoroughly discussed the findings of the self-assessment at its meeting on 13 October 2022. The self-assessment confirms that

the working relationships within the Supervisory Board and with the Board of Management are professional and constructive, and characterised by a high degree of trust and candour. In addition, the findings document the efficient organisation and execution of meetings, as well as appropriate reporting by the Board of Management. There was no indication of any fundamental need for change. A few optimisation measures were identified and are being put into practice.

Composition and working procedures of the Supervisory Board committees

The Supervisory Board has set up six committees from among its members – the Praesidium and Sustainability Committee (until 7 June 2022: Standing Committee), the Personnel Committee, the Remuneration Committee, the Audit Committee, the Nomination Committee and the Conference Committee.

The committees adopt decisions by the majority of votes cast. With the exception of the Conference Committee, the chair of the committee has a casting vote in case of a tie. The full Supervisory Board is regularly informed about the work of the committees by their respective chairs.

Composition of the Supervisory Board committees¹

Praesidium and Sustainability Committee	Dr. Nikolaus von Bomhard (Chair) Stephan Eberl Gerd Häusler Dr. Anne Horstmann Dr. Maximilian Zimmerer
Personnel Committee	Dr. Nikolaus von Bomhard (Chair) Stephan Eberl Renata Jungo Brüngger
Remuneration Committee	Prof. Dr. Dr. Dr. h.c. Ann-Kristin Achleitner (Chair) Stephan Eberl Renata Jungo Brüngger
Audit Committee	Dr. Maximilian Zimmerer (Chair) Prof. Dr. Dr. Dr. h.c. Ann-Kristin Achleitner Dr. Nikolaus von Bomhard Stefan Kaindl Ulrich Plottke
Nomination Committee	Dr. Nikolaus von Bomhard (Chair) Prof. Dr. Dr. Dr. h.c. Ann-Kristin Achleitner Dr. Maximilian Zimmerer
Conference Committee	Dr. Nikolaus von Bomhard (Chair) Frank Fassin Dr. Anne Horstmann Dr. Maximilian Zimmerer

¹ As at 31 December 2022.

Further details of the work of the Supervisory Board committees can be found in the report of the Supervisory Board and at www.munichre.com/supervisory-board.

The main responsibilities of the committees are as follows (as at 31 December 2022):

Praesidium and Sustainability Committee

The Praesidium and Sustainability Committee prepares meetings of the Supervisory Board, unless another committee is responsible for doing so. It decides on matters of Company business requiring the Supervisory Board's consent, unless the full Supervisory Board or another committee is responsible. In addition, the Praesidium

and Sustainability Committee is responsible for an internal procedure – as per Section 111a(2) of the Stock Corporation Act (AktG) – that assesses related-party transactions. The Committee regularly deals with sustainability issues (ESG), except in cases where other committees are responsible. The Praesidium and Sustainability Committee also prepares the Report of the Supervisory Board to the Annual General Meeting, the Declaration of Conformity with the German Corporate Governance Code pursuant to Section 161 of the Stock Corporation Act (AktG), and the Statement on Corporate Governance for the Supervisory Board. Moreover, the Praesidium and Sustainability Committee prepares the annual self-assessment of the effectiveness of the Supervisory Board as a whole and its individual committees with regard to the performance of their duties. Further details about the self-assessment in the past financial year are provided in the section “Self-assessment” and in the Report of the Supervisory Board.

Personnel Committee

The Personnel Committee prepares the appointment of members to the Board of Management. It also prepares the long-term succession planning together with the Board of Management, including setting targets for the number of women on the Board of Management. In addition, the Personnel Committee represents the Company in matters concerning the members of the Board of Management, and is responsible for personnel matters involving members of the Board of Management, unless these are issues that are the responsibility of the full Supervisory Board or the Remuneration Committee. This Committee approves loan transactions between the Company and members of the Board of Management and their related parties. The Personnel Committee also decides whether to approve sideline activities of members of the Board of Management, particularly mandates in supervisory boards or similar committees.

Remuneration Committee

The Remuneration Committee is responsible for preparing the Supervisory Board’s resolutions on determining, amending, and regularly reviewing the remuneration system for the Board of Management; this Committee also determines and reviews the total remuneration of the individual members of the Board of Management. In addition, the Remuneration Committee prepares the Supervisory Board’s resolutions regarding determination of the level of variable remuneration components, determination of the performance criteria and objectives for variable remuneration, the assessment of objectives, and the determination of the variable remuneration to be granted to the individual Board of Management members. The Personnel Committee may be involved in this assessment. Where sustainability (ESG) issues are concerned, the Praesidium and Sustainability Committee may be involved in determining and assessing the performance criteria and objectives for variable remuneration. The Remuneration Committee is also responsible for preparing the remuneration components of the employment contracts of members of the Board of Management, and for remuneration reporting with regard to

the remuneration of members of the Board of Management and the Supervisory Board.

Audit Committee

The Audit Committee prepares Supervisory Board resolutions on the adoption of the Company’s annual financial statements and approval of the consolidated financial statements. It discusses the Half-Year Financial Report and the material information underlying the quarterly statements, and receives the audit reports, other reports and statements by the external auditor. The Audit Committee also discusses the essential components of the Solvency II reporting with the Board of Management.

This Committee monitors accounting and the financial reporting process. It also monitors the adequacy and effectiveness of the risk management system, the internal control system, the CMS (including whistleblowing) and handling of material compliance cases, the actuarial function system and the internal audit system.

Furthermore, the Audit Committee is responsible for examining potential claims for breach of duty against members of the Board of Management.

The Audit Committee prepares the procedure for selecting the external auditor, in particular the Supervisory Board’s proposal to the Annual General Meeting. The Audit Committee is responsible for assessing performance and monitoring the independence of the external auditor; it also monitors and assesses the quality of the audit and any additional services provided by the external auditor. In particular, it hires the external auditor for the Company and Group financial statements as well as for any voluntary external audit of the combined non-financial statement. The Audit Committee also defines focal points of the audits and agrees the auditor’s fee for the annual audits; the same applies to the review of the Half-Year Financial Report and the review of the solvency balance sheets. Beyond this, the Committee handles the approval and monitoring of non-audit services.

After in-depth deliberations by the Board of Management, the Audit Committee – together with the Board of Management – prepares the annual discussion of the risk strategy by the Supervisory Board, and discusses any changes to or deviations from the risk strategy with the Board of Management during the year.

In this connection, the Audit Committee hears reports not only from the Board of Management but also directly from the General Counsel & Group Chief Compliance Officer, the Group Chief Auditor, the Group Chief Risk Officer and the Head of the Actuarial Function. Through the Chair of the Audit Committee, every member of the Audit Committee may obtain information from the heads of the central divisions responsible for the accounting process, the internal control system, the risk management system, the internal audit system and the audit of financial statements. Through its Chair, the Audit Committee maintains a regular dialogue with the auditor also in between meetings. The Chair of the Audit Committee regularly

discusses the progress of the audit with the auditor and reports thereon to the Audit Committee. The Audit Committee consults with the auditor on a regular basis without the Board of Management.

Nomination Committee

The Nomination Committee is made up exclusively of shareholder representatives.

This Committee provides the Supervisory Board with names of suitable candidates that the latter can nominate for election at the Annual General Meeting. As a basis for this, the shareholder representatives have developed and adopted a list of criteria for the selection of suitable candidates for the Supervisory Board. The Nomination Committee also proposes suitable candidates to the Supervisory Board for the election of shareholder representatives to Supervisory Board committees and as chairs of the respective committees.

Conference Committee

If the first round of voting concerning the appointment or dismissal of members of the Board of Management does not result in the required two-thirds majority, the matter will be addressed by the Conference Committee before a second vote is held on the Supervisory Board.

Remuneration of Supervisory Board members

The remuneration of the members of the Supervisory Board is laid down in the Articles of Association. The remuneration report contains detailed information on the remuneration paid to the members of the Supervisory Board. The resolution of the Annual General Meeting on the system of remuneration for members of the Supervisory Board dated 28 April 2021 and the remuneration report (including the Auditor's opinion) are available at www.munichre.com/supervisory-board.

Other corporate governance practices

Munich Re Code of Conduct

Our business actions are geared to our Group-wide guidelines and standards that go beyond legal and German Corporate Governance Code requirements. For us, "compliance" is not simply adhering to legal provisions, statutes and internal rules, but also extends to the fact that the decisions we take and activities we engage in are guided by our principles and values.

The main principles for compliant conduct and integrity are laid down in our Code of Conduct, which provides orientation to all employees and responsible management bodies in their daily work. The main principles include not only adherence to legal provisions and statutes but also a quest for sustainable value creation.

Further information can be found on our website under www.munichre.com/code-of-conduct.

UN Global Compact

To make clear our understanding of important values inside and outside our Group, Munich Re joined the United Nations Global Compact in 2007. The ten principles of this declaration (covering human rights, labour standards, environmental protection and combating corruption) form the benchmark for our actions within the Group, and thus provide the fundamental framework for our corporate responsibility. Our Code of Conduct takes full account of these principles.

We report annually on the implementation of these principles in our Communication on Progress.

Principles for Responsible Investment (PRI)

Munich Re was one of the founding members of PRI in 2006. We implement the principles for sustainable investment through our Group investment function GIM and our asset manager MEAG, for example, and we report regularly on adherence to these principles.

Net-Zero Asset Owner Alliance (NZAOA)

Beyond the PRI, we joined the NZAOA in 2020. We thus undertake to decarbonise our investments to net zero in order to reach the Paris climate targets.

Principles for Sustainable Insurance (PSI) and Net-Zero Insurance Alliance (NZIA)

The PSI – which Munich Re played an active role in formulating and which we signed in 2012 as one of the first signatories – serve as a guide for anchoring environmental, social and governance (ESG) aspects along the value chain in our core business. Moreover, we were one of the founding members of the NZIA in 2021.

Further information on these voluntary commitments is available on our Sustainability Portal at www.munichre.com/sustainability.

Equal participation of men and women in management positions

As at 31 December 2022, the percentage of women on the Board of Management was 11.1%; with 16.7% at the first management level and 26.5% at the second management level. The targets set as part of implementing the German Act on Equal Participation of Men and Women in Private-Sector and Public-Sector Management Positions (FüPoG) – 25% at Board of Management level, 15% at the first and 35% at the second management level, all to be achieved by 31 December 2025 – have thus already been met as far as the first management level is concerned. At the second management level, the percentage has also continued to increase. Since 1 January 2023, the percentage of women on the Board of Management has been 20%.

The management levels are defined as follows: A manager at the first management level reports to a member of the Board of Management. A manager at the second management level reports to a manager at the first